4 Project Leadership

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Learning objectives

By the time you have completed this chapter you should be able to:

☐ Identify modern leadership theories

☐ Understand and evaluate the difference between managers and leaders

☐ Appreciate the complexities of leadership in the context of project management

☐ Identify project management competencies

☐ Recognise the important aspects of project management success

4.1 Introduction

Leadership is a process where by a person influences others to accomplish objectives. Leadership occurs throughout organisations, including in projects. For project managers they must not only demonstrate efficiency in their use of the project management tools and techniques, but must also demonstrate leadership of the project and project team. As projects are discrete, unique and involve change, it is the role of the project manager to provide guidance, support and direction for the project stakeholders. It is the project manager who resolves the conflict of expectations among stakeholders at the start of the project. It is the project manager who develops a strategy for delivering the project and influences the stakeholders to support it. Most significantly it is the project manager who motivates individuals to work effectively together and strive for project success. This chapter reviews modern theories of leadership, the difference between managers and leaders, and sets out key project management competencies and some rules for project management success.

4.2   **Leadership: Modern background theories**

Leadership is about having people engage in and pursue activities to achieve some end or goal. Contemporary leadership theory points to leadership being based on flexibility to situation, context, followers and tasks. As per Situational Leadership (Hersey and Blanchard, 1977), the style of leadership should match to situation, and specifically to followers (how motivated and how skilled they are). Prior to that, Contingency Theory (Fiedler, 1967) posited that leadership style should be contingent on the wider context, and from a broad perspective, leadership can be defined as either task- or person-oriented. Situations are composed of Relations (between leaders and followers), Task, and Power (the extent to which reward and punishment can apply). From these bases, modern theories of leadership emerge, namely the continuum between the poles of Transactional and Transformational Leadership (Bass, 1985).

Transactional leadership is leading by reward and punishment; by offering incentives for effort, additional rewards for good work, and punishment, or at least the withdrawal of rewards, for lack of effort or output (Tracey and Hinkin, 1998). On the other hand, transformational leadership is about motivating people by engaging them in activities or tasks to the point where they are personally invested. Transformational leadership requires personalised leadership that engages followers on an individual level, matching the aims of the organisation with the aspirations and interests of followers. This is the basis of lots of modern styles of leadership, such as authentic leadership and charismatic leadership.

It is said that all commercial organisations operate leadership strategies somewhere on the transactional to transformational continuum (Avolio, 1999), depending on situation, follower context and level of knowledge required in the industry or for the task. For example, for high-skilled knowledge workers seeking a career in a technology or other professional sector, engagement with work, creativity and autonomy are all-important; personal development and career progression are the principle aims. On the other hand, routine or non-technical tasks that require low level skills might attract an employee motivated in a very different way, perhaps where reasonable pay and conditions are the motivator and long-term aspirations do not feature much. Thus, the most efficient form of leadership will lie on the point of the transformational–transactional continuum most appropriate for the organisational goals and the engagement levels and requirements of followers. In commercial organisations, payment of staff is a fundamental transaction – people are unlikely to return to work if they're not being paid. Other transactions are going on as well though, and indeed, the development opportunities and personalised treatment associated with transformational leadership might also be understood as transactional. So the two

styles of leadership are not entirely distinct from each-other, and in commercial organisations, particularly in knowledge sectors, both are required to extract the best from people.

That concludes a short introduction to the theoretical backdrop of leadership. And a reasonable set of principles are underpinning these theories. But what can you do when you have no reward or punishment 'tools' available to you? Therein lies the dilemma and the challenge for the project manager.

4.3   Manager vs. leader

Although the terms tend to be used interchangeable, leadership differs from management in a number of ways. First, a 'manager ' is an official title given to an individual, which gives them authority over subordinates, sections, departments or processes. The main aim of the manager is to maximise the outputs with a particular function through administrative implementation. The manager's role involves organising, planning, directing and controlling resources. Management is about bringing order and consistency to a function (Kotter, 1996). Managers provide the stability within an organisation. They follow rules and implement business policy. Managers behave rationally and seek to ensure that processes are functioning efficiently and the status quo is maintained. Direct leadership may be a management responsibility but a manager is not necessarily always a leader. Thus managers are efficient.

Conversely, leadership is a behavioural characteristic. It involves having vision and developing a strategy to inspire, motivate and influence others in pursuit of organisational goals. Leaders set objectives. They embrace change, they work with risk and aim for effectiveness. Leaders tolerate chaos and a lack of structure as this part of the change process. Table 4.1 offers further insight into the difference between managers and leaders.

Table 4.1: The differences between managers and leaders

Managers	Leaders
Maintain control of subordinates by authority and ruling	Leaders influence individuals to follow
Focus on administration	Focus on relationships
Are concerned with the short term objectives	Are concerned with the long term goals
Deal with complexity	Deal with uncertainty
Follow policy	Establish principles
Find fact and solutions to problems	Identify opportunities and makes decisions
Are concerned with efficiency	Are concerned with effectiveness
Imitate other managers	Create own style