
Business Administration and Business Economics

**Impact of Project Leadership
Facets on Project Outcome**

Arslan Ayub¹, Masoodul Hassan², Adeel Akhtar³, Shahjahan Laghari⁴

Abstract: The study analyzes the role of project leadership facets on effective project outcome. Numerous such initiatives have already been taken on project outcome/performance in the context of apposite leadership styles or project management. However, the current study is unique in the milieu of project outcome that it introduces a new leadership approach, which throws light on the significance of variant leadership facets on project outcome. The study uses explanatory approach; primary data is collected from project management professionals working in different project organizations. The study uses structural equation model (SEM) technique to test the hypothesis. The study found a positive relationship between project leadership facets and project outcome.

Keywords: Project leadership facets; Project outcome; Pragmatism; Motivation; Creativity; Decision-making; Communication

JEL Classification: O22

1. Introduction

Glimpsing over a decade before, neither the markets were fleet nor was the competition fierce. The process of elapsing shows a new era of competition where there has been an incessant hostility due to a leap of markets in red oceans, where organizational sustainability have to forgo with vitality. This resulted in organizational thrust to project organizations to head on this exuberance; considering time and other resource constraints. Thus, this created a need to understand factors

¹ PhD Scholar, Department of Commerce, Bahauddin Zakariya University Multan, Pakistan, Tel.: +923000300406, Corresponding author: ayub_arslan@ymail.com.

² PhD, Head of Department, Department of Commerce, Bahauddin Zakariya University Multan, Pakistan, Tel.: +923007367300, E-mail: masoodulhassan99@gmail.com.

³ Assistant Professor, Department of Commerce, Bahauddin Zakariya University Multan, Pakistan, Tel.: +923006325773, E-mail: seeadeel@yahoo.com.

⁴ PhD Scholar, Department of Commerce, Bahauddin Zakariya University Multan, Pakistan, Tel.: +923338795353, E-mail: mrlaghari@yahoo.com.

that play significant roles in project success. One of the major factors being dominant in project outcome/success is the human capital (Naqvi et al., 2011). Schultz (1961) stated that human capital is the ability, knowledge, capacity, and skills required to yield pre-determined results on time (in Aslam et al., 2013). In this study, we examined effectiveness of project outcome from the perspectives of human. Thus, the objective of this paper is to analyze the role of variant leadership facets on effective project outcome.

Numerous such initiatives have already been taken on analyzing the role of leadership, leadership behaviors, and leadership styles *etc.* on project management and effective project outcome (Cleland, 1995; Crawford, 2000; Mkilouko, 2004; Javidan et al., 2006; Huemann, 2007; Naqvi et al. 2011). However, this study is unique in the context that it introduces a new model of effective project outcome through the deployment of project leadership facets. The study throws light on the importance and the association of leadership facets and leadership behaviors so as to mitigate the escalating debate on varying leadership styles and their impact on the success of projects. Rather, it presents the model that fits in leadership behaviors presented by contingency school hence, resulting in effective project outcome in any of the prevailing leadership styles of organizational culture.

Thus the current study aims to analyze the influence of project leadership facets on effective project outcome. The following research questions are central to this study:

1. How project leadership facets are associated with different leadership behaviors?
2. What is the influence of project leadership facets on effective project outcome?

2. Theoretical Background

In reviewing the literature on project outcome, the role of leadership is at the heart of this predicament. Leadership is defined as the process that involves influencing and motivating individuals or teams towards the achievement of common goals (Hersey and Blanchard, 1993). Handy (1982); Partington (2003) advocated that leadership over the past 70 years can be categorized based on different schools of thoughts, which significantly propose six main leadership theories such as:

1. The trait school;
2. The behavioral or style school;
3. The contingency school;
4. The visionary and charismatic school;
5. The emotional intelligence school;
6. The competency school.

However, in this study we focused on the contingency school of thought. Fiedler (1967), the contingency school was popular in third quarter of 20th century. He

argued that despite of incorporating different leadership styles in organizations, leaders must seek universal leadership styles in accordance with the demands of situations. Chui-Ha and Derek (2008) stated that for different sizable projects, project leaders deploy different leadership styles. Krech et al. (1962), according to contingency theory, leaders tend to follow same patterns such as:

1. Assess leadership behaviors;
2. Assess different situations;
3. Establish match between leadership behaviors and contingent situations.

House (1971) proposed that the contingency theory, which became popular, was the path-goal theory. The theory stated that leaders must assist the teams in identifying paths directed towards goals and objectives. The theory proposed four leadership behaviors *i.e.* directive, supportive, participative, and achievement-oriented.

2.1. Project Leadership Facets and Project Outcome

The rationale behind the adaptation of contingency school of thought for this research leads the underpinning for variant project leadership facets. This trajectory relies on the association between leaders and followers as this behavior determines appropriate leadership styles of communication, ideas' conveyance, reliable facilitating actions that result in effective planning and organizing (Hersey et al., 1996). The facets are pragmatism, creativity, positive intolerance, stability, communication, motivation, and group orientation. Castka et al. (2001), the prime leadership facet, 'pragmatism'; for project leaders, one of the required dynamic skills is the ability of leaders to articulate achievable and clear vision for projects. Avolio et al. (2004) further validated the construct and linked pragmatism skill with the attribute of transformational and authentic leader which helps and inspires others to the proper delivering of project vision.

When your words are insane, it's called abnormality, but when your ideas become insane, it's called creativity. The momentous attribute of leaders in relation to project leadership facets is creativity. David (1998), brainstorming sessions is directly associated with idea generation and for leader to being creative hence, resulting in effective project visioning, planning, and implementing. The next attribute is positive intolerance, which is the ability of leaders to make quick and effective decisions even in tough times. Ofstad (1961), positive intolerance refers to "...making a decision means to making a judgment regarding what one ought to do in a certain situation after having deliberated on some alternative course of action" Simon (1960) referred decision-making to be constituting three phases- identifying proper occasion for making decision, identifying possible courses of actions, and choosing among alternatives.

Stability refers to the extent to which project leaders, individuals, and teams can work under extreme pressures. Project leader thus, require a high degree of stability because of external global and competitive pressures on organizations to be more responsive for being competitively sustained (Wriston, 1991; Druskat and Wheeler, 2003). Janis (1981) argued that stress is exacerbated due to previous failures that groups experienced. Thus, for effective project outcome and success of project, project leaders must deploy stability to maximum levels. Communication and motivation also play dominant role in project success. Chui-Ha and Derek (2008) proposed that a large power distance is required for establishing and developing strong hierarchy among project teams. This results in proper articulation and conveyance of vision through shared goals and objectives. According to Locke (1997), human directedness, perceived needs, and willingness are the key determinants of motivation. Linking motivation to self-esteem and self-determinism is an essential feature of project leaders.

A new research team has emerged in parallel to this phenomenon, the aim of which is innovation and performance through the use of work teams (McAdam and McClelland, 2002); a term used in its specificity in project management is group orientation. Paulus (2000); Barczak and Wilemon (2003) reviewed work teams' formulation in literature as a fundamental success factor.

Much literature has concerned project success and effective project outcome (Morris and Hough, 1993; Kendra and Taplan, 2004). Aaron et al. (2001) identified four main dimensions of project outcome such as efficiency of project, impact of customers, project as well as organizational success, and guiding strategic directions for future (in Naqvi et al., 2011). Schwalbe (2010), nine key areas are recommended to be the consequent of effective project management throughout the project life cycle. These include HR, time, quality, cost, communication, scope, risk, procurement, and integration (Project Management Institute, 2008).

The primary functions of effective project management are the management of triplet project constraints such as scope, time and cost (Naqvi et al., 2011). Thus, the current study is directed towards the analysis of project leadership facets on mitigating the triplet constraints associated with project outcome.

Abundant literature is available on analyzing the role of leadership, leadership behaviors, and leadership styles etc on project management and effective project outcome (Cleland, 1995; Crawford, 2000; Mkilouko, 2004; Javidan et al., 2006; Huemann, 2007; Naqvi et al. 2011). However, this study is unique in the context that it introduces a new model of effective project outcome through deploying variant project leadership facets. The literature sums up with the development of hypothesis H1, based upon extensive review of theory.

H1 Project leadership facets are positively correlated with project outcome

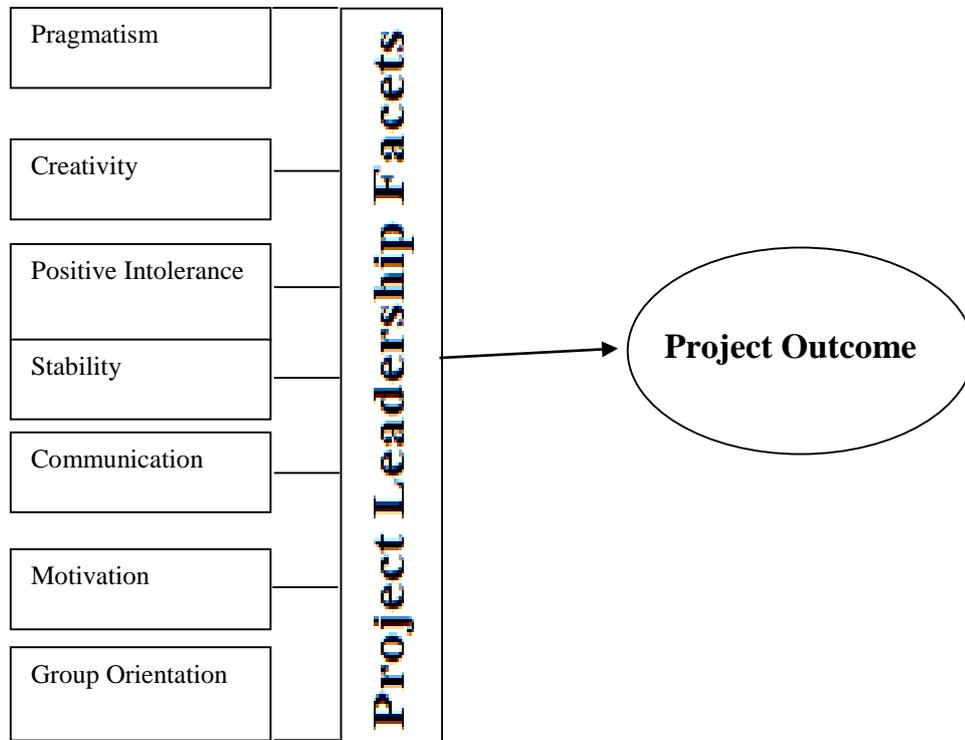


Figure 1. Project Leadership Facets and Project Outcome

3. Research Method

3.1 Sample

Target population for this study was project managers working in different project organizations in Pakistan. Two hundred research questionnaires were administered by research team, a total of 168 questionnaires were received back. It became point of interest for respondents as the questionnaire asked items regarding personality traits and attributes of project leaders. Thus, the response rate was quite high.

3.2 Instrument and Measures

The study is conducted to measure the effect of project leadership facets on project outcomes. Thus, there are two variables in this study. Project leadership facets acted as an enabler for project outcome; hence, it was independent variable. Project outcome served as a dependent variable. The instrument to measure project

leadership facets contained 16 items and is asked on 5-point Likert scale (1 for strongly agree and 5 for strongly disagree). The dependent variable is project outcome. The instrument to measure project outcome contains 5 items and is measured on 5-point Likert scale.

3.3. Procedure

Questionnaires were distributed to project managers working in different project organizations in Pakistan. Questionnaire contained two parts. First part was regarding demographics of participants. And 2nd part consisted of items related to dependent and independent variables. In two phases the survey questionnaires were distributed. In first phase, the self-explanatory questionnaires were administered by research team to project managers, and in second phase, the questionnaires were received. A reminder buzz was also given to ensure maximum response.

4. Results and Discussions

The response rate of 84% was noticed as 200 questionnaires were administered and 168 usable questionnaires were received back. There was no statistical difference between gender, age, and qualification. Thus, the results can be generalized to larger population.

Table 1 shows mean, standard deviation, and cronbach's of the data. The results of this analysis are quite encouraging. The results reveal that pragmatism has the largest mean and stability has the lowest mean. Standard deviation ranged from .91271 to 1.78530.

Table 1. Descriptive Statistics

Variables	Items	N	Mean	SD	Cronbach's Alpha
Pragmatism	3	168	5.5298	1.75071	.849
Creativity	2	168	3.8214	.93707	.624
Positive Intolerance	2	168	3.7976	.91271	.778
Stability	2	168	3.6667	1.02465	.671
Communication	3	168	5.3512	1.78530	.860
Motivation	2	168	3.7440	.98490	.654
Group Orientation	2	168	3.9881	.96643	.744
Project Outcome	5	168	8.6786	2.09454	.832
Project Leader Facets	16	168	29.8988	7.36364	.932

Table 2 shows Pearson correlation analysis of project leadership facets and project outcome. Table 2 reveals positive relationship among all facets of project leadership on project outcome; it reveals a slight lower value of positive intolerance than other project leadership facets. It shows the highest positive relationship among stability and project outcome. All the while, Table 2 shows a significant positive relationship between independent and dependent variables. Thus, it supports our hypothesis H1, which refers towards the positive correlation between project leadership facets and project outcome.

Table 3 shows regression weights of the analysis. The value of P should be less than 0.05 for any hypothesis to be accepted. The value of P for our analysis is well below than 0.05. Hence, we accept our hypothesis. There is a strong positive relationship between project leadership facets and project outcome. The analysis is well supported with different schools of thoughts as discussed in depth in literature review section.

Table 2. Correlations

		PLF	PLFP	PLF C	PLFPI	PLF S	PLFCO M	PLFM	PLFG O	PO
PO	Pearson	.790	.778*	.657	.552*	.812	.701*	.616	.670	1
Correlation		*		*		*				
Sig.(2-tailed)		.000	.000	.000	.000	.000	.000	.000	.000	
N		168	168	168	168	168	168	168	168	

Table 3. Regression weights

Hypotheses	Estimate	S.E.	C.R.	P	Decision
H1 PO < --- PLF	0.225	.013	16.667	.000	Accept

Figure 2 verifies the model of dependent and independent variables in the form of Structural equation modeling technique (SEM). Figure 2 reveals that if project leadership facets go up by 1, project outcome goes up by .22.

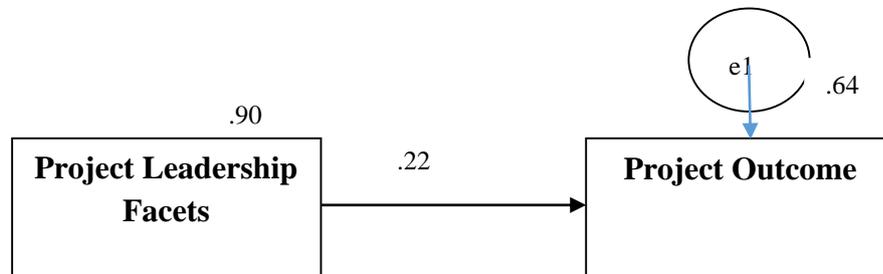


Figure 2. Structural Equation Model

5. Conclusion

This study is conducted to analyze the influence of project leadership facets on project outcome. It is an important study in the domain of project management, as it incorporated and analyzed project leadership facets with effective project outcome. The study is unique in the milieu of project outcome that it introduces a new leadership approach, which throws light on the significance of variant leadership facets on project outcome. The study found significantly positive relationship between project leadership facets and project outcome. Moreover, it is found that among all facets of project leadership; stability is strongly correlated with project outcome. Stability- the ability of leaders to make decisions and outer perform in all situations even under severe pressure. Sturman et al. (2005) advocated that there is a positive relationship between stability and individual performance; this is also verified by this study. Furthermore, the study shows significant positive relationship of all project leadership facets with project outcome. Proposed model in this study is verified by using multiple analysis and structural equation modeling technique (SEM). By deploying all leadership facets exclusively, project managers shall be able to get nearer towards an effective project leadership approach. The study also provides grounds for researchers with useful future references.

6. References

- Aaron, J., Dov, D., Ofer, L., Alan, C., & Maltz, J. (2001). Project Success: A Multidimensional Strategic Concept. *Long Range Planning*, Vol. 34 No. 6, pp. 699-725.
- Aslam, M.S., Ayub, A., & Razzaq, A. (2013). Technological Learning: Moderator between Intellectual Capital and Organizational Performance. *Interdisciplinary Journal of Contemporary Research in Business*, Vol. 4, No. 11, pp. 436-451.

- Avolio, B.J., Gardner, W.L., Walumbwa, F.L. & May, D.R. (2004). Unlocking the mask: a look at the process by which authentic leaders' impact follower attitudes and behaviors. *Leadership Quarterly*, Vol. 15, pp. 801-823.
- Barczak, G. & Wilemon, D. (2001). Factors influencing product development team satisfaction. *European Journal of Innovation Management*, Vol. 4 No. 1, pp. 32-36.
- Castka, P., Bamber, C.F., Sharp, F.M. & Belohoubek, P. (2001). Factors affecting successful implementation of high performance teams. *Team Performance Management*, Vol. 7, pp. 123-34.
- Chui-Ha (Tracy) Ng, & Derek, H.T.W. (2008). A study of project management leadership styles across life cycle stages of an IT project in Hong Kong. *International Journal of Managing Projects in Business*, Vol. 1 No. 3, pp. 404-427.
- Cleland, D. (1995). Leadership and the project management body of knowledge. *International Journal of Project Management*, Vol. 13 No. 2, pp. 83-88.
- Crawford, L. (2000). *Profiling the competent project manager*. Proceedings of PMI research conference, Newton square, PA: Project Management Institute, pp. 3-15.
- David, G. (1998). Knowledge, Creativity, and Innovation. *Journal of Knowledge Management*, Vol. No. 2(1).
- Druskat, V.U. & Wheeler, J.V. (2003). Managing from the boundary; effective leadership of self-managing work teams. *Academy of Management Journal*, Vol. 48 No.4, pp. 435-457.
- Fiedler, F. E. (1967). *A theory of leadership effectiveness*. New York: McGraw-Hill.
- Handy, C. B. (1982). *Understanding Organizations*. London: Penguin.
- Hersey, P. & Blanchard, K.H. (1993). *Management of organizational behavior*. 6th Edition. Englewood Cliffs, NJ: Prentice-Hall.
- Hersey, P., Blanchard, K. & Johnson, D.E. (1996). *Management of Organizational Behaviour*. 7th ed., London: Prentice-Hall International.
- House, R. J. (1971). A path-goal theory of leader effectiveness. *Administrative Science Quarterly*, pp. 321-338.
- Huemann, M., Keegan, A. E., & Turner, J. R. (2007). Human resource management in the project oriented company: A critical review. *International Journal of Project Management*, Vol. 25, pp. 312-320.
- Janis, I.L. (1982). *Groupthink*. 2nd ed. Boston, MA: Houghton Mifflin.
- Javidan, M., Dorfman, P. W., de Luque, M. S., & House, R. J. (2006). In the Eye of the Beholder: Cross Cultural Lessons in Leadership from Project GLOBE. *Academy of Management Perspectives*, Vol. 20 No. 1, pp. 67-90.
- Kendra, K. & Taplan, L.J. (2004). Project success: a cultural framework. *Project Management Journal*, Vol. 35 No. 1, pp. 30-46.
- Krech, D., Crutchfield, R. S., & Ballachey, E. L. (1962). *Individual in society*. New York: McGraw-Hill.
- Locke, E.A. (1997). The motivation to work: what we know. In Maehr, M.L. and Pintrich, P.R. (Eds), *Advances in Motivation and Achievement*. JAI Press Inc., Greenwich, CT, pp. 375-412.

McAdam, R. & McClelland, J. (2002). Individual and team-based idea generation within innovation management: organizational and research agendas. *European Journal of Innovation Management*, Vol. 5 No. 2, pp. 86-98.

Mkilouko, M (2004). Coping with multi-cultural projects: The leadership style of Finnish project managers. *International journal of Project Management*, Vol. 22 No. 5, pp. 387-396.

Morris, P.W.G. & Hough, G.H. (1993). *The Anatomy of Major Projects – A Study of the Reality of Project Management*. London: Wiley.

Naqvi, I. H., Bokhari, S.H.A., Aziz, S., & Rehman, K.U. (2011). The impact of human resource (HR) performance management on project outcome. *African Journal of Business Management*, Vol. 5 No. 21, pp. 8491-8499.

Necşulescu, E. & Mironov, G. (2011). Interactivity Leadership in a Global Economy. *EIRP Proceedings*, the 6th Edition, <http://www.proceedings.univ-danubius.ro/index.php/eirp/article/view/823/744>

Ofstad, H. (1961). *An Inquiry into the Freedom of Decision*. Oslo: Norwegian Universities Press.

Partington, D. A. (2003). Managing and Leading. In J.R. Turner (Ed.). *People in project management*. Aldershot, UK: Gower.

Paulus, P. (2000). Groups, teams, and creativity: the creative potential of idea-generating groups. *Applied Psychology*, Vol. 49 No. 2, pp. 237-263.

Schultz, T.W. (1961). Investment in Human Capital. *The American Economic Review*, Vol. 51, No. 1, pp. 1-17.

Schwalbe, K. (2010). *Information Technology Project Management*. Revised Edition, Canada. Thomson Course Technol., Vol. 5 No. 1, pp. 150-300.

Simon, H.A. (1960). *The New Science of Management Decision*. NY: Harper & Row.

Sturman, M.C., Cheramie, R.A., & Cashen, L.H. (2005). The impact of Job Complexity and Performance Measurement on the Temporal Consistency, Stability, and Test-Retest Reliability of Employee Job Performance Ratings. *Journal of Applied Psychology*, Vol. 90 No. 2, pp. 269-283.

Wriston, W.B. (1991). The state of American management. *Harvard Business Review*, Vol. 68, No. 1, pp. 78-83.

Abbreviations

PLF Project Leadership Facets, **PLFP** Project Leadership Facets Pragmatism **PLFC** Project Leadership Facets Creativity **PLFPI** Project Leadership Facets Positive Intolerance **PLFS** Project Leadership Facets Stability **PLFCOM** Project Leadership Facets Communication **PLFM** Project Leadership Facets Motivation **PLFGO** Project Leadership Facets Group Orientation **PO** Project Outcome.