Chapter XIII

Reluctance to Report
Reality in Troubled Technology Projects

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ABSTRACT

The situation of IT project leaders’ reluctance to engage in “reality reporting” is examined within a classic organizational behavior framework: the influence of person vs. situational factors on worker behavior. We review the MIS literature to establish that this project reporting problem has been substantiated and creates problems for organizations. Then we detail the foundation underlying Mischel’s classic argument regarding the type of situations in which person variables tend to be influential, and we extend a useful conceptual framework for IT managers. Viewing this
reporting behavior through the lens provided by Mischel leads to recommendations on how managers can make status reporting in troubled IT projects a stronger situation to influence reality reporting behaviors by project leaders.

**RELUCTANCE TO REPORT REALITY IN TROUBLED TECHNOLOGY PROJECTS**

Consider the following scenario based on a true occurrence:

Application development and technical teams were hard at work in a banking institution to develop and implement the firm’s first web-based application. The initial target date to deploy the application was June 15. According to plan, the technical team had the infrastructure in place by that date. This technical platform included a contract outsourcing the web-hosting function for a monthly fee of $30,000, and the contract was signed to begin the services (and corresponding payments) on June 1.

As June neared, however, the development team delayed the deployment date to September 15. To meet that date, the new application had to be migrated to the pre-production environment for final user testing on September 1. In the last week of August (mere days prior to final user testing and less than three weeks from the go-live date), the development team reported they were not ready. The team later delivered new completion estimates, which dictated a major postponement to December 15.

Considering the development team was that far from product completion, developers and project leaders were likely aware for some time that delivery dates were not going to be met, yet this had not been reported to management and other stakeholders. Because the information was not brought forward, others in the company were unable to make needed adjustments for this project or for other projects and processes dependent on it. In this case, one of the negative effects of the reluctance to report reality is clearly quantifiable—the company could have saved six monthly $30,000 web-hosting payments (or $180,000) had the development team reported the true project status.

Unfortunately, such scenarios are not uncommon in IT projects. A Standish Group 1998 survey, for example, reported that only 26% of software
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