Sustainable Relations in International Development Cooperation Projects: The Role of Human Resource Management and Organizational Climate

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Abstract

The importance of organizational issues to assess the success of international development project has not been fully considered yet. An analysis of the literature on the project success definition, focused on the success criteria and success factors, was carried out by surveying the contribution of different authors and approaches. Traditionally projects were perceived as successful when they met time, budget and performance goals, assuming a basic similarity among projects (universalistic approach). However, starting from a non-universalistic approach, the importance of organization’s effectiveness, in terms of relations sustainability, emerged as a dimension able to define and assess a project success (Belassi W., Tukel O.I., 1996). Based on previous research contributions on the factors influencing the relations between organizations (Zanasi C., Rota C., 2009), the paper expands the analysis of the influence of human resource management on organizational climate that, in turn, influences the relation sustainability between project manager and project team involved in international cooperation for development. A detailed analysis of these relations is provided and a research hypothesis are built. A questionnaire on previous contributions was adapted to collect data for a Structural Equation Modelling (SEM) analysis. Five dimensions of organizational climate (Zeitz G. et al., 1997) (trust, communication, innovation, job challenge, social cohesion), four dimensions of human resource management (Snell S.A., Dean J.W., 1992) (staff recruitment, training, performance appraisal, reward system) and two dimension for sustainable relations (Fisher C., Reynolds N., 2008) (relations quality and strength) are reported and measured by using a 5 point Likert scale. The sample size is still in progress. The first results on internal consistency reliability coefficients (Cronbach’s alpha) are satisfactory.

1 Introduction

1.1 Project success

A.O. Hirschmann in his book “Development projects observed” (Hirschmann A.O., 1967), states that the project is central to every activity related to international cooperation for development. Defining what the term “success” means for a project is essential to define the criteria for its measurement and to understand its determinants (Cooke-Davies T., 2002). This topic is broadly discussed in the management theory literature (Koelmans R.G., 2004). A commonly shared evaluation framework for the definition and measurement of a project success is till lacking (Shenhar A.J., Dvir D., Maltz L&A. C., 2001), as the many contrasting opinions on the characteristics of a successful project show (Freeman M., Beale P., 1992). According to G.U. Prabhkar (Prabhkar G.U., 2008) “the only agreement seems to be the disagreement on what constitutes project success”. Some authors think that this difficulty originates from a wrong theoretical assumption which assumes that each project can be interpreted in the light of a project management theory universally applicable, not considering the peculiarity of each project (Shenhar A.J. et al., 2002). Recent studies show that models based on this theoretical assumption weakly describe the dynamics leading to a project success and suggest the adoption of a specific analytical approach for each project category (Crawford L. et al., 2005). Therefore some other authors consider that a definition of success is not universally valid, both in space and time, but only a perceived success can be considered (Baker B.N. et. al., 1988). Each project stakeholder will perceive (Meredith J.R., Mantel S.J. (Jr.), 2003), interpret
A project success or failure can be stated only when its evaluation dimensions have been adequately defined (Diało A., Thuillier D., 2004); it is thus important to distinguish between criteria (or dimensions) and factors related to a project success (De Witt A., 1988). Criteria can be defined as the set of principles or standards by which favourable outcomes can be completed within a set specification” (Chan A.P.C., Chan A.P.L., 2004). They measure the project level of success thus defining whether it is a success or a failure. Factors, instead, are managerial tools creating the necessary conditions for a project to be successful (Cooke-Davies T., 2002).

Evaluation criteria and related monitoring instruments have always been adopted by the different international cooperation institutions to monitor their projects performances, mainly related to financial aspects (Shenhar A.J. et al., 2001; Diało A., Thuillier D., 2004). Within this framework Time, Cost and Performance were the criteria defining the success of a project, originating a vast literature on the subject (Pinto JK, Slevin DP., 1988; Lim CS, Zain MM., 1999; Hatush Z., Skitmore M., 1997; Walker D.H.T., 1995, 1996; Navarre C., Schaan J.L., 1990).

More recently the necessity to develop evaluation frameworks able to include the different projects stakeholders’ interests and perspectives encouraged the adoption of multi-dimensional models for evaluating a project success (Shenhar A.J. et al., 2001). These models define and measure the project success through judgement criteria reflecting the different stakeholders’ perception of each project step (Shenhar A.J. et al., 1997). Many criteria, in fact, not only assume a different relevance according to each project life cycle stage but also during the project advancement phase within each life cycle stage (Pinto J.K., Covin J.G., 1989).

In tabs. 1 and 2 respectively, the main criteria and factors related to a project success reported in the literature, are listed.

**Table 1. Success Criteria**
Table 2. Success Factors

<table>
<thead>
<tr>
<th>Organisational structure</th>
<th>Project mission</th>
<th>Communication</th>
<th>Appropriate senior management levels of commitment to the project</th>
<th>Bypass the obstacles</th>
<th>Effective communication</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level of authority delegated to the project manager</td>
<td>Management support</td>
<td>Teamwork</td>
<td>Adequate project funding</td>
<td>Cause people to stretch</td>
<td>Management support</td>
</tr>
<tr>
<td>Size of the project</td>
<td>Committed project manager</td>
<td>Project schedule</td>
<td>Leadership</td>
<td>Well-done set of project requirements and specifications</td>
<td>Focus on the goal</td>
</tr>
<tr>
<td></td>
<td>Committed project team members</td>
<td>Client acceptance</td>
<td>Effective human resources</td>
<td>Careful development of a comprehensive project plan</td>
<td>Follow a standardized process</td>
</tr>
<tr>
<td></td>
<td>Sufficient resource allocation</td>
<td>Personnel</td>
<td>Reporting of the status of the project</td>
<td>Learn from the past</td>
<td>Project definition</td>
</tr>
<tr>
<td></td>
<td>Adequate control mechanisms</td>
<td>Technical tasks</td>
<td>Commitment of time and attention on the part of those outside the department who have requested the project</td>
<td>Maintaining ongoing communications</td>
<td>Project planning</td>
</tr>
<tr>
<td></td>
<td>Adequate communication channels with feedback capabilities</td>
<td>Communication</td>
<td>Critical assessment of the risks inherent in the project</td>
<td>Record the work being done</td>
<td>Project control and change management</td>
</tr>
<tr>
<td></td>
<td>Responsive to client’s needs</td>
<td>Monitoring</td>
<td>Ability of the project team to manage the risks</td>
<td>Reuse previous work</td>
<td>Technology support</td>
</tr>
<tr>
<td></td>
<td>Trouble-Shooting</td>
<td>Development of appropriate contingency plans</td>
<td>Seek buy-in from all involved</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Client consultation</td>
<td>Assessment of the ability and willingness of the organisation to stay the project course</td>
<td>Seek simplicity in goal and path</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

According to T. Richardson and I. King none of criteria and factors described in the literature can be considered separately from the other; they are inter-dependent and jointly contribute to the project success; the only possible analytical approach is therefore an holistic one (Richardson T., 1995; King I., 1996).

1.2 The organizational dimension of success

Some authors defined as “short sighted” the emphasis placed upon the financial and quantitative aspects of a project (Pinches G.E., 1982), showing their insufficient capacity to determine a long-lasting success of the project (Cameron K.S., 1986; Dvir D. et al., 1993; Shenhar A.J. et al., 2001). The financial performance measurement tools are in fact unable to take into account the level of satisfaction in the interpersonal relations between the people involved in the project (soft measure) (Pinto M.B., Pinto J.K., 1991).

The people side of project management (Kloppenborg T.J., Opfer W.A., 2002) role in contributing to the projects success seems more important than the mere technical-financial aspects (Scott-Young C., & Samson D., 2004). Many World Bank studies show that non-financial aspects (organisational, managerial, political and social) can cause a project failure in spite of the presence of positive technical and financial performances (Baum W.C., Tolbert M.S., 1985; Lopes M.D.S, Flavell R., 1998).

According to some authors a project success is something more complicated terms than the “time, cost, performance” approach (Pinto J.K., Slevin D.P., 1988). The stakeholders’ satisfaction seems more important in influencing the project failure or success perception. According to B. N. Baker et al. “in the long run, what really matters is whether the parties associated with, and affected by, a project are satisfied” (Baker B.N. et al., 1988). Following this line of thinking a project success is strongly influenced by its long term organisation effectiveness (Shenhar A.J. et al., 2001). The effectiveness is in turn influenced by the characteristics of the people in the project team, in their relations’ quality and in their capacity to understand the needs, the requests and the priorities of the other stakeholders (Gido J., Clements J.P., 1999).
The importance of the role played by the organisation in improving the project performance is confirmed by the many critical observations to the Project Life Cycle Methodology (PCM). This methodology played a central role in the World Bank strategic planning policies; however, parallel to a large number of normative studies which encouraged its diffusion among the international cooperation for development organisations (Casley D.J., Kumar K., 1987; Casley D.I., Lury D.A. 1982), a critical literature opposing the Project Life Cycle Methodology adoption emerged (Slade R., 1981; Thin N., 1998; Coleman G., 1992; Maddock N., 1994). Some studies show that in many successful projects, in terms of traditional indicators, the management methods and strategies adopted were completely different form the approaches defined by the PLCM (“participatory”, “stakeholder”, “process” and “consensus”). What made the difference, in these cases, was the central role played by the human factor during the planning and strategic management phase of those projects; in particular the social relations, social context, organisation culture and team members personal characteristics resulted as essential factors influencing the project success (Biggs S., Smith S., 2003; Wood G., 1998). This further supports the relevance of the human side of project management, previously described.

2 Hypothesis and Theoretical Framework

According to the Social Context model (Ferris G.R. et al., 1998) the organisation effectiveness is influenced by factors related both to its entire structure (Human Resource Management (HRM), culture and organisational climate), and to each individual’s attitude and behaviour. These different variables have been merged in one consistent theoretical framework for the analysis of the inter and intra-organization relations (Zanasi C., Rota C., 2009). To empirically evaluate the role of the organisational dimension in defining the criteria and factors related to a project success, a further specification of the theoretical framework has been carried out; the relationship between relation sustainability, organisational climate and HRM were considered.

2.1 Relations Sustainability

The concept of relation is quite complex to define; it is non directly observable (latent) and multi-dimensional. Recent contributions identified a set of variables defining the concept of inter and intra-organisation relations (Zanasi C., Rota C., 2009); these variables correspond with the variables identified by other studies as defining a specific dimension of relations: their sustainability1 (Fischer C., Reynolds N., 2008). Sustainability defines the efficiency and effectiveness of relations along a supply chain (Handy C., 1999; Christopher M., 1998). Sustainability is thus a multidimensional latent variable defined by two different dimensions: quality and strength of the relations. Quality involves the expectations and desires of the individuals involved in the relation (Jarvelin A., Lehtinen U., 1996) and is defined by the following variables involving inter personal relations: trust, commitment, and satisfaction. On the other hand, strength refers to the behaviour of the individuals and is defined by the variables: mutual dependence, conflict resolution capacity and positive collaboration history (Fischer C., Reynolds N., 2008).

Relation sustainability becomes, in the present theoretical framework, a dependent variable whose value is influenced by explanatory independent variables related to the Organisational Climate and the Human Resource Management (HRM).

1. SIRs - Sustainable collaborative inter-enterprise relationships, Fischer C., Reynolds N., 2008
2.2 Organizational Culture and Climate

According to the literature examined the terms organisation culture and organisational climate are considered as synonymous (Barker R., 1994), creating ambiguity in their interpretation and conceptual overlapping preventing a clear definition of their different nature (Schneider B., 1985; Ryder P.A., Southey G.N., 1990). In the present paper organisation culture is defined as a “distinctive constellation of beliefs, values, work styles and relationships that distinguish one organisation from another” (Harrison R., 1993); it is based on values and assumptions (Pettigrew A.M., 1979; Schein E.H., 1985; Hatch M.J., 1993) influencing the relations between members of the same organisation [intra-organisation relations a/n] and the external relations with other stakeholders [inter-organisation relations a/n] (Hill C.W.L., Jones G.R., 2001). The organisation culture “defines the way of doing things in order to give meaning to organisational life” (Arnold J., 2005).

The organisational climate is defined as “employees perceptions of events, practices, and procedures as well as their perceptions of behaviours that are rewarded, supported and expected” (Schneider et al., 1992). It is a rough indicator of the organisation culture (Schein E.H., 1985) and reflects the organisation members’ perception, behaviour and attitudes (Moran E.T., Volkwein J.F., 1992; O’Driscoll M.R., Evans R., 1988). Many studies on project management consider a set of factors, related to the organisational climate, able to influence the quality of the relations within a team work (Pinto M.B., Prescott J.E., 1993; Fleming Q.W., Koppelman J.M., 1996; Lopes M.D.S, Flavell R., 1998).

R. A. Guzzo and M. W. Dickson classify these factors into three categories: organisational variables (e.g. autonomy, interdependence, definition of responsibilities) (Guzzo R.A., Dickson M.W., 1996); context variables (e.g. skill and communication); mediation variables (e.g. cooperation, social cohesion). A teamwork effectiveness is defined by three fundamental characteristics: the ability to integrate each member’s actions, the social cohesion among its members and the project manager’s leadership (Zaccaro S.J. et al., 2001).

Other authors’ hypothesis consider six variables as able to evaluate the quality of the relations within a team work: communication, coordination, balance of member contributions, mutual support, effort and cohesion (Hoegl M., Gemuenden H.G., 2001).

A. Diallo and D. Thüillier underline how trust, communication and cooperation influence inter-personal relations among the team work members, their relations with the project manager and with other stakeholders, qualifying as criteria able to define the project success (Diallo A., Thüillier D., 2005).

From these considerations the following hypothesis derives:

H1: Organisational climate influences the relations sustainability in terms of team work attitude towards the project manager

2.3 Human Resource Management (HRM)

Organisation culture is more influenced by the context in which the organisation operates than the organisation climate; human resource management (HRM) strongly contributes to creating the organisation culture, and is defined as a “maintenance subsystem” (Katz D., Kahn R., 1978) able to reinforce the value system within an organisation (Denison D.R., 1996; Hatch M.J., 1993).

However HRM is also one of the major factors influencing the organisational climate. HRM is considered a communication tool between the organisation and its members (Guzzo R., Noonan K., 1994). It plays a central role in shaping the organisation members behaviour,
habits and expectations. In particular the HRM related policies of selection, remuneration (Rousseau D.M., Gleiler M.M., 1994), training (Sims R., 1994) and incentive (Lucero M., Allen R., 1994) followed by an organisation, influence its organisational climate; organisational climate is, therefore, the main link between human resource management (HRM) and the success of inter and intra-organisations relations (Bowen E.D., Ostroff C., 2004). These considerations originate the second hypothesis:

**H2: Human Resources Management practices influence the organisational climate within the project teamwork.**

According to the Social Exchange Theory (Blau P., 1964) the norms regulating the relationship between individuals apply also to an organisation’s members. Starting from this assumption different authors showed how the HRM practices, within an organisation, influence some of the variables involved in the definition of relation sustainability, in particular trust (Eisenberger R. et al., 1990), commitment (Tsui S.T. et al., 1997) and job satisfaction (Berg P., 1999). The third hypothesis is therefore:

**H3: Human Resources Management practices influence the relations sustainability in terms of team work attitude towards the project manager**

Considering the hypothesis previously defined the relations between the different variables and dimensions influencing and defining Sustainable Relations are depicted in Scheme 1.

![Scheme 1. Variables relation measurement model](image)

3 Method of analysis

The method adopted is the analysis of the variables relations through a Structural Equation Model (SEM), particularly useful as it allows for the definition of the latent variables and the measure of their relations. To collect the information a survey was carried out through an on-line questionnaire in five languages (Italian, English, French, Spanish and Portuguese). Twenty NGOs (national and international) and five National and international bodies (FAO, IFAD, EU, CHIEAM, GTZ, Italian Ministry of foreign affairs) coordinating and/or financing
International cooperation development projects in the agro-food sector have been contacted.
The country or region desk officers in these organizations invited the project managers and team work members in different projects around the world to answer the on-line questionnaire. This indirect contact with the respondents was not avoidable, given the governance structure and rules of these organisations. Consequently it is not possible for us to know the number of projects actually contacted and the respondents’ rate. The test of the hypothesis by using a Structural Equations Model could not be implemented given a still very small respondent sample size (30). The only possible statistical evaluation was the Cronbach alpha test which is used as an estimator of the capacity of the different variables adopted to define the latent variables (Relation Sustainability, Organisational Climate, HRM). This test is based on the following measures scales adopted by our questionnaire for the definition of the latent variables.

Relation Sustainability: this variable has two dimensions: relation quality and relation strength (Fischer C., Reynolds N., 2008). The teamwork members were asked to respond to 5 items; 3 items describing the relation quality (trust, commitment and satisfaction) and 2 items describing the relation strength (conflict resolution capacity and positive collaboration history). The measure was assessed on a 5-point Likert scale ranging from 1=Disagree to 5=Agree.

Organizational Climate: this variable is based on the five dimensions of Organizational Climate developed by G. Zeitz (Zeitz G. et al, 1997). These five dimensions, which consist of 26 items, are: job challenge, communication, trust, innovation and social cohesion. Teamwork members were asked to respond to these items using a 5-point Likert scale ranging from 1=Disagree to 5=Agree.


4 Results

The Cronbach alpha for the Relation Sustainability scales were 0.9 for the relation quality and 0.5 for strength. Being 0.7 the limit of acceptability for the Cronbach alpha the results showed a non significative value for relation strength (0.5) and a significative value for relation quality (0.9). This means that the questions included in the questionnaire are internally coherent and able to describe the dimension of relation quality; on the other hand the questions related to relation strength cannot be considered as able to describe this dimension; the small size of the sample analysed could have influenced the low Cronbach’s alpha value for this dimension (relation strength).

Most of the Cronbach’s alpha for the dimensions related to Organisational Climate were slightly lower than 0.70 (see table 3). In particular only innovation (0.724) resulted significative, while trust (0.632) communication (0.613), job challenge (0.608) and social cohesion (0.581) were not significative. As for the relation sustainability the small size of the sample could have influenced the not particularly significant results.

In the case of HRM, in spite of a small sample size, the Cronbach alpha tests resulted all significative, ranging from 0.80 to 0.90 (see table 3).

These first results indicate that, given the small sample size, the variables chosen for the empirical evaluation of the hypothesis, relating the latent variables (HRM, organisational climate and relation sustainability) seem satisfactory. This findings confirm the results obtained by previous papers on relation sustainability (Fischer C., Reynolds N., 2008).
Table 3. Cronbach alpha coefficients

<table>
<thead>
<tr>
<th>Relation Sustainability</th>
<th>Cronbach alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relation Quality</td>
<td>0.974</td>
</tr>
<tr>
<td>Relation Strength</td>
<td>0.842</td>
</tr>
<tr>
<td>Organizational Climate</td>
<td></td>
</tr>
<tr>
<td>Job Challenge</td>
<td>0.608</td>
</tr>
<tr>
<td>Communication</td>
<td>0.615</td>
</tr>
<tr>
<td>Innovation</td>
<td>0.724</td>
</tr>
<tr>
<td>Trust</td>
<td>0.632</td>
</tr>
<tr>
<td>Social Cohesion</td>
<td>0.581</td>
</tr>
<tr>
<td>Human Resource Management</td>
<td></td>
</tr>
<tr>
<td>Staff Recruitment</td>
<td>0.837</td>
</tr>
<tr>
<td>Training</td>
<td>0.944</td>
</tr>
<tr>
<td>Performance Appraisal</td>
<td>0.885</td>
</tr>
<tr>
<td>Reward System</td>
<td>0.817</td>
</tr>
</tbody>
</table>

5 Conclusion

The present paper provided a description of the link between the success of international development cooperation projects and the relations sustainability as one of the most important factors defining success. It also contributed to further specify the theoretical framework describing the factors affecting the relation sustainability within and between organizations by considering the role of HRM and Organisational Climate. The Cronbach alpha test showed encouraging results; these cannot be considered a confirmation of the assumptions of the theoretical framework adopted but they nevertheless represent a first step towards an effective measurement of the success of the international development cooperation projects. Integrating the financial performance measurement of projects with the organisational dimension could become a source of a more successful project design and management.

Further research developments should further increase the number of variables to be included in the statistical model by adding Psychological Contract and Knowledge Skills and Abilities (KSA).

Unfortunately this will further increase the required sample size. An effective strategy to motivate the respondents to participate in the survey seems to be at the moment one of the major obstacles to the analysis implementation since the organizational performances are not specifically required by the projects’ evaluation guidelines and they represent an increase in the project related transaction costs. Their explicit introduction in the project presentation guidelines should be explored as an opportunity to increase the chances of success of the projects.

6 References


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