

Critical Vendor-Related Failure Factors in Outsourced ICT Projects: Insights from the Malaysian Public Sector

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Abstract—ICT projects in the Malaysian public sector continue to experience failure, especially in outsourced application system projects. In striving to overcome this issue, the government is leading a significant push toward the digitization of public services. In previous studies, the challenges of ICT implementation have been analyzed from the perspective of project, system, and technology management. However, the focus in these studies is typically on challenges that occur within the system. There is limited concern for the outsourcing of public services. Specifically, this study focuses on the critical factors of vendor-related failure in ICT projects in the Malaysian public sector. The study employed an interview-based approach in which eight experienced ICT practitioners involved in project implementation, procurement, governance, and vendor management participated in purposefully selected, semi-structured interviews. Data were analyzed by thematic coding of interview transcripts. Each percentage reported represents the frequency of the reference within its own HOPT-FIT domain rather than a total share across all four domains. The findings were that vendor ineffectiveness, lack of project management, problems with requirements and risk management, as well as issues of knowledge transfer and effective governance, technology, and project management were the dominant factors contributing to ICT project failure. The research further confirmed that ICT project failure is multifaceted and occurs due to the integration of challenges in the human, organizational, process, and technology domains throughout the project lifecycle. deficiencies in technology, as opposed to upstream weaknesses in human capability and process governance. This demonstrates the study's finding that human and process-related capabilities are the dominant factors contributing to the failure of outsourced ICT projects, with Technology (the biggest of these factors, technical difficulties, 75%) recording the highest percentage in a single domain. Through this study, providing the first empirical evidence on the failure of ICT projects due to vendors, I offer contributions to the body of knowledge in information systems and provide practical advice for improving the procurement of goods and services and the assessment of vendors. The results lay the foundation for the development of a vendor selection tool that aims to decrease the risk of failure of public sector projects in Malaysia and increase the chances of succeeding on the public sector digital initiatives.

Keywords—ICT project; ICT project failure; project management; ICT procurement; vendor characteristics; information systems

I. INTRODUCTION

Information and Communication Technology (ICT) drives economic growth, restructures industries, and reforms public services [1]. Today, governments use ICT application systems to offer better services, increase efficiency, build transparency, and aid evidence-based decision-making [2], [3]. The development of digital technology has made ICT infrastructures and application systems essential to deliver public services [3], [4]. Consequently, governments [5] have dedicated more resources to ICT projects to ensure that the government's digital services are effective and on par with the needs of its citizenry.

In Malaysia [6], ICT is critical for public sector transformation. Government agencies perform a myriad of ICT activities, including the development of application systems, digital service delivery projects, and initiatives for cybersecurity, systems integration, and the modernization of ICT infrastructure [6], [7]. Such initiatives are expected to improve organizational performance and remove bureaucratic bottlenecks to improve the quality and efficiency of public services [8], [9]. Thus, the successful implementation of ICT projects is vital [3] to ensure public investments produce the expected operational, organizational, and societal benefits. From an Information Systems (IS) perspective, project success is more than completing a project within time, cost, and scope constraints [10]. Instead, [11] for an ICT implementation to be successful, there has to be a congruence of the organization's objectives, business processes, and the needs of system users, and the organization's capacities [11], [12]. If vendors lack the required capabilities to support this alignment, the resulting systems will fail to provide the expected value to the organization.

Consequently, [13] argued that generic IS outcomes such as system quality and implementation outcomes, in addition to the quality and impact of services, information, and user satisfaction, are all reliant upon vendor performance. Therefore, the vendor selection process [14] should embrace an element of consideration beyond a procurement function and should reflect an IS strategic function, as it may determine the success or failure of an ICT project implementation.

Although there are advancements in digital technology and project management systems, failure of ICT projects is still

prevalent globally[15] and is still a major issue. Many publications [16], [17] have reported issues associated with ICT projects in terms of delays, budget overruns, increasing work requirements, declining quality, and seldom complete project refusals. The challenges of ICT project implementation include technological uncertainty, continually changing needs of the users, resistance of the organization, and the many kinds of stakeholders [18]. As a result, these factors ultimately lead to the failure [17] of many ICT projects despite ample planning and substantial effort. According to [17], the outcomes of ICT project failures extend beyond financial losses. Unsuccessful projects [18] tend to cause operational inefficiencies, lower user satisfaction, service disruptions, reputational damage, and missed organizational benefits [8], [14], [18]. In the public sector, these issues are particularly significant because when projects fail [19], it directly impacts how public services are provided, how well the government performs, and the level of trust from the public [11].

The Malaysian public sector faces similar issues [20]. Reports [21] and Auditor General reports [22] have identified problems with ICT project governance due to issues such as poor planning, inadequate requirements management, weak governance, limited stakeholder engagement, and deficient risk management [23]. These initiatives also face system integration issues [13] as well as vendor performance issues [8], [13]. A number of high-impact ICT projects have experienced delays in implementation, extended deadlines, increased costs, and poor functionality before they were made available for operational use [23]. The challenges of project governance and procurement processes are inadequate to manage the key success factors of these projects [20], [23].

Though a lot of work has been done looking at ICT project failure in general, a few notable gaps in the existing research remain. First, most of the existing research concentrates heavily on challenges like project management issues, organizational problems, and technological risks [16], [24], [25], while relatively fewer studies look at factors related to outsourcing as determinants of project failure [14]. Second, most research studies [14] examine project failure after implementation problems have already occurred rather than how risks start forming during the procurement and vendor selection stages. Third, few studies examine outsourced ICT project breakdowns through an IS lens within Malaysia's government sector [20], [26]. Finally, most current procurement studies focus mainly on compliance, financial assessment, and procurement efficiency, offering little theoretical grasp of how vendor characteristics [28] impact long-term ICT project results [27], [28].

Therefore, this study aims to understand how vendor traits lead to ICT project failures in Malaysia's public sector. In particular, the research intends to identify the factors related to outsourcing failures [13] and build an empirical basis to develop a better framework for selecting vendors for ICT application system projects. This study addresses gaps in the existing research and supports Malaysia's digital transformation as it also strengthens procurement theory and practice within the public sector and the IS. Understanding the main causes of failures in ICT projects is still of major concern to both researchers and practitioners [13], [29].

This section has been organized as follows: Section II describes some theories on the factors behind ICT project failures, as described in previous studies. Section III describes the methodology of this study, including a qualitative research approach and semi-structured interviews. Section IV provides empirical data and theoretical findings. Finally, Section V describes the conclusions drawn from the research.

II. THEORETICAL FINDINGS

Many governments spend an enormous amount of money on digital tools and services in efforts to develop more effective and transparent processes and communicate with their citizens more. Despite these investments, ICT project failures remain a major issue [30] in both developed and developing countries [30], [31], [32]. Various research papers have noted that numerous ICT projects end up failing, and failed implementation [32], [33] of ICT projects can be attributed to inadequate planning and initiation, insufficient budget allocation, insufficient training [34], lack of qualified personnel, poor communication to reach their goals, inefficient government practices, inadequate functionality, and unmet government expectations [35], [36]. Focusing on giving users a good experience helps increase efficiency in work. Without focused attention [48], system faults will eventually hold back overall business operations.

Additionally, studies [30] show that several factors lead to the failure of ICT projects, such as the lack of understanding of the domain agency, shortages of human resources, and poor management of stakeholder engagement [37], [38]. Referring to [39], automation projects in this sector frequently face major obstacles, leading to delays, cost overruns, and in some instances, complete failures. Moreover, the consequences of ICT project failures extend beyond financial losses [16], [17]. This leaves a gap in the systematic investigation [21] of vendor-related critical factors of failure in ICT projects. Vendor performance reliability [40] directly impacts project failure. Addressing this gap will help strengthen procurement decisions [10] and establish a foundation for successful outcomes of future government digital initiatives in [19]. Fig. 1 below shows outsourced ICT project failure factors as insights obtained from the literature.

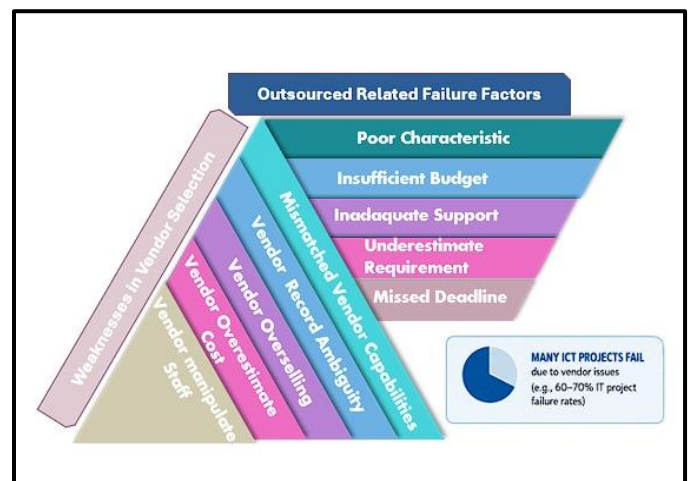


Fig. 1. Outsourced ICT project failure factors.

In Malaysia, public sector digital initiatives [41] have expanded significantly over the past decade. However, project assessments and performance audits [42] continue to report recurring implementation issues, including delayed project delivery, escalating costs, technical difficulties, integration difficulties, incomplete system functionality, and limited realization of expected benefits [13]. A lack of experience and skills related to implementation is another reason noticed for the failure of ICT projects [43]. These recurring challenges suggest that understanding the critical factors contributing to ICT project failures remains an important area of investigation, particularly in projects implemented through outsourcing arrangements.

Although numerous studies have employed various models with multiple dimensions to explore ICT projects, minimal attention has focused on the vendor's perspective. Thus, for this study, a basic human, organization, process, and technology (HOPT) have been employed as a baseline to reveal the critical failure factors in public sector ICT projects: insights from outsourced digital initiatives in Malaysia.

The increasing dependency on outsourcing has changed the implementation landscape [44] of ICT projects within the public sector. External vendors are frequently engaged to provide specialized expertise, system development services, infrastructure support, maintenance activities, and technological solutions. However, outsourcing introduces risks [44], [45] that may significantly influence project outcomes.

There are many state-of-the-art studies that explore these outsourced ICT project risks. Researchers [46] employed information, technology processes, objectives and values, staffing and skills, management systems and structures, and other resources (ITPOSMO) models to explore risks in ICT development projects. Besides, studies conducted by [47] also utilized ITPOSMO to identify gaps in e-Government implementation.

The ITPOSMO model was used by [48] and [49] in the research to evaluate the gaps between the designs realized applications, while [50] used it to identify design gaps and assess the success or failure of a statistical IS. Another opinion [48] also indicates that the ITPOSMO model is used to assess how well an IS performs in the delivery of public services and to identify areas requiring improvement to enhance employee satisfaction. Similarly, [46] reveals issues related to Enterprise Architecture (EA) implementation by breaking the factors into HOPT-FIT.

According to [51], the human, organization, and technology dimensions are essential to evaluating health information systems (HIS) implementation; [52] stated that this led to the development of a HOT-FIT model designed for HIS evaluation based on the IS success model. The HOPT-FIT model is most relevant [53] to this research due to the interrelated dimensions of human, organization, process, and technology, where each factor from the four aspects influences the others in determining the success or failure of ICT project implementation.

Based on research by [54], human involvement plays a crucial role in implementing ICT projects. The human-related dimension represents one of the most frequently reported causes of ICT project failure. The success of outsourced ICT projects

depends heavily on the knowledge, skills, experience, communication abilities, and commitment of vendor personnel. Incompetency and inadequate technical expertise often limit a vendor's ability [55] to understand business requirements, develop effective solutions, and respond to implementation challenges. The organizational dimension is just as important as the human dimension, as it affects how ICT projects are steered, handled by top management, and aligned with project strategic goals. Organizations today rely on IS to carry out and streamline their business processes [56]; thus, an organization's performance relies heavily on three main factors: the quality of data in the system, user satisfaction, and the needs of the organization using the system in its everyday tasks. Poor governance structures have frequently led to project failure by slowing down decision-making processes and restricting effective project management [57].

Authors in [25] stated that process dimension is also commonly listed as key drivers of ICT project failure, as stated in. Proper execution of a project depends on clearly defined processes from initial planning of requirements, management of risks, quality checks, and ongoing monitoring. Successful implementation calls for clear processes during initial project planning, requirements tracking, risk accountability, quality checking, and project tracking; insufficiencies in these processes usually increase the uncertainty and risk of project implementation. Technology still plays a key role in shaping the results of ICT projects, especially in more complex digital transformation scenarios. Vendors must have the technical ability to build, connect, and maintain complex IS. A lack of technical expertise frequently leads to skills deficiency, implementation issues, system faults, integration problems, and reduced system performance. The dimensions and factors related to this HOPT-FIT model are depicted in Table I.

TABLE I. DIMENSION VS FAILURE FACTORS

Dimension	Failure Factors	Citation
Human	Shortage of qualified personnel, poor communication to achieve their intended objectives, incompetency of technical skills, lack of experience and skills.	[35], [33], [36], [43], [58], [34]
Organization	Human resource shortage and ineffective stakeholder involvement, delayed project delivery, financial losses	[33], [36], [59], [41], [19]
Process	Poor understanding of domain agencies, integration difficulties, ineffective government practice, inadequate functionality, unmet government expectations, poor communication, and delayed project delivery	[60], [42], [41], [13], [31], [32], [35], [32], [39]
Technology	Technical difficulties, incomplete system functionality, system defects, reduced system performance, poor system quality	[8], [42], [41], [13], [20], [61]

Table I integrates findings from various researchers and shows that the failures inherent in outsourced ICT projects are not the result of simple technical shortcomings. Instead, they result from the interrelated dimensions of people, processes, and organizations. From the human dimension, most studies point to the lack of skilled staff, poor communication, inadequate technical know-how, and lack of project experience as main factors contributing to poor collaboration, weak decision-making, and poor problem-solving in implementation. From the

organizational side, an inadequate number of staff, insufficient customer participation, late delivery of projects, and loss of funds reflect how the organization's capacity and governance contribute to a vendor's inability to fulfill projects successfully. Also, from the process side, poor understanding of government departments' needs, inefficient government processes, integration difficulties, defective systems, slow communication, and late project delivery and unmet expectations reflect that deficiencies in project management, requirements engineering, and procurement remain primary factors leading to project failure. From the technology perspective, technical difficulties, incomplete system functionality, system defects, reduced system performance, and poor system quality are frequently associated with implementation challenges that undermine system reliability and operational effectiveness.

Collectively, these studies indicate that outsourced ICT project failure results from the interaction of human capability, organizational readiness, implementation processes, and technological quality. However, most existing studies examine these factors during project implementation or post-implementation, while limited attention has been given to integrating them as vendor-related evaluation criteria during the procurement and tenderer selection stage. This gap provides the theoretical motivation for the present study to investigate critical vendor-related failure factors and to support the development of a comprehensive Tenderer Selection Specification Framework for outsourced ICT projects in the Malaysian public sector.

III. METHODOLOGY

This study adopted a qualitative research approach to obtain in-depth information on critical ICT project failure factors. This approach was conducted [24] to ensure certainty through interviews with experts in ICT project management Malaysia public sector [12], [24]. This method is appropriate to examine experts' opinions and suggestions on current failure factors that may lead to the risk of application system development failure [13].

To improve content validity, the interview protocol [62] was developed based on the collection of factors and domains through a comprehensive review and found in the related works [63], [64], [65] and was reviewed by academic experts and experienced practitioners before preliminary data collection to refine the instrument and obtain useful suggestions [67]. Feedback gathered [66] in the review process was used to make sure clarity, readability, and relevance in the final interview tool.

Semi-structured interviews [67] were chosen as the main data collection method because they allow participants to describe comprehensive experiences, views, and ideas about ICT project failures. This method helps to elicit detailed expert feedback [68] from their experiences linked to vendor behavior and project results.

The research was conducted in relation to ICT application system projects implemented in Malaysian public sector organizations [13], [69]. The public sector was chosen because government agencies keep encountering implementation problems [19], [70] despite major investments in digital transformation initiatives. Moreover, most ICT application system projects in the public sector are usually carried out

through outsourcing agreements, so vendor performance is a key factor in whether the project succeeds or fails [71], [72], [73].

A purposive sampling approach [65] was used to find participants with a lot of experience in ICT project implementation, procurement management, project governance, and vendor management activities. Eight experts were selected according to predetermined inclusion criteria. First, participants needed ample professional experience in ICT project management or ICT application system implementation [74], [75]. Second, participants needed direct involvement in outsourced [13] ICT projects in the public sector. Third, participants needed hands-on experience with project planning, procurement, vendor assessment, project governance, system development, or project monitoring. Finally, participants needed to occupy more senior roles so they could offer a strategic and operational viewpoint on the failures of ICT projects [12], [65], [76].

The selected experts represented diverse professional backgrounds, including deputy ICT directors, project managers, leading PMO and PMO teams (project monitoring office), procurement officer [7]. This diversity ensured comprehensive coverage of technical, managerial, organizational, and procurement perspectives relevant to vendor-related project failures [74]. Table II below shows the expert selection criteria applied in the Malaysian public sector.

Data analysis was performed using thematic content analysis. Interview transcripts were transcribed verbatim and coded manually, with each mention of a failure factor tagged to its corresponding HOPT-FIT dimension (Human, Organization, Process, or Technology). The percentage reported for each factor represents the proportion of coded references to that factor relative to the total coded references within its own domain and therefore reflects the relative salience experts placed on that factor within each dimension rather than its share of the overall interview data across all four domains combined. To strengthen the credibility and consistency of the coding process, the coding scheme and factor categorization were independently reviewed by two academic experts, and disagreements were resolved through discussion until consensus was reached. Given the purposive and highly experienced nature of the eight participants (15–25 years of relevant experience across diverse public-sector domains), data collection continued until no new failure factors emerged from successive interviews, indicating that thematic saturation had been reached within the scope of this exploratory study. Nonetheless, the relatively small, purposively sampled group of participants is acknowledged as a limitation of this study, and this is addressed further in Section V.

As shown in Table II, the interview sessions were conducted based on the theoretical findings established in Section II, which provided the basis for identifying research questions and confirmed that this research topic is suitable within the information system field. Table II presents the expert selection criteria adopted to ensure the credibility and relevance of the qualitative findings. Eight experts (EX1–EX8) were selected based on a set of predefined criteria, including at least 15 years of professional experience in ICT project management, system development, procurement, or ICT governance. All

selected experts had considerable involvement in Malaysian public sector ICT projects and substantial experience in outsourcing evaluation, contract management, procurement processes, or the implementation of outsourced ICT projects. The selected experts also held strategic, managerial, or technical decision-making positions and had a deep understanding of the challenges related to the implementation of ICT application systems and IT projects. Participants were chosen to reflect different areas of the public sector, spanning digital services, enforcement, public security, public order, health management, and natural resources. These participants had between 15 and 25 years of professional experience, allowing them to provide valuable, authentic, and situational explanations of the critical failures experienced on outsourced public sector ICT projects in Malaysia.

TABLE II. EXPERT SELECTION CRITERIA

Experts (EX)	Experience	Position	Agency (Domain)
EX1	25 years	Deputy Director, Project Management Unit	Digital services
EX2	21 years	Deputy Director, IT Department	Enforcement
EX3	20 years	Chief Assistant Director, IT Department	Public security
EX4	20 years	Chief Assistant Director, IT Department	Public order
EX5	18 years	Assistant Director, IT Department	Health management
EX6	17 years	Assistant Director, IT Department	Enforcement
EX7	15 years	Assistant Director, IT Department	Natural resources
EX8	17 years	Deputy Director, Project Management Unit	Digital services

IV. EMPIRICAL FINDINGS

While Section II synthesized failure factors identified in prior literature to build the theoretical foundation of this study, this section presents the empirical findings derived directly from the eight expert interviews conducted for this research. The analysis of data obtained from the expert interviews revealed critical failure factors that affect the outcomes of outsourced ICT projects in the Malaysian public sector, and these empirical findings are mapped back to the theoretical findings from the literature review discussed earlier. The critical failure factors were categorized into four main domains based on the HOPT-FIT model, namely Human, Organization, Process, and Technology (HOPT).

The analysis showed that outsourced ICT projects in the public sector in Malaysia have complex failures due to the interconnectedness of different factors. The first of these is the Human domain. Insufficient communication, lack of skills, experience, and competency, as well as a lack of specialized skills and knowledge, have all been factors in project failures. The Organization domain noted issues of capacity, particularly around challenges with human resources, stakeholder inclusion, and financial shortages resulting in delayed project delivery. Among the challenges in the Process domain, the study noted poor understanding of government agency requirements, insufficient government practices, difficulties with integration, insufficient system functionality, and challenges with unmet

government expectations. Technology domain issues included incomplete systems and technical problems. These findings suggest that all ICT project failures have to do with people, their organization, and the process of implementation, and the capabilities of technology, giving a full account of user-related failure factors in outsourced public sector ICT projects. The following is a comprehensive breakdown for each domain.

A. Human Domain

According to all eight experts, communication breakdown and insufficient project experience are the biggest issues in the Human domain, each contributing approximately 30% of the coded references within this domain. The results show that vendor-to-government agency communication is one of the primary causes of miscommunication during the business requirements clarification process. Poor communication causes delays, misaligns stakeholders, and results in ambiguous solutions to project issues. Similarly, project experience on the vendor's side is just as important; without experience, a vendor cannot anticipate risks during implementation, manage public sector requirements, or handle the fluctuation of project requirements. Other causal factors (approximately 15%) included incompetence, reflected in a lack of professional knowledge and poor problem-solving. Performance-related issues (approximately 13.5%) included poor commitment and inconsistency in the delivery of assigned projects. Inadequate technical expertise (approximately 11.5%) affects a vendor's ability to provide reliable and sustainable ICT solutions. Collectively, these findings show that human capacity remains one of the main obstacles to project success and vendor performance. Fig. 2 illustrates the factors identified by all experts under the Human domain.

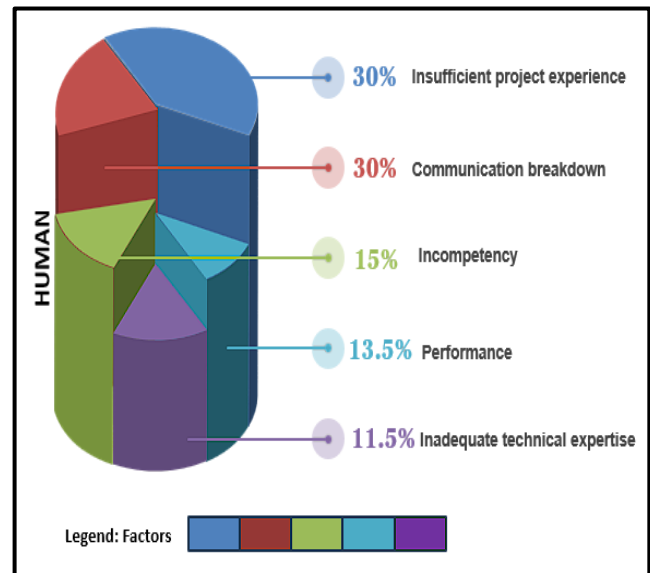


Fig. 2. Human factors related.

B. Organization Domain

According to the experts, 50% of participants identified human resource issues as the biggest organizational constraint, while the remaining 50% identified financial breakdown as the biggest constraint. Insufficient human resources among vendors means there are not enough skilled resources to carry

out the project, resulting in an overburdened workforce, reduced productivity, and delays in project activities. Financial breakdown means that a vendor lacks the financial reserves to support the project, retain skilled employees, or cover financial gaps in the required technologies and sustain the project. These constraints adversely affect the operational resilience of a vendor and its ability to deliver contracted outcomes as expected. Fig. 3 indicates the factors selected by the experts.

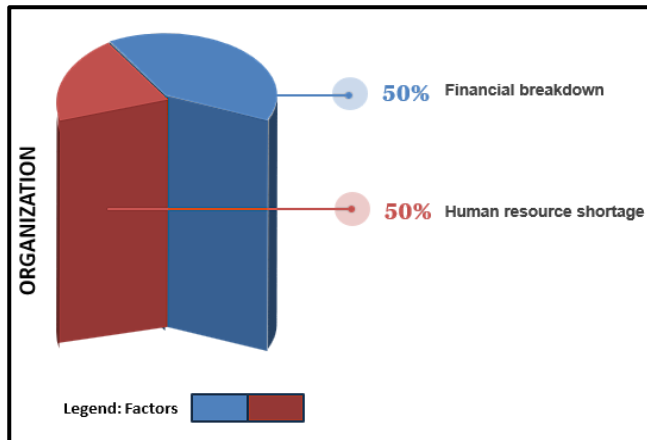


Fig. 3. Organization factors related.

C. Process Domain

The Process domain indicated that communication breakdown continued to be the most important process factor, at 40% of coded references, indicating that poor communication affects not only people but the project management process itself. Poor communication leads to issues in identifying requirements, engaging stakeholders, managing change, and coordinating the project. Additionally, long project completion times (20%), deficient government operating practices (20%), and poor understanding of government agency requirements (20%) show that issues in planning and governance, coordination of procurement, and management of requirements continue to negatively affect the effectiveness of project implementation. The results in Fig. 4 show that ineffective project processes lead to increasing risks in project cost, time, and quality.

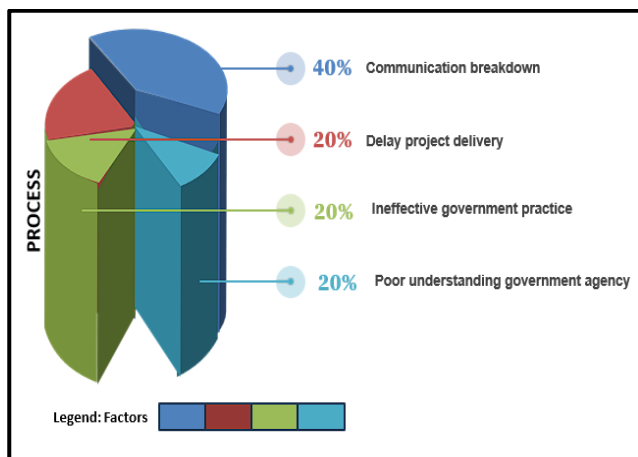


Fig. 4. Process factors related.

D. Technology Domain

Technology domain experts unanimously agreed that the biggest technological challenge for outsourced ICT projects is technical difficulties, accounting for 75% of coded references within this domain. This challenge is characterized by the integration of multiple systems, compatibility issues between software components, and insufficient infrastructure, along with the complexity and implementation challenges of the systems that lead to delays and compromise system effectiveness. Second, poor system quality (13.5%) reflects weaknesses in system functionality, reliability, and performance. Although Technology issues were reported less frequently overall than Human and Organizational issues, the experts indicated that many of the technological challenges are caused by deficiencies in the planning and governance of communication and project execution, rather than by the technology itself — reinforcing that the Human and Process domains are the primary root causes underlying downstream technical shortcomings. Fig. 5 illustrates the Technology domain factors identified by the experts.

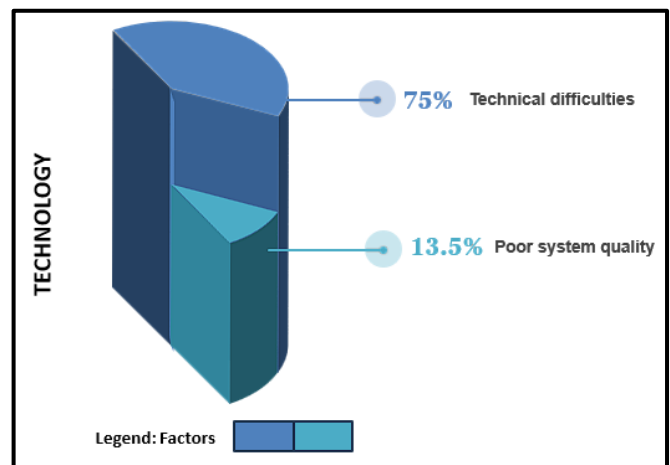


Fig. 5. Technology factors related.

The findings show how complex and interrelated the critical failure factors can be in outsourced public sector ICT projects. Weaknesses in one domain can easily affect the other domains and adversely affect a project by causing delays, budget overruns, low-quality systems, user dissatisfaction, and unmet organizational goals. These findings support the notion that for a vendor to improve its capability, there should be an equally strong focus on all elements within the human domain, the organization, the process, and the level of technical preparedness demanded across the full spectrum of the ICT project lifecycle.

The critical failure factors identified in this study provide insight into the challenges associated with the implementation of outsourced ICT projects, despite the large public commitment to digital transformation endeavors. Communication was the most critical factor across the Human and Process domains, highlighting the negative effects that ineffective collaboration between vendors and government agencies has had, and continues to have, on planning, requirements management, decision-making, and the ultimate implementation of the project. Restrictions facing organizations, primarily a lack of financial and human resources, increase the challenges vendors

face in delivering projects. Inadequate planning and execution along the governance dimension of the project are typically the root causes of malfunctions, as opposed to deficiencies in technology itself. The cumulative effect of these problems leads to delays in project completion and consequent cost overruns, poor-quality systems and services, and increased user dissatisfaction, as the organization's intended benefits are not achieved. This supports the claim that ICT failure is a multidimensional issue, and that evaluating each vendor component — people, organizational capacity, implementation process, and technical skill — is crucial. Using empirical evidence from practitioners, this study describes the challenges of outsourcing public sector digital projects and guides adjusting procurement, vendor evaluation, and project management frameworks for government services to support the success of future ICT undertakings.

V. CONCLUSION

This study on outsourced ICT projects in the Malaysian public sector focused on the primary vendor-related failure factors. From the interviews with ICT specialists, it was found that project failure may be attributed to a combination of human, organizational, process, and technology factors, in the absence of adequate synthesis of vendor capability across all four domains. It was found that the way a vendor synthesizes its capabilities will ultimately affect project outcomes. From an active public sector perspective, a lack of adequate communication, a lack of competency and organizational readiness, inadequate capacity for project execution, and a lack of adequate technical capabilities negatively affect digital strategies. These factors can result in poor system quality, user dissatisfaction, cost overruns, delayed project completion, and an inability to achieve intended outcomes and benefits.

This study adds value to the existing literature on ICT project failure by focusing on outsourced digital initiatives in Malaysia and will be of interest to academia. It will also be of interest to the public sector in proposing a more complete assessment of vendors and in extending risk management approaches across the project lifecycle. This study focuses on the failure of outsourced ICT projects and aims to improve procurement and project management practice. It should be noted that the findings are based on a purposively sampled group of eight experts within the Malaysian public sector, and while thematic saturation was observed within this group, further research involving a greater variety of stakeholders across the public sector is necessary to validate and extend these findings, improve strategies for mitigating the risk of ICT project failure, and enhance the success of future digital transformation initiatives.

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