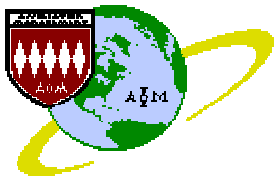

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SELECTING IT PROJECTS: POLITICAL ACTIVITY AND PROCEDURAL RATIONALITY

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ABSTRACT

The literature on IT project selection is replete with methods to judge the worthiness of potential projects. By omission, this literature assumes that individuals use these methods to reach the best possible decisions for their organization by following a process free from politics. We refer to this as the "rational" perspective. In contrast, there is a different organizational understanding which suggests that IT project selection occurs within an environment where conflicting interests are endemic and intentional acts to secure self-serving outcomes are also prevalent. In this research we take this latter view, referred as the "political" perspective, to develop a theoretical model to explain how certain conditions give rise to politics, which in turn inversely affect rationality during project selection. Results from our research support the model.

Keywords: project funding, procedural rationality, politics, resource allocation.

INTRODUCTION

Information technology (IT) is critical for organizational competitiveness and survivability. This makes the selection of IT projects a critical organizational activity. Several methods for selecting projects have been described in the literature [45], which range from being strictly quantitative to more qualitative in nature. However, the overall nature of these methods is analytical and normative [50]. The fundamental assumption in these methods is the belief that individuals' and organizational interests are aligned and their actions are based on rationality, where politics is antithetical [10]. We refer to this perspective as "rational".

Another perspective, based on the assumption that organizations are coalitions of individuals with competing interests, argues that project selection occurs within the context of a highly subjective social milieu where decisions emerge from incompatible, if not conflicting, individual interests [80]. Therefore, project selection should also be seen as a process in which individuals with different interests come together and engage in tactics such as cooptation, coalition, and use of information to pursue their self interests. We refer to this perspective as "political". The perspective in the project selection has been under-researched [100]. In this

research, we adopt the political perspective and investigate *why politics arises during the selection process*.

The political perspective raises two interesting positions. Dean and Sharfman [23] see politics as a distinct dimension of decision making processes and argue that, in a given decision making process, rationality and politics coexist but operate independently, i.e., more of politics will not equate to less of rationality. In contrast, Pfeffer [78] argues that politics and rationality play reciprocal roles, i.e., more of politics will equate to less of rationality. We subscribe to this later view – the "reciprocal roles", that is, politics during IT project selection equates to less of rationality.

We use the term "project selection" generically to represent the identification of projects to be allocated organizational resources (e.g., funds) for implementation [67]. We believe that our research is important for practitioners and researchers because project selection is consistently rated as one of the most important organizational issues. In a survey of companies from seventeen countries, practitioners and academics rated IT project selection as the number two problem out of twenty four problems that organizations face in managing IT [86]. In addition, IT project selection is also rated as one of the top issues for CIOs [38].

The next section looks at project selection from a rational perspective. The third section builds a theoretical model for IT project selection from a political perspective. The fourth section describes the development of research instruments, data gathering activities, and validation. The fifth section provides details about data analysis and results. The sixth section discusses contributions to research and practice. The final section concludes the paper with a summary.

A RATIONAL PERSPECTIVE

The history of selecting IT projects possibly dates back to the 1960s when many organizations began to invest heavily in IT [39]. With increasing resources allocated to IT projects and a growing awareness that misallocation could jeopardize an organization's competitiveness, the importance of project selection became clear [10]. The rational perspective assumes that a project that provides the greatest benefits (e.g., ROI) should be selected. Various project selection methods thus, appeared in the literature [45]. Table 1 provides a summary of these methods along with some of their respective literature sources. These methods are grouped into four categories. *Economic* methods are structured in nature and they are based on the assignment of cash values to tangible costs and benefits while largely ignoring intangible factors. *Strategic* methods are less structured but they consider tangible and intangible impacts of the project on the long-term competitiveness of an organization. *Analytical* methods are highly structured but can be very subjective. These methods entertain tangible and intangible factors, as well as project risks. Finally, *integrated* methods combine financial and non-financial dimensions together, while acknowledging the intangible implications of a project.

In this research, the extent to which these methods directly influence project selection is referred to as procedural rationality. The definition is consistent with Dean and Sharfman's [23] understanding of procedural rationality which they define as "the extent to which the decision process involves the collection of information relevant to the decision and the reliance upon analysis of this information in making the choice" (p. 1071). The methods are used to present factual evidence and make logical arguments to persuade someone that a project is viable and likely to result in the attainment of organizational interests. In this view, personal motivation, ambition and the pursuit of individual interests are either ignored or assumed to be trumped by adherence to organizational interests. It is assumed that individuals gather information from which they derive a set of alternative actions. They then select the optimal alternative which best advances the interests of the organization. The methods also incorporate the implicit belief that decisions based on the recommendations will outperform decisions taken by other means [2].

These rational methods have been criticized for being unrealistic and failing to take political activities into account – as if their effect is inconsequential [78]. Despite the criticism, there is still a widespread acceptance of rational methods primarily based on the belief that their use is essential [30].

Table 1: Rational Methodologies

Approach	Method	Characteristics	Sources
Economic (ratio-based)	Payback	Purely quantitative in terms of benefit and costs	[29]
	Return on investment	Purely quantitative in terms of benefit and costs	[92]
	Cost benefit analysis	Purely judgmental in nature	[75]
Economic (discounting method)	Net present value	Purely quantitative financial method with possible modified hurdle rates to account for the qualitative or strategic aspect	[53]
	Internal rate of return	Purely quantitative financial method with possible modified hurdle rates to account for the qualitative or strategic aspect	[40]
Economic (future value method)	Option pricing theory	Quantifiable financial method. More complex than traditional economic approaches by including future value	[51]
Strategic	Technical importance/research and development	Strategic decision as a measure of success	[72]
	Competitive advantage	Integration of strategic, operational and financial decision into measure of success	[44]
	Critical success factors	Purely judgmental in nature. Integration of strategic, operational and financial decisions into measure of success	[43]
	Application portfolio approach	Purely judgmental in nature. Integration of strategic, operational and financial decisions into measure of success	[97]
Analytic (portfolio)	Non-numeric	Scoring method with a formal structure to a judgmental approach	[92]
	Scoring models	Scoring method with a formal structure to a judgmental approach	[74]
	Analytic hierarchy process	Scoring method with a formal structure to a judgmental approach	[84]
	Computer based methods	Optimized approach involving analytic formulation with numeric solutions and different programming methods	[82]
	Fuzzy logic	Optimized approach involving analytic formulation with numeric solutions	[5]
Analytic (other)	Risk analysis	Purely judgmental in nature. Scoring method with a formal structure to a judgmental approach	[83]
	Value analysis	Purely judgmental in nature. Scoring method with a formal structure to a judgmental approach	[70]
Integrated	Multi-attribute utility theory	Purely judgmental in nature. Possible integrated approach where strategic, operational and financial decisions are integrated into measures of success	[90]
	Scenario planning and screening	Purely judgmental in nature. Possible integrated approach where strategic, operational and financial decisions are integrated into measures of success	[55]
	Information economics	Evaluation where financial aspects are considered first and strategic criteria applied next	[56]
	Balanced scorecard	Possible integrated approach where strategic, operational and financial decisions are integrated into measures of success.	[52]

Source: *Adapted from Irani et al. [45], Irani and Love([46], Heidenberger and Stummer [42] and Stewart and Mohamed [91]*

A POLITICAL PERSPECTIVE

Before we explore the political perspective, it is important to define political activity and the related concept of power. Power is the ability of individuals to put forth their will on others, whereas political activity (or politics) refers to actions taken by the individuals to acquire, develop, and use power to obtain their preferred outcomes [78]. Thus, power is the ability to produce intended effects while political activity is the use of power to produce intended effects.

The resource allocation decisions are inherently political [79]. The IS literature provides evidence of political activity within the context of project selection too. For example, Weill and Olson [98] suggest that political considerations "significantly impact [IT] investment decisions" (p.12); and Zmud [102] suggests that, in some organizations, the lobbying to secure IT project approval can be intense with individuals maneuvering to gain larger shares of resources. Moreover, IT projects are also characterized as highly uncertain [3], which is an antecedent of politics [78]. Cyert and March [22] describe organizations as sociopolitical conflict systems subject to economic constraints, where politics are a vital decision making strategy.

In the organizational influence literature, the presence of political activity has been argued too. More specifically, project funding decisions, by nature, are affected by upward influence [101]. Upward influence refers to influence attempts that are directed toward a person who occupies a higher position in the formal hierarchy than the influencing agent. During project funding, project sponsors direct their influence at higher formal decision bodies (e.g. project selection committees) for resources. Fairholm [34] have shown that, in upward influence, both rationality and politics are vital. This brief review shows the existence of politics in the project selection process and leads us to believe that examining IT project selection in isolation curtails our understanding.

We recognize that "distinguishing between politics and rationality is difficult as it can be rational to be political and politic to be rational" [23, p.1072]. Pettigrew [77] illustrated with an example of an organization where politics were the only rational choice for those who were involved in a computerization decision. In contrast, Janis [47] described instances of organizations where the use of rational methods was the only politically correct behavior. It is with this understanding that we use the term "rational" only in reference to the body of analytical methodologies used to evaluate IT projects.

Development of a Research Model

During project selection, patterns of political behavior could exist at the individual or department level, however, in either case, it is an individual (usually the project sponsor) who acts on behalf of a project [63]. Thus, we develop our research model from the perspective of a project sponsor. Madique [62] point out that usually there are two types of project sponsors – technical and executive sponsors. During the early phase of project conception, technical sponsors are prominent, whereas during the later stages when resources are required, executive sponsors are prominent. Executive sponsors are those who use power to influence decisions surrounding project selection. Chakrabarti [12], suggest that an executive sponsor is a person who "sells" projects to the project selection committee through "diplomatic talent" and "political astuteness." It is this role that is of interest to our study; that is, the process that project sponsors follow when competing to win resources for their projects. Thus, a project sponsor is someone who takes responsibility to negotiate for project funding.

The political perspective regards organizations as an aggregation of individuals, or coalitions of individuals, whose purpose is to pursue their own interests through political action rather than act collectively to reach organizational goals. During project selection, when project sponsors take political action, it is argued that they do so in the belief that it is necessary to secure project funding and that they are unwilling to rely just on rational methods [27]. As a result, the extent to which rational methods influence final project selection decisions (i.e., procedural rationality) is affected by political activity.

Taking political action and demonstrating rationality in a project during project selection require effort. Engaging in politics requires time, energy and creativity [9]. For instance, Martin and Sims [65] have provided step-by-step tactics for taking successful political action. Similarly, Dean and Sharfman [24] argue that demonstrating procedural rationality requires effort to collect and analyze significant amounts of information and knowledge, which is relatively a bigger task than the task of taking political action. This suggests that project sponsors, with limited resources, would consciously and deliberately trade off their efforts between political activity and procedural rationality. If politics has the ability to win "battles of choice" as illustrated by Eisenhardt and Zbaracki [32], project sponsors may prefer political activity to just demonstrating procedural rationality. Therefore we state,

Hypothesis 1: Higher levels of political activity by project sponsors will lead to lower levels of procedural rationality during project selection.

Individuals within an organization get involved in politics due to their dependence on each other. Pfeffer [78] states that dependence ties an individual with others in the organization in such a way that the individual is concerned with what the others do and obtain. A form of dependence that project sponsors develop during project selection is called competitive dependence. Under competitive dependence, project sponsors compete for scarce resources [78]. Sillince and Mouakket [88] associate the ability to own scarce organizational resources with power and suggest that fighting over scarce resources is essentially a "zero-sum" power game,

in which one wins and the others lose. Power is a relational phenomenon and a scarce resource which is won, maintained, and lost.

Beyond the competition for scarce resources, competitive dependence of a project sponsor also arises because having one's IT project selected can itself be associated with the possession of power [88] or the reallocation of power [64]. When IT projects are implemented within an organization, they have the ability to create, maintain or change the organization's power structures [48]. Tjosvold [95] also state that individuals who are competitively dependent often fail to avoid conflict. McCann and Gilkey [66] studied competitive dependence in corporate acquisitions and found that the desire to beat an opponent under the situation of competitive dependence is always present and is a major factor in the course of actions. Thus, competitive dependence gives rise to a conflict. The project sponsors who are competing for scarce resources in a 'zero-sum' power game will perceive the inability to obtain funding for their project as "losing". As a consequence, they will take action to best position their projects for "winning", which Pffeffer [78] emphasizes will more likely be political. As a result, political activity will complement the project selection process. We conclude that IT project selection provides fertile ground for competitive dependence, and therefore political activity. Therefore, we state,

Hypothesis 2: Higher levels of competitive dependence of project sponsors will lead them to engage in higher level of political activity during project selection.

There are three types of triggering conditions that lead to competitive dependence, which in turn causes project sponsors to engage in political activity [14]. Decisional conditions deal with the unstructuredness of decisions arising from uncertainty and ambiguity of the information available for decision making. Unstructured decisions are unprogrammable and cannot be resolved using decision rules (e.g. "what organizational culture will be most appropriate in few years' time"?). Sometimes IT project selection can be considered an unstructured decision too due to uncertainty, as briefly illustrated earlier. Structural conditions deal with the organizational arrangement. Some functions and positions in the organization always dominate others. Finally, personal conditions deal with the attributes such as personal values and beliefs, and passionate involvement.

Our focus in this research is on *personal conditions*, which aligns with our focus on project sponsors. Thus the basic premise of our research model is that competitive dependence within the context of scarce resources allocation arises because project sponsors have certain personal conditions that are at odds with others'. As a result, the project sponsors are motivated to pursue self interests through political action. Our conceptual model for this research is presented in Figure 1. The model essentially captures what Fairholm [34] describes as the key elements that lead to political activity. The first element is presence of a choice or need, which we capture through personal conditions. The second element is the situation where dependence and resource scarcity are present. We have illustrated that project funding takes place within the backdrop of limited resources, which leads project sponsors to be competitive dependent on each other. The third element is the ability of an individual to take political actions. We capture this by specifically focusing on project sponsors.

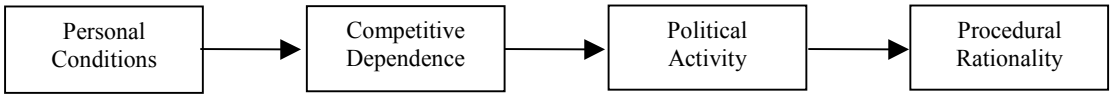


Figure 1: Conceptual Model

In order to identify personal conditions, we referred to the literature on commitment. In essence, this literature dictates that certain personal conditions lead individuals to behave in a certain way, i.e., escalate commitment [e.g., 54]. We identified goal incompatibility, information advantage, perceived invulnerability, and involvement as key personal conditions whose presence could lead to competitive dependence and thus a politicized environment. This literature was also preferred because politics breeds under situations of commitment [78]. We describe these personal conditions next.

Goal Incompatibility. Goal incompatibility refers to the existence of differences between individual and organizational goals. It is often explored through agency theory which deals with a relationship in which principals delegate responsibility to agents to perform work on their behalf [49]. The theory highlights problems arising from the assumption that the agents will behave opportunistically if their interests conflict with those of the principals. As Eisenhardt [31] states, "[T]he domain of agency theory is relationships that mirror the basic agency structure of a principal and an agent who are

engaged in cooperative behavior but have differing goals" (p. 59). This applies rather well to the situation of project sponsors. Given that the goal is to determine the "best" IT projects for the organization, project sponsors are motivated to interpret their own projects as being "best". Moreover, project sponsors could cloak their intentions to maximize their own utility under the guise of acting in the best interest of their organization. Project sponsors struggle to "sell" their projects in order to access scarce resources and to improve their prospects within their organization [58]. Often their reputation and future career opportunities are hurt by a decision to deny resources [13].

In addition, agency theory dictates, project sponsors are less privileged in terms of power and resources as compared to the organization [85]; thus, project sponsors will be motivated to make themselves better off. However, it must be recognized that project sponsors do not compete with the "organization"; they compete with other project sponsors for limited resources.

The resolution of goal incompatibility is usually difficult because of potentially differing attitudinal beliefs held by individuals and those promoted by the organization [87]. Under such persistent conditions of goal incompatibility, project sponsors become watchful of organizational interests, suspecting that a situation of misalignment might result in a decision to maximize organizational goals at the expense of their goals. Thus, it can be seen that goal incompatibility gives rise to competitive dependence. Therefore, we state,

Hypothesis 3: Higher level of goal incompatibility of project sponsors will lead to higher level of competitive dependence during project selection.

Information Advantage. Information advantage arises when project sponsors have privileged information as a result of access not available to the organization [31]. In such a case, project sponsors can consciously impede the flow of information by delaying, burying, distorting and controlling the distribution of information [34]. The concept is central to the notion of agency theory [6]. In the agency relationship, challenges arise whenever principals cannot perfectly monitor agents' actions and information. According to the theory, individuals possess two types of private information - information about their own abilities, and information about their potential projects – because they are privy to operating information that others cannot possibly track [13]. An individual's ability may be partially revealed over time through performance and reputation but information about potential projects cannot be observed if the organization's incentive scheme is not truth-inducing [31]. Some studies have used agency models to capture information advantage in resource allocation decisions [e.g., 41]. Their results indicate that, when individuals have private information and a strong incentive (in this case, to get their project selected), they will control the flow of the information.

Project sponsors during project selection have a similar information advantage. They will most likely choose investments that will enhance their goals, according to agency arguments [73]. In a way, information advantage provides project sponsors the ability to behave competitively and be watchful of the information as well as others who may need the information, so that they do not lose information advantage. This in turn will increase their competitive dependence. Furthermore, this situation reciprocates; that is, project sponsors may be distrustful of the information provided by other project sponsors who are vying for the same resources. Therefore, we state,

Hypothesis 4: Higher level of information advantage of project sponsors will lead to higher level of competitive dependence during project selection.

Perceived Invulnerability. Perceived invulnerability, in this study, refers to an individual's over confidence based on past success. There is considerable research on the factors influencing invulnerability [e.g., 68]. These studies indicate that such individuals have a positivity bias, tending to underestimate their vulnerability to negative events (in this case, failure in the project), due to excessive self-confidence in the quality of their decision making and an exaggerated sense of their distinctiveness from others [96]. If project sponsors perceive that they have been successful with their past projects, they will be overconfident concerning the chances of bringing their projects to fruition. It has also been found that such individuals desire excitement, reputation, and the feeling of importance through power and prestige [8]. Thus, project sponsors with perceived invulnerability will attempt to secure organizational resources as it adds to the desire, along with the conviction that their ability to produce successful projects surpasses that of others. As a result, project sponsors will be more vigilant of others who have competing demands for constrained organizational resources in the fear that others will gain power and prestige. Therefore, we state,

Hypothesis 5: Higher level of perceived invulnerability of project sponsors will lead to higher level of competitive dependence during project selection.

Involvement. Involvement refers to a subjective psychological condition, that reflects the importance and personal relevance of an object or event [7]. Individuals often identify psychologically with their work. For example, Lawler and Hall [60] suggest that involvement in work reflects the degree to which the work is central to an individual's identity. Dubin [28]

suggests that work is a very important part of life. It is, in fact, "a central life interest". Individuals can get psychologically involved with a project (much like a job) when it has intrinsic importance, personal or psychological significance, or when the individuals expect the project to have significant consequences on their life [4]. Thus, it is expected that, as a project sponsor's involvement with a project increases, so too will the competitive dependence during project selection. Patchen [76] in power usage research has found that involvement is related to the salience of the decision issue to an individual. Thus, as the project sponsor becomes more involved with a project, perhaps to the point of ego-attachment, the more important it becomes to be successful in securing resources for the project. This involvement escalates the project sponsor's motivation to secure resources for the project. As a consequence, the project sponsor becomes more watchful and competitively dependent on others who compete for the same limited resources for their projects. Therefore, we state,

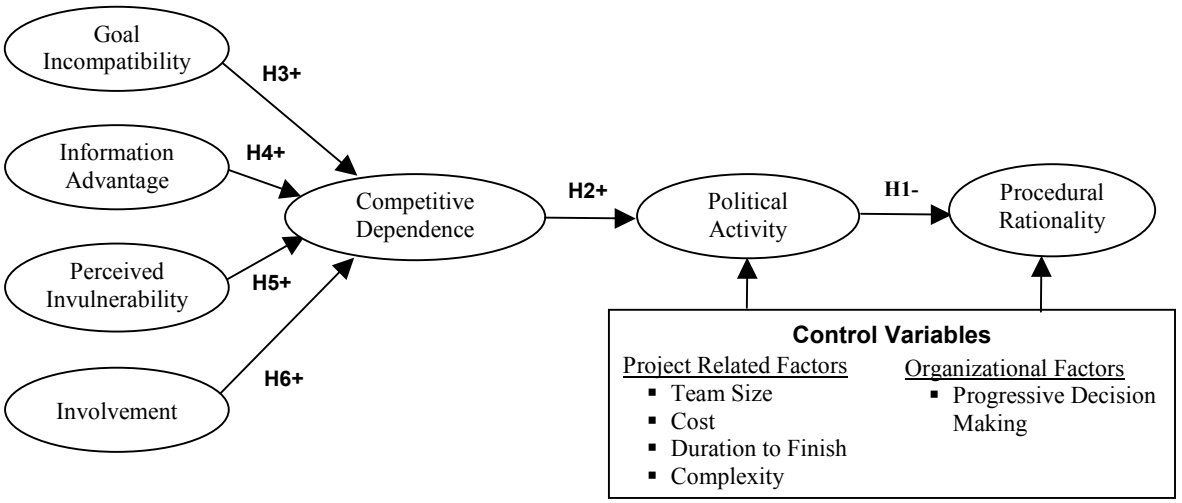
Hypothesis 6: Higher level of involvement of project sponsors will lead to higher level of competitive dependence during project selection.

Control Variables. To discount rival hypotheses, the model incorporates key organization and project related factors as control variables that could influence political activity and procedural rationality. The factors are included in the model to assess the effects of the independent variables on political activity and procedural rationality beyond those attributable to the factors.

The organization related factor that could temper political activity and procedural rationality is called progressive decision making [37]. Within a progressive decision making environment, decisions are made through the use of formal methodologies, and the analyses of comprehensive requirements and environmental elements as well as their interconnectedness. Within organizations where progressive decision making is widely adopted as a norm, it is possible that there is less opportunity for political maneuvering and high opportunity for demonstrating procedural rationality. Even when the competitive dependence of a project sponsor is high, organizational settings characterized by high progressive decision making may dampen the project sponsor's inclination to engage in political activity. This occurs because, in an organizational environment where decisions are made through formal planning, political activity is viewed negatively. On the contrary, if decisions are not made through formal planning, political activity would effectively become the only way to make decisions.

The project related factors include complexity, team size, duration, and cost of the project relative to the other projects undertaken by the organization. In general, complex projects require substantial resources (e.g., people, time, and money). Project sponsors often like big projects because they provide more resources, visibility within an organization, power and status. Thus, it is expected that these project related factors associated with substantial resource requirements will be positively related to political actions. On the other hand, these variables could also be positively related to procedural rationality, given that organization has substantial resources at stake. Figure 2 summarizes the hypotheses to be tested in this research.

Figure 2: Research Model



RESEARCH METHODOLOGY

We chose to investigate projects that had recently been funded. This is considered appropriate for a number of reasons. As pointed out earlier, project selection consists of two separate stages: identification and prioritization. It is only when resources are assigned that it is possible to declare that selection has actually occurred[1]. Thus, respondents were asked to identify and describe a recently funded project. This allowed us to focus on a specific decision within an organization (i.e., whether or not to fund a specific project). In addition, it also allowed us to identify the specific characteristics of the project as well as those of the project sponsor. Identifying the project sponsor was also necessary in order to assess the six variables (i.e., goal incompatibility, information advantage, invulnerability, involvement, competitive dependence, and political activity). By focusing on specific project decisions, we felt that we could gain better information about project selection than simply asking about project selection in general. To test the research model, a survey research methodology was employed.

Prior to developing measurement scales for the eight main constructs within the research model, the literature was searched for already existing scales. A context free scale to measure an individual's involvement is provided by Barki and Hartwick [7] and progressive decision making is provided by Goll and Rasheed [37], We also found the Keil et al. [54] study which provides scales to measure goal incompatibility and information advantage, and Dean and Sharfman's [23] study which provides a scale to measure procedural rationality; however, we decided to include these constructs in the new scale development process because the scale did not suit our research context.

New Measures Development Process

Moore and Benbasat [71] suggestions were closely followed to develop new measures.

Stage One – Item Creation. Based on the discussion and the definition presented earlier, the items for competitive dependence were created. The items were created to measure how a project sponsor perceived the win-lose situation and what that situation meant to him/her. Next, in order to measure the goal incompatibility and information advantage constructs, items from the Keil et al. [54] study were augmented by additional items from the literature on agency theory. The intention of these two constructs was to measure the agency relationship between a project sponsor and his/her organization in terms of the project. Further, based on the discussion and the definition presented earlier, the items for invulnerability were created to measure the overconfidence of the project sponsor regarding the likelihood of getting his/her proposed project funded.

Although researchers in organizational behavior have studied politics for many years, empirical measurement of this concept remains difficult [99]. Pfeffer [78] suggests in order to measure a political activity within an organization, multiple influential behaviors should be checked. Thus, to create items for political activity, work by Enns et al. [33] was used. Their work suggests that, in order to get preferable outcomes, an individual can use any of the six influential behaviors (see Table 2) which can be interpreted as political [e.g., 1, 59, 61]. To measure procedural rationality, we included five items (see Table 3). We were interested in the extent to which the selected project was funded based on its merits as demonstrated by rational methods.

Unlike the other constructs, the items for political activity and procedural rationality were treated as formative indicators [15]. In order to get one's own preferred outcomes, a project sponsor may have to take only a few political actions. Similarly, a project may exhibit procedural rationality based solely on, for example, return on investment.

Stage 2 – Scale Development. The objective of this stage was to assess the construct validity of the various measures being developed, and to identify items which may still be ambiguous. In order to achieve this goal, four stages of card sorts were conducted, each with two different judges except in the first card sort which only had one judge. The judges included three senior professors and four PhD students.

Stage 3 – Instrument Testing. A survey using all the developed scales was designed for pilot testing. In this round, we excluded testing of the context free scales – progressive decision making and involvement – to minimize survey completion time. Due to the complexity in the measurement of political activity, a separate test item was included in which we directly asked respondents whether political influence was used to secure project funding. We were interested in assessing how the response to this question correlated with the other six items of political activity. Single measures for each project related control variable was also included.

[1] Even projects that are ranked high on the priority list are not automatically allocated funds. Some can wait months or even years for the allocation of resources.

Table 2: Political Actions (based on Enns et al. [33])

Action	Definitions
Consultation	The agent seeks target participation in planning a strategy, activity, or change for which target support and assistance are desired, or is willing to modify a proposal to deal with target concerns and suggestions.
Ingratiation	The agent uses praise, flattery, friendly behavior, or helpful behavior to get the target in a good mood or to think favorably of him or her when asking for something.
Personal Appeals	The agent appeals to target feelings of loyalty and friendship toward him or her when asking for something.
Exchange	The agent offers an exchange of favors, indicates willingness to reciprocate at a later time, or promises a share of the benefits if the target helps accomplish a task.
Coalition Tactics	The agent seeks the aid of other to persuade the target to do something, or uses the support of others a reason for the target to agree also.
Pressure	The agent uses demands, threats, frequent checking, or persistent reminders to influence the target to do what he or she wants.

Table 3 - Indicators for Procedural Rationality

Item	Wording
Financial Benefits	The decision to fund this project was based on its financial benefits
Non-Financial Benefits	The decision to fund this project was based on its non financial benefits
Solid Business Case	The decision to fund this project was based on its business case
Alignment with Business	The decision to fund this project was based on its alignment to business strategy
Overall Merit	The decision to fund this project was based on its overall merit

Next a pilot survey was created on the Web. The design principals of Web survey design as listed by Dillman [26] were closely followed. The primary aim of this stage was to ensure that the various measures demonstrated the appropriate levels of reliability. The online link to the survey was then sent out to a sample of 138 managers from different organizations. The sample was selected from our personal contact list, with whom we have worked in the past. The usable responses from 40 executives (29% response rate) were obtained. Using SPSS, the data were then checked for reliability. The Cronbach's alpha for constructs was as follows: 0.86 for competitive dependence, 0.73 for goal incompatibility, 0.87 for information advantage, and 0.82 for perceived invulnerability. Since we were looking for a reliability of more than 0.80 for all the constructs, we made appropriate changes to the items measuring goal incompatibility. The wordings of items for the other scales were also slightly modified. Internal consistency for political activity and procedural rationality were not calculated as it is not meaningful for formative indicators [19]. A list of all the measures is shown in Appendix A.

Survey Administration

To test the model, the full survey was administered. In addition to the variables shown in the research model, the survey instrument also gathered additional data. First, company-specific questions were included such as industry information and number of employees. Second, other important questions included how susceptible IT projects are to political influence compared to other types of projects, and what percentage of IT projects receive funding based on political influence. Third, respondents were asked to identify themselves as the member of project selection committee that made the decision to fund the project, the project sponsor for the project, a project sponsor for the competing project, or an independent observer. The respondents were also asked to identify their level of management within the company (junior, middle or senior), number of years of experience with the company, and the overall experience. Finally, a question related to the dominant role (i.e., automate business processes, informate business processes or

transform business processes) to be played by the project was also included.

The URL for the instrument was sent out to approximately 3500 IT managers from various organizations through emails. The IT manager represented a small population of executives who had attended an IT executive development program at the authors' business school in the last 8 years, and the members of a chapter of the Information Systems Audit and Control Association (ISACA). We understand from the survey administrator that approximately half the emails "bounced back" because the emails no longer existed. We recognized this problem before sending the survey request, as the databases also contained a large number of email addresses that were not up to date. We did not have direct access to the emails due to the University's and ISACA's privacy policy, as well as a way of knowing which email addresses were not up to date. Thus, the response rate of 8.5% (150 valid responses) is calculated based on the number of emails that did not "bounce back". We expected reasonably a low response rate because not all IT managers within an organization get a chance to participate (directly or as an observer) in the project selection process. As a filtration criterion for participation, we emphasized in our survey instructions to focus on a specific IT project that was recently funded and the participant was aware of the processes used for funding.

Non response bias can be a significant hindrance in the interpretation of results [89]. In order to test for the possible bias, the responses from the survey received were grouped into two sets. The first set included responses that were returned after the initial emails and the second set included responses that were returned after the follow-up emails. The two sets of responses were tested to see if they were significantly different from each other on demographic variables such as experience, industry category, number of employees, and number of IS employees. Using the Mann-Whitney test, there were no discernible differences between the two sets on any of the above variables. We also tested for common method bias because our data is based on self-reports. A Harmon one-factor test was conducted [81]. This is one of the most widely used techniques. Results from this test suggested the presence of seven factors, indicating that common method bias has not polluted the results observed in our research.

Of all our respondents, 69 indicated that they were senior level managers, 68 indicated that they were middle level managers, and 7 indicated that they were junior level managers. In addition, 42 respondents were the member of the selection committee, 45 were the project sponsors, 1 competed against the funded project, and 62 were independent observers. The average work experience of respondents was just over 20 years. The respondents represented organizations varying in size 10,000 or more (20.4%) to fewer than 100 employees (9.5%). Most respondents represented organizations between 100 and 10,000 (66.4%). These respondents worked in various industries including manufacturing (19%), healthcare (2.9%), transportation (4.4%), trade, wholesale and/or retail (5.8%), financial services (15.3%), government (16.1%) and others (telecom, software, mining, utility, etc) (30.7%). Finally, of all the projects, 63 automated business processes, 24 informated business processes, and 54 transformed business processes.

DATA ANALYSIS AND RESULTS

Assessing the Measurement Model

Scale validity and reliability were gauged using confirmatory factor analysis, via PLS Graph [16] that uses the partial least squares (PLS) technique. PLS has several advantages; it has the ability to handle research models with formative constructs, relatively small sample sizes and does not require a multivariate normality distribution for the underlying data. With PLS, the psychometric properties of the scales used to measure constructs are tested and the strengths and direction of the pre-specified relationships are analyzed simultaneously using a combination of principal components analysis, path analysis, and regression [17]. PLS is also ideally suited during the early stages of theory development, as is the case with this research.

Scale validation was conducted using convergent validity and discriminant validity analyses. Convergent validity of scale items was assessed using three criteria recommended by Fornell and Larcker [36]: first, all item loadings should be significant and exceed 0.70; second, composite reliability for each construct should be greater than 0.80; and third, average variance extracted (AVE) for each construct should be greater than the variance attributable to measurement error (i.e., AVE = .50). The loading and cross-loading of all the scale items that were included for analysis are shown in Table 4. From Table 5, we can see the composite reliabilities of all factors exceed the required minimum of 0.80. The Cronbach's alphas for constructs are also greater than the acceptable minimum of 0.80. The AVE values of all constructs also exceed the threshold value of 0.50.

Table 4 - Matrix of Loading and Cross Loadings

Items	Involvement	Goal Incompatibility	Competitive Dependence	Progressive Decision Making	Information Advantage	Perceived Invulnerability
CD1	0.119	0.315	**0.868**	-0.108	0.310	0.254
CD2	0.170	0.263	**0.913**	-0.153	0.258	0.300
CD3	0.064	0.432	**0.901**	-0.235	0.341	0.327
CD4	0.109	0.372	**0.926**	-0.168	0.377	0.325
CD5	0.135	0.375	**0.893**	-0.149	0.378	0.261
CD6	0.090	0.397	**0.901**	-0.146	0.353	0.325
GI1	0.068	**0.746**	0.273	-0.205	0.328	0.031
GI2	-0.007	**0.834**	0.288	-0.225	0.288	0.105
GI3	-0.014	**0.877**	0.251	-0.237	0.325	0.069
GI4	-0.008	**0.856**	0.354	-0.278	0.364	0.166
GI5	0.031	**0.722**	0.284	-0.122	0.325	0.119
GI6	0.010	**0.849**	0.243	-0.278	0.434	0.142
GI7	0.002	**0.796**	0.183	-0.225	0.396	0.083
GI8	-0.013	**0.725**	0.294	-0.114	0.401	0.139
IA1	-0.065	0.414	0.260	-0.102	**0.824**	0.032
IA2	-0.040	0.405	0.300	-0.087	**0.875**	0.010
IA3	-0.067	0.463	0.264	-0.025	**0.767**	-0.011
IA4	-0.057	0.467	0.316	-0.268	**0.780**	0.161
IA5	-0.024	0.500	0.410	-0.178	**0.853**	0.146
IA6	0.062	0.513	0.448	-0.196	**0.787**	0.132
PI3	0.079	0.177	0.291	-0.048	0.098	**0.869**
PI5	-0.013	0.092	0.286	-0.016	0.088	**0.890**
PI6	-0.090	0.133	0.339	-0.145	0.098	**0.906**
I1	**0.850**	0.002	0.066	0.069	-0.053	-0.044
I2	**0.730**	0.010	0.032	0.069	-0.013	-0.021
I5	**0.896**	0.005	0.057	-0.008	-0.033	-0.013
I8	**0.754**	-0.060	0.028	-0.012	0.004	0.003
I9	**0.716**	-0.026	0.017	-0.024	0.003	-0.044
PDM1	0.083	-0.129	-0.034	**0.702**	-0.128	-0.069
PDM3	0.006	-0.187	-0.150	**0.869**	-0.092	-0.023
PDM4	0.081	-0.204	-0.200	**0.846**	-0.161	-0.069
PDM6	-0.030	-0.258	-0.103	**0.876**	-0.109	-0.101
PDM7	0.011	-0.253	-0.149	**0.881**	-0.104	-0.122

Table 5 – Scale Properties

Construct		Mean	SD	No. of Items	Internal Consistency		AVE	Correlations of Constructs											
					CA	CR		1	2	3	4	5	6	7	8	9	10	11	12
1	Competitive Dependence			6	0.953	0.963	0.811	**0.901**											
2	Goal Incompatibility			8	0.900	0.937	0.650	0.387	**0.806**										
3	Information Advantage			6	0.900	0.922	0.665	0.383	0.514	**0.815**									
4	Perceived Invulnerability			3	0.867	0.918	0.789	0.335	0.145	0.109	**0.888**								
5	Involvement			5	0.853	0.893	0.628	0.133	-0.021	-0.060	-0.025	**0.792**							
6	Progressive Decision Making			5	0.892	0.925	0.713	-0.159	-0.259	-0.154	-0.075	0.048	**0.844**						
7	Political Activity [a]	n/a	n/a	6	n/a	n/a	n/a	0.434	0.420	0.285	0.368	0.112	-0.396	n/a					
8	Procedural Rationality [a]	n/a	n/a	5	n/a	n/a	n/a	-0.282	-0.375	-0.223	-0.088	-0.016	0.272	-0.382	n/a				
9	Complexity [b]	2.599	1.324	1	n/a	n/a	n/a	-0.101	-0.047	0.079	-0.073	-0.302	0.108	-0.138	0.024	n/a			
10	Team Size [b]	3.290	1.480	1	n/a	n/a	n/a	-0.065	-0.046	0.075	-0.051	-0.233	-0.027	-0.126	0.172	0.559	n/a		
11	Cost [b]	3.093	1.530	1	n/a	n/a	n/a	-0.140	-0.082	-0.045	0.054	-0.239	0.107	-0.152	0.090	0.622	0.741	n/a	
12	Duration to Finish [b]	3.337	1.557	1	n/a	n/a	n/a	-0.012	0.054	0.072	-0.015	-0.143	0.035	-0.006	-0.097	0.324	0.385	0.40	n/a

Notes:

1) *Diagonal elements in the correlation of constructs matrix are the square root of the average variance extracted. For adequate discriminant validity, elements should be greater than corresponding off-diagonal elements.*
2) [a] *Variable is a formative indicator. Internal consistency and the square root of AVE only apply to reflective indicators.*
3) [b] *Variable was measured using single indicator. Internal consistency and AVE for such variables is not meaningful.*
4) *CA refers to Cronbach's alpha; CR refers to composite reliability; AVE refers to average variance extracted; SD refers standard deviation.*

There are two methods for assessing discriminant validity. The first method entails examining the square root of AVE for each construct, which should exceed all correlations between that construct and the other constructs [36]. From Table 5, we can see that the highest correlation between any pair of constructs was 0.514 (between information advantage and goal incompatibility), while the lowest square root of AVE was 0.792 (corresponding to involvement). The second method entails, examining each within-construct item. Each should load high on the construct it is intended to measure and cross-load lower than the within-construct item loading. All the constructs met this requirement. Overall, the measurement model seems adequate.

In order to test the validity of political activity, which is modeled with formative indicators, assessments of convergent validity and discriminant validity are irrelevant just as reliability is irrelevant. The validation of constructs with formative indicators rests on the thoroughness with which the construct domain is tapped (i.e. content validity) [25]. Diamantopoulos and Winklhofer [25] suggest that another way to partially judge the quality of formative indicators is to correlate it with another variable that summarizes the essence of the construct and is not included as an indicator. Only those that are significantly correlated with the variable should be retained. Thus we decided to test the correlations between all the formative indicators and the test item (TPA) for political activity. All but one indicator (PA1) turned out to be significantly correlated at $(p < .01)$. The item PA1 enquired if top management was targeted for support and suggestions. The item captures the consultation dimension of political influence, thus we decided to retain this item. It is possible that individuals do not see such consultations as political activity because consultations are a normal practice within an organization. In their research, Kling and Iacono [57] found that political practices to mobilize support in a computing milieu were so important that practices had become institutionalized and were taken for granted. Overall we were satisfied with our measure of political activity. Item weights and the other statistics for political activity and procedural rationality are shown in Table 6 and Table 7 respectively.

Table 6 – Descriptive Statistics for Political Activity

Dimensions	Wording	Item	Mean	SD	Weights
Consultation	The project sponsor targeted top management for support and invited their suggestions to get project funding	PA1	5.308	1.355	0.078
Ingratiation	The project sponsor used flattery, praise, friendly behavior or helpful behavior to get project funding.	PA2	3.047	1.552	0.594
Personal Appeal	The project sponsor 'asked for personal favor' to get project funding.	PA3	2.300	1.212	0.160
Exchange	The project sponsor 'offered to do something in return' to get project funding.	PA4	2.255	1.213	0.125
Coalition	The project sponsor 'formed coalitions' to get project funding.	PA5	3.529	1.753	-0.086
Pressure	The project sponsor used demands, threats, or persistent reminders to get project funding.	PA6	2.385	1.551	0.464

Table 7 – Descriptive Statistics for Procedural Rationality

Procedural Rationality	Item	Mean	SD	Weights
The decision to fund this project was based on its financial benefits	FIN	5.141	1.614	-0.519
The decision to fund this project was based on its non financial benefits	NFIN	5.069	1.629	-0.084
The decision to fund this project was based on its business case	BC	5.694	1.300	0.690
The decision to fund this project was based on its alignment to business strategy	ALIG	5.674	1.238	-0.323
The decision to fund this project was based on its overall merit	MRT	5.421	1.326	0.777

Assessing the Structural Model

In order to assess the structural model, we estimated the path coefficients and the R^2 values. Path coefficients are standardized regression coefficients, they indicate the strengths of the relationships between the independent and dependent variables. The R^2 value is a measures the predictive power of a model for a dependent variable. Its value is interpreted the same as in regression analysis. A bootstrap re-sampling method (500 re-samples) to determine the significance of the paths was used. Further, the sample size of 150 exceeded the recommended minimum of 60, which represents 10 times the number of formative indicators for political activity (i.e., largest measurement equation) [17]. In our research model, the measurement equation associated with political activity is larger than the largest structural equation (i.e., the number of independent constructs influencing competitive dependence).

The overall results of the analysis are shown in Figure 3. As hypothesized, political activity is negatively associated with procedural rationality *(path coefficient = -0.285, p < .05),* competitive dependence is positively associated with political activity *(path coefficient = 0.353, p < .05)*, goal incompatibility is positively associated with competitive dependence *(path coefficient = 0.223, p < .01),* information advantage is positively associated with competitive dependence *(path coefficient = 0.245, p < .01),* and invulnerability is positively associated with competitive dependence *(path coefficient = 0.279, p < .01).* Thus, hypotheses 1, 2, 3, 4, and 5 are supported. The supported path coefficients are greater than the suggested minimum value of significance at 0.20 [15]. The variance explained of competitive dependence, political activity and procedural rationality are 28.7%, 31.1% and 23.3% respectively, which is reasonable and greater than the recommended 10% [35]. Further, Cohen [18] suggests that the effect sizes of approximately .35, .15 and .02 represent strong, moderate and weak effects for regression. Since PLS uses regression in its analysis, the rule of thumb is appropriate for PLS too [e.g., 94]. From this perspective, our R values can be put under moderate effect size, which is good. However, the values are relatively low suggesting that there are other factors that may have helped explain more variance. Earlier, we stated that there are three types of triggering conditions that lead to competitive dependence which in turn leads to politics – decisional, structural and personal level conditions. Since our focus was to study personal level conditions only, the other two categories were not included in the model. Within the context of IT project selection, where the political dimension is often ignored, even small effect size due to personal level conditions may have a meaningful practical consequence [20]. This is indeed a significant finding. Further, the measurement of political activity may also have affected our model. We included all the dimensions of political activity from Enns et al [33], but the measurement of the construct is a challenging issue [78]. In their study, Enns et al [33] also found relatively low R square value for political activity construct.

The path between involvement and competitive dependence was not significant, lending no support for hypothesis 6. In addition, none of the project related control variables had significant effects on political activity.

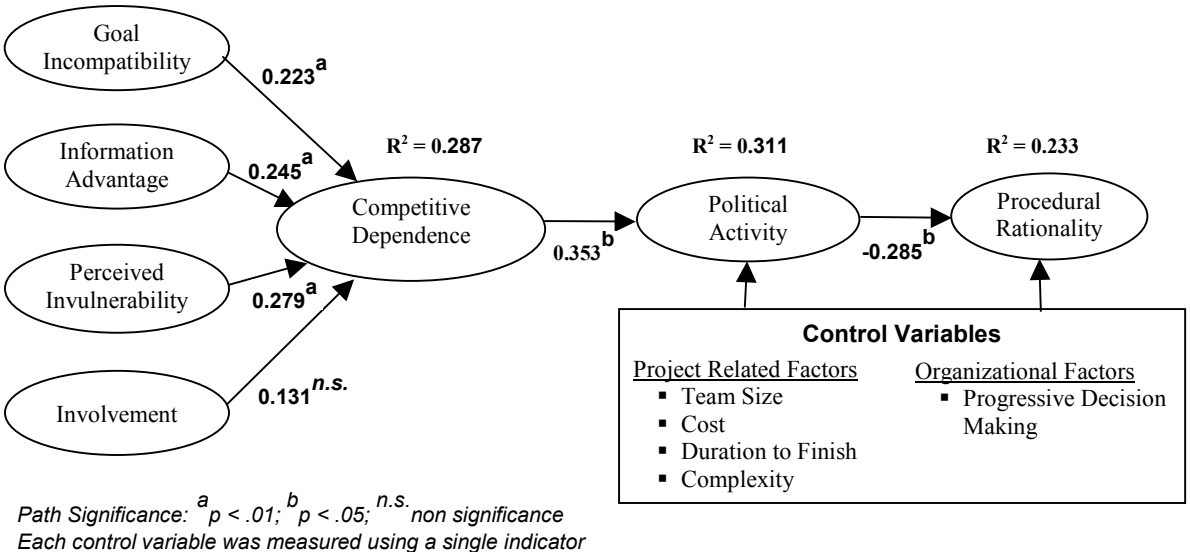


Figure 3: Results

Other Findings

Tables 6 and 7 present some interesting results. The table shows that procedural rationality during project selection was relatively high. The mean value for each dimension that we used to measure procedural rationality is more than 5. At the same time the mean value of the consultation dimension of political influence is also more than 5. Essentially, this suggests that in project funding decisions, despite the inverse relationship, both procedural rationality and the consultation dimension of politics play influential roles. Yukl and Falbe [101] have shown in their research that rationalism and consultation are the two key tactics in upward influence. The results also replicate Yukl and Falbe [101] findings that consultation, ingratiation and coalition are more frequently used, whereas personal appeal, exchange and pressure are the less frequently used political tactics during upward influence.

Further, when respondents were asked about the percentage of IT projects within their company that received funding based on political influence, 23% indicated that IT project funding was not at all influenced by politics, 20% thought that 80% or more of IT projects in their company are funded based on politics, and 57% thought that between 5% and 80% of IT projects in their company are funded based on politics. When asked if IT projects were more susceptible to political influence than other types of projects, the mean value was 3.98 (on a Likert scale from 1 "strongly disagree" to 7 "strongly agree"). These values are conservative because of the fact that the most used political tactic (e.g., consultation) is often not considered political, as discussed earlier. The presence of politics was also triangulated using qualitative data. In the survey, we asked two open-ended questions to enquire about the presence of rational and political influences that possibly led to the funding of the project. A total of 117 usable responses were obtained. The responses were first independently coded by two judges followed by resolution of discrepancies in coding through debate and discussion. About 51 percent of the responses indicated that politics were actively used to get the project funded. Table 8 presents some of the responses for political and rational influence used. Together, these findings indicate that politics are present in IT project funding decisions.

Table 8: Some Examples of Presence of Politics

Rational influence	Political influence
"Other revenue channels, projects and efficiencies were dependent on having this [project done]"	"In order to get this project up the priority list after several years, influence was required from the highest positions."
"View[ed] as a foundational piece of work for significant reengineering of remainder of business, as well as providing for a significant modernization of the business system application portfolio."	"Project was co-sponsored at the executive level, leading to broad support and commitment to the work."
"Many fundamental business processes were lacking."	"CIO sponsored the project had a very strong influence on CEO. CEO consulted CIO regularly on most aspects of the business."
"Long term cost reduction (headcount) and accelerate activation of new clients."	"Project sponsor's business unit is responsible for majority of company revenue. The sponsor therefore has a significant influence in obtaining funding for new projects."
"[To decrease] global travel for much of our sales and management team."	"As a founding member of the management team, the Project sponsor really wanted this project to move ahead - fast."
"Supported the sales processes and customer facing processes"	" The National Sales Manager is the sponsor, therefore it is in his best interest to implement this project"
"The ability to provide the same service at a cost lower than what was being paid to the vendor."	"Project sponsor would get approval for the project no matter what the project was - individual has support of executive management even if project were not to be cost beneficial."
"[The] ability to supply service offerings in a new area"	"President expressed interest in doing this new development"
"The project was aligned with the company's goals"	"It was suggested by the VP of business development who also happened to be an owner of the company"

We also performed two one-way ANOVAs to test if there were any systematic biases in our research findings. The first one was performed to check if the respondent's role as project sponsor, competitor, selection committee member or independent observer had any affect on any of the key variables (i.e., goal incompatibility, information advantage, perceived invulnerability, involvement, competitive dependence, political activity and procedural rationality) in our research model. We expected that respondents who were also the project sponsor might rate the constructs differently. The ANOVA results are shown in Table 9. The second ANOVA was performed to check if the respondents belonging to the IT department (or non IT department) had any affect on the key variables. We expected that there was a potential for respondents who belonged to the IT department to rate the constructs differently because of their role in developing or acquiring the IT project. The ANOVA results are shown in Table 10. Neither of these ANOVA results was found to be significant, providing good generalizability of our results. Of course, as earlier pointed out, there was only one respondent within one of the four classes; that is, someone who had competed against a funded project.

Table 9: Testing Possible Biases Due to Respondent's Role (i.e., Project Sponsor, Competitor, Selection Committee Member or Independent Observer

Construct	F-Value	Significance Value
Goal Incompatibility	0.873	0.421
Information Advantage	2.901	0.06
Perceived Invulnerability	2.058	0.133
Involvement	1.379	0.256
Competitive Dependence	0.348	0.707
Political Activity	0.677	0.510
Procedural Rationality	2.149	0.122

Table 10: Testing Possible Biases Due to Respondent's Department (i.e., IS Versus Non IS Department)

Construct	F-Value	Significance Value
Goal Incompatibility	0.155	0.695
Information Advantage	0.176	0.676
Perceived Invulnerability	0.141	0.708
Involvement	0.918	0.658
Competitive Dependence	0.962	0.330
Political Activity	0.034	0.854
Procedural Rationality	0.053	0.819

DISCUSSION

The research model can be viewed as consisting of two parts; the left part explains the development of competitive dependence, and the right part shows how it positively affects political activity, which in turn negatively affects procedural rationality during project selection. With respect to the left part of the model, our results suggest that there are three primary factors which lead to a situation of competitive dependence – goal incompatibility, information advantage and perceived invulnerability. All three of these factors have been cited in the literature previously as being key variables. This research corroborates their importance as key antecedents of competitive dependence in the context of IT project selection. Taken collectively, these factors explain approximately 29% of the total variance in competitive dependence. The surprise was that involvement was not significant. As with the other constructs, involvement has consistently proved to be an important variable within other studies. We argued that involvement would lead to "ego attachment" and thus result in competitive dependence. It was not the case. We believe that there are two plausible reasons. First, involvement represents the degree to which individuals identify with their projects and see it as important to their self concept. It is their cognitive and emotional investment in the project. It is possible that high levels of involvement in a given project may cause one to be mentally preoccupied with that project. According to Carlson and Frone [11], high levels of involvement in one activity (i.e., project) may make it difficult or interfere in becoming engaged in the other activities (i.e., related to zero-sum game) simultaneously. A second reason for not finding a significant relationship between involvement and competitive dependence may be related to the construct measurement. Despite there is a well-established context free scale for involvement from Barki and Hartwick [7], a few studies [e.g., 11] have used a slightly different context specific scales to investigate involvement.

The right part of the research model in Figure 3 brings together competitive dependence, political and rational aspects of IT project selection. The results suggest that IT project sponsors engage in political activity in situations of competitive dependence perhaps unwilling to rely solely on procedural rationality. Most organizations mandate the preparation of a business case (i.e., demonstrate procedural rationality) for all prospective IT projects. However, project results of this study suggest, not only that the sponsors of IT projects do in fact engage in political activity but, that the higher the degree of competitive dependence, the more this practice will be

observed. Furthermore, this political activity will lower the procedural rationality. This leads us to speculate that project sponsors take political action in highly competitive situations where they believe that the project's merits will not, in and of themselves, guarantee funding. This result held up even after controlling for progressive decision making.

The project-related control variables did not alter the model as anticipated. In fact, none of the resource intensity variables including project complexity, team size, project cost and duration required to finish project had any effect on political activity or procedural rationality. We expected that these factors might magnify the effects of the model simply because of the increased visibility of a large project for the project's sponsor. Larger projects have more to lose/win and the funding for such projects would be highly contested. Similar magnifying effects were expected on procedural rationality because the stakes are higher for the organization. This was not the case. One plausible explanation is that, beyond some threshold of required resources, the resource intensity has no affect on political activity and procedural rationality.

Contributions and Limitations

To the best of our knowledge, this is the first study to use a survey methodology to empirically test the presence of political activity in the IT project selection process, and one of the few to use survey methodology to study politics in organizational decision making. Specifically, it has established a model to explain the development of competitive dependence in the context of IT project selection and has linked it to political activity and procedural rationality. In the future, various avenues for research could be pursued. First, a study could be conducted to compare projects that received funding with those that were denied funding to determine if and how specific types of political activity led to successful funding. Second, a longitudinal study to examine the post-selection behavior of IT projects could be conducted. Such a study could ascertain whether or not political activity establishes a better foundation for projects within the organization which benefits them through development and implementation. Third, research could be conducted that includes personal level, structural level and decision level factors. This would perhaps shed some light on the relative prominence of each of the factors in the model. Finally, research could also be conducted to bring clarity to the idea of involvement in different contexts (e.g. project selection).

This research provides a valuable contribution for managers. In our study, even after controlling for the organization's proclivity for rational decision making, we found the presence of political activity. It would appear that, despite the profusion of rational methodologies, IT project selection is very much subject to political activity. Because of this, it behooves project sponsors to assess the potential impact of political activity within their organizations as it may provide a "point of leverage" that should not be overlooked by management. At the same time, such leverage must be carefully tailored to the specific organizational context. This is because political activity within organizational settings has the potential to be both functional and dysfunctional [59]. Rather than eliminate politics, which is impossible [93], managers should learn more about political processes to enable them to play a positive role in their decision making process. They must also recognize the fact that organizations are hurt by an excess of organizational politics [69]. The best advice may be "use with caution".

It is important to evaluate the study's results and contributions in light of its limitations. First, we were unable to get adequate responses from individuals who were competing for resources with the selected project as our respondents were limited to project sponsors, independent observers and project selection committee members (with a single exception). This raises the prospect of a downward bias in our data set, especially from project sponsors and project selection committee members. That is, it is conceivable that project sponsors of competing projects would have observed more political influence in the selected projects. Thus, responses from the project sponsors of competing projects in our data set would have given us a more balanced perspective. However, despite the downward bias, we still found significant results. Second, the response rate of our survey was a little low. As explained, this was expected due to the nature of the research. We were looking for a specific organizational experience, which not every manager has. The other factors also included incorrect email addresses, deletion of unsolicited email, and/or lack of interest in the topic since the emails sent out were untargeted. Everyone in the database was sent an email. Third, our research is based on the input of single respondents for each project. The reliability of the data might have improved if we had gathered data on each project from multiple respondents. However, we tried to gather unbiased data by controlling for the respondent types and by not collecting any traceable personal information about the respondents. Finally, perceptual

measures were used and respondents were asked to recall a project which was already funded. Thus our study relied on information concerning past events. This subjected our data to recall bias.

CONCLUSION

Despite the emphasis on rationality in the project selection process in the literature, the evidence presented in this research suggests that the process is subject to political activity. The observation by Covaleski and Dirsmith [21] that although "the language of resource allocation is cloaked in objectivity and neutrality, it is directed towards establishing and maintaining hierarchies of authority and status" (p.585) seems partially valid. Consequently, managers need to be aware that the adoption of "rational" approaches to project selection is unlikely to diminish the impact of political activity that accompanies the process of resource allocation. Management remains as much about understanding and harnessing political activity as about making rational judgments.

Most importantly, politics are an inescapable reality of organizational life. Even in the cases where politics is not expected to arise due to personal conflict, people can be reasonably expected to argue and disagree on issues based on their convictions. Politics during project selection can thus also be viewed as an autonomous phenomena, not simply derived from weak organization structural design, psychology of organizational members, or the incompetence of management. However, these factors will exacerbate the effects.

In summary, the study found support for a theoretical model of IT project selection which examined project selection within the context of competitive dependence, political activity and procedural rationality. Based on this evidence, one is left to conclude that political activity is a normal part of project selection which co-exists with procedural rationality. Furthermore, the inverse relationship between political activity and procedural rationality appears to be dependent and reciprocal as suggested by Pfeffer [78]. As such, political behavior must be considered both by researchers and managers explicitly within the context of IT project selection decisions.

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APPENDIX A – QUESTIONNAIRE ITEMS

Construct	Items	Wordings
Competitive Dependence (Reflective)	*Measured on a 7 point Likert scale from Strongly Agree(7)…Neither(4)…Strongly Disagree(1)*	
	CD1	The project sponsor wanted to 'beat' his/her rivals by getting funded for this project.
	CD2	If the funding was not approved for this project, the project sponsor would have lost 'power' to his/her rivals.
	CD3	The project sponsor viewed funding of this project as 'quieting' his/her rivals.
	CD4	The project sponsor viewed funding of this project as 'win' over his/her rivals.
	CD5	The project sponsor would have viewed no funding for this project as 'losing' to his/her rivals.
	CD6	The project sponsor wanted to gain 'power' from his/her rivals by getting funded for this project.
Goal Incompatibility (Reflective)	*Measured on a 7 point Likert scale from Strongly Agree(7)…Neither(4)…Strongly Disagree(1)*	
	GI1	In terms of this project, the project sponsor's goals were not aligned with the company's goals.
	GI2	In terms of this project, the project sponsor's goals conflicted with the company's goals.
	GI3	In terms of this project, the project sponsor's goals differed with the company's goals.
	GI4	In terms of this project, the project sponsor was more focused on his/her goals than on the company's goals.
	GI5	A decision to not fund this project would have affected the project sponsor's goals more than the company's goals
	GI6	The project goals were more attractive for the project sponsor than they were for the company.
	GI7	The project goals were more preferable for the project sponsor than they were for the company.
	GI8	The project sponsor had information about this project that would have adversely affected the funding decision

APPENDIX A – QUESTIONNAIRE ITEMS (continued)

Information Advantage (Reflective)	*Measured on a 7 point Likert scale from Strongly Agree(7)…Neither(4)…Strongly Disagree(1)*	
	IA1	The project sponsor had more detailed information about this project than the members of the selection committee
	IA2	The project sponsor had more accurate information about this project than the members of the selection committee
	IA3	The project sponsor had more negative information about this project than the members of the selection committee
	IA4	The members of the selection committee had limited access to information about this project
	IA5	In terms of this project, the project sponsor had an information asymmetry over the members of the selection committee
	IA6	In terms of this project, the members of the selection committee had access to detailed information only through the project sponsor
Perceived Invulnerability (Reflective)	*Measured on a 7 point Likert scale from Strongly Agree(7)…Neither(4)…Strongly Disagree(1)*	
	PI1	The project sponsor typically gets funded for most of his/her projects, and therefore expected to get funded on this project too
	PI2	The project sponsor is usually very successful with his/her projects, and therefore expected to get funded on this project
	PI3	The project sponsor had an attitude that 'I always get funded', and therefore expected to get funded on this project too.
	PI4	The project sponsor was confident about this project's likelihood of funding
	PI5	The project sponsor had an attitude that 'I am very successful with my projects', and therefore expected to get funded on this project.
	PI6	The project sponsor had an attitude that 'I hardly go wrong with my projects', and therefore expected to get funded on this project.
Involvement (Reflective)	*Measured on 7 point Likert scale from Strongly [one end of indicator] (7)…Neither(4)…Strongly [the other end of indicator](1). For example, from essential to non essential, the project sponsor perceived that this project was the following for him/her – Strongly Essential(7), Essential(6), Slightly Essential(5), Neither(4), Slightly Non Essential(3), Non Essential(2), Strongly Non Essential(1).*	
	I1	Essential/Non Essential
	I2	Fundamental/Trivial
	I3	Significant/Insignificant
	I4	Needed/Not Needed
	I5	Important/Unimportant
	I6	Relevant/Irrelevant
	I7	Of Concern/Of No Concern
	I8	Mattered/Did Not Mattered
	I9	Meant a Lot/Meant Nothing
Progressive Decision Making (Reflective)	*Measured on a 7 point Likert scale from Strongly Agree(7)…Neither(4)…Strongly Disagree(1)*	
	PDM1	Your organization performs a systematic search to identify business opportunities and problems
	PDM2	Your organization gives a systematic consideration to costs and benefits when planning
	PDM3	Your organization believes in participative decision making
	PDM4	Your organization provides an explanation of plans to those affected by them
	PDM5	Your organization uses formal techniques (e.g. financial analysis, strategic analysis) to make key decisions
	PDM6	Your organization follows a participative consensus-seeking decision making with feedback
	PDM7	Your organization uses open channels of communication in decision making

APPENDIX A – QUESTIONNAIRE ITEMS (continued)

Political Activity (Formative)	*Measured on a 7 point Likert scale from Strongly Agree(7)…Neither(4)…Strongly Disagree(1)*	
	PA1	The project sponsor targeted top management for support and suggestions to get project funding
	PA2	The project sponsor used flattery, praise, friendly behavior or helpful behavior to get project funding.
	PA3	The project sponsor 'asked for personal favor' to get project funding.
	PA4	The project sponsor 'offered to do something in return' to get project funding.
	PA5	The project sponsor 'formed coalitions' to get project funding.
	PA6	The project sponsor used demands, threats, or persistent reminders to get project funding.
	TPA[a]	'Political influence' was used to get funding for this project.
Procedural Rationality (Formative)	*Measured on a 7 point Likert scale from Strongly Agree(7)…Neither(4)…Strongly Disagree(1)*	
	FIN	The decision to fund this project was based on its financial benefits
	NFIN	The decision to fund this project was based on its non financial benefits
	BC	The decision to fund this project was based on its business case
	ALIG	The decision to fund this project was based on its alignment to business strategy
	MRT	The decision to fund this project was based on its overall merit
All the following variables were measured on a 7 point Likert scale from Extremely Above Average(7)…Average(4)…Extremely Below Average(1)		
Complexity	CMP	Compared with other projects undertaken by the company, the complexity of this project
Duration to Finish	TIME	Compared with other projects undertaken by the company, the time required to implement this project
Cost	COST	Compared with other projects undertaken by the company, the cost of this project
Team Size	TMSZ	Compared with other projects undertaken by the company, the number of people required to implement this project

[a] *Test indicator to measure political influence directly*