

Absurd Decisions in and around Projects

A case study

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Abstract

Absurd decisions are more than mere errors or poor decisions. These decisions, taken by individuals or groups, persistently and radically act against the goal they were meant to achieve [1]. This paper demonstrates the high impacts of absurd decisions in the unfolding of a failing project trajectory within which the parent organization plays an important role. Through the concept of absurd decisions, this case study provides an illuminating example of how usual practices at the level of a parent organization can have significant negative consequences on projects, especially on those projects that are unusually large and complex for their parent organization. Thereby, this paper contributes to deepening the knowledge about the process of persistent failure experienced by some projects, and about the potential role that parent organizations may play in this context.

Introduction

What do have in common the notions of normalization of deviance [2] and of escalation of commitment [3]? According to Morel [1], both generate *absurd decisions*. Absurd decisions are more than mere errors or poor decisions. These decisions, taken by individuals or groups, persistently and radically act against the goal they were meant to achieve. There can be many different causes of absurd decisions among which normalization of deviance and escalation of commitment. Through this study, we introduce Morel's [1] notion of *absurd decision* in the project management literature. Our results suggest that absurd decisions can be an interesting avenue to deepen our understanding of challenges facing projects, especially those induced by their relationships with their parent organization. In this case study, absurd decisions coming from the parent organization played a central role during the unfolding of a failing project trajectory. It illustrates how usual practices coming from a parent organization can harm projects in general, especially projects that are unusually large and complex; even though these projects are actively sponsored by higher management, which is recognized as best practice in project management [4]. Moreover, project success is still the topic of an ongoing conversation in the project management literature [5], and we believe that the analysis framework provided by Morel's [1] absurd decisions could facilitate our understanding of the challenges encountered by projects through the identification of the systemic failure process generated by absurd decisions.

The story of how absurd decisions impacted the project's trajectory is the main focus of this paper. Through this case study, we will illustrate the insidious nature of absurd decisions, especially of those coming from the parent organization, and the devastating impact of their interactions. However, before doing so, we will present the concept of absurd decision. We will

then look at the research design, the case study analysis, followed by a discussion and conclusion.

Absurd Decision-making

Absurd decisions are more than mere errors or poor decisions. These decisions, taken by individuals or groups, persistently and radically act against the goal they were meant to achieve [1]; clearly, this is likely to strongly influence a project's trajectory. Although such decisions can have many root causes (cognitive, collective, teleological), decision-making can be viewed as an invention process in which indeterminacy can lead human rationality either to innovation or to absurdity [1]. In fact, absurdity and innovation are two sides of the same coin [6]. Unlike absurd decisions, poor decisions result from an action that revolves around the objective. There is no obvious contradiction or gap between the action, and the objective pursued. The decision is poor because human capacity for information processing is finite and coordination is imperfect. However, this kind of decision does work toward the objective. What makes a decision absurd is the existence of intense and persistent contradiction [1]: there is perseverance in error. Nevertheless, a decision is always taken in the context of a specific rationality, consisting of a set of reasoning processes and beliefs shared by the community of people who are involved in the decision, who support it and use it. Therefore, a decision is absurd only in terms of the rationality that was used to make it—the rationality of reference. In an organization, this rationality works teleologically: goals are set, and actions are carried out to achieve them. Setting a structure whose purpose is the opposite of the end result that was planned for this structure is absurd according to this rationality [1].

While absurd decisions have many causes, in this study, we will focus on the following. First, the dynamic induced by the *normalization of deviance* [2]. Normalization of deviance refers to process where unacceptable practices or standards gradually gain acceptability. As the deviant behavior is repeated without catastrophic results, it becomes the social norm for the organization. Then comes the *lack of evidence of danger* [1], which encourages managers' confidence: signs of danger are obscured by their optimism; the lack of evidence of danger and managers' optimism may form a vicious circle. This dynamic may be coupled with the *illusion of partial completion* [1]: an incomplete solution is viewed as a complete solution, resulting in satisfaction because something was done. This is a trap that conceals the gap. The belief that completion will occur is important, since it is easier to accept an absurd decision if you think the future will correct it. Therefore, uncertainty about the future can conceal a permanent gap. Additionally, there is the *escalation of commitment* [3], which happens when someone continues to dedicate resources, including time and money, to a failing course of action. Moreover, the perception of proximity to the goal can support escalation, which is known as the *effect of the end* [7]. The more one engages in a decision-making process, the more difficult it is to go back and give it up, even if it appears that pursuing is a mistake; more risks are taken if the goal is felt to be near [1]. Indeed, renouncing it would require significant cognitive and psychological efforts [1]. However, to allow de-escalation, costs must be clearly identified [8] and considered reliable. In addition, human minds also have problems in *managing two priorities, or two essential dimensions, simultaneously* [1, 9], which is another cause of absurd decisions; this can lead to the mental exclusion of a priority or of a critical dimension. This problem may occur within an organization between operation and project priorities.

There are many other factors underlying absurd decisions, such as *simplification or ignorance of complexity* and *compliance to the rules of action while losing sight of the objective* [10]. Absurdity has many facets and, through this case study, we wish to illustrate the richness of Morel's perspective on absurd decisions as an analytical framework, through demonstrating how absurd decisions impacted the project trajectory, which went into a negative spiral until the project was labeled as a failure.

Research Design

The research approach is a case study with a flexible design, which uses narrative strategy, temporal decomposition, and visual mapping. Our focus is on the major events that occurred during the project execution. These events are deemed significant because of their influence on the project's trajectory. It is important to note that, originally, our main focus for this field study was multidisciplinary collaboration in an IT business project. However, in this case, non-collaboration was observed instead of collaboration. As a result, at the beginning of the fieldwork, we had to quickly expand our study to the project's governance in order to understand how the project had reached this point [11]. Fortuitously, a crisis arose during the fieldwork [12]; during crises, organizational structures can be more easily observed [13]. Thus, the sampling for this case study is opportunistic sampling, since it emerged from an unforeseen opportunity after the fieldwork had begun [14]. Single-case research typically exploits opportunities to explore a significant phenomenon under rare or extreme circumstances [15]. The research data sources were semi-structured interviews, meeting observations, documentation on the project and the organization, logbooks, notes and memos. The method for these interviews and observations was mainly typical case sampling with some emergent sampling, in order to select participants and meetings representing different groups and points of view. The validity criteria of this study are mainly met by data triangulation through the use of research data from interviews, documentation and observations. Furthermore, the semi-structured interviews were conducted with open questions using the same detailed interview guide to ensure uniformity in the questions asked, and the information gathered. Transcripts were produced and sent to participants to ensure their validity. The interpretations made during analysis were validated with some participants to prevent potential biases and distortions. In addition, study results were validated with a subset of participants. Since this is a single-case study, it should be pointed out that the main potential limitation of such studies lies in their transferability [16]. However, a single-case study can be a very powerful example [17].

Case Study Analysis

This study was carried out in 2012 in a private telecommunication company that is a major player in its sector in Canada. The TOBO project was among the company's top priority projects. It was executed in matrix mode and involved about 150 people at the time of the study, which were from three major sectors of the parent organization—IT and two business sectors—distributed in more than 20 units. The main reason for this project was to replace an obsolete management package; this replacement had been deferred several times. In fact, for the past 10 years, the parent organization, which is in the dynamic, competitive telecommunication sector, had experienced strong growth and had very speedily become much larger. However, its internal processes and management systems did not evolve at the same pace. Yet, this project was a hard

sell to top management. It was approved only after it was transformed into a strategic business IT project. The strategy was to provide a flexible IT system and effective internal processes that could meet the evolving needs of the business. The chosen solution was an in-house IT system that would allow reuse of several features thanks to its integration with existing IT systems, many of which were also in-house. However, the project scope was somewhat ambiguous, which is not unusual in projects [18]. Even so, it was uniformly understood and expected that, whatever its actual scope, TOBO would result in significant changes in business processes; it would deliver a solution to improve both business processes and IT systems. Expectations were high for this project, which had an unusual scale. Furthermore, TOBO was perceived as a dream project that would overcome the parent organization's issues regarding silos and project deliveries; teamwork between sectors was identified as key. This project was initially considered to be a great unifying force by all sectors involved. However, the research data showed that the project had been in trouble almost since its inception, its trajectory becoming progressively more problematic. Initially, TOBO was planned to last 1.5 years, but it actually lasted 3 years.

Our initial goal was to understand how absurd decisions impacted the project trajectory. For this purpose, we focused our analysis on the main events throughout project duration that significantly impacted the project. They were associated with decisions or lack of decisions that generated or maintained problematic issues for the project. Then, we analyzed these decisions using the notion of absurd decision-making [1] to understand whether these decisions were merely poor decisions or actual absurd decisions. Surprisingly, our results showed that many were absurd decisions, which led us to the following question. Which organization is behind each of these decisions: the project (temporary organization) or the parent organization? We distinguished these decisions as being either specific to the temporary organization that is the project, or made by the parent organization and not directly targeting the TOBO project. Finally, we analyzed their causal relationships and their main impacts on the project. The next section will introduce the main issues of the TOBO project followed by the presentation of our results for the parent organization, and then for the project.

Project Main Issues

Based on research data analysis, we identified the following four main issues in TOBO project. These are displayed in the left side of Figure 1. The first issue regards the underestimation of the complexity of coordination required by the project. This issue existed from the outset, which underscores the challenges produced by knowledge in silos, multiple units working in matrix mode, and the lack of a knowledge integrator role. Secondly, there was the underestimation of work effort required by the project, which was present from the start. Seemingly, this was a common practice within the parent organization: project costs were often reduced in order to ensure their approval. Then, the ambiguity surrounding the project's scope from the very start appears as the third major issue. Three important problems were identified in relation to this last issue: major scope oversight, unforeseen design limitations, and embellishments of existing IT systems' reusable features. Finally, the last issue is the unusual magnitude of the TOBO project in terms of budget, duration, number of stakeholders, domains, units and IT systems. This unusual magnitude had a significant impact on the first three issues presented above. These issues were created and/or sustained through decision-making. The following sections identify these decisions, and from which organization they were generated. The Figure 1 shows two large horizontal rectangles that symbolize the two organizations; the top rectangle is labeled "Parent organization," and the bottom rectangle is labeled "Project

(Temporary organization)”. Each rectangle contains the decisions taken in the creation and/or sustainment of these issues and the project impact.

The Parent Organization

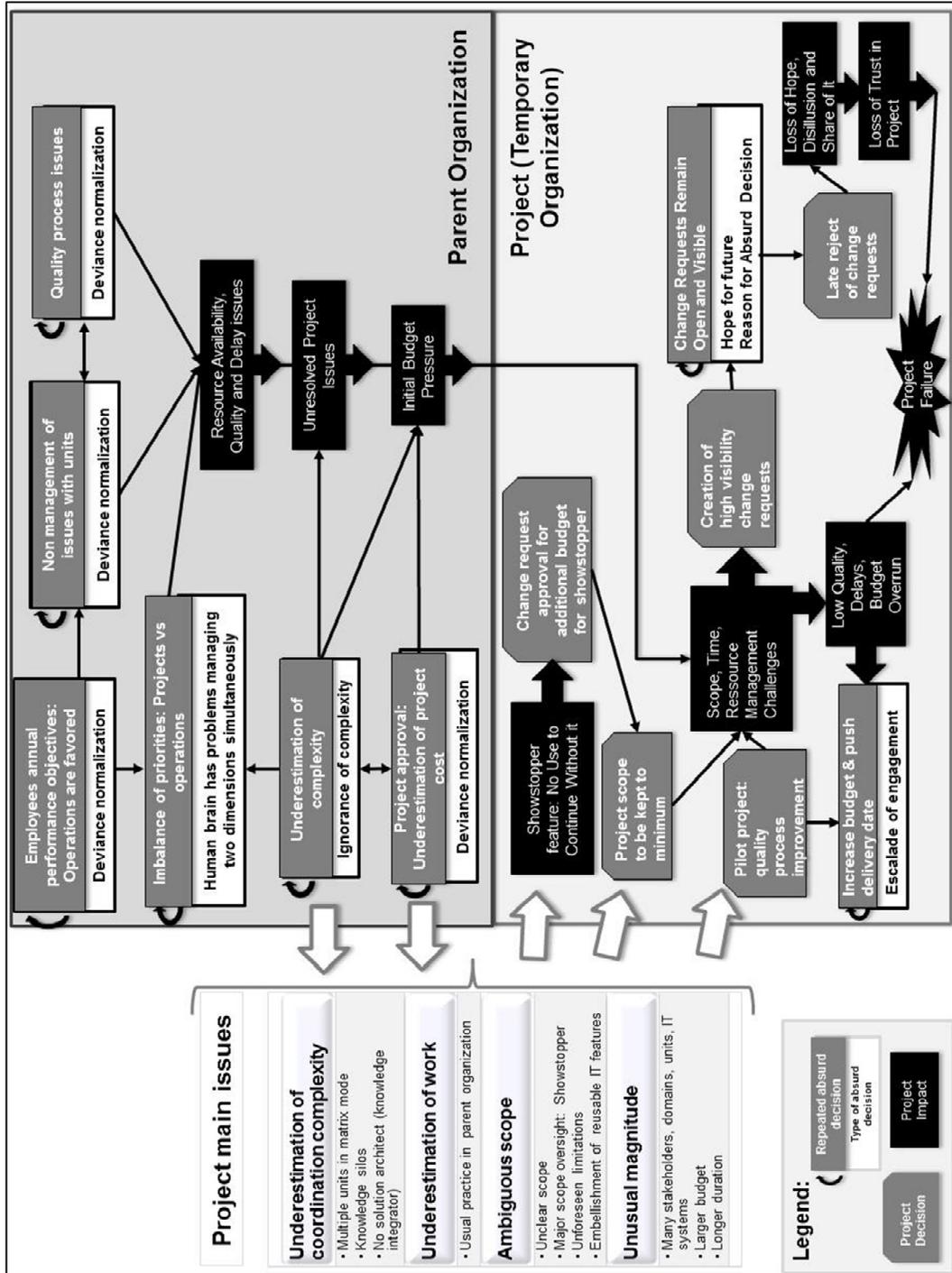
Our results show that the parent organization had problematic practices regarding the management of its projects, which were causing systemic absurd decision-making that impacted projects the following ways: Firstly, there was an institutionalized deviant practice, the underestimation of project costs, used within the parent organization to obtain project approval. This practice can be considered a normalization of deviance [2], which is a cause of absurd decision-making; its direct impact is to put initial budget pressure on projects. The underestimation of this project work effort originates from this practice. In addition, the underestimation of coordination complexity also originates in the parent organization; this practice can be considered an instance of absurd decision-making caused by ignorance of complexity [1]. In the context of this project, this ignorance resulted in the underestimation of the complexity of coordinating the work, especially given the knowledge silos spread across the multiple units involved. For example, it was expected that the project manager would fill the gap, as was the case for usual projects, while managers ignored or underestimated the magnitude of the project that he had to deal with. A characteristic of absurd decisions is that they are continually repeated (persistent); the impact was that many problems caused by the ignorance of complexity kept being minimized and remained unresolved; thus, issues tend to accumulate. This can significantly impact projects, especially complex projects. Furthermore, the underestimation of complexity and the underestimation of project costs mutually influence each other because pressure to keep costs low impacts how evaluation activities are performed and vice versa.

Additionally, in the units, managers often had to manage two simultaneous priorities: projects and regular operations. However, when it faces multiple priorities/dimensions simultaneously, the human brain tends to consider only one of them, as it strives to remove complexity [1, 9]. The impact was that the parent organization’s operations were prioritized. This decision was facilitated by the employees’ annual performance appraisal, which was primarily directed toward regular operations. Its impact was an imbalance that facilitated the emergence of problematic practices in units participating in projects. Furthermore, some of these issues generated by these practices were not managed (e.g. resource allocation or quality). The instabilities in projects caused by these issues were considered to be just part of the normal delivery process in the parent organization. Because they kept recurring but were never managed, these issues can be considered to indicate normalization of deviance [2]; they had high impacts on the project quality, resource availability and timeframe.

The TOBO project—the temporary organization

The previous section revealed the significant impact on projects of decisions and associated issues coming from the parent organization, and the role played by absurd decision-making. For TOBO, this impact was reflected primarily in ongoing scope, resources and time management challenges, then, also on quality, delays and budget challenges. Nevertheless, the project itself had its own specific issues, namely its unusual magnitude and ambiguous scope. The project’s unusual magnitude was allowed to occur more easily due to the parent organization’s underestimation of complexity, which had a significant impact; it progressively amplified the other project issues.

Figure 1—Absurd decisions causal diagram



Such unusual magnitude can be directly associated with problems of ambiguous scope like major scope oversight and unforeseen limitations. Meanwhile, even though the project’s ambiguous scope was considered problematic, and the scope issues were kept visible through the use of high-visibility change requests, no formal decision was made for a long time. During that period, the domain experts remained hopeful that the project scope, which they perceived as

totally inadequate, would eventually be improved. Indeed, hope for the future is one reason for accepting an absurd decision in the present [1]. Later, however, the rejection of change requests led to disillusion; the domain experts spread the word across their units, leading to a generalized loss of trust in the project.

In parallel, the scope, time and resource management challenges provoked project delays, cost overrun and low quality. Top managers went into a progressive escalation of engagement for this project. First, additional budget was approved for the major scope oversight; this is a common decision for this type of problem that constituted a *showstopper* and there would have been no point in continuing the project without it. Following the resolution of this problem, the decision was made to keep the scope to a minimum. However, budget was increased again in order to improve the permanent organization quality processes. For this purpose, TOBO became the pilot project for this process improvement venture. Then, the project was reported to be in critical situation, and additional budget was allocated. Despite the quality process improvement planned, quality problems were later found, requiring more budget allocations. Budget increase and schedule delays were repeated many times until the project was labeled a failure and was indefinitely postponed following its first and incomplete delivery, three years after it started. At the time of writing, the project is still postponed.

However, despite its failure, this project has scored on one point: the denormalization of the parent's deviance of the quality issue. This denormalization was targeted through the project manager actions, who was able to successfully convince top managers; in fact, the temporary organization was trying to force a change in the parent organization's practices, through the project manager's actions. The project became the pilot for this change, which increased the pressure on it, but this change was deemed necessary for its success because of the project magnitude and complexity. Consequently, the project's coordination complexity increased and was as usual underestimated. Indeed, the resolution of this issue coming from the parent organization would need more time and effort; it would be too late for the project. The quality deviance issue was directly and indirectly linked to other absurd decisions (non-management of units' issues, employees' annual performance goals, projects versus operations) that favored operations at the expense of projects. Therefore, the resolution of the quality deviance issue was likely to require a resolution of the deviant practices at the unit level and a solution to help manage the two simultaneous priorities/dimensions—operations and projects—within the units.

Discussion

Our framework, through the use of Morel's [1] concept of absurd decisions, oriented our analysis toward searching for the source of absurd decisions: permanent versus temporary organizations. Therefore, it directed our focus to the relationships between the two organizations. An unexpected finding was that most of the absurd decisions impacting the project originated in the parent organization's usual practices; another unexpected finding was that there were so many absurd decisions coming from the parent organization. These surprises triggered the following question: What are the underlying assumptions regarding the nature of the boundaries between the project and its permanent organization? Although projects are not islands [19], they have boundaries that are more or less porous. According to Anell and Wilson [20], projects can be considered as temporary processes that are superimposed on and intertwined with the parent organization's processes, suggesting that projects are often composed of streams of activities that are more interrelated than the theories suggest. Therefore, project boundaries may be perceived

to be less porous than they really are, which could be a common underlying assumption. Indeed, during our analysis, we realized that this underlying assumption had been made in our study. Our framework forced us to reconsider these boundaries, leading us to identify which organizations were behind these decisions.

Furthermore, although project-based organizations have emerged as new forms of organization in the last few decades, they have not replaced existing forms; they overlap with them, which is adding complexity to the way we organize [21]. This implies that there is a cohabitation of innovative forms (e.g.: project-based organizations) along with old bureaucracies [22]. Thus, this cohabitation can occur between day-to-day operations, which can be managed as bureaucracies, and projects where decisions like, for example, resource allocation have to consider operations and projects competing goals and priorities. The success of this cohabitation represents a constant challenge in matrix mode [23], and our study also highlights the absurdity that can exist at this level when, for example, operations are systematically favored.

The idea that everyday practices generate absurdity can be associated with Alvesson and Spicer's [24] notion of *functional stupidity*, which suggests that for knowledge-intensive firms, such as the parent organization in this study, which is in the high-tech sector, there is a common assumption of *smartness*, which needs to be challenged. Functional stupidity is "*the inability and/or unwillingness to use cognitive and reflective capacities in anything other than narrow and circumspect ways*" (p. 1201). These authors suggest that *functional stupidity* can be helpful in producing organizational results because it can provide a sense of certainty by cutting short costly and anxiety-inducing questions. This can save the organization and its members from the frictions provoked by doubt and reflection, and thereby contribute to maintaining and strengthening organizational order. However, it can create significant problems for the whole organization caused by avoidance of, or failure to recognize problems. This implies that functional stupidity can add to the risks of an unusual project, such as the TOBO project in our study, which was larger and more complex than the average project of its parent organization. Furthermore, this project did not fit into pre-existing project management structures and special attention was made at its start-up for this reason.

Interestingly, megaprojects are often found to be *trait-making* [25], because they change the structure of society, unlike smaller, more conventional projects, which are *trait-taking*, because they fit into pre-existing structures and do not attempt to modify them. In addition, optimism bias and strategic misrepresentations are good explanations of their failures [25]. In addition, and paradoxically, although strong sponsorship is a best practice usually associated with success in the project management literature [4], Flyvbjerg [25] found that managers promoting their pet project can facilitate these kinds of distortions. Moreover, when a megaproject fails, the CEO and top managers may be impacted and even lose their jobs [25]. In fact, projects that have been made to look the best on paper (projects with the largest cost underestimates and benefit overestimates) become the worst projects in reality. Interestingly, TOBO project also looked great on paper; it was identified as a dream project and its entire chain of command lost their jobs following the crisis outbreak. However, TOBO was not a megaproject. TOBO was an unusually large and complex intra-organizational project for its parent organization. It did not fit into pre-existing project management structures and modified its parent organization's structures (process ownership changes and process changes). Therefore, it could be considered trait-making at the scale of its parent organization. We suggest that identifying a project as trait-making at the scale of the parent organization may help highlight its higher risk and trigger some sort of reflection to reduce absurd decisions.

Conclusion

The main contribution of this study is to provide, through the concept of absurd decisions [1], an analytical framework to deepen the knowledge about the process of persistent failure experienced in some projects and about the role that may be played by parent organizations in this context. In project management, this concept could be a fruitful avenue for investigation. We demonstrated the significant impact of absurd decisions on the negative trajectory of a project. These decisions originated in the parent organization's usual practices, which can especially impact projects that are unusual and complex, therefore showing the risks linked to projects in such organizations and the importance of considering their relationships with the parent organization.

This study also highlights the following paradox: to succeed, a project needs a strong sponsorship—however a strong sponsorship can also endanger its success. This paradox is created by the project management best practice about sponsorship of successful projects by top managers, and its downside that top managers can tend to show optimism bias and/or perform strategic misrepresentations in order to have their pet projects approved. We suggest that additional studies should be performed on this paradox and on how to prevent its downside from happening.

This study also shows that projects can have a positive influence on their parent organizations by making them aware of their deviant practices. However, the time an organization needs to resolve deviant practices may be too long for a project timeframe, as was the case in this study; this shows the inequality brought about by the project's temporariness and its potential influence on its parent organization.

Finally, we would like to highlight the potential for temporary settings, such as projects, to serve as dynamic research fields for the study of their parent organizations. In project management research, there may be a usual habit to focus much more on projects than on their organizational context [19], which includes their relationship with their parent organization. Interestingly, in this study, the project lay bare the absurd decisions of its parent organization and therefore, its problematic practices. Consequently, we suggest that studies on failing projects, especially unusual (or trait-making at their parent organization scale) projects, may potentially act like canaries in a coal mine: an organization that shows systemic issues with the management of its projects may have problems transforming and adapting to its increasingly dynamic environment. Therefore, we suggest further studies on this topic.

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