

ORGANIZATIONAL RATIONALITY AND PERFORMANCE OF POVERTY ALLEVIATION PROJECTS IN UGANDA

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ABSTRACT

This study examined the relationship between organizational rationality and projects performance on National Agricultural Advisory Services projects in Uganda. The study took a cross sectional survey design which focused on describing and drawing inferences from the findings on the relationship between the variables. The study population comprised of 216 private partner and government funded poverty alleviation projects running under the National Agricultural Advisory Services in Uganda. Data were analyzed using descriptive means, frequencies, correlations and regressions analysis methods. Pearson correlation results indicate that Organizational Rationality is positively related to Project performance ($r=.716^{**}$). Regression results indicate that the relationship between Organization Rationality and Project Performance is positive and significant (Beta=.716, Sig=.001). ANOVA results confirm that Project Performance can be predicted by Organizational Rationality (Sig=.001).

Keywords: Organization Rationality, Project Performance, Project Management, Monitoring, Control, NAADS.

INTRODUCTION

Organizational rationality is a collection and concerted construction of roles, norms, work order legitimations and controlling mechanisms at the workplace into a common vision. Organizational rationality is the central theme in the planning and implementation of projects, and it is among the major issues in organization theory and practice that tends to cover almost all issues to do with working towards a common vision in the organization (Alvesson, 2002; Driscoll et al., 2002). In essence, organizational rationality is part of the eight general dimensions of organizational culture which can be accepted and used by the organization. This means that people in an organization think, feel, value and act on guided ideas, meanings and beliefs that are shared (Kui-kui and Yi-de 2014; Alvesson, 2002). The concept of organizational rationality suggests that each individual is not left with the task of finding optimal solutions, but organizations introduced rules, standards and procedures to ensure that the work and decision making of the organization are carried out in a particular and rational way (Ritzer 2008). This will enable employees of the organization to clearly focus on defined endeavors from the start of the project or task and the general Organizational units change effort. However, many projects in developing economies score low on rationality (Kerzner, 2006). In Uganda for example, many private partner and government funded projects have shown signs of irrationality in terms of Inefficiency, where employees waste a lot of time and put less effort in doing their tasks and they are not trained to do things in a certain manner, Incalculability, where employees do not quantify activities, Unpredictability, i.e.; employees

do not know what they expect and general lack of Control exerted on employees (Assedri, 2009). Project management bodies are conflicting on various aspects like responsibility and accountability, making decisions without following standard rules and regulations and lack of control on project resources and employees (Bugaari, 2009). This study examined the relationship between organizational rationality and projects performance on National Agricultural Advisory Services (NAADS) projects in Uganda. The study concentrated on organizational rationality and project performance by reviewing available literature related to organizational rationality as the independent variable and project performance as the dependent variable.

LITERATURE REVIEW

In this section, we explore relevant literature on the variables of the study including organizational rationality and project performance.

Organizational Rationality and Project Performance

While organizational rationality refers to a collection and concerted construction of roles, norms, work order legitimations and controlling mechanisms at the workplace into a common vision (Dissanayake, 2004). Weber (1922-23) conceives of the economic and political aspects of organizations as the two key motivations sustaining instrumental rational action. For Weber, managers and workers act rationally so as to extract their economic rights and also to maintain job status. It is this theoretical model that highlights and integrates the economic and political motivations underpinning rationalized action but separates social action from core organizational analyses. According to Weber (1923), there are two dominant types of rationality, a purpose or instrumental rationality of means and ends, and value or substantive rationality of economic ethics. Weber argues, these two dominant types of rationality combine to release the economic spirit and screen out traditional, affective and other value rationalities (including social values), which are ipso facto considered irrational. Weber's theoretical model with its' central focus on the master-trend of economic rationalism has had a dominating influence on the historical development of theories of organizational rationality. Early rational accounts draw on his ideas of bureaucratic rule and rational administration, for example, Taylor's (1911) work on scientific management, Simon's (1945) account of administrative behavior, and Fayol's (1949) theory of administrative management.

In a similar manner, more contemporary accounts retain the focus of instrumental rationality while acknowledging the increasing importance of environmental uncertainty (March and Simon, 1958; Lawrence and Lorsch, 1967). Some writers in the area of corporate governance focus on the problem of irrationality of organizations and the unethical behavior in business organizations and how they affect their performance. This is viewed as particularly problematic given the likely self-interests of agents (Daily et al., 2003). It is expected that with the separation of ownership and control between owners and managers, decision makers may act in self-interest rather than in the interests of the owners and stake holders (Jensen and Meckling, 1976; Fama, 1980). By implication, it then becomes necessary for the project executive committee to monitor the behavior of policy makers and managers (Eisenhardt, 1989). This general concern for ethics and social responsibility is mirrored in wider lens perspectives, which focus on project regulations stake holder appeasement and the general performance (Braithwaite, 1993; Driscoll et al., 2002; Carroll, 1999; Freeman, 1999). Willmott (1993) illustrates how organizational rationality plays a masked ideological role in the construction of organizational values to covertly align individual goals with the goals of the organization.

Importantly, this new concept of broader rationality offers the conceptual space for workers, unions and stakeholders to articulate moral issues and act morally in and through their social relations at work. Indeed, it offers the opportunity to theorize social relations based on co-operation, moral judgment and communication. This is significant, given the focus of Marxian approaches on materialism, antagonism, conflict and resistance (Sayer, 1987) and the focus of Weberian approaches on economic and political interests (Weber, 1922-23, 1947). Organizational rationality relates to how organizational members jointly relate to rationality and how that affects the way the organization approaches projects. Detert et al. (2000) have shown that rationality in organizations is one of the eight general dimensions of organizational culture. Ritzer (2008) talks about the rationality of an organization where each individual is not left with the task of finding the optimal solution, but in line with organizational rules, standards and procedures to ensure that the work and decision making of the organization are carried out in a particular and rational way.

Looking at the four Dimensions of organizational rationality i.e.: Efficiency, Predictability, Calculability and Control, it shows that People who work in formal rational systems are more effective and efficient because they know what they expect (predictability), they can measure and quantify their expectations (calculability), and employees are directed towards the right course (control) Ritzer (2008). This helps project managers control projects by carefully monitoring, measuring, and managing performance (Weeks and Nantel, 1992). This course goes beyond controlling performance in the fundamental areas of budget and schedule (Schwepker and Ingram, 1996). It also addresses the monitoring, measurement and management of the project's scope, quality, owner satisfaction, stakeholder satisfaction and the interdependent relationships (Baillie and Crisp, 2004), and such relationships will turn into behavioral and outcome performance (Behrman and Perrault, 1982; Grant and Cravens, 1996), Though Focus has been on outcome performance, because it is shown to be positively related to managerial effectiveness (Cravens et al., 1993; Grant and Cravens, 1999).

Detert et al. (2000) stipulates that organizational rationality affects many management issues including project performance as it touches work perspectives right from the base organization where the project originates. Shenhar and Dvir (2007) have shown that project management is done differently depending on the type of the project; this also calls for different measurement of project performance (Andersen 2006). Since projects are organizations within organization, their performance can also be affected by the culture of the base organization which sets up the project. This reasoning is even more relevant considering that many projects are based on matrix organizational principle where people from the base organization work part-time on the projects. In an organizational perspective, a project is seen as a supporting organization helping the base organization in its change efforts and having more focus on the intended purpose behind the project than predetermined tasks.

METHODOLOGY

This section brings out the methodology that was used in conducting the research. It entails the research design, the study population, the sampling procedure and sample size, the variables and their measurements, reliability and validity of research instruments, data collection methods and data processing and analysis procedures and techniques.

Research Design

The study took a cross sectional survey design. Since the study meant to test rather than generate theory, it adopted a correlational approach which focused on describing and drawing

inferences from the findings on the relationships among the study variables that is; organizational rationality and Project performance.

Study Population

The study population comprised of 216 private partner and government funded poverty alleviation projects running under the National Agricultural Advisory Services (NAADS) in Uganda (IFPRI 2007, MFPED 2008). The projects were captured by the researcher from NAADS reports 2004-2010, and interviews with some project managers and target beneficiaries.

Data Processing, Analysis and Presentation

After collecting the data using a pre-coded questionnaire, it was edited. Statistical Package for Social Scientists (SPSS) version 15.0 was used for data entry and analysis. Correlation analysis tools i.e. the Pearson' correlation coefficient was used to establish the relationship between Organizational Rationality and Project Performance. Multiple regression analysis was conducted to determine the variance in the dependent variable that is explained by the independent variables because there was more than one variable affecting the dependent variable.

FINDINGS

This section presents findings of the study that were generated from data analysis and its interpretation. It includes descriptive statistics, Pearson's correlation coefficient analysis and factor analysis. The results were presented to satisfy the following research objective state below:

Objective: To establish the relationship between organizational rationality and projects performance.

Descriptive Statistics of the Background Information

This section presents the sample characteristics of the participants such as their gender, marital status, level of education, work experience, the response rate, and number of years the project has been running, their professions, Project Official Characteristics and the general characteristics of the projects.

Project Characteristics

The results in Table 1 below present the Response Rate from Projects:

Table 1: Project characteristics

Item	Value
Number of targeted Projects	134.0
Acquired No of Projects	126.0
Response Rate	94.0%

Source: Primary Data

It was observed in Table 1 that the targeted projects were 134.0, where 126.0 projects were acquired which accounts for 94.0% response rate.

Education Level of Respondents

The results in the table below show the education levels of the respondents who participated in the study.

Table 2: Education level of respondents

		Frequency	Valid Percent	Cumulative Percent
Valid	Diploma	93	36.8	36.8
	Degree	77	30.4	67.2
	Professional	45	17.8	85.0
	Masters	20	7.9	92.9
	PhD	6	2.4	95.3
	Others	12	4.7	100.0
	Total		253	100.0

Source: Primary Data

It was observed in Table 2 that 36.8% of the respondents were at diploma level, 30.4% degree level, 17.8% were at professional level, 7.9% were at master's level, and 2.4 were at PhD level while 4.7% represented others.

Relationships between the Variables

The relationship between Organizational Rationality and Project Performance was tested using the Pearson (r) correlation coefficient. Variables are said to be positively related when an increment in one causes an increment in the other. For instance, driving speeds is positively related to risk of accidents meaning that the higher the speed, the higher the risk of getting involved in an accident. However, variables can also be negatively related. When variables are negatively related, an increase in one leads to a decrease in another. Tables 3 present results on analysis of the relationship between organizational rationality and project performance.

Table 3: Correlation results

		Organizational Rationality	Project Performance
Organizational Rationality	Pearson Correlation	1	.716**
	Sig. (2-tailed)		.000
	N	252	248
Project Performance	Pearson Correlation	.716**	1
	Sig. (2-tailed)	.000	
	N	248	248

****.** Correlation is significant at the 0.01 level (2-tailed).

Source: Primary Data

Pearson correlation results in Table 4 above indicate that Organizational Rationality is positively related to Project performance at a 0.01 2-tailed relationship ($r=.716^{**}$).

Regression Results

In addition to correlations, regression analysis method was run on the data in order to determine the nature of relationship between the independent variables namely (Organizational rationality) and the dependent variable (Project performance). Table 4 presents results from regression analysis.

Table 4: Regression results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.499	.148		3.367	.001
	Organizational Rationality	.824	.051	.716	16.096	.000

a. Dependent Variable: Project Performance

Regression results seen in Table 4 above indicate that the relationship between Organization Rationality and Project Performance is positive and significant (Beta=.716, Sig=.000).

In order to confirm regression results presented in Table 4, the researchers conducted an ANOVA test on the data. Table 5 below shows ANOVA results.

Table 5: ANOVA results

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	78.088	1	78.088	259.084	.000 ^b
	Residual	74.145	246	.301		
	Total	152.233	247			

a. Dependent Variable: Project Performance
b. Predictors: (Constant), Organizational Rationality

Results seen in Table 5 above reveal that Project Performance can be predicted by Organizational Rationality (Sig=.000^b)

DISCUSSION OF FINDINGS

The results revealed a positive relationship between organizational rationality and project performance. Carrying out tasks harmoniously well and having well established systems within the organization will ultimately help project managers effectively and efficiently measure achievements at certain points. This means that the measured achievements will be documented and made available for stakeholders. In other words, project managers will be able to compute the project deliverables following the schedule, a clear budget and within the financial limits and meeting the required quality. This supports the results from the study by Both Hunt and Vitell (1986) and Trevino (1986) who explicitly posit organizational rationality and ethical culture as an organizational factor influencing ethical behavior. Additionally, Ferrell and Gresham (1985) include it with significant others and professional codes of conduct as secondary influences on individual judgment hence influencing performance of activities they engage in.

CONCLUSION AND RECOMMENDATIONS

The background of the study is a belief that organizational rationality affects its projects' performance. This assumes that the base organization as the permanent organization is the dominant organization culturally and the project as a temporary organization is affected by its rationality as one of the components of organizational culture. However, we have to add that this does not prove that there is a cause-effect relation, but taking into consideration that for most organizations, projects are a minor part of their activities and it is highly likely that such a causal relationship exists. Secondly, organizational rationality is positively related to the performance of any project. This means that it is one variable that should not be overlooked in the course of promoting the performance of any project.

All the components of Organizational rationality which are Efficiency, Predictability, Control and Calculability have a positive effect on the performance of the project. However, it was clear that Calculability has the greatest influence on the Project Performance. Management of projects should therefore pay special emphasis on calculability in order to know the spread of quantification, measurement and calculation through an organization. Organizations should work hard on the construction of roles, norms, and work order and control mechanisms at work places. These help in the development of ideologies and beliefs, skills and tools for individuals especially managers at different levels or positions of responsibility to handle difficult and problematic ethical situations, abide by set values, and live up to them in pursuit of their careers and in line with the objectives and goals of the organization.

Limitations of the Study

- The Questionnaires limited the researcher to explore more outside the asked questions. However, the researcher tried to adopt to open ended questions to solicit unstructured views about the performance of these projects as a way of counteracting the limitation.
- The intended instruments for the study were most applicable in developed economies which rendered them not suitable in developing economies like Uganda. However, the researcher modified the instruments, but still affected the results though.

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