

PMI Western Michigan Chapter Professional Development Day

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Beyond the Triple Constraint: Rethinking Success in Fuzzy Projects for Lasting Impact

By

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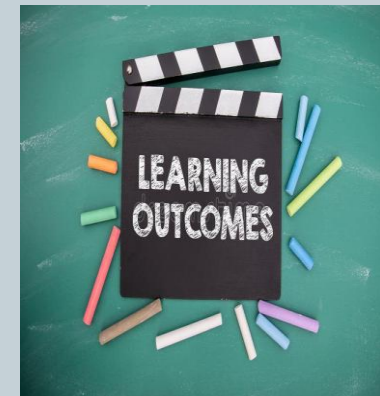


Learning Outcomes

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At the end of this talk, participants shall:

- Understand the limitations of the triple constraint of time, cost, quality
- Appreciate the role of time in project success assessment
- Apply key success models through cases of fuzzy projects



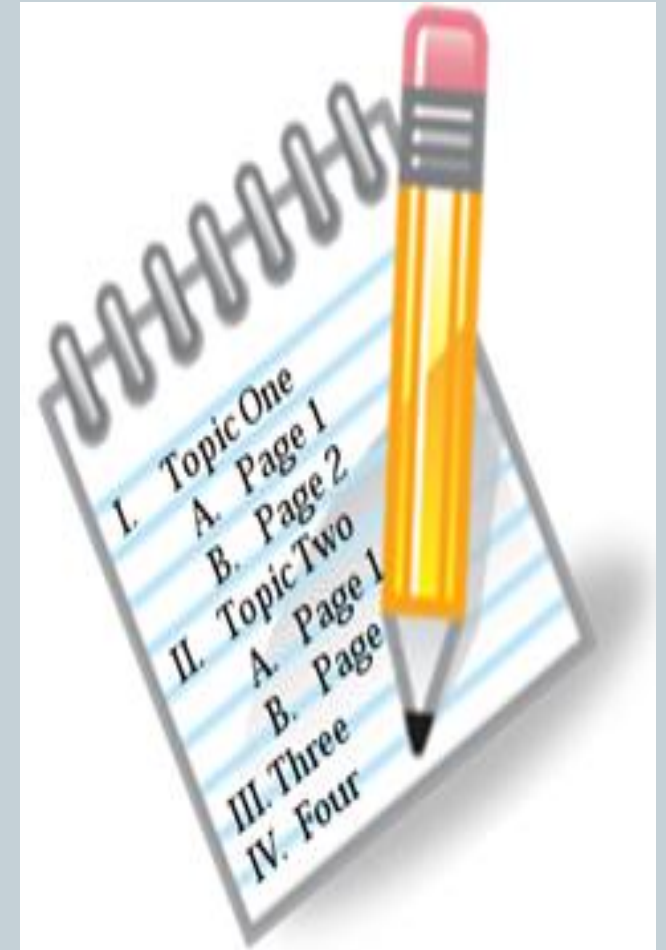
Agenda

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Introduction

- Projects are on the rise, yet success is hard to come by and gauge
- How and when is a project a success: The Triple Constraint revisited
- Fuzzy project success
- A 4 by 4 matrix for assessing project success over time
- PMI Reframing Project Success
- The 3D approach to project success and a Call for Action

Conclusion

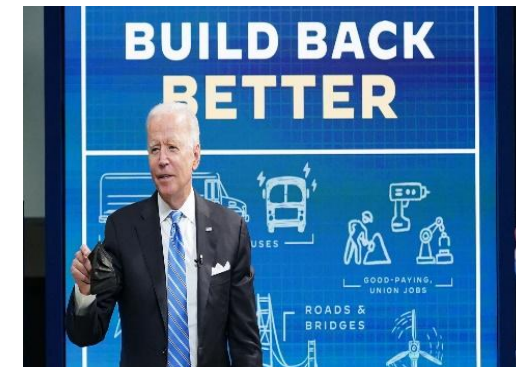
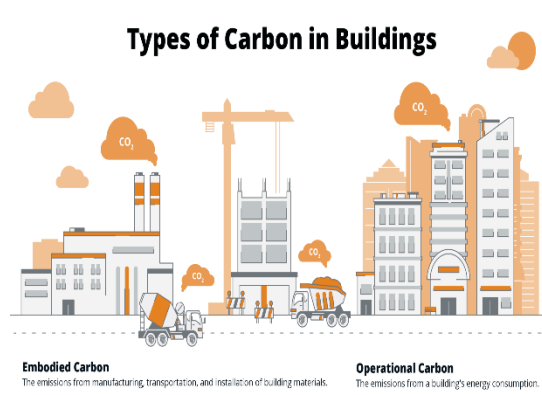


Projects: A Quintessential Commodity to Create the Future

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**WE LIVE IN A PROJECT SOCIETY AND
ECONOMY WHERE PROJECTS HELP
CREATE THE FUTURE**



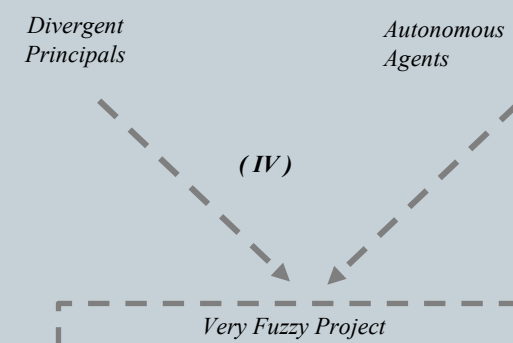
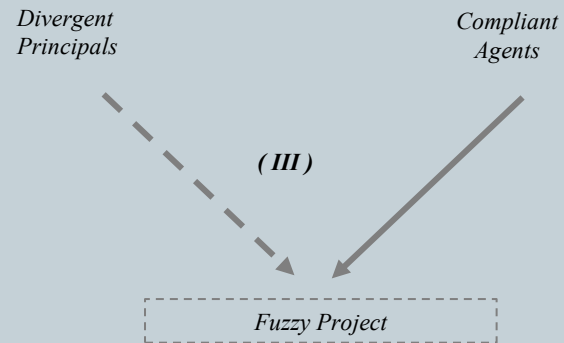
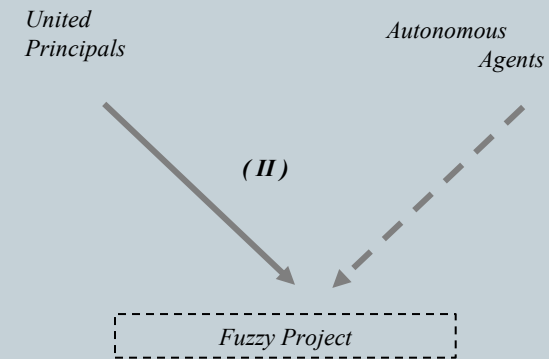
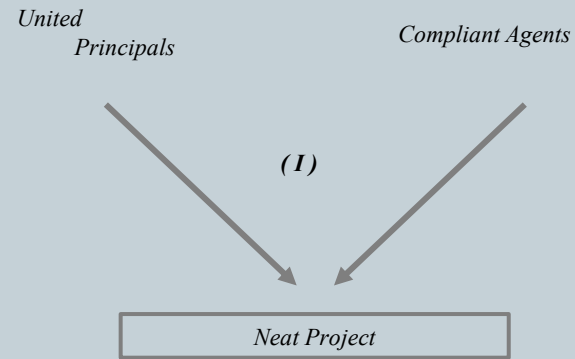
A Michigan fuzzy project?

5



But not all projects are created equal... Some are fuzzy!

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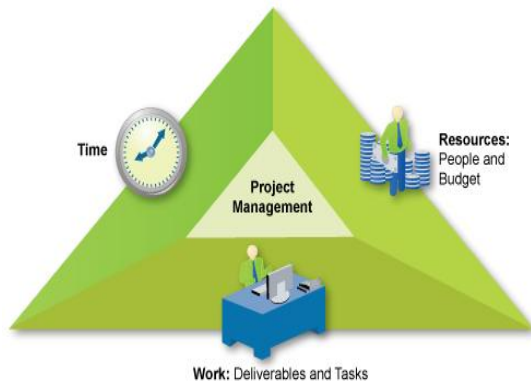


But Success is Hard to Come by and Difficult to Gauge, Especially in Fuzzy Projects!

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**TIME OVERRUNS, COST BLOWOUTS, BENEFIT
UNDERRUNS, STAKEHOLDER DISMAY,
SUSTAINABILITY SHORTFALLS**



Many projects underperform all over the world for a slew of reasons

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PAPERS

Project Management for Development in Africa: Why Projects Are Failing and What Can Be Done About It

Lavagnon A. Ika, Telfer School of Management, University of Ottawa, Ottawa, Canada

ABSTRACT

This article discusses international development (ID) projects and project management problems within ID in Africa and suggests they may fall into one or more of four main traps: the *one-size-fits-all* technical trap, the *accountability-for-results* trap, the *lack-of-project-management-capacity* trap, and the *cultural* trap. It then proposes an agenda for action to help ID move away from the prevailing *one-size-fits-all* project management approach; to refocus project management for ID on managing objectives for long-term development results; to increase aid agencies' supervision efforts notably in failing countries; and to tailor project management to African cultures. Finally, this article suggests an agenda for research, presenting a number of ways in which project management literature could support design and implementation of ID projects in Africa.

KEYWORDS: project failure; problems; traps; international development projects; Africa

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INTRODUCTION

Fifty years after their independence, many African countries have seen their economies overtaken by those of countries that were worse off in the 1960s. Ghana and South Korea had an almost equal per capita income in 1957 (US\$490). Just 30 years ago, China lagged behind many African countries, including Malawi, Burundi, and Burkina Faso, on a per capita income basis. Yet, approximately US\$1 trillion of aid has been transferred to Africa since the 1940s (Moyo, 2009).

At the dawn of a sixth decade of development aid, the enthusiasm of the first years has given way to controversy and even disillusionment. According to aid proponents, it is working, albeit not perfectly, and a “big push”—more aid¹—will surely turn things around in Africa (Sachs, 2005; Sachs et al., 2004). Opponents argue, however, that aid is not effective, as there is little good to show for it (Easterly, 2006). Others argue that though aid may still be part of the solution, left alone it will fall short of addressing the needs of the “bottom billion” (Collier, 2007). Still others argue that it is actually part of the problem or even *the* problem and thus it should be cut in half (Calderisi, 2007) or even entirely (Moyo, 2009).

Though the heated debate among researchers and practitioners regarding the effectiveness of aid is still unresolved, two questions generally challenge authors and policy makers:

1. Macroeconomic perspective: Does aid contribute to international development (ID) in terms of growth and poverty reduction?
2. Microeconomic perspective: Do the projects and programs achieve their specific objectives? (Hermes & Lensink, 2001; Lancaster, 1999)

In particular, the scant literature that considers whether ID project success or failure primarily depends on countries' political economy (macroeconomic perspective) or project characteristics (microeconomic perspective) fails to achieve consensus (Chauvet, Collier, & Duponchel, 2010).

Although both perspectives are complementary, the focus of most ID research to date has been very narrow, examining projects and project management in general, despite the size of this industry sector (US\$120 billion a year in 2009), project proliferation, the importance of projects in the prevailing program approach, and the questionable outcomes of projects (Ahsan & Gunawan, 2010; Crawford & Bryce, 2003; European Commission, 2007; Ika, Diallo, & Thuillier, 2010, 2012; Roodman, 2006). Whether “more aid” (Sachs, 2005; Sachs et al., 2004), “less aid” (Calderisi, 2007), or “dead aid” (Moyo, 2009),

¹In July 2005 at Gleneagles, the G8 summit committed to doubling aid to Africa.



MANAGING FUZZY PROJECTS IN 3D

A Proven, Multi-Faceted Blueprint for Overseeing Complex Projects

LAVAGNON IKA
JAN SAINT-MACARY

Managerial, contextual and institutional problems

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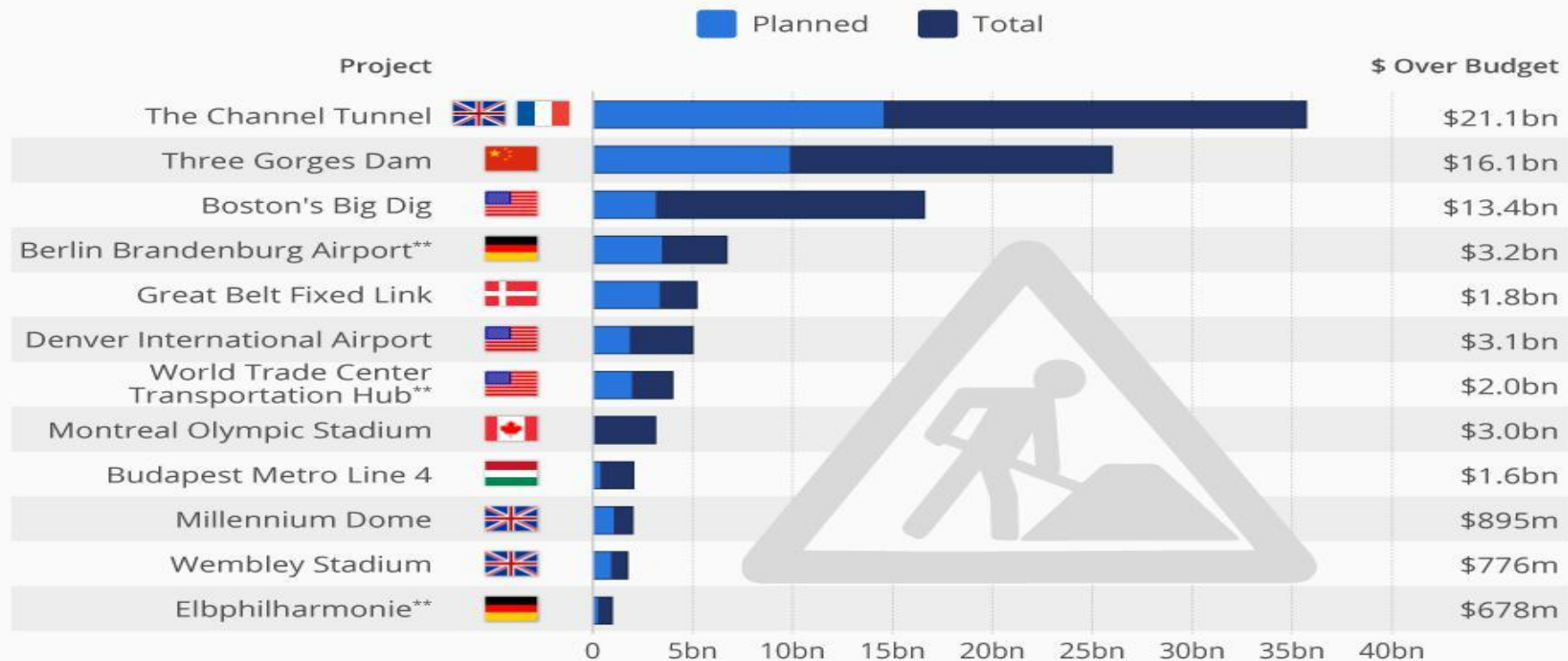


And many of these projects experience cost overruns all over the world

10

Over-Budget Construction Projects In Comparison

Selected over-budget construction projects worldwide (in U.S. dollars)*



Sources: Podio, Der Spiegel, NY Times

Forbes statista

And projects are not immune to failure even when led by people known for their success...

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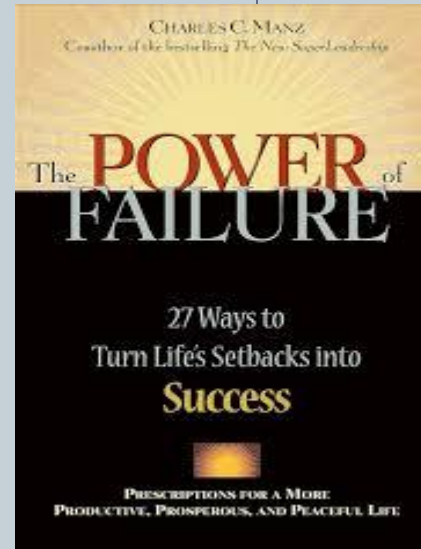


Indeed, while failure is orphan, success is mythical!

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Failure

- “**Failure** is one of the most dreaded words in the English language. The very idea of failing is enough to stop people in their tracks. It can cause the majority to simply pack up, turn around, and retreat without even trying.” (Manz, 2001, pp. 1-2)



Success

- “**Success** on the other hand, is nearly a magical idea for most people. The possibility of succeeding or becoming a “success” is almost mythical pursuit. People love to be labeled a success and will often sacrifice greatly to achieve this end.” (Manz, 2001, pp. 1-2)

Do you recognize this project? Success or failure?

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Do you recognize this project? Success or failure?

14



Do you recognize this project? Success or failure?

15



Do you recognize this project? Success or failure?

16



Nothing succeeds like success but the notion remains elusive... (1)

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- “There are few topics in the field of project management that are so frequently discussed and yet so rarely agreed upon as the notion of project success” (Pinto & Slevin, 1988, p. 67).

Nothing succeeds like success, but the notion remains elusive... (2)

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- “Decades of research demonstrate that practitioners and scholars may have only a vague notion of what project success is and thus settle for conflicting or inaccurate attributions of this still-elusive phenomenon...Thus, it remains challenging to devise a parsimonious success model that key stakeholders, internal and external, can *minimally* agree upon. “ (Ika & Pinto, 2022, p. 835)

Nothing succeeds like success but the notion remains elusive...(3)

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- “A success is just that – a success. It is something that works well for a variety of reasons, not the least of which may be luck. But a true success often works precisely because engineers thought first about failure. Indeed, one simple definition of success might be the obviation of failure.” (Petroski, 2013, p. 24)

And Project Success Changes over Time (See Ika & Saint-Macary, 2023)

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Project plan failure but business case success

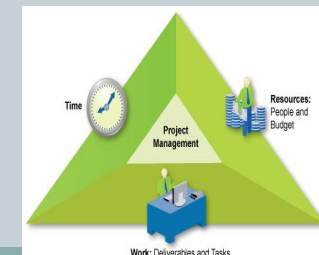
Hiding Hand?

- Sydney Opera (14 times budget, 11 years late)
- Hoosac Tunnel
- Rideau Canal
- *Etc...*



Project plan success but business case failure

- LA Red Line Metro
- Chad-Cameroon Pipeline (1993-2004)
- \$ 4 billion Addis Ababa Railway
- Etc...



And Project Success Changes over Time (See Ika& Saint-Macary, 2023)

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All-around success

- Golden Gate Bridge
- Empire State Building
- The Guggenheim Museum Bilbao
- Etc...



Outright failure

Planning Fallacy?

- Ciudad Real Airport
- A 380
- \$ 8 billion Ajaokuta Steel Mill
- Etc...

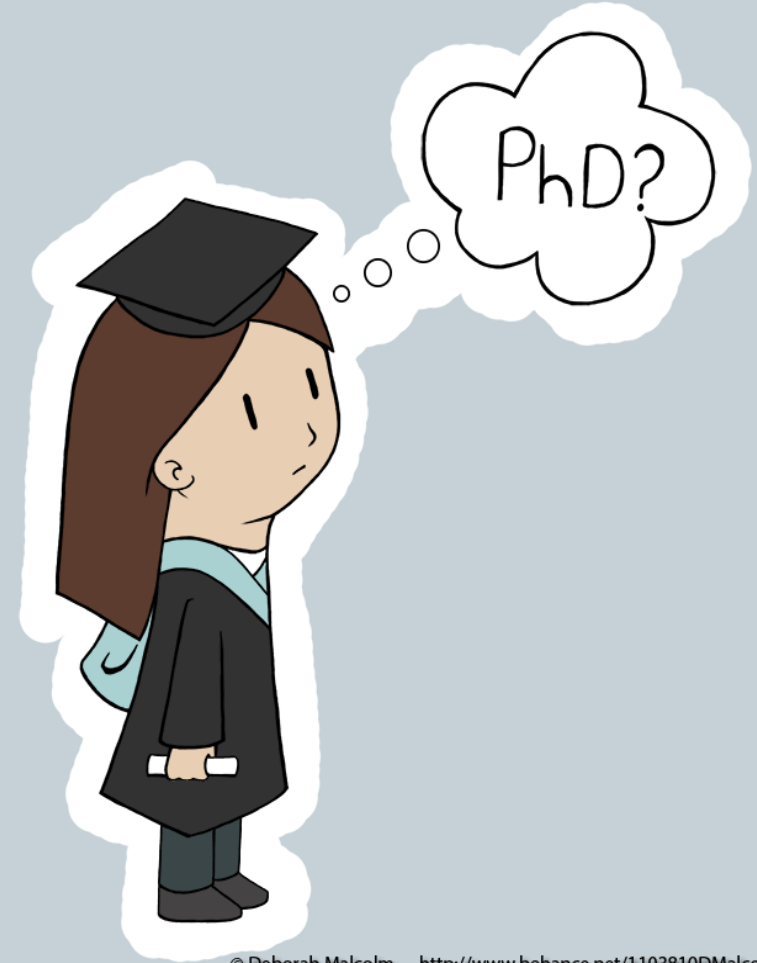


Here is John's story: A tale of a challenged yet successful PhD...

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Bad news: PM failure

- Joint PhD program
- 3 years late; over budget
- One more course to complete!
- Lost 2 years with CIDA
- Access to data nearly impossible
- Two PhD committees!
- Then, thesis rejection by a reviewer; one more year!
- Both reviewer and PhD supervisor ill
- No clue what the reviewer wanted!
- Had to take on SEM alone with no guarantee it does the trick
- Issues with the format of the thesis per articles

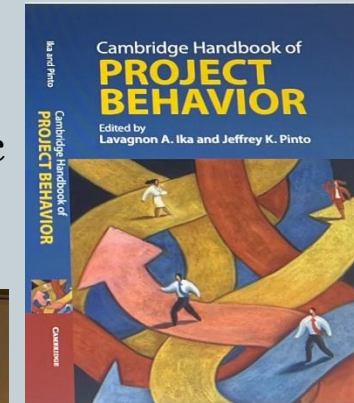




Lavagnon IKA, a little background

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- Full Prof., Program Director, MSc., Telfer, uOttawa
- World Bank Fellow, Extra Professor, uPretoria; Carnegie Fellow
- Associate Editor, top IJPM and CJDS
- Board Member PMI and IPMA Academic Insights Team
- Taught in Canada, Australia, France, Benin, SA, Algeria, Lebanon, Morocco, Tunisia, etc
- Visiting Prof Skema Business School, France; Swinburne, Aus., TJuT, China, GIMPA
- PMI David Cleland Book of the Year 2024
- APM Researcher Award Finalist 2023
- IPMA Researcher Award Winner 2017, 2022
- Emerald Best PM Paper Award 2017
- Telfer's Researcher Award 2017, 2022
- IPMA Young Research Award Winner 2012
- Emerald Highly Commended PM Paper 2011
- External Panel Advisory Member, 2023 Work Bank Project Performance Report
- Lead Scholar for 2024 PMI Reframing Project Success
- Consultant and workshop instructor for Transport Can, CRA, TBS, Global Affairs Canada, ACBF/World Bank



PMI Reframing Project Success

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Our new definition accounts for
both **execution** and **outcomes**

Project Success

[ˈprɑː.jɛk(t) səkˈses]

The consensus view across intended beneficiaries, other stakeholders, and project participants that a project was perceived to have delivered value that was worth the effort and expense.

Value > Effort + Expense

Delivered value that was worth the
effort and expense

PMI Global Research

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Reframing project success through global research



55+ Questions asked

Rigorous quantitative survey about recently completed projects



10K Participants responded

Participant responses collected from around the world



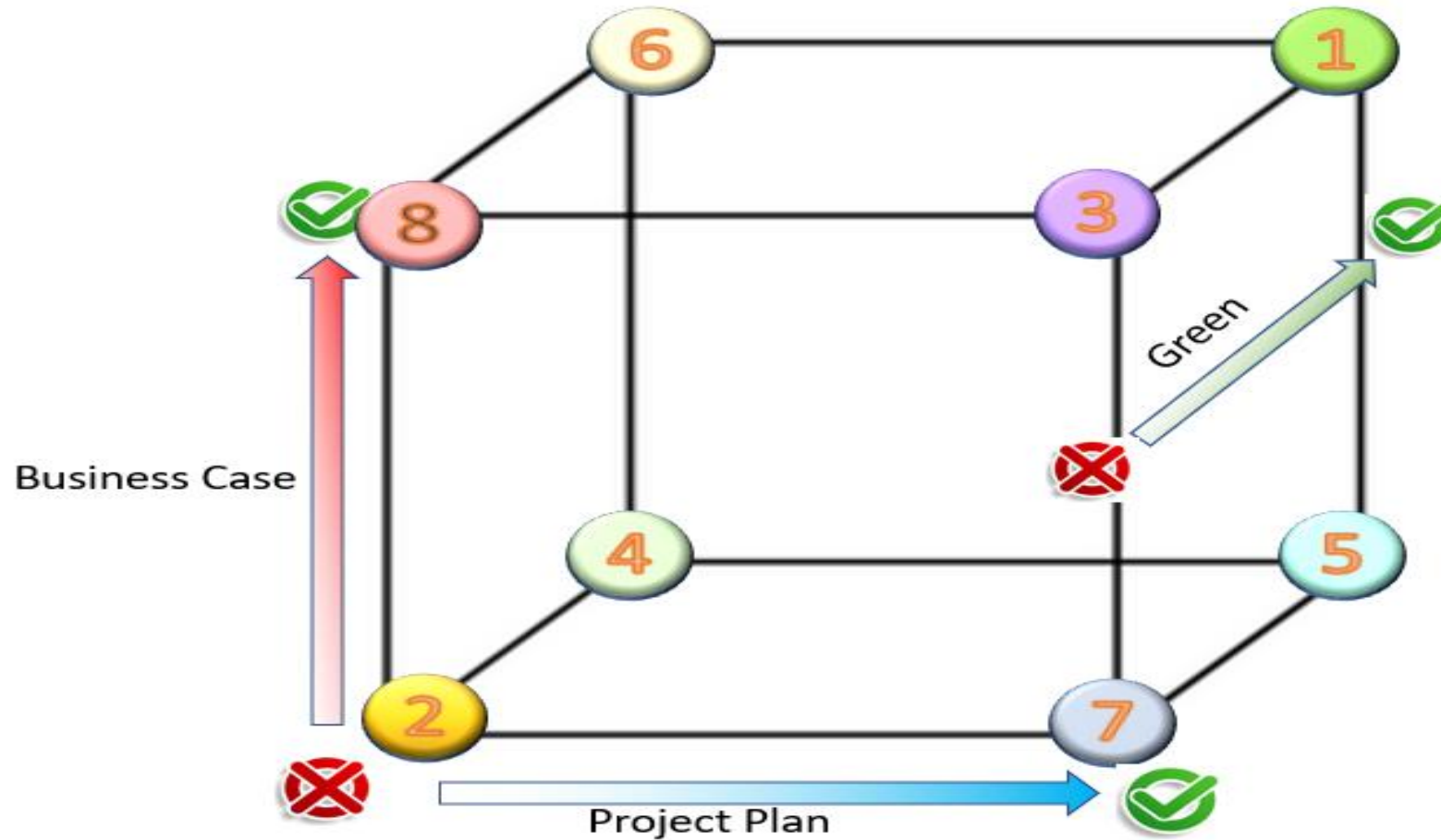
150+ Interviews conducted

In-depth interviews covering a wide range of regions and backgrounds



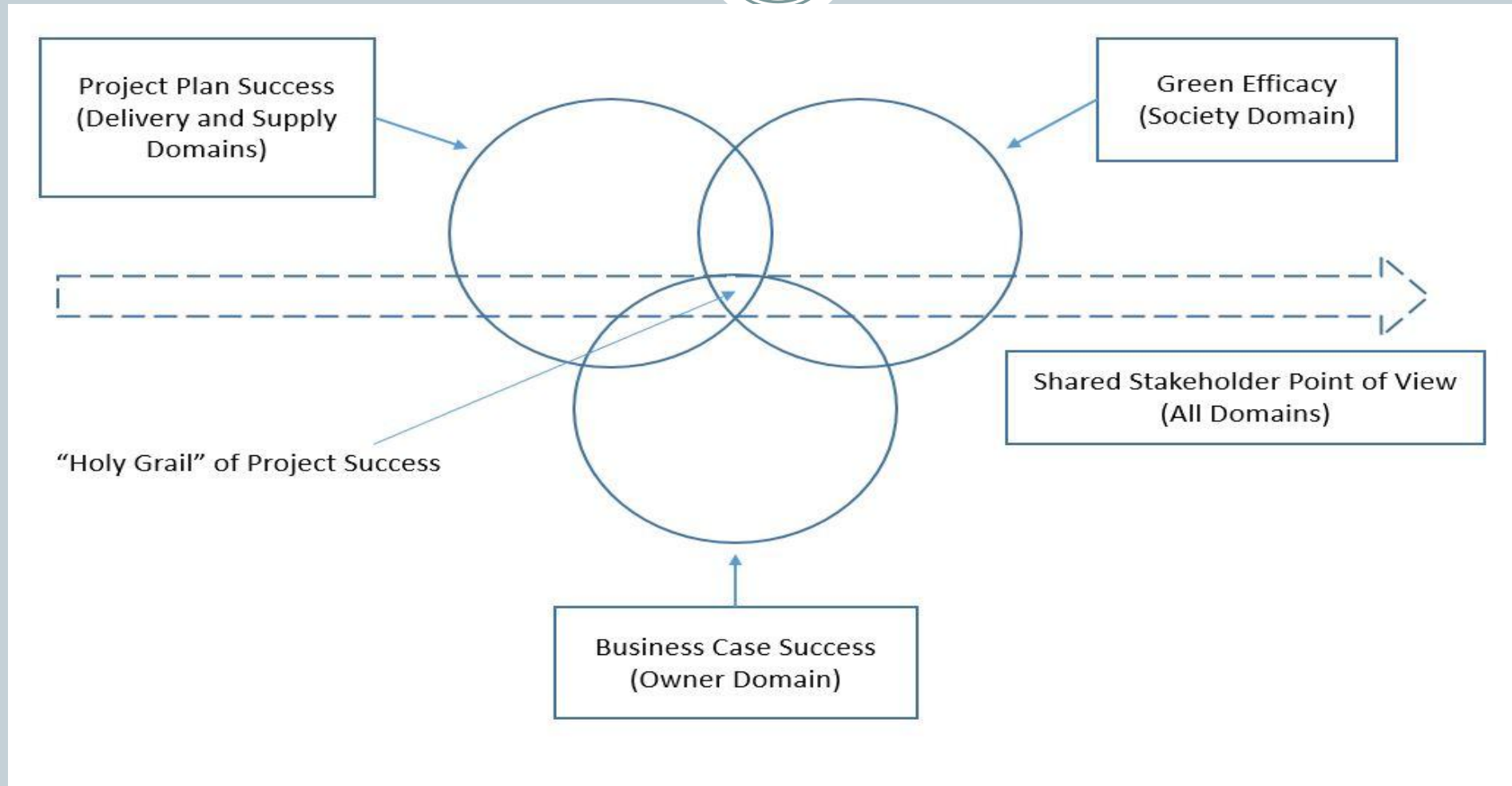
Eight combinations of three success dimensions for the assessment of project success over time (Ika & Pinto, 2022)

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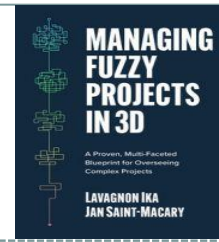


A four-dimensional (Tesseract) model of project success (Ika & Pinto, 2022)

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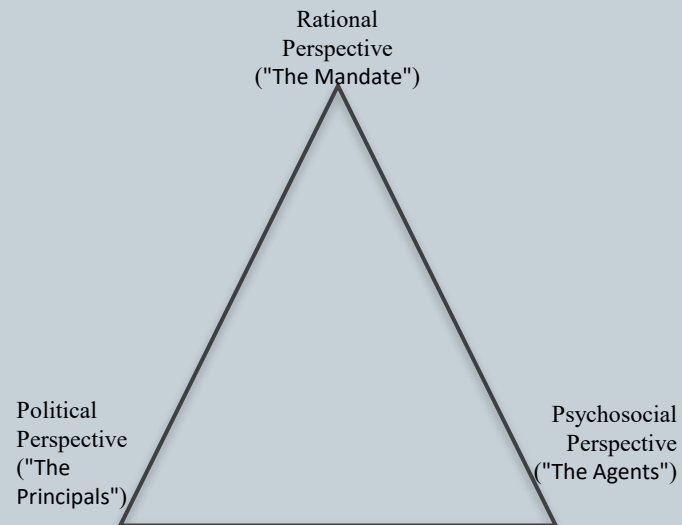
The 3D Approach to Project Success



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Projects are fuzzy

- 3 dimensions of a project



3 key perspectives

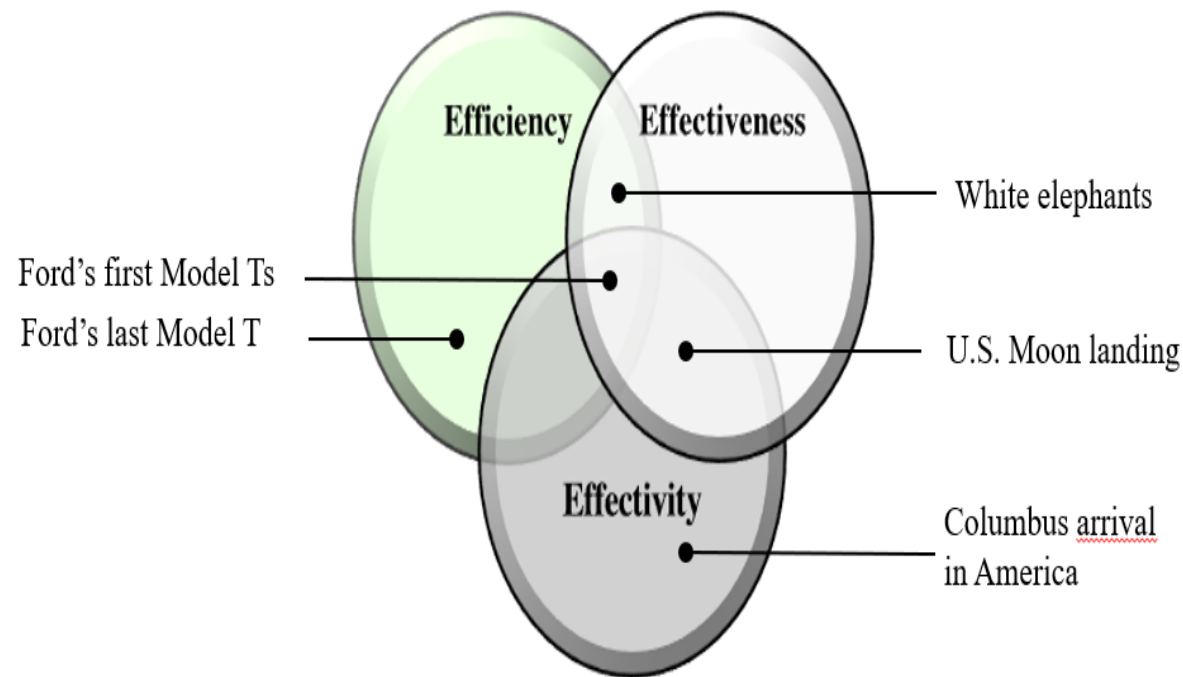
- **Rational:** Iron triangle of time, cost, quality
- **Political:** Executives, clients and other powerful stakeholder expectations
- **Psychosocial:** Project team members' expectations

The 3D Project Success Assessment

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3 overarching dimensions of success

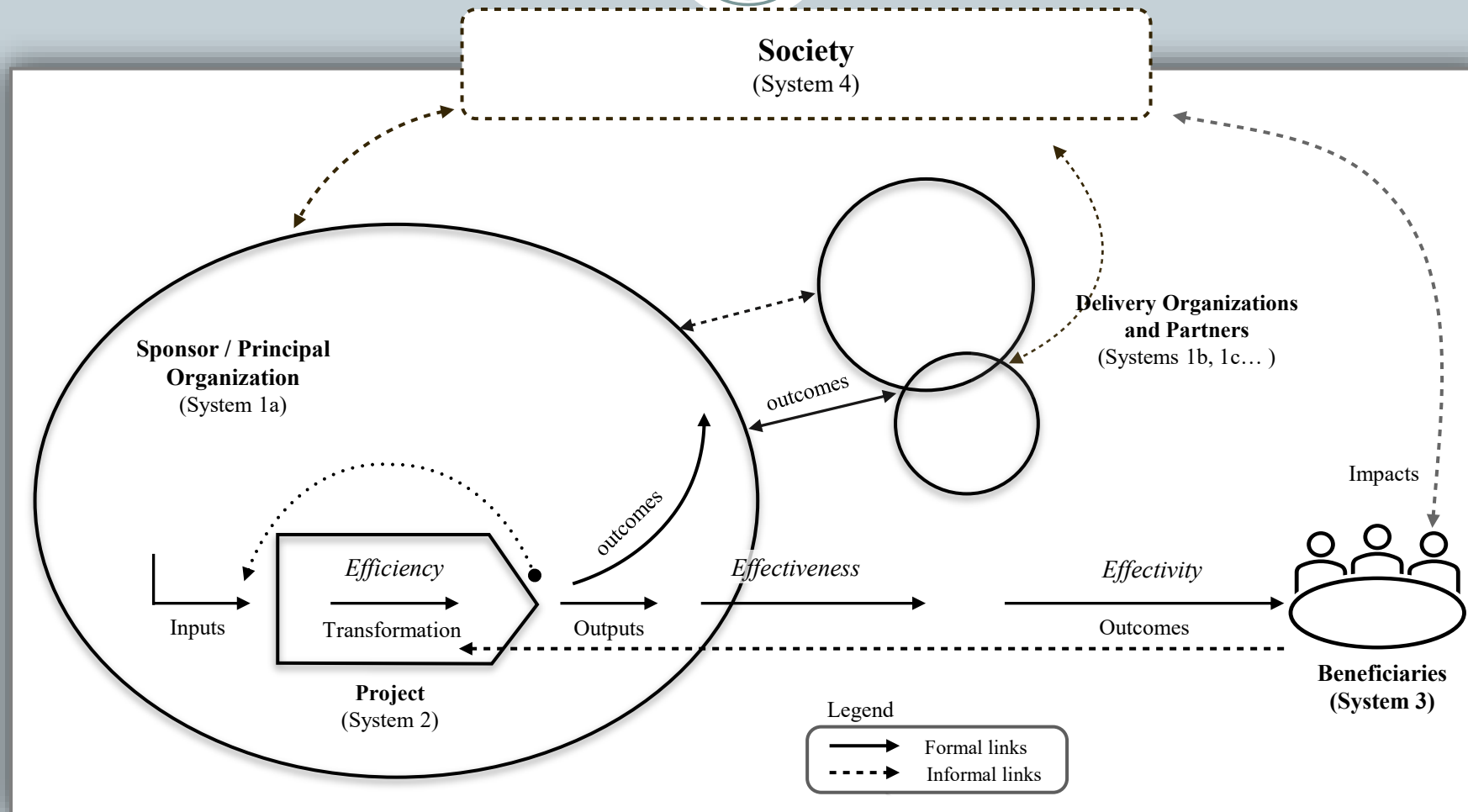
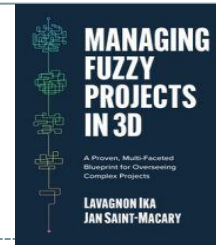


Definitions

- **Efficiency (Outputs/Inputs):** Doing things right
- **Effectiveness (Outcomes):** Doing the right things
- **Effectivity (Impacts):** Doing the best things for all

Project Success Operates Across Systems

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A 3D project success assessment for the Big Dig project

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World Bank project success

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- Types: infra; gov.; health, edu., etc.
- Over 2,800 projects appraised between 1960 and 2019
- Project success scale: highly, moderately satisfactory, satisfactory, moderately unsatisfactory, and highly unsatisfactory)
- About 82% projects are deemed successful

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Optimism Bias and World Bank Project Performance

LAVAGNON IKA* & SIMON FEENY**

*University of Ottawa, Ottawa, Canada, **Centre for International Development, RMIT University, Melbourne, Australia

(Original version submitted June 2021; final version accepted July 2022)

ABSTRACT This paper examines the correlates of optimism bias and its impact on World Bank project performance. We measure optimism bias in different ways using estimated Economic Rates of Return (ERR) of projects at approval and closure. We examine over 2,800 World Bank projects that were appraised between 1960 and 2019. We find that approximately 60% of projects in the sample were prone to optimism bias. Correlates of optimism bias include both project and country characteristics. Findings also indicate that the incidence of optimism bias reduces the chance of a satisfactory project performance rate at the time of evaluation by 17–20%. Recommendations include embracing complexity and uncertainty in considering projects for approval, providing organizational incentives for ensuring projects are successful rather than ERRs being accurate, shifting some resources from appraisal to implementation, and changing the nature of project supervision.

KEYWORDS: Optimism bias; economic rate of return; project performance; project appraisal; project evaluation

JEL CLASSIFICATION CODES: D61; D83; F35; O22

1. Introduction

Project underperformance remains an everlasting puzzle in development theory and practice (Andrews, 2018; Hirschman, 1967; Ika, 2012). Consequently, project performance has been the subject of research, with three broad areas of interest (Denizer, Kaufmann, & Kraay, 2013; Feeny & Vuong, 2017; Ika, 2018). The first stream, which dates back to the 1970s, focuses on Cost-Benefit Analyses (CBA) and typically assesses the Economic Rates of Return of projects (ERRs), prospectively at project appraisal/approval and retrospectively at project completion/closure (e.g. Del Bo & Florio, 2010). The second and relatively recent stream focuses on rigorous impact evaluation through randomized control trials (e.g. Banerjee et al., 2015). In addition to these two streams which are in the micro-economic tradition, a third look into the inner workings of the project management 'black box' and explores how activities and processes are actually carried out to fill the void in practical insight on how projects really get done (e.g. Ika, 2015).¹

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Supplementary Materials are available for this article which can be accessed via the online version of this journal available at <http://dx.doi.org/10.1080/00220388.2022.2102901>

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In Particular, How Do We Measure World Bank Project Success? (Ika, 2015, 2018; Ika et al., 2012)

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Project Success Measures

Project Management Success (PM Success)

Project was completed on time (efficiency/time)

Project met its objectives (**effectiveness /objectives**)

Project budget was well managed (**efficiency/cost**)

International Development Success (Impact or Del Success)

Project objectives are suited to country needs (**relevance country**)

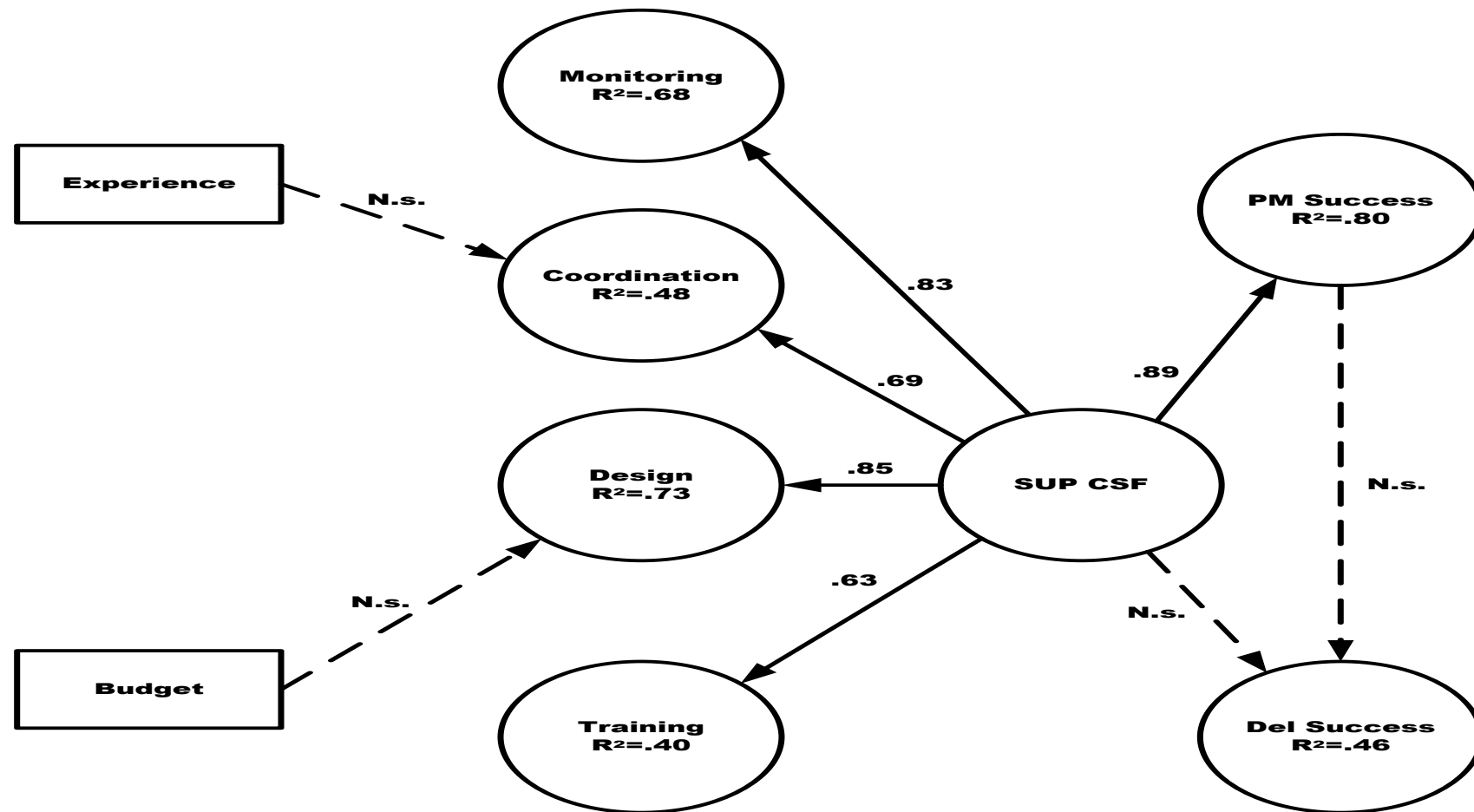
Project objectives are suited to beneficiaries' needs (**relevance beneficiaries**)

Project built institutional capacity within the country (**impact**)

Project results will continue after the project ends (sustainability)

Do Major Projects Really Deliver (Ika, 2015, 2018)

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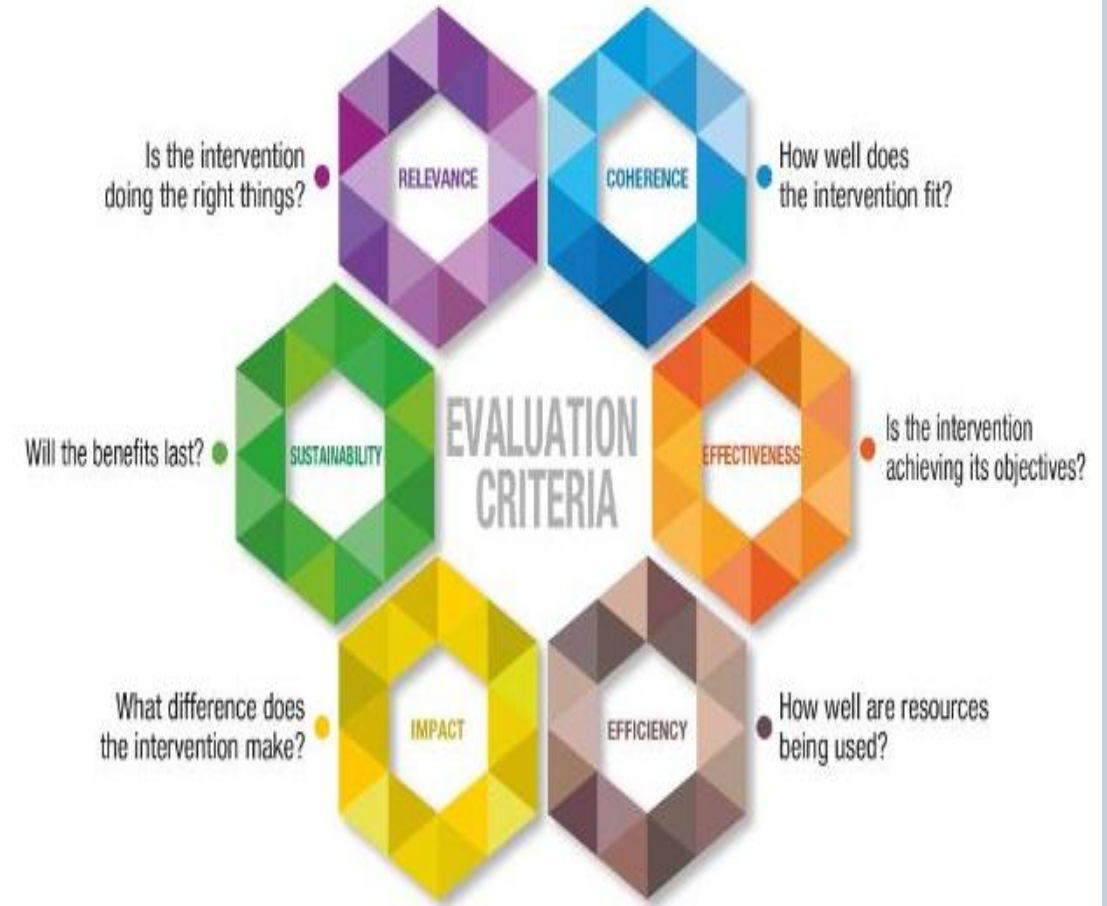


There is a need for project success criteria for grand challenge projects (Patton, 2021; Ika & Munro, 2024)

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Transformation criteria are needed including the extent the project:

- employs adaptive view of sustainability
- uses systems thinking principles and complexity concepts
- Fosters systems-level EDI



A Call for Action

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Pick up a project you were involved in and discuss:

- How is success currently defined and measured?
- How might your success criteria change going forward (cf. the 3D or 3^E approach)?
- What resistance might you face in applying a broader view of project success?

Conclusion

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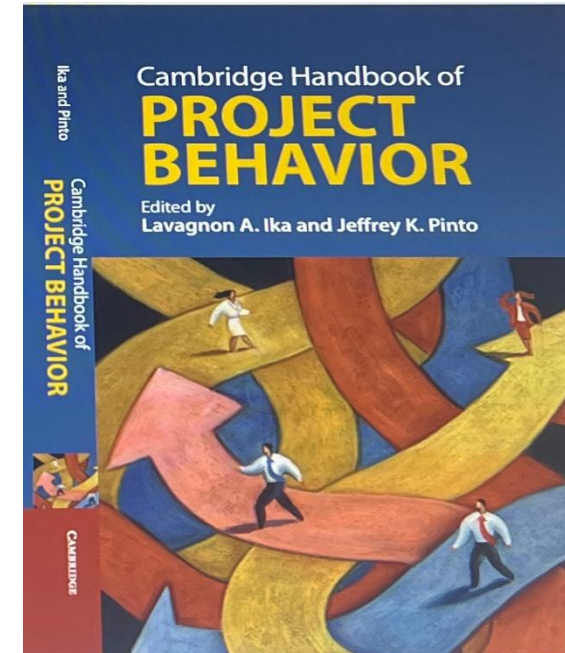
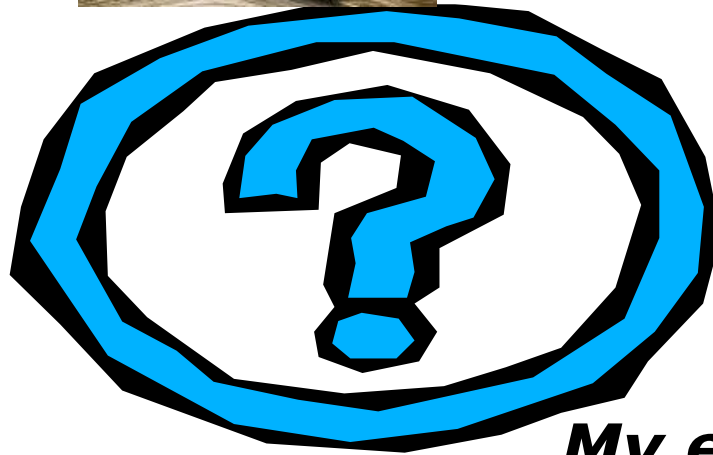
FINAL WORDS



CONCLUSION



BUSINESS FOR A BETTER CANADA



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