

The Dead Horse Theory of Management: A Literature Review

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Abstract:

This literature review explores the Dead Horse Theory of Management, a metaphor for the counterintuitive tendency to persist in allocating resources to failed projects. The review integrates academic literature to analyze the theory's origin in a Dakota Native American proverb, its underlying principles, and its interpretations in management literature. The paper addresses the theory's validity, its relevance in various organizational contexts (business, education, government), and its limitations, including subjectivity in failure determination and sunk cost fallacy effects. Case illustrations show the theory's relevance in practice, from business failure to project failure. Critique and alternative approaches, such as root cause analysis and organizational resilience, are also addressed in the review. At last, the Dead Horse Theory presents a valuable paradigm to contemporary management, as it concentrates on the prompt recognition of futility, adaptation to change, and disengagement from failed enterprises in an effort to optimize the allocation of resources and attain organizational success.

Keywords: *Dead Horse Theory, management, organizational behavior, decision-making, failure, resource allocation*

1. Introduction

Good decision-making and good management are characteristics of the success of any organization. But one of the persistent organizational problems is hanging on to keeping throwing time, energy, and resources into doing things that simply aren't working. This pathological tenacity can manifest itself in a number of ways, from holding on to outdated technology to clinging to below-standard project plans. The "Dead Horse Theory of Management" is an insightful metaphor for this ubiquitous issue, the obvious but profound wisdom in knowing when to abandon present path as opposed to trying the non-productive path. This systematic review consolidates a diverse body of scholarly papers on the Dead Horse Theory in order to provide a holistic and insightful overview of the subject, from its origin, to its key principles, common perceptions, its use and effectiveness across different management contexts, its limitations, to lastly, its relevance and usability in contemporary management.

From the collection of academic works, business magazines, and reliable web-based materials, the paper is going to provide a general sketch of this timeless management theory. The pattern of review will begin by defining the theory and tracking its genesis, and then proceed to elaborate on its presuppositions and readings. The second half will examine different positions about its effectiveness, applicability, and shortcomings, research paradigmatic instances, and offer criticisms and counter perceptions. Lastly, the review will integrate these results to give a conclusion regarding whether the theory is relevant in today's management.

2. Defining the Dead Horse Theory and its Origins

2.1 Definition of the Dead Horse Theory:

Essentially, the Dead Horse Theory of Management is an uncomplicated concept that focuses on being able to acknowledge when an effort, project, strategy, or

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method isn't working and demanding a definitive move away from it.¹ The central point is communicated via the metaphor of "riding a dead horse," which well illustrates the practice of putting more into something that is essentially non-viable and will never yield the intended outcome.¹ The theory pinpoints the silliness of continuing to put effort into something that has ceased working or generating any positive returns.¹ It suggests that the most logical and practical thing to do in this case is to stop investing into the non-productive effort and not try to bring it back or extract value from it.

2.2 History of the Theory:

The origins of the Dead Horse Theory of Management are most commonly attributed to a maxim of traditional Dakota Native American folklore.¹ The following proverb, having passed down through the ages, contains a brief and pragmatic piece of advice: "When you find that you are riding a dead horse, the best thing to do is to get off".¹ This quite ordinary statement contains a strong lesson concerning observing the futility and the necessity to change course in the presence of clearly non-productive circumstances.⁴ While the true historical origins of the proverb are anecdotal in nature, the enduring wisdom contained within it has transferred to seep into cultures and contexts from across a diverse array of sources before becoming part of the management canon. There are some who indicate that although the fundamental concept is rooted in this native knowledge, it is possible that management consultants helped codify it as a known theory in business and organizational behavior.¹⁰ The birth of this concept in managerial thought can be found as early as the early 20th century, when thinkers started to struggle with the issue of how to manage projects and initiatives that did not live up to their potential.¹³

2.3 Early Interpretations and Development:

The initial use of the Dakota proverb to management was quite straightforward, involving the need to discard failed projects or strategies. Over time, however, this simple piece of advice expanded into a general comment on a great many aspects of organizational behavior and decision-making.⁴ The theory was then employed as an explanation for group dynamics and the all too common occurrence in organizations of tenaciously clinging to models or methods that are clearly not effective.⁴ Its applications expanded beyond mere project management to include a vast range of fields, such as business, education, and government,

where the "**dead horse**" pattern can regularly be observed.⁶ The evolution of the Dead Horse Theory reflects growing awareness of the psychological and organizational forces behind this counter-productive activity, from a simple instruction to dismount to more advanced exploration of why organizations won't.

3. Core Principles and Common Interpretations

3.1 The Core Principle: Recognizing When to Dismount:

The basic and uncompromising axiom of the Dead Horse Theory of Management is the need to recognize when a business is not viable and to make a conscious choice to stop investing effort and change direction.¹ This underlying assumption emphasizes the absolute importance of embracing reality, however unpalatable, and being willing to cut losses rather than continuing to invest effort in an untenable situation.¹ The theory posits that the most effective and resource-efficient response when faced with a "dead horse" – be it a project, plan, or product – is to dismount and seek out an alternative, more promising direction forward.

3.2 Common Interpretations: The "Advanced Strategies" for Riding a Dead Horse:

One of the significant aspects of the Dead Horse Theory is its satirical yet bitingly accurate explanation of the often irrational and counterintuitive measures that organizations and individuals will sometimes undertake when faced with a failed venture, instead of simply dismounting.¹ These "advanced strategies" list the many forms of denial, wishful thinking, and bureaucratic inertia that can get in the way of rational decision-making. These methods would fall largely into the category of attempting to get the "**dead horse**" to run, to change the perception of its state, or to avoid the recognition of its death.

A common reaction is increasing effort or resources, represented in the metaphor of "buying a stronger whip".¹ This involves increasing pressure, investing more money, or assigning more people to a failing project in the expectation that brute force will somehow deliver success. Another widely employed tactic is personnel change, or "**changing riders**," which attributes the failure to the individuals involved, rather than to the innate feasibility of the venture itself.¹ Organizations can also employ delaying action through over analysis, such as "**appointing a committee to study**

the horse."¹ This involves setting up working groups or task forces to consider the matter further without necessarily leading to any tangible action or alteration of strategy.

Seeking outside confirmation of a failing approach is another common tactic, such as in the case of "visiting other sites to see how they ride dead horses".¹ This involves looking at how other businesses or organizations are dealing with similar failing situations, generally without addressing the specific underlying issues of their own "dead horse." In trying not to concede failure, organizations can also seek to redefine success by "**lowering standards so that dead horses can be included**".⁴ This involves altering the measurements or goals to make a failing project appear to be a success. Similarly, they might use euphemisms to avoid reality, e.g., "redefining the dead horse as 'living-impaired'".¹ This involves changing the terminology that is applied to the unsuccessful project in a way that makes light of its infeasibility.

Other "advanced strategies" include bringing in outside help for an inherently doomed enterprise by "hiring outside contractors to ride the dead horse"⁵, combining multiple failures in the hopes of achieving success by "harnessing several dead horses together to increase speed"⁵, and continuing to invest resources without addressing the root problem by "providing additional funding and/or training to enhance the dead horse's performance".⁵ Organizations can also engage in studying the productivity of an impossible project by "conducting a productivity study to see if lighter riders would improve the dead horse's performance"⁴ or rationalizing failure based on extraneous benefits by "declaring that since the dead horse does not need to be fed, it is less expensive".⁴ Or, they may alter goals to hide failure by "rewriting the expected performance standards for all horses"⁶ or even reward failure or create new futile roles by "promoting the dead horse to a supervisory position".⁶ This lengthy list of "advanced strategies" offers a vivid presentation of the variety of ways organizations can avoid taking the straightforward but necessary action of getting off a failed project.

4. Analysis of Perspectives on Validity, Applicability, and Limitations

4.1 Validity of the Theory:

The Dead Horse Theory of Management is highly applicable on the grounds of its intuitive sense and

common-sensicality in its underlying message.⁴ It utilizes a metaphor that speaks to riding a dead horse that can effectively communicate the illogic of spending further resources on an obviously non-progressive venture, so that the theory itself is straightforward enough to be easily grasped and translatable across different contexts.¹ Its strongest point is the manner in which it is able to highlight organizational inertia and denial in the face of unsuccessful endeavors. The theory's principles align with broader management philosophies such as lean management and continuous improvement, which emphasize eliminating waste and focusing resources on value-creating activities.¹¹ In urging abandonment of futile efforts, the Dead Horse Theory promotes efficiency as well as inspiring organizations to direct their efforts toward more promising solutions.

4.2 Applicability of the Theory:

The Dead Horse Theory has general use throughout the full spectrum of organizational environments and businesses. In business, the theory is a stern reminder to identify and dismount non-working initiatives, losing product lines, declining strategies, and legacy technology.⁴ A company can, for example, persist in developing a product that's losing share of the market or remain committed to a marketing program that fails. In education, the Dead Horse Theory can be applied to identify and distance oneself from ineffective teaching fads or outdated models of education that no longer serve students' needs.⁴ In government, the Dead Horse Theory suggests the importance of concentrating on eliminating recurring policy shortfalls and bureaucratic inefficiencies that consume public resources without achieving their intended goals.⁵ The theory can be applied in the IT industry to identify and sunset legacy systems, antiquated coding practices, and inefficient development methodologies that hinder innovation and efficiency.³ Even non-profit organizations and volunteer programs can benefit from applying the Dead Horse Theory by identifying and eliminating non-productive strategies for volunteer engagement or fundraising, leaving them to focus their limited resources on more effective initiatives.¹⁸ In portfolio management, the Dead Horse Theory is about regularly examining investments and ceasing funding for poorly conceived or no longer sustainable projects to optimize overall returns.¹² Furthermore, even the principles of the Dead Horse Theory can be applied to personal life, reminding individuals to identify and eliminate less effective habits or means of accomplishing personal

goals.² The applicability of the theory is particularly important in today's fast-paced and highly competitive worlds, where the ability to adapt quickly and conclusively is crucial to survival and success.³ Organizations failing to identify and respond to the principles of the Dead Horse Theory risk wasting valuable resources, missing opportunities, and ultimately falling behind more responsive competitors.

4.3 Limitations of the Theory:

Although the Dead Horse Theory is informative, it is not without its drawbacks. One significant challenge is the subjective element involved in determining when a "horse" is actually "dead" and not merely having temporary trouble.²⁴ There is always the risk of abandoning projects that may have been able to recover with adjustments, additional work, or a revised strategy.²⁴ Certain psychological and organizational barriers will also prevent effective application of the theory. The sunk cost fallacy, for instance, is responsible for the resistance to giving up on a project due to the huge investments of time, money, and effort already sunk, even if it is clear that further investment

will not yield positive results.¹⁹ Fear of acknowledging failure also makes people and organizations refrain from realizing that an endeavor is failing, and therefore continuing to persist with the hopes of an unlikely reversal.¹⁹ Emotional affinity to long-term projects or ideas, especially those championed by respected individuals, can render it difficult to critically assess their feasibility.¹⁴ Furthermore, there could be no distinct responsibility to declare a "horse dead," leading to inaction and perpetuation of the status quo.⁷ Personal vested interests of individuals or groups benefiting from the perpetuation of a failing project can also induce resistance to change.⁷ General resistance to change, due to organizational inertia and preference for customary practices, can also prevent the use of the theory.² Finally, absence of know-how or uncertainty about other strategies can also contribute to the refusal to dismount.⁷ Moreover, the theory might oversimplify complex situations where a plain decision to drop or carry on is insufficient. Some faltering projects might be best served by a more balanced solution of higher rejuvenation or determining niche applications rather than total abandonment.²⁴

5. Case Studies Illustrating the Dead Horse Theory in Practice

The Dead Horse Theory is vividly illustrated by numerous real-world and hypothetical examples across various sectors. The following table presents a selection of case studies that highlight the theory's practical implications:

Table No. 1 Case Studies Illustrating the Dead Horse Theory in Practice

Organization/Context	"Dead Horse" (Failing Initiative)	Actions Taken (Riding Strategies)	Outcome	Lessons Learned (Application of the Theory)
Berlin Brandenburg Airport	Construction project with repeated delays & cost overruns ⁷	Years of attempts to fix construction defects, billions of Euros spent ⁷	Significant delays, massive cost increases, reputational damage ⁷	Recognizing fundamental flaws earlier could have saved time and resources; sometimes a complete restart is more efficient than endless fixes.
Kodak	Investment in film photography despite digital revolution ¹⁵	Continued to pour resources into film business ¹⁵	Significant decline, eventual bankruptcy ²²	Failure to adapt to changing market conditions and pivot to new technologies led to downfall.
Blockbuster	Focus on brick-and-mortar stores despite rise of digital streaming ¹⁵	Continued investing in physical stores ¹⁵	Bankruptcy ²²	Ignoring market shifts and clinging to an outdated business model resulted in failure.
Startup Melk Radar ⁶	Non-beneficial project	Continued funding for almost three weeks ⁶	Decision to dismount considered a	Recognizing a "dead horse" early and changing

			significant success ⁶	direction can lead to better outcomes.
Some Employers (Post-Pandemic) ¹⁰	Traditional office work model	Mandating return to office despite evidence supporting remote work ¹⁰	Lower employee engagement, increased stress, potential decrease in performance ¹⁰	Lack of trust and failure to adapt to new work paradigms can be counterproductive.
Nokia vs. Samsung ²⁰	Nokia clinging to old phone models	Redefining existing models ²⁰	Nokia's irrelevance while Samsung innovated and remained relevant ²⁰	Failure to innovate and adapt to market changes leads to being overtaken by competitors.
Outsourcing in Local Authorities ¹⁹	Outsourcing initiatives failing to deliver expected results	Continued use of the whip, several changes of riders ¹⁹	Eventual declaration of the "horse" as dead ¹⁹	Political capital invested in a failing strategy can delay the inevitable decision to abandon it.
Amazon Echo (Potentially) ¹⁵	Certain features with low usage	Continued investment despite layoffs in the division ¹⁵	Uncertain future, potential write-down of investment ¹⁵	Even successful companies can fall into the trap of the Dead Horse Theory if they are not vigilant about product viability.

Compiled by Author

6. Criticisms and Alternative Viewpoints

6.1 Criticisms of the Dead Horse Theory:

Though much of what has been studied here is engaged with proving out the Dead Horse Theory and applying it, point-blank objections to the theory itself are not necessarily emphasized.¹⁹ Nevertheless, potential objections may be inferred. One such possible objection is that the theory over-simplifies hard organizational issues to the implication that all unsuccessful efforts must just be dropped. In reality, some projects or plans might require drastic changes, innovative solutions, or a length of perseverance to finally succeed. The theory, in its concise metaphorical formulation, might not fully take into account such nuances. Another objection that can be raised is that too enthusiastic an application of the Dead Horse Theory might deter wholesome perseverance in spite of initial failure. Some worthy endeavors can require the sheer willpower to overcome early setbacks and hang on during challenging times before finally yielding positive results. It is also impossible to measure precisely when an effort has

passed from the phase of struggling to that of being a genuine "dead horse." Businesses can abandon potentially viable projects too quickly if they lack a thorough understanding of what is beneath or fail to explore all options for revival. Moreover, critics may propose that the theory has the unforeseen effect of encouraging a culture of instant dumping rather than problem-solving, creativity, and strategy formulation to rescue struggling initiatives where feasible. A more healthy approach may be a thorough diagnosis of the "horse's" illness and attempting all possible cures before dismounting.

6.2 Alternative Viewpoints and Related Management Concepts:

While the Dead Horse Theory advocates withdrawal from failed ventures, other viewpoints emphasize the necessity to understand the reasons for failure before making a decision. Root cause analysis is a key principle in this context, which suggests that organizations should investigate the underlying issues causing a project or strategy to fail rather than abandoning it at once.⁶ By scrutinizing the root issues,

organizations can discover that the "horse" is not actually dead but is suffering from a treatable disease. Organizational resilience is also introduced as a distinct concept, highlighting the ability of organizations to learn, learn from failure, and bounce back from adversity.²⁴ In this perspective, some of the "dead horses" may be revived through effort, innovative approaches, and a willingness to learn from experience and past failure.

One article proposes a new management paradigm that would prevent organizations from falling into a "dead horse" in the first place.²⁵ This paradigm emphasizes such principles as beginner's mind, embracing new thinking; self-organization, empowering employees; error kindness, embracing mistakes as learning opportunities; possibility space, fostering innovation; and trust, enabling teamwork. By creating these principles, companies will be capable of creating a more adaptive and creative environment, possibly reducing the likelihood of investing heavily in doomed projects. Moreover, strategic pivoting is within the spirit of the Dead Horse Theory but requires a more active and dynamic response to changing circumstances.¹ Rather than simply abandoning a failed strategy, strategic pivoting involves an extreme shift in direction due to new information or market circumstances. While this approach accepts the need to alter direction when necessary, it does so with the added emphasis on seeking out new, more promising directions to pursue.

7. Synthesis and Discussion

The literature reviewed again and again points towards the Dead Horse Theory of Management as a helpful metaphor for explaining the problem organizations face in putting an end to failing initiatives. Shared themes point toward the necessity of identifying futility, the tendency to persist with failing strategies even when proof of failure exists, and the variety of counterproductive actions that are instead taken in place of taking the tough decision to withdraw. The survival of the theory is because it has the ability to explain a core aspect of organizational behavior – the refusal to accept failure and the inability to abandon established courses of action.

The tension between the theory's clear message and the subtle psychological and organizational dynamics that

typically lead to it being ignored is a significant point of contention. While the very principle that it is necessary to remove a dead horse seems to be intuitively obvious, sunk cost fallacy, fear of admitting mistakes, emotional attachment, and organizational momentum commonly get in the way of rational decision-making. An understanding of these barriers to successful implementation of the theory in practice is critical.

Fostering a culture of flexibility, critical thinking, and being able to make difficult decisions is essential to avoiding the "dead horse trap." Businesses that have open communication, value decision-making based on data, and can admit when they made a mistake are more likely to recognize when an initiative has run its course and to redeploy accordingly. Leadership is central to this process, as it sets tone, promotes transparency, and is prepared to **"declare the horse dead"** when that is necessary.¹⁹

8. Conclusion: Significance and Relevance in Contemporary Management Practices

In short, the Dead Horse Theory of Management, founded upon a powerful yet simple Dakota proverb, is a profound and timeless management lesson for contemporary practice. This review has described the theory's sources, key principles, conventional interpretation, its applicability to other settings, its limits, and alternative views. The key message is uncomplicated: where an activity is obviously failing, the best thing to do is to leave it and shift resources to more promising prospects.¹

The theory is a valuable reminder of the perils of useless persistence, which can yield wasted resources, foregone opportunities, and finally organizational decline. In today's fast-changing and competitive world, the ability to remain vigilant, resilient, and steadfast in choice making is vital. Leaders should acquire the courage to "dismount" from failed ventures, even though it is difficult, and be ready to face change as an inevitable aspect of achieving long-term organizational success. The Dead Horse Theory, as very rudimentary, still holds much importance as a leadership handbook for deciphering the complexities of modern management and for creating a culture of continuous improvement and proper resource allocation.

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