

Final Project 1

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Project Manager Leadership

The Impact of Project Manager Leadership on Team
Performance in Construction Projects in Saudi Arabia

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1. Chapter 1: Introduction

1.1. Research Background

In today's fast-paced business world, the success of any project depends heavily on its leaders. Project managers guide teams, make critical decisions, and ensure work is completed on time and within budget. A project manager's leadership style can significantly impact team efficiency and project success.

Leadership in project management is not just about giving orders; it also involves motivating individuals, solving problems, and creating a work environment that empowers everyone to perform at their best. A successful project manager communicates clearly, supports team members when facing challenges, and makes fair decisions that benefit everyone. When project managers demonstrate strong leadership skills, teams tend to be more motivated, productive, and satisfied with their work.

The construction sector in Saudi Arabia has experienced rapid growth in recent years. With mega-projects like NEOM, the Red Sea Project, numerous new cities, and ongoing infrastructure development, the demand for skilled project managers capable of effectively leading teams is increasing dramatically. These large-scale projects require strong leadership to manage complex tasks, coordinate the efforts of many individuals, and deliver high-quality results.

Research has shown that leadership style influences team performance. Some leaders tend to be direct, dictating to team members exactly what they should do. Others adopt a supportive approach, encouraging team members to brainstorm and make their own decisions.

A third group focuses on achieving goals and driving the team toward excellence. Each style has its strengths and weaknesses, and the optimal approach often depends on the situation and the individuals involved.

The construction sector in Saudi Arabia faces unique challenges. The workforce is diverse, with workers coming from different countries and backgrounds. Cultural differences, language barriers, and varying work expectations can complicate teamwork. Therefore, the role of the project manager as a leader is increasingly important. A competent leader can bridge these differences and unite the team to achieve common goals.

Numerous studies have been conducted on leadership in general, but studies specifically focusing on the leadership role of the project manager in the Saudi construction sector are few. This is a gap that needs to be filled. Understanding how project managers lead their teams, and how this affects team performance, helps companies improve their project outcomes and achieve better results.

This study aims to explore the impact of project manager leadership on the performance of construction teams in Saudi Arabia. By examining how project managers lead their teams and their performance, this study seeks to provide valuable insights for companies and project managers who wish to develop their leadership skills and improve the results of their projects.

1.2. Research Problem

Construction projects in Saudi Arabia face numerous challenges, often exceeding budgets, missing deadlines, or failing to meet quality standards. Weak leadership is a major contributing factor. When project managers don't lead effectively, teams can become confused, lose motivation, and experience decreased productivity, potentially leading to delays, errors, and conflicts among team members.

The problem lies in our limited understanding of how project manager leadership impacts team performance in the Saudi construction sector. While numerous studies exist on leadership in other countries and sectors, research specifically focusing on project managers in Saudi construction projects is scarce. This means that companies lack clear guidance on the most appropriate leadership styles in this context.

1.2.1. Theoretical Gaps

The existing literature on leadership provides many theories and models, but most of these were developed in Western contexts. Theories like transformational leadership, transactional leadership, and situational leadership have been studied extensively in countries like the United States and Europe. However, it is not clear whether these theories apply in the same way in Saudi Arabia.

The cultural and social context in Saudi Arabia is different from Western countries. The work environment, the expectations of employees, and the way people interact with leaders may be different. This means that leadership theories developed elsewhere may not fully explain what happens in Saudi construction projects. There is a theoretical gap that needs to be addressed by studying leadership in this specific context.

1.2.2. Practical Gaps

On a practical level, construction companies in Saudi Arabia do not have enough information about what makes a project manager effective. Many companies rely on trial and error, or they follow practices from other countries without adapting them to the local context. This can lead to ineffective leadership and poor project outcomes.

Furthermore, there is a lack of training programs that are specifically designed for project managers in the Saudi construction industry. Without a clear understanding of the leadership skills that matter most, it is difficult to design effective training and development programs. This practical gap means that project managers may not be getting the support they need to lead their teams successfully.

Main Research Question: What is the impact of project manager leadership on team performance in construction projects in Saudi Arabia?

1.3. Research Significance

This study is important for several reasons. It addresses both theoretical and practical gaps in our understanding of project manager leadership and team performance in the Saudi construction industry.

1.3.1. At the theoretical level

This research contributes to the academic literature by testing existing leadership theories in a new context. By studying project manager leadership in Saudi construction projects, this study helps to determine whether established theories apply in this environment or whether new models are needed.

The findings of this study can also help to build a more complete understanding of leadership in different cultural contexts. This is valuable for researchers who are interested in cross-cultural management and the factors that influence leadership effectiveness in different parts of the world.

1.3.2. At the practical level

For contracting companies in Saudi Arabia, this research offers practical insights that contribute to improved project outcomes. By understanding the most effective leadership behaviors, companies can make better decisions regarding the recruitment, training, and development of project managers.

The study also has implications for project managers themselves. By identifying leadership styles that enhance team performance, project managers can develop their skills to become more effective leaders, leading to increased team morale, higher productivity, and greater project success.

Furthermore, the findings of this study contribute to the development of training programs for project managers. By focusing on the most critical leadership skills, training providers can design more relevant and effective programs for the Saudi contracting sector.

1.4. Research Questions

1. What are the main leadership behaviors that project managers use in construction projects in Saudi Arabia?
2. How does project manager leadership affect team performance in construction projects?
3. What are the key leadership skills that help project managers lead their teams effectively?
4. How do project managers in Saudi Arabia handle challenges in leading diverse construction teams?

1.5. Research Objectives

The main objectives of this study are:

1. To identify the leadership behaviors commonly used by project managers in construction projects in Saudi Arabia.
2. To examine the relationship between project manager leadership and team performance.
3. To determine the leadership skills that have the greatest impact on team performance.
4. To provide recommendations for improving project manager leadership in the Saudi construction industry.

1.6. Research Hypotheses

The following hypotheses will be tested in this study:

H1: There is a positive relationship between project manager leadership and team performance in construction projects in Saudi Arabia.

H2: Project managers who communicate clearly have teams with higher performance.

H3: Project managers who support their teams have teams with higher performance.

H4: Project managers who encourage new ideas have teams with higher performance.

H5: Project managers who make fair decisions have teams with higher performance.

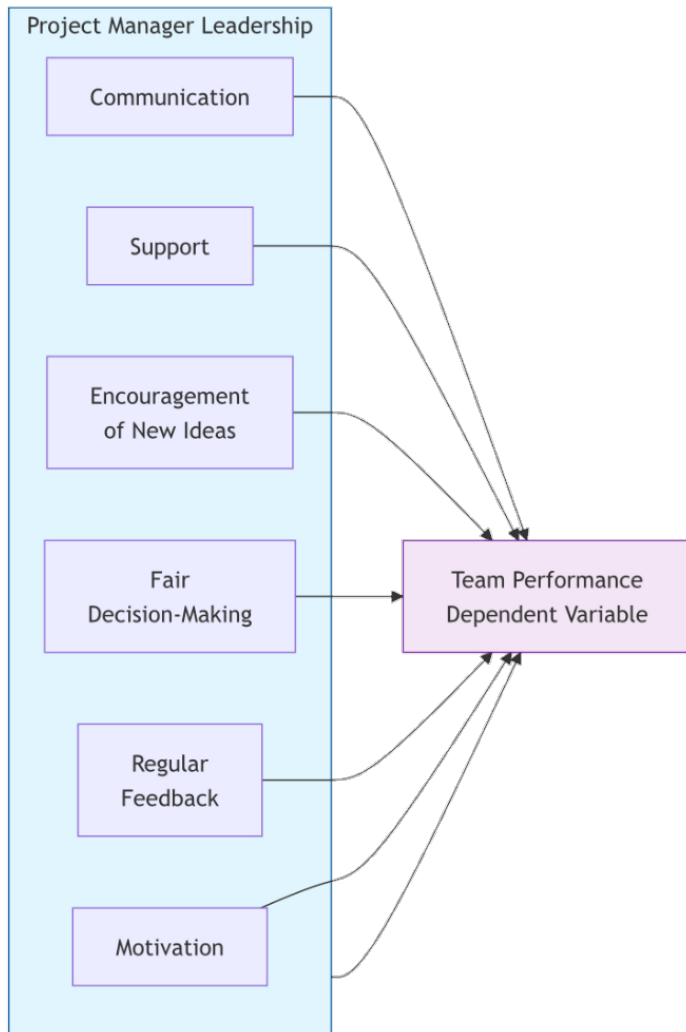
H6: Project managers who provide regular feedback have teams with higher performance.

H7: Project managers who motivate their teams have teams with higher performance.

1.7. Research Model

The research model shows the relationship between project manager leadership and team performance. The independent variable is project manager leadership, and the dependent variable is team performance.

The study examines how different aspects of leadership affect team performance. These aspects include communication, support, encouragement of new ideas, fair decision-making, regular feedback, and motivation. The model helps to visualize how these leadership behaviors influence how well teams work together and achieve their goals.



1.8. Research Methodology

This study will use a quantitative research approach. The researcher will collect numerical data to test the hypotheses and answer the research questions.

The study will use a survey questionnaire as the main data collection tool. The questionnaire will be designed to measure leadership behaviors and team performance. It will be distributed to project managers and team members working in construction projects in Saudi Arabia.

The population for this study includes all project managers and team members in the Saudi construction sector. A sample will be selected using convenience sampling, which means participants will be chosen based on their availability and willingness to participate.

The data will be analyzed using SPSS software. The analysis will include descriptive statistics to describe the sample, reliability tests to check the consistency of the questionnaire, and correlation analysis to test the relationships between variables.

1.9. Scope of The Study

This study focuses on construction projects in Saudi Arabia. The research targets project managers and team members working in construction companies across different cities in the country. The study examines leadership behaviors and their impact on team performance, including communication, support, decision-making, feedback, and motivation.

The study is limited to the construction industry and may not apply to other industries. The findings are also specific to the Saudi context and may not be generalizable to other countries.

1.10. The Suggested Project Structure

This project is organized into five chapters.

- Chapter 1 provides the introduction, including the background, problem statement, significance, research questions, objectives, hypotheses, research model, methodology, and scope of the study.
- Chapter 2 presents a review of the literature on project manager leadership and team performance. It discusses the independent and dependent variables and their relationship.
- Chapter 3 describes the research methodology in detail, including the research design, population, sample, data collection methods, and analysis procedures.
- Chapter 4 presents the statistical analysis and findings. This includes the sample profile, validity and reliability tests, descriptive statistics, and hypothesis testing.
- Chapter 5 provides the conclusions, limitations, and recommendations. It summarizes the key findings and suggests areas for future research.

2.Chapter 2: Literature Review

2.1. Introduction

This chapter reviews existing research on project manager leadership and team performance. It defines both variables, discusses key leadership theories and behaviors, and examines how leadership affects team outcomes. The review focuses on studies relevant to construction projects, with particular attention to the Saudi context.

2.2. The independent variable

Leadership is the ability to guide, influence, and inspire others toward common goals (Northouse, 2018). In project management, leadership is critical because project managers coordinate diverse teams to complete complex tasks on time and within budget.

Several leadership theories are widely discussed. Transformational leadership focuses on inspiring followers to exceed expectations through charisma, intellectual stimulation, and individualized consideration (Bass & Avolio, 1994). Transactional leadership relies on rewards and punishments to motivate teams and maintain clear expectations (Burns, 1978). Situational leadership suggests that no single style works best; leaders should adapt their approach based on team maturity and task demands (Hersey & Blanchard, 1969).

In construction projects, specific leadership behaviors are especially important. These include:

- Clear communication: Sharing goals and updates effectively.
- Support: Helping team members solve problems.
- Encouragement of new ideas: Welcoming suggestions and innovation.
- Fair decision-making: Making just and transparent choices.
- Regular feedback: Providing constructive performance input.
- Motivation: Inspiring the team to achieve high performance.

Research indicates that project managers who demonstrate these behaviors tend to have more successful projects (Wang et al., 2025).

2.3. The dependent variable

Team performance refers to how well a team works together to achieve project objectives. It is commonly measured by completing tasks on time, within budget, and to quality standards (Saunders et al., 2019). Key contributors to team performance include clear goals, good communication, trust, effective leadership, and adequate resources.

Performance can be assessed through outcome measures (project success) or process measures (cooperation, problem-solving). In construction, team performance directly affects project outcomes (Assaf et al., n.d.).

2.4. The relationship between the independent and the dependent variables

Numerous studies confirm that leadership significantly influences team performance. Leaders who communicate clearly, support their teams, and provide motivation have higher-performing teams (Altaher et al., 2024).

In construction, effective project managers improve productivity, satisfaction, and project success (Moyo et al., 2024; Purasinghe, 2024). Wang et al. (2025) found that leadership competencies directly enhance team performance, with team processes like learning and climate acting as mediators.

In Saudi Arabia, research shows that transformational leadership is particularly effective under Vision 2030, though cultural factors such as high power distance and Islamic ethics moderate its impact (Saudi Digital Library, 2026). Al-Ratrout (2023) confirmed that leadership competencies positively affect project manager performance in the Saudi construction industry. Additionally, Alqahtani and Shayan (2024) found that leadership styles significantly influence team performance in the Saudi water sector, which is relevant to construction projects.

Leadership affects performance through three main mechanisms: setting clear goals, providing resources and support, and creating a motivating work environment.

2.5. Conclusion

The literature confirms that project manager leadership has a strong positive impact on team performance. Key behaviors—communication, support, encouragement of ideas, fair decisions, feedback, and motivation—are consistently linked to better project outcomes.

However, most studies have been conducted in Western contexts or other industries, leaving a gap in understanding the Saudi construction sector. This study aims to fill that gap by examining leadership effects specifically in Saudi Arabian construction projects.

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