



THE
PINK MACHINE PAPERS

#27 – N° 6 / 2005

In Praise of Boondoggles

Alf Rehn & Marcus Lindahl

#27
N° 6 / 2005

In Praise of Boondoggles

– Some theoretical notes on project failure

Alf Rehn

Royal Institute of Technology, KTH
Dept. of Industrial Management, INDEK
Stockholm, Sweden
alf.rehn@indek.kth.se

Marcus Lindahl

Royal Institute of Technology, KTH
Dept. of Industrial Management, INDEK
Stockholm, Sweden
marcus.lindahl@indek.kth.se

The Pink Machine Papers

ISSN 1650 - 4062
Stockholm, 2005



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

Oscar Wilde

Trying is the first step towards failure.

Homer Simpson

Abstract

Projects fail. This fact, which is commonsensical and objectively true, has within the sphere of project studies been viewed 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 utilizes social theory and political philosophy in order to position project failure in a more general context, and to analyze 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 conceptualized, in ways that do not simply condemn such. Rather, we show how boondoggles can be analyzed and discussed as productive, without slipping into the vulgar relativism of “it all depends on perspective”. In other words, how boondoggles can be praised.

Introduction

Projects fail. This fact, which is both commonsensical and objectively true, has within the sphere of project studies been viewed 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, one that utilizes social theory and political philosophy in order to position project failure in a more general context, and to analyze project failure as something beneficial. In short, we will speak in praise of boondoggles.

This will 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 statement. 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 & Chapman 1987, Anell & 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 organizational 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 optimization, 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 theorized if we wish to develop our understanding of temporary organizing 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 & Söderholm 1999).



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* which 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 organization.

Projects As Waste

In our reading, the very notion of project failure may be misleading. By drawing on Georges Bataille's notion of a "general economy" – originally developed in 1933 in essay *The Notion of Expenditure* and developed in *The Accursed Share*, first published in 1949 (Bataille 1987, 1989) – 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 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 Georges Bataille is an idiosyncratic thinker, and a very challenging one. His works span from poetics to political economy, and has had an impact in fields such as philosophy, literary theory and organization 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 we shall here 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, says Bataille, saving and efficiency 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. In fact, economy might not in any serious analytical sense be a question about efficient use of limited resources, but instead a question of different ways in which things are wasted. We may prefer to analyze 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 which runs over budget and is beset by numerous problems can be marvelously 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 theorization of projects as expenditure is still lacking, opening up for an in-



roduction of Bataille's thinking. On the other hand, we wish to address how wastefulness in and of itself needn't be a problem in project execution. As shown by both studies of industrial projects (see e.g. Hughes 1998, Lindahl 2002, Rehn 2004) and known by 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 theorization 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 moralizing 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.

Projects and Conspicuous Action

We thus now want to turn to the work of Thorstein Veblen (see Veblen 1899/1934), in order to analyze the concept of the boondoggle through his theorization of consumption. 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 be 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 which may well be called the seminal work of consumer studies. In this, he argued that the important fact 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 dependants (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, b) project theory still hasn't 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 aren't enough to claim a fiasco – otherwise that favorite of project researchers, the Sydney Opera House, would have been a major one – important to note the nature of conspicuous attribution in the design of project failure. 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 organization. Without such vicarious failure, 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 realize 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.

■ On the Exception – Towards a Political Theology of Projects

To continue, we want to adapt some notions introduced by the controversial political philosopher Carl Schmitt, specifically in relation to the definition of success/failure and the notion of *Ausnahmestand* or state of exception. Particularly it is the state of exception that is of interest, since it can be viewed as an opportunity to re-describe both the means and the ends of the project organization and thereby defining 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 endeavor to expose some underlying mechanisms of the oxymoronic notion of project organization, that is, the achievement of action efficiency simultaneously through bureaucracy and adhococracy. Failure, as a mental label, is here an important concept. Instead of viewing failure as a possible terminal outcome we, as scholars, would benefit by rather seeing it as a continuous process. One could even dare to claim that projects 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 overseeing that it *keeps* on track.

Projects, which are generally seen as the most action-oriented way of organizing, 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 organization's *yield point*, borrowing a term from mechanical engineering¹. Now, projects that encounter problems of such magnitude that they can not be dealt with according to protocol are generally on the verge of an organizational collapse (cf. Weick 1993). The bureaucratic project organization, a well trimmed action-machine under stable and foreseeable conditions, can not 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 institutionalized web of intra- and inter-organizational 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 organizational life. On the contrary, since the question of democracy is difficult to problematize in the societal, Schmitt's views are maybe more suited for the world of corporate wage labor than for society in general. In contrast to his contemporary colleagues, Schmitt was dedicated to reinstall the personal element of rule as a necessary means to preserve the constitutional state (cf. Schwab 1970). Stripped to the bone, we may interpret Schmitt's basic question 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 temporarily 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 centralized into what Schmitt refers to as a constitutional dictatorship, where the one who can declare a state of exception reigns supreme. Similarly, labeling projects as "failing" or situations as "a 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 it enables the organization to save itself from calling its fundamental *raison-d'être* into question. In these particular circumstances the organization can legitimately perform actions and reinterpret means as well as ends, which it has prohibited through its design of "standard operating procedures." The or-

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.



ganization – 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 “boondoggian” project management could, as we see it, contribute to an enriched conceptualization of that oh so familiar label – action orientation – and further the political dimensions of action in project environments.

Project Trauma

So, if there are functional, even laudable aspects to failure, what is it 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 here confronted with a deeply lodged trauma, a fear of the incomplete. In a sense this text could be understood, in the language of Slovene philosopher Slavoj Žižek (1992, 2000, 2002), 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 theorize the impossible, or that which is viewed as the undesirable. Still, such a move is marred by the fact that the trauma clearly escapes theorizing, and that this text will be read either as a move towards the eradication of failure (regardless) or as a glorification thereof. It seems thus 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 organizing, this in and of itself isn’t 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” (Žižek 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 is, would here stand as that abject Real that project theorization tries to avoid (cf. Žižek 1993). Failure in projects could be read as their hard kernel, the specific thing that theorization of project work tries to eradicate by way of fetishizing the project as an object of success. In other words, it might be possible to think all of project theory simply as a battle against the necessity of project failure, and the strive to eradicate failure as a symptom of a trauma.

Failure would then be not a pathology, but something akin to what Žižek has referred to as the Real (with a capital R, see Žižek 1992) – that which is central to the constitution of a subject, but which escapes symbolization, i.e. that which cannot be talked about. The way in which the field has discussed failure (see e.g. Cooper & Chapman 1987) could then be analyzed 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 organizational form, and further our capacity to betray it, in the sense that betrayal may be a fundamental aspect of any system of belief (see Žižek 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 she 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, utilizing 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 fetishized form – as a model for treating similar (but never the same) failures.

| A Theory of Project Failure?

What we've 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've 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 optimization. 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 who 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've suggested here should not be seen as a finalized version of such an inclusion, but as tentative notes towards such a development. The themes we've 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.



References

- Agamben, G. *State of exception*. Chicago: The University of Chicago Press, 2005.
- Anell, B. & Wilson, T. Boondoggles and broomsticks: Programs that go bad and their discipline. *Projects & Profits*, 2003; 12(3): 32-43.
- Bataille, G. *Visions of excess: Selected writings, 1927-1939*. Minneapolis: University of Minnesota Press, 1985
- Bataille, G. *The accursed share, vol. 1: Consumption*. New York: Zone Books, 1989.
- Bataille, G. *The accursed share, vol. 2: The history of eroticism*. San Francisco: City Lights, 1987.
- Cooper D., Chapman C. *Risk analysis for large projects: models, methods and cases*. New York: Wiley, 1987.
- Ekstedt, E., Lundin, R., Söderholm, A., Wirdenius, H. *Neo-industrial organization: Action, knowledge formation and renewal in a project intensive economy*, London: Routledge, 1999.
- Engwall, M. The futile dream of the perfect goal. In Sahlin-Andersson, I. & Söderholm, A. (eds.) *Beyond project management: New perspectives on the temporary*. Copenhagen: Copenhagen Business School Press, 2002.
- Hughes, T. *Rescuing Prometheus*. New York: Pantheon Books, 1998.
- Hutchkins, E. Organizing work by adaptation. *Organization Science*, 1991; 2(1): 14-39.
- Kahn, A. The tyranny of small decisions: Market failures, imperfections, and the limits of economics. *Kylos*, 1966; 19(1): 23-47.
- Lindahl, M. *Produktion till varje pris: Om planering och improvisation i anläggningsprojekt*. Arvinus: Stockholm, 2002.
- Lindblom, C. E. The science of “muddling through”. *Public Administrative Review*, 1959; 19(1): 79-88.
- Lundin, R. & Söderholm, A. A theory of the temporary organization. *Scandinavian Journal of Management*, 1999; 11(4): 437-455.
- Parker, M. (ed.) *Utopia and organization*. Oxford: Blackwell, 2002.
- Petroski, H. *To engineer is human: The role of failure in successful design*. New York: Vintage Books: 1992.
- Rehn, A. *Resan, jobbet och metafysiken: Projektledning och tidens problem*. Arvinus: Stockholm, 2004.
- Royer, I. Why bad projects are so hard to kill. *Harvard Business Review*, 2003 (February): 49-56.
- Styhre, A. Information and communication technology and the excess(es) of information: An introduction to Georges Bataille’s general economy. *ephemera*, 2002; 2(1): 28-42.
- Schmitt, C. *Political theology*. Cambridge: MIT Press, 1922/1988.
- Schwab, G. *The challenge of the exception: An introduction to the political ideas of Carl Schmitt between 1921 and 1936*, Berlin: Duncker u. Humblot, 1970
- Veblen, T. *The theory of the leisure class*. New York: Modern Library, 1899/1934.
- Weick, C. The collapse of sensemaking in organizations: The Mann Gulch disaster. *Administrative Science Quarterly*, 1993; 38:628-652.
- Žižek, S. *Enjoy Your Symptom!* London: Routledge, 1992.
- Žižek, S. *Tarrying with the Negative*. Durham, NC: Duke University Press, 1993.
- Žižek, S. *The Fragile Absolute*, London: Verso, 2000.
- Žižek, S. *The Puppet and the Dwarf*, Cambridge, MA: MIT Press, 2003.



Biographies

Professor Alf Rehn is Chair of Management and Organization at Åbo Akademi University (Finland) as well as SSES (Stockholm School of Entrepreneurship) Professor of Innovation and Entrepreneurship at the Royal Institute of Technology (Stockholm, Sweden). His research has focused on the ideological underpinnings of economic theory and moralization in management studies, and has appeared in journals such as *Journal of Socio-Economics, Culture and Organization, Entrepreneurship and Regional Development* and *Gender, Work and Organization*, as well as in a number of books. His latest monographs include *The Serious Unreal* (2004) and *Resan, jobbet och metafysiken – projektledning och tidens problem* (2004).

Doctor Marcus Lindahl is an assistant professor at the Royal Institute of Technology (Stockholm, Sweden). His dissertation research dealt with the relationship between planning and improvisation during execution of large industrial projects. His current research is focused on aspects of unintentional organization in project management.

Pink Machine is the name of a research project currently carried out at the Department of Industrial Economics and Management at the Royal Institute of Technology, Stockholm. It aims to study the often forgotten non-serious driving forces of technical and economical development. We live indeed in the reality of the artificial, one in which technology has created, constructed and reshaped almost everything that surrounds us. If we look around us in the modern world, we see that it consists of things, of artefacts. Even the immaterial is formed and created by technology - driven by the imperative of the economic rationale.

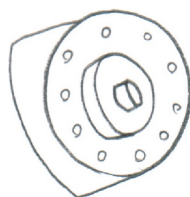
As Lev Vygotsky and Susanne Langer have pointed out, all things around us, all these technological wonders, have their first origin in someone's fantasies, dreams, hallucinations and visions. These things, which through their demand govern local and global economical processes, have little to do with what we usually regard as "basic human needs". It is rather so, it could be argued, that the economy at large is governed by human's unbounded thirst for jewellery, toys and entertainment. For some reason - the inherent urge of science for being taken seriously, maybe - these aspects have been recognised only in a very limited way within technological and economical research.

The seriousness of science is grey, Goethe said, whereas the colour of life glows green. We want to bring forward yet another colour, that of frivolity, and it is pink.

The Pink Machine Papers is our attempt to widen the perspective a bit, to give science a streak of pink. We would like to create a forum for half-finished scientific reports, of philosophical guesses and drafts. We want thus to conduct a dialogue which is based on current research and which gives us the opportunity to present our scientific ideas before we develop them into concluding and rigid - grey - reports and theses.

Finally: the name "Pink Machine" comes from an interview carried out in connection with heavy industrial constructions, where the buyer of a diesel power plant worth several hundred million dollars confessed that he would have preferred his machines to be pink.

Claes Gustafsson



also available at

www.pinkmachine.com

indek kth / 10044 sthlm / sweden