IS Project Escalation in Developing Countries

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IS Project Escalation in Developing Countries

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ABSTRACT

Although Information and Communication Technologies (ICT) often drives development, there is a lack of ICT induced growth in developing countries. This is particularly interesting because of the different outcomes between the implementation of the same technological initiatives in developed and developing countries. G-bank is a leading Information Technology (IT) driven, Nigerian financial services organization. By focusing on an escalated Management Information Systems (MIS) project in G-bank, this paper identifies the gap between the outcomes in implementation of technology initiatives. It suggests that direct transfer of technology initiatives from industrialized to developed nations, without adaptability to ‘local content’, leads to failure. While Approach Avoidance Theory (AAT) can be used to explain escalation/de-escalation behaviors, it is not adapted to the developing countries context. Additional factors, such as inability to adapt technology to local organizational culture, are identified as influencing outcomes and are among the major causes of escalating projects in developing countries.

Keywords

ICT, project escalation, developing countries, Approach Avoidance Theory

INTRODUCTION:

Literature identifies that there is a high occurrence of failure of information systems projects in developing countries (Heeks, 2002). This paper explores the social and cultural factors impeding the use/misuse of Information Systems (IS) in developing countries. A particular case study of IS project escalation is used to examine if the state-of-the art construct, Approach Avoidance Theory as proposed by Keil et al, (2003) can be applicable to the case of a Management Information System (MIS) implementation in a Nigerian bank. The implementation and use of IS in developing countries differ and in the developing countries context there might be no limit to the extent which projects are allowed to escalate.

LITERATURE REVIEW

Notwithstanding the successful cases of IS implementation in the developed countries, there has been countless number of cases of failure as well. Some of the cases which made lead stories in the media are, Fox Meyer drugs bankruptcy caused by an escalated IS implementation (Scott, 1999), London Ambulance Service Computer-Aided Dispatch system (Beynon-Davies, 1999), the TAUROS (Transfer and Automated Registration of Uncertified Stock) project (Drummond, 2001), Denver International Airport’s Automated Baggage handling System (Montealegre and Keil, 1998), the CONFIG project (Keil, 1995).

Despite the high number of failed and escalated IS projects in developed nations, the existence of total misuse, highly faulty implementation and malfunction of Information and Communication Technologies (ICT) in developing countries (eg. Puri et al, 2000) requires closer scrutiny (Avgerou, 2008; Walsham & Sahay, 2006). This is because the developing countries are not at the same level of technological maturity as the developed nations (Avgerou & Walsham, 2000; IFIP WG9.4, 2000). There is a huge gap in structure, substance, technology, availability and use of ICT between developed and developing countries. In terms of technology based achievements, financial institutions are the most technologically advanced in developing countries (Molla and Licker, 2005), as shown in the level of success recorded by the financial institutions in comparison to their foreign counterparts. For African countries to be part of the globalization processes in this millennium they need to review their information related rules, regulations, and policies with a view to evolving plans and strategies for developing their information resources, systems, infrastructure, and services (Bada, 2002; Oladele, 2001).
ICT based innovations in financial Institutions

Financial service companies were among the earliest commercial users of information technology, with emphasis in the banking industry on service delivery and maximizing customer satisfaction. Many banks choose cost effective alternatives when they embark on the implementation of ICT projects (Thrassou and Phillip, 2008). Technology has brought about new opportunities, products and markets, and also, redefined the service delivery of banks. Technology products offered by banks are varied and these services are homogenous across the board, between developed and developing countries. All banks in Nigeria, work to be able to offer the same technology based services offered by their foreign counterparts, allowing a seamless integration and communication between banks. Successful ICT projects in financial institutions include online, mobile and Internet banking; Automated Teller Machines (ATM); electronic notification services; Information Technology (IT) helpdesk for internal and external customers; Electronic Funds Transfer (EFT); online bills payment; e-business; mobile recharge/top-up; workflow and document management systems; customer relationship management systems.

Advances in information technology have changed the financial landscape dramatically (Boot and Marine, 2008). Although complex and sophisticated these technological innovations show significant success in banks in developed countries. Why does the implementation and outcome or use of technological innovations produce dissimilar results when comparing banks in developing countries to their foreign counterparts? According to Snow and Keil (2002), the actual status of software project mostly differs from the reported status. Only if project managers take adequate measures about negative feedback from project team members and present the true nature of the project to the executives, could disastrous projects be easily redirected and corrective measures taken. Snow and Keil (2002); Keil and Robey (2001); Keil et al (2007) reveal that software project failure begins with inaccurate status reporting and this should be carefully scrutinized.

Some organizations welcome ‘good news’ only reporting (Keil and Robey, 2001; Snow and Keil, 2002; Keil et al, 2007), which may lead to problems and potential failures being covered up and kept ‘hidden’. The reasons many innovative efforts end up as failures in Nigerian banks could be attributed to inadequate utilization of project management principles and/or other factors which. Many researchers attribute failure to the direct transferability of innovations from the industrialized nations to the developing countries without adapting them to the local conditions (Heeks, 2002; Avegrou, 1998, Walsham et al, 2007). The stakeholders are most times often partially or completely ignored in the planning of technology projects. This results in total or partial failure of IS projects, a condition mostly referred to as ‘escalation’ in the literature.

Escalation of IS projects

Research has shown that many incidences of IS project failures are actually escalated projects (Park and Keil, 2009; Pan et al, 2009; Montealegre and Keil, 1998; Keil and Mann, 1997; Nuldén, 1996). Also, well-publicized MIS project failures are often presented in the literature as cases of escalation (Chulkov, 2008). The term ‘escalation of commitment’ is used to address the issue of escalation of IT projects. Runaway projects are a serious and costly concern for IS management, Snow and Keil (2002) refer to escalation as an organization’s worst nightmare.

Uncertainty of goal achievement and negative feedback should be an obvious indicator for project managers to discontinue commitment or project ‘de-escalation’. Snow and Keil (2002) also highlight the term ‘chicken-little’ reporting where the project manager gives a negative feedback about a risky project so as redirect attention from it and not raise people’s expectations of the project. An individual’s inability to report the true status of a project has been linked to most causes of project escalation and Keil and Robey, 1999; Snow and Keil 2002; Park and Keil, 2009 strongly argue that it is the most prevalent cause of this unfortunate situation. This is undoubtedly because it is easier to hide the true nature of a project to the project sponsors because they are not physically involved in the implementation. The project manager would want to live another day and ‘pull-off’ success by continuing with a project in spite of the obviously perceived project adversity (Snow and Keil, 2002). The project sponsors would rather pullout as soon as the problems become obvious. A survey of IS audit and control reveals that 30-40% of IS projects escalate. This led Keil and Mann (1997) to the conclusion that ‘runaway’ projects were usually influenced by a combination of social, cultural, psychological and organizational factors. Pan et al (2009) reiterates the Approach Avoidance Theory (AAT) for IS project escalation and insists that the occurrence of escalation is a risk and that if IS managers are able to point out this risk and provide a workaround, contingency plan or means of mitigating this risk, project escalation would not be as widespread.

ESCALATION FACTORS

As discussed above, approach avoidance theory (AAT) can be used as a construct for deducing the factors that lead to project escalation. AAT is a theoretical model which integrates other escalation theories to create a ‘richer’ model for the explanation of escalation and de-escalation of IS projects (Pan et al, 2009). The completion effect construct derived from AAT provides the best classification of projects, correctly classifying over 70% of both escalated and non-escalated projects (Keil et al,
2000). The completion effect attributes escalation to the belief that a project is about to be completed and if more resources are allocated, it could lead to a successful implementation. According to Keil and Mann (1997) factors such as project, psychological, social and structural or contextual factors lead to escalation of commitment (Staw and Ross, 1987), see Table 1. These are the most widely used and accepted factors for explaining escalation behaviors in IS literature (Keil, 1995; Newman and Sabherwal, 1996; Sabherwal et al, 2003).

<table>
<thead>
<tr>
<th>Project Factors:</th>
<th>These are the laid down objectives of the project which involves the cost and benefit analysis (Keil et al, 2000). Projects always have budget and cost allocations and they are expected to be completed at a specific time constraint. The project factors that trigger escalation are usually determined by: large payoff, long-term payoff structure, high closing costs and low salvage value.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Psychological Factors:</td>
<td>These are the most prominent factors which lead to escalation although they are not easily controllable. They arise from emotional attachments formed as a result of the decision maker’s relationship with a project. Determinants of the psychological factors include: personal responsibility for failure, information processing errors, sunk cost effect, emotional attachment and framing.</td>
</tr>
<tr>
<td>Social Factors:</td>
<td>These are the social groups and institutional work practices surrounding each decision maker: public identification of the project, responsibility for failure, need for external justification, competitive and political rivalry are all social factors that determine project.</td>
</tr>
<tr>
<td>Structural Factors:</td>
<td>These are contextual conditions surrounding the project: top management support, slack resources, empire building and administrative inertia.</td>
</tr>
</tbody>
</table>

| Table 1 IS Project Escalation Factors |

AAT AS A LENS FOR DATA ANALYSIS

AAT was first proposed by Keil et al (2000) and it has been sufficiently proven as the most effective model for explaining project escalation and de-escalation (Keil et al, 2000; Mann, 2003; Pan et al, 2006; Pan et al, 2009). According to AAT, escalation situations in IS can be viewed as instances of approach-avoidance conflicts. AAT as the explanation of project escalation/de-escalation can best be conceptualized as a ‘behavior that results when driving forces that encourage persistence seem to outweigh restraining forces that encourage abandonment’ (Brockner and Rubin, 1985; Keil et al. 2000).

Researchers view escalation of commitment as an instance of approach avoidance conflicts (Keil et al, 2000, Pan et al, 2009). Accordingly AAT looks behind the decisions which IS and project managers make whereby conflicts are usually created in their minds, which often results in escalation behaviors. The positive factors encouraging continuation of the project are called the ‘push’ factors and the negative attributes encouraging abandonment called the ‘pull’ factors (Pan et al, 2009).

Mann’s (2003) model of AAT has two attributes:

I. Attributes that encourage persistence

II. Attributes that discourage persistence

These attributes are broken down into 5 distinct factors:

(i) cost of withdrawal
(ii) reward for success
(iii) completion proximity
(iv) cost of persistence
(v) ambiguity about a project’s future

Using these attributes as a lens, the case of an escalated IS project, in a financial institution, in a developing country, will be investigated, to determine if it was actually a case of approach avoidance conflict and examine if the differences in contexts has any effect on the implementation outcomes.
RESEARCH STRATEGY AND DESIGN

This study adopts an interpretivist approach, using interviews in a case study followed by thematic data analysis. Thematic analysis can be developed from what has been ‘said’ and ‘recorded’ in interviews. Qualitative data is broken up, rebuilt and organised into themes and meaningful categories which are relevant to the research question (Boyatzis, 1998). Braun and Clarke (2006) identifies inductive and deductive as the two approaches to thematic analysis. The deductive thematic analysis will be used in this study as themes will be generated into thematic sets with AAT used as a lens for the generation of such themes.

The empirical research for this paper was carried out in G-bank in Nigeria, one of the leading financial organizations in the sub Saharan countries of West Africa. A winner of several international awards, G-bank is the most IT driven and well respected company in Nigeria. One author already had a relationship with the bank, and the legal department of the bank was approached and the intricacies of the research discussed. Eventually formal approval was given to the researcher to conduct interviews with the participants strictly on their experiences, use and involvement in the implementation of a specific MIS project. Therefore 15 interviews (semi-structured, using open-ended questions) were conducted, with members and ex-members of the relevant project team in G-bank. The findings were analyzed using a suitable thematic analysis approach (Oates, 2005).

RESEARCH FINDINGS

Overview of Case Study

G-bank’s organizational structure is hierarchical consisting of a top level management team headed by the Managing Director/CEO who oversees the running of the bank; The Deputy Managing Director supports the MD and takes decisions when the MD is absent. The Executive Directors are charged with responsibility for the six geo-political zones in Nigeria. Further down the hierarchy are the General Managers in charge of the groups that make up the bank. One of these, the Technology group, is the main focus of the case and the remainder of the paper describes the implementation of a MIS undertaken by a unit in the technology group; what went wrong, where it went wrong and where the line would have been drawn. It further examines what factors contributed to the project getting to the stage where it was and discusses ways in which the situation could have been ameliorated.

The Technology group is charged with ensuring that the needed IT infrastructure to drive the bank’s business and achieving its objectives, are put in place. The group also ensures the smooth running of the bank’s daily operation. The technology group structure consists of the group head that has the highest level of approval, takes the final decision and represents the group at management meetings. There are five teams in the group: networks and hardware; application development (AD); e-channels delivery; basis enhancement and process automation (BEPA); and the process quality and metrics (PQM). The bank uses a core banking application called BASIS and a workflow and document management application called OPTIX. As the banks capacity, employees (users), increased and the number of business processes increased and became more sophisticated, it became expedient to increase and upgrade the existing licenses on the banks workflow application. There arose a need to integrate the workflow application with the core banking application so as to increase the efficiency of business processes. The manager of the Basis Enhancement and Process Automation (BEPA), whose team was responsible for the applications, contacted the vendors of the existing application, OPTIX and presented the needs of the bank to them, while they presented a business proposal and estimated cost of upgrading the existing system. The manager then contacted the consultants from Jordan who developed BASIS and asked if they had a solution which could solve the existing problem. Normally, any technology product purchase would go through a series of approval levels which involved all the stakeholders, including the technology auditors, business users, project managers and other units who had a stake in the proposed system. But, in this case, the decision and deal was sealed over the phone by the manager of the BEPA unit and this is where the story begins.

Implementation of BPM solution at G-bank.

The consultants from Jordan set out to implement BPM, which is an enterprise application and integrated tool for designing, simulating, verifying and operating business processes for the purpose of automating and improving them. The implementation of the project started on 23/09/07 and was estimated to go live on 12/12/07. The project was expected to have 4 phases, to be run concurrently. The project documents were prepared and signed without an intelligent study of the new system and its capabilities. This very important agreement and decision was between the manager of the BEPA team and the consultants from Jordan.

System development activities in BEPA Unit

During the period of study, the role of the BEPA unit was the automation and enhancement of business processes in the bank. The technology group had a fairly different approach to IS project success and if compared with the modern trends in technology, this would be termed a history of poor project development success. Below 50% of our projects are completed on time. Besides, we also have 55–60% of abandoned projects.” (IS Strategic Project Manager)

When asked why the technology group had achieved so little success in project development and at the same time the bank is recognized as the most IT driven bank, the IS strategic manager explained: ‘Basically, the bank uses modern edge technology to serve its customers and when compared with other banks in this part of the world, G-bank always surpasses its shareholders and customers expectations in service delivery. An escalated project in this part of the world is still given a chance to succeed until all options have been exhausted but in the developed countries, escalated projects are automatically termed as failed projects. Furthermore, project escalation was viewed by the senior management as unavoidable, and had gradually become an acceptable norm.’

Problem Identification Phase

Project Factors:

Inadequate use of project management constructs: the success of any project starts by recruiting the right people to be on the project team. When asked why there was no cohesion among the team members on this MIS project, it was revealed that the initial setup of the project team was faulty as there was a lack of internal communication. Meanwhile, news and reports had already been spreading around the bank that the project had no chance of success, thus the people involved only saw themselves as scapegoats whose career growth was threatened.

Lack of adherence to ‘due process’: every technology project in the bank goes through a series of approval steps and documentation which involves planning, presentation, general acceptance, user acceptance signing off and other ‘due processes’ (G-bank’s Internal audit documents). However, in the implementation of this MIS project, these steps where not followed and the decisions were taken solely by the manager of the implementing unit.

Lack of involvement of business users in the change process: stemming from the lack of adherence to due practice, this change initiative taken up by the manager of the BEPA unit, did not take into consideration the business users, whom the change would most affect. The success of the existing system made it very popular in the bank, at all organizational levels. The business users interviewed didn’t understand the need for this change because the existing application served all their needs. The technology group, on the other hand, understood the need for the change but it wasn’t effectively communicated to the business users. One business user, passionate about the existing system, said: ‘Optix (the existing system) has made our lives as relationship managers easier. I can’t imagine why they (technology group) would want to replace Optix.’

Psychological Factors:

Cost saving: the implementing manager wanted to save money for the bank and the bank had a new policy to reward all units in the bank that saved the highest sum of money.

Competitive and political rivalry: the implementing manager’s immediate drive was to introduce a new innovation, because appraisal and promotion was approaching.

Need for external justification: the implementing manager trusted the vendors and believed their reports, over those of the project team.

Public identification with the project: the implementing manager had already promised the business users that he would use the new system to solve their document file managing problem.

Completion effect: the belief that the ‘end or completion’ of the project was imminent. As the internal project team members had already automated all existing business processes on the old system and added other new processes, the manager had the hope that the project was soon to be completed and launched.

Social Factors:

Language and communication barrier: there was a communication gap between the consultants and the implementation staff. In many cases the consultants spent several weeks solving the wrong problem and after they presented a solution, it would be discovered that it wasn’t the problem identified to them that they solved. This led to frustrated efforts and wasted time and
effort. This was a huge challenge which significantly contributed to the project escalation. The situations always escalated and the consultants ended up travelling from Jordan to Nigeria, at the bank’s expense, to solve minor problems. They didn’t already have solutions to the problems; therefore coming to the project site had no positive impact. Virtually all solutions they provided were not robust, as when the application was stress tested it always failed and crashed.

Application insecure: an unauthorised person can go into another person’s worklist and re-route assigned tasks. This would cause a major audit problem as there was no accountability and everyone was given administrative rights. When this issue was discussed with the head of systems he said: ‘It is highly unethical that everyone would be given the same administrative rights. The implication of this is that fraudulent activities would easily be promoted within the bank and staff can easily commit frauds.’

Structural (contextual) Factors:
Lack of senior management support: although it is clear that senior management approved of the project and so should support it, they did not. While signing off approval documents, senior managers didn’t pay strict attention to details about the technology product, referring to technology projects as ‘tech jargons’ at that stage. One of the project team members revealed how surprised the MD/CEO was when he discovered, during the pilot test of the workflow application that the technology group was in the process of replacing the existing MIS. It wasn’t only senior management who were unsupportive of the change, also the immediate group head of technology was unsupportive, saying that the head of the implementing unit took up the project without adhering to due process and that the overall technology behind the project was not his favorite.

Slack resources: as the implementing unit had budgetary constraints there was a limit to the level of expenditure that could be covered. When issues were raised, the consultants had to travel from Jordan to the bank to try and solve the problems and on many occasions then travelling back to Jordan to seek more technical aid, without finally solving the issues raised. Their travel and living expenses were always charged to the bank as the vendors referred to these as ‘extra services’. The unit ended up spending much more than they budgeted, defeating the initial intent of cost savings.

Project team members exit: this project was scheduled to be launched in 4 months, but after 18 months the bank was yet to get returns from investment in the MIS project. The implementation team comprised 18 members. The unit manager, who was the key decision maker, left for another unit in the technology group. The deputy unit head also left for a different group entirely. The next person in the hierarchy left the bank and 4 other key members of the unit resigned. At this stage, the project had not been de-escalated. The key decision maker delegated duties appropriately before he left and he went on to make promises that the project was moving well and even set a tentative date for it to be launched. One key member, who resigned from the bank, commented: ‘I joined the bank exactly 18 months ago and this MIS project was the first I got involved in. From the onset, there were key indicators that the project had gone bad but the manager for political reasons insisted on us continuing with the project...My fellow team members and I lost our credibility as they often called us by the name of the failed project and always make fun of us asking when the project was going to be launched finally.’

Organizational Factors:
Incompatibility with existing system: the existing workflow applications had to be re-modeled on the new system as the systems were not compatible. There was no known method of migrating existing data from the old system to the new one. This would have a huge implication on the bank’s data storage, access and retrieval.

Inadequate training: the new system required a high level knowledge of the Microsoft .net platform; this would be a redefinition of the skills and job roles of the staff that were involved in the implementation. They would be changing their skills from that of business analyst to high level programming. This shouldn’t be a problem if the staff was sent on the required training, but the staff interviewed revealed that they were not sent on training despite applying to the relevant training departments. This hampered their success in the project, as the head of the workflow management unit explains: ‘The need for training to develop the skills needed for one to excel is a very important determinant of success. I worked night and day to get myself conversant with programming in .Net even before proceeding with learning the new W4 application.’

Investigating the factors that would have assuaged this situation created by the newly defined job roles, another technology staff opines that the Applications Development (AD) unit which is responsible for developing applications could have handled this project better because they wouldn’t require as much training as the staff in the BEPA unit. This is because the new project roles fitted better into their job responsibilities but the project wasn’t delivered to their unit, instead it was given to another unit with different responsibility. The main point identified here is that the right people should be recruited into the project team.
System robustness: in the development phase of the project, during the user acceptance testing, the application engine often crashed or froze. This was evidence that this system wasn’t what the bank needed but the manager in charge didn’t think it was vital enough to terminate the project. Instead he hoped that the software vendors would be able to fix this situation. The implementation manager was asked whether these negative reports and feedback were enough evidence to withdraw from the project at that early stage, but his opinion was contrary as evidenced by: ‘Most upgrades or total change always faces resistance and it is our duty as members of the implementation team and technology group as a whole to sell this project to the business users. We wouldn’t just fold our arms or terminate the project because the business owners expressed some concerns.’

Published business processes could not be modified: processes that were already uploaded on the standard MIS application could not be modified; instead the process had to be rebuilt from the scratch in the event of a policy change or new fields required on the process, which were frequent. When the manager was asked if this was not a sure sign that the application was not what the bank needed, he said: ‘When the project team members reported that the application didn’t allow modifications, I went back to the vendors and asked them if this was the real situation but they said it was totally wrong. They convinced me that it was easy to modify applications by making classes and API that would be integrated into the system to make this possible. I then gave them the go-ahead’.

Using AAT to illustrate escalation in this context

The key construct, derived from AAT, explains the manager’s commitment to this failing project as a ‘completion effect’. The manager of the implementing team disregarded all negative feedbacks and continued with the commitment of resources to this flawed course, because in this light, the forces encouraging him to do so were greater than the forces against. Proximity to the goal and the completion effect, in the manager’s perspective, were the main causes of this behavior. Since the initial intent for embarking on this project was for cost saving, the manager was torn between ‘approaching’ or ‘avoiding’ the project, although it had gone beyond the original budget allocated.

DISCUSSION

Escalation Attributes

The AAT model was used as the basis for identifying and organizing the escalation attributes. These approach and avoidance attributes were compared and contrasted against the array of factors that contribute to escalation and the triggering activities that promote de-escalation. The entire data analysis process went through numerous iterations to formulate a coherent and consistent overview of the case organization.

Cost of withdrawal

At the time of interview, the technology group in G-bank had exceeded the allocated budget for the MIS project. Interestingly, many of the project team members revealed that these issues, which the consultants were paid to come and resolve, always ended up unresolved. Apart from the cost of the project, the decision maker was also guarding his career progression in the organization as it would result in a negative appraisal if he withdrew from the project before the bank was able to get the returns on investment. He therefore decided to create the impression that the project was going smoothly while he executed his exit plan. The cost of withdrawal, according to AAT, is an ‘approach’ factor which means it encourages the decision maker to approach the project as against avoiding it, encouraging escalation.

Reward for success

Reward for success in this case is associated with incentives and other gains which would make partaking in the project worthwhile. During the interviews with the project team members, it was discovered that the decision maker always reiterated to the team members that they had to make the project succeed because appraisal and promotion was around the corner. He also told them that the defunct application, which this new one was supposed to replace, had earned him and the deputy unit head about three successive promotions. This was the perceived reward for success and the driver behind holding on to the commitment. The reward for success usually is a negative attribute which encourages persistence, just as in this case, where appraisal and subsequent promotion was the bait used by the manager to hold the commitment of the team members. The reward for success for the bank should have been a system that could be accessed from any location and also on the web via mobile devices. This system was supposed to have a seamless integration with the core banking application and other applications in the bank, so as to foster communication and increase the performance in terms of loans approval and disbursement. This would also create an enterprise environment to allow for the integration of other state-of-the art applications on the platform. However, this couldn’t be achieved at the estimated time, with estimated resources and efforts.
Reward for success, according to AAT is an ‘approach’ factor which means it encourages the decision maker to approach the project as against avoiding it, encouraging escalation.

**Completion proximity**
Also referred to as the ‘completion effect’, which according to AAT accounts for the behavior of the manager and decision maker when the project has started and many milestones covered. There is a hope and anticipation that the project would be completed in the shortest possible time. There is also the desire to finish a project which had already been started. It is the completion effect that made the manager oblivious to the negative feedback given by the business users and implementation team members. Also, the consultants strengthened this effect by holding on to the emotional and political attachment of the manager to the project. Therefore, they capitalized on the idea that the bank, through the manager, had committed to the project and was not prepared to withdraw from it until it was completed and perhaps the returns from investment had been realized. Thus, the vendors added extra charges to cover for the consultant’s upkeep and transport to and from the project location site. This was additional costs for the bank and also off the budget. However, at the point when the project went from bad to worse, they couldn’t afford to pull out of it and yet were undecided about how much more they would have to pay for transport and upkeep, as more issues on the project arose. Completion proximity, according to AAT, is an ‘approach’ factor which means it encourages the decision maker to approach the project as against avoiding it, encouraging escalation.

**Cost of persistence**
This is a positive event and an ‘avoid’ factor according to AAT. It is regarded as positive in that when considered, it should encourage the decision maker to withdraw from the project, but at G-bank the manager had other plans than to accept defeat and stop project. In this case, the decision maker weighs the cost of continuing with the project and although it was difficult for him to come to terms with it, the cost of persisting with the project outweighs the expected returns from it. The project had gone over the budget and at the time of this study, there was still no estimate as to what the bank would spend for the system to become functional.

**Ambiguity about a project’s future**
Ambiguity implies a situation where it cannot be stated explicitly what the project has turned into and if it would be able to achieve what it was initially planned to achieve. This attribute encourages both persistence and desistance according to the literature. Its ‘avoidance’ attribute is in its ability to enable the decision maker, who is not prone to risk taking, to put an end to a troubled project while its ‘approach’ attribute encourages the risk taking manager to continue with the failing project.

Ambiguity about the future of the MIS project was heightened when the application was to be tested by senior management and they expressed their disapproval. The future of the project became bleak and yet there was not enough evidence for the manger to listen to and ‘draw the line’ on the project. Ambiguity about the future of a project should discourage persistence if carefully considered.

**Additional escalation factors identified**
There were a number of additional escalation factors, from this case of an ICT project in a developing country, also identified, see Table 2.
Table 2 Additional Escalation Factors in G-bank

| Direct transfer of technologies developed in industrialized nations to the developing countries: | The application was not built with the peculiar requirements of G-bank. This was the major cause of the escalation because the MIS had been developed in Paris and was being transferred to Nigeria without adapting it to the local content of the context under study. This is a major problem which the implementation and use of IS in developing country face. The outcome is mostly a failed and under-utilized system. Industrialized-country consultants and IT vendors dominated the IS design process at G-bank. They brought along their context and existing processes to implement in the bank. This mismatched with the developing countries context and thus the gap in the requirements and needs of the bank. This is regarded as the most significant cause of failure of IS in developing countries. |
| Organizational politics and culture do not allow room for failure. | G-bank has an organizational culture which has zero-tolerance for failure. This means that any failed innovative attempt gives the team members, and especially the manager, a bad name. Often the safest and best thing for staff, who doesn’t know how to play the organizational politics, is to clear up their image by resigning from the organization (before they are fired). A project manager in the bank reveals that IS projects are allowed to escalate as long as possible, provided they eventually achieve some of the purpose for which it was intended. |
| Inability to recruit the right vendors and competent members on the implementation team. | It became obvious during the implementation of the project that the vendors did not have adequate skills to make the project a success. This error in the choice of vendors will be attributed to inadequate research by the decision maker who single-handedly commissioned the project without following the ‘due process’. |
| Inability of the decision maker to accept negative feedback reports. | It appears that the negative signs were noticeable at the early stages of the project, where the members of the implementation team realized the incompetence of the vendors. However, the manager waved their concerns aside and motivated them up to continue with the project and ensure they make it a success. Also, even as the manager refused to accept his team member’s reports, he instead accepted the external vendor’s reports, and presented this to the stakeholders and management. |
| Inability to reflect on past mistakes and learn from them. | It became apparent from the interview with the IS auditor and control manager, that technology group always acted independently and purchased or developed software without adhering to the company rules for acquiring technology products. |
| Lack of internal and external communication | There were disagreements among the internal team members, which resulted in unhealthy competition among them. One of the staff interviewed revealed that Mr. Y was not a good team player, which everyone in the group knew and thus, his being given a key role on the team already was a sign of failure. |

CONCLUSION

The direct transfer of the MIS application, developed in an industrialized nations context was the first additional factor identified and a major cause of escalation in this case. The consultants/vendors went into the bank with existing procedures and business processes and they were shocked to discover that the bank also had developed procedures and were not ready to adopt the procedures pre-built by the consultants. This would have been a ‘red flag’ and perfect opportunity for the decision makers to stop this project but research findings show that the consultants promised the implementing manager that they could easily adapt and modify the application to suit the banks’ particular needs. This however, was difficult to achieve and still ongoing at the time of the research.

Secondly it appears that the organization had a culture which gave no room for failures, as any failed attempt reflects negatively on the perpetrator. This implies that an individual would rather hold on to a failed attempt instead of acknowledging and accepting failure. Meanwhile, the individual would be making all efforts to devise an escape route from the organization; else their prospective career growth would be hampered. This inability to ‘fail fast’ has a huge impact, as the perpetrator will refuse to give reports on the true status of the project and continue to promote the project, remaining positive before senior management.

Thirdly, as the organization didn’t give room for failures, it became impossible to learn from past mistakes and reflect on them. This implies that many mistakes are often repeated, although it would have been beneficial to openly discuss failure in
a constructive way, in order to learn as opposed to a destructive way in order to ridicule the ‘scapegoats’. According to the organization’s IS strategic manager, it is the banks inability to learn from past mistakes that hinders success in implementing IS projects because many failure factors could easily be avoided.

Finally, recruiting competent people on the implementation team has a major impact on the outcome of any innovation. Irrespective of the context, it is of paramount importance to put the right people on a team in order to achieve success.

In conclusion, state-of-the-art constructs in addition to the technological innovations, should be adapted to suit the particular context in which they would be used, before a successful and all encompassing transfer should be made between developed and developing countries. However, there is a possibility of discovering more factors that can contribute to escalation of IS projects in developing countries if other institutions and projects could be investigated. AAT has been used as the theoretical lens with which to view this ‘runaway’ project in a bank in Nigeria, and enables interesting and useful insights to be gained. Further research could further inform the escalation literature on how the context of past behaviors and decisions are able to impact on the future of IS development and the possibility of reducing failure.

REFERENCES


