Can the Project Manager’s Transformational Leadership Lead to Project Success? Empowerment, Goal Clarity, and CR Leadership

Muhammad Khalique Ahmad, Putra Business School, Malaysia*
https://orcid.org/0000-0002-5192-7100
Abu Bakar Abduhamid, Putra Business School, Malaysia
Sazali Abd Wahab, Putra Business School, Malaysia
https://orcid.org/0000-0001-9427-1394
Muhammad Umair Nazir, Putra Business School, Malaysia

ABSTRACT
Project-based organisations face the challenge of persistent project failures, leaving researchers and practitioners struggling to identify the best leadership style for project success. Data was collected from 289 project organisations and analysed to reveal that the project manager’s transformational leadership behaviour and empowerment significantly improve project success. Additionally, empowerment mediates the impacts of transformational leadership and goal clarity on project success. Goal clarity was found to mediate the relationship between transformational leadership and empowerment, but not between transformational leadership and project success. Lastly, contingent reward leadership does not moderate the effect of empowerment on project success. The findings have theoretical and practical implications in the project management field.

KEYWORDS
Contingent Reward Leadership, Empowerment, Goal Clarity, Transformational Leadership, Project Success

INTRODUCTION
In the unstable and aggressive environment today, organisations strive to gain competitive advantages by adopting different methods (Kozioł-Nadolna, 2020). Among these methods, projects are often used as a strategic and tactical tool to develop a competitive advantage (Zhang et al., 2018) and a survival strategy (Ul Musawir et al., 2017). Despite significant focus given to advanced project management by academicians and practitioners (Haq et al., 2016), attaining project success remains a great challenge for IT project organisations (Khan et al., 2020). Ahimbisibwe et al. (2015) argued that project failure is not
due to technical issues but due to the human factor. On the human side (Zaman et al., 2019a), numerous studies have confirmed the increasing significance of leadership in project-based organisations (Aga et al., 2016; Raziq et al., 2018), where project managers play roles as managers and leaders (Muller et al., 2018). However, only a handful of studies have determined the most effective leadership type for project success (Khan et al., 2020). Among these, Raziq et al. (2018) found that for the benefit of project managers and the organisation, a transformational leadership style should be cultivated, where exceptional work is rewarded and creativity and openness is encouraged in the work environment. While Keegan and Den Hartog (2004) identified a preference for transactional styles among project managers in general, Turner and Müller (2006) recommend it only for simple projects, suggesting transformational leadership instead for complicated projects. In view of transformational leadership’s growing recognition and importance in project management research (Aga et al., 2016; Raziq et al., 2018) and the increase in project challenges, researchers call for more empirical studies on transformational leadership in this context (e.g., Raziq et al., 2018; Zaman et al., 2019).

Moreover, although a stream of well-documented scholarship shows a direct link between transformational leadership and performance (Saleem et al., 2019), some researchers emphasise that it acts through several mechanisms (Aga et al., 2016; Piccolo and Colquitt, 2006). To date, however, these mechanisms have not been adequately explored and tested (Bose et al., 2020). In this context, Zaman et al. (2019) states that project visibility is an empowering feature of projects, without which transformational leadership may be minimally significant during the project course. Thus, empowerment and the visibility or clarity of the project are essential aspects in a project environment. Moreover, the project industry is, theoretically, a highly suitable context for the enforcement of employee empowerment strategies (Dainty et al., 2002). Empowerment is not only considered an essential component of business and project success in this turbulent business era (Khan et al., 2020), but is also known to influence followers’ perceptions of psychological empowerment (Schermuly & Meyer, 2020).

Contrarily, in high power distance cultures, empowering an employee can cause stress and frustration (Bharadwaja and Tripathi, 2020) because individuals who are uncertain of their role expectations are likely to hesitate to take initiative (Spreitzer et al., 1997). Moreover, Parolia et al. (2007) suggested that employees’ performance does not increase merely by empowering team members. Though individuals with higher autonomy are more motivated to make voluntary efforts towards goal attainment, there is no guarantee that they are aware of the organisation’s goals, will select goals consistent with those of the organisation, or will take a series of actions beneficial to the organisation (Park and Choi, 2020). Thus, to improve employees’ perception of empowerment, managers need to first clarify the organisation’s mission and vision (Liu et al., 2019). Spreitzer (1996) argues that creating clear goals, tasks, and lines of responsibility improves workplace empowerment. Past researchers have also linked leadership to goal clarity in different contexts (Aga et al., 2016; Bronkhorst et al., 2015; Raziq et al., 2018). As per Humbrorstad and Kuvaaas (2013), employees experience high role ambiguity when their leaders overestimate employees’ expectations of empowerment. A transformational leader may even add to such ambiguity as their visions may contain far-reaching, timeless, and relatively abstract ideas (Berson et al., 2015).

Apart from the above interrelationships among transformational leadership, goal clarity, and empowerment, previous researchers have presented several factors as antecedents of psychological empowerment (Bordin et al., 2006), such as role clarity, inclusive leadership, and agility (King and King 1990; Khan et al., 2020; Malik et al., 2021; Sawyer 1992). It would be particularly interesting to examine if goal clarity can enhance empowerment in the project context (Hamed, 2010). Additionally, despite being extensively studied over the past two decades, the relationship between transformational leadership and empowerment still shows mixed results (Houghton and Yoho, 2005; Joo et al., 2010; Saleem et al., 2019). Adding to this, the growing interest in the psychological empowerment construct itself (Gong et al., 2017) has not been extended to the South Asian context, especially to high power distance cultures (Yogalakshmi and Suganthi, 2018; Bordin et al., 2006). These gaps call for further research on empowerment in the project sector (Ali et al., 2020; Malik et al., 2021).
Empowerment is not static; rather, it emerges in line with the various interactions among actors (Grass et al., 2020). In this regard, researchers claim that contingent reward behaviours at the immediate supervisory level, in the form of clarifying expectations and delivering rewards, may enable followers to have a feeling of empowerment (Avolio et al., 2004; Bordin et al., 2007; Gkorezis and Petrdou, 2008). In fact, contingent leadership greatly contributes to innovation (Jia et al., 2018) and supplements transformational leadership (Yukl, 1999). In contrast, the relationship between the transactional leadership style and project success is far more complex (Raziq et al., 2018). Ultimately, the role of empowerment in these interlinkages can be fully accounted for only when other moderating mechanisms are considered (Khan et al., 2020; Seibert et al., 2004). Thus, the above discussion demonstrates that there is a paucity of research involving the interactions among transformational leadership, contingent reward leadership, empowerment, and goal clarity in the project environment (Huang et al., 2020; Raziq et al., 2018; Tomasi et al., 2015). Through the lens of the social cognitive theory (SCT), this study sought to fill the missing links between these important concepts.

In order to address the aforementioned gaps, the following research questions were raised: 1) Does transformational leadership influence project success directly and indirectly through the parallel mediation of goal clarity and empowerment?; 2) Does empowerment mediate the relationship between goal clarity and project success?; and 3) Does contingent reward leadership moderate the relationship between empowerment and project success?

THEORETICAL BACKGROUND AND HYPOTHESIS DEVELOPMENT

Transformational Leadership, Goal Clarity, Empowerment, and Project Success

Idealised influence is the extent to which the leader behaves in commendable manners that trigger followers’ pride in identifying and associating with the leader. Followers’ agreement with and acceptance of the group’s mission and goals subsequently provoke them to envision a bigger achievement (Bass, 1995). Through inspirational motivation, leaders further challenge employees by setting higher benchmarks, optimistically discussing objective achievement, and associating meaning to the task in hand (Judge and Piccolo, 2004). The considerate leader also deals with each employee as an individual and offers coaching and support to enhance employees’ personal development, thus providing them ample growth opportunities (Bass, 1985).

The central component of transformational leadership, i.e., inspirational motivation, is derived from the articulation of a clear and compelling vision for the organisation (Bass and Riggio, 2006; Paarlberg and Lavigna, 2010). In fact, it has been confirmed through quantitative and qualitative methods that transformational leaders communicate their organisation’s strategic goals more successfully, even at the strategic level (Berson and Avolio, 2004). Accordingly, via their emphasis on intellectual stimulation and inspirational motivation, it is not unexpected that transformational leaders can increase followers’ perceptions of organisational goal clarity (Moynihan et al., 2012). Therefore, it was hypothesised that:

Transformational leaders do not only delegate authority to their subordinates to think, create, and execute any idea, but also highlight the significance of collaboration in the execution of shared tasks, frequently seek subordinates’ contribution in teamwork, and offer ample chances for subordinates to learn through mutual work practices (Saeed et al., 2019). These leaders become more secure when they allocate obligations and award independence and autonomy to their followers (Suifan et al., 2020). Supporting this notion, a study conducted in the medical sector proved that transformational leadership is the most impactful factor driving innovative work behaviour and new idea creation when employees are psychologically empowered (Saeed et al., 2019). Given that transformational leaders are significant supporters of empowerment among their followers (Bose et al., 2020), this study hypothesised that:

Transformational leadership is positively associated with leadership efficiency (Liu et al., 2019). Transformational leaders inspire and motivate followers to solve current problems, question the status...
quo, and design out-of-the-box solutions for existing issues (Saeed et al., 2019). A study conducted in the NGO sector reported that transformational leaders’ features and skills are pre-requisites to handling potential future demands (Mufti et al., 2020). Transformational leadership thus plays a vital role in persuading and inspiring followers to achieve project objectives and project performance (Zaman et al., 2019). This builds a friendly project environment, where the whole project team under the transformational leader strives towards achieving mutual project goals (Maqbool et al., 2017). In fact, research conducted in a project environment has revealed a positive association between the project manager’s leadership and project performance (Aga et al., 2016; Maqbool et al., 2017).

**H1:** Transformational leadership positively impacts goal clarity.

**H2:** Transformational leadership positively impacts empowerment.

**H3:** Transformational leadership positively impacts project success.

### Goal Clarity, Empowerment, and Project Success

It pertains to the specificity of the performance objectives outlined by different stakeholders, such as the management and customers (Hoegl and Parboteeah, 2003). Goal clarity is also linked to the continuity of project goals (Locke and Latham, 1990), placing it at the core of management principles of control and accountability. If a task’s specified deliverables are ignored, the consideration of the task’s manageability is lost (Loch and Sommer, 2019). As such, a project’s goals and the management’s and client’s requirements should be clear to all essential stakeholders of the project and, most importantly, the project team (Aga et al., 2016; Raziq et al., 2018).

Pandey and Rainey (2006) examined the influence of organisational, individual, and political factors on corporate goal clarity. They revealed that organisational aspects such as effective internal communication and decentralisation are more significant in explaining the variance in employees’ goal awareness. Notably, the challenge of role ambiguity is known to arise when decision-making authorities choose to decentralise (Cordery et al., 2010). The lack of role or goal clarity is likely to make individuals’ feel helpless and thus lessen their perceptions of influence in their related job tasks (Spreitzer et al., 1997). Contrarily, employees who understand their work roles are more prone to take productive decisions for their work and organisations (Sawyer, 1992). Similarly, past studies explain that higher ambiguity in work roles leads to lower empowerment levels (Spreitzer, 1996). It is therefore evident that organisations’ management must articulate a clear vision to promote greater feelings of empowerment, which led to the following hypothesis:

The provision of precise information on the action plan increases employees’ work quantity and quality (Erez and Arad, 1986). Additionally, the alignment between business and project strategies positively influences a project’s success (Soltani, 2020). During the initiation phase, the alignment of organisational and project objectives can help define and outline a project by understanding stakeholder needs from defined goals to project outcomes (Charlie et al., 2018). Organisations cannot simply turn to venture capitalists for successful approaches to supervising projects without clear goals (Loch and Sommer, 2019). Instead, projects are better aligned with success when project team members have clarity regarding their responsibilities and roles (Hughes et al., 2020). Based on this discussion, the following hypothesis was postulated:

**H4:** Goal clarity positively impacts empowerment.

**H5:** Goal clarity positively impacts project success.

### Mediation of Goal Clarity

Podsakoff et al. (1990) argued that transformational leaders set more specific and tough goals than other leaders. For projects with almost equal complexity levels, these leaders would attempt to clarify and convey goals which have a noticeable positive effect (Latham et al., 2008). Transformational leadership secures success by clearly communicating the organisational mission to employees, providing clear
direction and support, linking their work with organisational goals, and positively influencing their commitment level (Asif et al., 2019). The project goals as well as the client’s and management’s requirements are made clear to all key project stakeholders and, most importantly, the project team (Aga et al., 2016; Raziq et al., 2018). Transformational leadership, via goal clarity, further enhances subordinates’ freedom and initiative by supporting empowerment strategies (Dvir and Shamir, 2003). Leaders motivate their employees by communicating goals, creating the conditions for them to take action, and giving them autonomy (Koziol-Nadolna, 2020). In fact, superior support, autonomy, and goal clarity have demonstrated substantial motivational and empowering effects on employees (Patanakul et al., 2016). The mediating role of goal clarity was expressed in the following hypotheses:

**H6:** Goal clarity mediates the relationship between transformational leadership and empowerment.

**H7:** Goal clarity mediates the relationship between transformational leadership and project success.

### Empowerment and Project Success

To empower means to surrender power, authority, or capacity in the sense of self-efficacy and energy (Thomas and Velthouse, 1990). One of the elements of empowerment is impact, which refers to the extent to which an individual assumes he/she can influence organisational results and make a difference in achieving the firms’ desired results through his/her work (Spreitzer, 1995). Self-determination or choice refers to the liberty to initiate and execute a job or task (Spreitzer, 1995).

Empowerment plays an essential role in organisational success (Bose et al., 2020; Khan et al., 2020) and employees’ innovative behavior (Liu et al., 2017; Seibert et al., 2011). The more empowerment is extended to employees, the more dedicated they are towards the organisation (Suifan et al., 2020). This is because when employees’ innate needs for autonomy and competence are met, they are motivated to achieve enhanced performance (Khan et al., 2020). Allowing employees to have autonomy in decision-making at work is therefore essential to create an environment that cultivates team members’ job satisfaction (Mufti et al., 2020). Supporting this notion, data collected from 328 employees in the project environment demonstrated that employees who perceive a high level of empowerment contribute more to organisational success (Li et al., 2019). Another study showed that project employees’ psychological empowerment leads to better project performance in the construction industry (Ali et al., 2020). It was thus hypothesised that:

**H8:** Empowerment positively impacts empowerment

### Mediation of Empowerment

Transformational leaders recognise and foresee their followers’ needs, which they then make significant efforts to fulfil by allocating proper resources; this encourages a sense of empowerment and autonomy, resulting in improved performance outcomes and satisfaction (Asif et al., 2019). In line with this, study findings indicate that empowerment plays a mediating role between authentic leadership and teachers’ voice behaviour (Zhang et al., 2020). Another study conducted in the medical field showed that psychological empowerment partially mediates the relationship between transformational leadership and burnout (Liu et al., 2019). Moreover, Lee and Wei (2011) explained that goal clarity and clear management expectations are essential to facilitate a sense of empowerment among organisational employees, and subsequently, attain higher performance. Spreitzer (1996) argued that only clear and specific roles can award employees personal meaning. The clarity of authorities and responsibilities is also associated with perceptions of confidence (Conger and Kanungo, 1988). Thus, creating clear goals and lines of responsibility is key to empowerment in the workplace (Spreitzer, 1996), which in turn, leads to project success. The following hypotheses were developed accordingly:

**H9:** Empowerment mediates the relationship between transformational leadership and project success.

**H10:** Empowerment mediates the relationship between goal clarity and project success.
Moderation of Contingent Reward Leadership

In this regard, contingent reward leadership embodies a clear exchange process wherein leaders identify follower desires and wants and make clear how these shall be fulfilled in exchange for their work. These exchanges may be tangible or intangible (Yammarino et al., 1998) and include leaders’ clarification of reward systems, extension of incentives, and rewards for excellent performance (Yukl, 1999). Consequently, contingent reward leaders earn their subordinates’ trust, satisfaction, and effort by providing fair rewards (Connelly and Ruark, 2010). In turn, their subordinates prioritise organisational goals over innovation (Xenikou, 2017).

Parolia et al. (2007) argued that a team’s performance does not improve merely by empowering team members. Rather, goal clarification and rewards can further accelerate the effect of employees’ empowerment (Avolio et al., 2004). In this regard, contingent reward leaders create positive psychological reactions through their capacity to recognise performance and attribute rewards fairly (Gaudet et al., 2013). For example, a study conducted in the academic field demonstrated that contingent rewards enhance faculty members’ psychological empowerment (Huang et al., 2020). Contradictorily, a recent study found the negative impact of contingent rewards on psychological empowerment (Young et al., 2020). Nevertheless, many practitioners and academicians firmly back-up the concept of rewards and recognition to sustain employees’ empowerment and morale, which further leads to higher performance (Antony and Gupta, 2018). In view of the inconsistencies in the literature, it was hypothesised that:

**H11:** Contingent reward leadership positively moderates the relationship between empowerment and project success.

Based on the above arguments, Figure 1 depicts the conceptual framework of the study.

**RESEARCH METHODOLOGY**

**Sampling**

The present study investigated the impact of project managers’ leadership style on project success in Pakistan’s software sector. For this purpose, the “one project–one organisation” strategy was adopted, a technique followed by many previous researchers (e.g., Haq et al., 2019; Srivastava and Teo, 2012) wherein the unit of analysis is a single project. In past studies, when a project was the unit of analysis,
researchers typically acquired feedback on projects completed not more than two or five years prior (Aga et al., 2016; Iarossi, 2006). In line with this, in the present study, the respondents were asked to provide feedback on any project they had completed not more than two years before.

About 875 IT firms in Pakistan are registered with P@SHA (2019). After testing 56 IT firms in the pilot study, 500 questionnaires were sent to as many organisations upon using systematic random sampling. Data was collected online by sending a Google Form link to the organisations’ contact person via email. Out of the 500 questionnaires, the respondents returned 289 questionnaires, yielding a response rate of 59 percent. The final sample size exceeded the minimum required responses of 265 as per Krejcie and Morgan’s (1970) formula.

The scope of scientific rigour in a study relies on precise choices that truly match the study’s objectives (Cavana et al., 2001). Instead of exploratory, descriptive, and explanatory research designs (Sekaran, 2006; Zikmund, 2010), the current study adopted the explanatory research design because the problem statement was clearly defined and the relationships among the study variables were explicitly narrated (Sekaran, 2006; Zikmund, 2010). Under this design, the survey is a well-established and frequently used method for collecting data due to its cost-effectiveness and greater scope and coverage. It facilitates the researcher in acquiring data on multiple variables from many respondents to test the hypotheses (Neuman, 2009). The present study further adopted the cross-sectional approach to maintain the parsimony of the research, as prominent researchers have adopted this technique to explore project success (e.g., Joslin and Müller, 2016b; Ul Musawir et al., 2017; Zaman et al., 2019). Pertaining to leadership ratings, in past studies, subordinates generally rated their manager’s leadership and themselves (e.g., Charbonnier-Voirin et al., 2010). Aga et al. (2016) recommended project team members for assessing project leadership behaviours as well. Project success can also be derived from project employees across different project departments and managerial levels (Khan et al., 2020; Stuckenbruck, 1986). Consistent with the literature, senior project team members were chosen to respond to the survey in this study.

**Instrument**

The Multi-Factor Leadership Questionnaire (MLQ) is a popular and well-validated instrument in leadership research (Aga et al., 2016). A 20-item scale was adopted from the MLQ to measure transformational leadership in this study (Avolio and Bass, 1995). A sample item is “My project manager specified the importance of having a strong sense of purpose.” To measure contingent reward leadership, four items were adapted from the contingent reward leadership scale in the MLQ (Avolio and Bass, 1995). A sample item is “My project manager expressed satisfaction when I met expectations.” The empowerment measurement scale was adopted from Spreitzer (1995). Following the study’s requirement, self-determination and impact were chosen as the dimensions to assess empowerment (Tomasi et al., 2015). A sample item from this scale is “I had significant influence over what happened in my project.” A three-item scale was adopted from Aga (2016) to evaluate project clarity, one item of which is “There were clear and comprehensible goals for this project.” The 10-item project success measurement was adapted from Turner and Muller (2006). Various researchers have previously used this scale (e.g., Muller and Turner, 2007; Ali et al., 2020). A sample item is “The client was satisfied with the project.” All items were rated on a five-point Likert scale ranging from one (strongly disagree) to five (strongly agree).

**DATA ANALYSIS**

For data analysis, the SPSS v26 software was used to derive descriptive statistics while the latest SMARTPLS v3.3.1 software version was employed for inferential analyses. In the multicollinearity check, the variance inflation factor (VIF) values fell below the threshold value of 5.0, confirming the absence of multicollinearity as per Hair et al. (2011). Next, the single factor test developed by Harman and proposed by Podsakoff and Organ (1986) was applied to detect common method bias.
None of the single variables accounted for variance (38.286%) exceeding the threshold value of 50% (Podsakoff et al., 2012). This depicts that the data was free of any common method bias. Regarding normality, the findings indicated that no item was found crossing the range of ± 3.29, thus proving the data’s normality.

Measurement Model

The measurement model is a technique to examine and evaluate reliability and validity (Hair et al., 2014). The rule of thumb for both reliability criteria, Cronbach’s alpha (α) and composite reliability (CR), is above 0.70 (Hair et al., 2020). The results shown in Table 1 indicate that all the constructs possessed good reliability and fell within an acceptable range. The second step in evaluating reflective indicators is the assessment of validity. Validity is examined by interpreting a construct’s convergent validity and discriminant validity (Hair et al., 2017).

Convergent Validity

Convergent validity can be measured via the Average Variance Extracted (AVE) values obtained by averaging the constructs’ indicator reliabilities. This metric measures the average variance shared between a construct and its individual indicators (Hair et al., 2020). The AVE criterion is that the value should be 0.5 (50%) or higher (Hair et al., 2020). As shown in Table 1, all the constructs fulfilled the convergent validity criteria.

Discriminant Validity

Discriminant validity measures the distinctiveness of a construct (Hair et al., 2020), or in other words, whether a construct measures what it is intended to measure (Hair et al., 2017). Discriminant validity can be assessed using various methods, namely the Fornell-Larcker criteria, the heterotrait-monotrait ratio (HTMT) criteria, or cross loadings. Discriminant validity is demonstrated when the shared variance within a construct (i.e., AVE) exceeds the shared variance between the constructs (Hair et al., 2020). Table 2 illustrates the results of discriminant validity obtained via Fornell-Larcker criteria. Another method to measure discriminant validity is the HTMT criterion. A HTMT value smaller than one shows that the true correlation between two constructs is most likely different from one and should differ (Henseler et al., 2014). Table 2 shows the HTMT results. Overall, both criteria were satisfied, establishing the discriminant validity of the study constructs.

Structural Model

The inner structural model demonstrates the association between the constructs being evaluated (Hair et al., 2017). The structural model was assessed by determining the relationship between among the variables or constructs under study using path coefficients (Hair et al., 2017). Following Henseler (2017), additional analysis was performed to assess the moderating and mediating effects after the hypothesised path models’ direct effects.

Table 1. Reliability and convergent validity

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Cronbach Alpha</th>
<th>Composite Reliability</th>
<th>Average Variance Extracted</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Contingent Reward Leadership</td>
<td>0.937</td>
<td>0.954</td>
<td>0.838</td>
</tr>
<tr>
<td>2. Empowerment</td>
<td>0.948</td>
<td>0.958</td>
<td>0.793</td>
</tr>
<tr>
<td>3. Goal Clarity</td>
<td>0.954</td>
<td>0.970</td>
<td>0.916</td>
</tr>
<tr>
<td>4. Project Success</td>
<td>0.948</td>
<td>0.957</td>
<td>0.699</td>
</tr>
<tr>
<td>5. Transformational Leadership</td>
<td>0.958</td>
<td>0.962</td>
<td>0.562</td>
</tr>
</tbody>
</table>
Table 2. Discriminant validity

<table>
<thead>
<tr>
<th>Variables</th>
<th>Contingent Reward Leadership</th>
<th>Empowerment</th>
<th>Goal Clarity</th>
<th>Project Success</th>
<th>Transformational Leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fornell-Larcker criteria</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contingent Reward Leadership</td>
<td>0.915</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Empowerment</td>
<td>0.148</td>
<td>0.891</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goal Clarity</td>
<td>0.129</td>
<td>0.366</td>
<td>0.957</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Success</td>
<td>0.169</td>
<td>0.752</td>
<td>0.328</td>
<td>0.836</td>
<td></td>
</tr>
<tr>
<td>Transformational Leadership</td>
<td>0.266</td>
<td>0.343</td>
<td>0.311</td>
<td>0.482</td>
<td>0.749</td>
</tr>
</tbody>
</table>

Heterotrait - Monotrait Ratio (HTMT)

<table>
<thead>
<tr>
<th>Variables</th>
<th>Contingent Reward Leadership</th>
<th>Empowerment</th>
<th>Goal Clarity</th>
<th>Project Success</th>
<th>Transformational Leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contingent Reward Leadership</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Empowerment</td>
<td>0.147</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goal Clarity</td>
<td>0.127</td>
<td>0.383</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Success</td>
<td>0.171</td>
<td>0.787</td>
<td>0.348</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transformational Leadership</td>
<td>0.267</td>
<td>0.356</td>
<td>0.322</td>
<td>0.511</td>
<td></td>
</tr>
</tbody>
</table>

Path Coefficients

Path coefficients are standardised values ranging from +1 to −1, although they seldom approach +1 or −1 (Hair et al., 2020). Figure 2 and Table 3 presents the results of the direct path coefficients in this study.

First, transformational leadership and goal clarity’s relationship was significant ($\beta = 0.314$, $p = 0.00$), supporting Hypothesis 1. The effect of transformational leadership on empowerment was also significant ($\beta = 0.252$, $p = 0.00$), confirming Hypothesis 2. Transformational leadership also demonstrated a significant effect on project success ($\beta = 0.254$, $p = 0.00$), validating Hypothesis.
3. Next, Hypothesis 4 was supported as the relationship between goal clarity and empowerment was significant as well ($\beta = 0.288, p = 0.000$). However, the relationship between goal clarity and project success was not significant ($\beta = 0.005, p = 0.904$); thus, Hypothesis 5 was not supported. Likewise, Hypothesis 8 was accepted as the relationship between empowerment and project success was significant ($\beta = 0.663, p = 0.00$).

After establishing the above results, mediation analysis was performed (see Table 3). Goal clarity was also found to mediate the relationship between transformational leadership and empowerment ($\beta = 0.092, p = 0.000$), confirming Hypothesis 6. However, goal clarity failed to mediate the relationship between transformational leadership and project success ($\beta = 0.002, p = 0.900$), thereby rejecting Hypothesis 7. The findings showed that empowerment mediates the relationships between transformational leadership and project success ($\beta = 0.167, p = 0.000$) and goal clarity and project success ($\beta = 0.191, p = 0.000$); thus, Hypothesis 9 and Hypothesis 10 were supported.

As per Hypothesis 11, contingent reward leadership was predicted to strengthen the relationship between empowerment and project success. The moderation results in Table 4 did not support this hypothesis, as the moderating effect was insignificant. Thus, contingent reward leadership is not a moderator, but possibly a mediator, antecedent, predictor, or suppressor of project success, as per Sharma et al. (1981). This insignificance may also be due to the presence of other variables.

**Predictive Quality Check**

The model depicted good predictive quality and accuracy, as the R² value (0.623) for the endogenous construct was satisfactory (see Table 4) (Hair et al., 2020). It indicates that 62.3% of the variance in project success is explained by transformational leadership, goal clarity, empowerment, and contingent reward leadership. Regarding effect size ($f^2$), empowerment showed a large effect while transformational leadership and goal clarity showed medium to smaller effects as per Cohen’s (1988) criteria. Another assessment is Q², which assesses the inner model’s predictive relevance (Hair et al., 2017). As shown in Table 4, Q² value for the endogenous variable, i.e., project success, was 0.430, confirming the research model’s quality through its predictive capabilities.

**Table 3. Hypothesis analysis: direct, mediation, and moderation paths**

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Relationship</th>
<th>$\beta$</th>
<th>T-Value</th>
<th>P</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Direct</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H1</td>
<td>TFL - &gt; GC</td>
<td>0.314</td>
<td>5.619</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H2</td>
<td>TFL - &gt; EMP</td>
<td>0.252</td>
<td>3.990</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H3</td>
<td>TFL - &gt; PS</td>
<td>0.254</td>
<td>5.619</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H4</td>
<td>GC - &gt; EMP</td>
<td>0.288</td>
<td>5.008</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H5</td>
<td>GC - &gt; PS</td>
<td>0.005</td>
<td>0.121</td>
<td>0.904</td>
<td>Not Supported</td>
</tr>
<tr>
<td>H8</td>
<td>EMP - &gt; PS</td>
<td>0.663</td>
<td>20.203</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td><strong>Mediation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H6</td>
<td>TFL-&gt;GC- &gt; EMP</td>
<td>0.090</td>
<td>3.675</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H7</td>
<td>TFL-&gt;GC- &gt; PS</td>
<td>0.001</td>
<td>0.095</td>
<td>0.925</td>
<td>Not Supported</td>
</tr>
<tr>
<td>H9</td>
<td>TFL-&gt;EMP- &gt; PS</td>
<td>0.168</td>
<td>4.286</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H10</td>
<td>GC-&gt;EMP- &gt; PS</td>
<td>0.191</td>
<td>4.725</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td><strong>Moderation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H11</td>
<td>CRL*EMP-&gt;PS</td>
<td>-0.028</td>
<td>0.912</td>
<td>0.362</td>
<td>Not Supported</td>
</tr>
</tbody>
</table>
DISCUSSION

The current research was carried out to determine the relationship between transformational leadership and project success via the parallel mediating roles of empowerment and goal clarity. Moreover, the study examined the moderating role of contingent reward leadership in an empowering environment. Despite project performance being a heavily researched area, the interlinkages examined in this study have been limited in the literature, especially in times of crises. Nonetheless, earlier research has discussed various possible outcomes of project success and has suggested the importance of studying its antecedents.

Data collected from IT/software industry employees in Pakistan revealed that transformational leadership increases project success. The positive association is in line with previous research in different contexts (Raziq et al., 2018; Spreitzer, 2008; Zaman et al., 2020). Indeed, transformational leaders deal with complex, unpredictable, and ambiguous situations to overcome poorly defined and ill-organised objectives (Saeed et al., 2019) and enhance performance. Transformational leadership was also found to positively impact followers’ empowerment, consistent with previous research in various settings (Pradhan et al., 2017; Saira et al., 2020). Transformational leadership demonstrated a positive association with goal clarity as well. To increase project goal clarity, project managers should therefore depict inspirational and visionary communication strategies. The result is in line with the past results conducted across other contexts (e.g., Raziq et al., 2018; Wright et al., 2012). Overall, to increase project success, employee empowerment, and goal clarity in an organisation, it is imperative that project managers adopt transformational leadership behaviours.

Next, the findings indicate that empowerment positively impacts project success. This aligns with previous studies in different settings where empowerment has demonstrated positive impacts on numerous individual and organisational outcomes (Ali et al., 2020; Khan et al., 2020). However, goal clarity appears to have no effect on project success in the IT sample of this study, which contradicts extant evidence of goal clarity’s beneficial outcomes (Aga et al., 2016; Raziq et al., 2018). This may be due to the study’s context; empowerment is positively associated with NPD speed under all conditions of uncertainty but is more highly correlated with overall project success when uncertainty is high than when it is low (Reilly et al., 2003). Since the findings showed that empowerment enhances project success, it is likely that the present study’s sample was functioning in a high uncertainty environment. This means that goal clarity cannot directly affect project success in an uncertain context. Nevertheless, goal clarity was revealed to increase empowerment, in line with past studies (Hall, 2008; Zeffane, 2008).

Moreover, it was identified that goal clarity mediates the relationship between transformational leadership and empowerment. If there is no autonomy and decision-making is highly centralised, employees’ psychological empowerment levels are less likely to be strengthened. To overcome this issue, transformational leaders generally create a more open and flexible culture within the organisation (Pradhan et al., 2017), which removes ambiguity and thereby empowers employees. However, goal clarity does not link transformational relationship to project success, suggesting that there are other factors, such as empowerment, that explain this relationship.

The results also demonstrate that empowerment mediates the relationship between goal clarity and project success as well as between transformational leadership and project success, consistent

### Table 4. R² and Q² values

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>SSO</th>
<th>SSE</th>
<th>Q²</th>
<th>R²</th>
<th>Adj. R²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empowerment</td>
<td>1734.000</td>
<td>1475.58</td>
<td>0.149</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goal Clarity</td>
<td>867.000</td>
<td>793.144</td>
<td>0.086</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Success</td>
<td>2890.000</td>
<td>1725.081</td>
<td>0.430</td>
<td>0.623</td>
<td>0.618</td>
</tr>
</tbody>
</table>
with previous findings across different work contexts (Zeffane, 2008). These findings underscore the significance of empowerment in translating followers’ perceptions of their goals and leaders into project success. Consequently, through empowerment programmes, organisations may set the stage for the more effective use of transformational leadership in engendering innovative behaviour and performance.

The study results also demonstrate that contingent reward leadership does not influence the relationship between empowerment and project success. This evidence supports the statement that the association of the transactional leadership style with project success is not so straightforward and simple (Raziq et al., 2018). In fact, past studies suggest avoiding transactional leadership to create an empowering environment (Mufti et al., 2020). Pietrese et al., (2010) demonstrated that transactional leadership seems to be influential only when there is high psychological empowerment. A recent study also found a negative relationship between contingent rewards and psychological empowerment (Young et al., 2020).

IMPLICATIONS

Theoretical Implications

This research adds to the body of knowledge, strengthens theoretical understanding, and builds on the scant literature in many ways. First, it has examined the role of project managers’ transformational leadership, fulfilling researchers’ demands to study this topic further due to inconclusive findings (Haddon et al., 2015; Zaman et al., 2019). Next, to the best knowledge of the authors, this study is the first of its kind to introduce and evaluate goal clarity and empowerment as parallel mediators for transformational leadership in the project environment, answering scholars’ calls to examine its unexplored underlying mechanisms in different organisational contexts (Bose et al., 2020; Raziq et al., 2018; Tomasi et al., 2015; Zaman et al., 2019). This study also contributed to the literature by studying empowerment in the project environment. Despite being an essential variable in management studies, the scant literature on empowerment requires more expansion, especially in the South Asian context (Aggarwal et al., 2020; Ali et al., 2020; Conger and Kanungo, 1988; Yogalakshmi and Suganthi, 2018). Another contribution of this study is its inclusion of contingent reward leadership as a moderator between empowerment and project success, which has thus far not been tested. This fills the gap in research on important moderation mechanisms that further explain this relationship (Khan et al., 2020; Seibert et al., 2004). Though several factors influence psychological empowerment (Bordin et al., 2006), researchers consider role clarity to be a key antecedent (Spreitzer, 1996; King and King, 1990; Sawyer, 1992). In a project context, however, goal clarity has emerged as an important antecedent of empowerment along with transformational leadership (Hamed, 2010). Based on these implications, this study contributes to the empirical and theoretical literature on leadership, engineering management, and project management.

Managerial Implications

The current study serves as a guideline to existing project managers to practice transformational leadership to improve project efficiency and effectiveness (Iqbal et al., 2019). Project managers need to focus on developing their transformational leadership behaviors alongside their technical skills. Project-oriented organisations should also play their due role in promoting a transformational leadership style among project managers, such as through training programmes (Aga et al., 2016). Unfortunately, the focus of training funds for project professionals today is mainly on developing technical capabilities instead of soft skills (Zaman et al., 2019). Moving forward, it is beneficial for project-based organisations to understand and develop transformational leaders who offer individualised consideration, spark intellectual stimulation, provide inspirational motivation, and engender idealised influence (Avolio et al., 1991). On the other hand, organisations should search for alternate strategies instead of contingent reward leadership. In today’s workplace, there is no place
for a controlling style of supervision. Organisations should, instead, be curious and meticulous in choosing the best-suited design that is compatible with the environment and industry.

Due to the strong and direct association between psychological empowerment and project success, the current study suggests that managers and senior management clearly articulate a vision that inspires employees to take greater responsibility for their work at all organisational levels (Lee and Wei, 2011). As such, along with the project managers’ efforts, senior management needs to facilitate and support policies and strategies that can promote empowerment. Empowerment is not a piece of paper that can be transferred from top management to employees; rather, it is a well-articulated process which trickles down successfully with the support of goal clarity and the due aid of tools and techniques (Erstad, 1997). For example, through management development programmes, leaders could be made aware of the level of psychological empowerment of their followers. This would allow them to identify when more attention needs to be paid to stimulating empowerment.

However, the present study presents novel outcomes on goal clarity, which offer unique insights for practitioners to think out-of-the-box for innovative projects like software development. In fact, it is noteworthy at this point that projects are different from normal organisations, in that projects have specific start and end dates. Consequently, these insignificant results on goal clarity may be due to the changing methodologies being adopted by the IT sector, like agile methodologies. Many traditional definitions of goal clarity view a project as a complex sequence of activities to deliver clearly defined objectives. Well-defined sequences of activities to deliver specific goals and objectives may be invalid for many, if not most, projects (Turner and Cochrane, 1993). Practically, projects must, instead, be planned in terms of major milestones, deliverables, or control points (Turner and Cochrane, 1993). Thus, organisational management should engage in deliberate attempts to inculcate openness, discourse, and trust among employees (Pradhan et al., 2017). Regardless of the project’s aims and objectives, primarily, team members should be given ample ownership to handle responsibilities pertaining to project tasks, which can empower them to perform well. Another strategy to increase project performance via empowerment may be for project management to incorporate unique project task designs which enhance both team communication and autonomy. Thus, management should and can exploit goal clarity for empowerment, and subsequently, project success. Overall, the findings demonstrate the importance of both project managers and project employees in achieving project success.

LIMITATIONS AND FUTURE RESEARCH

In this study, one obvious methodological limitation is its cross-sectional design. Future research can be performed by adopting a longitudinal research design. Another conceptual limitation of the research model is that it did not include all transformational leadership dimensions, which can be considered in future studies that replicate the model. Future research can even examine other leadership styles in lieu of transformational leadership. Finally, the research may be limited by its single source data collection. Upcoming studies may engage several sources of data collection to adequately test the mediating effects of goal clarity and psychological empowerment on project success.

CONCLUSION

A project manager’s leadership, despite being a soft-skill, is argued to be the solution to mounting project failures. However, researchers and practitioners are still struggling to identify the best leadership style. The present study’s results show that the project manager’s transformational leadership and employee empowerment have significant positive impacts on project success. Additionally, goal clarity and empowerment mediate the interrelationships among transformational leadership, goal clarity, and project success. Goal clarity further mediates the effect of transformational leadership on empowerment but not that of transformational leadership on project success. Lastly, contingent reward leadership does not strengthen the positive impact of empowerment on project success.
CONFLICT OF INTEREST

The authors of this publication declare there is no conflict of interest.

FUNDING INFORMATION

This research received no specific grant from any funding agency in the public, commercial, or not-for-profit sectors.
REFERENCES


Muhammad Khalique Ahmad is a PhD scholar in Putra Business School (UPM, Malaysia), an MBA for Punjab University Lahore, and a Bachelor of Engineering from UET, Lahore, Pakistan. He has 16 years of industrial experience in local & multinational environments. His key research areas are leadership, engineering management, project management, organizational behaviour and entrepreneurship.

Abu Bakar Abdulhamid Professor of Marketing and Supply Chain Management. He holds a BBA and an MBA from Northrop University (USA) and a PhD from the University of Derby, UK. In particular, he has published more than 300 articles in competitive international journals, proceedings, books, and book chapters. He has demonstrated an excellent record of teaching and supervision for more than 25 years in the academic field, at both undergraduate and postgraduate levels. Above all, his achievement in graduating more than 35 PhD candidates proves his ability, capability, and passion in postgraduate supervisions.

Sazali Abdul Wahab is the Professor of Management and Organisational Sustainability at Putra Business School (PBS). Prof Sazali has successfully written more than 100 academic publications, including 18 academic books and various book chapters. He has supervised more than 40 PhD, MSc, and MBA students.

Muhammad Umair Nazir is PhD Scholar at Putra Business School (UPM, Malaysia). He has completed his masters from COMSATS (Pakistan). His key research areas are ‘Tourism Management’ and ‘Behavioral Intention’.


