Chapter 11
Integrating Project Strategy for Sustainable Development:
A Conceptual Framework

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ABSTRACT

This chapter proposes a conceptual framework for integrating project strategy for Sustainable Development (SD) within the context of corporate sustainability strategy. Project SD strategy is the missing link between SD at the corporate level and project level. The framework draws on a literature review of concepts, definitions, and theories in strategic management, corporate sustainability, and projects. The conceptual framework presented in this book chapter has six key components. These are: (1) corporate sustainability strategy; (2) project understanding of SD and SD business case; (3) strategizing at project initiation stage; (4) project autonomy to negotiate and adapt in the project context; (5) project capability to translate corporate SD strategy to project SD strategy; and (6) project capability in stakeholder management. The premise of the framework is the compatibility of the socially constructed realities of the project and SD, as indicated in SD and project literature. The aim is to help develop new knowledge and insight into how business can integrate SD principles into core business operations such as projects from a process perspective, rather than sustainability content perspective. This chapter is based on doctoral dissertation research by the lead author.

INTRODUCTION

Projects, as important business operations, have not escaped the 21st century challenge of ensuring sustainable development. Interest and efforts in integrating sustainable development (SD) in projects is growing yet still scant. SD, the process of balancing financial profitability interests of organizations with larger societal concerns for economic development, environmental safeguards and satisfaction of societal needs in the short, medium and long-term, is yet to be the standard practice in projects (Gareis, Huemann & Weninger, 2010; Silvius, Schipper, Planko, van den Brink, & Kohler, 2012). We distinguish SD (the process) from sustainability (the outcome) which is "an ideal of development efforts" which is constantly changing based on the ethics and values of stakeholders (Bagheri & Hjorth, 2007, p. 84). Therefore, SD is a stakeholder-focused process that projects must enter.

Addressing SD in projects is not only a concern and challenge at the project level. "A project is not an island (Engwall, 2002)." Society requires that the project's parent or investor organization move towards sustainable business operations and mainstream SD in core operations and activities. This is the 21st century business challenge. Organizations initiate investments with projects to produce products, services or change. Projects operate within the corporate or organizational context. SD is a systems issue and as such understanding of the SD problem flows from larger systems to smaller systems (Bagheri & Hjorth, 2007). Projects are smaller systems within the organizational or corporate structure. Thus, projects as core business operations are contributors to as well as the subject of corporate SD. Projects are able to engage stakeholders in the project context and identify more closely stakeholder SD concerns. As such, projects are able to inform and form corporate SD strategic aims. We believe that this suggests the integration of SD

principles in projects is associated with a symbiotic, interdependent relationship with corporate SD (usually called corporate sustainability). Thus, SD in projects needs a strategic focus for success (Englund & Graham, 1999). Most businesses to date have not been successful in achieving this focus, integration (Ebner & Baumgartner, 2010) and interdependency. Project SD strategy is the missing link or strategic nexus that integrates corporate and project SD (See Figure 1).

Why does this lack of strategic SD integration and interdependence exist in projects? Two thirds of chief executive officers in a major survey on corporate SD reported they need assistance in the execution of SD strategy, i.e., integrating or embedding SD in its core operations (UN Global Compact-Accenture, 2010). Researchers have concluded that organizations generally do not only know how to integrate into core business operations; they also lack clear SD strategies to address the issues (Ebner & Baumgartner, 2010). Corporations often manage SD as a "side-lined" activity, outside of the rigor of core strategic and business processes (Epstein, 2008). The lack of clear strategy uncovers as well notions of norms, ethics, risk, costs and commitment related to SD. This influences how an organization plans, integrates and implements SD in projects.

Thus, we propose a conceptual framework for integrating project strategy for sustainable development, arising from SD strategy at the corporate level. The objective is to create SD strategy that arises from a cyclical, iterative process, linking project SD with corporate SD. We believe this process approach will aid the mainstreaming of SD principles in projects in a way that contributes to and refines corporate sustainability aims. A cyclical process of strategic alignment, emergence and realignment characterizes this relationship at the organizational and project levels. The framework, for purposes of this chapter, assumes the development of project SD strategy within one sponsor/investor organization that has an articulated com-

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