

Leadership Styles, Goal Clarity, and Project Success: Evidence from Project-based Organizations in Pakistan

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ABSTRACT

Project management research emphasizes the importance of leadership styles for project success. However, research lacks critical mass, as there is little exploration and examination of the underlying mechanisms in the project leadership and project success relationship. Drawing on full-range leadership theory, this paper contextualizes transformational leadership style, and transactional leadership style (active management by exception, and contingent reward) to the project environment, and proposes goal clarity as a possible explanation to the leadership styles relationship with project success. We draw on a survey sample of 248 project-based organizations in Pakistan. Analysis from variance-based structural equation modelling reveal that goal clarity partially mediates the relationship between transformational leadership style and project success. However, in case of the transactional leadership style, goal clarity has neither any mediating role, nor is related with the transactional leadership style. Furthermore, the contingent reward aspect of the transactional leadership style is positively associated to project success, whereas the active management by exception aspect is negatively associated to project success. We discuss results and offer implications for theory and practice.

Keywords: *Transformational Leadership; Transactional Leadership; Goal Clarity; Project Success; Pakistan.*

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INTRODUCTION

Leadership literature identifies a range of leadership styles and their possible impacts on the success and management of organizations. However, in the case of temporary project organizations, the understanding of leadership styles and their impacts is poor. Research calls for exploring the underlying mechanisms through which leadership styles influence project success (Turner and Müller, 2005, Aga et al., 2016, Yang et al., 2011, Aga, 2016, Ding et al., 2017). The full-range leadership theory (FRLT) (Bass and Avolio, 1997), emphasizes three leadership styles, namely transformational, transactional, and laissez-faire (Sohmen, 2013). The former two leadership styles (transformational leadership and transactional leadership), have gained particular interest in the project management research due to their relevance to the projects and their management (Yang et al., 2011) as compared to the latter, which is considered rather destructive in nature (Skogstad et al., 2007).

Leadership is about goal accomplishment by followers through the leader's communication/direction (DuBrin, 2004) and influence (Koontz, 2010). Certain preconditions of project management and success, such as effective and efficient team building (Aga et al., 2016), and team communication, cohesiveness, and collaboration, are the outcomes of good project leadership (Yang et al., 2011, Prabhakar, 2005). Leadership is required in all phases of the project, as the project manager being leader of the team must walk the team members through from project initiation to project completion, and deliver as per the expectations of all the project stakeholders

(PMI, 2013, Kerzner, 2013). There is generally little empirical testing of the direct and indirect relationships of leadership styles and project success (Aga et al., 2016, Keegan and Den Hartog, 2004, Yang et al., 2011). Some studies suggest a direct link between the transformational leadership style and project success (see e.g., Gundersen et al., 2012, Aga et al., 2016, Yang et al., 2011). The same is suggested in case of the transactional leadership style (Yang et al., 2011). However, such links are less tested (Hinkin and Schriesheim, 2008), and, hence less clear with regard to their underlying mechanisms. Furthermore, some studies look at the links only partially, for example, Aga (2016) studies the link of transactional leadership style and project success, but, only for one (i.e. contingent reward) out of the three dimensions of the transactional leadership style.

This paper aims to address these gaps. It draws on the existing studies, and examines the relationship of project success with the transformational leadership style and the transactional leadership style. We propose goal clarity (in terms of the project, the customers, and the management) as a possible intervening factor in the relationship between transactional leadership style (active management by exception, contingent reward) and project success, and the transformational leadership style and project success. Goal clarity is important for projects and their management, as without clarity, the project will not be completed as per the expectations of the stakeholders (Tyssen et al., 2014). To this end, we draw on a survey sample of 248 project-based organizations in Pakistan, and test our hypotheses through employing variance-based structural equation modelling.

THEORETICAL FRAMEWORK

Project Success

The traditional measure of project success has been the iron triangle of scope, cost, and time (PMI, 2013, PMI, 2008). However, it is now realized that project success is not just about completion of project within the defined scope, time, and cost, but, also about gaining customer acceptance, stakeholder satisfaction, commercialization, and future project opportunity (Serrador and Turner, 2015, Cooke-Davies, 2002).

Research identifies a range of determinants and drivers of project success. Müller and Turner (2007b), suggest that complex or fixed contract projects require greater level of customer satisfaction, and that stakeholder satisfaction is critical to project success. Some studies emphasize the importance of completing projects within the cost, time, and quality, but also good relationships among the stakeholders (see Wang and Huang, 2006). Serrador and Turner (2015) emphasize the importance of completing projects within the defined scope, time, and cost as well as the stakeholder requirements and customer acceptance. PMI (2013) emphasizes two aspects vis-à-vis project success: 1). completing project within scope, cost, time, and quality; and, 2). stakeholder satisfaction. Ika (2015) suggests the success determinants as: 1). the benefit the project provides to the project organization, key stakeholders, and the project team; 2). customer satisfaction; and, 3). the achievement of the project organization objectives, and the commercialization opportunity. Based on the above, we can (holistically) define project success as involving: 1). completion of project within the scope, time, cost, and quality; 2). customer and stakeholder satisfaction; and, 3). accomplishment of the project organization's goals and objectives.

Transformational leadership Style

Transformational leadership style, as the name suggests, involves a transformation. The transformational process involves the leader, the followers and the system for which the leader and the followers are working. Leader is the key source of inspiration and motivation for the followers in inducing a desirable change (Robbins and Coulter, 2007). The followers are motivated to work to their full potential, and the leader gives attention to the followers' needs and wants. An environment of trust, creativity and accomplishment is developed (Mumford et al., 2002), leading to a positive change among the followers, and to do what's best for the organization as a whole (Thomas, 2016, Warrilow, 2012).

Transformational leadership style has four dimensions or four I's, namely: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Bass and Bass, 2009, Avolio et al., 1991). Idealized influence reflects the follower's behavior characterized by emotions towards the leader and the pride of being associated with the leader. Inspirational motivation involves inspiration of the followers towards the appealing vision, and the challenging assignments (towards achieving the vision) conveyed by the leader. Intellectual stimulation involves the leader's encouragement to the followers in undertaking an effortful and creative thinking towards identifying the problems, and coming up with appropriate solutions. Individualized consideration involves addressing the concerns and needs of followers at the individual level (Bass and Bass, 2009, Avolio et al., 1991).

Transactional Leadership Style

Transactional leadership style is a sort of an exchange process, whereby leaders oblige the followers in terms of completing their contractual commitments in an effective and an efficient manner. The leader monitors the followers' activity, and controls the possible deviations from the expected standards and the performance levels. Transactional leadership style involves a sort of a carrot and a stick approach or a combination of reward and punishment (Thomas, 2016). It involves bargaining among the leader and the followers, such that followers receive certain privileges in exchange for their quality work according to the leader's directions, but, in case of deviations, the leader can punish the followers (Bass, 1985, Bass, 1996). So, the concept of transactional leadership style is threefold: 1). a contingent reward to the followers in exchange of a quality work; 2). an active management by exception, where by the leader monitors the performance of the followers and corrects the mistakes; and, 3). a passive management by exception, whereby the leader takes necessary action to control the deviations with regard to the expected performance level, and penalizes the followers (Antonakis et al., 2003, Judge and Piccolo, 2004).

The three aspects of transactional leadership style are relevant to the management of projects. In a typical project, a project manager as a leader would first clarify to the individuals, their roles and the expected output, and then monitor and control the activities of the individuals. Contingent reward is a key motivational factor. If the project manager promises to reward the individuals for their exceptional work, then greater performance levels from the project team members may be expected. With regard to the other two aspects (i.e., active management by exception, and passive management by exception), research argues that they could be negatively related. For example, some studies such as Yammarino and Bass (1990), Hater and Bass (1988), and Antonakis et al. (2003) suggest a negative correlation of the active management by exception

aspect with the passive management by exception aspect. A logical explanation of this negative correlation could be a higher level of monitoring generally leading to a higher level of project performance, hence requiring less need for a project control. So, to some, the use of passive management by exception aspect with the active management by exception aspect can be problematic due to their negative association with each other. Based on that some studies such as Tyssen et al. (2014), and Aga (2016), deliberately exclude the passive management by exception aspect from their conceptualization.

CONCEPTUAL DEVELOPMENT

Transformational Leadership Style and Project Success

Research finds various positives of the transformational leadership style. Transformational leadership style is positively linked with performance (Jansen et al., 2009, Vaccaro et al., 2012), employee adaptability and proactivity (Wang et al., 2017) work engagement (Ding et al., 2017), organizational commitment (Delegach et al., 2017) employee retention (Caillier, 2017), employee creativity (Dong et al., 2017), employee innovative behavior (Xenikou, 2017), employee entrepreneurial behavior (Afsar et al., 2017), as well as with bringing confidence in the employees to speak against the wrong doings of the superiors in the organization (Caillier and Sa, 2017). Transformational leadership style is positively linked to project performance (Keller, 1992), and project success (Aga et al., 2016, Anantatmula, 2010, Yang et al., 2011).

The four Is of the transformational leadership style (Avolio et al., 1991) are critical to enabling the project team members perform to their full potential. Regarding the individualized consideration aspect, several issues (technical or interpersonal) or conflicts within the team during

the project execution phase may arise, which may slow down the project pace or even bring some or all the activities of the project to a halt (PMI, 2013). A transformational leader would identify the needs of the team members at the individual level, and address their concerns. This would not just remove hurdles, a team member is facing in their work, but, also motivate the team member in their work and establish confidence that the project leader is there to help. With regard to the intellectual stimulation; a key job of the transformational leader is to provide the team members an open environment where the team members can collaborate, share knowledge and come up with solutions to the problems they are facing during the project execution (Sohmen, 2013, McDonough, 2000). A collaborative environment leads to the development of knowledge augmenting capabilities (van den Hooff and de Ridder, 2004), as well as capacities in the team members to absorb new knowledge from each other (Liao et al., 2007). With such, certain technical or related issues may be resolved by the team members on their own, without disturbing the flow of the project. Third and fourth, the idealized influence and the inspirational motivation aspects; the team members naturally attach to a transformational leader due to the leader's active involvement in the project, assigning of freedom and autonomy to the team members, and giving importance to the team members at the individual level. The team members consider themselves as key drivers of project success and are inspired by the degree of freedom, openness and sharing of ideas, the commitment level, and the appealing vision set by the project manager. With that the team members work to their full potential, and ultimately bring the project towards completion and success. It can, therefore, be hypothesized that:

Hypothesis 1: *Transformational leadership style is positively associated with project success.*

Transactional Leadership Style and Project Success

Certain aspects of the transactional leadership style, such as contingent reward, are well known to improve individual and organizational level productivity and performance. Empirical research confirms the positive link of contingent reward with project success (Aga, 2016). Contingent reward (which can be material and/or psychological) motivates the team members to perform exceptionally and to their full potential. The concept can be rooted in the path-goal theory (House, 1971), and the distributive justice theory (Greenberg, 1987), which are about reward for performance. The individuals show higher involvement, commitment, and hard work knowing that their efforts will be acknowledged and they may be rewarded, particularly where they, for example, perform exceptionally or correct a problematic situation. The leader would generally remind of the contingent reward particularly to individuals with less expertise for their motivation and performance to full potential (Prabhakar, 2005). The leader's relationship with followers is mainly of a reward for a quality work (Wang et al., 2005). Research suggests that rewards for quality work are important as the leadership behaviors such as expecting exceptional performance from the individuals may not work where there are no contingent rewards in place (Schriesheim et al., 2006).

The other aspect of the transactional leadership style such as active management by exception also has a logical relationship, at least with the project management. Team members are aware that their activity is actively monitored and if they deviate from the expected standards, their reputation will get damaged, eventually leading to promotion delays, relegations, and even losing their job. So, it is logical to assume that the stick aspect of the transactional leadership style would motivate (or compel) the project team members to perform as they would, in case where they are exposed to a reward. With the presence of a reward aspect, it can be assumed that the monitoring

and correction aspect would be overridden by the reward aspect, and the followers would work to their full potential leading the project towards success. We, therefore hypothesize that:

Hypothesis 2: *Transactional leadership style is positively associated with project success.*

Leadership Styles (Transformational and Transactional) and Goal Clarity

The goals of the project, and the requirements of the client and the management should be clear to all the project organization key stakeholders and most importantly the project team. A key job of the project manager is to make the team members clear about their roles and responsibilities and the overall goals and objectives of the project (Kerzner, 2013). A good project leader will make sure that the short- and long-term goals and objectives of the project are achieved, and the project is delivered as per the requirements of the customer. With regard to the transactional leadership style, the project team members are advised on the goals of the project, and the requirements of the client and the management, to indicate the expectations from the team members (Balogun and Hailey, 2008, Moss, 2017). Setting high performance levels and standards are key characteristics of the transformational leadership style (Podsakoff et al., 1990, Dong et al., 2017). So, one of the first steps in project management involves clarifying the goals and objectives of the project and the project organization. We, therefore, hypothesize that:

Hypothesis 3: *Transformational leadership style is positively associated with goal clarity.*

Hypothesis 4: *Transactional leadership style is positively associated with goal clarity.*

Goal Clarity and Project Success

As above, a key requirement of the project is that its scope, goals, and objectives are clear to all the key stakeholders of the project (Kerzner, 2013). Goal clarity is critical to achieving expected performance levels (Sawyer, 1992). Where the goals are clear to the individuals and groups, the performance levels will be high (Anderson and Stritch, 2015, Dossett et al., 1979). Where goals are not clearly communicated, individuals will not be clear on the direction and the purpose of the project (Bosselut et al., 2012b, Bosselut et al., 2012a). Clear directions help the followers self-regulate their efforts towards their tasks (Latham et al., 2017), which helps them reach their goals and targets. So, in a project environment, where the goals of the project and the requirements of the client and management are clear to the project manager and the team members, the project is likely to be successful (Aga, 2016). We, therefore, hypothesize that:

Hypothesis 5: *Goal clarity is positively associated with project success.*

The Mediating Role of Goal Clarity

There is much recognition that the two leadership styles: transformational and transactional have differences (Yang et al., 2011). The transformational leadership style with its four Is (as discussed above) is more a relationship-oriented style (Prabhakar, 2005), where the leader develops pride, respect and a vision for the followers (Bass and Riggio, 2006), and regarded as appropriate for both simple as well as complex projects (Dulewicz and Higgs, 2003). The transactional leadership style, while equally important in its own right (Schriesheim et al., 2006) is more suited for simple

projects (Dulewicz and Higgs, 2003), and is more concerned about the process than the relationships (Müller and Turner, 2007a). The transactional leadership style focuses on the needs of the individuals (Yang et al., 2011), and is more rather an exchange of a quality work for a reward (Wang et al., 2005). So, both the leadership styles besides having obvious advantages come with weaknesses in terms of their appropriateness across the different types of projects (Müller and Turner, 2007a).

However, certain functions of the project manager such as clarification of project goals to the project team, are critical and a must for every project manager, no matter what leadership style they adopt. The project team members need to be clear about the project goals and objectives, and the overall scope of the project. Goal clarity combined with appropriate leadership style leads to team potency and performance (Hu and Liden, 2011). The project manager should clarify the goals from the very start of the project and should continuously remind the project team members of the expected (and/or revised) goals throughout the project. Goal ambiguity, or the lack of information regarding the expected standard and expectation, would lead to failure (Lee et al., 2009). A good project leader will remove all ambiguities in terms of the goals, requirements and specifications through effective communication, and will make project execution less complex for the project team members (Grant, 2012). The project as a result would complete as per the specifications, expectations and the satisfaction of the customer and the stakeholders. Success of the project is seen with the eyes of the customer, and where the customer is satisfied, the project can be considered as successful (Kerzner, 2013, PMI, 2013). Therefore, good project leadership would lead to clearer understanding of the goals, which would then lead to project success. We, therefore, hypothesize as follows:

Hypothesis 6: *Goal clarity mediates the relationship between transformational leadership style and project success.*

Hypothesis 7: *Goal clarity mediates the relationship between transactional leadership style and project success.*

Based on the above we propose the following testable model (see Figure 1). Transformational leadership style, and transactional leadership style are independent factors. We follow the existing studies and divide transactional leadership style into: active management by exception, and contingent reward, and exclude the passive management by exception aspect from our conceptualization/analysis. Project success is the dependent factor, and goal clarity is the intervening factor. Literature suggests that factors such as industry, ownership structure, and gender are key contingencies to projects and their management. So, to recognize that, we take organizational type (public, private), industry (manufacturing, services), and gender (male, female) as the model's controlling factors.

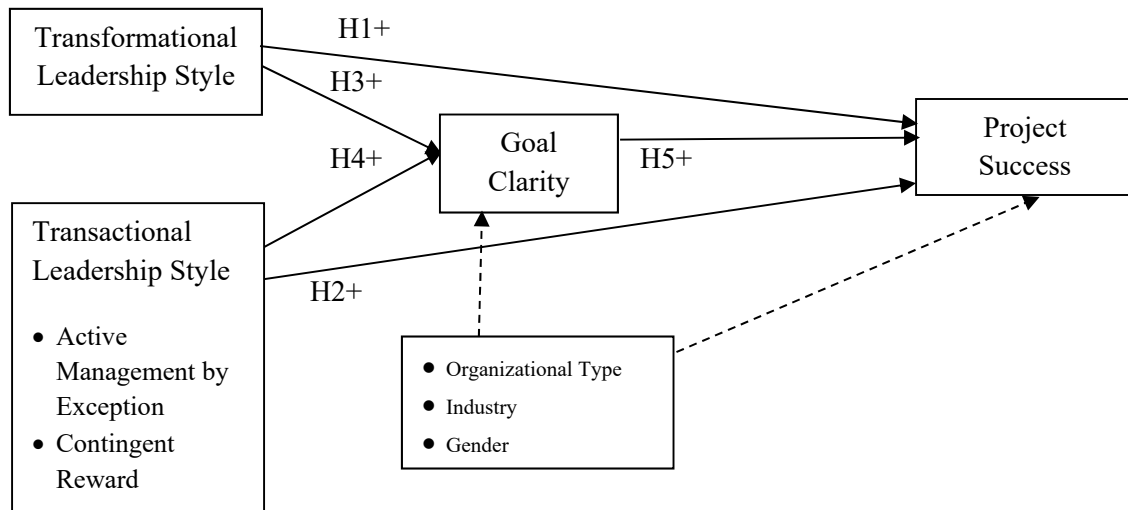


Figure 1: Study Conceptual Model

DATA AND METHODS

Data

Data are collected (in year 2017) from 248 individuals working in ten large project-based organizations from different sectors, each having multiple units, in Pakistan. The sample includes a textile mill, a tobacco company, five banks, three mobile telecommunication companies, and one IT-based organization, which primarily deals with the biometrics of the country's population. We derive a total population of around 700, taking 10 project teams from each organization, with at least 7 members in each project team. Complete responses from 248 respondents (representing all the ten organizations) are received out of which fifty come from the public sector and the remaining from the private sector. Respondents comprise functional managers (who have lead or worked on projects), dedicated project managers, and individuals who have led projects.

Pakistan is a large developing economy with a population of around 200 million, and just like any other country, comes with unique characteristics and challenges in the organizational management. The markets in Pakistan are generally large, requiring organizations to have multiple units at multiple locations. Research suggests that national culture influences organizational culture (Hofstede, 1980, Hofstede, 2001), and so, it may be expected that the western-based leadership theories (such as transformational and transactional) may only have a partial application in the collectivist Pakistani context, despite their universality.

Measurement and Analysis

The study uses survey method to collect data. Questions are mainly asked on 5-point Likert scales with options ranging from strongly disagree to strongly agree. The project success construct comprises of six items, which seek the respondents' perceptions on the success of their projects, both from the customer acceptance (quality), as well as the efficiency (scope, time, and cost) perspective. This construct is adopted from Aga et al. (2016). Transformational leadership style and transactional leadership style constructs are adopted from Aga et al. (2016). Transformational leadership style construct is based on 13 items. Transactional leadership style construct is divided into two parts: 1). contingent reward (3 items); and, 2). active management by exception (4 items). Goal clarity comprises of three items and is adopted from Hoegl and Parboteeah (2003). We apply variance-based structural equation modelling (SEM) technique using the Smart-PLS tool. First, the measurement model is validated, and the measurement invariance established. Second, the SEM analyses are conducted for testing the hypotheses.

RESULTS

We first check for multicollinearity among variables (see Table 1). The scores for variance inflation factor are below the limit of 3 (see Kutner et al., 2004), indicating little or no multicollinearity among the variables. Steps to reduce common method variance are taken prior to the survey using the guidelines from Podsakoff et al. (2003). Furthermore, we apply the Harman's single-factor test (Harman, 1967), and load all the variables involved in our model onto one factor – the total variance from all the variables comes out to be 34.37%, which is less than the 50% limit, hence indicating that our data is not plagued by a common method bias.

We then test our model using the SEM technique. First, we look at the measurement model (see Table 1). Looking at the construct reliability and validity the composite reliability of the variables is above 0.7; Cronbach's alpha scores are above 0.70, except for the goal clarity construct where the value is 0.66, however values between 0.60 and 0.70 are also considered reliable (Hair Jr et al., 2016). The average variance extracted (AVE) values are above 0.5. Furthermore, the AVE square root values are higher than the correlation coefficients between the latent variables, showing good discriminant validity. All factors (outer) loadings are above 0.6. Our model shows a likelihood of variance at around 50% (RSquare: 0.496).

Table 1: Measurement Model

| Measurement Model | | | | | | | | | | | | |
|--------------------------|-----------------------------|------------|------------------------------|-------------------------|-------------------------------|--------|--------|--------|-------|-------|-------|-------|
| Constructs | | AVE | Composite Reliability | Cronbach's Alpha | Discriminant Validity* | | | | | | | |
| | | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 1 | Gender | 1.000 | 1.000 | 1.000 | 1.000 | | | | | | | |
| 2 | Goal Clarity | 0.596 | 0.815 | 0.661 | -0.135 | 0.772 | | | | | | |
| 3 | Industry | 1.000 | 1.000 | 1.000 | 0.360 | -0.152 | 1.000 | | | | | |
| 4 | Organization Type | 1.000 | 1.000 | 1.000 | -0.010 | -0.363 | -0.246 | 1.000 | | | | |
| 5 | Project Success | 0.673 | 0.911 | 0.878 | -0.006 | 0.518 | -0.062 | -0.488 | 0.820 | | | |
| 6 | Transactional – AMBE | 0.678 | 0.894 | 0.842 | 0.001 | 0.312 | 0.008 | -0.342 | 0.293 | 0.823 | | |
| 7 | Transactional - CR | 0.645 | 0.844 | 0.727 | -0.070 | 0.256 | -0.033 | -0.265 | 0.328 | 0.695 | 0.803 | |
| 8 | Transformational Leadership | 0.505 | 0.924 | 0.912 | -0.062 | 0.422 | -0.099 | -0.356 | 0.539 | 0.641 | 0.465 | 0.711 |

*AVE square root values on the diagonal

Table 2: Structural Model

| Structural Model | | | |
|--|--------------------------|-----------------|----------|
| | Path Coefficients | T-Stats. | P |
| Transformational Leadership → Project Success | 0.410 | 6.359 | 0.000 |
| Transactional – AMBE → Project Success | -0.296 | 3.561 | 0.000 |
| Transactional – CR → Project Success | 0.194 | 2.925 | 0.004 |
| Transformational Leadership → Goal Clarity | 0.269 | 3.360 | 0.001 |
| Transactional – AMBE → Goal Clarity | 0.018 | 0.216 | 0.829 |
| Transactional – CR → Goal Clarity | 0.030 | 0.390 | 0.697 |
| Goal Clarity → Project Success | 0.275 | 4.897 | 0.000 |
| Transformational Leadership → Goal Clarity → Project Success | 0.074 | 2.763 | 0.006 |
| Transactional - AMBE → Goal Clarity → Project Success | 0.005 | 0.209 | 0.834 |
| Transactional - CR → Goal Clarity → Project Success | 0.008 | 0.379 | 0.705 |

With regard to the hypotheses, results show significant direct (positive) effect of transformational leadership style over project success, and transactional leadership style (contingent reward) over project success. However, in case of the active management by exception aspect of the transactional leadership style, we find a negative association. So, our hypotheses 1 is

confirmed, but, hypothesis 2 is partially confirmed as we find positive association with project success only in case of the contingent reward aspect, whereas in the case of the active management by exception aspect, we find a negative rather than a positive association with project success.

Furthermore, results show that transformational leadership style is positively associated with goal clarity, but, neither of the two dimensions of the transactional leadership style are significantly associated with goal clarity. With that our hypotheses 3 is confirmed, but, hypothesis 4 is not confirmed. Results show that goal clarity and project success are positively associated and so with that out hypothesis 5 is also confirmed. Regarding hypotheses 6 and 7, we find the mediating role of goal clarity only in the case of the relationship between transformational leadership style and project success, but, not in the case of the transactional leadership style and project success. So, based on our results, goal clarity partially mediates the relationship between the transformational leadership style and project success, and with that our hypotheses 6 is confirmed, but, hypothesis 7 is not confirmed as no mediation is found between the transactional leadership style and project success. We discuss these results in the subsequent section.

DISCUSSION, IMPLICATIONS AND LIMITATIONS

Goal clarity is an essential aspect of good project management. A good project leader will make the goals and requirements clear to all the individuals working on the project. Transformational leadership style is a motivational process (Robbins and Coulter, 2007, Mumford et al., 2002), through which the followers are encouraged to work to their potential (Warrilow, 2012), leading the project towards success (Burke et al., 2006). We find support for this. However, we also hypothesized the same in the case of the transactional leadership style, which, though is coercive in nature (Balogun and Hailey, 2008, Moss, 2017), but, also has a motivational aspect in it in the

form of the 'contingent reward'. However, we neither find a direct link of goal clarity with the transactional leadership style, nor a mediating one between the transactional leadership style and the project success.

Our expectation was that a project manager irrespective of the leadership style they adopt, would focus highly on clarifying goals and requirements to the project team, as without such the project success would be difficult. However, since we do not find such a link, there is a good reason to think that perhaps goal clarity is not a function of the transactional leadership style. A project manager focusing on clarifying goals and requirements to the team, shows concern not just for the project, but, also for the team members. In other words, for goal clarity a relational leadership style (like the transformational style) seems appropriate. In case of the transactional leadership style, where the leader's main concern is the task or the process, and has little to do with the relationships and concerns at the individual and the team level (Müller and Turner, 2007a, Yang et al., 2011), the overall engagement with the team would be limited. With the contingent reward aspect in place, the leader would more likely show concern only for the output. While through contingent rewards the leader would attract a fair level of the followers' involvement in the task (Tyssen et al., 2014), a team could rarely take the project to success on their own – the goals should be clear to all and revised (where necessary) at all stages of the project. Without goal clarity project success is less probable (Aga, 2016). Transactional leadership style is more likely to link to project success where goal clarity is high (Tyssen et al., 2014, Aga, 2016). However, if the transactional leadership style (as our study suggests) is not linked to goal clarity, then its link to project success suggests the presence of multiple leadership styles adopted by the project manager simultaneously.

Our other key finding is that the contingent reward aspect is positively associated to project success, but, the active management by exception aspect is negatively associated to project success. The contingent reward finding is consistent with literature (Aga, 2016). For the other aspect we draw here on the literature suggesting a negative link of transactional leadership style. Willis et al. (2017) suggests that active management by exception aspect has no direct link with performance. Under a transactional leadership style, individuals are less likely to be proactive, innovative or risk-taking (Afsar et al., 2017). Transactional leadership style leads to employee quits from the organization (Caillier, 2017). In the context of Pakistan, studies show that active management by exception has no link with employee performance (Asrar-ul-Haq and Kuchinke, 2016); transactional leadership style is less effective in enhancing employee commitment for their organization (Javaid and Mirza, 2013), employee performance (Rasool et al., 2015), and employee satisfaction (Mahmood, 2015), and is negatively linked to organizational performance (Tahir, 2015). Our explanation is that since the active management by exception aspect is about closely monitoring the followers' non-conformities and mistakes with an aim to correct them as early as possible (Caillier and Sa, 2017, Bass et al., 2003), while being important for management, too much of it in a project environment may be detrimental, as project team members may lose motivation if they are continuously corrected, and are not allowed to work in an open environment.

Research calls for examining the role of goal clarity vis-à-vis transactional leadership style and project success (Tyssen et al., 2014), and calls in general for studying project managers' leadership styles (Turner and Müller, 2005). This study contributes to literature by answering such calls, and examines possible underlying mechanisms (i.e., goal clarity) in the relationship between leadership styles and project success. Furthermore, the study indicates that the relationship of transactional leadership style with project success is less simplistic and less straightforward.

With regard to the managerial implications, the study shows that transformational leadership style is an appropriate leadership style to motivate the followers to work to their potential, as well as to clarify the project team in terms of what is the goal and what is the expected standard of work. We also find a positive link of contingent reward with project success, and, while motivation is important, leadership behaviors such as expecting exceptional performance from the individuals may not work well where there are no contingent rewards in place (Schriesheim et al., 2006). This is particularly true in the context of Pakistan as research shows that people in Pakistan are generally more attracted to rewards (against quality work) than mere motivation (Mahmood, 2015). Employees easily tradeoff work life balance for salary raise and bonuses as in some cases (especially for less affluent households) this simply implies a better ability to meet the household expenses of a (collectivist-society) family (Shujat et al., 2011, Ashfaq et al., 2013). So, all in all, be it through the contingent reward or the transformational project leader, motivation is the key to project success. It is in the best interest of the project managers and the organization that a dynamic leadership style is adopted, exceptional work is rewarded, and creativity and openness is allowed in the work environment.

Limitations and Future Research

Our study obvious methodological limitation is a cross-sectional design, and the self-reported measures. A conceptual limitation of our model is that we did not include the third dimension of the transactional leadership style (i.e., passive management by exception), as literature suggests a negative correlation of that dimension with the active management by exception aspect. However, our results show that the active management by exception aspect is negatively linked to project success, and if that is the case then one may assume that the passive management by exception is

positively related to project success, which is confusing. It is perhaps that the two dimensions are not negatively associated to each other, and so, further research should be conducted in this regard.

It would be beneficial if the future studies examine the relationship of leadership styles and project success and compare how such varies across industry sub-categories (for example healthcare, software development, etc.). It would also be interesting if future studies examine the relationship of other styles of leadership such as spiritual leadership, and laissez-faire with project performance and success. While laissez-faire (the third dimension of the full-range leadership theory) is mostly studied and is often considered as a destructive leadership style (Skogstad et al., 2007), it would be interesting to see how this leadership style goes in the temporary project environment.

CONCLUSION

Our study demonstrates that goal clarity partially mediates the relationship between transformational leadership style and project success, but, such is not the case in the relationship between transactional leadership style and project success. Furthermore, transactional leadership style has no link with goal clarity, therefore, this leadership style alone is not sufficient to be followed in a project environment. In fact, project managers should adopt multiple leadership styles, which fulfill both the leadership as well as the project management requirements. Lastly, contingent reward is positively associated to project success, but, active management by exception aspect is negatively associated to project success. It is, therefore, useful for project managers to reward the followers for exceptional performance, but, also avoid as much as possible the stick approach, and instead focus more on a participative approach.

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