

CAPITAL UNIVERSITY OF SCIENCE AND  
TECHNOLOGY, ISLAMABAD



**Impact of Nepotism on Project  
Failure: Mediating Role of  
Employee Turnover and  
Moderating Role of Job  
Insecurity Climate**

by

**Usmania Nadeem Abbasi**

A thesis submitted in partial fulfillment for the  
degree of Master of Science

in the

Faculty of Management & Social Sciences

Department of Management Sciences

2020

Copyright © 2020 by Usmania Nadeem Abbasi

All rights reserved. No part of this thesis may be reproduced, distributed, or transmitted in any form or by any means, including photocopying, recording, or other electronic or mechanical methods, by any information storage and retrieval system without the prior written permission of the author.

*I dedicate my dissertation work to my father Nadeem Abbasi, my mother and my husband. A special feeling of gratitude to my husband and brother. This journey would not have been possible without your loving support, encouragement and financial support. Thank you for your faith in me.*



## CERTIFICATE OF APPROVAL

### **Impact of Nepotism on Project Failure: Mediating Role of Employee Turnover and Moderating Role of Job Insecurity Climate**

by

Usmania Nadeem Abbasi

(MPM181017)

### THESIS EXAMINING COMMITTEE

S. No.	Examiner	Name	Organization
(a)	External Examiner	Dr. Ayesha Noor	SZABIST, Islamabad
(b)	Internal Examiner	Dr. Mueen Aizaz Zafar	CUST, Islamabad
(c)	Supervisor	Dr. Saira Ahmed	CUST, Islamabad

---

Dr. Saira Ahmed

Thesis Supervisor

October, 2020

---

Dr. Mueen Aizaz Zafar

Head

Dept. of Management Sciences

October, 2020

---

Dr. Arshad Hassan

Dean

Faculty of Management & Social Sciences

October, 2020

## *Author's Declaration*

I, **Usmania Abbasi** hereby state that my MS thesis titled “**Impact of Nepotism on Project Failure: Mediating Role of Employee Turnover and Moderating Role of Job Insecurity Climate**” is my own work and has not been submitted previously by me for taking any degree from Capital University of Science and Technology, Islamabad or anywhere else in the country/abroad.

At any time if my statement is found to be incorrect even after my graduation, the University has the right to withdraw my MS Degree.

**(Usmania Nadeem Abbasi)**

Registration No: MPM181017

## *Plagiarism Undertaking*

I solemnly declare that research work presented in this thesis titled “**Impact of Nepotism on Project Failure: Mediating Role of Employee Turnover and Moderating Role of Job Insecurity Climate**” is solely my research work with no significant contribution from any other person. Small contribution/help wherever taken has been duly acknowledged and that complete thesis has been written by me.

I understand the zero tolerance policy of the HEC and Capital University of Science and Technology towards plagiarism. Therefore, I as an author of the above titled thesis declare that no portion of my thesis has been plagiarized and any material used as reference is properly referred/cited.

I undertake that if I am found guilty of any formal plagiarism in the above titled thesis even after award of MS Degree, the University reserves the right to withdraw/revoke my MS degree and that HEC and the University have the right to publish my name on the HEC/University website on which names of students are placed who submitted plagiarized work.

**(Usmania Nadeem Abbasi)**

Registration No: MPM181017

## *Acknowledgements*

First of all, I am very thankful to my Creator, Almighty Allah, the most beneficent and the most merciful, whose blessing bestowed upon me and to my talented teachers who provided me great opportunity and appreciated me with the compulsion to make every effort and achieve even higher grounds by intensifying my vistas continuously.

I am extremely obliged to my supervisor **Dr. Saira Ahmed** for her direction, precious recommendations and continuous inspiration who has been and will stay a continuous foundation of knowledge for me. I'm extremely beholden to my much-loved family- my loving father, mother and specifically my brothers who protracted their unconditional affection to me even in the times when I hesitated momentarily.

Last but not the least, I am thankful to this institute for giving me with a great environment, which has facilitated me to study and groom, and I will always be a delighted member of this academic family.

**(Usmania Nadeem Abbasi)**

Registration No: MPM181017

## *Abstract*

Current research literature on project-based organizations does not provide detailed insights on how project-based organizations can achieve fair and transparent environment in organizations. This research thesis explores those accentuating factors that can be ascertained to contribute in improving project failure. Data was collected from 320 respondents. The study tested the impact of nepotism on project failure. The consequences of the research demonstrate that nepotism has significantly positive effect on project failure. The mediating role of employee turnover is also significant between the relationship of nepotism and project failure. The moderating role of job insecurity climate has also significant impact on the association between nepotism and employee turnover at high level. The study significantly contributes to the area of research specifically in the domain of project management especially in the field of education. This framework will contribute positively in a productive manner towards accomplishment of the desired goals as well as milestones of the project. It will also ensure active involvement of the project manager, securing the negative impact of nepotism and the employee turnover through manager's insecure interactions on the success/failure of any project. The implications, limitations and future directions are discussed.

**Keywords: Nepotism, Employee Turnover, Job Insecurity Climate, Project Failure.**



# Contents

<b>Author’s Declaration</b>	<b>iv</b>
<b>Plagiarism Undertaking</b>	<b>v</b>
<b>Acknowledgements</b>	<b>vi</b>
<b>Abstract</b>	<b>vii</b>
<b>List of Figures</b>	<b>ix</b>
<b>List of Tables</b>	<b>x</b>
<b>1 Introduction</b>	<b>1</b>
1.1 Background of the Study . . . . .	1
1.2 Problem Statement . . . . .	4
1.3 Gap Analysis . . . . .	5
1.4 Research Questions . . . . .	6
1.5 Objectives of the Study . . . . .	6
1.6 Significance of the Study . . . . .	7
1.7 Supporting Theory . . . . .	8
1.7.1 Equity Theory . . . . .	8
<b>2 Literature Review</b>	<b>10</b>
2.1 Nepotism and Project Failure . . . . .	11
2.2 Nepotism and Employee Turnover . . . . .	16
2.3 Employee Turnover and Project Failure . . . . .	20
2.4 Employee Turnover as Mediator . . . . .	22
2.5 Job Insecurity Climate as Moderator . . . . .	24
2.6 Research Hypotheses . . . . .	29
2.7 Research Model . . . . .	30
<b>3 Research Methodology</b>	<b>31</b>
3.1 Research Design . . . . .	31
3.1.1 Type of Study . . . . .	31
3.1.2 Research Philosophy and Research Design . . . . .	32

---

3.1.3	Study Setting . . . . .	33
3.1.4	Unit of Analysis . . . . .	33
3.1.5	Time Horizon . . . . .	33
3.1.6	Motivation to Study Academia . . . . .	34
3.1.6.1	Sindh Union Council and Community Economic Strengthening Support (SUCCESS) Project . . . . .	34
3.1.6.2	Khyber Pakhtunkhwa District Governance and Com- munity Development (KP DGCD) Programme . . . . .	34
3.1.6.3	Technical and Vocational Education and Training (TVET) Sector Support Programme . . . . .	34
3.1.6.4	Third Punjab Education Sector Project . . . . .	35
3.1.6.5	USAID - Pakistan . . . . .	35
3.2	Population and Sampling . . . . .	35
3.2.1	Population . . . . .	35
3.2.2	Sample and Sampling Technique . . . . .	36
3.3	Instrumentation . . . . .	37
3.3.1	Measures . . . . .	37
3.3.1.1	Nepotism . . . . .	37
3.3.1.2	Project Failure . . . . .	38
3.3.1.3	Employee Turnover . . . . .	38
3.3.1.4	Job Insecurity Climate . . . . .	38
3.4	Sample Characteristics . . . . .	39
3.5	Statistical Tools . . . . .	41
<b>4</b>	<b>Results</b> . . . . .	<b>42</b>
4.1	Data Analysis . . . . .	42
4.2	Descriptive Statistics . . . . .	42
4.3	Reliability . . . . .	43
4.4	Control Variables . . . . .	44
4.5	Correlation . . . . .	45
4.6	Regression Analysis . . . . .	46
4.7	Mediation Analysis . . . . .	48
4.7.1	Total Effect . . . . .	50
4.7.2	Direct Effect . . . . .	50
4.7.3	Indirect Effect . . . . .	51
4.8	Moderation Analysis . . . . .	51
4.9	Summary of Accepted / Rejected Hypothesis . . . . .	53
<b>5</b>	<b>Discussion, Conclusion, Limitations and Recommendations</b> . . . . .	<b>55</b>
5.1	Discussion . . . . .	55
5.2	Practical and Theoretical Implication . . . . .	56
5.3	Limitations of Research . . . . .	58
5.4	Future Research Directions . . . . .	59

5.5 Conclusion . . . . .	60
<b>Bibliography</b>	<b>61</b>
<b>Appendix A</b>	<b>69</b>

# List of Figures

2.1	Factors Leading to Turnover Intention . . . . .	18
2.2	Research Model . . . . .	30
4.1	Mediation Analysis . . . . .	48
4.2	Mediation Analysis with Coefficients . . . . .	50
4.3	Relationship Graph . . . . .	53

# List of Tables

3.1	Instruments . . . . .	38
3.2	Frequency by Gender . . . . .	39
3.3	Frequency by Age . . . . .	39
3.4	Frequency by Qualification . . . . .	40
3.5	Frequency by Experience . . . . .	40
4.1	Descriptive Statistics . . . . .	43
4.2	Cronbach's Alpha Output . . . . .	44
4.3	Detail of One-way . . . . .	44
4.4	Correlation Matrix . . . . .	45
4.5	Results of Regression Analysis . . . . .	47
4.6	Results of Regression Analysis . . . . .	47
4.7	Results of Regression Analysis . . . . .	48
4.8	Mediation Analysis . . . . .	49
4.9	Moderation Analysis . . . . .	52
4.10	Hypotheses Summarized Results . . . . .	54

# Chapter 1

## Introduction

### 1.1 Background of the Study

Project-based firms indicate the variations in organizational systems which are arranged as short-term framework (Rodney, 2017). Such organizations are often expanded to far-reaching earthy areas (Robert DeFillipi & Jrg Sydow, 2016). In project-based organizations mainly the work is distributed in such a way that people belonging to different ethnic groups collaborate together in a form of team in order to achieve some common goals (Kwak, Sadatsafavi, Walewski & Williams, 2015). Project-based firms have developed increasing thoughts lately as an emerging organizational structure to join diversified and specified logical characteristics and competence (Popaitoon & Siengthai, 2014). Firms have to maintain their positive work environment in order to run smoothly and to avoid arising barriers that may become the reason of failure for that particular firm (Lundin et al., 2015). Along with the positive values, some negative influence of unethical issues is observed at workplaces majorly highlighting corruption, bribery, leg-pulling, favoritism and nepotism etc. (Maylor et al., 2015).

Corruption is universally observed as one of the largest hindrances in economic development. According to the World Bank, corruption is defined as deploying the assets or property of the public for individual welfare (Campos & Pradhan, 2017). Corruption is broadly seen in the most flourishing countries where the suitable environment is provided to it to happen (Ahmadi, 2009). One of the major form

of corruption observed at most of the workplaces is nepotism which results in smashing the complete organizational structure (Nadeem et al., 2015).

Searching for factors that impact project failure or success has been of extraordinary interest to researchers and experts. Research tries to help in order to create techniques to help job managers to assess their activities, if not equitably, at any rate efficiently (Carter, 1982). One stream of work is centered around creating choice standards as well as emotionally supportive networks to help in settling choices in an orderly manner about projects and jobs (Maylor et al., 2015).

The expression “failure” indicated to projects that are dropped without finishing because of cost or timetable excesses or that show an excess of 25 percent of these parameters (Jones, 1996). It has also been cited that failure is characterized as any job of software with serious overpowering expense or schedule, quality issues or that endures by and large wiping out (May & Lorin, 1998). Flowers (1996) characterizes a system of information as a failure due to the following circumstances: 1. At the point when the outline in general doesn't work true to form and its general implementation is deficient too. 2. On the off chance that, on use, it does not proceed as primarily planned or in occasion that it is thus customer opposed and that it is rejected by customers as under-utilized. 3. If the expense of the improvement exceeds any benefit structure. 4. Due to matters with intricacy of framework, or management of the job, system of information advancement is abandoned before it is finished.

An effective job fulfills three elements: it consents to the usefulness consented to progress of time, it is conveyed on schedule and it is conveyed inside the concurred spending plan. At the point when these three elements balance one another, we can talk about an effective job (Noordam et al., 2007).

The major issue which is to be tended in the present condition is nepotism. Nepotism is far reaching and in today's view of its very nature, it is hard to report. Nepotism is defined as the phenomenon of hiring candidates that share a blood relation to the manager (Marefa, 2017). A developing number of reports find that guardians will in general encourage the employing of their kids and different family members in the organizations in which they work, in either case, when relatives

show lower recognizable characteristics and capacities. Other proof shows that, in numerous specific circumstances, supervisors and those responsible for recruitment choices enlist individuals with whom they are socially associated paying little heed to their capacity or capabilities (Allesina, 2011). Such practice detriments qualified upcomers who subsequently pass employment and development openings. Therefore, to eradicate such practice from the society firstly we need to learn about the outcomes and effects of nepotism on employees and the organization both (Ozler et al., 2007).

Daily life was dependent upon unbelievable alteration over the preceding time, with alterations in structures of career as well as workplace remembering increasing many ladies for the workforce, new laws of labor, growing staff, performance of new innovations as well as mechanized work systems (Mackey, 2004).

As a result, associations have been constrained to take part in various flexible philosophies to overcome new demands, remain forceful and get by right now. Associations have two choices to adjust to these types of new demands and remain gainful: they can either extend their advantages or diminishing their costs, normally by diminishing the amount of employees (Cascio, 1998). Considering these decisions, various associations take an interest in exercises alike “privatizations, outsourcings, acquisitions and mergers, regularly in mix with faculty decreases through cutbacks, offers of early retirement, and expanded use of subcontracted laborers” (Sverke et. al., 2006). Project-based organizations are free to take different decisions at different required levels without suffering through any kind of pressure (Alaloul, 2012).

Downsizing is one of the most generally utilized systems by organization handling new requests of the current monetary atmosphere. Downsizing, by meaning, includes strategies for staff decrease. This kind of revamping technique will in general make sentiments of stress and vulnerability among the workforce. Such emotions may concern the endurance of the association or any job in general, just as the future presence of the worker’s present employment or esteemed highlights of the activity. The difference in daily life has carried out the problem of questionable working environments to the front line as well as, since outcome of social,



inventive, plus budgetary problems depicted above, work has ascended as one of the most important matters in current working life a marvel that has therefore got as often as possible concentrated among researchers and scholars (Sverke et al., 2002). In any project-based organization the focus of attention is at the managerial level where a number of decisions has to take place regarding de-centralization, distribution of work, allocation of resources etc (Davies and Brady, 2016).

It is critical for venture supervisors and experts to expand an unrivaled understanding of the purposes behind task disappointment. With well-seen advance to an extended use of structures venture association as well as task focused job techniques, there is a going with extended prospective for abuse and failure. A couple of years back, a conspicuous master on the project communicated, the various occurrences where management of project comes up fail to dominate the accounts of successful projects (Avots, 1969).

The fundamental purpose for this research is to see the effect of nepotism on the failure of any project. The mediating role of employee turnover may likewise impact on link between them. Another factor which may impact this relationship is moderating role of job insecurity climate in various workplaces particularly in education sector. The primary commitment of this investigation is to see various elements of project failure, for example, nepotism, employee's turnover and job security climate of project/association working environment. Nepotism, employee's turnover and job security climate of project are new measurement of project failure which has not been focused to by the previous studies. The negative approach of nepotistic hiring and recruitment needs attention for it's removal because it leads to demotivation of the employees who had put their utmost efforts at their workplaces ( (Nyukorong, 2014).

## 1.2 Problem Statement

Management in organization holds the authority to hire or fire any employee they want. In many organizations, the standard process of recruitment is ignored, and hiring is done on the basis of relationships while ignoring the skills, abilities and

educational background of the employee. Employees to be remembered for the organization have a significant value in this structure, thinking about the present extreme competitive condition and environment. Characteristics of employees and the right appointment of them are crucial for the future of the project or organization. Furthermore, the applied system of promotion is as significant as right appointment for the future and success of the organization or specific project.

In any case, now and again, it is seen that for the selection as well as employee's promotion, assessments are made dependent on elements, for example, family hovers as opposed to criteria, for example, skills and abilities.

This condition, known as nepotism, is suspected to negatively affect the behaviors of employees who have no binds, for example, family to the project or any organization like the others. Employees feel unbound and may have intensions of turnover. The way that the turnover plan comes to presence leaving from jobs of project and the association or may negatively affect performance of employee's presentation as well as may impact on accomplishment of any project (Keles et al., 2011).

This research is a struggle to see effect of nepotism on project failure and how it leads to the employee turnover in the organization.

### 1.3 Gap Analysis

While analyzing the previous literature, we have found that there is a quite less amount of research done on the effects of nepotism over the project failure. Om-banda (2018) proposed that there is a strong need to develop a research on pessimistic effects of nepotism and the outcomes that may result in the increase of project failure as well as the failure of the organization.

Farahmand (2013) also suggested the approach for future research that concerns to the relationship between nepotism and failure and role of moderator and mediator have been highlighted in the research. Therefore, it would be a remarkable contribution in businesses and project-based organizations.

## 1.4 Research Questions

The current study proposes to explore the following questions:

### Research Question 1

What is the relationship between nepotism and the failure of project?

### Research Question 2

Does employee's turnover influence the project failure?

### Research Question 3

Does employee's turnover mediate the relationship between nepotism and project failure?

### Research Question 4

Does job insecurity climate strengthen the relationship positively between nepotism and employee's turnover?

## 1.5 Objectives of the Study

The basic purpose of this research is to analyze the model to determine the effect of Nepotism on the failure of the project. Additionally, this study will also discover the mediating role of Employee Turnover between Nepotism and Project Failure. Job Insecurity Climate is intended as a significant moderator to intensify the relationship between Nepotism and Employee Turnover. The main goals of this study are:

- To determine the relationship of nepotism and the project failure.

- To determine the relationship between nepotism and employee's turnover.
- To examine the mediating role of employee's turnover between nepotism and project failure.
- To examine the moderating role of job insecurity climate between nepotism and employee's turnover.

## 1.6 Significance of the Study

The key purpose of this work is to see the effect of nepotism on project failure with mediating role of employee turnover and moderating role of job insecurity climate in the project-based organizations. Every year, organizations around the globe face cosmic project failure rates, regularly squandering many dollars per project failed. Project failure can occur in any project and to any organization. There are an interminable number of explanations behind failure. The nepotism role is significant in this angle. Nepotism results in the lack of motivation and job satisfaction in employees. Further leading them to change their minds to quit job and to find other better place for them. Such unethical practice creates a totally negative environment in an organization. Therefore, nepotism will guide prejudicial practices in an organization or project which in negative sway effect and raise a high turnover among the employees in such a project or organization. This current study is valuable for businesses and for policy makers at various levels and is a valuable contribution in the field of research by observing the project failure in new perspectives and will likewise be useful for upcoming scholars to lead further investigations with regards to nepotism's effect on project failure along with employees turnover and job security climate dimensions. Relatively, very less literature is found to analyze this link. So, this study will fulfill the present gap.

## 1.7 Supporting Theory

Some of the views have been revealed that are used to the international extent to show the relationship between unethical behavior like nepotism, job insecurity climate, employee turnover and failure of the project or the organization. One of the examples of such theory is Equity theory.

### 1.7.1 Equity Theory

The Equity theory by Adams (1965) refers to the concept that the workers need a fair treatment by their managers at workplace which they measure by comparing their inputs towards the organization or project and the outputs provided to them by the management or the manager.

Equity Theory depends on belief that representatives become de-prodded, simultaneously in association with their activity and their supervisor if they realize just as there is injustice in the business activities. Employees can be relied upon to react to this in various manners, including de-inspiration, decreased exertion, getting displeased, or in progressively extraordinary cases being troublesome (Allen et al., 2011). Much like the five degrees of requirements dictated by Maslow and the two components of motivation as grouped by Herzberg (inherent and outward), Adams (1965) in its Equity Theory of motivation communicates that helpful outcomes as well as raised degrees of inspiration can be typical exactly when representatives see their conduct to be sensible.

Equity Theory has been broadly applied in settings of business by psychologists to depict the connection between employee's inspiration and their impression of impartial or discriminatory treatment. As indicated by Adams (1965), Theory of Equity presents the idea of social correlations, whereby Employees assess their very own information/yield proportions dependent on their examination with the info/result proportions of different employees (Carrell & Dittrich, 1978).

As theory discusses the negative impact of unfair treatment including nepotism in project-based organizations where managers provide more facilities and power to their own hired employees while ignoring others. This practice then leads to

---

the employee demotivation and dis-satisfaction for job (Vella et al., 2012). They feel deprived of the fairness and justice and make their minds to quit such job and look for other better options available in the market (Edele et al., 2013). Employees who observe disparity will hope to diminish it, either by deforming inputs or leaving the association. Losing such hardworking and dedicated staff results in the failure of the project and the organization both. (Carrell & Dittrich, 1978).

# Chapter 2

## Literature Review

Literature review is one of the most important chapter for any research, as this part always reflects the important and previous work done by renowned researchers in the past. The current article is about the major impact or influence caused by the favoritism on the failure of the project, while the major role played by the employee, which also lead towards the failure of the project, and resulted into the job insecurity of the employee. In most of the organizations, usually people prefer to hire those people, whom they know previously.

Sometimes these people whom the senior management prefer or recommend hiring can also, be considered as the favorites of the authorities Wong and Kleiner (1994) characterized nepotism as the contracting and progression of unfit or under qualified family members just by their association with a higher position worker or investor in the firm. Therefore, the nepotism is a term which can lead towards the high rate of turnover and as a result, it can provide the job security for the other employees as well.

The researchers have done many investigation to find the impact of favoritism and also resulted into the project failure, which can also lead towards the high rate of job turnover, and it can give rise to the more important component of the job which is job insecurity and also it can concluded into the letting down of employees morale as well (Nella, 2015).

## 2.1 Nepotism and Project Failure

The first of the types of favored treatment is nepotism. The word nepotism is from the Latin word ‘nepos’, defining “nephew” (Kiechel, 1984). Today, the idea of nepotism indicates to the mistreatment at office for the sake of relatives or family members (Ford, R. & McLaughlin, F., 1985). Nepotism, which is measured as unprofessional practices or attitude in daily work life, still exists and keeps on being contrarily or negatively seen at present.

Nepotism is observed ambivalent in the way that people think they are familiar to it when they observe it, but evaluating nepotism is often tough. Moreover, empirical verification holding up the elimination of favoritism in organizations is missing. The present study presents the perceptions of favoritism in the workplace, as a means to stimulate further research on the topic. First, research on favoritism is reviewed, focusing on nepotism and cronyism. Cronyism occurs when one party shows favor to another party based on a shared membership in a social network (Khatri, Tsang & Begley, 2006).

The gloomy consequences of nepotism, favoritism and cronyism on the whole community and firms have been accepted across the world (Abubakar et al., 2017). Favoritism has a pessimistic impact on the efficacy of the whole society while nepotism influences potency of the whole firm (GyimahBoadi, 2000).

This scenario weakens firm’s productivity to fight with the economic structure due to lack of quality performance and by time, the firm may turn down. Nepotism and favoritism further relate to the unethical behavior of the top management of an organization where the hiring is done on the basis of self-interest and personal benefit. The openings are presented either to the family members or close friends without analyzing their capabilities resulting in the poor performance by those members after a specific time span (Safina, 2015).

The leader knows well about the employees he hired on a favor will not ask him any question regarding his unethical behavior. He/she can have the corruption as



much as they want at any level in the firm (Abdalla et al., 1998).

Nepotism is defined by Pelletier and Bligh (2008) as the process of hiring individuals on the basis of favoritism while showing a formal recruitment process just in case to be answerable if needed. Recent research emphasizes on this fraudulent act of recruitment while ignoring the qualified, experienced and deserving workers (Darioly and Riggio 2014). Such behavior brings a negative impact on hard working employees. This leads them to the loss of performance, motivation, and creativity. Some recent studies presented unfair treatment of favoritism and cronyism becomes the reason of stress, depression and conflicts at workplace between the employees (Estiri et al., 2018).

Consequently, the contrasting of this definition is, ‘non-benefactors. They can be described reported as non-relatives, non-close friends and non-acquaintances who are not furnished with any exceptional advantage or consideration by the organization. Favoritism expands afar from nepotism by adding family members, friends and references. Many studies have recommended multiple employee in such firms are not beneficiary workers (Mitchell et al., 2003). Therefore, organizational success and progress depends mainly on preserving these non-beneficiaries (Stewart and Hitt, 2012)

One of the researches has been done on the problems and issues of the Nepotism within the culture of the organization. It can result into project failure and lead towards the financial loss in an organization. Therefore, the organizations prefer to hire the people on merit or as per their requirement criteria. The researchers have done major research work in order to find out the problems created by nepotism or favoritism in an organization. One of investigation has been done on “Nepotism and Favoritism in Polish and Lithuanian Organizations: The Context of Organizational Microclimate”. This research was conducted by (Hom, 2012) and stated that the mechanism or the phenomenon of nepotism and favoritism has been observed in the modern day business organizations. The term nepotism

has been taken in the perspective of the corruption within the public sector organizations, and most of the people associated this phenomenon as the major abuse regarding the utilization of the public resources. The term nepotism is also getting more common in the private sectors as well at the global level. Therefore, the mechanism of nepotism is also gaining importance at international level and it has been observed that no single sector and country is free from the phenomenon of the Nepotism. The phenomenon of the nepotism has been observed through conducting the questionnaire survey, in the organizations of Polish and Lithuania, by conducting observations on the employees, these observations can also declare the microclimate of the related organizations. The researcher has done the analysis by considering three major aspects of which is sector, gender and different types of age groups. The investigator has taken the sample of 320 respondents which includes the employees of the public and private sector companies. The research has been done by (Hassan, 2015) by utilizing the closed ended questionnaire. The validity of the questionnaire has been cross checked by utilizing the high level of psychometric features.

The researcher has also used the features of the various research methods, which have involved the factor analysis, factor loading, and total item correlation, has been utilized in the research work (Young, 2013). After conducting the survey, the results also show that, there are major differences and similarities between the organizations have been evaluated. It has been observed and noticed that the concept of nepotism has prevailed in the public and private sectors in a similar manner. However the organizations have seen worst conditions in the public sector organizations in terms of comparison done by the researcher and the attitude according to the gender, the findings were declared that there are more similarities, other than differences between the four subgroups of both countries. However, in the last level, the comparison has been done by the attitude of workers according to their age, there are important differences have been recognized in two major groups which are people of more than 51 and also people from 18 to 24 years.

It has been noticed that the nepotism and favoritism have been evaluated as the types of manifestation of the corruption which is internal, in the private sector organizations (Büte, 2013). But in most of the organizations, the decision making can be done by giving priority to the worker instead of already defined merit, but preference can be given to those people, who can join the organization with reference to some other persons. In the perspective of the above-mentioned concept, people give more preference to the social connections as compared to the interest of the organization. These types of conditions have not been considered as better and the sustainable development of the organizations, most of the research studies have declared that the nepotism is not a single concept. It has been noticed that both concepts nepotism and favoritism has also created the major destruction level of the organization and its related performance, the research work on this concept has been done in various sectors and in various countries.

Most of the researchers such as (Arasli & Tumer, 2018) are of the view that the concept and phenomenon have been prevailed and existed in every culture but the strictness and the results of the nepotism can also depend upon the cultural norms and the economic conditions and development of the society. While another group of researchers have conducted their research on the school leavers, who cannot give more attention to the rules and processes of getting jobs in the Ukraine by considering the social networks. It can lead towards the failure of education system, because the non-eligible persons can take their jobs with the help of social networks, it can also imply towards the nepotism at the organizational level. While the hidden relationship schemes can easily give the access towards the public resources which are growing within the society (Padgett & Morris, 2005). Most of the researchers and related authors have also classified the phenomenon of nepotism into two types, it includes, how the nepotism people have been chosen, it is named as entitlement nepotism and also the reciprocal nepotism (Uysal, 2016). In the reciprocal nepotism, it implied towards the interactions and exchanges among the family members, it can be helpful in enhancing the organizational competitive edge by enhancing the mega potential for the efficient and effective management.

While the entitlement nepotism can be considered as more harmful, because it can also hire the workers that is based on family relations, without considering the family bonds and the associated connections. This, kind of nepotism can be considered as more harmful (Secilmiş & Uysal, 2016).

Another important research study has been conducted on the banking sector of Cyprus by (Sroka, 2020). According to this research study, the term Nepotism, favoritism, and the cronyism can be considered as more unprofessional practices which implies towards the preference given to the relatives and friends, irrespective of their capacity and skills. In order to conduct this research study, the survey was carried out by the researcher by selecting the sample of 576 people who were serving in the banking sector. The analysis declared that such type of phenomenon can also create the major impact on the employees, by creating the job stress, and also gives rise to the important factor of employee turnover which can be getting high due to nepotism and favoritism, because it can create the element of job dissatisfaction. With the presence of nepotism in the association, psychological pressure emerges among employees, and the degree of motivation and satisfaction of job for workers diminishes as well. Likewise, it brings down the trust in the business, which thus prompts a low degree of the commitment of organization of staff and an expanded goal to resign (Bute, 2011).

This phenomenon can also give rise to the factor of enhancing word of mouth comments at their workplaces. The results which have been gained by the researcher declared that the nepotism and favoritism can create the job stress and also lead towards the high turnover rate at the workplace. While it can also give rise to the staff dissatisfaction with their jobs. Thus, the entire phenomenon of nepotism can create the negative impact and increases the job stress and dissatisfaction at the workplace (Haywood, 2018).

**H<sub>1</sub>:** *Nepotism has direct positive relationship with project failure.*

## 2.2 Nepotism and Employee Turnover

It has been noticed that employee turnover rate can get high, if there are certain elements which can exist in the company. These elements can also include the nepotism and favoritism at the workplace. It is because of nepotism, the organizations prefer to hire the people, who are incompetent, and they also lack the necessary skills which is necessary for the completion of tasks and projects to achieve the milestones. As indicated in a well-known theory by (Rushton, 1989), genetic similarity (GST) suggested genetic similitude discovery as an instrument by which living beings are pulled in and repulsed by one another. Rushton proposed and hypothesized that hereditarily comparable individuals tend to search each other and give favorable situations; while hereditarily disparate individuals tend to frame regular aversions and give commonly unfriendly conditions (Rushton, et al., 1984).

Thus the employee turnover rate, failure of the project and nepotism can be interrelated phenomenon, if the organizations prefer to hire the competent persons, according to the needs and requirements of the project, then it can be helpful in reducing the effect of the negative element and also lead towards the reduction of high turnover rate of workers. Many studies affirmed that the success of the association and organization is directly connected to the performance of the individuals who work for it, and under-accomplishment can be the result of a failed working environment (Djabatey, 2012).

According to the latest research who states that the human resource management can play the significant role in managing and administering the resources within the organization, thus the HR is responsible for implementing the fair system of hiring and also ensure the transparency in the recruitment process, because it can be helpful in the reduction of favoritism and nepotism phenomenon (Isaed, 2016). As both terms can give rise to the job stress at the workplace and ultimately resulted into the high level of turnover rate of the employees. As it has been noticed that workers can be considered as the significant asset of the company,

and the success of every organization is also dependent upon the efficiency and effectiveness of the human resource. The high turnover rate of any organization can lead towards the failure or mega loss of the company. The high level of success and completion of goals and objectives can only be possible, if the organization prefers to have a fair and transparent procedures and it can lead towards the success of the project and the completion of organizational goals and objectives.

The term employee turnover can imply towards the specified percentage of workers, who can leave the job within the specified time period, for the sake of other job or business. This phenomenon can pressurize the company to replace the existing employees with the new one on additional or higher cost. Another researcher also explains the employee's turnover as the specific ratio of the employees within the organization, who left the organization within the specified period of time, along with the average number of workers in the organization during the similar time period. Thus it has been observe that the employee turnover and nepotism is an interrelated phenomenon, which can be create the negative impact of the organization within the society, as due to the hiring and presence of the incompetent employees, the workers who possess the skills, can prefer to leave the organization. As it has been observed that, most of the companies can spent their resources on the capacity building of the employees, in order to make them efficient for performing of their skills. If due to the presence of nepotism, the employees prefer to leave the organization, therefore the organization with high rate of employee turnover can also face the high level of risks which can lead towards the failure of the performance in the long run (Muhammad Tufail, 2018).

Thus, the retention of the employee can be considered as one of the most important phenomena, which most of the organizations can prefer to keep the potential resources and employees. The company faces the huge challenges, in the perspective of the employee retention because, the companies can incur the huge cost in the recruitment and selection of the employees. Thus, if the element of nepotism and favoritism can prevail in the organization, then the employees prefer to leave

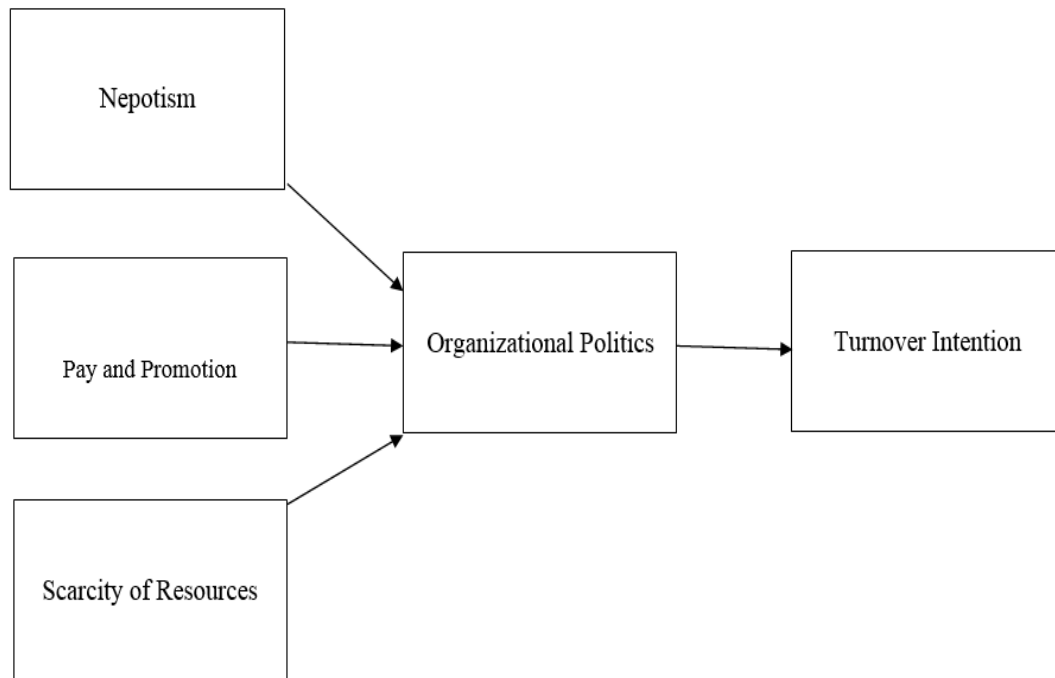


FIGURE 2.1: Factors Leading to Turnover Intention

their jobs and ultimately the company can bear the huge financial loss. Therefore, in order to make the employees more successful, the companies can prefer to keep their retention rate as very high.

The reasons behind the origin of negative organizational culture consist of mainly nepotism and favoritism at workplace. When an employee is hired on the basis of family terms rather than abilities and is favored throughout the way, causes the sense of inferiority complex among other members even those having vast knowledge and experience. Most of the time, it leads to organizational politics as people make blocks and favor one particular person. That person when reaches to a certain level, gives benefits back to the higher authority who favored him. Promotions and raises are given without merit, and employees who are deserving to get promotion get demotivated which leads to employee turnover. Every firm has its limited resources for each department in the organization. Nepotism heads to waste those resources on unworthy people. Thus, causing scarcity of resources and ultimately leading to project failure.

Some of the negative consequences of nepotism is intension of turnover of employees (Araslı, H. & Tumer, M., 2008). Particularly non-related workers may feel miserable about their vocation objectives in a situation where nepotism exists and may believe that they would not have the option to profit by the misconduct of the association. Since they think the employees who are near the management (relatives or companions) would be preferred and that they become an obstruction for themselves. Therefore, workers lose their confidence in the association and organization and may have intension of turnover. They may assess their choices for elective options for work and may search for association and organizations who may exhibit these chances. At the point when they can discover such an association and organization, they switch to that with a strong positive conduct and behavior.

Nepotism is thought to negatively affect the manners of workers who have no binds, for example, family to the association and organization like the others. What's more, this negative frame of mind of employees would bring along undesired issues for the association and organizations. Thus, accepting a structure dependent on merit framework and organizing the competitors' characteristics in applications, for example, business and advancement is basic for association and organizations who try after life span. This is on the grounds that the employees who are aware of nepotism may detect a negative association in organization and organization's climate and resulting in intension of turnover. The way that the intension of turnover comes to presence may bring about stopping from the association and organization or may negatively affect performance of employees as they are quitting from association and organization due to intension of turnover. Moreover, as job institutionalization confines the independence of the workers on their employments, this may reinforce the negative character towards the association and organization (Kerse, G. & Babadag, M., 2018).

**H<sub>2</sub>:** Nepotism has direct positive relationship with employee turnover.



## 2.3 Employee Turnover and Project Failure

Project failure might be characterized and defined as incapability to finish a project in accordance with cost, time as well as quality details or incapability of a project to fulfill the desires for its supporters and sponsors (Amachree, 1988). One kind of favoritism is nepotism where family members are favored on different notes. They might be from blood connection and relation, yet it isn't necessary (Nadeem, & Muhammad et al., 2015). Nepotism implies inclination for family members or close companions due to their relationship and not their capacities. It leads to the disrespect of the other workers. For instance, if an administrator has enlisted a supervisor or advanced a relative as a result of a cozy relationship instead of another worker who is increasingly productive, the chief is to be blamed for nepotism (Marefa, 2017).

The unfavorable climate of the workplace emerging from nepotism and favoritism causes the lack of motivation and leads to the dissatisfaction of the job (Arash, et al., 2006). In light of an assessment of the writing and meetings with experienced project supervisors, three particular parts of performance of project (result) were distinguished as benchmarks against which to evaluate the failure or success of a project. These viewpoints are: 1) the execution of procedure. 2) the apparent estimation and value of the project; and 3) customer satisfaction with the conveyed project. The first of these viewpoints is basically about the inside productivity of the execution process of a project. The second and third part of project are about the project's outer performance (Pinto and Slevin, 1988).

Project failure might be characterized and defined as incapability to finish a project in accordance with cost, time as well as quality details or incapability of a project to fulfill the desires for its supporters and sponsors (Amachree, 1988). In view of the previous definition, plainly Nigeria's scene is covered with projects that neglected to satisfy their expected purposes, a significant number of them unfit to accomplish culmination following quite a long while, consequently making some

of them outdated and reserves consumed on such projects or activities have got wasted.

The failure or success of a project is a higher priority for the manager (Morris, 2010). A project partner or owner with a failed project won't be cherished in any case because of his failure (Avots, 1969). Many projects are rejected and are considered flop because of poor management. Choosing the correct project at the start and screening out the complete process accurately is increasingly critical to guarantee project success. Effective project management improves project success yet doesn't ensure a successful project.

A few studies have analyzed the connection among nepotism and various factors identified with management of HR. In this investigation on Turkish public banks in Ankara, it was demonstrated that there is a positive effect of nepotism on rate of resignation, satisfaction of job, commitment of organization and Human assets. In another research inferred that nepotism negatively affects staff. With the presence of nepotism in the association, psychological pressure emerges among employees, and the degree of motivation and satisfaction of job for workers diminishes as well. Likewise, it brings down the trust in the business, which thus prompts a low degree of the commitment of staff to organization and an expanded goal to resign (Bute, 2011).

A research work by (Nadeem, & Muhammad et al., 2015) founded that nepotism creates dissatisfaction among different employees and negatively influences their performance. Interestingly, the (Altındag, 2014) study found that nepotism has no impact on the performance of employee in privately-run family companies, and reasoned that there is no connection among nepotism and the acknowledgment of the justice of organization. This might be because of the idea of work by privately-owned companies that like to enlist family members on account of the presence of family ties and on the grounds that businesses know great data about family members before contracting and hiring them, besides, the employment of family members persuades them to keep up the performance and reputation of the

organization and the family. Furthermore, different studies have demonstrated negative consequences of nepotism in privately-owned and family companies.

**H<sub>3</sub>:** *Employee Turnover has direct positive relationship with project failure.*

## 2.4 Employee Turnover as Mediator

Many studies affirmed that the success of the association and organization is directly connected to the performance of the individuals who work for it, and under-accomplishment can be the result of a failed working environment (Djabatey, 2012). It has additionally been contended that all together for the undertaking to fabricate and support the upper hand, legitimate staffing is basic. In this way, selection and recruitment have got basic in association and organizations since people should be pulled in on an opportune premise, in adequate numbers and with suitable capabilities. As indicated by the Resource-Based View, association and organizations ought to continually assess their workers to guarantee that they have the correct individuals with the correct abilities in the correct spots to sustainable competitive advantages (Bloom, N. & Van Reenen, J. , 2007) and that organizations ought to continually utilize suitable recruitment and choice criteria. The hypothesis affirms that the significant piece of any association and organization's weaknesses and strengths stem from the ability of the individuals utilized and the nature of their working connections and such discredits and negates nepotism.

Nepotism may affect on association and organizations in positive and negative way in the same time. By time, taking into account that the success and performance of the employees in general can lead the association and organization to progress and success, the negative impact of nepotism on non-related workers ought not be overlooked. Consequently, it is felt that nepotism ought to be decreased so as to make the relational cooperative energy which will lead the association and organization to progress and success. Generally unwanted outcomes may rise for

association and organizations. One of the significances of nepotism for association and organizations is without a doubt turnover (Arasli, H. & Tumer, M., 2008).

As resignation of people, particularly the certified and qualified ones, may guide results which are difficult to recoup in the present competitive condition, they are the least favored circumstance for association and organizations. Thus, assessing the impact of nepotism on intension of turnover turns out to be much important for the point. On that record intension of turnover is assessed by the behavior of the employees and is viewed as a significant precursor of conduct of leaving the place of employment (Krausz, et al., 1995) Studies about behavior have demonstrated that nepotism can affect negatively on satisfaction of job and worker profitability enhancing intentions of turnover (Hayajenh et al., 1994).

Social Learning Theory (SLT) states that people learn much of their behavior from observing others (Bandura, 1977). Hanna, Crittenden, and Crittenden (2013) studied the impact of Social Learning Theory (SLT) on ethical behaviors in the office. Consistent with SLT, they found that potential unethical behavior by future business leaders is highly dependent on the behaviors they observe in the business world. Therefore, it is possible that when top leaders of an organization are seen exhibiting cronyism, middle-level managers will often follow suit. This establishment of counterproductive norms is likely to violate the procedural justice expectations of those employed (Mhatre et al., 2012).

Pelletier and Bligh's (2008) survey focuses the emotional destruction that corruption (specifically nepotism and favoritism) in the workplace can cause. Many of the survey respondents showed low levels of self-efficacy and high levels of cronyism. Negative feelings fear may decrease job satisfaction and job performance (Arasli & Tumer, 2008; Pelletier & Bligh, 2008). Arasli and Tumer (2008) examined the relationship between nepotism and cronyism with job stress, job satisfaction, word of mouth, and intention to quit. The researchers, focusing on the banking industry of North Cyprus, found a positive relationship for both nepotism and cronyism with job stress. In a series of regression analyses using nepotism and cronyism

as predictors, and word of mouth, job satisfaction, and intention to quit as criteria, job stress consistently served as a mediator of the relationships. Perceived favoritism can make employees dissatisfied, which harms the company in multiple ways. First, dissatisfied employees are more likely to talk negatively about their organization. In an age when websites like Glassdoor.com allow the public a glimpse at what an organization is like on the inside, this can lower consumers' loyalty towards a company. This may in turn lower profit margins or other key outcomes. Dissatisfaction can also increase intention to quit, and large turnover in a company can be costly. Also, it may limit who may be willing to work for a company in the future. If an applicant sees high turnover, he or she may be hesitant to accept a position or even apply for a position within that organization. It must be highlighted, though, that this hesitancy is an extrapolation from prior research, and should be considered as a potential question for future research to examine. Taken in total, the various forms of favoritism may damage the ability of current and prospective future employees to trust the organization, with such mistrust having been studied in other contexts (Pelletier & Bligh, 2008). Mistrust was included for exploratory purposes in the current study. Because of the negative consequences associated with nepotistic and quasi-nepotistic organizations, many organizations have implemented anti-nepotism policies (van Hooft & Stout, 2012).

**H<sub>4</sub>:** *Employee turnover plays a mediating role between nepotism and project failure.*

## 2.5 Job Insecurity Climate as Moderator

The term job insecurity implies towards the job dissatisfaction of the workers at the workplace, there are several reasons for the dissatisfaction of the workers at the workplace. This issue includes the unnecessary favoritism towards the employees which are not competent, and they can also lead towards the mega financial loss of the company or also resulted into the failure of the project. The other reason

is also more related with the compensation and benefits, if the employees cannot get enough remuneration against their performance.

Thus, the job insecurity can lead towards the failure of the organizational system and result into the high level of the turnover rate. As most of the companies can invest into the recruitment, and training program of the employees. Therefore, the high turnover rate can lead towards the huge financial loss of the organization. It has been observed through various researches that the nepotism is growing phenomenon in most of the countries, and it is taking place in every public and private sector entities. One research has been done by the group of researchers, and the major aim of the research study is to evaluate the short term results of the job insecurity, that is being connected with the newly implemented outline in Greece (Loi, 2011).

The current research study is more related to measure the impact of job insecurity of the employees, which has been caused the situation, of the depression, anxiety and other health related issues, within the employees, right after the announcement being done by the mobility agenda (Bulletin, 2017). The current study also investigates the spill over influence and effects of the job insecurity on employees, but it is not directly associated with the mobility outline. Thus, due to the prevailing effect of the nepotism, the researcher has conducted the interviews by using the questionnaire which is structured in nature.

The sample was taken as the administrative workers of the 36 universities, who were awaiting for the relocation, the study reflected the results, the 36 workers have not been considered at risk, and also 28 employees who are doing the administrative jobs at the local hospital, have not been considered at risk. The comparison has been done, among both groups which can be called as control groups of the employees, during the expectations phase of the movement of labor and these labor force have been examined under the continuous phase of tension, stress and anxiety. All these factors lead towards the low productivity, and subsequently it can also create the job insecurity for the employees. The other major factor is

that of the anxiety and stress that leads towards the job insecurity of the employees is particularly related to the nepotism and favoritism. The favoritism in an organization can lead towards the hiring of incompetent employees and it can also cause demoralization of the competent workers. Thus, the factor of job insecurity can lead towards the, negativity and arising of conflicting situation towards the workers.

Therefore, the present research work also pinpoints the immediate and harmful effects of the job insecurity on the psychological, physical and the social functioning of the workers. The study also recommended towards the need for the creation of more new interventions, in order to prevent the mega effects of the changing chronic situations, in the perspective of the huge cost at the individual level and also the society in general terms (Büte, 2013).

The term job insecurity is considered to be the social phenomenon, it can also be considered as the individual insight regarding the job or unemployment, and it can also signifies towards the uncertain situations in job, helplessness and powerlessness, all these conditions arise when the employees feel the insecurity about their jobs. It has been observed that the job insecurity is most stressful feature of the entire process, which can lead towards the entire process of unemployment or joblessness.

This entire process can also create the negative impact on the health of the workers. Thus it has been noticed that the job insecurity and nepotism can be resulted into the failure of the project, the major reason behind the failure of the project is that, nepotism can favor the incompetent employees, which cannot be able to perform, because of having the insufficient skills for performing the related tasks, which can be resulted into the failure of the project. Thus, in the end it has been proved through various researches that the nepotism, employee's turnover and the job insecurity are interrelated phenomenon. If the organization cannot eliminate the nepotism, then it can lead towards the failure and financial loss of the organization.

Hence it is concluded that the nepotism and favoritism can be considered as a growing phenomenon in most of the countries. There are various types of research work that has been done on identification of the nepotism. The results reveal that nepotism is most common phenomenon which is mostly founded in public sector organizations. Therefore, favoritism and nepotism can play an important role in the hiring of unskilled and unprofessional people, which can give huge level of financial loss to the company and also lead towards the failure of large-scale projects.

As it has been observed, nepotism can also leads towards the high level of turnover of the employees, because the competent workers always prefer to work at that place, which can provide the job security and job satisfaction to the employees, thus it can also give rise to the success of the organization. In order to reduce the job insecurity, the organizations must work on the development of some initiatives, which can be helpful in reducing the stress level of employees. The most important step is organization must stop favoritism and nepotism phenomenon in their organizations (Dyer, 2006).

One can find out easily a leader possessing such unethical values cannot be considered an ideal for his followers. Hassan and Ahmed (2011) proposed that Justice and honesty are the two main factors of being liked and followed by the employees. Competent leaders do not take decisions while thinking about their own benefit rather consider the decisions profitable for their employees and organization both (May et al., 2003). Eventually, extracting the theory of social identity, which declares workers of a firm have a propensity to uphold organizational values when they stratify their identification depending on their organization's integration.

This study proposes the effect of authentic leadership (AL); leaders possessing such traits could create a high level of ethical and moral principles and hold on workers through shunning off these unethical standards (Riggio and Saggi, 2015). AL is defined by Walumbwa et al. (2008, p. 94) as: the pattern of leadership behavior that draws upon and promotes both positive psychological capacities



and a positive ethical climate, to foster greater self-awareness, an internalized moral perspective, balanced processing of information, and relation transparency on the part of leaders working with followers, fostering positive self-development. Thus, genuine leaders assess their own steps fairly to make sure all resolutions by them fits well with all employees to reveal their trust due to their great level of legitimacy (Gardner et al., 2005). While turning to relative deprivation (RD) theory which proposes that organizations with such environment arises the stress at workplace. Employees develop a fear of losing their jobs or losing their progressive career. Job insecurity is considered as working with the threat of losing one's position in a firm (Greenhalgh and Rosenblatt, 1984).

An intellectual agreement is an obliged set of mutual duties between employee and employer in an organization (Robinson and Morrison, 2000). Inappropriate transmission of information and lack of communication between the members in organization may result in job dissatisfaction (Hill et al., 2009). The present literature shows that a discerning contravention of the psychological agreement has a strong impact on different consequences as job dissatisfaction, stress and the desire to leave (Suazo, 2009).

Lately, an investigation has demonstrated a developing enthusiasm in the search of occupation, characterized as "the apparent insecurity of job to keep up wanted is really hard for employees to strive through different tough times (Greenhalgh, L., & Rosenblatt, Z. , 1984). It proposes that employees share their view of insecurity of job in their association. Subsequently, a climate of job insecurity develops, which is not same in other organizations (consisting an adequate environment). Glisson and James (2002) exhibited that a low pressure climate affects work mentalities, for example, organization duty and occupation fulfillment. Consequently, employees who worked in groups with positive climates indicated more significant levels of organization responsibility and satisfaction of job (Glisson, C., & James, L. R., 2002).

This study at different levels make benefaction to the literature. It donates to the literature by analyzing the nepotism–turnover intention model from the viewpoint of employees getting no benefits and working at their own in family firms. This kind of investigation is critical because such firms are only beneficial for their own hired members (Sora et al., 2009).

Here, further studies can relate to the relative deprivation (RD) theory which focuses on the outcomes of favoritism and nepotism in the organization. According to the theory, employees facing such behavior at their workplace suffer from fear and trauma of losing their positions and jobs at any time. According to RD theory (Crosby,1976; Folger, 1986), such prejudice behavior can bring out results as less dedication and more desire to leave (Mollica, 1999), and resistance to cooperate (Melkonian et al., 2011).

RD theory states that if workers grasp these alterations regarding remuneration or gain of reward will have a negative impact, their vision of distress enhances because of a recognized inequality (David & Singh,1993). In family organizations, employees with no benefits, ‘frequently served as second-class citizens get the disadvantage by getting no promotions, facilities, bonuses and compensation (Hauswald et al., 2016). The prejudice behavior deriving from nepotism, like deduction in pays and unwilling transfers ( Larsson et al., 2001) might be fundamental sources of relative deprivation. While having nepotism, employees with no benefits or treated as second class citizens possess more intention to quit their job due to fear of not being benefited or promoted in comparison with the ones being favored by the manger in the organization (Neckebrouck et al., 2018).

**H<sub>5</sub>:** *The job insecurity climate plays a moderating role between nepotism and employee’s turnover.*

## 2.6 Research Hypotheses

**H<sub>1</sub>:** Nepotism has direct positive relationship with project failure.

**H<sub>2</sub>:** Nepotism has direct positive relationship with employee turnover.

**H<sub>3</sub>:** Employee Turnover has direct positive relationship with project failure.

**H<sub>4</sub>:** Employee turnover plays a mediating role between nepotism and project failure.

**H<sub>5</sub>:** The job insecurity climate plays a moderating role between nepotism and employee's turnover.

## 2.7 Research Model

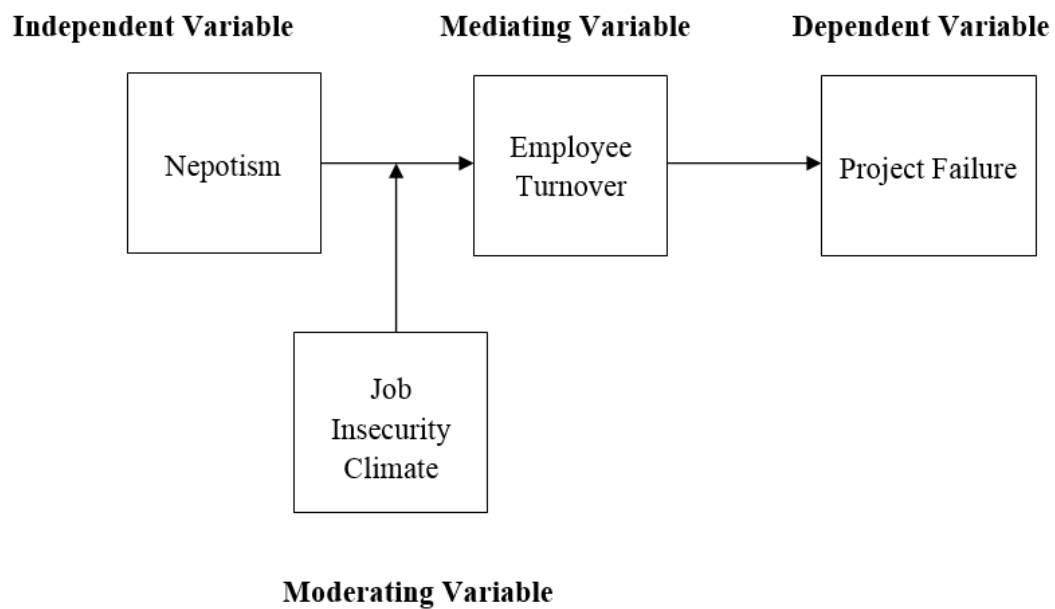


FIGURE 2.2: Research Model

# Chapter 3

## Research Methodology

The following section embraces of the specifics almost all the methods and procedures applied in this research to acquire the consistent results. This discussion embraces regarding type of study, research philosophy, unit of analysis, population, sample, sampling technique, sample characteristics, instrumentation, statistical tools, pilot testing, reliability scales analysis and data analysis of all the variables and items incorporated in this research.

### 3.1 Research Design

The research design is a context of research plan for action; it describes the procedure for gathering data to analyze according to this data.

#### 3.1.1 Type of Study

This research is used to highlight the implication of Nepotism on Project failure, for that matter inter-relational study has been accompanied. The target population for this research is project-based organizations of Pakistan in order to get the required data and needed to get realistic results. Initially 350 questionnaires were distributed among the target respondents, but 320 genuine responses were collected. The sample for this research mainly consists of managerial and operational level of different organizations of Pakistan. This data was together through

a self-administered paper-and-pencil analysis. This present study will contribute in generalization of the results from the sample statistics that will possibly be revealed by the realistic result on the entire population of Pakistan.

### **3.1.2 Research Philosophy and Research Design**

Diverse types of philosophical approaches are there characterized as “paradigm for social sciences” that reinforce and backing scientific investigation. Data collection instrument is the one, which influence the adaptation of the philosophy related to research (Bazeley, 2003). This research will survey on the hypothetical deductive research method, which is exclusively based on the determinism view-point of finding the reality utilizing data, in which aforementioned research, and prevailing theories were utilized to validate and support predicted hypothesis that will then be verified empirically for authentication of the projected hypothesis.

The hypothetical deductive method is a predicted illustration of scientific method. This research paradigm is best suitable for this research study as it takes on critical focus on findings, which is yet to be explored. There are two parts of the hypothetical deductive scientific method i.e., hypothesis, which is proposed for testing, and the other one is deductive part that explains the test outcomes inferred from hypothesis. The results predicted from the hypothesis are associated with investigational data to fail or pass the decision. Conferring to this method, scientific investigation pledges by enclosing a hypothesis in an approach that could reliably be fabricated by a test on observable statistics. A result that runs antagonistic to projections of the hypothesis is inferred as a falsification of the hypothesis. A test that does not run antagonistic to the hypothesis substantiates the theory. It is then projected to associate the descriptive value of opposing hypotheses by testing how strongly they are genuine by their forecasts.

Quantitative methods are used and valued to scope a large scale of population generally in research. For that reason, this research will also exploit quantitative research method to accumulate quality data for the purpose of correlating variables to each other and for signifying the nature of relationship between the variables used in the research.

### **3.1.3 Study Setting**

The present study is a field study rather than artificial setting. Variables involved in this research were neither manipulated nor controlled. The study was held between the senior postgraduate students and teachers of universities and centers of excellence by approaching to them in their education setting and requesting them able to fill questionnaire in ordinary work environment.

### **3.1.4 Unit of Analysis**

The most vital feature of the research study is the unit of analysis. The unit of analysis explains that which characteristics are to be analyzed in the study. In a research study, unit of analysis can range from individual to different groups, job insecurity climates, countries and to organizations etc. from where the researcher collect the data.

The present study is designed to see the impact of Nepotism on project failure, therefore the unit of analysis, the project managers who act as project leaders and as well as its impact on organization which will be analyzed by employees of project based organizations and explicitly work-units having project job insecurity climate in the work force.

In order to evaluate the impact of nepotism through employee turnover needed to approach the specific sector of project-based organizations, which specifically bring about security in work force.

### **3.1.5 Time Horizon**

The collection of data was completed in 2 months. Cross-sectional study, method was adopted for the collection of data for this research. Due to the short timespan for completion of thesis is required that is why cross-sectional study was adopted to complete the research on time.

### **3.1.6 Motivation to Study Academia**

The aim of selecting educational sector is to highlight the working of different institutes on many development and humanitarian projects across Pakistan. Educational sector is being considered as one of the most active participants in initializing multi projects for the economic and social growth of the country. A large number of educational entities have set up projects linked to various national and international councils. Pakistan with the collaboration of European Union is focusing on many educational and vocational training and projects both. Few of those projects are:

#### **3.1.6.1 Sindh Union Council and Community Economic Strengthening Support (SUCCESS) Project**

The project includes improving access to basic public services, reducing social and economic inequality between households and communities and increasing income generating activities by teaching some basic concepts principles.

#### **3.1.6.2 Khyber Pakhtunkhwa District Governance and Community Development (KP DGCD) Programme**

The EU supports the KPK Government to integrate the poor regions by improving access to public services and by introducing educational reforms especially in rural areas.

#### **3.1.6.3 Technical and Vocational Education and Training (TVET) Sector Support Programme**

The European Union (EU) has been working in the sector of technical education and skills training since 2011. The EU is supporting Pakistan in developing a skilled workforce based on private sector demand. The overarching goal is to increase employment opportunities for Pakistanis, which will lead to greater incomes and ultimately contribute to economic growth.

Some other active projects run by corporate communities are:

#### **3.1.6.4 Third Punjab Education Sector Project**

The proposed project supports the implementation of the Government of Punjab's larger education program supporting the 2018 Education Goals.

#### **3.1.6.5 USAID - Pakistan**

USAID connects U.S. universities with experts in energy and water with Pakistani universities. USAID established research centers where Pakistani universities partner with U.S. universities to conduct joint research to develop practical and policy solutions to energy and water problems in Pakistan.

Thus, the purpose of selecting education sector as a project-based community is to enlighten the great work done by different entities who are striving hard to bring a positive change in the society.

## **3.2 Population and Sampling**

### **3.2.1 Population**

As project-based organizations are the emerging source of competitive advantage for Pakistan, in this way this sector is contributing in a massive way to attract other foreigners to invest in Pakistan, which in return is increasing the cultural diversity in the workforce and global recognition of Pakistan as a new emerging and developing country. Every project is unique irrespective of the industry and has some specific deadlines, objectives and budget whether its construction projects, NGOs project or educational projects etc. It is the key obligation of the project manager to complete the project within definite budget, time and scope. These basic characteristics of projects hustle the project manager to because he or she has no other option but to complete the project under the requirements.

The population exploited in this study was embrace project managers/supervisors and employees working project-based organizations. The present research was pursued to deliberate on different people and organizations were taken whose



names were kept confidential. The data is collected from the project managers and project teams including the relevant stakeholders of the projects. Almost 350 questionnaires were targeted to be distributed. Data was collected for measuring these four variables of concern i.e. Nepotism, Project failure, employee turnover and job insecurity climate.

### **3.2.2 Sample and Sampling Technique**

Sample is commonly used procedure for data collection, the representative of population. Sampling has two types. One is probability sampling, and another is non-probability sampling. In probability sampling, every opinion has equal possibility to be picked as sample and in non-probability sampling, it is pre-decided that which observation would represent as sample of population. Both have their advantages as well as disadvantages.

For the present research, convenience sampling was used, and it comes under the non-probability sampling. As there are different arguments about the population of project-based organizations in Pakistan but exact is still unknown. Therefore, convenience sampling is the most appropriate procedure to be used in this research because through this technique randomly data can be collected from project base organizations of Pakistan, which will effectively represent the true picture of entire population in explaining the influence of nepotism on project failure through employee turnover and job insecurity climate.

For the present study, generally, only project-based institutions were approached. Seven project-based organizations were being approached and the data was collected. The projects core team members reported the data on independent variable (i.e., Nepotism) and moderator (i.e., job insecurity climate) whereas the data on the dependent variable (i.e., Project failure) and mediating variable (i.e., employee turnover) were reported by project manager which includes the students and teachers.

Self-administered questionnaires were distributed among the chosen organization. Respondents were informed that their information will be personal and will be

only used for academic purposes through cover letter. They were asked to answer the survey questions as accurately as possible by ensuring the privacy of their reactions and namelessness, so the respondents don't hesitate to fill in the survey decisively. Almost 350 questionnaires were distributed to project managers and teams for data collection; however, 320 complete responses were actually received.

### **3.3 Instrumentation**

#### **3.3.1 Measures**

This study consists of closed ended questionnaire adopted from different sources, which were used for measuring four variables. Questionnaires were administered to the various groups of employees. Questionnaires were also distributed to universities. Employees as respondents filled the questionnaires with five sections in this study: demographics variables (gender, age and qualification), nepotism, project failure, employee turnover and job insecurity climate.

The responses were tapped using a 5-point Likert scale where 1 represents "strongly disagree" and 5 represents "strongly agree", unless otherwise stated. Questionnaires also covered demographic variables like Gender, Age, and Qualification. 350 questionnaires were distributed in total but only 320 were received.

##### **3.3.1.1 Nepotism**

Questionnaire for Nepotism is constructed by (Bute, 2011). Total items are 8. Item responses were coded using 5-point Likert scale 1= "Strongly Disagree", 5= "Strongly Agree". Some of items of scale are e.g. "Employees of this project always feel that they need someone they know or a friend in a high-level position" and "Supervisors are afraid of subordinates who are related to high-level executives".

### 3.3.1.2 Project Failure

Questionnaire for Employee Turnover is constructed by (Discenza, R. & Forman, J. B., 2007). Total items are 10. Item responses were coded using 5-point Likert scale 1= “Strongly Disagree”, 5= “Strongly Agree”.

Some of items of scale are e.g. “Were the initial project estimates (cost and schedule) complete and realistic, before performance begin?.” and “Were there any other key factor, beyond the 9 questions above, to which failure of the project could be attributed?”

### 3.3.1.3 Employee Turnover

The questionnaire for Employee turnover is constructed by (Kerse, G. & Babadag, M., 2018). Total items are 5. Item responses were coded using 5-point Likert scale 1= “Strongly Disagree”, 5= “Strongly Agree”. Some of items of scale are e.g. “I’ll leave this project when I find a better job” and “I think I will be working in this project for the next five years.”

### 3.3.1.4 Job Insecurity Climate

Questionnaire for job insecurity climate is constructed by (Elst, et al., 2014). Total items are 4. The responses will be tapped using a 5-point Likert scale where 1 represents “strongly disagree” and 5 represents “strongly agree”. Some of items of scale are: “In the past, my team has been effective in reaching its goals.”, “Chances are, I will soon lose my job. “and” I feel insecure about the future of my job.”

TABLE 3.1: Instruments

Variable	Source	Item
<b>Nepotism (IV)</b>	(Bute, 2011)	08
<b>Employee turnover (Med)</b>	(Kerse, G. & Babadag, M., 2018)	05
<b>Job Insecurity climate (Mod)</b>	(Elst, et al., 2014)	04
<b>Project failure (DV)</b>	(Discenza, & Forman, 2007)	10

### 3.4 Sample Characteristics

We divided our questionnaire into two portions. Section 1 was related to demographic variables whereas remaining section was about our main model. The purpose of Section I was to examine the demographic profile of the respondents of this study. This section contains questions related to demographic background of the respondents such as Gender, Qualification, Age and experience.

The table show that a total of 320 respondent participate in this study in which 204 were male respondents whereas 116 respondents were females.

TABLE 3.2: Frequency by Gender

	Categories	Frequency	Percentage
<b>Gender</b>	Male	206	64.4
	Female	114	35.6
	<b>Total</b>	<b>320</b>	<b>100</b>

Respondent age is categorize in five different classes such as from 18 to 25 years old were considered as group 1, 26 to 33 years old as group 2, 34 to 41 year respondent were categorized as group 4, from 42 to 49 years participants were considered as group 4 whereas group 5 contain those respondents who are having age limit of 50 or above. The table shows that age group 2 (26-33) contain maximum respondents that is 33.1% (106 respondents). 26.6% respondents belong to age limit of 18-25, 24.1% were 34-41 years old, 12.5% respondents fall in the range of 42-49 whereas 3.8% respondents were 50 or above 50 years old.

TABLE 3.3: Frequency by Age

	Categories	Frequency	Percentage
<b>Age</b>	26-33	106	33.1
	34-41	77	24.1
	42-49	40	12.5
	50 and Above	12	3.8
	<b>Total</b>	<b>320</b>	<b>100</b>

The third demographic variable that include in section A is qualification of our respondents. We again classified respondent's qualification into 5 classes such as Matric, Inter, Bachelor, Master and PhD. The table suggested that 1.3% participants have passed their matriculation, 7.2% were inter passed respondents, 42.5% having bachelor level qualification, (32.5%) having their master level education whereas 16.6% respondents were PhD scholars.

TABLE 3.4: Frequency by Qualification

	Categories	Frequency	Percentage
<b>Qualification</b>	Inter	23	7.2
	Bachelor	136	42.5
	Master	104	32.5
	Phd	53	16.6
	<b>Total</b>	<b>320</b>	<b>100</b>

Our last demographic variable is job experience of the respondents which is again divided into five classes such 1 to 5 years of experience, 6 to 10 years, 11 to 15 years, 16 to 20 years, 20 and above so the range is 4 whereas as the maximum value is 5 and minimum value is 1. We examined that 2.2% participants were having 1 to 5 years of job experience, 5% respondents were having job experience of 6 to 10 years, 36.6% respondents were having experience of 11 to 15 years, 37.8% respondent were having 16 to 20 years of job experience whereas those who were having job experience of 20 or more than 20 years were 18.4%.

TABLE 3.5: Frequency by Experience

	Categories	Frequency	Percentage
<b>Experience</b>	1-5	7	2.2
	6-10	16	5.0
	11-15	117	36.6
	16-20	121	37.8
	Above 20	59	18.4
	<b>Total</b>	<b>320</b>	<b>100.0</b>

### **3.5 Statistical Tools**

For statistical analysis different tools are used to summarize, describe and compare data. Many tools for statistical analysis range from simple computations to advanced complex methods for studying, understanding and analyzing the data. Descriptive analysis is used to describe data by using specific tools. Frequency, percentages and measures of central tendency (mean, mode, median) are tools of descriptive analysis. Moderate analysis focuses on variable relationships and elaborates the nature and significance of these relationships by checking correlation and regression. Advanced analysis includes variance calculations helping the researcher to see the variety existing in the data and positive outcomes in research. Analysis of variance is done after calculating standard deviation along with covariance analysis.

# Chapter 4

## Results

### 4.1 Data Analysis

As it is discussed in earlier chapters, the basic objective of this study is to investigate the impact of nepotism on project failure by considering the mediating rule of employee's turnover and moderating effect of job insecurity climate. Considering 5% margin of error and 95% level of confidence, we have distributed a sample of 350 questionnaire in different organizations and collected data from different employees of these firms. We mainly distributed hand to hand questionnaire in these firms however online survey has also been used to collect data. Out of these 350 questionnaires that have been distributed, we have found that 320 responses were correctly filled and useable for further analysis of this study. Thus, respondent rate of this study is 91.43%.

$$\text{Respondent rate} = 320/350 * 100 = 91.43\%$$

### 4.2 Descriptive Statistics

Descriptive statistics consist of information about the total number of respondents, minimum and maximum value, mean and standard deviation of each variable. All the variables included were measured at 5-point Likert scale. Basically, these

statistics provides the summary of the sample data by indicating the significant values. Table 4.1 show information about each variable and is described in first column and whereas next five columns include details against each variable.

TABLE 4.1: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Mean@NEP	320	1	5	3.5520	0.56119
Mean@PF	320	1	5	3.2516	0.61313
Mean@ET	320	1	5	3.5150	0.66908
Mean@JIC	320	1	5	3.5773	0.60890
Valid N (listwise)	320				

Table 4.1 provides the means and standard deviation of all selected variables from the present study. In case mean values from descriptive statistics are on the higher end, it indicates preference in the direction of agreement, but if the mean values are on the lower end it indicates the disagreement using the statements. The independent variable of Nepotism in Project has the Mean values of 3.5520 with the standard deviation of 0.56119 and minimum and maximum of 1 and 5. The moderator of Job Insecurity Climate has Mean value of 3.5773 with Standard deviation of 0.60890 and minimum and maximum values of 1 and 5. The mean value of mediator Employee Turnover is 3.5150, whereas Standard Deviation is 0.66908 with minimum and maximum values of 1 and 5. Similarly, the mean value of Project failure as a dependent variable is 3.2516 and Standard deviation is 0.61313 while minimum and maximum values are 1 and 5.

### 4.3 Reliability

To measure the reliability of our proposed scales of this study, we measure Cronbach's alpha using SPSS. The minimum acceptable reliability level is 0.50 (Hair et al., 1998).

The below table 4.1 describes the detail reliability output of our proposed instruments. Considering these results shown in below table we can say that all the instrument that have been used in this study are highly consistent and reliable as



the minimum level of Cronbach alpha in this particular study is .598 in case of Job insecurity Climate.

Whereas Nepotism Cronbach's Alpha score is .715, project failure is .766 and Employees turnover Cronbach value is .706.

TABLE 4.2: Cronbach's Alpha Output

Variables	Number of Items	Cronbach's Alpha
Nepotism	8	0.715
Project failure	10	0.766
Employees Turnover	5	0.706
Job Insecurity Climate	4	0.598

## 4.4 Control Variables

In order to ensure the obtain more accurate results, we further conducted One-way ANOVA to examine the impact of our demographic variables (such as Gender, Age, Education and Experience) on our dependent variable (Project failure) so that to control their influence while running our main regression model.

But we observed that these demographic variables (Gender, Age, Education and Experience) have insignificant impact on our Dependent variable (Project failure). The detail result of One-way ANOVA is explained in table 4.2 showing that no demographic variable has significant influence on dependent variable that is Project failure as the P-value in all cases in greater than 0.05 (considering 5% level of confidence).

Thus, we have not considered any demographic variable as control variable in our regression model.

TABLE 4.3: Detail of One-way

Demographic Variable	F	Sig.
Gender	0.808	0.369
Age	0.355	0.84
Qualification	1.243	0.293
Experience	1.876	0.114

## 4.5 Correlation

The purpose of correlation matrix is to examine the interrelation between the variables that have been proposed in the study. Table 4.4 depicts correlation output of this study which contain one Independent variable i.e. Nep (Nepotism), one mediator i.e. ET (Employee turnover), One moderator i.e. JIC (Job insecurity climate) and one dependent variable i.e. PF (Project failure).

The tables 4.4 shows that there is positive relationship between NEP (Nepotism) and PF (Project failure) at significance level of .01 as P-value is less than 0.01 whereas the correlation coefficient is ( $r = .205, p < .05$ ). On basis of correlation output, we cannot decide that our hypothesis is accepted or reject however these results provide initial support for our proposed hypotheses. Considering the correlation results, we can say that Project failure has a significant positive correlation with Nepotism. Furthermore, there is significant positive relationship between Project failure and Employees turnover which is supported by our correlation approved by correlation output as we observed ( $r = .216, p < .05$ ). There is significant positive relationship between JIC (Job insecurity climate) and PF (Project failure). The correlation tables show that ( $r = .148, p < .05$ ). We further found that NEP (Nepotism) has significant positive relationship with ET (Employees Turnover) at significant level of .01 as ( $r = .626, p < .05$ ).

TABLE 4.4: Correlation Matrix

	PF	NEP	ET	JIC
PF	1			
NEP	.205**	1		
ET	.216**	.626**	1	
JIC	.148**	.197**	.214**	1

Note: N = 320;  
 PF= Project failure, NEP= Nepotism, ET= Employees turnover, JIC= Job insecurity climate  
 \*\*p < .01., \*p < .05.

Correlation matrix also assists us to find potential multicollinearity among the variable that we proposed in this study. Two are more variables is known to be multicollinearities when perfect linear association exist between these variables (Gujarati, 2009). Many researchers are agreed at the point that the problem of potential multicollinearity is said to be exist when the correlation coefficient is .08

or above (Gujarati, 2009). However, in table 4.4 shows that the highest coefficient value is .633 which is in case of relationship between Employees turnover and Nepotism. Thus, keeping these results in mind, we can conclude that no problem of potential multicollinearity exists in the present study.

Concluding this section, we can say that besides descriptive statistic that is used to examine demographic profile of the respondents, we have conducted correlation analysis to check the interrelationship as well as multicollinearity among our proposed variables. Based on these correlation results, we concluded that no potential multicollinearity exists among the variables.

## 4.6 Regression Analysis

After conducting correlation matrix, our next objective is to explore the effect of our Independent variable and Mediator on our dependent variable. Thus, to examine this effect, regression analysis test has been carried out using SPSS. As it is discussed in previous chapters, that the purposed of study is to investigate the impact of Nepotism on Project failure considering the mediating role of Employees turnover and moderating effect of Job insecurity climate so in present study we have one Independent variable i.e. NEP(Nepotism), one Mediator i.e. ET (Employees Turnover), one moderator i.e. JIC (Job Insecurity Climate) and One Dependent variable i.e. PF (Project failure). For better understanding our regression results, we dividend out regression outputs into two different stages.in stage 1, we explored direct effect of our variables.

At next stage, we then run mediation and moderation using Preacher & Hayes (2004) approaches of mediation and moderation. These two stages are further explained in detail in below paragraphs.

Table 4.5 show direct effect of our Independent and mediator such as Nepotism and Employees turnover on dependent variables that is project failure as well as Effect of Independent variable on mediator. Our first hypothesis is there is significant positive influence of nepotism on project failure.

The table shows that this hypothesis is supported by our regression output as P value is 0.000 ( $P < .05$ ) and  $\beta$  co-efficient value is .224 whereas the  $R^2$  values is .205. Statistically it can be explained that explain that a unit change in nepotism will resulted a positive change of .224 in Project failure.

Our next hypothesis is that there is significant positive impact of Employees turnover on Project failure which is again supported by our regression results as the P-value is less than .000 ( $P < .05$ ) whereas  $\beta$ co-efficient value and  $R^2$  value is .199 and .217 respectively. These results can explain statistically as a unit change in Employees turnover will bring increase of .199 in Project failure.

Our third hypothesis of this study is there is significant positive influence of nepotism on Employees turnover. The regression table suggested us that this hypothesis is also supported as the  $\beta$ co-efficient value is .755 and P-value is .000 which fall under the acceptance area ( $P < .05$ ) whereas  $R^2$  in case is .633.

Statistically, these results can be interpreted that increase in one unit of nepotism will caused increase of .755 units in Employees turnover.

TABLE 4.5: Results of Regression Analysis

Dependent variable PF			
Independent variables	B	$R^2$	Sig
NEP	.224	0.205	0.00

Note: n = 320,  
 NEP = Nepotism, ET= Employees turnover, PF= Project failure, JIC= Job Insecurity Climate  
 $P < .05$ . \*\* $p < .01$ . \*\*\*  $p < .001$ .

TABLE 4.6: Results of Regression Analysis

Dependent variable PF			
Independent variables	B	$R^2$	Sig
ET	.199	0.217	0.00

Note: n = 320,  
 NEP = Nepotism, ET= Employees turnover, PF= Project failure, JIC= Job Insecurity Climate  
 $P < .05$ . \*\* $p < .01$ . \*\*\*  $p < .001$ .

TABLE 4.7: Results of Regression Analysis

Dependent variable ET			
Independent Variables	B	R <sup>2</sup>	Sig
NEP	.755	0.633	.000

Note: n = 320,  
 NEP = Nepotism, ET= Employees turnover, PF= Project failure, JIC= Job Insecurity Climate  
 $P < .05$ . \*\* $p < .01$ . \*\*\*  $p < .001$ .

## 4.7 Mediation Analysis

We further investigated our hypothesis 4 that is ET (Employees turnover) mediate the relationship between NEP (Nepotism) and PF (Project failure). we followed mediation Model 4 of process macro proposed by Preacher and Hayes (2004). According to Preacher and Hayes (2004), For mediation four different paths such as a, b, c and c' respectively have to be check. Preacher and Hayes (2004) suggested that three effects i.e. Direct effect, indirect effect and total effect to be ascertained for model 4 of mediation. These effects are explained in below paragraphs with the help of given table and diagrams.

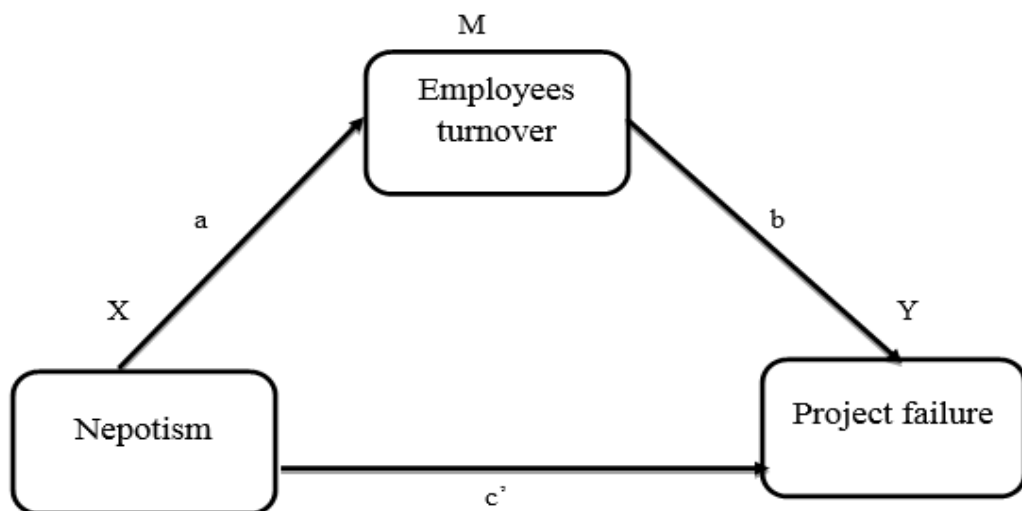


FIGURE 4.1: Mediation Analysis

TABLE 4.8: Mediation Analysis

DV	Effect on IV on M (a path)		Effect of M on DV (b path)		Total effect of IV on DV (c path)		Direct Effect of IV on DV (c' path)		Bootstrap results for indirect effects	
	B	T	B	T	B	T	B	T	LL 95 % PGA	UL 95% PGA
<b>PF</b>	.752***	14.3	0.196***	3.943	.224***	3.742	0.1307**	2.05	0.0252	0.1756

$N = 320$ , \* $p < .05$ ; \*\* $p < .01$ ; \*\*\* $p < .001$

Un-standardized regression coefficient reported. Bootstrap sample size was 5000. Confidence Interval = 95\%.

$N = 320$ , \* $p < .05$ ; \*\* $p < .01$ ; \*\*\* $p < .001$

LLCI = Lower Limit Confidence Interval; ULCI = Upper Limit Confidence Interval.

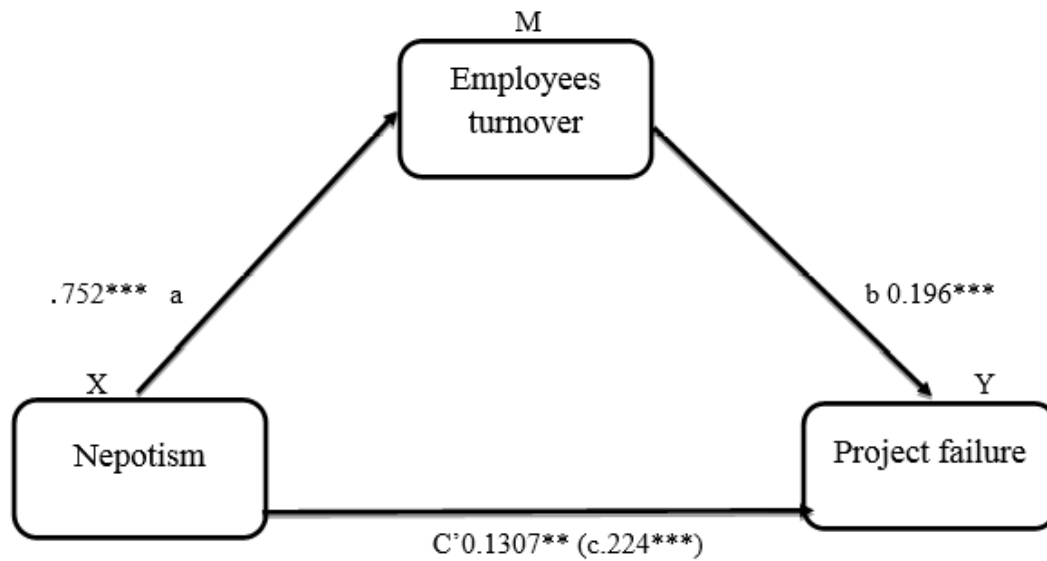


FIGURE 4.2: Mediation Analysis with Coefficients

#### 4.7.1 Total Effect

Total effect describes the impact of our independent variable i.e. Nepotism on dependent variable that is Project failure. The result shows that there is significant and positive impact of Nepotism on project failure as the  $\beta$  is 0.224 and the P-value is less than .010 indicating that a 1% change in our Independent variable that is Nepotism brought 22.4% positive changes in Project failure. furthermore, we also observed that the range of Lower limit of Bootstrap and Upper limit is .6490 and 0.8556 respectively without having any zero value in between these two limits which also indicating that there is significant relationship between Nepotism and Project failure. Based on these results, we can conclude that our H1 is supported that is there is significant positive impact of nepotism on project failure.

#### 4.7.2 Direct Effect

Total effect reveals the influence of Independent variable such as Nepotism on Dependent variable i.e. Project failure with consideration of mediator such as employee's turnover. The output of Model 4 process macro suggested that  $\beta$  value is 0.1307 and P value is less than 0.01 which explaining that 13.07% positive

change in Project failure occurs due to change of 1% in Nepotism. Apart from these facts, we further noticed that Lower limit of Bootstrap and upper limit Bootstrap is .0053 and .2560 respectively. As between these two limits no zero fall showing that the relationship is significant between these two variables.

### 4.7.3 Indirect Effect

Indirect effect defines the existence of mediation of (Employees turnover) between Independent variable (Nepotism) and Dependent variable (Project failure) i.e. Employees turnover mediate the relationship between Nepotism and Project failure. Based on bootstrap values we can conclude that this hypothesis is supported or not supported. The mediation is said to be exist if the zero does not fall between upper limit and lower limit of bootstrap. As the Lower limit of Bootstrap is .0252 and Upper limit is .1756 revealing that the relationship is significant and mediation role of Employees turnover exist between Nepotism and Project failures.

## 4.8 Moderation Analysis

In order to examine our H5 that is Job Insecurity Climate (JIC) moderate the relationship Nepotism and Employees turnover, we further conducted Model 1 of Process macro proposed by Preacher and Hayes (2004). Our hypothesis 5 describes that Job Insecurity Climate moderate the relationship between Nepotism and Employees turnover in such a way that relationship between Nepotism and Employees turnover is stronger when Job insecurity climate is high. table 4.7 describe the details of Model 1 process macro which shows that regression coefficients of interaction term (NEP X JIC) on ET as ( $\beta = .1748$ , P-value=.0292 and  $\Delta R^2 = .4099$ ) whereas the P-value of interaction term is 0.03 (less than 0.05). Considering these results, we can say that job Insecurity climate moderate the association between Nepotism and Employees turnover. Further we also observed that no zero value lies between Lower Limit of bootstrap and upper limit bootstrap (as the Lower limit is 0.0178 and Upper limit is .3317) which also confirm that the relationship is significant.



TABLE 4.9: Moderation Analysis

DV	Effect of ET on PF		Effect of JIC on PF		Effect of Nep X JIC on ET		Bootstrap results for indirect effects	
	B	T	B	T	B	T	LL 95 % Nep	UL 95% Nep
<b>PF</b>	0.1131	0.3947	0.5123	1.7926	0.1748	2.1909	0.0178	0.3317

Un-standardized regression coefficient reported. Bootstrap sample size was 5000. Confidence Interval = 95%.  
 $N = 320$ , \* $p < .05$ ; \*\* $p < .01$ ; \*\*\* $p < .001$

We further explained this relationship with the of a graph presented by Aiken and west, preacher and Hayes. Graph 4.1 shows that relationship is stronger between Nepotism and Employees turnover when the moderator Job insecurity is high as slop of the graph also suggested.

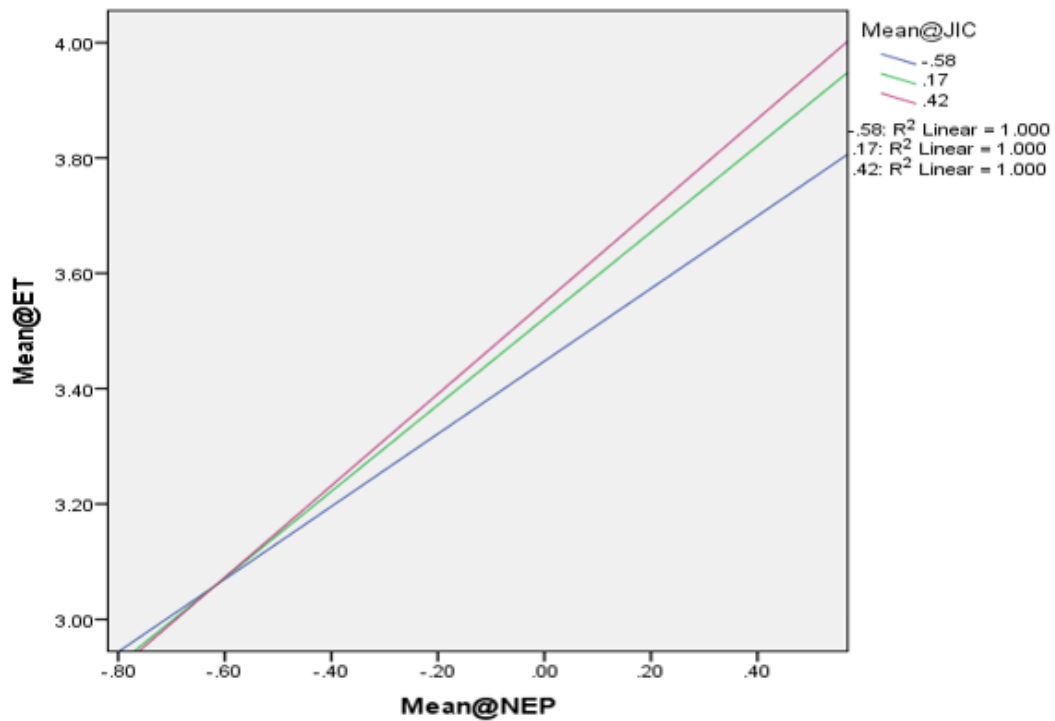


FIGURE 4.3: Relationship Graph

## 4.9 Summary of Accepted / Rejected Hypothesis

Concluding this chapter, we can say that based on different results such as correlation, regression and process macro we can say that the hypotheses that we proposed in this study is supported by our results. The detail of these hypotheses was explained in below Table 4.10.

TABLE 4.10: Hypotheses Summarized Results

<b>Hypotheses</b>	<b>Statement</b>	<b>Status</b>
<b>Hypothesis 1</b>	There is positive association between Nepotism and Project failure	Accepted
<b>Hypothesis 2</b>	There is positive association between Nepotism and Employee Turnover.	Accepted
<b>Hypothesis 3</b>	There is positive association between Employee Turnover and Project failure	Accepted
<b>Hypothesis 4</b>	Employee Turnover plays a mediating role between Nepotism and Project failure.	Accepted
<b>Hypothesis 5</b>	Project Job insecurity climate moderates the relationship between Employee Turnover and Project failure.	Accepted

# Chapter 5

## Discussion, Conclusion, Limitations and Recommendations

This chapter comprises of details of relationship of hypothesis and their reasoning of acceptance and rejection and discusses the theoretical implication, practical implication, strengths and weaknesses of the study and future research directions.

### 5.1 Discussion

The Equity theory by (Adams, 1965), the objective of present study was to propose and test a model of Nepotism on Project failure in education sector. For this purpose, data from project-based organizations in education sector Pakistan was collected. As projected, the findings of the study were in congruent with the hypothesized model. The research also studied the mediating effect of Employee Turnover between Nepotism and Project failure. The moderating effect of Project Job insecurity climate between Nepotism and Employee turnover is also studied in the research to know its relative impact combined with Nepotism on Project failure.

The preceding research in the domain of Nepotism and Project failure are comprehensive in nature encapsulating relevant aspects of the constructs. Empirical research on the literature of Project failure suggested that variables such as Nepotism, Employee Turnover, project Job insecurity climate are important variables to study further and have significant influence.

The results of the study suggest that nepotism has a positive impact on project failure which means that nepotism of project manager enhances the effectiveness and performance of the team and project organization overall. Therefore, H1, H2, H3, H4 & H5 are accepted developing a relationship between nepotism and project failure through mediator of employee turnover and moderator of job insecurity climate. This implies that nepotism, employee turnover and job insecurity climate enhanced the chances of project failure.

The study inculcated variable of project job insecurity climate as a moderator. The data analysis on the variable in the contextual settings of Pakistan proves that nepotism climate significantly influences the relationship between project manager and team. The role of nepotism climate was found to be significant and positively affecting relationship between nepotism and employee turnover of teams.

## **5.2 Practical and Theoretical Implication**

This study did very momentous contributions in the past literature in both ways, theoretically and practically. The study has contributed to the literature of variables like nepotism, employee turnover, job insecurity climate and project failure. There is very limited literature available on nepotism highlighting the project issues emphasizing its role in the domain of project management. Our findings indicate that in the presence of strong nepotism we can see a failure in projects and low morale in project teams. This is very significant contribution to literature since previously there is less research available that is highlighting it in organizational perspective within the contextual settings of Pakistan in the domain of

project management. The study illustrates very significant actualities by identifying the influence of nepotism on project failure in the context of Pakistan, where nepotism is considered an important yet sensitive instrument in streamlining efforts to enhancing project failure. In the collectivist societies like that of Pakistan job insecurity climate is an important element of individual life and organizational and project setup.

Additional very significant theoretical contribution is the role of Employee turnover as a mediator between nepotism and project failure, which is not acknowledged in the literature before. Previous literature available on employee turnover is not in the project management context so nepotism and project failure have identified mediators in the relationship, but employee turnover has never been introduced not in the relationship or as a mediator before. The results of the study demonstrated that nepotism increases chances of failure and turnover environment of project team that leads to reduce organizational and team effectiveness and performance. Moreover, this research also studied the moderating role of job insecurity climate on the relationship of nepotism and employee turnover of teams. The results of the study suggested that job insecurity climates moderating the relationship between nepotism and employee turnover in the contextual settings of Pakistan. This too is a significant theoretical contribution in the literature. Organizations along with project managers should inculcate proper mechanisms to develop effects of job insecurity climate as it significantly influences the potential future and long-term viability of the organization in context of failure and success.

This study is equally important in the practical business world. In this age of modernization where world is moving rapidly towards globalization, nepotism along with employee turnover is considered one of significant aspects in defining potential future and long-term viability of project-based organizations in the context of teamwork and success of projects. This research is helpful for project-based organizations in a way that it provides insights on how nepotism enhances project

failure and employee turnover in teams may also affect on performance and successful completion of projects.

### **5.3 Limitations of Research**

While conducting the study it is tried to eliminate and overcome flaws but still there are always few limitations in research as it is not possible to cover all aspects in one study. By adding some well-informed evidences in literature, few research gaps have been filled by the current research. On the other hand, due to constraint of resources and time are also study has some limitations. The study is directed only to four universities in Islamabad and the results may not be generalized to other sectors. Only one mediator and one moderator were tested due to time constraint. However, future research can expand the model and check the other mediators as well.

Small sample size is another limitation of study very short time. Data was collected from only universities from education sector operating in Islamabad so it might not represent the whole climate of Pakistan, whereas employees working in different cities exhibit different behavior due to environment and other geographical changes.

Additionally, we use convenience sampling method and choose the sample which was easily reachable to us. Due to convenient sampling and data collected from the few organizations, the results of the present study cannot be generalized for the projectized organizations that are not engage in such activities. The results are different because of strong situational factors as well as Pakistani culture of education sector has strong impact and results cannot be generalized to other countries.

## **5.4 Future Research Directions**

There is always some space in everything, which gives future directions. This research opens abundant novel opportunities for future research. There are some suggestions regarding current research on which research should be conducted in future. In this study, we empirically tested the influence of Nepotism on Project failure on the other hand in the future; researchers can examine the impact of Nepotism on organization through different project related variables i.e. favoritism and Cronyism etc. The present study has been carried out for focusing on project depended organizations simply and only, this really provides a approach forward to the researchers inspect as well as duplicate model in organization other than project relied organization so as to inspect effect with a large size of sample.

Moreover, the relationship between nepotism and project failure can be studied with other mediating variables. Future researches can also focus on moderating role of other variables like financial crisis, lack of experience and training, technological changes, racism, gender and lack of education between the relationship nepotism and project failure. Together with there is also sufficient room vacant to explore multiple conditional factors that can affect these relationships. Project failure is the novel variable in the domain of project management can be studied and empirically tested in other relationships both on individual and organizational level.

We endorse research at further level to pay thoughtfulness on the information and data as well as data gathering methods since this research contain some weaknesses. The outcomes and implication of the study will be valuable for future and recent researchers aiming on, this field for linking nepotism to various other variables like employee turnover. In addition, the size of sample can be widened and increased, as current study is only limited to certainly accessible sample. Hence, forthcoming researches perhaps can incorporate these guidelines.



## **5.5 Conclusion**

The practice of project management is accepting a lot of responsiveness from researchers and academicians. Keeping in view, the present-day study has taken a significant concept namely Nepotism and established it in the context of project-based organizations. This study is directed to improve the domain of Nepotism and Project failure, which are very popular fields and having great implication in the present era. This study has attempted to consider the relationship between Nepotism and Project failure in education sector of Pakistan. Data was collected from these universities through a questionnaire study to measure the extent to which Nepotism impacts Project failure with mediating role of Employee turnover and moderating role of job insecurity climate. Altogether 350 questionnaires were dispersed however, only 320 were used for analysis since these questionnaires were having the most suitable and comprehensive information required for carrying out the analysis of this study. Statistical tests indicate that validity and reliability of the model variables of the model are also suitable.

The proposed hypotheses are also supported through equity and theories of Genetic similarity and ethnic nepotism. The data analysis outcomes show acceptance of 3 direct hypotheses (H1, H2 & H3) and accepted indirect mediating and moderating effect (H4 & H5). This study contributes to the existing literature of Nepotism and Employee turnover because there is very limited literature available about the variables in the domain of project management. Moreover, this study contributes to the literature in a way that it identifies a different mediator of Employee turnover between Nepotism and Project failure. This study has given all-inclusive view of impact of nepotism on Project failure along with Employee turnover as a mediator weakened the positive impact in project-based organizations of Pakistan. The current study not only offers several theoretical and practical implications but also opens new avenues for research.

# Bibliography

- Allen, D.G., Weeks, K. P. & Moffitt, K. R. . (2005). Turnover intentions and voluntary turnover: The moderating roles of self-monitoring, locus of control, proactive personality, and risk aversion. *The Journal of Applied Psychology*, 90(5), 980-990.
- Altındag, E. (2014). Evaluation of Nepotism as Accelerating Effect on Employee Performance: an Empirical Study in Turkey. *European Journal of Business and Social Sciences*, 3(7), 97-104.
- Anderson, A. H., Mcewan, R., Bal, J. & Carletta, J. (2007). Virtual team meetings; An analysis of communication and context. *Computers in Human Behavior*, 23(7), 2558-2580.
- Anderson, N.R., & West, M.A. . (1998). Measuring climate for work group innovation: Development and validation of the team climate inventory. *Journal of Organizational Behavior*, 19(2), 235–258.
- Araslı, H. & Tumer, M. (2008). Nepotism, favoritism and cronyism: A study of their effects on job stress and job satisfaction in the banking industry of North Cyprus. *Social Behavior and Personality*, 36(9), 1237-1250.
- Araslı, H., Bavik, A. & Ekiz, E. H. . (2006). The Effects of Nepotism on Human Resource Management: The Case of Three, Four and Five Star Hotels in Norther Cyprus. *International Journal of Sociology and Social Policy*, 26(7/8), 295-308.
- Avots, I. (1969). Why does project management fail? *California Management Review*, 12(2), 77-82.

- Bergman, J. Z., Rentsch, J. R., Small, E. E., Davenport, S. W., & Bergman, S. M. . (2012). The Nepotism process in decision-making teams. *Journal of Social Psychology*, 152(16), 17-42.
- Bommer, M., & Jalajas, D. . (1999). The threat of organizational downsizing on the innovative propensity of R& D professionals. *R& D Management*, 29(1), 27-34.
- Borg, I., & Elizur, D. (1992). Job insecurity: Correlates, moderators and measurement. *International Journal of Manpower*, 13(2), 13-26.
- Borman, D. R. & Ilgen, R. J. (2016). *Handbook of psychology: Industrial and organizational psychology* (Klimoski ed., Vol. 12). Hoboken, NJ: Wiley.
- Bute, M. (2011). The Effects of Nepotism and Favoritism on Employee Behaviors and Human Resources Practices: A Research on Turkish Public Banks. *TODADE's Review of Public Administration*, 5(1), 185-208.
- Carrell, M. R., & Dittrich, J. E. (1978). Equity theory: The recent literature, methodological considerations, and new directions. *Academy of Management Review*, 3(7), 202- 210.
- Carroll, G. R. (1984). Dynamics of publisher succession in newspaper organizations. *Administrative Science Quarterly*, 29(1), 93-113.
- Carson, J. B., Tesluk, P. E., & Marrone, J. A. (2007). Nepotism in teams: An investigation of antecedent conditions and performance. *Academy of Management Journal*, 50(27), 1217-1234.
- Cheng, GH-L. & Chan, DK-S. (2008). Who suffers more from job insecurity? A meta-analytic review. *Applied Psychology*, 57(2), 272-303.
- Cheng, T., Mauno, S. & Lee, C. . (2014). The buffering effect of coping strategies in the relationship between job insecurity and employee well-being. *Economic and Industrial Democracy*, 35(1), 71-94.
- Collins, N., Chou, Y. M., Warner, M., & Rowley, C. (2017). Human factors in East Asian virtual teamwork: A comparative study of Indonesia, Taiwan and Vietnam. *The International Journal of Human Resource Management*, 28(4), 1475-1498.

- Danish, R. Q., Munir, Y., & But, S. S. D. (2012). Moderating Role of Organizational Job insecurity climate Between Knowledge. *World Applied Sciences Journal*, 20(1), 45-53.
- Dey, P. K., Kinch, J. & Ogunlana, S. O. (2007). Managing Risk in Software Development Projects: A Case Study. *Industrial Management and Data Systems*, 107(2), 284-303.
- Dibbern, J., Winkler, J. & Heinzl, A. (2008). Explaining Variations in Client Extra Costs between Software Projects Offshored to India. *MIS Quarterly*, 32(2), 333-366.
- Dinsmore, P. C. & Cabanis, B. J. (2014). *The AMA handbook of project management* (4th ed.). New York: American Management Association.
- Discenza, R. & Forman, J. B. (2007). Causes of project failure: how to recognize them and how to initiate project recovery. PMI (R) Global Congress 2007. Atlanta;North America: GA. Newtown Square, PA: Project Management Institute.
- Djabatey, E. N. (2012). *Recruitment and Selection Practices of Organisations: A Case Study of HFC Bank (Gh) Ltd.* Kwame Nkrumah University of Science,
- Drescher, M. A., Korsgaard, M. A., Welpe, I. M., Picot, A., & Wigand, R. T. (2014). The dynamics of Nepotism: Building trust and enhancing performance. *Journal of Applied Psychology*, 99(11), 771.
- Dube, S. & Katane, J. (2017). The influence of organizational Job insecurity climate and project management maturity in virtual project teams. Conference paper.
- Dube, S. & Marnewick, C. A. (2016). A conceptual model to improve performance in virtual teams, South Africa. *South African Journal of Information Management*, 18(1), 674.
- Elst, T. V., De Witte, H. & De Cuyper, N. (2014). The Job Insecurity Scale: A psychometric evaluation across five European countries. *European Journal of Work and Organizational Psychology*, 23(3), 364-380.

- Ferrin, D. L., Bligh, M. C., & Kohles, J. C. (2008). It takes two to tango: An interdependence analysis of the spiraling of perceived trustworthiness and cooperation in interpersonal and intergroup relationships. *Organizational Behavior and Human Decision Processes*, 107(24), 161-178.
- Firfiray, S. Cruz, C. Neacsu, L. & Mejia, L. (2017). Is nepotism so bad for family firms? A socioemotional wealth approach. "Is nepotism so bad for family firms? A Human Resource Management Review. Corrected Proof., 10(2), 1-15.
- Ford, R. & McLaughlin, F. (1985). Nepotism. *Personnel Journal*, 64(9), 57-60.
- Frank S., & H. (2013, July). Rushton's theory of ethnic nepotism. *Personality and Individual Differences*, 55(3), 256-260.
- Gassmann, O. & Von zedtwitz, M. . (2003). Trends and determinants of managing virtual R& D teams. *R and D Management*, 33(20), 243-262.
- Glisson, C., & James, L. R. (2002). The cross-level effects of Job insecurity climate and climate in human service teams. *Journal of Organizational Behavior*, 23(4), 767-794.
- Golden, T. (2007). Co-workers who telework and the impact on those in the office: Understanding the implications of virtual work for coworker satisfaction and turnover intentions. *Human Relations*, 60(17), 1641-1667.
- Greenhalgh, L., & Rosenblatt, Z. . (1984). Job insecurity: Toward conceptual clarity. *Academy of Management Review*, 9(3), 438-448.
- Hancock, J. I., Allen, D. G., & Bosco, F. A. (2013). Meta-analytic review of employee turnover as a predictor of firm performance. *Journal of Management*, 39(3), 573-603.
- Hartley, J., Jacobson, D., Klandermans, B., & Van Vuuren, T. (1990). Hartley, J., Jacobson, D., KlandeJob insecurity: Coping with jobs at risk. . Sage Publications Ltd.
- Hassan, M. H. (2015). 'Employee retention as a challenge in leather industry'. *Global Journal of Human-Social Science Research*, 11(2), 9-14.

- Hayajenh A. F., Maghrabi, A. S., & Al-Dabbagh, T. H. . (1994). Research note: Assessing the effect of nepotism on human resource managers. Hayajenh AF, Maghrabi AS, Al-Dabbagh, TH (1994) *International Journal of Manpower*, 15(1), 60-67.
- Hellgren, J., Sverke. M. & Isaksson, K. (1999). A two-dimensional approach to job insecurity: Consequences for employee attitudes and well-being. *European Journal of Work and Organization Psychology*, 8(5), 179 – 195.
- Hertel, G.T., Geister, S. & Konradt, U. . (2005). Managing virtual teams: A review of current empirical research. *Human Resource Management Review*, 15(2), 69-95.
- Ika, L. A. (2012). Project Management for Development in Africa: Why Projects are Failing and What Can be Done About it. Ika, L. A. (2012) *Project Management for Development in Africa* *Project Management Journal*, 43(4), 27-41.
- Illgen, D. R., Hollenbeck, J. R., Johnson, B. T., & Jundt, D. (2005). Teams in organizations: From I-P-O models to IMO models. *Annual Review of Psychology*, 56(32), 517–544.
- John, S. (2000). Job-to-job turnover and job to-non- employment movement. *Personnel Rev*, 31(6), 710-721.
- Keles, H. N., Ozkan, T. K. & Bezirci, M. (2011). A Study On The Effects Of Nepotism, Favoritism And Cronyism On Organizational Trust In The Auditing Process In Family Businesses In Turkey. *International Business & Economics Research Journal*, 10(9), 324-326.
- Kerse, G. & Babadag, M. (2018). I'm Out If Nepotism is in: The Relationship Between Nepotism, Job Standardization and Turnover Intention. *EGE Academic Review*, 18(4), 631-644.
- Krausz, M., Koslowsky, M., Shalom, N. & Elyakim, N. (1995). Predictors of intentions to leave the ward, the hospital, and the nursing profession: A longitudinal study. *Journal of Organizational Behavior*, 16(3), 277-288.

- Loi, R. N. (2011). The interaction between leader–member exchange and perceived job security in predicting employee altruism and work performance. *Journal of Occupational and Organizational Psychology*, 84(4), 669-685.
- Ludden, P. & Ledwith, A., (2014). A typology framework for virtual project teams: An empirical investigation', in C. Messikomer (ed.). *PMI Research and Education Conference 2014*. Portland: Project Management Institute.
- Mahmood, H.& Rauf, A. (2018). Job Insecurity Affects the Employee Performance with, Mediating Role of Turnover Intention: A Case of Highnoon Pharmaceutical Company Pvt Ltd. *International Journal of Trend in Scientific Research and Development*, 2(6), 1012-1025.
- Marks, M. A., Mathieu, J. E., & Zaccaro, S. J. (2001). A temporally based framework and taxonomy of team processes. *Academy of Management Review*, 26(21), 356 –376.
- Morris, P. (2010). Research and the future of project management. *International Journal of Managing Projects in Business*, 3(1), 139–46.
- Nadeem, & Muhammad et al. (2015). Favoritism, nepotism and cronyism as predictors of job satisfaction: Evidences from Pakistan. *Journal of Business and Management Research*, 8(2), 224-228.
- Ozler, Hayrettin, Ozler, Ergun, D., Gumuştekin, & Eren, G. (2007). Nepotism Developmental Stages and Institutionalization in Family Business. *Journal of Social Sciences Institute*, 17(23), 437-450.
- Parker, S. K. & Skitmore, R. M. . (2005). Project management turnover: causes and effects on project performance. *Project management turnover: causeInternational Journal of Project Management*, 23(3), 205-214.
- Pearce, C. L., & Sims, H. P. Jr. (2002). Vertical versus Nepotism as predictors of the effectiveness of change management teams: An examination of aversive, directive, transactional, transformational, and empowering leader behaviors. *Group Dynamics: Theor, Research, and Practice*, 6(4), 172-197.
- Peters, L. M. & Manz, C. C. (2007). Identifying antecedents of virtual team collaboration. *Team Performance Management*, 13(23), 117-129.

- Pinto, J. K., & Slevin, D. P. (1988, February). Project Success: Definitions and Measurement Techniques. *Project Management Journal*, 19(1), 67-71.
- Randall, D. M. & O' Driscoll M. P. (1997). Affective versus calculative commitment: Human implications. *The Journal of Social Psychology*, 13(5), 606–617.
- Rezgui, Y. (2007). Exploring virtual team-working effectiveness in the construction sector. *Interacting with Computers*, 19(4), 96-112.
- Sarminah, S. (2006). Predicting turnover: The case of Malaysian government doctors. *The Journal of American Academy of Business*, 8(2), 113–119.
- Shin, Y., Kim, M, Choi, J. N & Lee, S. H. (2016). Does Team Job insecurity climate Matter? Roles of Team Job insecurity climate and Collective Regulatory focus in Team Task and Creative performance. *Group & Organization Management*, 41(2), 232-265.
- Soderberg, A. M., Krishna, S., & Bjorn, P. (2013). Global software development: commitment, trust and cultural sensitivity in strategic partnerships. *Journal of International Management*, 19(11), 347-361.
- Sora, B., Caballer, A., Peiro, J. M., & De Witte, H. (2009). Job insecurity climate's influence on employees' job attitudes: Evidence from two European countries. *European Journal of Work and Organizational Psychology*, 18(2), 125–147.
- Sroka, W. & Vveinhardt, J. (2018). Nepotism and favouritism in the steel industry: a case study analysis. *Forum Scientiae Oeconomia*, 6(1), 32-45.
- Sverke, M., Hellgren, J. & Näswell, K. . (2002). No security: a meta-analysis and review of job insecurity and its consequences. *Journal of Occupational Health Psychology*, 7(3), 242 – 264.
- Thomas, T. (2014). *The Influence of Trust and Knowledge Sharing*. Victoria University of Wellington.
- Tumer, H. A. (2018). Nepotism, favoritism and cronyism: A study of their effects on job stress and job satisfaction in the banking industry of North Cyprus. *Social Behavior and Personality An International Journal* 36(9), 1237-1250.
- Uysal, C. S. (2016). The Moderating Role of Nepotism in the Effect of Employee Empowerment on Perceptions Regarding Organisational Justice at Hospitality



- Organisations. *International Journal of Business and Management Invention* 46(32), 321-332.
- Viven, K. G. & Lim. (1996). Job insecurity and its outcomes: Moderating effects of work-based and network based social support. *Human Relations*, 49(2), 171-194.
- Wang, D., Waldman, D. A., & Zhang, Z. . (2014). A meta-analysis of Nepotism and team effectiveness. *Journal of Applied Psychology*, 99(38), 181–198.
- Xenikou, A. & Simosi, M. (2006). Organizational Job insecurity climate and transformational leadership as predictors of business unit performance. *Journal of Managerial Psychology*, 21(6), 566-579.
- Zemliansky, P. (2012). Achieving experiential cross-cultural training through a virtual teams project. *IEEE Transactions on Professional Communication*, 55(18), 275-286.

# Appendix A

## Questionnaire

Dear Participant,

I am student of MS Project Management Capital University of Science and Technology, Islamabad. I am conducting research on the topic: “**Impact of Nepotism on Project failure with mediating role of employee turnover and moderating role of job insecurity climate**”. You can help me by completing the attached questionnaire. I appreciate your participation in my study, and I assure that your responses will be held confidential and will only be used for education purposes.

Thanks a lot for your help and support!

Sincerely,

**Usmania Nadeem Abbasi**

**MS Research Scholar**

**Faculty of Management and Social Sciences**

**Capital University of Science and Technology,  
Islamabad**

## Section 1: Demographics

Gender:	1- Male 2- Female
Age:	1- (15-25) 2- (26-35) 3- (36-45) 4- (45-60) 5- (60 and above)
Qualification:	1-Matric 2-Intermediate 3-Bachelor 4-Master 5-MS/MPhil 6-Ph.D 7-Other
Experience	1- (0-05) 2-(6-10) 3-(11-16) 4-(17-22) 5-(23-28) 6-(29- above)

## Section II: Nepotism

Answer the following items by choosing on a scale of 1 to 5, to what extents do you agree with the following statements

1= Strongly disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly Agree

Sr. No.	Questions	SD	D	N	A	SA
1	Employees of this project always feel that they need someone they know or a friend in a high-level position.	1	2	3	4	5
2	Supervisors are afraid of subordinates who are related to high-level executives.	1	2	3	4	5
3	I am always careful when speaking to family or relatives of project executives.	1	2	3	4	5
4	Executives are more interested in keeping friends and acquaintances in good positions than they are in those employees' performance or the organization's profitability.	1	2	3	4	5
5	The expectations of executive relatives and acquaintances are given priority.	1	2	3	4	5
6	Project permitting employments of executives' relatives have a hard time attracting and retaining quality people who are not relatives.	1	2	3	4	5
7	Project permitting employments of executives' relatives have a difficult time firing or demoting them if they prove inadequate.	1	2	3	4	5
8	High-level executives of this project have a hard time demoting or firing friends and acquaintances.	1	2	3	4	5

## Section III: Project Failure

1= Strongly disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly Agree

Sr. No.	Questions	SD	D	N	A	SA
1	Were the initial project estimates (cost and schedule) complete and realistic, before performance begin?	1	2	3	4	5
2	Were the customer requirements clearly communicated (or defined) before the project began (or at least before development or deployment of the solution began)?	1	2	3	4	5
3	Did this project employ sufficient resource planning to obtain adequately skilled resources for the job at hand?	1	2	3	4	5
4	Were communication between the project team and stakeholders (customer, sponsor, etc) frequent and effective?	1	2	3	4	5
5	Was the project schedule realistic considering the solution, product resources available and other important factors?	1	2	3	4	5
6	During project performance, did the project receive interest and support from its stakeholders?	1	2	3	4	5
7	Was the budget for the project adequate to support success of the project?	1	2	3	4	5
8	Was adequate risk planning and risk response a key factor in the outcome of the project?	1	2	3	4	5
9	Was project completion clearly defined and communicated to the project team?	1	2	3	4	5
10	Were there any other key factor, beyond the 9 questions above, to which failure of the project could be attributed? If YES, please list them in a word or two.	1	2	3	4	5

## Section IV: Employee Turnover

1= Strongly disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly Agree

Sr. No.	Questions	SD	D	N	A	SA
1	I'll leave this project when I find a better job.	1	2	3	4	5
2	Except for this project, I am actively looking for work.	1	2	3	4	5
3	I seriously think about leaving my job.	1	2	3	4	5
4	I often think about leaving my work in this project.	1	2	3	4	5
5	I think I will be working in this project for the next five years	1	2	3	4	5

## Section V: Job Insecurity Climate

1= Strongly disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly Agree

Sr. No.	Questions	SD	D	N	A	SA
1	Chances are, I will soon lose my job.	1	2	3	4	5
2	I am sure I can keep my job	1	2	3	4	5
3	I feel insecure about the future of my job.	1	2	3	4	5
4	I think I might lose my job in the near future.	1	2	3	4	5

Thank you for your cooperation