

Midocean university



Faculty of management

Department / project management

Proect title

A case of the impact of stakeholder and Leadership style on the project success in a multinational company in Cairo Egypt.

Student name

Ahmed Sayed Fathi Ahmed

Student ID

2021200108

Graduation project -1

Faculty of management – Midocean university

Supervisor

DR. Mona Mostafa Elashry

Fucluty member - Faculty of management – Midocean university

1st semester -2024

Dr. Mona Moustafa Elashry



A case study of the impact of stakeholder and Leadership style on the project success in a multinational company in Cairo Egypt.

1 Introduction

In today's business world, multinational corporations are the dominant form of organization. These companies operate in senior leadership environments, where personalities and style are an important part of the projects' success. This research deals with the impact of stakeholders and leadership styles on the success of the project, and in order for us to be able to know and study this topic, we must address some basic concepts to understand and comprehend this research paper, like What is a project, what is its characteristic, who are the stakeholders, what is their nature? What does leadership mean? And its types. If we can understand these concepts correctly, only then will we have reached the desired result of this research paper.

Project management is defined as an application of knowledge, skills, and techniques to project activities in order to meet the needs of project requirements, according to Heagney (2011:25).

Leadership, in these applications, is required to enhance successful project deliverables. With various leadership styles and methodologies this can be achieved. Kerzner (2013) states four elements, which are essential when exercising good project management leadership methodologies, namely effective communication, effective co-operation, effective team work and trust.

A project is defined in as: A temporary endeavor undertaken to create a unique product, service, or outcome. Or A set of interrelated activities that are carried out to achieve a specific goal, or an organized process that is used to bring about a specific change in a given environment.

Some of the most characteristics of a project include: It has a definite start and end, it has specific and measurable objectives, It requires specific resources (financial, human,) and It involves risks and uncertainty. It is managed by a team.

A project cycle refers to the series of phases a project goes through from its conception to its completion. It provides a framework for planning, executing, and monitoring projects to ensure they achieve their desired outcomes within defined constraints. While specific phases and terminology may vary, a typical project cycle generally includes Initiation, Planning, Execution, Monitoring and Control Closing.

A stakeholder is any individual or group who has an interest in the project's outcome. This interest can be positive or negative, direct or indirect, and can affect or be affected by the project's success. And stakeholder we

can divide it to direct stakeholders indirect stakeholders:

A Leadership is a complex concept with diverse interpretations, but at its core, it's the ability to influence individuals and groups to achieve a common goal. It involves guiding, motivating, and inspiring others to work together effectively towards a shared vision..

After we talked about these concepts, we must know the importance of this research and its role in multinational companies in Egypt, as the impact of stakeholder is one of the important thing that must be known by project manager to achieve project success According Mitchell et al. in [3] and also Challenges within projects make leadership styles a key factor in the success of project delivery. This research provides an overview of information and knowledge within a corporate environment with an underlying theme of defining leadership styles within projects environment to ensure project delivery. This research aims to investigate the perception of leadership styles required and factors that contribute to successful project delivery effectiveness within projects environment. he influences of each stakeholder on construction project would vary, hence the need to respond to different stakeholders in different ways. One of the different ways is how to understand the principle which stakeholders that can use to engage each other.

Engagement is about development and sustaining relationships between stakeholders (Lerbingen in [5]).

Organizations that engage with their stakeholders actively are more likely to succeed with the potential benefits Approaches for engaging stakeholders can be reached by overarching approaches and operational approaches.[5] Koppenjan and Klijn in [6] argued that there are three conditions must be considered when deciding on a strategy for stakeholder engagements. The first is a sufficient sense of urgency to be prepared to commit energy and resources to the Process.

The second is the relationships between stakeholders offer favorable prospects for the future. And the last is managing stakeholder involvement in which sufficient resources and available skills [6]. Hill and Jones in Ayuso et al.[7] argued that managers should act as agents for stakeholders. Based on their research, in order to obtain accurate information concerning the expectations of stakeholders, companies have to develop strategies for engaging with stakeholders and understanding their needs and concerns. There are many ways to make stakeholder engagement, including engagement customer, engagement employees, engagement scope, and engagement process [7]. Finally, it was posited that a focus on stakeholder engagement and management is instrumental in aligning participants and their perspective on project success [8].

Critical success factors are those few things that must go well to ensure success for a manager or an organization, and, therefore, they represent those managerial or enterprise area, that must be given special and continual attention to bring about high performance. Critical success factors include issues vital to an organization's current operating actives and to its future success.

2 Research problem

The research problem lies in understanding and recognizing the complex impact of stakeholders on project success in multinational companies. The multinational environment includes a diverse range of stakeholders with conflicting interests and needs, which increases the difficulty of managing relationships and their impact on the project. In the intricate world of multinational companies (multinational corporations), navigating diverse cultures, complex structures, and competing stakeholder interests presents a significant challenge for leaders. This research problem focuses on understanding how leadership style and behaviors impact project **success** within this dynamic environment. While prior studies have explored leadership and project success, the unique context of Multinational corporations introduces complexities often overlooked.

Theoretical Gaps:

Lack of a comprehensive theoretical framework: Current research lacks a comprehensive theoretical framework that explains in detail the relationship between stakeholders and project success in the complex context of multinational companies.

Stakeholder definitions and classifications: There are variations in defining and classifying stakeholders, especially in the context of multinational companies, which limits the comparability of studies and the clarity of results.

Stakeholder agency importance: Most studies do not delve into the concept of "stakeholder agency" and how it affects the dynamics of interaction and their power of influence in the project.

Impact of cultural factors: Many studies ignore the impact of cultural differences on how stakeholders are managed and their assessment of project success.

Limited understanding of leadership in Multinational corporations: Existing leadership theories often focus on single cultures or domestic settings, lacking a comprehensive framework for analyzing leadership within the cross-cultural and multifaceted context of Multinational corporations.

Defining effective leadership in Multinational corporations: There's a need for context-specific definitions of effective leadership in Multinational corporations. Considering factors like cultural adaptability, managing diverse teams, and navigating complex organizational structures.

Understanding leadership-stakeholder dynamics: More research is needed to explore the interplay between leadership styles, stakeholder engagement, and their combined influence on project success in Multinational corporations.

Integration with broader theories: Examining how leadership in Multinational corporations.

interacts with broader theories of organizational behavior, cultural intelligence, and global talent management can offer valuable insights

Empirical Gaps:

Limited sample: Most studies focus on companies from a specific geographic region or sector, which limits the generalization of results to a wider range of multinational companies.

Difficulty measuring stakeholder impact: Measuring and evaluating the impact of stakeholders on project success objectively is a challenge, especially given the complexity of identifying their diverse contributions.

Reliance on quantitative studies: There is an over-reliance on quantitative studies, which we lose the richness of qualitative data that reveals the dynamics of relationships and individual stakeholder experiences.

Measuring project success: Project success metrics vary across stakeholders, making it difficult to reach a unified definition that is measurable in a multinational context.

Limited generalizability: Most studies focus on specific multinational corporations, or regions, limiting the generalizability of findings to the broader population of multinational corporations and diverse project contexts.

Difficulties measuring leadership: Objectively measuring and evaluating leadership styles and behaviors in the complex MNC environment remains a challenge.

Need for qualitative data: While quantitative studies provide valuable insights, in-depth qualitative research is crucial to capture the nuanced experiences and perspectives of leaders and stakeholders in multinational corporation's projects.

Longitudinal studies: More longitudinal studies are needed to understand the evolution of leadership impact on project success over time, including potential adaptations and adjustments made by leaders.

3 Research Significance

Undoubtedly, both stakeholders and leadership play a crucial and significant role in project success by influencing various aspects, from planning and execution to evaluation and outcomes. Adequate funding and support, for example, impact logistical and organizational support to ensure project smoothness and can also influence decision-making by providing viewpoints on different project aspects or even directly participating in decision-making processes. Moreover, risk management, enhancing communication and coordination, and ensuring sustainability are pivotal. As for the role of leadership, it is equally important as stakeholders in motivating the team, encouraging creativity and innovation, and creating a positive work environment. Additionally, leaders are responsible for decision-making, tackling challenges, building administrative and technical relationships, taking timely and tough decisions, being accountable for the outcomes, and problem-solving.

1. Theoretical Significance:

- 1.1. **Developing a deeper understanding:** The research contributes to a deeper understanding of the relationship between leadership style and project success in the context of complex and diverse multinational companies. This will contribute to building a coherent theory about the role of leadership in project success on a broader scale.
- 1.2. **Improving definitions and concepts:** By addressing the challenges in defining and measuring leadership style, more precise and clear definitions and concepts can be developed, which will facilitate effective comparative studies and the drawing of reliable conclusions.
- 1.3. **Expanding the scope of leadership theories:** The research can contribute to expanding existing leadership theories to include unique leadership dynamics in multinational companies, such as the impact of cultural differences and complex organizational structures.
- 1.4. **Developing a comprehensive framework:** Current research often examines stakeholder impact and project success in isolation. This study can contribute to a more integrated theoretical framework that considers the interplay between stakeholders, their diverse interests, and project outcomes in the complex environment of multinational companies.
- 1.5. **Refining stakeholder definitions and classifications:** Divergent views exist on defining and classifying stakeholders. This research can lead to more nuanced and context-specific understandings of different stakeholder groups in multinational settings, considering their varying power, legitimacy, and urgency.
- 1.6. **Expanding existing theories:** By analyzing how stakeholder dynamics interact with organizational factors like culture, structure, and leadership in international contexts, the research can contribute to existing theories of project management, stakeholder engagement, and organizational behavior.

2. Empirical Significance:

- 2.1. **Improving the chances of project success:** Understanding the relationship between leadership style and project success allows multinational companies to select and develop effective leaders who can lead their projects to success.
- 2.2. **Developing effective leadership training programs:** By identifying the most effective leadership behaviors in the multinational corporate environment, focused leadership training programs can be developed that lead to improved performance of leaders and their teams.

- 2.3. Improving the work environment and reducing risks:** Effective leadership style has a direct impact on employee satisfaction and morale. Understanding the relationship between leadership and project success helps create a positive work environment that reduces the risk of project failure.
- 2.4. Enhancing competitiveness:** The ability to consistently implement successful projects is a key factor in maintaining competitiveness in the global market. Understanding the impact of leadership style on project success allows multinational companies to better manage their projects and achieve their strategic goals. In addition to the above, it can be said that this topic is of theoretical and practical importance to various parties:
- Researchers and academics: Contributes to the development of knowledge about leadership and project management in a complex international context.
- Practitioners and executives: Provides them with tools and techniques to improve leadership effectiveness and achieve project success.
- 2.5. Improving project success rates:** Understanding how stakeholders influence projects allows companies to develop targeted engagement strategies and mitigate potential risks arising from stakeholder dissatisfaction or conflicting interests. This can demonstrably improve project success rates in terms of time, cost, and quality.
- Informing best practices: By studying successful and unsuccessful projects in diverse multinational contexts, the research can identify empirical evidence for best practices in stakeholder engagement, communication, and conflict resolution, offering valuable insights for practitioners.
- 2.6. Enhancing stakeholder satisfaction:** Effective stakeholder engagement fosters trust, collaboration, and shared ownership of projects. This research can inform better approaches to managing stakeholder expectations, addressing concerns, and building positive relationships, ultimately leading to increased stakeholder satisfaction.
- 2.7. Improving corporate social responsibility:** Multinational companies face heightened scrutiny regarding their social and environmental impact. The research can help companies align stakeholder interests with broader sustainability goals and demonstrate their commitment to responsible business practices.
- 2.8. Beyond these primary benefits,** the research holds value for various stakeholders:
- 2.9. Researchers:** Provides empirical data and expands the theoretical understanding of stakeholder dynamics in a globalized context.
- 2.10. Practitioners:** Offers practical tools and insights for improving stakeholder engagement and project success.

Policymakers: Informs the development of regulations and guidelines for responsible stakeholder engagement by multinational companies.

- 2.11. **Communities:** Offers a potential voice for communities impacted by multinational projects, ensuring their concerns are considered in decision-making processes.

In conclusion, studying the impact of stakeholders on project success in multinational companies has significant theoretical and empirical value. It can contribute to developing a more comprehensive understanding of these complex dynamics, leading to improved project outcomes, enhanced stakeholder satisfaction, and responsible corporate practices in the globalized business landscape

International and non-governmental organizations: Helps them understand the factors that affect the success of international development projects implemented by multinational companies.

In short, studying the impact of leadership style on project success in multinational companies is a topic of great theoretical and practical importance, and contributes to improving the performance of these companies and enabling them to achieve their goals.

4 Main Questions

1. What is the impact of stakeholders on project success?
2. What is the impact of Leadership style on project success?
3. What are the various leadership styles applied by project managers in multinational companies?
4. What role do stakeholders play in achieving success in projects?

4.1 Sub Questions:

1. How can different leadership styles affect stakeholder engagement?
2. How can different leadership styles affect Project success?
3. How can different Stakeholder type affect Project success?
4. How does leadership style handle changes in the project? Does it facilitate the implementation of changes or complicate matters?
5. How does leadership style impact stakeholder interaction with the project? Does it motivate them or provide support?
6. How does leadership style impact strategic direction for the project and critical decision-making?

5 Research objective

1. **Analyze** the relationship between different leadership styles and project success in the context of multinational companies.
2. **Identify** and describe the leadership styles used in multinational companies.
3. **Assess** the impact of leadership styles on team member behavior, including motivation, engagement, creativity, and job satisfaction.
4. **Analyze** the impact of leadership styles on key project aspects, such as decision-making, conflict resolution, communication, collaboration, and risk management.
5. **Evaluate** the impact of leadership styles on project outcomes, such as timeliness, quality, cost, and return on investment.
6. **Identify** best leadership practices for managing complex global projects.
Assist multinational companies in selecting the right leaders for specific projects.
7. **Analyze** the relationship between multiple stakeholders and project success in the context of multinational companies.
8. **Identify** and describe the key stakeholders in multinational projects, focusing on: Their characteristics, interests and influence
9. **Investigate** how stakeholder expectations and leadership styles interact and influence project success.
10. **Develop** recommendations for managing stakeholders and selecting appropriate leadership styles to optimize project outcomes in multinational companies.
11. **Provide** insights on how to navigate complex stakeholder dynamics and leadership styles in a global project environment .

6 Research Hypotheses

H1 There is a statistically significant association between transformational leadership and project success.

Association among two independent variables: transformational leadership

& transaction leadership and one dependent variable: project success is established below in Figure 1

And for impact of stake holder

H1 Stakeholder impact influenced on project success.

For example:..

(H1a: The higher the level of stakeholder involvement, the higher the probability of project success.

H1b: The more specific and clear the expectations of stakeholders are, the higher the probability of project success.

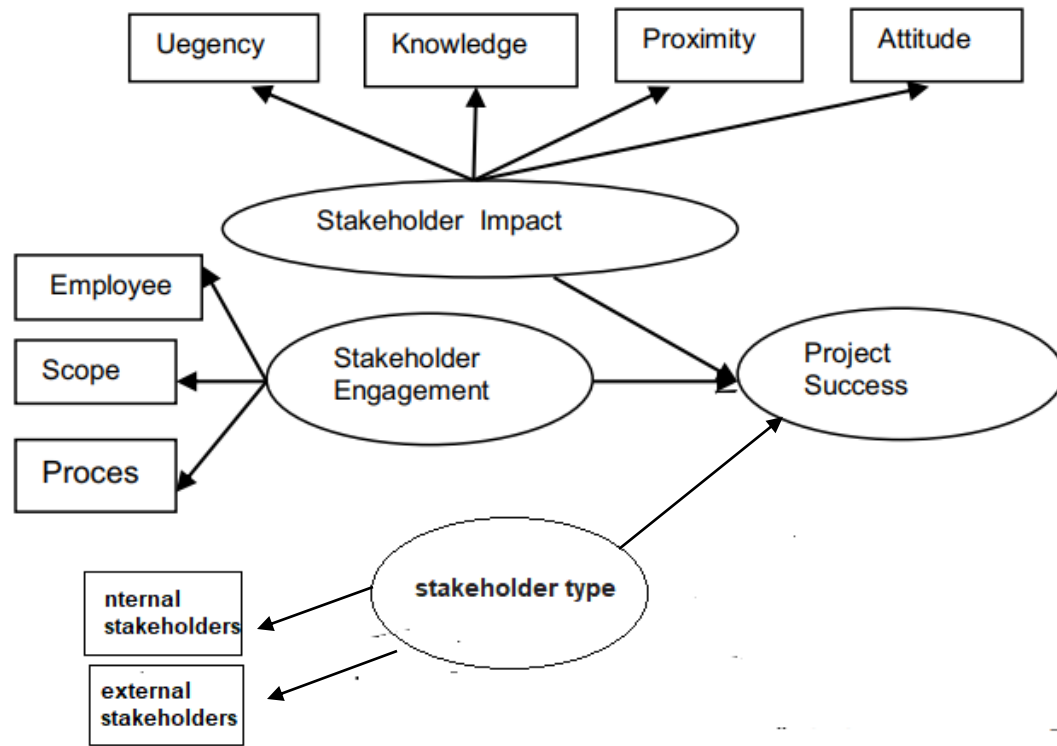
H1c: The more effective the communication between stakeholders is, the higher the probability of project success.)

H2: Stakeholder engagement influenced on project success

H3 Impact of stakeholder type on project success

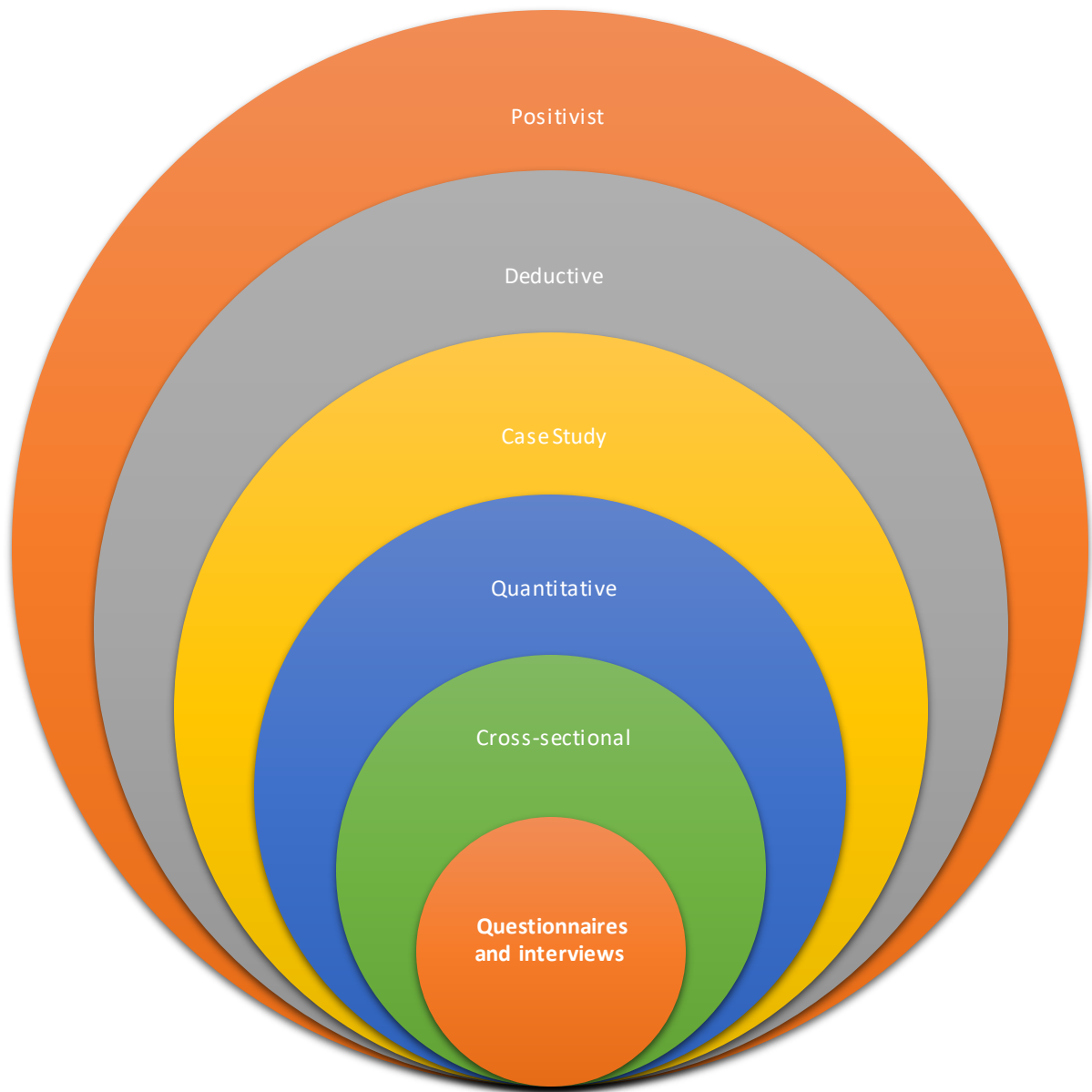
7 Research model





8 Methodology Template

1. Research Philosophy Positivist
2. Research Approach: Deductive
3. Research Strategy: Case Study
4. Research Choice: Quantitative
5. Time Horizon: Cross-sectional
6. Data Collection interviews: questionnaires and interviews .



9 Suggested Project Structure:

- 1. Chapter 1: Introduction**
- 2. Chapter 2: Literature Review**
- 3. Chapter 3: Research Methodology**
- 4. Chapter 4: Statistical Analysis**
- 5. Chapter 5: Discussion and Conclusion**

Chapter 1: Introduction

Chapter 2: Literature Review

Chapter 3: Research Methodology

Chapter 4: Statistical Analysis

Chapter 5: Discussion and Conclusion

10 Table of contents

Contents

1 Introduction	2
2 Research problem	4
3 Research Significance	5
4 Main Questions	8
4.1 Sub Questions:.....	8
5 Research objective	9
6 Research Hypotheses.....	9
7 Research model	10
8 Methodology Template	11
9 Suggested Project Structure:	12
10 Table of contents	13

11 References

- Project Management in Multinational Companies: A Strategic Perspective (John C. Hink)
- Stakeholder Theory A New Approach to Management(R. Edward Freeman)
- Leadership Across Cultures: Challenges and Opportunities (Gary Yukl)
- Northouse, P. G. (2016). Leadership: Theory and practice (7th ed.). Thousand Oaks, CA: Sage Publications.
- Yukl, G. (2013). Leadership in organizations (8th ed.). Upper Saddle River, NJ: Pearson Education.
- Hersey, P., & Blanchard, K. H. (1977). Management of organizational behavior: Utilizing human resources (4th ed.). Englewood Cliffs, NJ: Prentice-Hall.
- Goleman, D. (2000). Primal leadership: Unleashing the power of emotional intelligence. Boston, MA: Harvard Business Review Press.
- Kotter, J. P. (1990). A force for change: How leadership differs from management. New York, NY: Free Press