

# NATIONAL UNIVERSITY OF SINGAPORE

School of Computing

## I S S E M I N A R

**Title: Optimism Bias in Managing IT Project Risks: A Construal Level Theory Perspective**

Speaker: Professor Mark Keil, Georgia State University

Date/Time: 2 July 2015, Thursday, 10:30 AM to 12:00 PM

Venue: Executive Classroom, COM2-04-02

Chaired by: Dr Hahn Jungpil, Associate Professor, School of Computing  
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### ABSTRACT:

Prior research has shown that people have a tendency to be overly optimistic about future events in a variety of settings, a phenomenon known as optimism bias. In this study, we suggest that optimism bias has significant implications for IT project risk management, as it may cause people to become overly optimistic that they can easily manage project risks. Drawing upon construal level theory (CLT), we investigate optimism bias in managing IT project risks. This study followed an engaged scholarship approach and was conducted as a joint effort by a university research team and a 600-employee technology company. Specifically, we conducted an initial experiment with 183 employees who were working on a large-scale IT project, and found that a high-level construal of a project risk leads individuals to have a more optimistic perception about successfully managing the project risk, causes them to focus more on benefits over costs in choosing a risk management plan, and leads them to identify more pros than cons associated with a risk management plan relative to a low-level construal. A second experiment with a different subject pool (project managers instead of project team members) and a different manipulation of construal level category/exemplar approach instead of direct manipulation approach based on level of abstraction) yielded results that are consistent with those of the initial experiment. Implications for both theory and practice will be discussed.

### BIODATA:

Dr. Mark Keil is the John B. Zellars Professor of Computer Information Systems in the Robinson College of Business at Georgia State University. He also holds a joint appointment in GSU's Department of Computer Science, as well as a secondary appointment in GSU's Institute of Health Administration. In 2005, he received the Georgia State University Alumni Distinguished Professor Award for outstanding achievements in scholarship, teaching, and service. He holds B.S.E., S.M., and D.B.A. degrees from Princeton University, M.I.T. Sloan

School of Management, and Harvard Business School, respectively. Keil's research focuses on IT project management and includes work on preventing IT project escalation, identifying and managing IT project risks, and improving IT project status reporting. His interests also include IT implementation and use. He has published more than 90 refereed journal articles in such outlets as MIS Quarterly, Information Systems Research, Journal of Management Information Systems, Decision Sciences, Strategic Management Journal, IEEE Transactions on Engineering Management, Sloan Management Review, and California Management Review. Keil currently serves on the editorial board of the Journal of Management Information Systems. He has previously served as a Senior Editor for Information Systems Research and Information Systems Journal, an Associate Editor for MIS Quarterly, Information Systems Research, and Decision Sciences, Co-Editor-in-Chief of The DATA BASE for Advances in Information Systems, and as an editorial board member for IEEE Transactions on Engineering Management.