The Dark Side of projects

Professor Giorgio Locatelli PhD FHEA

Full Professor of Complex Projects Business

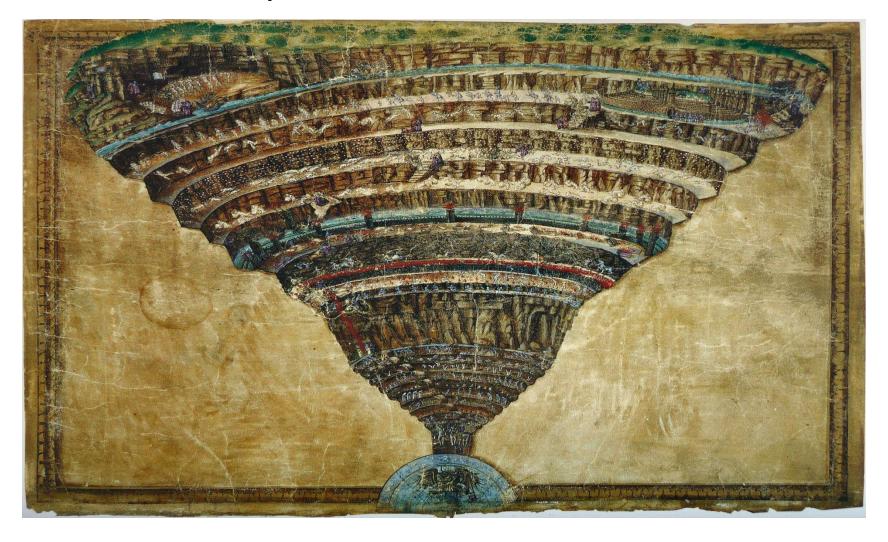
School of Management – Politecnico di Milano

Editor-In-Chief – Project Management Journal

Giorgio.Locatelli@polimi.it



Dark Side – Why do we care?





The Dark Side of Projects: Dimensionality, Research Methods, and Agenda

Project Management Journal 2022, Vol. 53(4) 367–381 © 2022 Project Management Institute, Inc.
Article reuse guidelines: sagepub.com/journals-permissions DOI: 10.1177/87569728221103911 journals.sagepub.com/home/pmx



Giorgio Locatelli , Efrosyni Konstantinou , Joana Geraldi , and Tristano Sainati ,

Abstract

This article presents the dark side of projects, engaging project scholars and practitioners in discussions about sensitive, confusing, uncomfortable, challenging, and questionable phenomena, such as corruption, sexism, money laundering, modern slavery, waste of resources, and organizational politics. The dark side impacts people's lives, questioning the legitimacy of projects as forms of work organization and the political and ideological systems shaping the projects' context. Project scholars and practitioners need to be aware of the harm the dark side of projects may promote. Ultimately, we aim to build awareness, promote research, and help sensitize our community to the dark side of projects.

Keywords

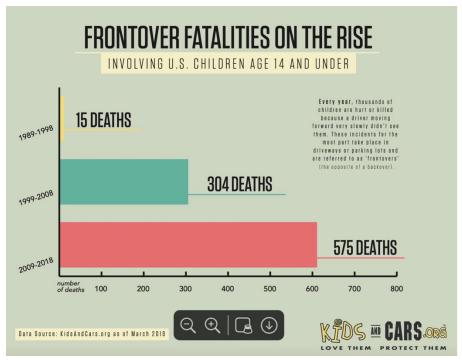
dark side, ethics, philosophy, morality, discrimination, abuse of power, politics, intellectual irresponsibility



New Product Development project

- Who are the stakeholders?
- What's about fuel consumption?







Project based companies

Carillion's share price has collapsed since July 2017





One of the largest construction companies in Europe, with 43,000 staff worldwide - 20,000 in the UK



Project based companies

"Carillion's rise and spectacular fall was a story of recklessness, hubris and greed. Its business model was a relentless dash for cash, driven by acquisitions, rising debt, expansion into new markets and exploitation of suppliers. It presented accounts that misrepresented the reality of the business, and increased its dividend every year, come what may. Long term obligations, such as adequately funding its pension schemes, were treated with contempt. Even as the company very publicly began to unravel, the board was concerned with increasing and protecting generous executive bonuses. Carillion was unsustainable. The mystery is not that it collapsed, but that it lasted so long." (UK Parliament, 2018)

THE DARK SIDE KILLS PEOPLE AND COMPANIES, JOBS ARE LOST, VALUE AND BENENFIT NOT DELIVERED (E.G. HOSPITAL LEFT UNCOMPLETED)

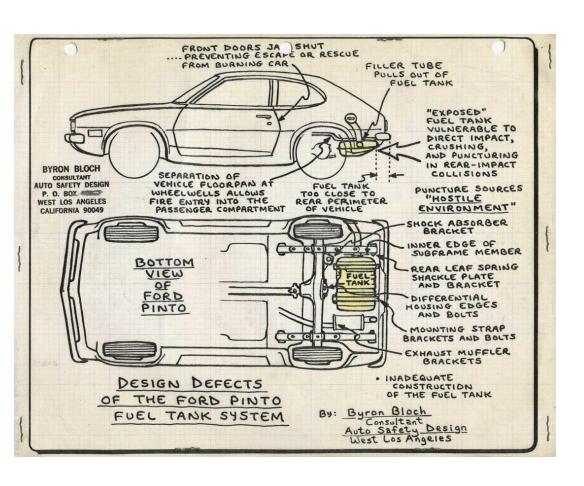


A Famous story and need for theory





A dark side project: the Ford Pinto The issue







A dark side project: the Ford Pinto "The cost benefit analysis"

- 40 crash tests, and in all these crash tests, the problem occurred.
- Ford engineer's calculation for reducing explosion risk
 - Cost: 12,500,000 vehicles; \$11 per vehicle to make the back part stronger, a total \$137 million
 - Benefits (statistically calculated ex-ante... remember optimism)
 - 180 people dying X \$200 thousand per person = \$ 36 million
 - 180 persons heavily burned but still alive, \$67 thousand per person = \$12 million
 - 2,100 burned cars., \$700 per car,
 - TOTAL roughly \$50 million (Saved)
- Not worth investing in a reduction in the explosion risk



A dark side project: the Ford Pinto Real numbers

- It is estimated that between 500 and 900 people burnt in Pintos.
- Ford did not stop the production of the Pinto even when the dying started
- Ford paid millions of dollars to settle damages out of the court, and they continued to produce the Pinto.
- In August 1978, three teenagers were burned when a truck crashed into their Pinto from behind, and Ford was, for the first time, charged with reckless homicide.
- The reputation damage was huge.
- Ford decided to stop the production of the Pinto.



A dark side project: the Ford Pinto Real numbers





A dark side project: the Ford Pinto Some questions

Why did the company do all this?

How could these engineers sleep at night?

Why didn't they stop it earlier?



Dennis A. Gioia



A dark side project: the Ford Pinto Context & Organisations

- Oil crisis: Volkswagen & Japanese car makers, aggressively winning market shares with smaller cars
- Time pressure (remember crashing the project?): Planning schedule crashed from 43 to 25 weeks
- The Pinto is the baby of the CEO of this company, Lee Iacocca. He was in urgent need of a small car at that time.
- Safety was not a popular issue at Ford at that time. CEO famous for always saying, «safety doesn't sell.»



A dark side project: the Ford Pinto Context & Organisations

- Project constraint: the limit of the 2,000s. (The clear goals...)
 - Pinto should not weigh more than 2,000 pounds
 - Pinto should not cost more than \$2,000.
- Are you telling the CEO it will cost more than \$2,000?
- The word "problem" was forbidden in this organisation. And the legal department had declared that it should be avoided as a word.
- Classic case of self-censorship. How can you see it as a problem if you cannot say it?
- CEOs like Lee Iacocca were pretty much told what they wanted to hear



A dark side project: the Ford Pinto Legal

• Crash tests started in 1968. The Pinto is put on the market in 70. So, there's not much data available. And crash tests became mandatory only in 1977.

 In the year the Pinto is brought to the market, you can completely fail a crash test and still market the car.

• It's legal. Engineers are still struggling to interpret the data of the crash test they have started to do



A dark side project: the Ford Pinto The "external pressure"

- Oil crisis.
 - aggressive competition with the car makers who arrive with their small cars.
 - People want smaller and less consuming cars.
- There's growing regulatory pressure.
- The only trump Ford had was the Pinto. There was no other small car available.
- The atmosphere of us against them inside Ford. «All enemies»
 - close like in a medieval castle, «Outside, the idiots. Inside, the guys who know everything».
 - If you develop strong inside-outside group feelings, the beginning of rule-breaking.



Ethical blindness

The temporary loss of the ability to see the ethical dimension of a decision at stake. (Prof. G Palazzo)







One of the oldest questions

Why "good people" makes bad things?



Fraud Triangle Theory

Cressey, D. R. (1953). Other people's money; a study of the social psychology of embezzlement.

PRESSURE

Force pushing toward illegal/unethical behaviours (Financial, emotional, hierarchical...)

DARK SIDE

OPPORTUNITY

Ability to execute plan without being caught or will be no punishment

RATIONALISATION

Personal joustification for illegal/unethical behaviours (everybody is doing it, my boss ask...)



So, what's the dark side?





So, what's the dark side?

Revealed: 6,500 migrant workers have died in Qatar since World Cup awarded

Guardian analysis indicates shocking figure over the past decade likely to be an underestimate

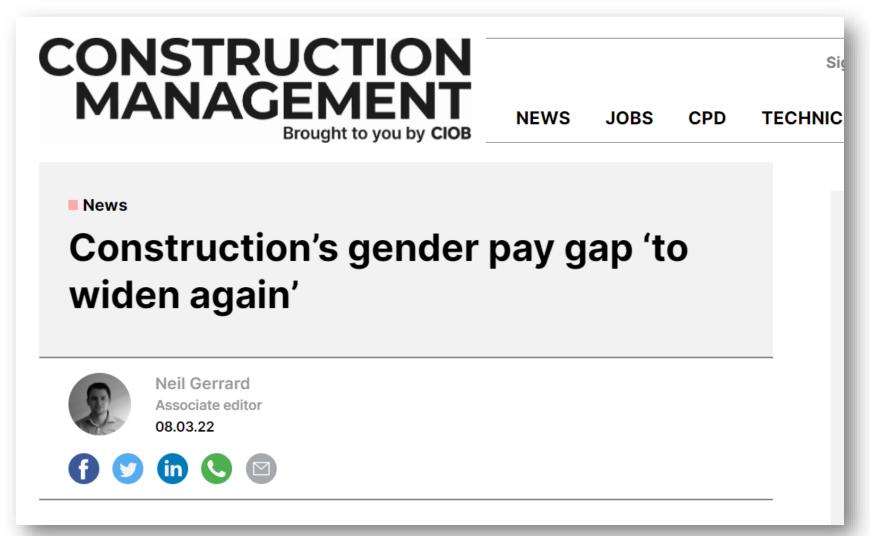


■ Latha Bollapally, with her son Rajesh Goud, holds a picture of her husband, Madhu Bollapally, 43, a migrant worker who died in Qatar. Photograph: Kailash Nirmal

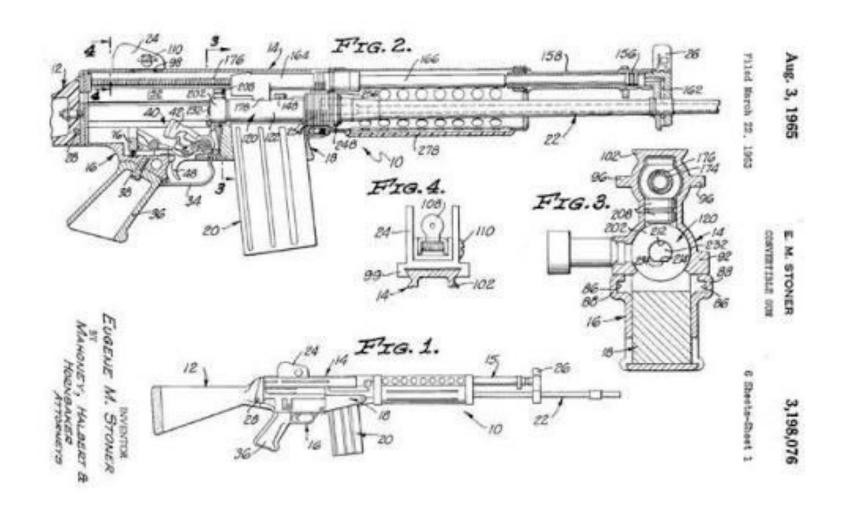
More than 6,500 migrant workers from India, Pakistan, Nepal, Bangladesh and Sri Lanka have died in Qatar since it won the right to host the World Cup 10 years ago, the Guardian can reveal.



So, what's the dark side?







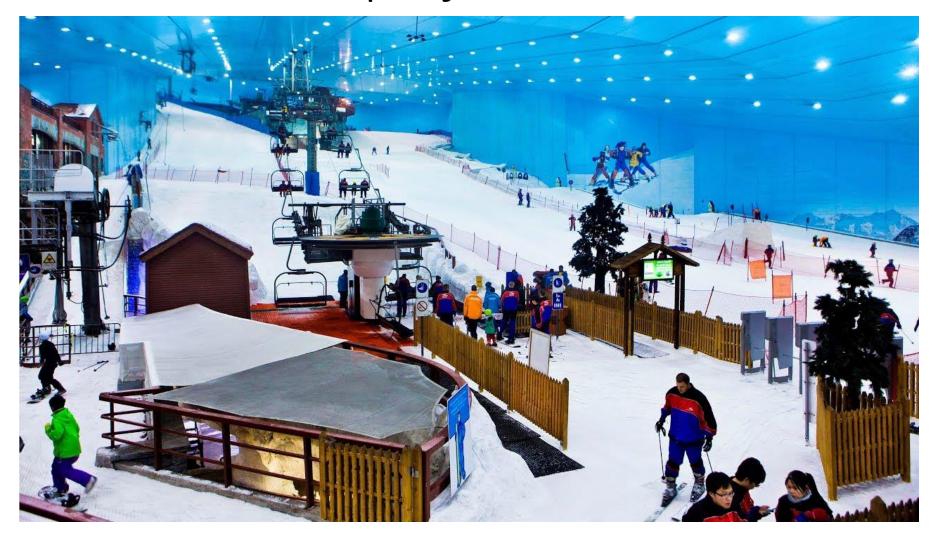


Award sub-contracts on the lowest possible costs



















Therefore

The dark side involves any illegal or unethical phenomena associated with projects".

Locatelli, G., Konstantinou, E., Geraldi, J., & Sainati, T. (2022). The dark side of the d

Locatelli, G., Konstantinou, E., Geraldi, J., & Sainati, T. (2022). The dark side of projects: Dimensionality, research methods, and agenda. *Project Management Journal*, *53*(4), 367-381.

'Wicked' – ambiguous and elusive

Evolutionary, socially constructed, and subjective

Relevant across the world



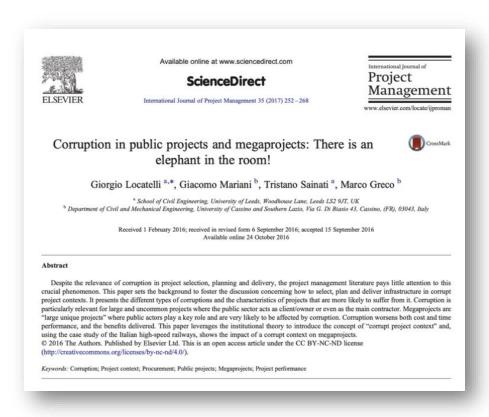
Corruption





What is corruption?

"Abuse of entrusted power for private gain"



(Transparency International)

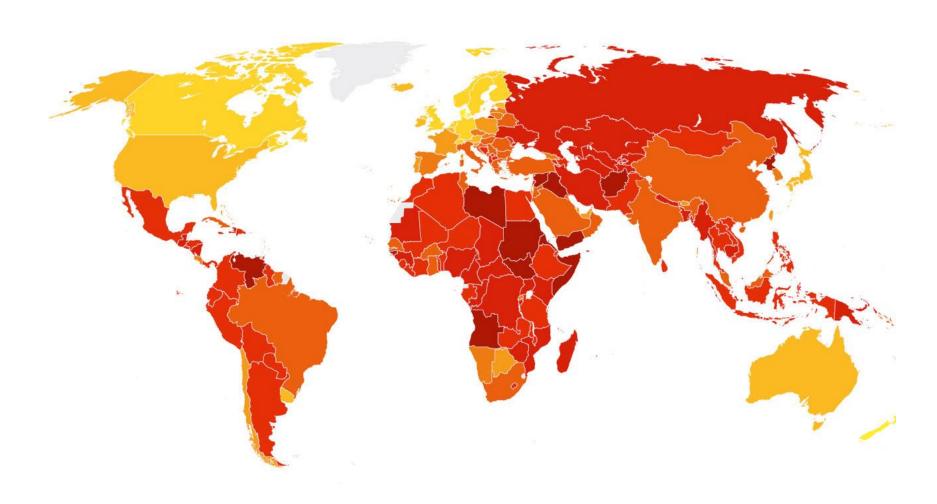


What is corruption?

- Bribery is not necessarily a cash transaction, for example, services like free holidays, low tenancy fees in prestigious accommodations, etc.
- Extortion: describes the crime of obtaining money or some other valuables by the abuse of office or authority.
- Fraud: involves rogue deceiving innocent party to gain some financial or non-financial advantage.
- Abuse of power occurs when a person in public office deliberately acts in a way that is contrary to his/her duty and breaches his/her position of public trust.
- Embezzlement: refer to the misappropriation of property or funds legally entrusted to someone in their formal position as an agent or guardian.
- Conflict of interests: occurs when an individual with a formal responsibility to serve the public participates in an activity that jeopardises his or her professional judgement, objectivity and independence.
- Nepotism: happens when the decision makers grant favouritisms to their relatives.



Do we (at least) bother about corruption?





Italian Infrastructures

Type	Project Name	2001 cost (M€)*	2014 cost (M€)	% cost overrun
Rail	Collegamento ferroviario Torino-Lione	1808	4564	152%
	Sempione traforo ferroviario	1808	3005	66%
	Asse ferroviario Monaco - Verona	2582	9223	257%
	Corridoio 5 Lione-Kiev (Torino-Trieste)	7902	30280	283%
	Accessibilità ferroviaria Malpensa	1133	4280	278%
	Gronda Ferroviaria Merci Nord Torino	1291	4393	240%
	Asse ferroviario Brennero- La Spezia	1511	2766	83%
	Asse ferroviario Ventimiglia-Milano	4380	9102	108%
	Asse ferroviario Salerno - Catania	12292	41149	235%
	Asse ferroviario Bologna-Taranto	742	2299	210%
	Asse ferroviario Milano-Firenze	1291	13135	917%
	Trasversale ferroviaria Orte-Falconara	1926	3719	93%
	Sistema integrato di trasporto nodo Napoli	3886	6624	70%
	Accessibilità stradale Valtellina	481	2410	401%
	Autostrada Cuneo-Nizza	837	3000	258%
	Asse stradale pedemontano	3099	9336	201%
	Passante di Mestre	2737	4487	64%
Road	Asse autostradale Brennero-La Spezia	1033	4682	353%
	Pontina-A12-Appia	1136	4937	335%
	Asse autostradale Salerno-Reggio Calabria	13449	13843	3%
	Asse viario Fano-Grosseto	1854	5119	176%
	Asse viario Marche Umbria	1808	2508	39%
	Collegamento A1-A14. Termoli S. Vittore	1549	3371	118%
	Asse Nord-Sud Tirrenico-Adriatico	1738	4960	185%
	Corridoio Jonico	3099	20171	551%
	Nodo stradale e autostradale di Genova	2765	4829	75%
	TOTAL RAIL	42552	134539	216%
	TOTAL ROAD	41225	83653	103%
	TOTAL ALL THE PROJECTS	78137	218192	179%



Tolerance to daviation

Reference	Location	Sector/Infrastructu re	Sample Size	Overbudget
		Rail	13	+216%
Table 3 of this paper	Italy	Road	13	+103%
		Total	36	+179%
	World	Roads	863	+ 20%
(Flyvbjerg et al., 2016)	Hong Kong's	Roads	25	+11% / +6% / -1 %
(Cantarelli and Flyvbjerg, 2015)	World	Rail	58	+45%
		Fixed Link	33	+ 34%
updating (Flyvbjerg, 2008)		Road	167	+ 20%
	Europe	Rail	23	+34%
		Fixed Links	15	+43%
		Road	143	+22%
		Total	181	+26%
(Cantarelli and Flyvbjerg,	North America	Rail	19	+41%
2015)		Fixed Links	18	+ 26%
		Road	24	+8%
		Total	61	+24%
	Other geographical areas	Rail	16	+65%
	Netherlands	Road	37	+19%
(Cantarelli et al., 2012)		Rail	26	+ 11%
		Fixed Links	15	+ 22%
(1 a.s. 2009) sites lin		Road	138	+ 11%
(Lee, 2008) cited in ^{Mila} (Cantarelii et al., 2012) — P	ofess SouthgKorea atelli	– Giorgio.Lecatelli@polimi	i.it 16	+48%



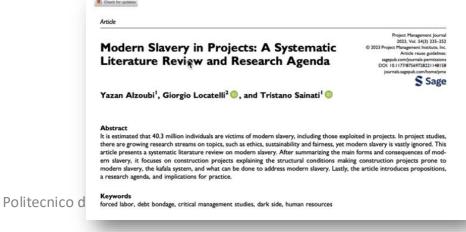
Modern Slavery





Why do we bother?

- There are estimated more than 40 million people in modern slavery around the world. (https://www.antislavery.org)
- 10 million children
- 24.9 million people in forced labour
- 15.4 million people in forced marriage
- 4.8 million people in forced sexual exploitation







Qatar's case study

Have 1,200 World Cup workers really died in Qatar?

Arab News Monday August 06, 2019

ADAD ADAD

ARAB NEWS

SAUDI ARABIA MIDDLE EAST WORLD BUSINESS SPORT LIFESTYLE C

LATEST NEWS / Middle-East tailan WHO aid official under investigation for corruption in Yermen

The scandal surrounding football's governing body 1,400 migrant workers die in attention on the workers 'Qatar building World Cup figure of 1,200 deaths is cotball stadiums: TV documentary

In this screen grab from a WDR documentary video ported on YouTube, foreign babovers are seen at

The Nepalese government says 1,426 of its nationals have died since it was awarded the World Cup in 2010. Some died in accombile others died from fatal heat-related illness after working temperatures exceeding 45 degrees.

One NGO forecast the number could reach as high as 4,000 k the games begin.

Qatar has a migrant labour force of over two million. As many O migrant workers helping build the eight stadiums Qa

er infrastructure needed for the tournament.

"More than 6,500 migrant workers from India, Pakistan, Nepal, Bangladesh and Sri Lanka have died in Qatar since it won the right to host the World Cup 10 years ago, [...] In other words, the World Cup project counts with direct and indirect a death toll of 6,500 lives". (Pete Pattisson et al., 2021)





Labour conditions in Qatar could result in as many as 4,000 deaths before the start of the



Qatar World cup infrastructure

CONSTRUCTION MANAGEMENT AND ECONOMICS https://doi.org/10.1080/01446193.2023.2269434





The ugly side of construction: modern slavery in the 2022 FIFA World Cup program

Yazan Alzoubi^a, Giorgio Locatelli^b and Tristano Sainati^c

^aUniversity of Leeds, School of Civil Engineering, UK; ^bPolitecnico di Milano, School of Management, Rome, Italy; ^cDepartment of Leadership and Organizational Behavior, BI Norwegian Business School, Oslo, Norway

ABSTRACT

Modern slavery is an illegal and unethical practice that is widespread across several sectors, including construction. This article investigates the mechanisms and motivations for employing modern slaves in construction projects and the role of "political will" in fighting it. To this end, using a cross-sectional single case study, the article examines the case of Qatar's construction of the infrastructure for the 2022 FIFA World Cup—a large construction program in which modern slavery has been extensively documented. Our theoretical lens is the Fraud Triangle Theory (opportunity, pressure, and rationalization), which is rarely used in construction management but is useful for investigating illegal or unethical phenomena. The findings document the various factors contributing to modern slavery, including the kafala system, confiscated passports, debt bondage, contract substitution, salary abuse, program time constraints, cash flow shortage, and weak internal control systems. This article's key novel theoretical contributions relate to identifying why modern slavery occurs in construction projects using the Fraud Triangle Theory and highlighting the importance of "political will" in fighting modern slavery worldwide.

ARTICLE HISTORY

Received 11 October 2022 Accepted 6 October 2023

workers; discrimination

2 – PRESSURE

Program time constraints Whole world watching the event

1 – OPPORTUNITY

Kafala System **Passport Confiscation** Debt Bondage Weak Internal Control System Salary Abuse

DARK SIDE

3 – RATIONALISATION

Kafala System Shortage of cash flow



Sexism (and gender bias)

"White (or man) privilege does
not mean your life has been
easy. It just means the color of
your skin (or gender) hasn't
made it harder."

Jimmy Kimmel





Sexism (and gender bias)

Korean nuclear suppliers team up for export drive

13 January 2023



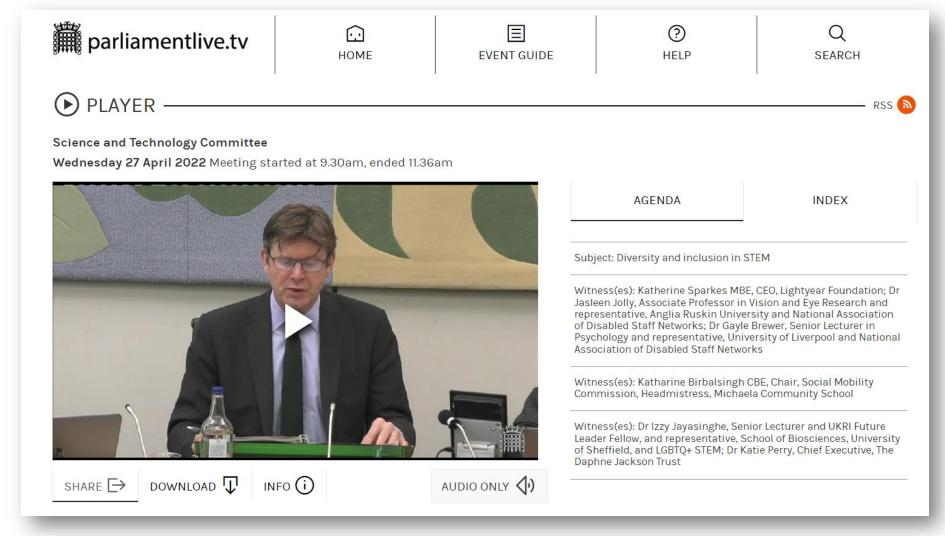
South Korea's Ministry of Trade, Industry and Energy (MOTIE) convened a meeting in Seoul with relevant organisations and suppliers to enhance cooperation among members of Team Korea, especially its capacity in nuclear power plant construction.



The meeting discussed enpertunities for export orders (Image: KNA)



This is the UK 2022





This is the UK 2022

"Physics isn't something that girls tend to fancy. They don't want to do it. They don't like it... There's a lot of hard maths in there that they don't want to do.

[...]

We're certainly not out there campaigning for more girls to do physics. I wouldn't do that, and I don't want to do that, because I don't mind that girls make up only 16% of students taking the subject."

Katharine Birbalsingh - UK Government Social Mobility Commission Chair



Some facts (UK Statistics)

- 73% of female engineers have experienced sexual discrimination, harassment or victimisation at work.
- More than half of the people working in the construction industry have witnessed or experienced
 Sexism
- Despite comprising over 50% of the population, women still make up only 11% of the construction workforce; this number drops to just 1% of operatives on-site, even in the UK.
- Women in the construction industry experience different sorts of Sexism, including lower salaries, delay in their careers and sexual harassment.



Some dimensions of sexism

- The underrepresentation of women,
- Glass ceiling and vertical segregation
- Leaky pipeline
- Sexual harassment
- Pay gap
- Lack of access to informal networks
- Gender stereotypes



Some consequence of sexism

- Slow progression and poor promotion prospects
- Long working hours and work-life imbalance
- Masculine culture: conflict and aggression
- Feeling invisible and isolated
- Pay gap and restriction to certain roles



Addessing sexism

The Effectiveness of Gender Equality Interventions in Project-Based Organisations

ABSTRACT

Project-based Organizations (PBOs) are increasingly adopting gender equality interventions. Yet, most of the knowledge on the subject is anecdotal and scattered across epistemological communities. We studied gender equality interventions in PBO through a systematic literature review and semi-structured interviews. We identified a comprehensive list of intervention and the mechanisms leading to their success or failure. Successful interventions include structural changes, mentorship, training, work-life balance programs, signalling, cultural shifts, laws, and health and safety measures. Key mechanisms are raising awareness, enhancing transparency, incentivizing stakeholders, eliminating perceptual barriers, and shifting mentalities. Cognitive dissonance theory explains why certain interventions succeed while others fail.

Key Words: Gender equality interventions, Gender inequality, Inclusion, Diversity, PBOs.

Training (man included)

Mentorship

Pink quota????



Addessing sexism

The Effectiveness of Gender Equality Interventions in Project-Based Organisations

ABSTRACT

Project-based Organizations (PBOs) are increasingly adopting gender equality interventions. Yet, most of the knowledge on the subject is anecdotal and scattered across epistemological communities. We studied gender equality interventions in PBO through a systematic literature review and semi-structured interviews. We identified a comprehensive list of intervention and the mechanisms leading to their success or failure. Successful interventions include structural changes, mentorship, training, work-life balance programs, signalling, cultural shifts, laws, and health and safety measures. Key mechanisms are raising awareness, enhancing transparency, incentivizing stakeholders, eliminating perceptual barriers, and shifting mentalities. Cognitive dissonance theory explains why certain interventions succeed while others fail.

Key Words: Gender equality interventions, Gender inequality, Inclusion, Diversity, PBOs.

Training (man included)

Mentorship

Pink quota????



The Dark Side of projects

Professor Giorgio Locatelli PhD FHEA

Full Professor of Complex Projects Business

School of Management – Politecnico di Milano

Editor-In-Chief – Project Management Journal

Giorgio.Locatelli@polimi.it



Therefore a framework can help!

		Local perspective	
		The phenomenon is <u>illegal or</u>	The phenomenon is both <i>legal</i>
		unethical, for the local	and ethically acceptable for local
		standards	standards
International perspective	The phenomenon is illegal or unethical, for the international standards	Clearly, a Dark side (e.g., bribery)	The phenomenon is controversial; We consider it a dark-side phenomenon because it does not respect the international standards (e.g., Kafala system, sexisms)
	The phenomenon is both <u>legal and ethically</u> <u>acceptable</u> , for the international standards	The phenomenon is controversial; it is a dark side because it does not respect the local standards (e.g. tax elusion)	The phenomenon is not a dark side. (everything else)



Discrimination in projects

https://science.nasa.gov/ open-science/transformto-openscience/stories/dr-flavioazevedo

