

**SUSTAINABLE PROJECT LIFE CYCLE
MANAGEMENT: DEVELOPMENT OF SOCIAL
CRITERIA FOR DECISION-MAKING**

by

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Submitted in partial fulfilment of the requirements for
the degree of

PHILOSOPHIAE DOCTOR

in the

DEPARTMENT OF ENGINEERING & TECHNOLOGY MANAGEMENT

FACULTY OF ENGINEERING, BUILT ENVIRONMENT AND INFORMATION TECHNOLOGY

UNIVERSITY OF PRETORIA

PRETORIA

MAY 2005

Research Summary

Sustainable project life cycle management: Development of social criteria for decision-making

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Various driving forces originating from society, government, employees and business partners are forcing companies to both incorporate sustainable development in their business practices as well as to align all internal operations and practices with the principles thereof. Project management as a core business competency is not excluded from these requirements. An initial analysis of sustainable project life cycle management methodologies' current status highlighted that social and environmental aspects of sustainable development are not addressed effectively. An acceptable model aimed at addressing the various sustainable development aspects from a project management perspective is thus needed. This study's main research objective was consequently to develop the different elements of such a model for social business sustainability. The research focused on the three main research questions discussed below.

Which lifecycles should be considered when evaluating the project's possible impacts?

Projects implement or deliver certain products, which in turn, can produce other commodities sold by the company. In the process industry, a project's product is normally an asset that produces products. The three lifecycles, i.e. project, asset and product, were studied to determine which lifecycles to consider when evaluating projects' possible impacts. It was concluded that it is specifically the project's deliverables and its associated products that have economic, social and environmental consequences. These life cycles must therefore be considered as part of the project life cycle when evaluating social impacts.

What social business sustainability impacts or aspects should be considered in the project life cycle?

A sustainable development framework that can be applied to projects directly to ensure their alignment with sustainable development does not exist at present. A social sustainability assessment framework as part of a sustainability assessment framework for operational initiatives was consequently developed and introduced. The social framework was verified and validated by means of case studies, a survey and a Delphi Technique case study to test the framework's completeness and relevance.

How should project management methodologies be adopted to ensure incorporation of social business sustainability?

The research indicated that the various social aspects are addressed in different ways in the individual asset life cycle phase. The social criteria in the framework should therefore also be addressed in different ways in the project management methodologies, namely by means of:

- Social Impact Assessments (SIAs) and Social Risk Assessment (SRAs): checklists, questionnaires and evaluation methods;
- project evaluation methods, i.e. Project Definition Rating Index, gate reviews and gate decision-making; and
- Corporate Governance frameworks that have not been developed to date.

A Social Impact Indicator (SII) calculation procedure, based on a previously introduced Life Cycle Impact Assessment (LCIA) calculation procedure for environmental Resource Impact Indicators (RIIs), was developed as a method to evaluate social impacts in the project life cycle phases. The evaluation method relies on the availability of regional or national social information as well as project or technology-specific social information available during the project life cycle's various phases. Case studies in the process industry and statistical information for South Africa have been used to establish information availability for the SII calculation procedure.

It was concluded that a quantitative social impact assessment method can currently not be applied for project management purposes, given the lack of social project and social footprint information. Instead, social impact and social risk assessment checklist and questionnaires have been developed. Similar to the environmental dimension, it is envisaged that the use of such checklists and guidelines would in time improve the availability of quantitative data and would therefore make the SII procedure more practical in the future.

Future Research:

The following three possibilities for future research have been identified:

- research into corporate governance frameworks for project management;

- further testing of the indicator evaluation methods and finalisation of mid-point categories. This research can only be undertaken once social information and data are more readily available internally and externally; and
- development of a visual appearance for the framework, which indicates relationships between the three dimensions, spatial scales of impacts and relative importance of criteria to business.

Keywords:

Social sustainability, project life cycle management, project management methodologies, sustainable development framework, social assessment, life cycle impact assessment, Resource Impact Indicator (RII); Social Impact Indicator (SII); corporate responsibility, business sustainability.

DECLARATION

I declare that the thesis, which I hereby submit for the degree Philosophiae Doctor (Engineering Management) at the University of Pretoria, is my own work and has not been previously submitted by me for a degree at another University.

Carin Labuschagne

ACKNOWLEDGEMENTS

The author hereby acknowledges the extensive contributions of the following individuals, organisations and institutions and wishes to express sincere gratitude for their assistance:

- Dr. Alan Brent and Jurie Steyn, who acted as study leaders and mentors for the study.
- Prof. Andre Buys and Prof. Herman Steyn for guidance and inputs as members of the research committee.
- Dr. Chris van den Berg, Gerrie de Jong, Fred Goede and Dr. Gerrit Kornelius for their contributions and inputs as members of the steering committee which monitored the progress of the research.
- The following people for assisting with the individual case studies and/or for participating in the Delphi technique and/or focus groups: Dr. Chris van den Berg, Jurie Steyn, Fritz Weilbach, Rudie van Zyl, Renee Roolvink, Louis van Wyk, Annerine Wenhold, Christine Basson, Dr Rüdiger Pohl, Gerrie de Jong, Beno van Waveren, Hazel du Toit, Charles Steyn, Eulalia Temba, Paul Warner, Nancy Tower, Carl Scholtz, Antoinette Coetzer, Adithi Rooplall, Retha Killian, Christi Brand, Christo Fourie, Mike Tisdall, Steven Warren, Armand Fourie, Johan van Zyl, Bertie Botha, Dr. Jaap Smit, Tanya Basel, Kate Farina, Susan Sellschop, Sidney Sanders, Coert Welman, Hylton Robinson, Sean Scholtz, Andrew Duthie, Marja Prinsloo, Marinda Thornhill, Nthabiseng Ralethohlane and Noreen Pretorius.
- Statistics South Africa and specifically Nigel Bragg, Piet Alberts, Bernard Rambuda, Kevin Parry, Sagaren Pillay and Veli Mahlangu for providing statistical information.
- eThekweni Municipality Metropolitan Council and particularly Dr. Roberts and Louisa Marnewick for providing access to social footprint information.
- Emalahleni Local Council and specifically Hardus van der Merwe for providing social footprint information.
- Academic Information Services of the University of Pretoria and particularly Hettie Groenewald, Hanneljie Boshoff and Rachel Mahlangu for assisting with the requirement of research articles and material.
- Louise Dreyer and Ron van Erck for meaningful discussions and debates on social sustainability.
- Werner Schoeman, Chanel de Jager and Johnnie Johnson for assistance with the webpage development.
- Johanna Matlakala for assistance with data capturing of completed surveys.
- Ilse Posselt for the language editing.

The author also wishes to express sincere appreciation to family members and friends for their continuous support.

Table of Content

1.	Introduction	1
1.1	Changing Expectations	1
1.1.1	Driving Forces for Incorporating Business Sustainability	3
1.2	The reaction of business to the sustainability challenge	13
1.3	Current Status of Sustainable Project Life Cycle Management (SPLCM)	15
1.3.1	Project Management	15
1.3.2	Sustainable Project Life Cycle Management	17
1.4	Research Problem and Approach	19
1.4.1	Research Problem	19
1.4.2	Research Questions and Objectives	20
1.4.3	Research Approach	21
1.5	Structure of the Thesis	23
1.6	Conclusion	23
2.	Life Cycles Involved in Projects	24
2.1	Introduction	24
2.2	Project Life Cycle	24
2.3	Asset Life Cycle	27
2.4	Product Life Cycle	30
2.5	Conclusion: Life Cycle Interaction	32
3.	Social Sustainability Framework	33
3.1	Introduction	33
3.2	Prerequisites for the Framework	34
3.2.1	Institutional Sustainability and Business Strategy	34
3.2.2	Corporate Social Investments and the Sustainability of Business Initiatives	36
3.3	Economic and Environmental Dimensions	37
3.3.1	Economic Business Sustainability	37
3.3.2	Environmental Business Sustainability	38
3.4	Social Business Sustainability	39
3.4.1	Criteria for Social Business Sustainability	40
3.4.2	Internal Human Resources	43
3.4.3	External Population	49
3.4.4	Macro Social Performance	56
3.4.5	Stakeholder Participation	58
3.5	Conclusion	63
4.	Verification of the Social Sustainability Assessment Framework	64
4.1	Framework Verification Part 1: Construction Phase	65
4.1.1	Oil Service Stations	66
4.1.2	Open Cast Mine next to the Vaal River	69

4.1.3	Natural Gas Project	74
4.1.4	Hazardous Waste Treatment Facility Project	84
4.1.5	Conclusion	87
4.2	Framework Verification Part 2: Operation Phase	89
4.2.1	Record of Complaints	90
4.2.2	Analysis of Sustainable Development Reports	102
4.2.3	Conclusion	105
4.3	Framework Verification Part 3: Decommissioning Phase	106
4.3.1	Cyanide Production Facility in Mpumalanga	106
4.3.2	Acrylic Fibre Plant	110
4.3.3	Open Cast Mine	114
4.3.4	Conclusion	118
4.4	Conclusion	119
5.	Validation of the Social Sustainability Assessment Framework	120
5.1	Relevance to Business	121
5.1.1	Survey Structure and Participant Profile	121
5.1.2	Survey Results	122
5.2	Relevance to the Asset Life Cycle	125
5.3	Relevance to Project Management	129
5.4	Conclusion	131
6.	Social Criteria in Project Management	133
6.1	Introduction	133
6.2	Social Impact and Social Risk Assessment	138
6.2.1	Evaluation Method for Predicted Social Impact	138
6.2.2	Checklists and Questionnaires	169
6.2.3	Conclusion	173
6.3	Project Evaluation Methods	173
6.3.1	Gate Readiness Reviews	174
6.3.2	Decision-Making Techniques for Business Sustainability	179
6.4	Conclusions	187
7.	Conclusions	188
7.1	How: Methods to Adopt Project Management Methodologies	188
7.2	What: Proposed Social Sustainability Framework	193
7.2.1	Sustainability Framework as a Target	194
7.2.2	Sustainability Wall	194
7.2.3	Russian Doll	195
7.2.4	Hierarchical Model	196
7.3	Which: Life Cycles to Consider	197
7.4	Why: Importance of Social Sustainability to Business	197

8.	References	199
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Table of Figures

Figure 1-1: Drivers for the Incorporation of Business Sustainability [adapted from 34]	4
Figure 1-2: Initiatives to Introduce Business Sustainability Concepts in the Organisation	14
Figure 1-3: Incorporation of Sustainability within Different Levels in an Organisation	14
Figure 1-4: Staged Project Life Cycle Management Framework (adapted from [97, 98, 101])	16
Figure 1-5: Extent of Current Environmental and Social Considerations in a Project's Life Cycle	17
Figure 1-6: Conceptual Model	21
Figure 1-7: Research Approach	22
Figure 1-8: Structure of the Thesis	23
Figure 2-1: Generic Project Life Cycle	27
Figure 2-2: System Life Cycle Applied to Assets [130]	28
Figure 2-3: Plant or Process Life Cycle [103]	28
Figure 2-4: Generic Asset Life Cycle	29
Figure 2-5: Interaction Between the Project and Asset Life Cycles	30
Figure 2-6: Product Life Cycle [133]	30
Figure 2-7: Interaction Between the Asset (Process) and Product Life Cycle	31
Figure 2-8: Interaction Between the Project, Asset and Product Life Cycles	32
Figure 3-1: Level 1 to 3 of the Project Sustainability Assessment Framework	37
Figure 3-2: Level 1 to 4 of the Proposed Sustainability Assessment Framework	42
Figure 3-3: Matrix of Enlightenment for Engagement in Civil Society [2]	50
Figure 3-4: Stakeholder Classification System [2]	59
Figure 3-5: Corporate Stakeholders [156]	59
Figure 3-6: Proposed Social Sustainability Assessment Framework	63
Figure 4-1: Case Study Approach for Social Sustainability Framework Verification	64
Figure 4-2: Social Issues Relevant to the Construction of Individual Service Stations	67
Figure 4-3: Social Criteria Relevant to the Construction of the North West Mine	71
Figure 4-4: Route of Pipeline [235]	74
Figure 4-5: Document Structure of the Natural Gas Project [235]	76
Figure 4-6: Social Issues Relevant to Project	77
Figure 4-7: Social Criteria Relevant to the Hazardous Waste Treatment Facility Project	85
Figure 4-8: Social Aspects Relevant to Construction	88
Figure 4-9: Inter-company External Complaint Response Procedure	91
Figure 4-10: Analysis of Sources of Social Complaints	92
Figure 4-11: Analysis of Complaints about Sensory Stimuli	93
Figure 4-12: Analysis of External Complaint Investigations	93
Figure 4-13: Frequency of Respondents' Complaints	95
Figure 4-14: Response time of telephone complaints.	95
Figure 4-15: Major Complaints According to Respondents	96
Figure 4-16: Analysis of Sources of Social Complaints	98

Table of Figures

Figure 4-17: Complaint Process	99
Figure 4-18: Analysis of Complaints about Sensory Stimuli	101
Figure 4-19: Social Aspects relevant in Operational Phase	105
Figure 4-20: Social Issues Relevant to the Decommissioning of the Cyanide Plant	108
Figure 4-21: Social Aspects Relevant to the Decommissioning of the Acrylic Fibre Plant	112
Figure 4-22: Social Issues Relevant to the Decommissioning of the Open Cast Mine	115
Figure 4-23: Social Aspects Relevant to Decommissioning	118
Figure 5-1: Validation Structure of the Proposed Social Sustainability Framework	120
Figure 5-2: Related Expertise of the Participants of the Business Validation Survey	122
Figure 5-3: Results of the Survey regarding the Relevance of the Criteria	122
Figure 6-1: Chapter Layout	133
Figure 6-2: Midpoints and Endpoints in a Single Scoring Mechanism [Bare, et all in 271]	139
Figure 6-3: Midpoint Categories Mapped Against Areas of Protection	143
Figure 6-4: Summary of Proposed Activities and Deliverables Prompted by Questionnaires and Checklists for Phase 1 to 3	171
Figure 6-5: Summary of Proposed Activities and Deliverables Prompted by Questionnaires and Checklists for Phase 4 to 6	172
Figure 6-6: The Use of Proposed Methods over the Life Cycle	173
Figure 6-7: Proposed Gate Questions to Address Social Business Sustainability	175
Figure 6-8: Decision Criteria Hierarchy	181
Figure 6-9: The BSC [312, 313].	184
Figure 6-10: Balanced Scorecard for Projects [319]	186
Figure 7-1: Sustainability Target Framework	194
Figure 7-2: Sustainability Wall	195
Figure 7-3: Proposed “Russian Doll” Framework	196
Figure 7-4: Changes to Proposed Social Sustainability Assessment Framework	196

Table of Tables

Table 1-1: Summary of Examples of Driving Forces to Align Business Practices with Sustainable Development Principles	6
Table 1-2: Definitions for Business or Corporate Sustainability	13
Table 1-3: Results of Survey in the South African Process Industry	18
Table 1-4: Types of Group Interviews [114]	22
Table 2-1: Phases in the Project Life Cycle	25
Table 2-2: Life Cycle Phases in a Project [97]	26
Table 2-3: Comparison Between the Characteristics of a Project and an Operational Activity [128]	27
Table 2-4: Interaction Between Project and Asset Life Cycles [103]	29
Table 3-1: Institutional Themes, Sub-Themes and Indicators of the UN's CSD [39]	34
Table 3-2: Analysis of Agenda 21 Chapters Relevant to Institutional Sustainability [142]	35
Table 3-3: Analysis of Social Criteria Addressed by Various Literature Sources	41
Table 3-4: Benefits and Risks due to the Nature of Health and Safety Management [2]	48
Table 3-5: Comparison of Classification Theories of Stakeholder Oriented Behaviour [218]	60
Table 3-6: Primary Interests of Stakeholders [219]	61
Table 4-1: Documentation Studied	76
Table 4-2: Estimated Employment Creation During Construction of the Gas Fields [237]	78
Table 4-3: Possible Impacts on Health and Social Pathologies of the Gas Fields Project [239]	80
Table 4-4: Age of Chemical Facilities	89
Table 4-5: Analysis of Seven Sustainable Development Reports	103
Table 4-6: Matching Indicators and Criteria	104
Table 4-7: Other Criteria than can be Relevant in Decommissioning projects	118
Table 5-1: Three levels of relevance and techniques used for validation on each level	120
Table 5-2: 95% Confidence Intervals for the Corresponding True Proportions	123
Table 5-3: Survey Results on the Correct Level of the Individual Criteria	124
Table 5-4: Relevance of Social Criteria in the Asset Life Cycle	125
Table 5-5: Ways to Address Social Aspects in the Individual Life Cycle Phases	128
Table 5-6: Results of the Delphi Technique	130
Table 5-7: Summary of Validation Results	131
Table 6-1: Approaches to Incorporate Social Criteria in Project Management Methodologies	134
Table 6-2: Approaches that should be Followed to Incorporate Specific Criteria in Project Management Framework	136
Table 6-3: Possible Social Interventions	140
Table 6-4: Midpoint Categories and Units of Equivalence	142
Table 6-5: Midpoint Categories and Evaluation Methods	144
Table 6-6: Information Required for Social Footprint	145
Table 6-7: Project and Additional Information Required	147
Table 6-8: Summary of Results from Delphi Technique on Project Information Available	152

Table of Tables

Table 6-9: Summary of Social Footprint Information Available for Midpoint Categories	155
Table 6-10: Summary of Project Information Available for the Construction Project	158
Table 6-11: Summary of Social Footprint Information Available for the Construction Project	159
Table 6-12: Social Impact Indicators for a Construction Project	160
Table 6-13: Summary of Information Available for Operation Phase	161
Table 6-14: Social Impact Indicators for the Operational Phase	163
Table 6-15: Summary of Information Available for the Decommissioning Phase	164
Table 6-16: Social Impact Indicators for a Decommissioning Project	166
Table 6-17: PDRI Sections, Categories and Elements [299]	177
Table 6-18: AHP Nine-Point Evaluation Scale [307]	180
Table 6-19: Calculation of Resource Impact Indicators	182
Table 6-20: Example of Analytic Hierarchy Process	183
Table 6-21: Approaches to Adopt BSC to Include Social and Environmental Dimensions of Sustainable Development	185
Table 7-1: Timeline of Key Events Impacting on Social and Environmental Dimension of Sustainable Development [adapted from 321 and 322]	189

Abbreviations

APOLCOM: Air Pollution Liaison Committee of the Mpumalanga Province

BSR: Business for Social Responsibility

CAPCO: Chief Air Pollution Control Officer

CHDI: Corporate Human Development Index

CRT: Caux Round Table

CSD: Commission on Sustainable Development

CSI: Corporate Social Investment

CSR: Corporate Social Responsibility

DJSGI: Dow Jones Sustainability Group Index

EFQM: European Foundation for Quality Management

EIA: Environmental Impact Assessment

ETI: Ethical Trading Initiative

GRI: Global Reporting Initiative

HDI: Human Development Index

IDC: Industrial Development Corporation of South Africa

IFC: International Finance Corporation

IISD: International Institute for Sustainable Development

ILO: International Labour Organisation

LCA: Life Cycle Assessment

LCIA: Life Cycle Impact Assessment

NAPCOF: North-West Air Pollution Control Forum

NGO's: Non-Governmental Organisations

OECD: Organisation for Economic Co-Operation and Development

RII: Resource Impact Indicator

SAEM: South African Excellence Model

SAI: Social Accountability International

SA 8000: Social Accountability 8000 Standard

SIA: Social Impact Assessment

SII: Social Impact Indicator

SPLCM: Sustainable project life cycle management

SRI: Socially Responsible Investment

UN: United Nations

UNEP: United Nations Environmental Programme

WBCSD: World Business Council for Sustainable Development

WCED: World Commission on Environment and Development