

Countering optimism bias gently

James Walker

Optimism bias is frequently identified as a reason governance bodies '*did not look hard enough*' at projects prior to their failure. In the case of information system projects, research findings indicate over 64% of them fail with attribution focussed on the steering committee, board or executive sponsor.

This is unreasonable. There is a cascade of optimism throughout the project hierarchy. The consolidated project report creates a sort of optimism fog since all formal reporting seems positive.

Optimistic reports can carry disclaimers such as *if [this] happens, all will be well*, and *the likelihood of this happening is positive*. Voicing caution to this optimism is tantamount to criticism, particularly when based on 'gut' feel.

At the governance level, the succession of positive reports delivered through the optimism fog make the time and cost of delving into the 'gut' feel untenable and a focus on the project tasks, schedule, and budget seem much more appropriate. However, it is the experienced-based 'gut feel' which is presumed to govern projects.

As project tasks continue to fail, governance groups become concerned that they don't understand what is going on, which of course is true within the 'fog'. The question is how to turn the situation around?

In my experience the single most effective and immediate answer to turnaround is a sociogram. This is a disciplined quantitative description of the entire affected area of the project highlighting the formal and informal interactions and activities of the parts. It extends to all stakeholders and considers the organisation holistically. It is this environment which must support and accept the project.

This approach is very rapid to deploy and provides the governance group with a view independent of the project plan. It encourages 'gut feel' and *looking hard* which are both expected of the governance role.

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