

Critical Leadership Competencies for Project Management Success: Analyzing the Impact of Communication, Emotional Intelligence, and Decision-Making

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ABSTRACT

This literature review examines the critical leadership competencies necessary for effective project management and their impact on project success. Drawing on a comprehensive analysis of recent studies, key competencies such as communication, emotional intelligence, decision-making, team leadership, adaptability, and strategic vision are identified as vital for project managers. The review highlights a strong correlation between these competencies and positive project outcomes, including timely completion, budget adherence, quality deliverables, and enhanced team satisfaction. Despite the valuable insights provided, the existing research is limited by a narrow focus on internal project management processes, exclusion of additional contextual factors, and restricted sample sizes, which constrain the generalizability of the findings. The review suggests that future research should encompass a broader range of influencing factors, include diverse project environments, and utilize larger sample sizes. Practical recommendations include the development of targeted training programs, implementation of mentoring and coaching systems, and incorporation of competency assessments in hiring processes. By addressing these areas, both theoretical understanding and practical application of leadership competencies in project management can be significantly enhanced, leading to improved project outcomes.

Keywords:

Leadership
Competencies;
Project
Management;
Emotional
Intelligence;
Decision-Making;
Team Leadership

Introduction

In project management, leadership competencies refer to the fundamental abilities, dispositions, and characteristics that project managers need to have in order to lead project teams, make strategic choices, and

accomplish project goals (Alvarenga et al., 2019; Copola Azenha et al., 2021; Portny and Portny, 2022). These competencies cover a wide range of skills, such as decision-making, emotional intelligence, communication, conflict resolution, and flexibility. These qualities are used by

effective project managers to create a cooperative team atmosphere, overcome obstacles, and guarantee that projects are finished on schedule, within budget, and to the necessary quality standards (Sampaio et al., 2021). These leadership skills are essential for managing stakeholder expectations, coordinating team activities with organisational objectives, and achieving effective project outcomes in the face of the complexity and unpredictability that come with contemporary project environments.

The lack of clearly defined and universally accepted leadership competencies can pose a significant challenge to project success. Despite the recognition that effective leadership is a critical component in managing projects, many projects still fail to meet their objectives due to deficiencies in leadership rather than technical shortcomings (Nixon et al., 2012; Sithambaram et al., 2021; Ahmed et al., 2021). This problem is worsened by the evolving nature of projects, which are increasingly characterized by complexity, rapid technological advancements, and global team dynamics. Even though technical expertise is also important, leadership capabilities should also be considered in promoting project managers. This is not always the case as technical expertise is considered more important (Abdelmasseh, Bassioni and Gaid, 2022; Döringer, 2021), leading to a gap in the essential leadership skills needed to navigate the various demands of project management. Consequently, projects suffer from poor team cohesion, ineffective communication, inadequate stakeholder engagement, and poor decision-making. Addressing this problem requires a focused effort to identify,

develop, and integrate specific leadership competencies that are essential for project managers, thereby enhancing their ability to lead teams effectively, adapt to changing circumstances, and achieve project success.

In recent years, there has been a shift towards understanding how specific leadership styles and competencies can be tailored to different project types and phases. For instance, the agile project management framework has highlighted the need for adaptive leadership that can respond to rapid changes and promote a collaborative team culture (Rangavittal, 2022; Attar and Abdul-Kareem, 2020). Furthermore, technological advancements have introduced new tools and platforms that project managers can use to enhance their leadership effectiveness, such as real-time data analytics for decision-making and virtual collaboration tools for remote teams.

Despite the advances in the project management field, several gaps remain. There is a need for more empirical research to establish a definitive set of leadership competencies tailored specifically to project management. Additionally, there is limited understanding of how these competencies can be developed through training and professional development programs. Future research should also explore the impact of cultural and organizational contexts on the effectiveness of different leadership competencies in project management.

The primary objective of this literature review is to identify and evaluate the key leadership competencies essential for effective project management, as well as to

explore their development and application within various project contexts. The review aims to synthesize existing research to provide a comprehensive framework of these competencies, highlighting their impact on project outcomes. Additionally, the review seeks to examine recent advances in leadership theories and practices that have been integrated into project management, such as agile and transformational leadership. The scope of this review encompasses a broad range of industries and project types, including traditional, agile, and hybrid project management methodologies. By critically analyzing the current state of knowledge and identifying gaps, the review aims to offer insights into future research directions and practical recommendations for enhancing leadership development programs tailored to project managers.

Literature Review

The theoretical framework for understanding leadership competencies in project management is grounded in several established leadership and management theories. These theories provide a foundation for identifying the specific skills and attributes necessary for effective project leadership and their application within the dynamic environment of project management.

Leadership Theories

Trait Theory: This theory suggests that certain inherent traits and characteristics make effective leaders. In the context of project management, this translates to identifying key personal attributes such as

decisiveness, integrity, and resilience that contribute to successful project leadership (Gehring, 2007).

Situational Leadership Theory: Proposes that effective leadership depends on the context and situation. In project management, this means adapting leadership styles to the specific needs of the project phase, team composition, and external environment (Johnson et al., 2021).

Agile Leadership: A relatively recent addition, agile leadership focuses on flexibility, collaboration, and rapid response to change. This approach aligns well with the principles of agile project management, where iterative progress and continuous improvement are key.

Project Management Theories

Project Management Body of Knowledge (PMBOK): Provides a standardized set of project management practices and emphasizes the importance of leadership skills in various knowledge areas such as stakeholder management, team leadership, and communication (Ahmadi et al., 2022).

Agile Methodologies: Such as Scrum and Kanban, these methodologies emphasize the importance of leadership in facilitating team collaboration, managing sprints, and ensuring continuous delivery and improvement (Taromirad & Ramsin, 2008).

From several leadership and project management theories, the theoretical basis for leadership competencies in project management is numerous. Project managers

can build a broad range of competences that improve their capacity to successfully lead teams, negotiate complexity, and complete projects on schedule by incorporating these beliefs.

Methodology

Databases

The search for relevant studies was conducted across several major academic databases to ensure a comprehensive collection of literature. The primary databases used include:

- Google Scholar
- PubMed
- ProQuest
- Web of Science

Keywords

A targeted set of keywords and phrases was developed to capture the extent of literature on leadership competencies in project management. These keywords include "Leadership competencies in project management", "Project management leadership skills", "Effective leadership in project management", "Leadership and project outcomes", "Leadership development for project managers", "Project management success factors". Also, Boolean operators (AND, OR) were used to combine keywords and refine search results, ensuring a focused yet comprehensive search strategy.

Inclusion Criteria

To ensure the relevance and quality of the studies included in the review, the following inclusion criteria were applied. Studies published within the last 15 years were included to capture recent advances and current trends in the field. Also, only studies published in English were considered, and articles were gotten from reliable databases to ensure the quality and credibility of the findings. In addition, studies that explicitly focus on leadership competencies in the context of project management were identified, as well as empirical studies, reviews, and theoretical papers that provide significant insights into the topic.

Exclusion Criteria

Studies were excluded based on the following criteria:

- **Irrelevant Focus:** Articles that do not focus on leadership competencies specifically within project management.
- **Non-Peer-Reviewed Sources:** Exclusion of articles from non-credible sources such as opinion pieces, blogs, and non-scholarly publications.
- **Language:** Studies not available in English.
- **Publication Date:** Studies published more than 15 years ago unless they are seminal works crucial to the foundation of the topic.
- **Lack of Empirical Evidence:** Articles lacking empirical evidence or rigorous theoretical analysis.

Search Process

The search process involved several steps:

- **Initial Search:** Conducting an initial search using the identified keywords in each of the selected databases.
- **Screening Titles and Abstracts:** Reviewing the titles and abstracts of the retrieved studies to assess their relevance based on the inclusion criteria.
- **Full-Text Review:** Obtaining the full texts of potentially relevant studies and performing a detailed review to confirm their inclusion.

- **Reference Checking:** Reviewing the references of included studies to identify any additional relevant articles that were not captured in the initial search.

By following this systematic search strategy, a comprehensive and relevant body of literature was assembled to support the review of leadership competencies and their place in project management.

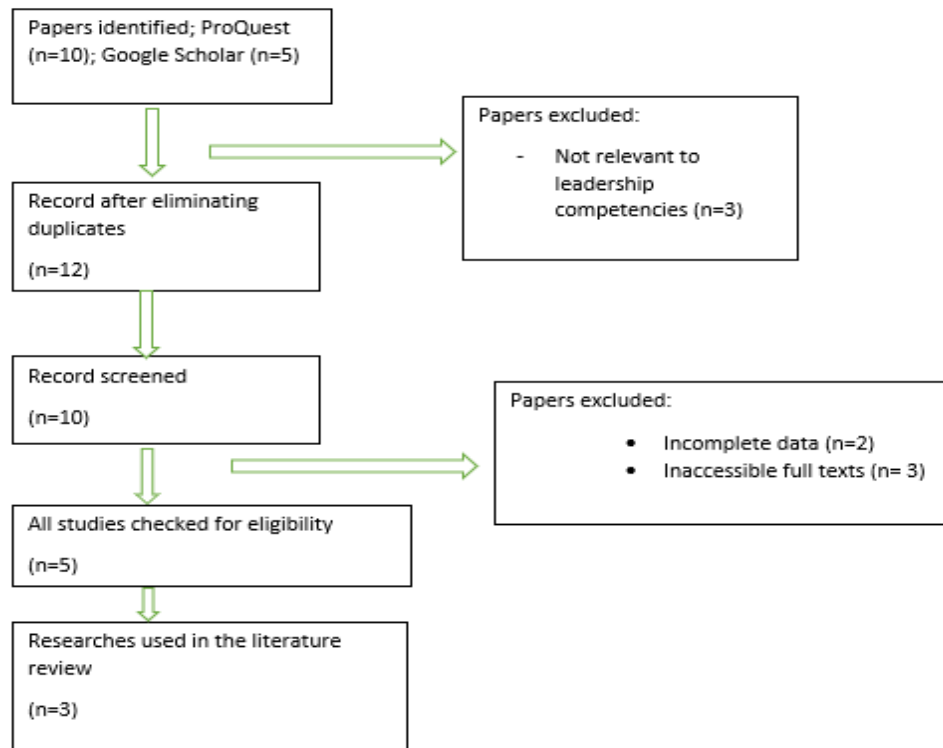


Figure 1: PRISMA CHART

Data Synthesis

Data synthesis and analysis for this literature review were conducted using VOSviewer, a

software tool for constructing and visualizing bibliometric networks. Initially, relevant studies were identified and key data points were extracted into a standardized form,

including author information, publication year, keywords, and main findings. VOSviewer was then employed to map the co-occurrence of keywords and themes within the selected literature, enabling the identification of prominent clusters and patterns related to leadership competencies in project management. This visual representation facilitated a deeper

Discussion

Core Leadership Competencies in Project Management and their Impact

According to the study by Podgórska and Pichlak, (2018), the leadership competencies that are most closely associated with project success are dedication, resource management, motivation, sensitivity, effective communication, and achieving engagement. The relationship between vision, imagination, and empowerment is the least strong. There is no correlation between intuitiveness and the situation at hand. The findings of the qualitative investigation validated the conclusions obtained from the quantitative analysis. The key leadership competencies include conscientiousness, achievement orientation, effective communication, and motivation. The people who took part in the survey, ranked vision and imagination, intuitiveness, and empowering as the least significant qualities.

Also, according to (Ozorhon, Akgemik and Caglayan, 2022), project managers have the ability to enhance project efficiency and effectiveness by organising workers and ensuring timely delivery of assignments. They maintain team cohesion and enhance their motivation, resulting in synchronised

understanding of the relationships and trends within the literature, highlighting key areas of focus and gaps in research. The analysis through VOSviewer thus provided a comprehensive synthesis of the existing knowledge, guiding the identification of critical leadership competencies and their impact on project success.

movement and heightened output. According to the study, primary project management competencies are identified as "leadership and strategic decision-making skills" and "responsibility and commitment". Project leaders who lack characteristics of leadership may struggle to take advantage of possibilities, efficiently oversee members of the team, and achieve the goals of the project. Responsibility and dedication may appear to have identical connotations. Responsibility is the duty to effectively complete prescribed responsibilities, whereas dedication is the devotion of an individual to follow through with an established plan of action. The latter entails an independent duty as opposed to a duty enforced by an agency. These two traits are crucial for project leaders and can have a substantial impact on their achievement, as noted by several experts. Project leaders who wholeheartedly commit themselves to the task at hand can enhance the drive of everyone on the team in order to accomplish project objectives.

Based on the study carried out by (Grzesik and Piwodar-Sulej, 2018), The factors (competences) include accomplishment orientation, sensitivity, collaboration and teamwork, initiative, resilience to emotion, critical analysis and discernment and also strategic viewpoint. Sensitivity, defined as

the ability to recognise and consider the needs and perspectives of others while making decisions and suggesting solutions to issues and challenges, is a component of emotional competences within the dimensions identified by Dulewicz and Higgs. The nature of project management necessitates that the project leader possess emotional intelligence as well as related competencies.

In the first category of businesses the most commonly identified competencies, that influence the leader's effectiveness were:

Development (D) - which is associated with the effect and impact in which the objective is to teach or nurture the growth of one or several other persons;

Motivation (M) is the driving force that is linked to the energy required to attain tangible outcomes and create a significant influence.

Self-confidence (SC) - which indicates an individual's trust in one's own capacity to execute a task, and involves an individual exhibiting confidence when dealing with increasingly tough conditions, in making conclusions or formulating views, and in managing failures positively.

The most crucial qualities that determine a project manager's efficiency found in the second category of organisations.

Teamwork and collaboration (TC) - the quantity of indications: which denotes a sincere desire to collaborate with others, to actively participate in a team, and to work collectively rather than individually or in a competitive manner;

Vision and imagination (VI) - which means a clear perspective of the future and the influence of alterations on difficulties with implementation and business realities.

Strengths and Limitations of the Studies

Strengths

The studies reviewed in this literature review offer significant insights into the critical leadership competencies required for effective project management. One of the main strengths is the empirical evidence provided by many of these studies, which establishes a strong correlation between specific leadership competencies and successful project outcomes. The detailed analysis of competencies such as communication, emotional intelligence, and decision-making underscores their importance in managing complex projects and leading diverse teams. Additionally, the studies contribute to the theoretical understanding of how leadership styles, such as transformational and agile leadership, can be adapted to meet the demands of modern project environments. The use of comprehensive methodologies and rigorous data collection techniques across multiple studies ensures a high level of reliability and validity in the findings.

Limitations of the Studies Reviewed

However, several limitations constrain the comprehensiveness and applicability of the research outcomes. In the first study, the methods used in many of these studies often exclude the impact of additional factors on project success, such as organizational

culture, economic conditions, and technological advancements. This narrow focus limits the ability to understand the broader context in which leadership competencies operate. Secondly, the implementation techniques for leadership and project success discussed in the studies are not all-inclusive, leaving out potentially significant strategies and approaches. This gap suggests that the research does not fully capture the complexity of leadership in project management, opening avenues for further exploration.

In the second study, a notable limitation is the scope of the sample populations used in the studies. Most research is confined to internal project management procedures within specific organizations, excluding projects funded by external entities or those that employ project management consulting services. This restriction reduces the generalizability of the findings, as it does not account for the varying dynamics and challenges encountered in different project settings. Furthermore, in the last study, the primary constraint of a limited study sample size in the study further hampers the ability to generalize the conclusions. Smaller sample sizes may not represent the broader population of project managers and project types, thus limiting the applicability of the research insights to other contexts.

Conclusion

This literature review highlights the critical leadership competencies essential for successful project management, with a particular focus on communication, emotional intelligence, decision-making,

team leadership, adaptability, and strategic vision. Empirical evidence consistently shows a strong correlation between these competencies and positive project outcomes, such as timely completion, budget adherence, quality deliverables, and enhanced team satisfaction. However, the review identifies several limitations in the existing research, including the exclusion of additional contextual factors, restricted sample populations, and limited sample sizes. The findings of this review contribute to the theoretical understanding of leadership in project management by affirming the importance of specific competencies and their impact on project success. This review suggests that future theoretical models should incorporate a broader range of factors influencing project success, including organizational culture and external economic conditions, to provide a more rounded understanding of effective project leadership. For practitioners, the review emphasizes the necessity of developing and nurturing key leadership competencies among project managers. Organizations should invest in targeted training programs that focus on enhancing communication skills, emotional intelligence, and decision-making abilities. Mentoring and coaching systems should be established to support ongoing leadership development. Additionally, the review recommends incorporating competency assessments into the hiring process to ensure that project managers possess the essential skills required for successful project leadership. Adopting these practices can lead to improved project outcomes and higher team satisfaction.

Acknowledgements

The authors declare no conflict of interest. No funding was received. Data will be made available on the request.

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