
Towards a theory of project failure

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Abstract: Projects fail. This fact, which is commonsensical and objectively true, has been viewed within the sphere of project studies as either a pathological state to be avoided or a logical problem of goal definition. We will, in this paper, propose a different take on this, one that utilises social theory and political philosophy in order to position project failure in a more general context, and to analyse it as potentially beneficial.

By introducing some theoretical perspectives – such as Georges Bataille's 'general economy', Thorstein Veblen on conspicuous action and the political theories of Carl Schmitt – we thus wish to develop the ways in which project failures can be conceptualised, in ways that do not simply condemn such. Rather, we show how failure can be analysed and discussed as productive, without slipping into the vulgar relativism of 'it all depends on perspective'.

Keywords: failure; conceptual analysis; general economy; project theory.

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“Anyone who lives within their means suffers from a lack of imagination.”

Oscar Wilde

“Trying is the first step towards failure.”

Homer Simpson

1 Introduction

Projects fail. This fact, which is both commonsensical and objectively true, has been viewed within the sphere of project studies as either a pathological state to be avoided or a logical problem of goal definition. We will, in this paper, propose a different take on failed projects, partly inspired by critical project studies (see Hodgson and Cicmil, 2006), and utilise social theory and political philosophy in order to position project failure in a more general context, and thus analyse project failure as something beneficial. In short, we will speak in praise of failure.

This may probably seem surprising, and even illogical. Why on earth would anyone speak *for* failure? Particularly, why would a management scientist? The answer lies in the latter question. As it is an incontestable fact that project failures occur, it would be unscientific – and illogical – not to study them. And as they have been studied as a problem (see, *e.g.*, Cooper and Chapman, 1987; Pinto and Kharbanda, 1996; Anell and Wilson, 2003; Royer, 2003), it is only reasonable that someone addresses the possibility that they also have positive effects, at least on some level. There has, of course, been some research on failures as arenas of organisational learning (Weick, 1993; Petroski, 1992) and failure as context-dependent (Hutchkins, 1991; Engwall, 2002), but we wish to argue that these studies have all worked within a framework of optimisation, *i.e.*, they have started from the assumption that management research should strive toward utopian outcomes (see Parker, 2002) and eradicate failures. We make no such assumptions. Rather, we view project failure as a logically necessary aspect of a projectified society (cf. Ekstedt *et al.*, 1999), and one that must be understood and theorised if we wish to develop our understanding of temporary organising and the effects this will have on society and business at large. By (in a manner of speaking) engaging with project failure on its own terms, we can perhaps discuss project failure in a more analytical manner, freed from some of the desire for control and purified theory that has plagued project studies (cf. Lundin and Söderholm, 1999; Hodgson and Cicmil, 2006).

However, our position should not be understood as nihilism or vulgar cultural relativism. We do not wish to propose that projects should fail, nor that we should not strive for successful projects. Instead, we argue for a project *theory* that can discuss failure in a complex way, without resorting to histrionics (cf. Lindblom, 1959; Kahn, 1966). By taking a less affected stand, we could also escape some of the normative bias that plagues project studies, and move towards a social science of the temporary organisation.

2 Projects as waste

In our reading, the very notion of project failure may be misleading. By drawing on Bataille's (1987; 1989) notion of a 'general economy' – originally developed in 1933 in the essay *The Notion of Expenditure* and developed in *The Accursed Share*, first published in 1949 – we propose that project failure can be seen as foundational for the economy, *i.e.*, that projects can contribute to the economy specifically by failing. Adopting such a macro-level perspective on projects would enable us to better understand the place that projects, temporary enterprises, have in the economic nexus, and thus better understand the manifold ways in which projects can be of value for society. The French theorist Bataille is an idiosyncratic thinker, and a very challenging one. His works span poetics to political economy, and have had an impact in fields such as philosophy, literary theory and organisation studies (see, *e.g.*, Styhre, 2002). However, his work has seldom been referenced in project studies. As his style is highly original and aesthetically expressive, this is perhaps understandable, but his ideas can still present an interesting challenge to the notion of project failure, and here we shall focus specifically on his thinking regarding economy and the place of expenditure therein.

The general economy is a theory of economy as an open system, one driven by the expenditure of energy. Thus, the notion of *waste* is central to the theory of the general economy. Seen from an analytical perspective, saving and efficiency, says Bataille, are not the central aspects of an economic system. Instead, they are special and restricted moves, whereas expenditure and excess are natural and much more common phenomena in the larger context of exchange (Bataille, 1985). In fact, the economy might not, in any serious analytical sense, be a question about the efficient use of limited resources, but instead, a question about the different ways in which things are wasted. We may prefer to analyse the restricted aspects of the economy, but this does not take away from the fact that a power plant exists so that we can waste energy, that a factory exists so that we can have an excessive amount of things, and that we work hard during the week so that we can throw a big party and get drunk on Friday. Waste *exists*, and a serious analytics of the economy takes this into account. Thus, the theory of a general economy is not a question of praising irrationality, but a question of empiricism, of not framing the empirical world of economy according to moral preference.

What does it mean when we talk of projects as wasteful? There are two sides to this. On one hand, we wish to point to a specific aspect of economy as an open system, and by this to the fact that failed projects can be beneficial for the general economy. A failed project can be seen merely as expenditure, and such expenditure is not only merely useful for the economy at large – they are critical. A large project that runs over the budget and is beset by numerous problems can be marvellously beneficial for the surrounding environment, which clearly shows that the designation of failure depends on the level of analysis. This, obviously, is well known, but the theorisation of projects as expenditure is still lacking, opening up for an introduction of Bataille's thinking. On the other hand, we wish to address how wastefulness in and of itself need not be a problem in project execution. As shown by studies of industrial projects (see, *e.g.*, Hughes, 1998; Lindahl, 2002; Rehn, 2004) and known to each project manager, some degree of redundancy and slack is critical for successful projects.

Thus, the common understanding of project failure may perhaps best be understood within the framework of the limited economy, whilst the perspective of a general economy would, if not celebrate failures and waste, then at least understand the necessity thereof. Bataille's concepts could thus help us to create a theorisation that might not be as directly practical for the individual practitioner as more limited approaches, but still be more accurate, if we actually want to understand *all* the ways in which projects work and affect their environment. In other words, what Bataille could be used for is to develop a *general* theory of projects, and thus position boondoggles and project failures in an analytic rather than a moralising way. The problem, obviously, is that this may run into the problem that by being more general, it might at the same time become all-encompassing. A more developed theory would thus prompt us to continue on from this, to discuss the different ways in which project failure can be productive.

3 Projects and conspicuous action

We thus now want to turn to the work of Veblen, in order to analyse the concept of the boondoggle through his theorisation of consumption (see Veblen, 1899/1934). Using the concepts of 'conspicuous action' and 'vicarious expenditure', we will try to show how project failure must be understood in relation to the way in which it occupies a symbolic space of challenge and salience. The ways in which projects can fail must, in this perspective, be read in relation to the context within which they fail, so that a failure may, in fact, be a spectacle, a martyrdom or an indulgence. Put somewhat differently, a failure might not be a failure unless it is noted as one, *i.e.*, unless it is conspicuous *as* a failure.

Veblen became famous by publishing the magisterial *The Theory of the Leisure Class* in 1899, a book that may well be called the seminal work of consumer studies. In this, he argued that the important characteristic of the wealthy classes was that they used consumption to signal their fortunes and their leisure, *i.e.*, the fact that they consumed *conspicuously*. He further noted that they also used their family and other dependents (such as servants and other hired help) to do so, such as when a rich man adorned his wife with expensive jewels, or built a lavish office for his underlings. This kind of consumption Veblen classified as *vicarious*, *i.e.*, done through others but in part for oneself. What was significant in this observation is the way in which he (in 1899!) managed to show how action, such as consumption, always carries a symbolic meaning. In a post-industrial age, this might not strike anyone as a particularly novel insight, but it is important to note that (a) Veblen discussed this in the 19th century and (b) the project theory still has not caught up.

Returning to the issue of project failures, we can now ask whether they can be interrogated as symbolic actions. We would like to suggest that it is – specifically starting from the point that excess and expenditure in and of themselves are not enough to claim a fiasco – important to note the nature of conspicuous attribution in the design of project failure; otherwise that favourite of project researchers, the Sydney Opera House, would have been a major one. Thus, the important issue is not *whether* a project has failed or not, but *what kind* of failure it was. Take, for instance, the development of new drugs or the project of publishing a new novel. It is an established fact that many such projects

fail, as everyone engaged in these businesses is well aware of, so the interesting thing is how we should understand these less-than-successful projects. Clearly, they are not fiascos, as everyone knows some of the projects will, by necessity, fail. Still, some of these will be designated as failures so as to make clear that not succeeding is still, despite the logical necessity thereof, unacceptable – borrowing language from Bataille, we could say they are sacrificed. Interestingly, and somewhat paradoxically, this would make these conspicuous failures important and functional parts of a project organisation. Without such vicarious failures, successful project execution would seem a fluke, almost an aberration.

Failures can thus, at the very least (we can imagine many more variations), be both conspicuous and ‘naturally occurring’ – the difference being that the former is in fact a beneficial thing to the system within which it occurs. Projects can, in such a way, fail for other projects, and in a sense become martyrs. The assignment of symbolic values to sets of actions, for instance assigning a project as a failure, can be both a statement about the world and a political action, and the important thing is to realise the difference between these two modes. Obviously, this does not mean that failures do not exist, only that the fact of stating that something is a failure is not necessarily the same as saying that it represents something one wishes to rid oneself of. A failed project can even be seen as a vicarious expenditure for a successful one, an indulgence.

What this means is that whilst the notion of a general economy is useful, as it shows the necessity and positive network externalities of failure, the notion of conspicuous action shows that failures can actually be *used*. We will now turn to the political implications of this.

4 On the exception – towards a political theology of projects

To continue, we want to adopt some notions introduced by the controversial political philosopher Carl Schmitt, specifically in relation to the definition of success/failure and the notion of *Ausnahmezustand* or state of exception (Schmitt, 1922). It is particularly the state of exception that is of interest, since it can be viewed as an opportunity to redescribe both the means and the ends of the project organisation and thereby define new possible lines of action and acceptable results.

Exploring project execution through a lens of construction and declaration of states of exceptions can, as we see it, prove to be a fruitful endeavour to expose some underlying mechanisms of the oxymoronic notion of project organisation, that is, the achievement of action efficiency simultaneously through bureaucracy and adhococracy. Failure, as a mental label, is an important concept here. Instead of viewing failure as a possible terminal outcome, we, as scholars, would benefit by seeing it rather as a continuous process. One could even dare to claim that project management is about failing, as project management as a practice generally deals with patching up a continuous array of failures, pushing the project *back* on track, rather than seeing to it that it *keeps* on track.

Projects, which are generally seen as the most action-oriented way of organising, are, despite what one might believe, usually carried out under a considerable bureaucratic superstructure built on the foundations of stability, predictability and success. As we know, deviations and reinterpretations – exceptions to a paradigmatic steady-state ideal – are abundant in ordinary project work. Many deviations can be and are, of course, dealt

with within the framework of established canons. There is, however, a point when disturbances occurring within the project process are of such magnitude that they no longer can be dealt with through established protocols and routines. We may call this point the organisation's *yield point*, borrowing a term from mechanical engineering.¹ Now, projects that encounter problems of such magnitude that they cannot be dealt with according to protocol are generally on the verge of an organisational collapse (cf. Weick, 1993). The bureaucratic project organisation, a well-trimmed action machine under stable and foreseeable conditions, cannot deal with the situation without undermining its own base of existence: protocol. Action required to turn the project back on track will require a step out of the institutionalised web of intra- and interorganisational rules, or, the rules themselves have to be reformulated and renegotiated.

It is with this apocalyptic backdrop in mind that Carl Schmitt, and especially his elaborations on the 'state of exception' (Schmitt, 1922/1988), becomes interesting – for a theory of action in general and particularly for project theory. Schmitt's ideas about sovereignty, politics and legal order concerned the state (especially the Weimar Republic), but the general implications have no less bearing on organisational life. On the contrary, since the question of democracy is difficult to problematise in the societal, Schmitt's views are maybe more suited to the world of corporate wage labour than to society in general. In contrast to his contemporary colleagues, Schmitt was dedicated to reinstalling the personal element of rule as a necessary means to preserve the constitutional state (cf. Schwab, 1970). We may interpret Schmitt's basic question, stripped to the bone, as how to understand dictatorship in conjunction with a modern constitution, the underlying concern being how to protect and preserve the state in a time of hostility, distress and failure. In this regard, the state of exception is of central importance to jurisprudence since it is a situation that, to a certain extent, defines the limits of law – or in our case, the limits of corporate protocol (see Agamben, 2005).

The state of exception can be considered as perhaps the only legitimate way to temporally abolish constitutional law and its normal magistrate. During the reign of exception, a ruler acts as sovereign and may enforce action as he sees fit, acting in compliance with law but outside it. The state of exception, through its peculiar status of being both inside and outside the constitutional order, frees a tremendous propensity for action. In this particular circumstance, power, specifically the power to decide and to act accordingly, is centralised into what Schmitt refers to as a constitutional dictatorship, where the one who can declare a state of exception reigns supreme. Similarly, labelling projects as 'failing' or situations as 'crisis' provides management with an opportunity to declare a state of exception, leaving the existing bureaucratic but dysfunctional infrastructure intact, and thereby momentarily increasing its freedom to act. Thus 'states of exception' can be seen as vital mechanisms in all human interaction, but it is clear that it is of central importance particularly in a bureaucratic/constitutional context. It not only stimulates action, but enables the organisation to save itself from calling its fundamental *raison d'être* into question. In these particular circumstances, the organisation can legitimately perform actions and reinterpret means as well as ends, which it has prohibited through its design of 'standard operating procedures'. The organisation – through the generation of 'a state of exception' – improves its general possibilities to act through its increased degree of freedom of action. A perspective that draws on Schmitt in order to understand 'boondogglian' project management could, as we see it, contribute to an enriched conceptualisation of that oh-so-familiar label – action orientation – and further the political dimensions of action in project environments.

5 Project trauma

So, if there are functional, even laudable aspects to failure, what is in it that terrifies us so? What drives us to want to eradicate it, even though we know this is a logical impossibility, and perhaps even a productive part of project management? Clearly, we are confronted here with a deeply lodged trauma, a fear of the incomplete. In a sense, this text could be understood, in the language of Slovene philosopher Žizek (1992; 2000; 2003), as a ‘papering over’ of this trauma, a way to handle this fundamental problem of theory. At the same time, we cannot even begin to discuss the trauma unless we attempt to theorise the impossible, or that which is viewed as the undesirable. Still, such a move is marred by the fact that the trauma clearly escapes theorising, and that this text will be read either as a move towards the eradication of failure (regardless) or as a glorification thereof. It thus seems like an impossibility on a new level, a double bind.

Whilst it is obvious that one part of this dilemma comes from the utopian thrust of much project theory, *i.e.*, the tendency therein to attempt a perfect closure of self-contained organising, this in and of itself is not enough to explain the trauma of project failure. Rather, one could suggest that the very notion of the project, as it is commonly deployed, represents a fetishism where “[t]he fetish is the embodiment of a lie that enables us to endure an unbearable truth” (Žizek, 2000). The necessity of breakdown in any system, and particularly the increased possibility for failure in any kind of activity that is as tightly framed as a project by definition, would here stand as that abject Real that project theorisation tries to avoid (cf. Žizek, 1993). Failure in projects could be read as their hard kernel, the specific thing that theorisation of project work tries to eradicate by way of fetishising the project as an object of success. In other words, it might be possible to think of all project theory simply as a battle against the necessity of project failure, and the striving to eradicate failure as a symptom of a trauma.

Failure would then be not a pathology, but something akin to what Žizek has referred to as the Real (with a capital *R*, see Žizek, 1992) – that which is central to the constitution of a subject, but which escapes symbolisation, *i.e.*, that which cannot be talked about. The way in which the field has discussed failure (see, *e.g.*, Cooper and Chapman, 1987) could then be analysed not as actually trying to come to grips with failure, but rather as a *symptom* of failure as the Real of project studies. Any theoretical engagement beyond this point would seek not to solve a perceived pathology, but rather form an inquiry into the ways in which failure exists as a trauma. In the end, the question may hinge on our capacity for belief in the project as an organisational form, and further our capacity to betray it, in the sense that betrayal may be a fundamental aspect of any system of belief (see Žizek, 2003).

An example can highlight this: When a project researcher is faced with the fairly common circumstance of a project not going according to plan, what is s/he to do? A great deal of project theory would suggest that the correct way here would be to treat this as a mistake, as something that could have been avoided. Thus, the researcher may document the failure, and come up with a series of suggestions regarding how such failures can be avoided. However, this is not an engagement with the failure. Rather, this constitutes the creation of an alternate world, where the failure can be silenced or turned into a symptom of something else, thus moving the discussion away from the actual irreversible reality of the failure. The failure remains as the Real, which the researcher tries to avoid engaging with, utilising the whole of her theoretic arsenal to nullify it.

The unbearable truth that there will always be projects that fail remains, but this has been papered over by recasting the failure in a fetishised form – as a model for treating similar (but never the same) failures.

6 A theory of project failure

What we have tried to argue in this text is that one can, by using social theory and political philosophy, develop at least an outline of a theory that speaks of (or even lauds) the beneficial aspects and practical use of project failure. By not treating failure as a pathology to be eradicated, we have tried to highlight the complexity of project work in a way that we feel would complement the often overly optimistic models of scholars who treat projects as an abstract problem of resource optimisation. While being fully aware that our treatment may seem abstruse to many – far removed from the practicalities of project work – we contend that this is a mistake. Instead, it is by engaging with failure on a level that project managers are well acquainted with, *i.e.*, as constantly present and dealt with (cf. the discussion of failure as conspicuous action), we have actually tried to present a theory that is closer to actual project practice than theories that try to think away project failure.

The development of a theory of project failure may be an impossibility, as it would be affected by a perfectly natural wish to do something about such failures, but the inclusion of analytical perspectives on project failure into existing project theory may well be possible. What we have suggested here should not be seen as a finalised version of such an inclusion, but as tentative notes towards such a development. The themes we have tried to highlight – general economy, conspicuous action and the state of exception – may all serve to at least engage with the trauma of failure in project theory. And this is at least a first step.

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Note

- 1 A yield point defines the load at which a solid material begins to change shape permanently. If the stress is below the yield point, the material returns to its original shape when the stress is removed; if it is above it, the material suffers a permanent change in shape.