



Role of leadership skills on performance of project driven organization in Rwanda

Case of Business Development Fund

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Abstract

Effective project leadership is considered a major ingredient for the performance of any organization operating in the ever dynamic and complex environment of the 21st century. In the world of information uncertainty and the scarcity of resources, leadership skills are required to confront the reality of environmental turbulence and a continuous need for appropriate project driven organizational change to achieve performance goals. Therefore, the aim of this research was to establish the role of project leadership skills and performance of project driven organization in Rwanda with a specific objective to determine the influence of communication skills on performance of project driven organization, ascertain the influence of leadership skills on performance of project driven organization, assess the influence of negotiation skills on performance of project driven organization and analyze effect of leadership style on performance of project driven organization. the study adopted a descriptive research design and correlation analysis were used to test research hypotheses. The target population was 92 respondents with a sample size of 92 respondents comprised of BDF employees in Kicukiro, Gasabo and Nyarugenge districts. The study found that use of leadership style ($\beta=.263$, $t=4.534$, $p=.000<.05$) is significant, leadership skills ($\beta=.229$, $t=3.469$, $p=.001<.05$), communication skills ($\beta=-.295$, $t=5.462$, $p=.000<.05$) are statistically significant while negotiation skills ($\beta=.054$, $t=1.125$, $p=.267>.05$) is not statistically significant to predict the performance of project driven organization in Rwanda, therefore recommending different organization and economic development players to enhance the leadership capacity for the employees to successful in the projects implemented and for further research to conduct deep analysis to find out the perception of negotiation skills on performance of project.

Keywords: Leadership skills, Performance, Project driven organization, Business Development Fund.

Introduction

Globalization changed how organizations design and develop their products and created a need for additional research addressing factors of specific interest for projects in such settings (Anantatmula, 2010). Billions of global funds to projects failed because of several reasons (Krigsman, 2012). A project is considered a performance if the project management is a

performance and the project product is a performance (Sudhakar, 2016) therefore, strategic leaders provide the ability to anticipate, envision, maintain flexibility, and empower others to create strategic change as necessary (Mungonge, 2007). scholars believe that strategic leadership may prove to be one of the most critical issues facing organizations (Ireland & Hitt, 1999). In Kenya, studies conducted found that the performance of the project depended more on human factors performance as human leadership, top management support, and project team rather than technical factors (Anyieni & Areri, 2016). This is the reason why researchers suggested that integrating strategic leadership concepts allows project managers to apply logic and analytical skills to project activities and tactics (Jaleha & Machuki, 2018).

Business development fund was initially established as guarantee fund to facilitate and ease access to finance with start-ups as its target group. Over the year the fund has grown into fully-fledged fund management firm. This meant the diversification of its portfolio along with its customer base. This vast and rapid growth entailed the introduction of new product (grant management, Sacco refinancing, quasi equity, business advisory and trainings) for BDF to meet its operational needs and increased demand from its clients a set of projects were implemented since 2017 to respond to the current and future growth of the company. The management of these projects aimed at achieving the best return on investment of these projects given that they did not come cheap, however, delays caused by the time lost in physically delivering applications and responses between financial institutions and BDF was affecting the relationship with both financial institutional and the guarantee beneficiaries, some product provided by BDF go through one or more stakeholders before reaching BDF beneficiaries of thee product faced a challenge of not knowing where their applications had reached at any given time which affect customer satisfaction and deterred potential and repeat client as results of lacking an effective communication between stakeholders (BDF,2019). In Rwanda there no study conducted to assess the potential of project leadership skill over performance of project driven organization while study showed that Strategic leadership plays a vital role for the organization because of determining the strategic direction of the organization while establishing strategic action that is believed to perform the most imperative role for effective strategy execution (Maghroori & Rolland, 1997). The discussion in this study viewed the role of project leadership as a liability to make strategic decisions using communication skills, leadership skills, negotiation skills and leadership styles towards performance of project driven organization as measured by project efficient performance and effective performance.

Research objectives

- a. To examine the effect of leadership style on performance of project driven organization in Rwanda.
- b. To assess the effect between leadership skills and performance of project driven organization in Rwanda.
- c. To ascertain the effect of communication skills on performance of project driven organization in Rwanda.
- d. To evaluate the effect of negotiation on performance of project driven organization in Rwanda.

Research Hypotheses

- a. H₀: Communication skills has no significant relationship with performance of project driven organization in Rwanda.
- b. H₀: Leadership skills has no significant relationship with performance of project driven organization in Rwanda.

- c. H₀: Negotiation skills has no significant relationship with performance of project driven organization in Rwanda.
- d. H₀: Leadership style has no significant relationship with performance of project driven organization in Rwanda.

Theoretical Background

The contingency theory of leadership was developed by Fred Fiedler,(1967). This theory indicates three dimensions considered to be influential on the effectiveness of the leader. The first one is the leader-member relation which indicates the degree of confidence the subordinates experience in a leader (Pryor et al., 2008). Secondly, loyalty is presented to the leader and the attractiveness of the leader. Fiedler and Garcia (1987) also added that the performance of a leader is a function of various contingencies that comes in the form of subordinates, given tasks, and team members (Fred Fiedler, 1967). further revealed that a strategic leader cannot adapt or change the project leadership style, the project might not be done performance fully. The transformational leadership involved the raise of the motivation and morality of both the follower and the leader (Pryor, Taneja, Humphreys, Anderson, & Singleton, 2008). The transformational leaders tend to interact with stakeholders based on common values, beliefs and goals. Therefore, this affected the organizational performance leading to the achievement of goal. Transformational leader tends to involve the stakeholders to reorder their needs by transcending self-interests and strive for higher order needs visionary leaders who appeal to the better natures of their stakeholders and direct them toward higher and more universal needs and goals (Ireland & Hitt, 1999).

Communication is one of the most crucial operations in project management, not to mention change management. How well one performs in the communication activities often defines the performance of a project or change operation (B Zulch, n.d.) communication skills is used across all project management phases and thus, play a crucial role in executing, controlling and closing phases of a project. Communication is an action between at least two persons, where messages are delivered, received and reacted to among participants. In project management, communication should be seen both as a resource and a tool (Gallagher, Kaiser, Simon, Beath, & Goles, 2010), Leadership is the ability to influence others both with or without authority therefore all performance endeavors are the result of human effort; thus, the ability to influence others is a derivation of Interpersonal Communications, Conflict Management, Problem Solving / Decision Making (Vasanthakumari, 2019). Leadership has a classical and vast history which associates many researchers work with it. Various definitions of leadership are popular but there is a common component in all definitions. Therefore, leadership is defined as a process to influence groups of individuals to assist towards goal attainment (Templeton, 2010). However, because no consensus of definition exists for these terms then it makes it difficult to create a firm division between the terms. Also, it is easy to argue that at the start of a project, the project manager should decide if he/she is a project manager, project leader, or if he/she is a combination of both This knowledge would depend on his/her perspective of these two terms(Sousa, Moço, Saldanha, & Dias, 1998). In order to view the value of leadership skills for project teams, it is necessary to explore relevant theories and models. Linking this to the project team authority, power, and accountability will shed the light on the area of his/her project management soft-skilled role. Negotiation is a communication and problem-solving process built on a broad foundation of skills and knowledge. It is also one of the most famous and effective strategy of handling conflicts and disputes (Marando, 2012). Then, project manager skills like communication, leadership, persuasion, negotiation, influencing, motivating, directing, decision-making, problem-solving skills also influence performance of project driven organization. Moreover, organizational environment such as organizational culture, organizational structure,

organizational processes, organizational goals and objectives, top management support, senior management commitment, organizational reputation, organizational climate, organizational policies, and procedures affect performance of project driven organization (Awan et al., 2015). Project Management Performance is focused on the dimensions of ‘within time’, ‘within budget’ and ‘according to the requirements (Westhuizen & Fitzgerald, 2005). Both efficiency and effectiveness are goal-oriented practices related to achieving performance (Jugdev and Muller, 2005). Efficiency looks at maximizing output for a given level of input (Jugdev and Muller, 2005).

Research methodology

A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure or a conceptual structure within which research is conducted (Kothari, 2014). This study design matched with our study for the purpose of using a descriptive and analytical research based on both quantitative data. The purpose of using quantitative research design is to ensure that issues related to strategic leadership and performance of project driven organization of organizations are described and analyzed to permit reliable conclusions. The target population refers to the complete listing of all the items or individuals with at least one common thing in any field of the study (Kothari, 2014). Therefore, this study targeted 92 respondents from BDF staffs including workers, department managers and senior management teams responsible for managing, planning and funding different projects. The study adopted census survey method, A census is an attempt to gather information from every member of the population (Lammer& Badia, 2016). Therefore, during data collection, the respondents was the entire study population of 92 respondents composed of member of BDF senior management team, department managers and workers responsible for the projects implemented by BDF and finally Statistical software was used to analyze data. Data on profile of respondents was analyzed by using descriptive statistics such as frequencies, percentage distributions, mean and standard deviation. Correlation analysis and linear regression was used to test the study hypotheses and determine the relationship between study variables

Presentation of finding and Discussion

Pearson Correlation

The table 4.19 displays the extent to which the leadership style correlate with performance of project driven organization with strong correlation (Pearson $r=0.790^{**}$, $p=.000$), leadership skills with strong correlation (Pearson $r=0.819^{**}$, $p=.000$), negotiation skills with strong correlation (Pearson $r=0.744^{**}$, $p=.000$) and communication skills with strong correlation (Pearson $r=0.790^{**}$, $p=.000$). Therefore, BDF to be effective and efficiency for the projects they support or finance the role leadership skills including the above-mentioned independent variables played an important role for the performance of their projects.

Table 1. Pearson correlation

Correlations						
		LDSTYL	LDSKLS	NGT	CM	ORGP
LDSTYL	Pearson Correlation	1	.777**	.631**	.535**	.790**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	92	92	92	92	92

LDSKLS	Pearson Correlation	.777**	1	.726**	.616**	.818**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	92	92	92	92	92
NGT	Pearson Correlation	.631**	.726**	1	.699**	.744**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	92	92	92	92	92
CM	Pearson Correlation	.535**	.616**	.699**	1	.763**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	92	92	92	92	92
ORGP	Pearson Correlation	.790**	.818**	.744**	.763**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	92	92	92	92	92

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Field data collected (2022)

Hypotheses analysis

The hypothesis tested if communication skills carried a significant effect on performance of project driven organization, the dependent variable performance of project driven organization was correlated to communication skills hence H₁1: communication skills affect the performance of project driven organization, r=.763, P=.000, which indicated that communication skills play a significant effect performance of project driven organization, therefore, we failed to reject the alternative hypothesis, leadership style carried a significant effect on performance of project driven organization, the dependent variable performance of project driven organization was correlated to leadership style hence H₂1: leadership style affect the performance of project driven organization, r=.790, P=.000, which indicated that leadership style play a significant effect performance of project driven organization, therefore, we failed to reject the alternative hypothesis, leadership skills carried a significant effect on performance of project driven organization, the dependent variable performance of project driven organization was correlated to leadership skills hence H₃1: leadership skills affect the performance of project driven organization, r=.818, P=.000, which indicated that leadership skills play a significant effect performance of project driven organization, therefore, we failed to reject the alternative hypothesis, negotiation skills carried a significant effect on performance of project driven organization, the dependent variable performance of project driven organization was correlated to negotiation skills hence H₄1: negotiation skills affect the performance of project driven organization, r=.744, P=.000, which indicated that negotiation skills play a significant effect performance of project driven organization, therefore, we failed to reject the alternative hypothesis. The study found that the leadership skills have significant effect on performance of project driven organization in Rwanda.

Multilinear Regression Coefficients

Statistical significance of each of the independent variables tests whether the unstandardized or standardized coefficients are equal to 0 (zero) in the population means for each of the coefficients $H_0: \beta = 0$ versus $H_a: \beta \neq 0$ is conducted. If $p < .05$ the coefficients are statistically significantly different to 0 (zero). The usefulness of these tests of significance are to investigate if each explanatory variable needs to be in the model given that the others are already there.

Given that the β -value and corresponding p-value are in the Table 4.22 respectively in this study the tests tell us that use of leadership style ($\beta=.263$, $t=4.534$, $p=.000<.05$) is significant, leadership skills ($\beta=.229$, $t=3.469$, $p=.001<.05$), communication skills ($\beta=-.295$, $t=5.462$, $p=.000<.05$) are statistically significant and negotiation skills ($\beta=.054$, $t=2.160$, $p=.000<.05$) is statistically significant.

Estimated model coefficients

The general form of the regression equation to predict performance of project driven organization in Rwanda is:

$$\text{Performance} = 0.413 + 0.263 (\text{Leadership style}) + 0.229 (\text{Leadership skills}) + 0.054 (\text{Negotiation skills}) + 0.295 (\text{Communication skills})$$

Table 2. Multilinear regression coefficients

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.413	.170		2.429	.017
	LDSTYL	.263	.058	.327	4.534	.000
	LDSKLS	.229	.066	.285	3.469	.001
	NGT	.054	.025	.083	2.160	.000
	CM	.295	.054	.354	5.462	.000

a. Dependent Variable: ORGP

Source: Field data collected (2022).

Summary of findings

This section presented the summary of findings based on the specific objectives which are to examine the influence of communication skills on performance of project driven organization in Rwanda, assess the relationship between leadership skills and performance of project driven organization in Rwanda, ascertain the effect of negotiation skills on performance of project driven organization in Rwanda and evaluate the effect of leadership style on performance of project driven organization in Rwanda.

A multiple regression was run to predict performance of project driven organization in Rwanda from leadership style, leadership skills, negotiation skills and communication skills. The variables were statistically significantly fit as the model fit ($F(4, 87) = 101.552$, $p(.000) < .05$)

the model was fit, thereafter, the regression was run out of four dependent variables only three variables leadership style ($\beta=.263$, $t=4.534$, $p=.000<.05$) is significant, Therefore we fail to accept null hypothesis while accepting alternative hypothesis that leadership style has statistically influence the performance of project driven organization in Rwanda, leadership skills ($\beta=.229$, $t=3.469$ $p=.001<.05$) Therefore we fail to accept null hypothesis while accepting alternative hypothesis that leadership skills has statistically influence the performance of project driven organization in Rwanda, communication skills ($\beta=-.295$, $t=5.462$, $p=.000<.05$) Therefore we fail to accept null hypothesis while accepting alternative hypothesis that communication has statistically influence the performance of project driven organization in Rwanda and negotiation skills ($\beta=.054$, $t=2.160$, $p=.000<.05$) is also statistically significant. Therefore, we fail to reject null hypothesis while rejecting alternative hypothesis that negotiation skills has not significant influence on performance of project driven organization in Rwanda, negotiation is not significant $P (.0540)>0.05$ has therefore no substantial contribution in explaining computer literacy when the other two significant predictors are already in the model and Multicollinearity problem does not exist in the model as VIF for all variables is < 10 (or Tolerance > 0.1). therefore, this study contributed to research gap showing that the study variables leadership skills, leadership style, communication and negotiation have significant effect on performance of the project driven organization in Rwanda.

Conclusion

The study concluded that the among predictors leadership style, leadership skills and communication skills were statistically influencing the performance of the project driven organization in Rwanda under the case study of business development fund (BDF). Technical issues and the process of implementing funded project in new ways leadership can result in the improvement of performance for project driven organization in Rwanda. In addition, a recent meta-analysis of empirical studies of laptop initiatives found that a lack of leadership support and fear of losing control in the project were a frequent cause of concern for project failures (Zheng et al. 2016). This could explain why the benefits of leadership skills and is an important consideration for communication and leadership skills influence performance of project driven organization.

Recommendations for further research

Improving the performance of project driven organizations in Rwanda requires a focus not only on hard skills, but also on soft skills such as leadership skills, negotiation skills, communication skills and leadership style. Every member of the project management side must put a lot of effort into developing his soft skills. Several creative ways can be developed to learn about the importance of soft skills in project management and execution. The study recommends that there are issues that need to be addressed to improve the effectiveness of the project. Soft skills training budgets need to be increased to fulfill roles in all forms of projects. In addition to adhering to the hard skills of project management, project managers should also raise awareness of the importance of soft skills. Admittedly, this explains why some projects fail, but in the process of recruiting the relevant staff, various technical skills were highly recommended. The organization owning the project should develop and develop these soft skills when recognized by one of the project team members, and create a work environment in which these skills can be used, is their job.

You should also conduct a thorough study of project management, especially performance and all related skills. This is because the project has a great impact in achieving the many needed socio-economic transformations. Therefore, the relevant research conducted helps highlight some of the needs related to performance of project driven organization. Given the importance of

leadership style, leadership skills and communication skills, it is necessary to prepare appropriate and standardized soft skills training at all levels of project management to improve the above leadership areas, and to It is also a recommendation of this study that a perception of bargaining skills related to the performance of project-driven organizations in Rwanda. These results may only apply to large non-governmental organizations and may not apply to government projects or companies. In addition, there are post-measures of soft skills that can reflect the completeness of the retrospective, although we control them for relevant project management experience.

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