The Moderating Affect of Trust in the Relationship of Project Managers and Project Sponsors

Patricia Sahm  
*Case Western Reserve University*

Michel Avital  
*Case Western Reserve University*

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The Affect of Trust in Project Management Dyads

Patricia A. Sahm  
Case Western Reserve University  
pas18@cwru.edu

Michel Avital  
Case Western Reserve University  
michel.avital@case.edu

ABSTRACT

Project management is an important part of organizational life. Project work brings together individuals who come from different domains and often bring non-aligned perceptions of the underlying task and the nature of project work. Using 87 dyads of project managers and sponsors, this study examines empirically the influence of interpersonal trust and institutional trust on quality of relationship between project managers and sponsors in large IT implementations. The findings of this study are likely to offer organizations compelling reasons to increase institutional trust and to nurture an environment in which dyads/teams can bring about interpersonal trust as a way to bridge domain differences.

Keywords

Project management, project sponsorship, project relationship quality, trust in IT projects.

INTRODUCTION

The knowledge intensive economy has fueled a substantial increase of project work in organizations (Nonaka, 1994), which in turn also led to a complementary increase in project sponsorship roles. Thus, considering this growth, it is essential to understand what environment is conducive to a high-performing project manager and project sponsor teams. This study examines the moderating effect of trust on the relationship between project managers and project sponsors, and its subsequent impact on their respective satisfaction and perceived project outcomes.

KEY LITERATURE AND RESEARCH MODEL

Research has shown that project leadership is a critical success factor that affects both project performance and team satisfaction (Jiang et al. 2001). It is common practice that a project manager and a respective sponsor form a project leadership dyad. Examining this dyadic relationship is likely to enhance our knowledge concerning project process and outcomes.

Role clarity and self-efficacy have been linked to superior performance and conflict reduction (Jarvenpaa et al., 1999; Seijs et al., 2000; Bandura & Wood, 1982; Bandura, 1979). In the same vein, the perceived significance of IT and its role as a change agent is also linked to the nature of the relationship between business managers and IT professionals (Schein, 1989). The research model posits that dyad members’ role clarity, self efficacy and their view of the significance of IS influence their interactions and thus affect the quality of their relationship. Relationship quality, a concept from Leader Member Exchange Theory, is characterized by intense information flow, high levels of influence and satisfying communication (Golembiewski & McConkie, 1975). Relationship quality has a positive effect on performance and satisfaction (Uhl-Bien & Maslyn, 2000). Performance includes project efficiency and project effectiveness (Pitagorsky, 1998). Dyad satisfaction is a measure of the dyad’s post project assessment of the interaction and the desire to re-interact with the other member.

Institutional trust is part of organizational culture and has a critical impact on interpersonal relationships in organizations (Gambetta, 1988). If institutional trust does not exist, other alternative governance structures emerge at cost to the organization (Eisenhardt, 1989). In the same fashion, interpersonal trust too contributes to the effectiveness of the interaction among organizational members (McAllister, 1995). Within micro-organizational research institutional and interpersonal trusts have been shown to moderate interactions by reducing ambiguity at the organizational and dyad level (Rousseau et al., 1988). Reduced ambiguity increases risk taking and team building which improves relationship development (Jarvenpaa et al., 1999; Jarvenpaa et al., 1998; Goodman & Goodman, 1976). Thereby, we hypothesize that both institutional trust and interpersonal trust have a positive moderating effect on the effect of role clarity, self efficacy, and perceived significance of IS/IT affect on relationship quality.
Table 1. Key constructs, definitions, and literature

<table>
<thead>
<tr>
<th>Construct/Variables</th>
<th>Study Definition</th>
<th>Illustrative Literature</th>
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<tr>
<td>Role Clarity</td>
<td>Perceived knowledge and understanding of role related tasks and assignment including when and how to accomplish them.</td>
<td>Goodman &amp; Goodman, 1976, Rizzo, House, &amp; Litzman 1970, Breau &amp; Colihan 1994</td>
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<td>Job Efficacy</td>
<td>Perceived ability to marshal resources to achieve a task.</td>
<td>Bandura, 1989, Scherer et al., 1982</td>
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<td>Interpersonal Trust</td>
<td>A mutual sense of reliability, ability, competency, and integrity.</td>
<td>McAllister, 1995, Jarvenpaa et al., 1998, Jarvenpaa et al., 1999</td>
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<tr>
<td>Relationship Quality</td>
<td>The level of communication and interaction, influence, and awareness of the other’s needs.</td>
<td>Schriesheim et al., 1989, Uhl-Bien &amp; Maslyn, 2000</td>
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<td>Task Performance</td>
<td>Project impact and value at individual and organizational levels based on project metrics.</td>
<td>Pitagorsky, 1998</td>
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<tr>
<td>Dyad Satisfaction</td>
<td>Overall satisfaction with dyadic relationship, report of cohesion, and successful conflict resolution.</td>
<td>Ancona &amp; Caldwell, 1992, Anderson et al., 2002</td>
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Figure 1. Original Research Model

Propositions
P1a Perceived IS/IT significance has a positive effect on the dyad relationship quality.
P1b Role clarity has a positive effect on the dyad relationship quality.
P1c Job efficacy has a positive effect on the dyad relationship quality.
P2a Relationship quality has a positive effect on the dyad perceived project performance.
P2b Job efficacy has a positive effect on the dyad satisfaction.

P3a Interpersonal trust positively moderates the effect of perceived IS/IT Significance and relationship quality.
P3b Interpersonal trust positively moderates the effect of role clarity and relationship quality.
P3c Interpersonal trust positively moderates the effect of job efficacy and relationship quality.

P4a Organizational trust positively moderates the effect of perceived IS/IT Significance and relationship quality.
P4b Organizational trust positively moderates the effect of role clarity and relationship quality.
P4c Organizational trust positively moderates the effect of job efficacy and relationship quality.

RESEARCH DESIGN

The study examines dyads of project managers and project sponsors who worked together on particular IT projects. The data sample was obtained in two-step process. First, project managers were recruited through advertisement and email to members of a local project management organization in a Northeast city. Each responding project manager took a survey in which he or she was asked to refer a corresponding project sponsor in a recently completed project. The data collection has been completed. Out of the approximately 550 self-identified project manager members in the local chapter, 184 project managers responded yielding 87 usable project manager-sponsor dyads.

For most variables, we were able to use established scales with minor modifications to address issues related to the workplace environment and in particular project work. The job efficacy scale of Sherer, et al. (1982) was adapted to reflect project role efficacy, the scales of job clarity (Rizzo, et al. 1970) was modified to emphasize the assigned project role, and IS/IT significance scale was adapted from Schein (1988) who qualitatively studied CEO-CIO relationships. The relationship quality scale was adapted from Uhl-Bien & Maslyn (2000). Institutional trust scales were taken from the Organizational Trust Inventory in Cummings & Bromiley (1996). The interpersonal trust scales were taken from McAllister (1995). Project performance scales were adapted from practice journals in project management and represent core metrics for project assessment (Pitagorsky, 1998). Finally, the measures of dyad satisfaction were adapted from Anderson et al. (2002).

LIMITATIONS OF STUDY

Three limitations are noted: the self-selection of study respondents skewed the responses to high quality relationships. This also probably influenced quality of the responses to job efficacy measures. The relationship quality measures were highly correlated to satisfaction and may be measuring satisfaction and not influence on satisfaction. Lastly, the study did not gather data through a multi-method design which would have enabled the triangulation of data from other team members and from project/firm level performance data.

FINDINGS TO DATE, POTENTIAL CONTRIBUTIONS, AND CONCLUSION

While the analysis has not completed, some interesting insights have emerged. Project managers have a higher degree of role clarity but a lower degree of self efficacy. The lower role clarity among project sponsors raises a need for organizations to more frequently assess, and if necessary enhance, the role clarity of people holding these key positions. Furthermore, the lower level of efficacy among project managers is an area for further exploration by project management groups and those who manage project managers. In this study, we did not replicate the findings of previous research that identified a significant positive effect of self efficacy on effective performance. Further inquiry that focuses on the effect of self efficacy in the context of project work and project manager—project sponsor relationship is required.

The results indicate that cognitive trust’s alignment with relationship quality supports Leader Member Theory on this topic. As cognitive trust measures ability, competence and reliability, it gives project managers and sponsors a good reason to be mindful of representing their abilities and committing consistent practices early in the dyad interaction.

Relationship quality has a strong and positive impact on both performance and satisfaction. This suggests that organizations need to rethink how they match between project managers and project sponsors—a point that is not explicitly addressed in practice and not in the academic literature. Instead, efficiency and proximity are common drivers of project team assignments. Knowing that relationship quality has significant influence on performance should encourage organizations to take a multi-dimensional approach to project group assignment. Some organizations perform post hoc exploration of teams through 360 degrees assessments, but there is no evidence of a priori team assessments as part of early project requirements phase.
The data shows that institutional trust has a positive influence on the relationship between role clarity and relationship quality, thereby providing evidence about the ambiguity reducing properties of organizational-level trust and its contribution to the quality of interactions among organization members. Weaknesses at the dyad and team levels can be mitigated, in part, by the broader, environmental context. This is an important insight for managers in the human resource function in organizations as they organize interdependent project teams. Our initial analysis shows inconclusive results concerning the moderating effect of interpersonal trust on the interaction between role clarity and relationship quality. Further work on this issue is required. Relationship development and quality would also benefit from research which provides a clearer understanding of the presence and influence of interpersonal trust.

Additional future research should focus on the role and requirements of project sponsorship and specific mechanisms for introducing institutional and interpersonal trust into cross domain project work.

REFERENCES