Managing projects: The role of leadership and organization's management style

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Abstract

Project management, a methodological approach that has gained the trust of many organizations, is significantly influenced by leadership and management style, playing a vital role in project success. This discussion paper attempts to underscore the role of leadership and management style in delivering projects. The interdisciplinary nature of many projects, whether in the economic system or in various research domains, is a testament to the complexity and challenge of project management. This complexity and challenge, arising from the need to navigate multiple disciplines, underscores the importance of a balanced leadership and management style. Many projects fail, or in contrast, many projects succeed based on the balance of two central concepts: efficiency and effectiveness. In turn, these concepts mirror how leadership skills can balance management styles and project requirements to plan, implement, control, monitor, and deliver projects, gaining customer satisfaction. This is significant since various roles & duties, responsibilities, and accountabilities interconnect in different hierarchical levels across multiple disciplines. Consequently, each project might describe a different situation in which project management skills should find a place to be applied without conflicts, delays, and overconsumption of resources.

Keywords: Leadership, management, efficiency, sustainability

JEL Codes: O22; Q56; D61.

1. Introduction

By definition, project management methodology involves a wide range of exciting parties from the early start of a project till the delivery date and customer acceptance. These interested parties, or even better, project stakeholders, follow specific paths during all project phases with different degrees of authority and various levels of involvement. Indisputably, these project stakeholders wish to create a friendly working environment and accomplish all business goals and objectives set. In many cases, high-impact projects concern different educational backgrounds, knowledge, expertise, experience, and people from different nationalities and cultures.

Thus, it is essential to demonstrate a suitable case management style to cooperate and coordinate resources and get things done following the project plan. The company's organizational structure plays a crucial role in this process, as it determines how projects are implemented based on departments, available resources, communication channels, and administration. Indicatively, a project office's role profoundly impacts an organization's overall performance in delivering quality work and receiving recognition from the customer (Crawford, 2000).

Projects can be seen as 'systems' in which many resources (e.g., human, technical, financial, natural) should align their potential and generate benefits (e.g., economic, social, environmental), gaining customer satisfaction. Project management constitutes a core competence that creates benefits if appropriately executed (Hilson, 2003) since planning, scheduling, monitoring, and control are critical to delivering the project in terms of quality (Lewis, 2001; Kerzner, 2006). Consequently, the role of the project manager is crucial in maintaining a high-performance rate and ensuring that all parts or sub-systems of the project function well. A project manager's common

problems are delays, rework, disputes, changes in project requirements, and over-budget situations. One stimulating issue for further review is incorporating the project management methodology with the system thinking and system archetype concepts (Ekonomou & Halkos, 2024).

This is where the concepts of efficiency and effectiveness enter the equation and create linkages with the project manager's leadership skills and management style. These issues can be considered determinant factors in proceeding with the work smoothly and experiencing acceptable project performance rates. Interestingly, the triple project constraints of time (schedule), cost (budget), and quality (performance) outstandingly demand advanced skills (leadership), technical expertise, and management effectiveness.

2. Leadership & Leadership Styles

Practically, leadership means motivating and envisioning the project team without creating a feeling of superiority or distance between the project manager and the team members. Based on the situation determined by the project conditions and circumstances, the term acquires the title of situational leadership. Different leadership skills adapt to different project needs and environments.

It is essential to understand differentiation across different organizational structures (e.g., functional, projectized, or matrix) and consider dynamics and parameters such as departments, managers, task forces, customers, and top management. The complexity or novelty of the project is an additional factor that impacts situational leadership. The leader's style is not constant. It might be changed or adapted based on the situation the leader has to meet. One core characteristic is the

ability to gain commitment and trust from the team members. A project manager must adopt a leadership style consistent with the organizational setting.

As noted above, the project management methodology seriously concerns cost, time, and project performance. Leadership skills are required to meet project goals and effectively handle these constraints (Bourne et al., 2004).Pinto and Trailer (1998) argue that four leadership styles are related to a person with the authority to make decisions and get information input(p.31): the autocratic leadership style, the consultative autocratic leadership, the consensus manager, and the shareholder manager.

The autocratic leadership style has self-centric characteristics. Project leaders who perform this style do not share or seek additional information or data. Hence, without receiving any extra input, they make their own decisions. Project team members are not asked to offer their opinions before crucial assumptions and decisions.

In consultative autocratic leadership, team members should notify and inform the manager about project issues. Nevertheless, the manager exclusively makes the final decision team members provide inputs based on their expertise. Then, the project manager makes relevant decisions.

The consensus manager allows all the available project inputs to be openly discussed with team members. Before deciding, consensus and agreement must be achieved. In this case, decisions are made collectively. The manager supervises the whole decision-making process. This style needs trust and comprehensive discussions among team members before making the final decision.

The shareholder manager describes a situation in which sufficient information and input are absent. In this situation, the final decision belongs to team members. Understandingly, there are no margins to consume time and analyze potential complex problems extensively. A lack of cooperation among the project team members describes this situation. Decisions that may be pressing for project implementation are "awarded" to the project team members.

The abovementioned styles are profoundly concerned with the need to perform different management styles in different project situations. The exact style that a manager should follow depends on the communication channels within the team, the time availability to make decisions, and the culture of being proactive rather than reactive.

3. How to perform a leadership style

When confusing matters arise or project issues are in front, project managers should take the initiative to propose and implement solutions without creating conflicts, delays, and confusion among the project stakeholders. When the time calls for immediate actions, project managers are responsible for becoming flexible and adaptive to avoid over-scheduled and over-budgeted situations. Effectiveness in leadership is essential to gain the trust of the individuals that compose a group, particularly when new leaders enter the project team (e.g., affective behaviors and relationships) (Ballinger et al., 2009).

Furthermore, the personal values of team members are significant in terms of teamwork efficiency and effectiveness (Bruno & Lay, 2008). These issues are widely connected with the adopted leadership style used to perform proper management processes and focus on project targets. Without creating ambiguity or "loose spirit"

feelings in the project team, determination and decisiveness upon the project managers' decision authority show the way to follow. An essential prerequisite to performing such a business behavior is the ability to "weigh" ("balance") all related inputs crucial to achieving desired results. The critical point is to decode the situation, select the most appropriate solution given the circumstances, and implement it accordingly. Figure 1 presents a dynamic process for selecting a leadership style when implementing a project.

Communication skills and channels are critical when applying the selected leadership style. Many projects fail because communication is not efficient and probably sufficient. Communication skills help timely and precisely disseminate all the needed information and inputs before selecting a leadership style. These components must be carefully processed, whereas those who receive, control, and manage the data should check their validity.

The most important thing is the distribution channels, which are used to avoid confusion, which, in turn, puzzles the final recipients. This paper's authors argue that a project leader should have listening skills (e.g., listening carefully and patiently to the viewpoints of the project team members and other stakeholders). Such a skill is necessary, especially when pressing deadlines and complicated problems are in front. The primary target is to perform well, accomplish the scheduled work, and establish the prerequisites for additional project achievements with a long-term perspective.

4. Leadership and Stress management

Managers face stress due to pressing deadlines, project complexity, technical difficulties, and change management on project requirements, and relationships among team members. Stress management must maintain control without losing focus and commitment to the project scope. Practically, effective stress management (in

addition to time management) helps overcome fears or employee unwillingness due to hesitations or fears about work duties and schedule timelines. This will result in better performance rates and increased employee and customer satisfaction.

Figure 1: A process for selecting leadership style.

Arguably, Halkos and Bousinakis (2008) researched the impacts of satisfaction and stress on productivity. The research included 425 employees in the public and private domains. Research findings revealed that increased stress drives limited (reduced) productivity, whereas increased satisfaction leads to increased productivity. These issues constitute two of the most essential situations that each organization faces. Notably, the adopted leadership style should balance the interactions of these two productivity determinants and act accordingly.

Results of the above research evidenced that these two core factors are correlated. This means that if the leader shows a way to increase employee

satisfaction by simultaneously 'mitigating' potential 'stress risks,' then productivity rates, ceteris paribus, will increase. In turn, what is expected is that this increase will enhance the self-esteem and confidence of employees and safeguard good work results with a long-term perspective.

Stress can be considered an unfriendly and unpleasant situation (e.g., mainly emotional) faced when requirements (e.g., work-rooted or not) cannot be counterbalanced given the person's or employee's ability to resolve them. This danger generates emotional changes. Stress originates from the linkage between a person (e.g., employee) and the environment (e.g., work environment). It has subjective characteristics since not all stress factors or situations can affect all persons. As mentioned in the preceding paragraphs, a leader should inspire the team members (e.g., employees) to stay consistent with work duties and alleviate stressful situations. If this is the case, stressful situations, given the appropriate human behavior and circumstance (e.g., work conditions to complete a task), can become a core motivating factor and advance the workflow smoothly.

Satisfaction can be seen as a factor that affects (and regulates) stress. In many cases, a satisfied employee creates positive effects on productivity rates. As Halkos and Bousinakis (2008, 2010) has reported, a cause-and-effect relationship exists regarding satisfaction and productivity in neoclassical theories. For these reasons, organizations searched for ways to increase employee satisfaction and, thus, productivity. In their research, Halkos and Bousinakis (2021) included creativity, group activity, and independent work in relation to stress and job satisfaction. Core determinants that influence creativity and productivity are good relations between management and employees, work hours, good group function, and work related to employees' areas of education.

Another related issue is crisis management and the linkages between employee dissatisfaction and stress. Recognizing such a need, Halkos & Bousinakis (2016, 2017) implemented research with 172 employees in Greece. Test results revealed that stress emerges from various factors, including the acceptance of salary reductions, behavioral changes between management and employees, the number of working hours, economic migration, reprioritizing, and minimization of career opportunities. Specifically, this research released that financial status, education level, age, and family status affect employees. However, the analysis showed new evidence for migration, unemployment, and austerity.

Additionally, another research attempt highlights the impactful interaction of these issues on an organization's performance rates. For instance, Bousinakis & Halkos (2021) processed a random sample of 212 individuals working in the public and private domain to explore the role of creativity.[1] This research explores creativity's role in organizational development and employee satisfaction. Research results revealed that pressure due to workload, initiatives at work, creative change, and overtime impact stress levels. Furthermore, creativity and skills exploitation depict a higher impact on satisfaction, followed by distance from work, freedom of action wages, and other benefits.

A new research approach can be put into place, investigating how employee creativity interrelates with efficient resource allocation at a managerial level. Moreover, another research area can be the investigation of customer satisfaction in connection with leadership skills and management styles in the context of project management methodology. These research attempts might find the abovementioned

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[1] Issues of ownership form appear to be of critical importance, but are not considered here (for details see Halkos 2002).

results helpful for increasing the organization's performance from a long-term perspective.

5. Instead of Conclusions

Projects are managed by example. Leaders show the pathway to success. Both roles target accomplishments and achievements based on high performance rates. Problems will always occur. The critical point is to find ways to overcome these difficulties by establishing the concept of 'partnerships' in the world of projects. This is a shared responsibility, no matter what human role is involved in the project life cycle. Leaders might deal with intangible things, whereas managers are primarily concerned with numbers, figures, projections, and achieved performance.

Smooth cooperation requires both roles to make the same effort. If adopted and implemented thoroughly, these two roles will advance business whole efforts and successfully deliver projects without damaging carriers and perspectives. When a project manager takes on the role of a leader, the team members feel safe to deploy all their skills without concerns of failure or low performance. Leaders guarantee that the project's shared mission is understood and that all efforts focus on the vision set. Project leaders can perform an individual Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis to assess their performance at specific times.

This 'self-evaluation' will help them find their weaknesses (fix them) and where further opportunities to perform better are waiting (exploit them). Last, uncertainty will always be in the real 'project markets,' whereas no panacea might exist for every situation. The premise, then, is to get equipped with experience and take lessons learned for future successful attempts. The adopted leadership style should allow changes to be revised and re-evaluated towards gained feedback and continuous improvement.

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