

How Contractual and Relational Governance Drives Project Performance: With The Mediating Role Of Cooperative Behavior

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ABSTRACT

Purpose: Poor project performance has been observed in Pakistan, especially in the IT sector due to a lack of project governance. In Pakistan the nature of the industry is to go according to the appropriate way to produce productive outcomes so, they do not follow governance as it is a bit complex mechanism to enhance project performance. This study investigates how does contractual and relational governance drives the project performance with mediating effects of cooperative behavior.

Design/Methodology/Approach: A quantitative study conducted in government IT firms and private software houses. The researcher aimed to gather data from 240 respondents. The researcher utilized convenience sampling to select participants at the individual level, focusing on a cross-sectional study design spanning three months.

Findings/Results: The research indicates that governance mechanisms combining contractual and relational aspects enhance project performance in the IT sector. Additionally, cooperative behavior among team members fosters trust and collaboration, facilitating successful project outcomes. When team members collaborate towards shared objectives, they effectively tackle challenges and uncertainties, resulting in enhanced project performance.

Practical Implications: Contractual-relational governance and cooperative behavior in the IT sector yield tangible advantages, promoting self-esteem, trust, confidence, and clarity within teams, thereby enhancing implementation success.

Originality/Value: This research emphasizes the importance of contractual-relational governance and cooperative behavior in promoting self-esteem, trust, confidence, and clarity within teams, thereby aiding successful project implementation. Additionally, it fills a crucial gap in the literature by showcasing how these mechanisms positively impact project outcomes. This focus on their practical benefits enhances comprehension and guides future project management practices in the IT sector

Keywords: *Contractual governance, Relational governance, Cooperative Behavior, Project performance, Agency theory*