

Examining the Relationship between Project Managers' Ethical Orientation and Project Performance: The Case of NAADS Projects in Uganda

Jaaza Mahmood¹ Sudi Nangoli^{2*} Felishana Cherop³ Yusuf Katerega¹ Yunia Musasizi¹
Grace Nalweyiso¹

1.Lecturer - Makerere University Business School, Uganda

2.Senior Lecturer– Makerere University Business School, Uganda

3.Lecturer – Department of Management sciences Moi University, Kenya School

Abstract

In capitalistic and poverty stricken countries like Uganda, the Ethical Orientation of Project Managers is fast becoming an issue of paramount concern as Program sponsors and project beneficiaries seek for strategies to attain and sustain effectiveness and efficiency in project performance. This is because those with access to the project resources in such countries tend to satisfy their selfish interests with the limited project resources. This research work examines the relationship between Ethical Orientation of Project Managers and Project Performance on National Agricultural Advisory Services (NAADS) projects in Uganda. The study adopted a cross sectional quantitative survey research approach. This was because of a relatively large sample involved in the study. Data were analyzed using descriptive statistics, correlation and regression analysis methods. Findings indicated that there is a significant positive relationship between Ethical Orientation of Project Managers and Project Performance. The study thus provides scientific evidence to the fact that Ethical Orientation of Project Managers significantly influences the performance of developmental Projects like NAADS. If unchecked, this single factor can lead to collapse of running projects.

Keywords: Ethical Orientation, Project Managers, Project Performance, Project Management, NAADS

1.0 Introduction

For decades now, efforts to close the diverse gap between planned performance and actual project performance have not been conclusive. In Low developed Countries (LDCs) like Uganda, this challenge has been attributed to both soft and hard project factors (Ahimbisibwe & Nangoli 2012). Among the soft factors that tend to significantly affect project performance is the Ethical Orientation of Project Managers, that influence the ethical decision making process in most projects. It is rather surprising that this factor has been less debated among researchers from LDCs like Uganda. Anecdotal evidence points to the fact that the would-be researchers and enforcers of means to improve ethical stance of project managers also selfishly benefit from its existence. This phenomenon is very rampant in donor funded and government funded Projects like National Agricultural Advisory Services (NAADS). The NAADS projects are among the seven-pillar Plan for Modernization of Agriculture (PMA) which was an initiative to alleviate the challenge of poverty (ITAD, 2008). NAADS projects were identified as a strategic approach for poverty alleviation in the country through improved agricultural production, value addition and commercialization of small holder farmers. This is mainly because Uganda's economy depends on agriculture which employs over 80% of the country's population (ADB, 2010). However many of these projects have failed to meet stake holders expectations (Bugaari, 2009). For example, there is still inadequate access to (NAADS) services by the targeted beneficiaries with over 75% registered instances of project failures. Existent evidence points to lack of a clear work order, unacceptable work norms, ambiguous roles and a poor control mechanism as key causes of continued project failures (MFPED, 2007, IFPRI, 2007, OXFAM, FOWODE, 2004). There is also evidence to the fact that some NAADS officials, embezzled clausal sums of money, forged and altered documents, conspired to commit felony and neglect of duty. Although some of the project managers who were involved got arrested, this did not get rid of the malpractices (see for example, Benin et al., 2007).

Generally, the existence of malpractices have continued to cause shortages in the funds meant for NAADS work hence the majority of these projects are either left unfinished, delivered late, or deliver poor quality outputs and outcomes (IFPRI, 2008). They are also usually delivered at a higher cost than expected (Aloysius, 2006). It is probable that this high projects' failure rate if observed scientifically could be due to the irrationality of the base organization and the unsound project managers' ethical orientations (Kohlberg, 1984, Gilligan, 1982, Brown, 1995, Jaffee and Hyde, 2000, Alvesson, 2002 and Andersen, 2008). Hence, this study sought to establish the relationship between Ethical Orientation of Project Managers and Project Performance on NAADS projects in the agricultural sector of Uganda. The study focused on the poverty alleviation projects under the NAADS program from the central and eastern regions and is of great significance since the livelihood of over 80% of the populace in that geographical area is hinged on the success of agricultural Projects. The central region was selected because it is where the main NAADS officials are and it was anticipated that vital strategic information about the NAADS

could be easily accessed from these officials as key informants. The eastern region was selected because NAADS registered the worst performance in this area, and it is the same area that the NAADS program was introduced purposely to make the eastern region more productive given that it is most agriculturally gifted region in the country (The New Vision gazette, 28th, November, 2007). The rest of this paper is laid out as follows. Relevant literature is reviewed to inform the study, and then the methodology of the study is stated followed by presentation, analysis and discussion of research findings. Lastly, conclusions and recommendations are drawn from the findings and areas for further research are proposed.

2.0 Literature Review

Ethical Orientation of Project Managers and Project Performance

Project managers' ethical orientation is concerned with ethical ideologies and beliefs, skills and tools to help manage difficult and problematic ethical situations, abide by set values, and live up to those values in pursuit of their careers (Prasad, 2008; Manning 2003). Research has also considered other ethical orientation issues of justice and utilitarianism (Schminke, *et al.*, 1997). Shaub *et al.* (1993), examined the ethical position, commitment and ethical sensitivity of managers from several large organizations and established that managers who were relativistic were less likely to recognize ethical issues and were also less committed to the firm/project and their profession which generally affects performance. On the other hand, idealism was associated with a higher level of professional commitment. Additionally, Henle *et al.* (2005) established that idealism was negatively related to both organizational and personal deviance, and Relativism was not related to either organizational or personal deviance. Ethics instruction and ethics research in project management have become more important than in the past. Forsyth (1980) developed the Ethics Position Questionnaire (EPQ) to identify an individual's ethical orientation which can be described as a continuum with idealism at one end and relativism at the other. Idealism focuses on human welfare or in other words it can be described as a belief that desirable consequences can be achieved without violating moral guidelines. Relativism describes an individual's concern for a universal set of rules or standards. Individuals who tend to be more idealistic should decide not to any decision making that could cause harm to other, an outcome they tend to avoid (Forsyth, 1982). On the other hand, those who tend to be more relativistic consider the circumstances first rather than the potential harm a decision might cause. These individuals also tend to judge decisions more leniently (Elias, 2002). It is therefore arguable that Individual's ethical orientation impact on the making of decisions that ultimately influence the performance of projects. Forsyth (1980); Greenfield *et al.* (2008); and Henle *et al.* (2005), all indicate that the EPQ is a sound psychometric which explains a variety of decisions that individuals make and found out a significant relationship between an individual's ethical orientation and decision making which then affects performance. Evidence shows that an individual with a more idealistic ethical orientation will be less likely to engage in earnings management behavior but not for the individual with a relativistic ethical orientation. Achilles (2006) also used Ethics Position Questionnaire (EPQ) which takes advantage of different criteria to describe variations in moral thought of managers and found that individuals who tend to have more of a relativist ethical orientation exhibit no systematic variation in their assessment of the possibility of committing felony. Thus individuals with higher degrees of relativism than idealism were more likely to engage in deviant behaviors that targeted their organization. More research suggests that there are two broad categories of normative ethics. The first category includes views that express a concern for the expected consequences of an action. This is sometimes referred to as teleology or "from the ends." The second category includes views that express a concern for the need to follow a specific rule, often referred to as deontology or "of necessity." Some ethicists say that these are the only viable alternative categorizations (Snoeyenbos, *et al.*, 1983), i.e., that ethical behavior involves either a concern for consequences or a concern for rules. Each of these categories is comprised of two philosophical positions. Within teleology (the concern for consequences), one can be concerned with personal consequences, as in egoism, or social consequences, as in utilitarianism. Egoism, the concern with good for the self, is frequently associated with Adam Smith (1937) and Rand (1964). Utilitarianism is a concern with the greatest good for the greatest number (Mill, 1863). Basing from this discussion, orientations of care, justice, egoism or utilitarianism will negatively or positively affect the performance of a project.

3.0 Study Design and Methodology

The study adopted a quantitative survey design, because of the relatively large sample involved in the study. A population of 216 Government and Privately funded poverty alleviation projects running under the NAADS were considered. A sample size of 134 projects was arrived at basing on Krejcie and Morgan (1970). The researcher then administered 268 questionnaires targeting two people per project, specifically project officials and project beneficiaries as units of inquiry. Purposive sampling was then used in selecting each of these officials, and of 268 distributed questionnaires, 253 were deemed fit for further analysis after the data cleaning process.

Primary data was sourced from respondents and used in the study so as to get the original perceptions of stakeholders as regards the performance of the projects under study. Given that the researchers were interested in

the perspective of poverty alleviation on the performance of NAADS projects, the views used in the study were basically collected from selected project managers, coordinators, project team players and beneficiaries since different stakeholders perceive performance differently, and on the basis that stakeholders were knowledgeable enough to answer questionnaires. Also, Secondary data relevant to the variables under investigation were obtained from published journal articles from various publishers like the emerald publishing group and Springer, previous dissertations of master's students, and literature provided by the project management body of knowledge was also reviewed. Other secondary sources of information included periodicals, project reports and conference proceedings.

Measurement of variables: Project Managers' Ethical orientation was measured using the Ethics Position Questionnaire (EPQ) which is at times known as the Moral Philosophy Measure as developed by Forsyth (1980). A five point Likert scales ranging from strongly disagree to strongly agree was used. This tool has been commonly used by recent researchers like Brown (2003). The questionnaire identified four basic distinct dimensions of Ethical Orientations namely: Egoism, Utilitarianism, Justice, and Rights. The internal consistency, stability and construct and predictive validity of this measure, had been well established in prior research (Kohlberg, 1984; Kant, 1994; and Gilligan, 1982). The EPQ also contained a number of demographic items and items relating to the individuals organization. On the other hand, Project performance was measured using an amalgam of Bushuyu (2006) and the competence areas defined in the Project Management Body of Knowledge (PMBOK, 1996). The two give more rational results as regards perceived project performance and have been adopted before by various researchers especially Ramirez (2002). The Questionnaire identified three basic distinct dimensions of project performance namely; Time Management, Cost Mitigation and Quality.

4.0 Research 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 are presented with the aim of answering the research question: What is the relationship between project managers' ethical orientation and project performance on NAADS projects?

4.1 Background Information of Respondents

First, we began by understanding the respondents' attributes that shaped the interpretation and reliability of findings. The results in the Table 1 below present the background information of various respondents who participated in the study. As has been indicated, 19.4% of the respondents were either 24years or below 24years of age, 46.6% of the respondents were between 25 to 34years of age, about 21% of the respondents were 35 to 44years of age, while those above 45 years were 13.0% of the total respondents analyzed. This is an indication that majority of respondents were the most productive age group that is involved in Agriculture in Uganda. As regards gender of respondents, it was also observed that 39.1% of the respondents were male, while 60.9% of the respondents were female implying that the participation in the agricultural production is dominated by females. As regards marital status, it was observed that 22.9% of the respondents were single, 46.6% were married, and 26.1% were divorced while others accounted for 4.3%. This implies that the married ones participated more in the projects which is a sign of responsibility.

Table 1: Background Information of Respondents

		Frequency	Valid Percent	Cumulative Percent
Age group	24 yrs & Below	49	19.4	19.4
	25 - 34 yrs	118	46.6	66.0
	35 - 44 yrs	53	20.9	87.0
	45 yrs & Above	33	13.0	100.0
	Total	253	100.0	
Gender	Male	99	39.1	39.1
	Female	154	60.9	100.0
	Total	253	100.0	
Marital Status	Single	58	22.9	22.9
	Married	118	46.6	69.6
	Divorced	66	26.1	95.7
	Others	11	4.3	100.0
	Total	253	100.0	

Source: Primary Data

4.2 Relationships between Ethical Orientation of Project Managers and Project Performance

The relationship between Ethical Orientation of Project Managers 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 4 present results on analysis of the relationship between Ethical Orientation of Project Managers and Project Performance. Pearson correlation results in Table 2 below indicate that Ethical Orientation of Project Managers is positively related to Project performance at a 0.01 2-tailed relationship ($r=.612^{**}$).

Table 2: Correlation results

		Project Managers Ethical Orientations	Project Performance
Project Managers Ethical Orientations	Pearson Correlation	1	.612^{**}
	Sig. (2-tailed)		.000
	N	245	243
Project Performance	Pearson Correlation	.612 ^{**}	1
	Sig. (2-tailed)	.000	
	N	243	248

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

Source: Primary Data

4.3 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 (Ethical Orientation of Project Managers) and the dependent variable (Project performance). Table 5 presents results from regression analysis.

Table 3: Regression results

Coefficients^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.196	.223		.880	.380
	Ethical Orientation of Project Managers	.870	.072	.612	12.014	.000

a. Dependent Variable: Project Performance

Source: Primary Data

Regression results seen in Table 3 above indicate that the relationship between Ethical Orientation of Project Managers and Project Performance is positive and significant (Beta=.612, Sig=.000). In order to confirm regression results presented in table 3, the researchers conducted an ANOVA test on the data. Table 4 below shows ANOVA results. Results seen in table 3 above reveal that Project Performance can be predicted by Ethical Orientation of Project Managers (Sig=.000^b)

Table 4: ANOVA results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	54.976	1	54.976	144.324	.000^b
	Residual	91.802	241	.381		
	Total	146.779	242			

a. Dependent Variable: Project Performance

b. Predictors: (Constant), Project Managers Ethical Orientations

Source: Primary Data

5.0 Discussion of Findings

The results also revealed a positive correlation between Project Managers' Ethical Orientation and Project Performance which means that project managers' ethical orientation positively affect project performance in that if managers do what it takes to further projects interests in the most efficient way and in accordance with policy, regulations and directives with fairness, it drives the project towards the expected project deliverables. In other words, the results will be of the desired quality and value to the end users.

In addition, (Brief et al, 1996) suggests that the ethical approach to managing organizations is appealing to most managers because of the comfort factor in such an approach. They added, that It is common for managers to avoid complexity and ambiguity in their working environment and hence taking an approach that has been described as being purposeful which enables managers to work towards "specific goals" as the preferred alternative. This is in conformity with the findings of (Van De Van, 2006) whose research findings revealed that such

organizations can be said to be practicing an ethical and rational approach to both Human and other organizational Resources that ties in well with their organizational mission and vision. Brief *et al.* (1996) also conclude that these findings imply additional importance for the rationality in organizations and the creation of a strong ethical climate within the organization, Characterized as essential to preventing unethical acts that hinder project deliverables which is in the same agreement with (Treadway, 1987).

6.0 Conclusion, Recommendations and Areas for Further Research

The study has a number of practical and policy implications as noted below;

From a practical perspective, the results are a clear indicator that if project managers are concerned with the project's interests to the exclusion of all else and that managers are expected to do anything to further the projects interests, there shall be a timely completion of activities within the specified budgets, an indicator of good performance. It can also be concluded that Ethical Orientation of Project Managers affects project performance and predictability is another good indication of this. Predictability means the assurance that the products and services will be the same over time, Workers are aware of what they are expected to do and it pertains mostly to formalization in the organizational context.

From a policy perspective, organizations should develop and strengthen the ethical orientation programs for managers at their work place since managerial expectations are influenced by the level of moral development and personal characteristics of the persons holding top management positions in the organization and these expectations are also shaped by forces in the organization's environment, including societal expectations, industry and local business community norms, laws and regulations.

Future research in this area can be focus on; 1) corporate rationality, stakeholder orientation, and organizational moral development, 2) organizational culture and ethical orientation on managers' ethical judgments, 3) the impact of egoism, justice, rights, and utilitarianism on ethical positions in business, and 4) organization rationality and project management.

References

- ADB (2010) Agriculture and Agro-Industry Department and Operational Resources and Policies Department, *The African Development Bank*
- Brown, M.E. (2007), "Misconceptions of ethical leadership: how to avoid potential pitfalls", *Organizational Dynamics*, Vol. 36 No. 2, pp. 140-55.
- Brown, M.E., Trevino, L.K. and Harrison, D.A. (2005), "Ethical leadership: a social learning perspective for construct development and testing", *Organizational Behavior and Human Decision Processes*, Vol. 97, pp. 117-34.
- Browning, J. and Zabriskie, N.B. (1983), "How ethical are industrial buyers?", *Industrial Marketing Management*, Vol. 12, pp. 219-24.
- Cooper, R.W. and Frank, G.L. (2002), "Ethical challenges in the two main segments of the insurance industry: key considerations in the evolving financial services marketplace", *Journal of Business Ethics*, Vol. 36, pp. 5-20.
- Forsyth, D. R.: 1980, 'A Taxonomy of Ethical Ideologies', *Journal of Personality and Social Psychology* 39 (July), 175-184.
- Forsyth, D. R.: 1981, 'Moral Judgment: The Influence of Ethical Ideology', *Personality and Social Psychology Bulletin* 7 (June), 218-223.
- Forsyth, D. R.: 1992, 'Judging the Morality of Business Practices: The Influence of Personal Moral Philosophies', *Journal of Business Ethics* 11 (May-June), 461-470.
- Forsyth, D.R., Nye, J.L. and Kelley, K. (1988), "Idealism, relativism, and the ethic of caring", *Journal of Psychology*, Vol. 122, pp. 243-8.
- Gilligan, C. (1982). *In a Different Voice: Psychological Theory and Women's Development*. MA: Harvard University Press.
- Gilligan, C.: 1982, *In a Different Voice: Psychological Theory and Women's Development* (Harvard University Press, Cambridge, MA).
- Jaffee, S., and Hyde, J. S. (2000) Gender differences in moral orientation: A meta-analysis, *Psychological Bulletin*, 126, 703-726
- Kant, I. (1994). Grounding for the metaphysics of morals (J. W. Ellington, Trans.) In *Ethical Philosophy, 2nd Edition*, Indianapolis: Hackett Publishing. (Original work published, 1785).
- Kohlberg, L. (1969), "Stage and sequence: the cognitive developmental approach to socialization", in Goslin, D.A. (Ed.), *Handbook of Socialization Theory*, Rand McNally, Chicago, IL, pp. 347-480.
- Kohlberg, L. (1984). *The Psychology of Moral Development: The Nature and Validity of Moral Stages*. San Francisco: Harper & Row.
- Locke, E. A., & Becker, T. E. (1998). Rebuttal to a subjective critique of an objectivist approach to integrity in organizations. *Academy of Management Review*, 23, 170-175.

- Kohlberg, L.: 1969, 'Stage and Sequence', in D. Goslin (ed.), *Handbook of Socialization Theory and Research* (Rand McNally, Chicago, IL).
- Krejcie R. V and Morgan D. W (1970) Determining Sample Size for Research Activities, *Educational and Psychological Measurement*, 30, 607-610.
- Mill, J. S. (1863). *Utilitarianism*. London: Parker, Son, and Bourn.
- Shaub, M. K., D. W. Finn and P. Munter: 1993, 'The Effects of Auditors' Ethical Orientation on Commitment and Ethical Sensitivity', *Behavioral Research in Accounting* 5, 145–169.

Acknowledgements

The authors would like to extend their appreciation to Makerere University Business School that provided the enabling environment for this study, the MUBS Principal, Professor Balunywa Wasswa for his enabling leadership that natures research efforts of staff. We also thank Professor Joseph M Ntayi, Dr kabagambe Levi and Prof Mayoka Geoffrey for their contribution towards making this work a success.