

Sustainability: An Ethical Approach Towards Project Business Success

G. S. Dangayach

Abstract—For any country the project management has been a vital part for its development. The highly competitive business world has created tremendous pressure on the project managers to achieve success. The pressure is derived from survival and profit building in business organizations which compels the project managers to pursue unethical practices. As a result unethical activities in business projects can be found easily where situations or issues arise due to dubious business practice, high corruption, or absolute violation of the law. The recent spur on Commonwealth games to be organized in New Delhi indicates towards the same. It has been seen that the project managers mainly focus on cost, time, and quality rather than social impact and long term effects of the project. Surprisingly the literature as well as the practitioner's perspective also does not identify the role of ethics in project success. This paper identifies ethics as the fourth most important dimension in the project based organizations. The paper predicts that the approach of considering ethics will result in sustainability of the project. It will increase satisfaction and loyalty of the customers as well as create harmony, trust, brotherhood, values and morality among the team members. This paper is conceptual in nature as inadequate literature exists linking the project success with an ethical approach..

Keywords—Ethics, Loyalty, Morality, Project success

I. INTRODUCTION

PROJECT Management (PM) is concerned with the organization of available resources whether of manpower, plant, machinery, technology, material, finance or other – to undertake and complete a defined project on time, within budget, and of the required quality. It identifies the tasks to be accomplished, develops a plan to achieve these tasks, and constantly monitors progress and quality according to that plan, or, when there is deviation from the plan, triggers corrective action. However, it was not until the 1950s that its application spread, first, between 1953 and 1954, to the US Air Force Joint Project Office and Weapons System Project Office, then in 1955 to the US Navy's Special Projects Office. Later it was also used in the Polaris missile programme. During the 1960s PM began to migrate from aerospace and defense to other industries, most notably to construction, where private-sector companies in the USA began to use PM to monitor and control specialized industrial, commercial and institutional construction projects. In the process further tools were devised, most notably Work Breakdown Structures, Earned Value Analysis, Resource Allocation Structures, Value Analysis and Integrated Logistics Support. New theories and tools emerged during the 1980s with a view to achieving

greater integration and owner-level focus in construction projects. In addition, the concepts of Lean Production, Total Quality Management (TQM), Partnering and Teamwork were developed. Risk Management became a distinct PM discipline; and the so-called Fourth Generation Computing enabled cost schedule planning and other computer-based techniques to become increasingly effective for PM.

Industrialism acquired legitimacy from the way products were made accessible to the common man: low prices from economies of scale from the standardization of products. Frederick W. Taylor and others added the need of regulating the work and specializing the employees, to fit the industrialist agenda: if machines are more resourceful than persons, then persons should, work like machines. Although this thinking came to pervade society as a whole, projects were, still important as unique and creative work environments on two counts: (1) investments providing the basis for mass production (such as railways, factories, steel mills, etc.) required project management skills for their implementation; and (2) the life-cycles of products, organizational structures and technologies all became shorter and shorter, thus highlighting the need for projects as instruments for achieving continuous improvement and innovation [1]. The efficiency of mass production is dependent upon isolation from the environment and protection against heretical ideas from within; disturbances and freethinking are referred to temporary work settings for further exploration. Thus, if industrialism in the guise of mass production can be said to require stability and inertia in production systems, project management can be seen as a way of evoking change and renewal in these systems [2].

II. PROJECT SUCCESS

Currently, the concept of success in projects is being widely discussed in management literature and has been central to the literature of PM [3]. Verma [4] explained that project success is measured against the overall objectives of the project and the standards by which the success or failure of a project will be judged could be called success criteria. Wilemon [5] conducted a study of successful and failed projects and concluded that the following were the major criteria for measuring the success or failure of projects, namely, whether the project:

- 1) Meets user requirements
- 2) Is completed on time
- 3) Is carried out within budget
- 4) Meets the quality requirements

Time, cost and quality management are considered to be three most important among many important PM activities or component processes those contribute to PM knowledge and

G. S. Dangayach is with Department of Mechanical Engineering, Malaviya National Institute of Technology, Jaipur-302017, India. (Phone: +91-141-2713345, fax: +91-141-2529064, e-mail: dangayach@gmail.com)

practice. This is perhaps not surprising since, over the same period, those criteria have usually been included in the description of project management. However, the time and cost elements are at best, only guesses, since they are calculated at a time when the least is known about the project. Quality is a different phenomenon, since it is a property which emerges from peoples' different attitudes and beliefs, which often evolve over the development life-cycle of a project.

III. FACTORS AFFECTING PROJECT SUCCESS

Cleland and King [6] came out with a list of 13 factors affecting project success. Among well-known drivers, like planning and scheduling, this study points other important levers which might be grouped basing on their relation to project area (project summary and project review), human area (client characteristics, training of executives, and manpower capabilities), and general management area (top management support, financial support, logistics requirements, and acquisitions). Four main areas of critical success factors related to: project, project manager and a team, organization, and external environment. Apparently, project related factors refer to project size and project life cycle, when project team addresses competences and skills of project key players; organization group combines top management support and organizational structure while environmental cluster involves political, economic, social and technological issues. Project management aspect combines planning and control, organizational structure, overall managerial actions, implementation of effective quality assurance and safety programs. Yukl [7] add under the similar category control of processes naming this group as 'process-related factors'. Also as managerial factors they mention decision-making abilities and communication. Project manager as a one of key force affecting project performance is also analysed from the success factor point of view. Particularly project manager's experience, commitment, competence and authority were discussed as factors influencing project success. However, project management tools and mechanisms attract more attention of researchers rather than personal features of project manager. Although, majority of factors related to project management refers to specific techniques or abilities some author indicate organization structure and safety and quality assurance program as success factors connected to project management within the enterprise.

IV. BUSINESS ETHICS

Business ethics commonly involve work related ethical dilemmas and work related ethical judgments [8]. Business ethics is commonly divided into two areas consisting of normative and descriptive ethics [9]. The former resides largely in the realm of moral philosophy and theology and serves to guide individuals as to how they should behave. The latter, descriptive (or empirical) ethics resides primarily in the sphere of management and business decision-making and is concerned with explaining and predicting individuals' actual ethical behavior. Ethical decisions in the business arena are important because they can have significant implications for

business as well as society. Ethical decision-making has been a topic of philosophical thought since the dawn of recorded history; certainly the classical Greek philosophers such as Socrates, Plato and Aristotle remain influential in this area of study even today as our society continues to grapple with the same elemental philosophical questions regarding morality and ethics. Making decisions has always been one of the most crucial activities of human beings; ethical decisions are among the most intricate and vexing and historically have involved both philosophy and research in their study. Moral or ethical decisions are distinct from other kinds of decisions because they stem from a specific type of dilemma in which the decision-maker's options lead to material and psychological consequences to others, and the violation of rights and conflicts between opposing claims. Guy [8] proposes that ethical decisions involve a moral dilemma that touches on two or more personal core values and involves uncertainty and possibly unknown consequences. Jones [10] suggests that an ethical decision is one that is acceptable both legally and morally to the larger community. He made significant theoretical contributions in the area of ethical decision-making by organizing a number of disparate theoretical perspectives. Moral intensity is a multi-dimensional construct that contains a number of facets. These include the magnitude of consequences of an immoral act (the sum of the harm or benefit to victims or beneficiaries in a moral act), social consensus (the degree of social acceptance that a given act is good or evil), probability of effect (the probability that a given act might actually take place and the probability of its potential for harm or good), temporal immediacy (the length of time between the present and the onset of consequences of the moral act in question, proximity (feeling of nearness that the moral agent has for victims) and concentration of effect (an inverse function of the number of people affected by an act of given magnitude).

V. ETHICAL APPROACH TOWARDS SUSTAINABILITY

The approach to changing the current scenario through influencing power relations is to raise consumer awareness and apply consumer pressure in order to make moral considerations "logically relevant to the organizational decision making". Thus making 'good ethics is good business' a viable business strategy. There is evidence that consumers are becoming increasingly concerned about social issues, and the impact of corporations on people and the environment, and that these concerns are manifesting themselves in buying and investment decisions, thus directly influencing a corporation's bottom line. From the moral perspective, is that ethical conduct is not legitimately being encouraged, but becomes a marketing or public relations strategy. The project manager should make sure that he is completing the project while keeping the ethical standards and social impact in mind. The results obtained on keeping an ethical code of conduct give millions time better results compared to those which are non-ethical. The business managers have to make sure that they do

it on time, under budget, and within scope, all the while maintaining their professional integrity in a frequently evolving international business environment. The project manager is the first who confirms everything gets done as per planning. The project managers cannot dissociate from the project and expect that the end result is positive. He is responsible in ensuring subordinates and others behave ethically. Whether dealing with personal work ethics or broader ethical considerations, a project manager must eventually step up to take responsibility. Ethics should be the foundation of for projects or any other kind of business. It forms the basis of trust that will fascinate and hold top talent, customers and suppliers. Identifying ethics as the most important criteria will result in sustainability of the project as it will have a better social impact.

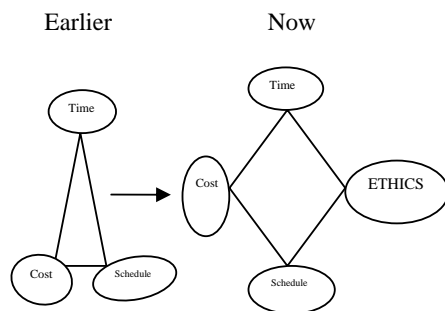


Fig. 1 Criteria of project success

VI. CONCLUDING REMARKS

Project management is about getting things done on time and within budget while meeting or exceeding stakeholder expectations. Yet project management practitioners must not only carry out their projects efficiently, but also with a high level of moral character in an increasingly global environment. Ethics in project management is critical in keeping the flow of relationship within the management integrated. Ethics is very important in gaining the support of project team which is paramount in achieving the success of specified project. The fourth quadrant of ethics being the most important dimension will result in sustainability towards the end result of the project. The project managers should practice fairness, honesty and integrity which are the root behind every successful project or business.

REFERENCES

- [1] N. Ahituv, M. Zviran, and C. Glezer, "Top management toolbox for managing corporate IT", *Communications of the ACM*, vol. 42, no. 4, pp. 93-103, 1999.
- [2] A. Ammeter, and J. Dukerich, "Assessing the impact of leadership, team building, and team member characteristics in creating high performance project teams", *Proceedings from the 2001 ASEM National Conference, USA*, 2001.
- [3] J. K. Pinto, and O. Kharbanda, *Successful Project Managers - Leading Your Team to Success*, Van Nostrand Reinhold, New York, 1995.
- [4] P. A. Verma, *Organizing projects for success*, Project Management Institute. Newtown Square, PA, 1995.
- [5] D. Wilemon, "Cross-Functional Cooperation", in *JK Pinto (ed.), The Project Management Institute: Project Management Handbook*, Jossey-Bass Publishers, San Francisco, pp. 279-99, 1998.
- [6] D. I. Cleland, and W. I. King, *Project Success*, Van Nostrand Reinhold, New York, pp.8-15, 1983.
- [7] G. Yukl, *Leadership in Organizations*, Pearson Education, New Jersey, 2006.
- [8] M. E. Guy, *Ethical decision making in everyday work situations*, Westport, CT: Greenwood Press, 1990.
- [9] C. A. O'Reilly, and J. Chatman, "Culture and social control: Corporations, cults and commitment", in *L.L. Cummings & B.M. Staw (Eds.), Research in organizational behavior*, vol. 18: 157-200. Greenwich, CT: JAI Press, 1996.
- [10] T. M. Jones, "Ethical decision making by individuals in organizations: An issue contingent model", *Academy of Management Review*, vol. 16, no. 2, pp. 368-395, 1991.

Dr. G. S. Dangayach is Associate Professor in Department of Mechanical Engineering in Malaviya National Institute of Technology (MNIT), Jaipur. He graduated in Mechanical Engineering from M B M Engineering College, Jodhpur, and did M.Tech (Production Engineering) from IIT Delhi. He has also earned Ph.D. (Production & Industrial Engg.) from IIT Delhi. He has experience of 22 years in academics and 3 years in industry. He has published 100 research papers in various National and International Journals. He is Guest Editor of three International Journals viz. Production Planning & Control (PPC), International Journal of Manufacturing Technology Management (IJMTM) and International Journal of Business Performance Management (IJBPM). He is Reviewer of Eighteen International Journals. He is on Editorial Board of four International Journals. He is actively involved in undertaking sponsored projects and consultancies.