This article explores the relationship between the social construction of risk, uncertainty and evaluation in the field of development cooperation. It explores the assumption that risk and uncertainty are unusually high in development cooperation. Perceptions of risk and uncertainty are cultural constructs. Several authors have identified perceptions of uncertainty as one of the most important dimensions in organizational cultures. An analysis of evaluation reports shows that risk and uncertainty often emerge as a consequence of operational factors. Evaluations indicate that uncertainty is higher in technological and environmental areas. Furthermore, there are a number of management techniques of handling risk and uncertainty that could be used on development projects. Why have evaluations not influenced the conception of risk and uncertainty more than they have? Three characteristics of the evaluation system are described and discussed. First, the evaluation system is found to send mixed signals in respect of risk and uncertainty. Second, the messages are weak. Evaluation reports are not sufficiently anchored in theory and practice to command respect and belief among a widespread constituency. Third, the signals from the evaluation system have become routine. The messages no longer alarm management and decision-makers. The article concludes by assessing the future of risk and uncertainty management, in particular how evaluation systems may become more relevant in this field.

Introduction

Risk and Uncertainty in Organizations
Risk and uncertainty are basic facts of human life that we try to cope with through technological innovation, institutional and organizational developments, religion, law and education (Douglas and Wildavsky, 1982). Uncertainty is a key concept
in the study of organizations and it is possible to distinguish at least two different approaches to the subject.

First, there are those who take a normative approach and develop theories about how organizations should deal with uncertainty. In the case of decision-making under uncertainty, there are branches of operational research that offer statistical tools to put certainty back into decisions, by making us sure of how uncertain we are. Contingency theories consider uncertainty as an input to organizational design; structures and processes should reflect the level of uncertainty in the environment (Donaldson, 1996). Theories of strategic planning offer tools for management in uncertain environments, such as environmental scanning (Mintzberg, 1994).

Second, there are studies that tend to be more descriptive, that are based on how people and organizations really behave, whether rationally, irrationally or beyond. March and Simon (1958) recognized that ‘in the case of uncertainty, the definition of rationality becomes problematic’. Their study suggests that organizations maintain an environment, which looks relatively certain to their members, by uncertainty absorption. Organizations can be said to absorb uncertainty through a limitation of the concepts available for analysis and communication, and there could be structural, process-related or even cultural impediments to the perception of uncertainty.

The field of evaluation research occupies an interesting position between these two approaches to the study of organizations. By far the majority of those who publish books, articles and manuals are anchored in the first approach, which may be called a rational decision-making approach. They describe how evaluation ought to be goal-oriented, practical and utilization-focused, or participatory, or empowering – whatever the ideal is claimed to be. No doubt this responds to a sincere need to make organizations more predictable and more rational. Through the development of systems for knowing – which is essentially what evaluation is about – the organization will be in a better position to shape its future. From this perspective evaluation is one of the instruments that can be used to recognize, mediate and cope with uncertainty.

But when researchers approach evaluation without bias, without the inherent desire to do good and to be of help, and just ask out of curiosity: ‘what is happening here?’, they tend to discover that the normative precepts seldom match reality. On the contrary, evaluation is perceived as a highly political and subjective activity, with significant irrational elements involved in decisions about why and when to evaluate, how to evaluate and how to use the results from evaluations.

As in the theory of organizations generally, there is in evaluation research a large discrepancy between normative theories concerning how things should be done, and descriptions of how things actually happen. In this intersection, the concept of uncertainty has a large explanatory power. If it were not for uncertainty, it would be more likely that people and organizations would act in accordance with normative theory. The deviance between normative precepts and reality may partially be explained by reference to how organizations respond to uncertainty.


The Social Construction of Uncertainty

Uncertainty is an emergent phenomenon; it is perceived subjectively by individual minds (Gellner, 1992). What person A sees as absolutely novel, surprising, uncertain and unpredictable, could possibly be perceived by person B as fully within the limits of knowledge, trivial and possibly without any interest whatsoever. It is also quite conceivable that both persons are right, within the framework of their own experience, knowledge and expectations.

Similarly, the way in which organizations deal with uncertainty depends on how uncertainties are perceived within the organization. Perception of uncertainty can be related to the complexity and dynamics of the organization’s environment, but perceptions are not exactly related to objective conditions. Some individuals and organizations may have a very high tolerance for ambiguity and uncertainty so they may perceive situations as less uncertain than others with lower tolerances (Levine, 1985).

The perception of uncertainty has been shown to be culturally constructed, and in fact appears to be one of the major components of organizational cultures: some organizations distinguish more uncertainty than others, and some organizations appear to be better prepared to face uncertainty than others. Those organizations where people tend to see much uncertainty and to respond negatively generally engage in more ritualistic and regulatory behaviour to control uncertainty (Hofstede, 1980). Bensman and Lilienfeld (1991) show the relationship between world view and the occupational technique of professions. However, Becker (1982) reminds us that given what we know about variations in culture, we cannot assume that people share a culture because they are in the same organization.

When uncertainty is recognized, management could – if not overly anxious about the fact – devise rational and effective responses. Managers with a greater fear of risky and uncertain situations would, on the other hand, be more prone to engage in ritualistic, camouflaging behaviour and to create a more comfortable view of the world. But, given that uncertainty is really out there, reality overtakes the organization sooner or later, and by then the organization may lack the means to respond adequately. Even though the study of uncertainty may sound very theoretical it has, in the end, a very practical use.

The Purpose of the Study

We have been intrigued by the changing fashions in development assistance, and in particular how problem definitions change over time. Development assistance, as it is recorded through the flows of Official Development Assistance, is a global business of some US$60 billion (UNDP, 1997). It is an activity that is frequently described as being highly uncertain and risky because it involves changing modes of production, political and economic turbulence in the recipient countries of the Third World, and incoherent objectives. At the same time the administration of these flows claims to have pioneered evaluation work, particularly the international organizations of the UN system and the World Bank. In order to explore the connections between evaluation and management under uncertain conditions, we have set ourselves the task of:
1. developing concepts to describe the organizational culture of values and attitudes towards uncertainty;
2. defining the organizational culture in aid management with the use of these concepts;
3. discussing whether the cultural production of attitudes and values around uncertainty fits with the environment;
4. identifying circumstances around the use of evaluation instruments that affect the production of an organizational culture in respect of risk and uncertainty.

One overriding problem has led us to formulate this purpose and that is the pervasive resistance to using evaluation results (Rebien, 1996; Stokke, 1991). There have been attempts in recent years to explore why evaluation findings are not used more than they are, and why the quality of evaluation reports is not better (Carlsson et al., 1999).

As the aid flows are so large, and as evaluation of aid is in itself such a huge undertaking, it is a problem that merits attention. Whereas previous studies have largely focused on the instrumental, process-related aspects of management, we attempt a more holistic approach in this article, seeking a culturally based explanation around the management of risk and uncertainty.

**Methods**

As we are dealing with a fairly precise field of activities (projects in development assistance), it has been possible to use a number of common concepts from that field to develop a picture of the social construction of uncertainty. The taxonomy we propose to use consists of descriptions of:

- the locus of uncertainty (internal versus external);
- the causes of uncertainty (operational – with four alternatives, or contextual – with six alternatives); and
- sectoral distribution of uncertainty (industry, infrastructure, agriculture, public administration, education, health, etc.).

The development of these concepts was based on a survey of the literature on risk, uncertainty and management. It was put together using a survey instrument, which has since been distributed to professionals in the Swedish and Norwegian aid administrations, as well as to researchers and consultants in the field of aid. The questionnaires were distributed by email to a total of 200 professionals working in the field of development cooperation. The majority of these were employed by the Swedish aid agency SIDA, but several were also researchers and consultants in the field of development assistance. We received a total of 96 responses, which gives a response rate below 50 percent.

The perceptions of risk and uncertainty were matched with evaluation findings. We have looked at evaluation reports published by SIDA and Norad over the past five years and we have also made reference to major studies of aid in the international donor community. The findings were described in the same terms as those used for the analysis of organizational culture in respect of uncertainty. We can thus analyse whether there is a mismatch between the values and attitudes
that are expressed in the organizational culture, and the signals that are received by the system from evaluation reports.

Whereas the classification of risk and uncertainty in evaluation reports appears to be valid and reliable, the responses to the questionnaire must be treated with caution. Due to the low response rate and the lack of data on differences between groups of the population, these must be treated with care. Similarly, it would be difficult to apply our findings to any other field of activity than development cooperation – both evaluation findings and organizational culture are only reviewed in this particular field. The problem though, of matching organizational perceptions of risk and uncertainty with evidence from evaluation, appears to be general.

Organizational Construction of Risk and Uncertainty

The first question is why and how do people believe uncertainty arises? We have distinguished between operational factors and contextual factors. Operational factors are amenable to influence through project design and management. Contextual factors are not accessible for intervention as they relate to larger social and environmental changes – things which cannot be directly affected by those engaged in the project. More than twice as many of the respondents think that uncertainty is caused by contextual factors as think uncertainty is caused by operational factors. But there is also a large group who maintain that projects are affected equally by operational and contextual factors.

Probing the causes of uncertainty in more detail, Table 1 shows the results from the questionnaire in respect of which areas uncertainties mainly appear in. The six areas build on the so-called sustainability elements of the OECD recommendations for the analysis of project effects. Table 1 shows that the respondents to the questionnaire associate uncertainty strongly with the socio-cultural aspects of projects in their institutional aspects as well as in respect of their policy support. On the other hand, there is a low degree of perceived uncertainty in respect of technological and environmental aspects.

Looking at sectors, the respondents tend to agree that uncertainty is lower than average in respect of projects in education, transport, energy, debt relief, emergency assistance and food aid, whereas uncertainty is higher than average in programme assistance, multi-sector assistance, trade and banking, agriculture and public administration. Water supply and sanitation, social infrastructure and industry are regarded as areas with average uncertainty.

Furthermore, to penetrate the culture around risk and uncertainty, the first part of the questionnaire asked the respondents to mark their agreement/disagreement with a number of propositions about risk and uncertainty. In summary form, the respondents agree that:

- development projects are more prone to uncertainty than similar projects in developed countries;
- because of high uncertainty, development projects are more prone to failure;
- because of uncertainty they are more likely to be delayed and incur higher costs than budgeted (and lower incomes);
• the causes of uncertainty are different in development cooperation than in similar projects in industrialized countries;
• causes and effects of uncertainty are not easily predictable;
• uncertainty is largely negative; but
• the aid organizations should accept a relatively high risk; but
• that level should be lower than it is today.

Given these perceptions around the presence and desirability of uncertainty, the question is what can then be done to cope. Table 2 ranks 15 different options in order of the degree of support they are given by the respondents. The questionnaire specified these 15 options but also left room for the respondent to suggest and rank a few more alternatives. However, nobody identified any other instruments of risk management than those 15 first mentioned.

The pattern of response is quite clear. Risk and uncertainty should be managed through information and training. More studies, particularly more analytical work before a project is started, are the most preferred measure of dealing with risk, and the second most effective would be training on the recipient side. On the contrary, the least desirable options are those that would tend to directly operationalize risk management, such as defining limits of acceptable risk, establishing guidelines and using contracts. The latter are all examples of how private sector firms seek to cope with risk, and it is also noticeable that one alternative – more use of private sector suppliers – is also seen as one of the least effective measures of coping with risk and uncertainty.

We cannot, of course, tell whether the responses are right or wrong, the point is to find out what people believe to be effective measures of risk management. At least, the answers seem to point to a coherent and logical whole in respect of the cultural construction of risk and uncertainty. As the causes of uncertainty are mainly contextual, due to the nature of the development cooperation, and largely to be found in the institutional, socio-political milieu of projects, then it is also probable that more directly operational approaches to risk management will not be favoured.

Let us now return to the social construction of risk and uncertainty. The brief review of questionnaire responses can help us draft the outline of the predominant cultural values. There is no need to employ any mystifying cultural 

<table>
<thead>
<tr>
<th></th>
<th>Low degree of uncertainty (%)</th>
<th>High degree of uncertainty (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Socio-cultural aspects</td>
<td>8</td>
<td>92</td>
</tr>
<tr>
<td>Institutional aspects</td>
<td>12</td>
<td>88</td>
</tr>
<tr>
<td>Policy support measures</td>
<td>18</td>
<td>82</td>
</tr>
<tr>
<td>Economic and financial aspects</td>
<td>35</td>
<td>65</td>
</tr>
<tr>
<td>Environmental aspects</td>
<td>53</td>
<td>47</td>
</tr>
<tr>
<td>Technological aspects</td>
<td>66</td>
<td>34</td>
</tr>
</tbody>
</table>

Source: Questionnaire to programme officers, consultants and researchers in development cooperation
metaphors. The cultural construction of risk and uncertainty consists of plain and basic beliefs about how risk and uncertainty originate, where they appear on projects and programmes and what can be done about it. We summarize the image of uncertainty and risk as follows:

Risk and uncertainty are high on development projects. They have both operational and contextual causes, but the contextual causes are more significant; they are found in the socio-political milieu of developing countries. Uncertainty is highest in respect of the socio-cultural and political areas of a project, whereas technological and environmental areas are considered less risky. Uncertainty is mainly negative, and often explains why projects fail. Aid agencies should be more risk averse than they are. The most effective way to manage risk and uncertainty would be through better feasibility studies, including specific risk analysis and more stringent reporting, as well as training.

The cultural construction of risk and uncertainty is interesting both because of what it says and what it does not say. For those who have long experience of development cooperation, this presentation of values and attitudes probably holds no surprises. Before we proceed to analyse evaluation results, we would like to summarize what the social construction of risk and uncertainty does not include:

- uncertainty does not give rise to positive opportunities in project management;
- organizations should not be more prepared to accept risk and uncertainty than they are today;

Table 2. Preferences in respect of different measures to master risk and uncertainty

<table>
<thead>
<tr>
<th>Example of measure</th>
<th>Percentage of respondents indicating that this measure should be given priority in order to better master uncertainty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-studies of needs and priorities</td>
<td>87</td>
</tr>
<tr>
<td>Training at recipient side</td>
<td>81</td>
</tr>
<tr>
<td>Improve the information base for planning</td>
<td>78</td>
</tr>
<tr>
<td>Pre-studies of possible impacts of projects</td>
<td>78</td>
</tr>
<tr>
<td>More explicit requirements for the recipient</td>
<td>77</td>
</tr>
<tr>
<td>Training at the donor side</td>
<td>73</td>
</tr>
<tr>
<td>Demands for risk analysis</td>
<td>72</td>
</tr>
<tr>
<td>Stronger sanctions when responsibilities/requirements are violated</td>
<td>72</td>
</tr>
<tr>
<td>Improved requirements on reporting</td>
<td>70</td>
</tr>
<tr>
<td>Quality assurance, e.g. by independent local consultants</td>
<td>70</td>
</tr>
<tr>
<td>Use of buffers (in terms of time, cost etc.)</td>
<td>56</td>
</tr>
<tr>
<td>Establish guidelines for handling of risk</td>
<td>53</td>
</tr>
<tr>
<td>Define limits of acceptable risk</td>
<td>49</td>
</tr>
<tr>
<td>More use of private sector suppliers</td>
<td>41</td>
</tr>
<tr>
<td>Transfer of risk through contracts</td>
<td>33</td>
</tr>
</tbody>
</table>

Source: Questionnaire to programme officers, consultants and researchers in development cooperation
• there is little belief in practical operational measures to manage risk and uncertainty;
• technology and environment are areas that are not so prone to risk and uncertainty;
• finance, budgeting and cost control are also areas less affected by risk and uncertainty.

**Evaluation Lessons Concerning Risk and Uncertainty**

Even though our purpose is not to assess whether the cultural construction of risk and uncertainty is correct or not, it is of course of some interest to know whether it is confirmed by the practical realities ‘out there’. Cultural constructs are – exactly – cultural constructs. There is no guarantee that they will be realistic, effective, or conducive in any sense. The managerial sciences are full of examples of how cultural constructs blind an organization to challenges and opportunities, not to mention lethal threats.

In the context of this article we will take a shortcut to assess whether the cultural construct ‘fits’ with the realities of risk and uncertainty. Let us assume that evaluation reports provide feedback on the effectiveness and impact of projects, as well as on the causes of why they succeed or not. We will also assume that this feedback is accurate, more for the sake of argument than for a fundamental belief in the excellence and infallibility of evaluators. So what do evaluations tell us about risk and uncertainty, and in particular what signals do they send out in respect of the ingredients of the social construction of risk and uncertainty?

In an attempt to analyse uncertainty and risk as separate parameters in development projects, Samset (1998) analysed 249 evaluation reports from as many projects. This empirical evidence suggests that most of the uncertainty causing major problems is of an operational kind, rather than contextual. The most important factors were management weakness, inadequate design, funding problems and staff qualifications. Together these operational factors accounted for 63 percent of the uncertainty causing factors.

A smaller share (37%) of the uncertainties were caused by contextual factors – particularly then in respect of the users’ attitudes and response to projects. Environment and availability of resources, institutional response, price changes and political unrest each accounted for less than 10 percent of the problem factors. The data also suggest that a large share of the uncertainties could have been predicted at early stages of the project, or even in advance. The picture of uncertainty causing factors is thus not very different from what could be expected on typical projects in industrialized countries (Morris and Hough, 1991). The world of development cooperation is not as different as people seem to think.

Turning to the areas of uncertainty, the study found that operational problems are mainly institutional (50%). In total, 83 percent of the operational uncertainty factors were either institutional, economic or technological. This means that more than half of the uncertainty factors are actually in the hands of the project
management in these three fields. The contextual problems were found to be evenly distributed. The common opinion which we described earlier highlights the socio-cultural and political aspects of the contextual uncertainty. According to the data presented by Samset, these account for a small share of uncertainties. On the contrary, technological and environmental factors, as well as institutional and economic factors, are far more significant in causing major problems in development projects.

In recent years researchers have used meta-analytical techniques to study development projects, and some have also analysed factors contributing to success or failure. A brief review suggests that some of their findings confirm the conclusions of Samset, but others highlight other aspects of project management. A study of German evaluation reports found that 20 percent of failures were related to very difficult general conditions, another 30 percent were caused by unreliable political and legal backing in the recipient countries, whereas weak structures of executing agencies accounted for 40 percent of failures.

Koht Nordbye (1996) in an analysis of 95 Norwegian funded development projects, reported that 'we found plenty of observations on the problems which most directly affect performance, viz. institutional capability and procedures, but not much on other factors, except in cases of war and internal armed conflicts.' Koponen and Mattila-Wiro (1996) could, however, conclude that external problems had a more severe influence than internal problems. Their study covered 150 Finnish funded development programmes. Similarly, a study of 1000 World Bank projects (World Bank, 1992) found that it was, by and large, factors beyond the control of the executing agencies which explained deteriorating performance.

There are other studies in the same genre; Cassen (1986) and Riddell (1987), as well as Berg (1993), which give more evidence of operational factors causing uncertainty and risk. But as their studies are not designed specifically to highlight the differences between the two, it might be to misrepresent their findings to draw conclusions in this respect. The evidence is somewhat contradictory, but one point is clear. Empirically based studies do not lend support to the common wisdom that contextual, socio-cultural and political factors are the most common areas of uncertainty. On the contrary, they suggest that technological, economic-financial and institutional areas are as important, if not more so.

In recent years, several researchers have explored the question of sustainability, that is, whether development projects have any lasting effects once they have come to an end. Sustainability is the key issue in development cooperation; whatever achievements are made are worthless if the effects cannot be sustained in the long run. Lindahl and Catterson (1998) concluded that the major threat to sustainability lies in financial considerations. Projects did not take sufficient account of how incomes would be generated in the future. Their predictions were inaccurate, based on high hopes and dreams rather than hard-nosed analysis of reality. Whereas the root of the problem may well lie in the socio-cultural and political domain, the risk must be managed at the operational level. In fact, we could argue that risk management frequently involves the transformation of contextual factors to operational, and thus is subject to action/intervention by management.
Samset (1998) makes the point that aid agency personnel have a bias to look at the 'exotic' factors influencing projects. It could be that with this perception of a high degree of failure of development projects, the exotic explanations come in handy as an excuse for the failure and for not addressing the more basic and immediate problems. Furthermore, the real problems of technology and finance are not much different in development cooperation than elsewhere. But there is also a question of training and organizational competence.

The predominant qualifications of people working professionally with aid lie in the social sciences. Much research demonstrates that people see the opportunities and threats that they are trained to see. Hence the chances that a sociologist will understand the technological uncertainty on a telecommunication project are slim. He or she is more likely to understand and analyse the socio-cultural milieu, whether this is where the challenges lie or not. From the organizational point of view, risk management must imply that the organizational competence base stands in an appropriate relation to the risks and opportunities facing the organization.

**Matching Organizational Culture with Reality**

Figure 1 contrasts the organizational construction of uncertainty and risk with the real world (for the time being we will assume that the evaluation findings are adequate representations of the real world). The contrast between the two raises several questions, as for example:

1. Do evaluations influence the social construction of risk and uncertainty?
2. Why have evaluation findings not contributed to changes in the social construction of risk and uncertainty?
3. Are the factors that make evaluation findings less useful in respect of risk and uncertainty management also present in respect of evaluation utility in other areas?

In this article we will discuss these questions, but the reader should remember that ours is a hypothetical discussion, presented for the sake of argument and inquiry. In respect of the first question, the tentative answer is ‘no’. If evaluations played a major role in the construction of culture, we would not find the values and attitudes on risk and uncertainty that our questionnaire survey revealed.

Patterns of information affect any work group’s definition of a situation. People in organizations tend to process their work by taking into account the implications of other cases for the present (Emerson, 1983). The overall workload as well as the stream of events affects decisions: people assess a problem in relation to some larger problem set. This tendency is especially keen in situations of uncertainty and when the task is to assess the seriousness and priority of a problem in order to control it.

Equally importantly, decisions on issues that relate to risk and uncertainty are generally taken in a context shaped by other decisions on the same problem. A
sequence of decisions made about similar issues creates a decision stream. Let us assume that a decision relating to risk is followed by an evaluation report, and furthermore that this creates an anomaly; the decision was based on one rationality, the evaluation points at another. The information from the evaluation deviates from the expectations, contradicting the existing world view. However, each evaluation – each signal – is reviewed on its own merits and the flow of signals may come to be interpreted differently when analysed ex post.

Accumulating incrementally, evaluation reports on the extent, origins and significance of risk and uncertainty cannot be expected to change world views automatically. Instead it is necessary to look at the patterns of information flow and the sequence of events. Indeed, patterns of information have the capacity to confirm a world view, to challenge and alter it, or to allow it to persist unchallenged and unchanged (Vaughan, 1997). In the following we will explore some characteristics of the flow of events, explaining how evaluation signals become embedded in other events, and the messages diluted.

Signals from the evaluation system are usually mixed; information indicating trouble is often interspersed with and/or followed by information pointing at other problems, and/or signalling that all is well. Signals from the evaluation

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**Figure 1.** The square peg and the round hole – or how evaluation findings relate to organizational culture (in respect of risk and uncertainty)
system are weak; information is informal and/or ambiguous, so that the threat of risk is not quite clear. Signals are repeated, becoming routine, establishing a pattern of anomalies and deviance between world view and information. As long as no serious havoc is created, the organization can get used to the discrepancy. The very routine serves to pacify the recipient of the signals, and negate the novelty or the seriousness of the anomalies that are revealed.

**Mixed signals** In retrospect, the patterns of information on causes of risk are rather clear. But note that it is around 60 percent of evaluation reports that point at operational causes of uncertainty. That means a programme officer may read two evaluation reports that identify operational factors, and then one that identifies contextual factors as the most important. As there are several contextual and operational factors, it is not surprising to find that the message is diluted. The signals are not consistent enough to change an entrenched organizational culture. In a parallel field, consumer research shows that people who are presented with a wide choice of rational criteria, for example when buying a house, a car or an expensive camera, will select only a few to motivate their choice. Furthermore, that selection can be very irrational – or more precisely, their rationality has little to do with classical models of rational choice.

**Weak signals** In addition, the quality of the studies is often poor (Forss and Carlsson, 1997) so the findings can be challenged – maybe they do not have high credibility or they are not accurate enough. A person with a divergent view can often find good reasons to dismiss an evaluation. Evaluations are accepted when they confirm what people already know, but they are not solid enough to change deeply rooted beliefs and opinions. In this sense, the signals from evaluations are weak; they do not provide strong (valid and reliable) evidence for the problems they identify.

The practice of commissioning evaluations may contribute to the pattern of weak and mixed signals. Standardized terms of reference usually cover all possible aspects of impact, sustainability, effectiveness and efficiency. An evaluation team which is asked to look at all possible contextual as well as operational factors on a project may find it rather difficult to focus the message. In most cases, the question of the uncertainty causing factors’ significance cannot be answered in terms of yes or no, but rather on a sliding scale of importance. Hence the signals are likely to be mixed and weak.

**Routine signals** The frequent event, even when acknowledged to be inherently serious, loses some of its seriousness as similar events occur in sequence, and methods of assessing and responding to them stabilize. Knowledge and expectations about performance that are borne out time after time encourage decision-makers to classify each similar event as a normal or typical case. Seriousness itself becomes routine, a characteristic of the case that is taken for granted, reducing the seriousness for people in the organization.

Aggregate reviews of results show increases in failure rates. Where for example the Cassen report in 1986 pointed at failure rates of less than 50 percent, the
World Bank’s 1992 review of its technical assistance portfolio at present points to failure rates of above 80 percent. The years in between have seen a steady flow of reports pointing at raising failure rates. Have the signals become routine? Is it expected that the outcomes will be of this nature, and does the very repetitive nature of the alarm reports reduce their impact? The old saying of ‘never cry “wolf”’ repeats itself.

**Concluding Remarks**

In this article, we present data that suggest that the organizational culture in respect of risk and uncertainty does not relate to evidence from project evaluations. The information provided by evaluation studies on how risk and uncertainty originate and what consequences they have does not shape how they are perceived by project managers and others in development cooperation.

Professionals in development cooperation believe that risk and uncertainty are high on development projects and that the contextual causes of uncertainty are more significant. They think that uncertainty is highest in respect of the socio-cultural and political areas, whereas technology, economics and environment are considered less uncertain. Uncertainty is mainly negative, and often explains why projects fail, hence there is also a strong belief that aid agencies should be more risk averse.

Evaluations, on the other hand, suggest that uncertainty and risk are largely of a technological or financial/administrative kind. The evaluations suggest that far more risk and uncertainty are due to causes that can be controlled by proper managerial actions within the project setting. The lessons from evaluation encourage a proactive stance on risk and uncertainty, whereas the prevalent culture seems to be to blame factors that are beyond management control.

Evaluations have a low impact on the social construction of risk and uncertainty. The signals from the evaluation system were found to be weak, mixed and routine. They were weak insofar as the accuracy and legitimacy of the findings often fall short of expectations. They were mixed insofar as evaluations are often charged with too many questions to be answered in too short a time. They do not provide consistent and coherent messages. The signals become routine, hence they may lead to a normalization of deviance rather than to responsive action.

Furthermore, evaluations have not focused on risk and uncertainty per se. It is reasonable to assume that the ‘exotic’ explanatory factors have had an influence on the conduct of evaluations as well, hence the very broad perspectives and lack of focus that contribute to the mixed and weak signals mentioned above. This may have become a self-reinforcing process, where the obvious and ‘manageable’ aspects of risk and uncertainty became more and more obscured by the remote and unapproachable factors. If the hypothesis is correct, it will be a major challenge for the evaluation function to sharpen its focus, and to promote a realistic and operationally conducive understanding of uncertainty. The task is to make organizational culture more responsive and proactive in relation to the real challenges in development cooperation.
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Note
1. For a broader review of literature and definitions, the reader might refer to Samset (1998).

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Forss and Samset: Square Pegs and Round Holes


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