



**THE EFFECT OF PROJECT MANAGERS’
TRANSFORMATIONAL LEADERSHIP ON PROJECT
PERFORMANCE: THE CASE OF CATHOLIC RELIEF SERVICES
ETHIOPIA**

A thesis submitted to the Graduate program of the Department of Management
and the college of Business and Economics, of Addis Ababa University

In partial fulfillment of the requirements for the Degree

Master of Business Administration

In Management

By

Bitania Tekletsion (GSE 2044/15)

Addis Ababa University

Addis Ababa

February, 2025

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Statement of Declaration

I, the undersigned, declare that this research paper is my original work, has never been presented in this or any other university, and that all resources and materials used herein have been duly acknowledged.

Name: **Bitania Teklesion**

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Place: Department of Master of Business Administration Addis Ababa University, Ethiopia

Date of submission: January 2025

Statement of Certification

This is to certify that **Bitania Tekletsion** has carried out his research work on the topic entitled the effect of Project Manager's Transformational Leadership on Project Performance. The case of Catholic Relief Services Ethiopia. The work is original in nature and is suitable for submission for the award of master's degree in business administration.

Advisor: Tilahun Teklu (PhD)

Date: _____


14 Jan 2025

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ETHIOPIA

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Abstract

This thesis examines the impact of transformational leadership on project performance in Catholic Relief Services (CRS) Ethiopia, focusing on inspirational motivation, idealized influence, intellectual stimulation, and individualized consideration. An explanatory research design was used, collecting data from CRS project team members through a self-administered questionnaire. A census approach was applied due to the small population size. Primary data were gathered via a five-point Likert scale, while secondary data were sourced from journals, books, and theses. SPSS v.23 was used for data analysis, including descriptive statistics and multiple linear regression. Findings indicate that transformational leadership practices are perceived as low, while project performance is moderate. Intellectual stimulation, individualized consideration, and inspirational motivation significantly enhance project performance, whereas idealized influence has no significant impact. The study recommends strengthening these leadership aspects to improve project outcomes in CRS Ethiopia.

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

The quest for effective leadership models remains a central theme in organizational studies, particularly in contexts characterized by complexity and the need for high performance. In the realm of international development, where projects aim to address intricate societal challenges, the role of leadership becomes even more critical. Transformational leadership, with its emphasis on vision, inspiration, and innovation, has emerged as a particularly relevant framework for enhancing both individual and organizational performance (Bass, 1985). This research examined the effects of transformational leadership on project outcomes within Catholic Relief Services (CRS) Ethiopia, an organization at the forefront of development and humanitarian efforts in the country.

Based on the works of Burns (1978) and Bass (1985), transformational leadership transcends the transactional model by focusing on intrinsic motivation and higher-order needs of followers. This leadership style is characterized by individualized consideration, idealized influence, inspirational motivation and intellectual stimulation dimensions (Bass & Avolio, 1994). Idealized influence manifests in leaders serving as role models, earning trust and respect through their values-driven actions. Inspirational motivation involves articulating a inspiring vision that ignites enthusiasm and commitment among team members. Intellectual stimulation encourages creativity and problem-solving by challenging established norms and assumptions. Individualized consideration ensures that each team member is treated as a unique individual with specific needs, strengths, and development potential (Bass, 1985; Bass & Avolio, 1994).

The relevance of transformational leadership in project management is well-documented in academic literature. Several research have shown the beneficial impact of this leadership style on crucial project success measures, such as stakeholder satisfaction, cost and timeline adherence and overall quality of the project outcome (e.g., Chen et al., 2012; Khan et al., 2015; Yang et al., 2011).

Project managers who practice transformational leadership create an atmosphere of shared accountability and collaboration, which are essential for the success of projects in dynamic settings (McCleskey, 2014). Given the complexity inherent in development projects, the need for leaders who inspire and empower their team members is paramount.

The study of leadership within the Ethiopian context is an expanding field of study, with a number of scholars investigating the effect of different leadership approaches on organizational outcomes across diverse sectors. Several studies show mixed results as to the applicability of transformational leadership in Ethiopia. For example, a study revealed low to below average practice of transformational leadership (Kedir & Geleta, 2017). Similarly, while Wondirad et al. (2024) revealed idealized influence enhances performance in Ethiopian sports federations, other dimensions (intellectual stimulation, inspirational motivation and individualized consideration) were discovered to have no a significant effect on performance. These studies show the need for context-specific analysis.

In the wider Ethiopian context, research has explored the link between transformational leadership and organizational performance in diverse sectors, including the public sector (Asefa, et al., 2023), higher education (S. Zeleke & Chauhan, 2022), the banking sector (DKebede & Lemi, 2020; Lemi & Alemu, 2020) and the public universities (Kebede & Demeke, 2017; B. Zeleke & Kifle, 1810), and many others. While some studies have demonstrated a positive association between transformational leadership and outcomes like employee satisfaction and job performance (e.g., Shibru, 2011; Lakew & Gedifew, 2024), others have discovered that specific elements of transformational leadership have varying degrees of effect in the Ethiopian setting (e.g. Kebede & Shavina Goyal, 2019). Additionally, research has indicated that transformational leadership may impact performance indirectly through factors such as employee engagement and job commitment (e.g., Asefa et al., 2023; Beyene & Legesse, 2024). These varying results underscore the need for further research to understand how different dimensions of transformational leadership operate in different Ethiopian contexts.

Beyond that, despite this growing body of research, the application of transformational leadership within non-governmental organizations (NGOs) remains underexplored, particularly in humanitarian agencies like Catholic Relief Services (CRS) Ethiopia.

This study seeks to contribute to this understanding by examining how the different components of transformational leadership interact with the unique context of CRS Ethiopia to affect project outcomes

CRS Ethiopia operates in a challenging environment marked by political instability, economic constraints, and diverse cultural contexts. Effective leadership is crucial for navigating these complexities and ensuring project success. Transformational leadership, with its emphasis on collaboration, innovation, and employee development, offers a promising framework for addressing these challenges. However, there is no empirical evidence on how the specific elements of transformational leadership impact project performance within CRS Ethiopia.

The study will also examine the impact of the specific components of transformational leadership on project performance. The individualized consideration aspect of transformational leadership is particularly significant, as the attention given to the specific needs and development potential of individual team members is often overlooked. This study, therefore, will assess if this component has an impact on project performance in CRS Ethiopia, and will contribute to the understanding of the importance of the different components of transformational leadership.

By understanding the effects of transformational leadership on project performance within CRS Ethiopia, this research aims to offer a practical basis for project managers and leadership development programs, ultimately contributing to more effective and impactful development projects. The insights gained from this research can guide the development of more effective leadership training programs for project managers within CRS Ethiopia and other similar organizations.

1.2. Statement of the Problem

Despite the growing of literature on transformational leadership and its effects on organizational performance, there remains a crucial gap in our understanding of its specific impact on project performance within non-governmental organizations (NGOs) in Ethiopia. While global studies have established a positive link among transformational leadership and project success, the applicability and effectiveness of different elements of transformational leadership in the unique operational context of NGOs in Ethiopia, such as CRS Ethiopia, requires further investigation.

A number of previous Ethiopian studies showed each element of transformational leadership have different impacts on outcomes. For example, Wondirad et al. (2024) found that idealized influence is important for the performance of sports federations, however, they also established that other components of transformational leadership are not significantly associated with organizational performance. Similarly, Kebede & Shavina Goyal (2019) revealed only inspirational motivation, and individualized consideration had a significant effect on employee performance in a specific public sector setting, while other components did not have an impact. These findings show the relevance of studying the different components of transformational leadership within specific contexts. Therefore, it is important to investigate the specific impacts of each component of transformational leadership on project performance within CRS Ethiopia.

Furthermore, there is a need to assess the relationship between the components of transformational leadership and project performance. Existing research has not extensively explored the link between the components of transformational leadership and project performance measures such as the meeting of project objectives, the adherence to project budgets and timelines, the satisfaction of project stakeholders and the quality of the project deliverables. Therefore, there is a need to study these project performance measures to establish if the components of transformational leadership have an impact.

Given the unique operating environment of Ethiopia, which presents numerous challenges for development projects, there is a need to determine how transformational leadership can be best applied in this context.

Ethiopian NGOs face a volatile political and economic environment and logistical challenges, while also having to engage with diverse local communities, and understanding how different components of transformational leadership influence project outcomes in this specific environment is critical. This study, therefore, seeks to understand if all of the components of transformational leadership are equally effective in such an environment.

Catholic Relief Services (CRS) is a faith-based organization with a mission to serve the poor and vulnerable. Transformational leadership, which emphasizes inspiring and motivating employees to achieve a shared vision, aligns closely with the values of service, compassion, and social justice that CRS embodies. This leadership style fosters a sense of purpose and commitment among employees, which is critical for an organization focused on humanitarian work. By studying transformational leadership, we can explore how leaders in CRS inspire employees to go beyond their self-interests and contribute to the organization's mission.

Transformational leadership is particularly effective in understanding employees' perceptions because it emphasizes communication, empathy, and individualized consideration. Since the thesis focuses on employees' perceptions, this leadership style provides a framework to examine how leaders influence employees' attitudes, motivation, and performance. Transformational leaders are known for their ability to build trust, encourage innovation, and create a positive work environment, all of which are likely to be reflected in employees' perceptions. By choosing this style, it is to better analyse how leadership practices impact employee engagement and, consequently, organizational performance in a context like CRS, where employee commitment is crucial for success.

Moreover, there is a notable lack of study on the role of individualized consideration within the context of project management in the development sector. Although it is recognized that team collaboration and teamwork are important for project performance, there is relatively little research that assesses if catering for individual needs and development potential has an impact on project outcomes. Therefore, this thesis work will address this gap in the literature by empirically assessing the impact of this component of transformational leadership on project performance within CRS Ethiopia.

Generally, this thesis work goals were to investigate the effect of a project manager's transformational leadership style on project performance within CRS Ethiopia, focusing specifically on the four core dimensions of this leadership approach. The study will provide

data to establish the way in which project managers are perceived by team members through the survey instrument and will measure the effect of leadership components on the project outcomes.

1.3. Research questions

This study was answering the following research questions of the study.

- 1) What is the level of transformational leadership in CRS Ethiopia?
- 2) What is the level of project performance in in CRS Ethiopia?
- 3) What is the effect of idealized influence on project performance in CRS Ethiopia?
- 4) What is the effect inspirational motivation on project performance in CRS Ethiopia?
- 5) What is the effect of intellectual stimulation on project performance in CRS Ethiopia?
- 6) What is the effect of individualized consideration on project performance in CRS Ethiopia?

1.4. Objectives of the study

This study addressed the following general and specific objectives

1.4.1. General objective

Assess the effect of the transformational leadership style on performance in Catholic Relief Services Ethiopia.

1.4.2. Specific objectives

1. Determine the level of transformational leadership in CRS Ethiopia.
2. Identify the level of project performance in in CRS Ethiopia.
3. Assess the effect of idealized influence on project performance in CRS Ethiopia.
4. Examine the impact of inspirational motivation on project performance in CRS Ethiopia.
5. Analyze the effect of intellectual stimulation in enhancing project performance in CRS Ethiopia.
6. Evaluate the influence of individualized consideration on project performance in CRS Ethiopia.

1.5. Significance of the study

This research examines the effect of a project manager's transformational leadership style on project performance within the context of an international NGO, Catholic Relief Services Ethiopia. The study will hold significant value, including practical implications for CRS Ethiopia, guidance for policy and practice, contributions to academic literature, and serving as a resource for future research.

To begin With the findings will provide Catholic Relief Services Ethiopia's management on result of assessment on the relationship between a transformational leadership style and project performance. Understanding this dynamic help the organization can identify the most efficient and effective strategies to enhance project success, fostering a collaborative and high-performing work environment.

Furthermore, the research will serve as a catalyst for reconsidering current project management practices and organizational policies. By highlighting the role of transformational leadership driving project performance, the study can inform the development of leadership training programs and teamwork-enhancing policies that promote better project outcomes.

Moreover, the study will fill a critical knowledge gap in the leadership and project management literature by providing fresh insights into the complex relationship among a project manager's leadership style and project performance. Specifically, it addresses the contradictory results found in existing research, offering clarity on the role of transformational leadership in project contexts and its implications for project success.

Finally, the findings of this thesis will provide a valuable resource for scholars and researchers interested in exploring similar topics. By building on the study's insights, future research can further investigate the nuances of leadership styles and their impact on project performance in diverse organizational and cultural contexts.

1.6. Scope of the study

The scope of this thesis was defined in terms of its conceptual focus, geographical area, variables of interest, and the population under investigation.

In terms of concept, the thesis was concentrated on examining the effect of transformational leadership style on project performance. Transformational leadership is operationalized by intellectual stimulation idealized influence, inspirational motivation, and individualized

consideration components. Geographically, the study was confined to Catholic Relief Services (CRS) Ethiopia.

The primary variables of interest included transformational leadership as the explanatory variable and project performance as the dependent or response variable. Transformational leadership is analyzed through its four dimensions, while project performance is assessed in terms of meeting objectives, adherence to budgets and timelines, stakeholder satisfaction, and overall project quality.

The study's population was limited to project team members within CRS Ethiopia. These individuals are directly involved in project execution. Hence, the findings of this study may have limited generalizability to CRS's global operations due to the unique contextual factors of Ethiopia, including cultural, economic, and organizational differences. Future research could examine similar relationships in diverse geographical settings to enhance external validity and provide a more comprehensive understanding of the effect of transformational leadership on project performance within CRS and other humanitarian organizations

1.7. Definition of Terms

Idealized Influence- the extent to which a project manager acts as good example, embodying solid moral principles and moral standards, and inspiring trust and respect among team members (Bass, 1985; Bass & Avolio, 1994).

Inspirational Motivation- the leadership behavior that involves making and delivering a compelling and optimistic vision of the future, thereby energizing and motivating team members to strive towards project goals (Bass, 1985; Bass & Avolio, 1994).

Intellectual Stimulation- a project manager's capacity to inspire creativity and innovation by inspiring team members to think critically, question assumptions, and explore novel approaches to problem-solving (Bass, 1985; Bass & Avolio, 1994).

Individualized Consideration- involves a project manager's capability to identify and respond to the distinctive requirements, strengths, and development potential of every team member (Bass, 1985; Bass & Avolio, 1994).

Project Performance- Project performance is a multidimensional concept that reflects how a project attains its intended goals and objectives within the specified constraints of time, cost, scope, and quality.

1.8. Organization of the Paper

This research contains five parts called chapters. Chapter one provides the background of the study, statement of the problem, research questions, objectives of the study, scope and significance of the study, and definition of key terms. Chapter two deals with literature review, focusing on transformational leadership and performance. It also includes the hypotheses developed. The third chapter focused on the research methodology used in the thesis, outlining the approaches and techniques used. Chapter four covers data analysis and interpretation of the research. The final chapter deals with the conclusions of the research and offers recommendations based on the results.

CHAPTER TWO

REVIEW OF LITERATURE

2.1. Introduction

In this part of the thesis, theoretical and empirical literature as well as conceptual framework of the study of the research discussed.

2.2. Theoretical literature

Leadership has been expressed in various ways by different researchers, each based on their unique perspectives (Northouse, 2016). Consequently, there is no consensus on leadership definition. However, many commonly accepted definitions share similar concepts and terminology. Some of these contemporary definitions are discussed below.

Leadership is the procedure by which an individual seeks to influence team members to achieve shared goals. It can also be described as encouraging others to accomplish objectives and guiding an organization to become more structured, resilient, and consistent (Kumari, 2011). Additionally, leadership is defined as the capability to inspire and guide employees or groups toward achieving a goal (Robbins & Timothy, 2017).

(i). Visionary Leadership Theory

The visionary leadership theory is explained by two elements. The first one is the transformational leadership style includes idealized influence – envisions and motivates respect and pride by associating other with him, (b) intellectual stimulation – demonstrates intelligence, (c) inspirational motivation – displays optimism in achieving goals, (d) individualized consideration – gives personal attention to others. The transactional leadership style is also known as the 'carrot and stick' approach, because it uses prizes and penalties to inspire people to achieve results. A visionary leader, also known as a charismatic leader, has the ability to see beyond the limits of the current status of the organization, expect potential threats and opportunities, and prepare his or her team to overcome obstacles and reap benefits.

The theoretical foundation of this study is grounded on idealized influence, inspirational motivation, intellectual stimulation and idealized consideration components of transformational leadership.

(ii) Transformational leadership

This theory is a modern concept to leadership that has been extensively studied since the early 1980s (Northouse, 2016). It describes a dynamic interaction between leaders and followers, where both parties elevate each other's motivation levels, thereby transforming one another (Krishnan, 2012).

According to Aldoory and Toth (2004), transformational leadership comprises participatory decision-making and power-sharing. It motivates and transforms followers by heightening their awareness of organizational values. High-performing, self-developing personnel with exceptional abilities are integral to the success of this leadership style (Mittal, 2015).

Northouse (2013) defines transformational leadership as a process where leaders connect with individuals, creating bonds that inspire and elevate both leaders and followers. Transformational leadership seeks to identify and channel followers' motivations toward the collective needs of the group (Ali & Farid, 2016).

Transformational leaders foster employee growth by enhancing their awareness of organizational goals, activating higher-order aspirations, and inspiring them to act beyond self-interest for the gain of the company (Bass & Avolio, 1993). Those leaders inspire their followers by empowering them with self-belief, using motivational strategies to align their ambitions with organizational objectives (Dvir et al., 2002).

Avolio et al. (2009) stated that transformational leadership involves behaviors that inspire followers to exceed expectations and transcend self-interest for organizational welfare. These leaders exhibit charisma as well as individualized consideration, which motivates admiration and respect. Beyond that they demonstrate intellectual stimulation and inspire followers to attain extraordinary results by reshaping the organization's culture, systems, and overall vision.

In essence, transformational leaders inspire followers to think beyond personal gains and have a profound impact on their followers' aspirations and actions (Robbins & Timothy, 2017).

2.3. Elements of transformational leadership

Transformational leadership, distinct from traditional management (Tauqeer Hakro et al., 2021, as cited in Hakro & Siddiqui, 2022). And in most the existing research of it commonly operationalized and understood through four components named intellectual stimulation, idealized influence, inspirational motivation, and individual consideration (Ma & Yang, 2020; Top, 2020; Sutanto et al., 2021; Dialoke & Ogbu, 2019; Jinng et al., 2017; Teoh et al., 2022; Gonnah & Ogollah, 2016; Alsayyed et al., 2020; Deinert et al., 2015).

Each dimension was tested and demonstrated a positive and significant association with job performance, organizational performance, and employee performance, as evidenced by various research studies conducted worldwide (Gorgens & Roux, 2021, as cited in Hakro & Siddiqui, 2022).

Individual consideration

It is the extent to which a leader establishes close relationships with employees and addresses their unique demands and differences (Chen et al., 2018). Leaders practicing individualized consideration act as mentors or coaches, providing personalized guidance and support followers and actively listening to employees' concerns (Chen et al., 2018). It is a key component of transformational leadership in which leaders provide personalized attention and care to employees. This includes not only focusing on organizational goals but also addressing individual needs through training, coaching, and a commitment to equality (Agyemang et al., 2017, as cited in Sutanto et al., 2021). Leaders exhibiting individual consideration act as guides and coaches, actively listening to and responding to the unique requirements of their subordinates (Sutanto et al., 2021).

Intellectual stimulation

On the other hand, this the second component refers to the extent to which a leader challenges assumptions, motivate and encourage creativity, and inspires followers to approach old problems in innovative ways (Chen et al., 2018). In order to promote creativity and uniqueness, a leader must be able to inspire followers to solve challenges "outside the box" (Bass & Avolio, 1996, 1997, as cited in Sutanto et al., 2021).

Inspirational motivation

It is the extent to which a leader articulates a compelling and inspiring vision for the future, setting high standards and instilling confidence about goals and provides meaning for the task at hand (Chen et al., 2018). Inspirational motivation is associated with the use of meaningful and impactful communication techniques (Sutanto et al., 2021).

Idealized influence

It implies that leaders are respected, appreciated and trusted, and stresses the relevance of having a collective sense of mission (Chen et al., 2018). It refers to the characteristic of leaders who are strongly focused on achieving specific objective (Loon et al., 2012, as cited in Sutanto et al., 2021). These leaders foster collective awareness by emphasizing shared beliefs, values, goals, and missions, motivating their teams to achieve organizational objectives (Agyemang et al., 2017, as cited in Sutanto et al., 2021).

2.4. Project Performance

Performance, at its core, is a measure of how well individuals, teams, or organizations achieve their established goals and objectives (Neely et al., 2005). It's a multifaceted concept that encompasses productivity, quality, efficiency, and overall effectiveness. Performance is not just about outcomes but also the processes and behaviors that lead to these outcomes (Kaplan & Norton, 1996). In the realm of leadership and management, performance is seen as a dynamic interplay between the strategies employed, the leadership styles enacted, and the final results achieved. This perspective emphasizes the importance of fostering environments that encourage innovation, motivation, and a shared vision, as these have been shown to improve performance (Bass, 1985; Bass & Avolio, 1994).

Project performance represents a specific application of this broader concept within the context of project management.

It states the scope to which a project achieves its intended objectives within the defined constraints, including time, cost, scope, and quality (Kerzner, 2017). Effective project performance means that deliverables meet predetermined criteria, stakeholders are satisfied, and the project contributes positively to the organization's strategic aims. Therefore, project performance goes beyond simply completing tasks; it involves aligning project activities with broader organizational goals, and ensuring that projects generate meaningful value.

Traditional project management models emphasized project performance related with scope, cost, and time (Atkinson, 1999). This perspective viewed a project as effective if it was accomplished within the allocated budget, adhered to the scheduled timeframe, and delivered the intended scope of work. However, modern project management has expanded this view to include several other crucial aspects such as stakeholder satisfaction, the overall quality of the project deliverables, sustainability, and risk management (Atkinson, 1999). This wider perspective emphasizes the importance of considering all the dimensions of project implementation in assessing success.

The measurement of project performance involves using specific indicators, including:

1. **Achievement of Objectives:** This measures the extent to which the project has accomplished its defined goals and produced the intended outcomes, showing the project's effectiveness in achieving the aims for which it was undertaken.
2. **Adherence to Budget:** This involves assessing whether the project has been completed within the allocated financial resources, highlighting the project team's ability to manage project finances effectively.
3. **Schedule Compliance:** This assesses if project milestones and deadlines have been met, which is a critical indicator of a project's timeliness and adherence to its planned schedule.
4. **Stakeholder Satisfaction:** This focuses on the level of satisfaction among all involved parties who demonstrating the project team's ability to meet stakeholder expectations.
5. **Quality of Outcomes:** This assesses the quality, suitability and relevance of the project deliverables, ensuring the project outputs meet the required standards and provide real value.

2.5. Review of empirical literature

Different studies have been conducted in Africa on transformational leadership styles in non-governmental organizations. The study by Oladapo and Odebiyi (2020) indicated that transformational leadership positively influences team performance in Nigerian NGOs. Additionally, the research conducted by Namasasu and Fashola (2021) found that transformational leadership significantly enhances organizational commitment among employees in Tanzanian NGOs. Furthermore, the study by Mugenda and Mugenda (2020) indicated that transformational leadership has a positive and significant impact on the

organizational performance of NGOs in Kenya. Similarly, the research by Chin and Hamid (2021) found that transformational leadership significantly enhances employee engagement in South African NGOs. These studies collectively underscore the critical role of transformational leadership in fostering positive outcomes across various dimensions within NGOs throughout Africa.

Idealized influence and performance

various researches have been investigated the association between idealized influence and performance, consistently indicating a positive association between them.(Teoh et al., 2022; Top, 20; Chebon et al., 2019; Dialoke & Ogbu;) are few examples.

Research conducted at the University of Jordan which was operationalized transformational leadership with the four dimensions concluded that idealized influence positively affects performance (Alsayyed et al., 2020). Similarly, another research among employees in the Malaysian hospitality industry, which also measured transformational leadership using the same four dimensions, found that idealized influence significantly and positively impacts employee performance (Teoh et al., 2022).

A research in the Kurdistan region of Iraq also found out that idealized influence had a significant effect on employee performance (Top, 2020). Similarly, a research in Eldoret, Kenya, produced similar finding which stated that there is a positive relationship between idealized influence and employee performance (Chebon et al., 2019). Moreover, a study by Langat et al. (2019), found that idealized influence significantly predicted performance.

Another study which was conducted by Dialoke & Ogbu (2019) reported a positive and statistically significant relationship between performance and idealized influence. These imply a positive correlation between administrative idealized influence and worker productivity within the investigated institutions(Dialoke & Ogbu, 2019).

All the above discussions, give us a green light to e concluded that Idealized influence is closely related to performance. Considering these insights, the researchers propose the hypothesis of idealized influence has positive and significant effect on project performance

Inspirational Motivation and Performance

Related to inspiration motivation and performance, different studies indicated positive relation among the two variables. **Inspirational motivation** is positively related to leader performance (Deinert et al., 2015).

Khan et al. (2015) also found that inspirational motivation, as a component, had a significant positive impact on project success. Additionally, Yang et al. (2011) also revealed that transformational leadership has a positive effect on project success and found that it was particularly linked to a project team's innovation, and that this in turn, positively affected project performance. **Top (2020)** revealed that inspirational motivation positively influences employee performance, which directly contributes to enhanced project outcomes in the Kurdistan region of Iraq.

This dimension, which focuses on articulating a compelling vision and inspiring enthusiasm among followers have contributions in enhancing leader's effectiveness and overall performance. Additionally, a study conducted by Top (2020) in the Kurdistan region of Iraq revealed that **inspirational motivation** has a positive impact on performance of employees. This finding underscores the relevance of leaders' ability to motivate employees through a compelling vision and enthusiasm, which enhances their performance outcomes.

Another study by Sutanto et al. (2021) found that inspirational motivation has a positive and significant effect on performance of employees. Chebon et al. (2019) also study found that inspirational motivation has positive relationship with employees' performances.

Research further highlights the significant role of inspirational motivation in improving performance and engagement. A study by Mugambi et al. (2021), found that **inspirational motivation enhances performance**, demonstrating its critical role in driving organizational success.

A study by Similarly, Gehani et al. (2019) also found out inspirational motivation and employee engagement has positive correlation. This indicates that leaders who inspire their employees through clear vision and enthusiasm foster greater involvement and commitment among their workforce. Hence, effective leadership plays a pivotal role in empowering employees and fostering meaningful engagement, which are vital for both individual and organizational growth (Gehani et al.,2019). To achieve this, organizations should prioritize workforce

engagement strategies that cultivate a learning environment, support personal development, enhance institutional effectiveness, and drive the attainment of strategic goals (Gehani et al., 2019). An investigation also revealed the same result that inspirational motivation has significantly related to employee performance (Dialoke & Ogbu (2019).

This relationship suggests a direct correlation between administrators' use of inspirational motivation and their employees' performance levels (Dialoke & Ogbu, 2019).

This finding indicates a direct interrelation between inspirational motivation and the performance levels of their employees. By inspiring and motivating their staff through a compelling vision and enthusiasm, administrators can effectively enhance employee performance. Based on the above discussions, it can be concluded that inspirational motivation is related to performance. Considering these insights, the researchers propose the hypothesis of the study which stated that inspirational motivation has positive and significant effect on project performance.

Intellectual Stimulation and Performance

Different researches have examined the relationship between intellectual stimulation dimension and performance, yielding insightful findings. For instance, a study, which looked at construction projects, found that intellectual stimulation had a significant and positive impact on project performance (Bhatti et al., 201). Yang et al. (2011) also found that intellectual stimulation fosters team creativity, which positively impacts project performance.

Similarly, a study by Alsayyed et al. (2020) found out that **intellectual stimulation component of the leadership style** had a significant positive impact on performance. A research conducted in Malaysia by Teoh et al. (2022) also found that **inspirational motivation** significantly influenced employee performance in a positive manner. Additionally, Deinert et al. (2015) find out that **intellectual stimulation** was notably linked to leader performance, underscoring its critical role in leadership effectiveness.

Other studies also found that intellectual stimulation has significant impact on employee performance (Sutanto et al., 2021; Top, 2020; Chebon et al., 2019b). It implies that intellectual stimulation enhances employee productivity by encouraging creativity and innovation, with supervisors fostering an environment that promotes high performance (Chebon et al., 2019b).

Similarly, Dialoke and Ogbu (2019) confirmed that intellectual stimulation is positively related to employee performance.

They concluded that when leaders inspire their followers through intellectual stimulation, it drives employees to enhance their performance by embracing innovative approaches and achieving greater outcomes (Dialoke & Ogbu, 2019). These results indicated the critical role of intellectual stimulation in promoting creativity, innovation, and improved performance within organizations.

Based on the above discussions, it can be concluded that intellectual stimulation is related to performance. Considering these insights, the researchers propose the third hypothesis of intellectual stimulation has positive and significant effect on project performance.

Individualized Consideration and Performance

Research highlights the positive impact of **individualized consideration**, a sub-dimension of transformational leadership, on both leader and employee performance. A study by Jaskyte, (2011) focused on nonprofit organizations, this research found that individualized consideration, as a part of transformational leadership, positively influences the project outcomes and performance. Yousef (2017) also found that individualized consideration significantly contributes to project performance. A study by Deinert et al. (2015) indicated individualized **consideration** is positively related to leader performance, emphasizing the importance of leaders' ability to address individual needs and provide personalized support. Similarly, a study which investigated the effects of transformational leadership on employee performance in the Kurdistan region of Iraq revealed that **individualized consideration** has a significant positive impact on employee performance (Top, 2020). This finding underscores the role of leaders who focus on mentoring, supporting, and addressing the unique needs of their employees in driving organizational success. Other studies also found that individual consideration has a positive and significant influence on performance (Sutanto et al., 2021; Chebon et al., 2019b). This implies that individualized consideration influences employee performance by fostering recognition, which enhances productivity ((Sutanto et al., 2021))

Recent research underscores the importance of **individualized consideration** in enhancing team performance and job performance across various sectors. A study by Kiai et al. (2024) examining small and medium enterprises (SMEs) within Kenya's cut flower industry found that

individualized consideration significantly enhances team performance. The study emphasizes that leaders play a crucial role in this enhancement by intentionally delegating authority to lower-level employees.

By assigning tasks to capable team members and providing appropriate incentives, leaders encourage greater effort and productivity. Additionally, fostering a culture of empowerment through skill development and opportunities for tackling challenging tasks strengthens team effectiveness and supports organizational growth (Kiai et al., 2024).

In another study by Oruonyeije et al. (2024) revealed a strong positive correlation between individualized consideration and performance, indicating that when principals provide personalized support and mentorship to teachers, it leads to improved job performance, (Oruonyeije et al.,2024). These studies indicated the significant role of individualized consideration in enhancing performance outcomes in various organizational contexts.

Based on the above discussions, it can be concluded that individualized consideration is related to performance. Considering these insights, the last following hypothesis individualized consideration has positive and significant effect on project performance was developed.

Generally, project performance is influenced by both internal and external factors (Pinto, 2016). Internal factors include the competence of the project team, the effectiveness of communication, the quality of project planning processes, and the effectiveness of project manager leadership. External factors, on the other hand, encompass market conditions, political and economic stability, technological changes, and the level of stakeholder support. Among all these factors, project manager leadership has been consistently highlighted as a key driver of project success (Dvir et al., 2003; Müller & Turner, 2007; Yang et al., 2011).

Research highlights the important role of project managers in creating an environment that fosters good project performance. These project leaders must not only be able to effectively manage project processes and schedules, but also motivate and inspire team members, foster collaboration, and drive innovation (Müller & Turner, 2007). In this regard, transformational leadership has a significant positive effect on project performance. Transformational leaders, through their visionary goal setting, their strong ethical values and their ability to motivate teams, are able to facilitate a positive project environment that is conducive to high project performance (Bass, 1985; Bass & Avolio, 1994). All the above review of literature

demonstrated all four main variables of the study named individual consideration, idealized influence, inspirational motivation, and intellectual stimulation have a significant positive influence on project performance.

2.6. Conceptual framework of the study

Figure 2.1 presents the conceptual framework of this study. It illustrates the relationship between the independent variables of the study and the dependent variable, project performance. This framework, derived from the literature review, demonstrates how these components of transformational leadership are proposed to influence project performance.

Manager's Transformational Leadership Style

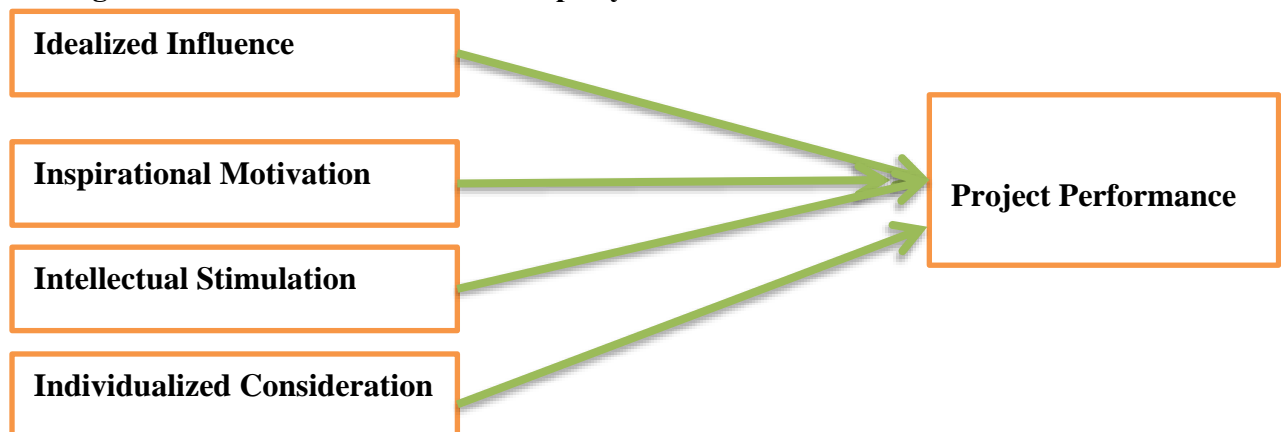


Figure 2.1 Conceptual framework of the study -compiled by researcher

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Research Approach

Research can be categorized as qualitative, quantitative, or mix of quantitative and qualitative. Qualitative research method employs open-ended questions, allowing respondents to express their views freely (Creswell, 2009) which emphasize discovering and interpreting the meanings individuals or groups associate with social or human problems. Whereas quantitative research which aim to quantify results using statistical summaries or analyses (Marczyk, DeMatteo, & Festinger, 2005,) which emphasized gathering numerical data via standardized techniques, then applying statistical methods to derive insights from it (Manu bhatia, 2018). It is a method for testing objective theories by examining associations between variables (Creswell, 2014). It involves numerical measurement and analysis approaches (Creswell & Garrett, 2008).

To examine the effect of manager's transformational leadership style on project performance in Catholic Relief Services of Ethiopia, in this data was collected from employees of Catholic Relief Services of Ethiopia through closed- end scaled self- administrative questionnaire. Since a questionnaire survey employed as a data collection method that provides quantifiable data which are required to address research objectives of a study, this study was quantitative in nature.

3.2. Research Design

It refers to the plan of a study for answering research questions or testing research hypotheses (Ary, 2010). This study examined the effect of managers' transformational leadership style on project performance at Catholic Relief Services in Ethiopia. To achieve objectives of the study, data were collected at a single point in time, specifically in December 2024, using a closed ended, scaled, self-administered questionnaire.

In the study both a **descriptive research design**, which is used to explore the "what" aspects of the questions (Grey, 2014), and an **explanatory research design**, which focuses on understanding the relationships between variables and determining causal links (Saunders, Lewis, & Thornhill), were used. Moreover, since the data collected in December 2024, the study utilized a cross-sectional research design.

3.3. Population of the Study

It is the entire set of elements, individuals, or units that meet specific selection criteria and possess common observable characteristics, forming the basis for a study (Mann, 2015; Mugenda & Mugenda, 2003). The target population of this study was 200 consisting of project team members. Due to small number of populations size the study was censuses. Hence, no sample size and sampling techniques are needed.

3.4. Variables of study

Inspirational motivation, idealized influence, intellectual stimulation, and individualized consideration were independent variables of the study and project performance the dependent variable of the study.

3.5. Sources of data and instrument of data collection

Primary and secondary data were collected. Primary data refers to information gathered firsthand for a specific research purpose in response to a particular problem. This is achieved through methods such as interviews, questionnaires, or observations. On the other hand, secondary data collected from various sources, including documents, reports, books, and articles.

In this study, both primary and secondary data were collected. Primary data was collected via distributing self-administered questionnaires to project team members at Catholic Relief Services in Ethiopia. Secondary data was gathered through a review of various sources, including journals, books, conference papers, and unpublished theses.

The questionnaire consisted of three parts. The first part deals with the background information of the study respondents. The second section addressed transformational leadership style, while the third section dealt with project performance.

To measure the independent variables namely, idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration, the modified Multifactor Leadership Questionnaire (MLQ) 5x-short was employed. Additionally, five items adapted from a previous instrument were used to measure project performance. All questions in the second and third sections of the questionnaire were closed-ended and organized using a 5-point Likert scale, ranging from 1 = strongly disagree to 5 = strongly agree.

Different studies have validated the Multifactor Leadership Questionnaire (MLQ) (**Avolio, & Bass, 2004; Cheng, Chiu, & Huang, 2014; Rafferty & Griffin, 2004; Khan & Luthra, 2019; Jiang & Chen, 2020**).

3.6. Validity and Reliability of Data

Reliability of the scale should be assessed to ensure its appropriateness. Reliability refers to the consistency of findings obtained through data collection techniques or analysis procedures (Easterby-Smith et al., 2002). According to Sekaran and Bougie (2016), reliability is categorized as poor when below 0.60, acceptable in the 0.70 range, and good when above 0.80. Similarly, Yilmaz (2013) defines reliability as the consistency of a research instrument in measuring a variable under the same conditions over time. In contrast, validity pertains to the suitability and accuracy of data collected (Yilmaz, 2013; Denscombe, 2014).

To evaluate content and face validity of the instrument of the study and to gather comments and suggestions on the relevance, appropriateness, clarity, conciseness, wording, and format of the items related to transformational leadership style and project performance, as well as the overall instrument, the questionnaire was submitted to the experts. Based on the feedback, changes were made to enhance the clarity of the general instructions, and minor revisions to the instructions were implemented.

Prior to the full-scale data collection, the instrument of the study was also subjected to a pilot test, as recommended by Saunders, Lewis, and Thornhill (2009). A pilot study was conducted to evaluate the clarity, conciseness, wording, and format of the instrument before proceeding with the main data collection. The final edited version of the instrument was piloted with a

sample of 40 respondents to check reliability of the instrument of the study. To evaluate the reliability of questionnaire used in this research a Cronbach's alpha which is the most widely used coefficient was calculated.

The most widely used measure of reliability is called Cronbach's alpha is. It provides an estimate of the degree to which items "hang-together as a set" or covary as a common unit and it believed an adequate index of the inter-item consistency reliability" (Sekaran & Bougie, 2010) and its value ranges between 0 and 1. Cronbach's alpha values of 0.60 to 0.70 considered the lower limit of acceptability (Hair et al., 2014).

The reliability coefficients for the research measures of independent variables of the study, including idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration as well as dependent variable of the study (project performance) were above the threshold value 0.7, indicating desirable levels of internal consistency. Hence, the instrument of the study was both reliable and valid, full-scale data collection was conducted by using those instruments.

In this study to measure transformational leadership dimensions including were used as independent variables sixteen items were used while project performance; dependent variable of the study was measured via five items.

Table 3.1 Reliability Coefficients

Variable	Reliability (Cronbach's alpha)
Idealized influence	0.953
Inspirational motivation	0.887
Intellectual stimulation	0.820
Individualized consideration	0.898
Project performance	0.958

Source: Own Survey,2024

The results for the reliability coefficients of the research measures, including transformational leadership with its four components and project performance, are presented in table 3.1. Indicated that, the reliability coefficients for all dimensions were above 0.7 indicating desirable levels of internal consistency. Additionally, the Cronbach's alpha values for the dimensions of transformational leadership demonstrated high internal consistency which revealed a high internal consistency.

3.7. Methods of Data Analysis

For analyzing data to address the objectives of the study and to test hypotheses of the study, different statistical techniques employed.

The data collected from respondents through self-administered five Likert scale questionnaires were entered into the Statistical Package for Social Sciences (SPSS) v.23 for editing, screening and analysis the collected data.

Descriptive statistics namely mean, standard deviation, frequency and percentage, were used to describe variables of both dependent and independent variables of the study to address the objectives of assess level of transformational leadership and level of project performance. whereas multiple linear regression was employed to examine the rest objectives and test the proposed hypotheses of the study.

Multiple regression enables researchers to examine the effects of multiple factors on an outcome simultaneously. The primary purpose of multiple regression is to better understand the relationship between several independent variables and a dependent variable (Sigleson Royce et al., 1999). Additionally, multiple regression is used to test theoretical causal models. The general formula for a multiple regression equation is:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_n X_n + \epsilon_i$$

Where:

Y is the dependent variable, which is affected by or explained by the independent variables.

α is the intercept, representing the point where the regression line crosses the y-axis.

$\beta_1 \dots \beta_n$ are the coefficients of the independent variables X_1 to X_n , representing the magnitude and direction of their influence on Y.

ε_i is the error term, accounting for the variability not explained by the independent variables.

Hence the multiple linear regression model of this study is depicted as follows

$$\text{Project Performance} = \alpha + \beta_1 \text{IDI} + \beta_2 \text{INM} + \beta_3 \text{INS} + \beta_4 \text{INC} + e$$

Where

α = the intercept

IDI= Idealized Influence

INM= Inspirational Motivation

INS= Intellectual Stimulation

INC= Individualized Consideration

$\beta_1, \beta_2, \beta_3$ and β_4 are the coefficients of IDI, INM, INS and INC respectively

e = error term

3.8. Ethical issues

Before beginning survey work oral consent was secured from respondents. The members in the study were then informed verbally about the aim of the research in order for them to decide whether or not to engage in the research. In doing so, the researcher took all necessary precautions to protect participants and their rights throughout the research process, including conducting the study with integrity, protecting participants' privacy by preserving the privacy of personal data, and adhering to the terms of data use based on the research participants' consent. In addition, appropriate acknowledgement and citation were made for any concepts or ideas taken from the literature.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

Introduction

This study was focused on the effect of project manager's transformational leadership style, idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration on project performance.

Out of the 200 distributed questionnaires 180 questionnaires were collected from project team members, of which 11 questioners were not fully completed, and large number of missing values were excluded from the analysis. Generally, 169 questionnaires were used for analysis which counting around 84.5 % which represents a satisfying response rate.

The collected data was carefully defined and manually entered into SPSS version 23 for analysis. Preliminary steps included handling missing data, assessing normality, and checking other multiple linear regression assumptions to ensure the data's readiness. Frequency tests were conducted to screen for missing values, and the results indicated no non-response or omitted responses from the participants.

This chapter offers an in-depth analysis of the data collected. It includes the presentation of respondents' background information level of transformational leadership style in and project performance of the organization. Additionally, the outcomes of the multiple linear regression analysis are thoroughly presented and discussed.

4.1 Respondents' Demographic Profile

Table 4.1 Respondents' Demographic profile

Variables	Frequency	Percentage
Gender		
Male	95	56.2
Female	74	43.8
Age category		
Less than 25 years	25	14.8
25–35 years	95	56.2
36–45 years	39	32.1
Above 45 years	10	5.9
Education		
College Certificate/ Diploma	-	-
Bachelor	52	30.8
Masters	117	69.2
PhD	-	-
Work experience		
Less than 1 year	-	-
1–5 years	76	45
6–10 years	59	34.9
More than 10 years	34	20.1
Total	169	100

Source: Own Survey, 2024

The respondents' ages were divided into categories, with the 25–35 age group representing the largest proportion at 56.2%. This was followed by the 36–45 age group at 32.1%, Less than 25 years' age group at 5.9%, and those above 45 years old, comprising only 5.69%. Hence, the majority of respondents' ages were between 25-35years old. The majority of respondents were male, representing 56.2 %, while female's student respondents were constituting 43.8 %.

Related to work experience of the respondents, a high percentage of respondents constitute 54 % who have work experience between 1-5 years. Other 34.9% responds have work experience between 6-10 years, 20.1% respondents have work experience above10 years. Related to education level of respondents as indicted the table above the majority of respondents had master's degree which constitute 69.2% followed by first degree e holders constitute 30.8 %.

4.2 Level of Project Manager's Transformational Leadership Style Practice

In this section, project team members' perception of transformational leadership style case of Catholic Relief Services Ethiopia was assessed. Team members were asked to express there level of perceived agreement or disagreement on items of transformational Leadership which are designed in five-point Likert scale fashion. To address the above objective descriptive statistics of mean, standard deviation, percentage were conducted.

Table 4.2 Project manager's transformational leadership practice, as perceived by Participants

Items	Level of agreement (frequency -percentage) n=169					Mean	SD
	Strongly agree	agree	Neutral	disagree	Strongly disagree		
ID1	42(24.9)	31(18.3)	56(33.1)	33(19.5)	7(4.1)	3.4024	1.17676
ID2	6(3.6)	24(14.2)	66 39.1)	63(37.3)	10(5.9)	2.7219	.90609
ID3	31(18.3)	55(32.5)	46(27.2)	35(20.7)	2(1.2)	3.4615	1.05221
ID4	8(4.7)	48(28.4)	62(36.7)	34(20.1)	17(10.1)	2.9763	1.04056
IN1	10(5.9)	67(39.6)	67(39.6)	20(11.8)	5(3.0)	3.3373	.87210
IN2	13(7.7)	32(18.9)	45(26.6)	69(40.8)	8(4.7)	2.8047	1.08165
IN3	9(5.3)	24(14.2)	68(40.2)	57(33.7)	9(5.3)	2.7692	.98198
IN4	27(16.0)	52(30.8)	47(27.8)	37(21.9)	4(2.4)	3.3254	1.12626
IS1	48(28.4)	70(41.4)		35(20.7)	16(9.5)	3.887574	0.928593

IS2	41(24.3)	31(18.3)	57(33.7)	33(19.5)	7(4.1)	3.390533	1.170635
IS3	6(3.6)	25(14.8)	66(39.1)	63(37.3)	9(5.3)	2.739645	0.901534
IS4	19(11.2)	79(46.7)	50(29.6)	16(9.5)	5(3.0)	3.538462	0.919368
IC1	14(8.3)	59(34.9)	70(41.4)	24(14.2)	2(1.2)	3.349112	0.867407
IC2	8(4.7)	48(28.4)	62(36.7)	34(20.1)	17(10.1)	2.976331	1.040562
IC3	50(29.6)	64(37.9)	45(26.6)	9(5.3)	1(.6)	3.905325	0.907919
IC4	40(23.7)	46(27.2)	65(38.5)	17(10.1)	1(.6)	3.633136	0.973624
Overall TRL						3.2637	0.9980

Source: own survey, 2024

Note: ID-items of *Idealized Influence*

IN-items of inspirational motivation

IS-items of intellectual stimulation

IC-items of individualized consideration

TRL0- transformational leadership

As shown in Table 4.2, for the first item under *idealized influence variable*, 24.9% of respondents strongly agreed that project managers emphasize the importance of commitment to shared beliefs, while 18.3% agreed. Conversely, 4.1% and 19.5% of respondents strongly disagreed and disagreed, respectively. The remaining 33.1% neither agreed nor disagreed.

For the second item of idealized *influence variable* 6% of participants strongly agreed that the project leaders consistently take a firm stand on difficult issues 14.2% agree that the project leaders consistently take a firm stand on difficult issues while, 39.1% respondents respond neither agree nor disagree for this item. The rest 5.9% and 37.3% of respondents respond strongly disagree and agree respectively.

Regarding item three of the idealized influence variable, 18.3% of participants strongly agreed, and 32.5% agreed that the project leader consistently demonstrates conviction in their ideals, beliefs, and values. Conversely, 1.2% strongly disagreed, and 20.7% disagreed with this statement.

Additionally, 27.2% of respondents remained neutral, indicating neither agreement nor disagreement. For the final item of the idealized influence variable, 4.7% of participants strongly agreed, and 28.4 % agreed that the project leader regularly discusses their most important values and beliefs, sharing their core principles. In contrast, 10.1% strongly disagreed, and 20.1% disagreed with this item. The remaining 20.9% of respondent's neutral.

Similarly, as shown in table 4.2, for the first item for inspirational motivation *variable*, 5.9% of respondents strongly agreed that the project leader consistently speaks optimistically about the future and inspiring the team. while 39.6% of respondents agreed for the same item. Conversely, 3% and 11.8% of respondents strongly disagreed and disagreed, respectively. The remaining 39.6% neither agreed nor disagreed. For the second item of Inspirational motivation *variable* 7.7% of respondents strongly agreed that the project leader consistently envisions exciting new possibilities 18.9% agree that the project leader consistently envisions exciting new possibilities while, 26.6% respondents respond neither agree nor disagree for this item. The rest 4.7% and 40.8% of participants respond strongly disagree and disagree respectively.

Regarding item three of the inspirational motivation variable, 5.3% of respondents strongly agreed, and 14.2% agreed that he project leader speaks enthusiastically about what needs to be done. Conversely, 5.3% strongly disagreed, and 33.7% disagreed with this statement. Additionally, 40.2% of respondents remained neutral, indicating neither agreement nor disagreement. For the final item of the inspirational motivation variable, 16.0% of respondents strongly agreed, and 30.8% agreed. In contrast, 2.4% strongly disagreed, and 21.9% disagreed with this statement. The remaining 27.8% of respondents were neutral.

Similarly, as presented in table 4.2, for the first item under the intellectual stimulation variable, 28.4% of respondents strongly agreed that the project leader regularly re-examines the appropriateness of critical project assumptions, while 41.4% agreed. Conversely, 9.5% strongly disagreed, and 20.7% disagreed. For the second item under the intellectual stimulation variable, 24.3% of respondents strongly agreed, and 18.3% agreed that the project leader actively seeks differing perspectives when solving problems. Meanwhile, 33.7% neither agreed nor disagreed. The remaining respondents included 4.1% who strongly disagreed and 19.5% who disagreed. Regarding item three of the intellectual stimulation variable, 3.6% of respondents strongly agreed, and 14.8% agreed that the project leader looks at problems from many different angles. Conversely, 5.3% strongly disagreed, and 37.3% disagreed with this statement. Additionally, 39.1% of respondents remained neutral, indicating neither agreement nor disagreement. For the final item of the intellectual stimulation variable, 11.2% of respondents strongly agreed, and 46.7 % agreed that the project leader suggests new ways of approaching project assignments. In contrast, 3 % strongly disagreed, and 9.5 % disagreed with this statement. The remaining 29.6 % of participants were neutral.

Lastly related to individualized consideration for the first item assessing individualized consideration: 8.3% strongly agreed and 34.9% agreed that the project leader treated individuals as unique with differing needs and abilities. Conversely, 14.2% and 1.2% of participants disagreed and strongly disagreed, respectively, while 41.4 % remained neutral. Regarding the second item assessing individualized consideration, a substantial majority of respondents indicated agreement that the project leader focused on developing their strengths. Specifically, 4.7 % strongly agreed, and 28.4% agreed, neutral (36.7%), while only 10.1% strongly disagreed and 20.1% disagreed.

For the third item related to individualized consideration, responses were more varied: 29.6 % of respondents strongly agreed, and 37.9% agreed that the project leader treated individuals as individual rather than just as team members. In contrast, .6% strongly disagreed, and 5.3 % disagreed, while 26.6% remained neutral. The final question regarding individualized consideration revealed a significant consensus on the project leader's commitment to teaching and coaching individuals, with nearly 23.7 % and 27.2 % indicating strong agreement and agreement respectively. In contrast, .6% strongly disagreed, and 10.1% disagreed, while 38.5% remained neutral.

Additionally, the overall mean value of transformational leadership style practice at Catholic Relief Services Ethiopia was calculated to know level of transformational leadership style at Catholic Relief Services Ethiopia. Zaidatol and Bagheri (2009) proposed a specific interpretation for mean values derived from a five-point Likert scale. According to their framework, a mean value below 3.39 is categorized as low, a mean value between 3.40 and 3.79 is considered moderate, and a mean value above 3.80 is regarded as high.

Hence, the findings of the descriptive analysis, the calculated mean value of team members' perceptions of transformational leadership was 3.2637, falling between "below" and "moderate" on the Likert scale. This suggests that team members of Catholic Relief Services Ethiopia perceive a low level of transformational leadership practice within the organization.

Among the dimensions', individualized consideration was perceived by the project team as the most dominant transformational leadership practice, achieving the highest mean score of 3.4660. This was followed by intellectual stimulation (mean = 3.3891), *Idealized Influence* (mean = 3.1405), and inspirational motivation (mean = 3.0592), respectively. In terms of dimensional structure, inspirational motivation, with the lowest mean value, reflected a lower level of practice within Catholic Relief Services Ethiopia.

4.3 The Level of project performance

To evaluates the effectiveness of projects in Catholic Relief Services Ethiopia, in this study project performance measured using five items and the result of individual items with mean, standard deviation, frequency and percentage indicated in table 4. 3.

Table 4.3 Level of project performance

Items	Level of agreement					Mean	SD
	Strongly agree	Agree	Neutral	Disagree	Strongly disagree		
PP1	50(29.6)	64(37.9)	45(26.6)	9(5.3)	1(.6)	3.905325	0.907919
PP2	48(28.4)	70(41.4)	35(20.7)	16(9.5)		3.887574	0.928593

PP3	5(3.0)	64(37.9)	67(39.6)	28(16.6)	5(3.0)	3.213018	0.860272
PP4	11(6.5)	60(35.5)	52(30.8)	42(24.9)	4(2.4)	3.189349	0.963441
PP5	23(13.6)	56(33.1)	69(40.8)	19(11.2)	2(1.2)	3.467456	0.906560
Overall Project performance						3.532	0.9134

Note: PP-items of project performance

Source: Own Survey,2024

As indicted in table 4.3. a total of 29.6% of respondents strongly agreed, and 37.9% agreed that the project objectives were successfully met. Conversely, 0.6% strongly disagreed, and 5.3% disagreed, while 26.6% neutral with this statement. Among the total respondents, 28.4 % strongly agreed, and 41.4% agreed that the project was completed within the allocated budget. In contrast, 9.5% disagreed with this statement. The rest 20.7% neither agreed nor disagreed.

For the third item of project performance measurement, 3% of participants strongly agreed, and 37.9 % agreed that the project adhered to the schedule and met deadlines. Conversely, 3% strongly disagreed, and 39.6 % disagreed. The remaining 39.6% neither agreed nor disagreed. Also, a total of 6.5 % of respondents strongly agreed, and 35.5% agreed that project stakeholders expressed satisfaction with the project. Conversely, 2.4% strongly disagreed, and 24.9% disagreed with this statement. The remaining 30.8% of participants neither agreed nor disagreed. For the final item, 13.6% of respondents strongly agreed that the overall quality of the project outcome was high, while 33.1% agreed. Additionally, 40.8% neutral with this statement. Conversely, 1.2 % strongly disagreed, and 11.2% disagreed.

Zaidatol and Bagheri (2009) proposed a specific interpretation for mean values derived from a five-point Likert scale. According to their framework, a mean value below 3.39 is considered as low, a mean value between 3.40 and 3.79 is considered moderate, and a mean value above

3.80 is regarded as high. Hence, based on this research findings of the descriptive analysis, the calculated mean value of team members' perceptions of Project performance was 3.532. This suggests that team members of Catholic Relief Services Ethiopia perceive a moderate level of project performance at the organization.

4.4 Assumption tests for Regression Analysis

Regression analysis is a statistical method used to determine the correlation between two or more variables that exhibit cause-and-effect relationships, and it is often employed for prediction purposes (Uyanık & Güler, 2013). Specifically, when there is one dependent variable and more than one independent variable, the method is referred to as multiple linear regression (Montgomery, Peck, & Vining, 2021).

In this study, multiple linear regression analysis was employed to examine the impact of the Project manager's transformational Leadership style on Project Performance in Catholic Relief Services of Ethiopia. The leadership style was measured across five dimensions

As a parametric approach, regression relies on specific assumptions about the data, such as linearity, normality, and homoscedasticity. These assumptions make regression restrictive and limit its effectiveness with datasets that fail to meet these criteria (Questions, n.d.). Consequently, the validity of regression analysis depends on ensuring that the underlying assumptions are satisfied; otherwise, the results may be unreliable (Osborne & Waters, 2002). Therefore, it is essential to ensure that the dataset meets key assumptions to validate the appropriateness of multiple linear regression before conducted. These assumptions include **normality, linearity, multicollinearity, and homoscedasticity**. Satisfying these assumptions ensures the reliability and validity of the regression model.

Hence, in this thesis, before conducting the regression analysis, the dataset was subjected to tests for the classical multiple linear regression assumptions including linearity, normality, multicollinearity, and a homoscedasticity. These tests are essential to ensure that the regression model is unbiased, well-designed, and reliable. Each assumption tests are presented below.

4.4.1 Checking missing value

Before conducting the multiple linear regression assumption tests, the dataset was checked for missing values using a frequency test. Descriptive analysis confirmed that no missing values were present.

4.4.2 Test of Normality

Before run the regressions analysis determines whether the residual value is normally distributed is required. Non-normally distributed variables can distort relationships and significance tests. There are several methods that are useful to test assumption normality visual inspection of data plots, skew, kurtosis, and P-P plots give researchers information about normality, and Kolmogorov- Smirnov tests provide inferential statistics on normality (Osborne & Waters, 2003). In this study this assumption was tested by visual inspecting of histogram the normal probability Plot (P-P).

Additionally, statistical tests of skew, kurtosis was conducted. According to Hair et al. (1998), for normally distributed data, skewness and kurtosis should fall within the range of ± 2 . In smaller samples, values exceeding ± 1.96 are sufficient to indicate normality.

However, for larger samples (200 or more), where standard errors are smaller, the threshold shifts to ± 2.58 (Ghasemi, 2012).

Table 4.4 Normality test

	Descriptive statistics				
	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Idealized Influence	169	.142	.187	-.545	.371
Individualized Consideration	169	-.183	.187	.812	.371
Inspirational Motivation	169	.081	.187	-.660	.371
Intellectual Stimulation	169	.359	.187	-.402	.371
Project Performance	169	-.073	.187	-.719	.371
Valid N (Listwise)	169				

Source: Own Survey, 2024

As shown in the table above, all variables (Idealized Influence, Individualized Consideration, Inspirational Motivation, Intellectual Stimulation, and Project Performance) exhibit skewness

and kurtosis values within the acceptable range of ± 1.96 , and well within ± 2 . This aligns with the recommendation of Hair et al. (1998), which states that for data to be considered normally distributed, skewness and kurtosis should fall within the range of ± 2 . For smaller sample sizes, values exceeding ± 1.96 are sufficient to indicate normality. These findings indicate no significant skewness or kurtosis issues, confirming that the dataset adheres to the assumption of normality. Therefore, the assumption of normality was accepted.

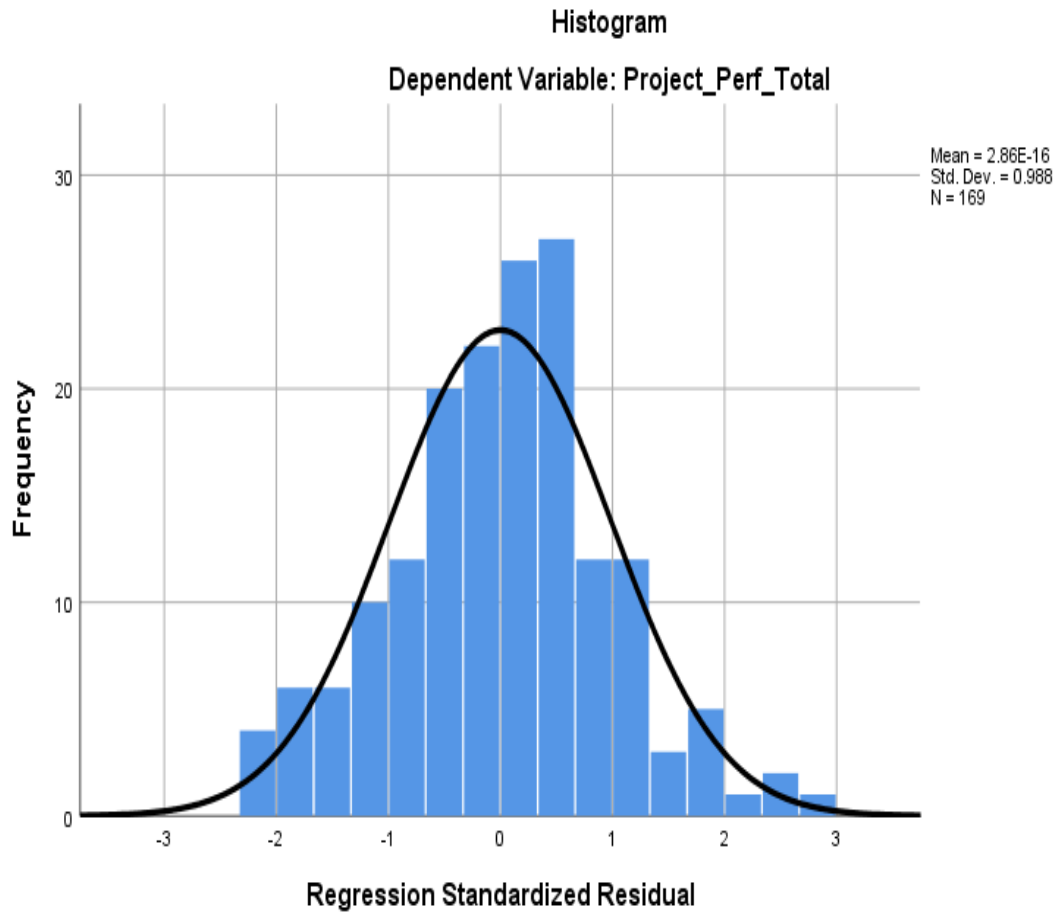


Figure 4.1. histogram for normality

Additionally, histogram was visually inspected to check normality of the data. If the histogram of the residuals displays a symmetrical, bell-shaped curve with the highest frequency of scores in the middle and progressively smaller frequencies toward the extremes, the assumption of normality is satisfied (Montgomery et al., 2021).

The above histogram indicates the distribution of regression standardized residuals for the dependent variable of project performance. The distribution is overlaid with a normal curve for comparison, indicating that the residuals are roughly normally distributed and do not affect

the normal distribution. Hence, again indicates assumption of normally was not violated distributed. residuals do not affect the normal distribution

4.4.3 Linearity test

Linearity is one of the assumptions of multiple linear regressions required. Various methods can be used to test the linearity of relationships in a study. Among these, the visual inspection of residual plots is one of the preferred methods (Osborne & Waters, 2003) and was employed in this study.

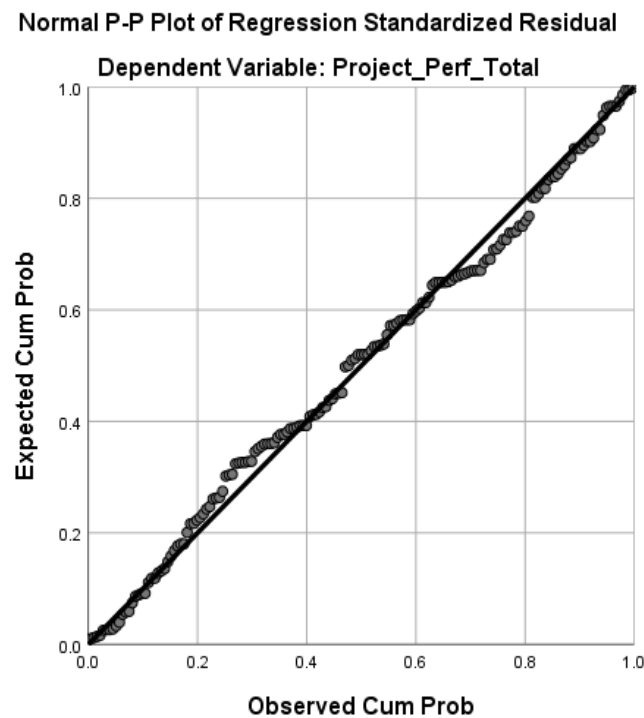


Figure 4.2. p-p plot for linearity

Source: Own Survey, 2024

The plot in the above figure shows a reasonably random scatter of residuals around the zero line, and the inspection of the figure shows that the association between independent and dependent variables is linear. Hence, the linearity assumption was not violated.

4.4.4 Homoscedasticity Test

In linear regression analysis, it is generally assumed that the errors (ϵ) are distributed equally across all levels of the predictor variables. This assumption, known as "homoscedasticity," must be tested before performing multiple linear regressions (Hickey et al., 2019).

Homoscedasticity in a regression model can be assessed using graphical and numerical methods. A common graphical method involves plotting residuals against fitted values or independent variables. A random scatter of points around zero suggests that the homoscedasticity assumption is satisfied, while patterns like a funnel shape, curve, or clustering indicate a violation of this assumption. If the homoscedasticity assumption is met, a scatterplot of residuals versus fitted values will display no discernible pattern (Hickey et al., 2019), as demonstrated in the accompanying figure below, where the data at hand not violated the assumption of homoscedasticity.

If the homoscedasticity assumption is met, a scatterplot of residuals versus fitted values will display no discernible pattern (Hickey et al., 2019), as demonstrated in the accompanying figure below, where the data does not violate the assumption of homoscedasticity.

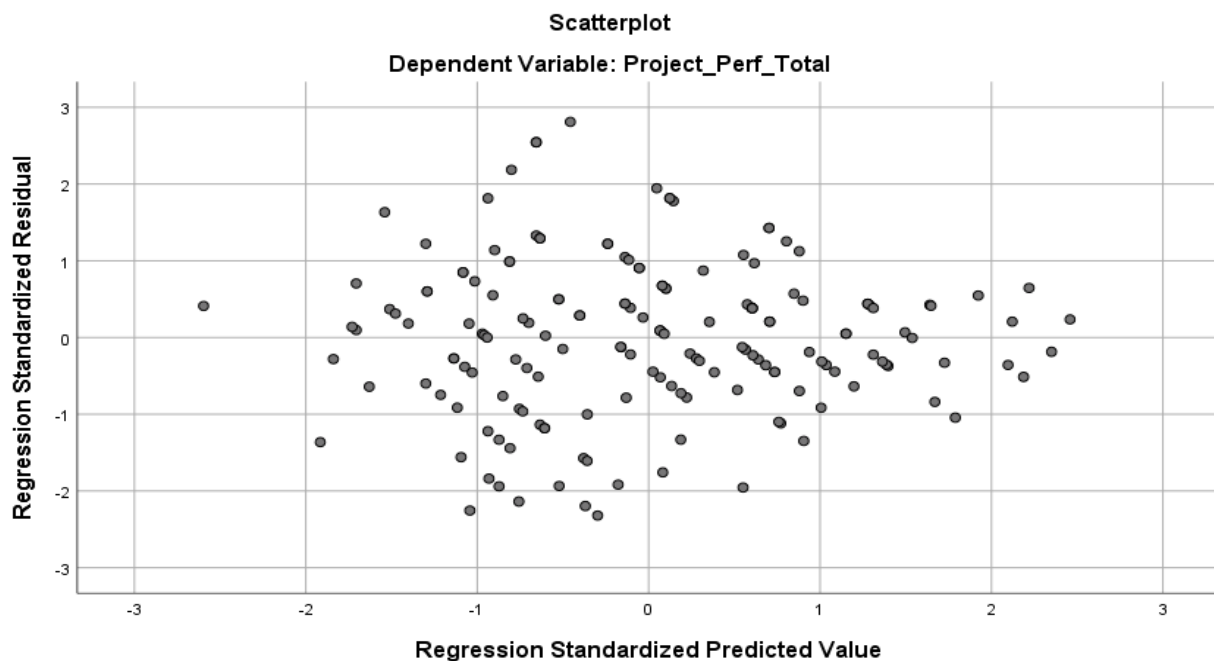


Figure 4.3. Scatter plot

Source: Own survey,2024

4.4.5 Multicollinearity Test

Multicollinearity arises in multiple linear regression analysis when variables are significantly correlated, not only with the dependent variable but also with each other (Shrestha, 2020). It occurs when there is a strong correlation between two or more predictors in a regression model, which is undesirable (Forsythe, 2007; Daoud, 2017). Various techniques can be employed to detect multicollinearity, including correlation coefficients and the Variance Inflation Factor (VIF), both of which were used in this study. If the absolute value of the Pearson correlation

coefficient is close to 0.8, collinearity is likely to exist (Belinda and Peat, 2014), which indicated that the predictors in the regression model may be highly correlated, potentially leading to multicollinearity issues.

Relying solely on the correlation between pairs of predictors has limitations, as interpreting small or large correlation values is subjective and varies across individuals and research fields (Daoud, 2017). To address this, the Variance Inflation Factor (VIF) is commonly used as an objective measure to detect multicollinearity.

VIF quantifies how much the variance of a regression coefficient is inflated due to correlation among independent variables, with tolerance being the inverse of VIF (Shrestha, 2020). A VIF value between 5 and 10 indicates potential multicollinearity among predictors, while a VIF greater than 10 suggests that regression coefficients are poorly estimated due to significant multicollinearity (Belsley, 1999).

Table 4.5 Multicollinearity Statistics

Transformational leadership	Tolerance	VIF
Idealized Influence	.564	1.773
Individualized Consideration	.907	1.102
Inspirational Motivation	.984	1.016
Intellectual Stimulation	.534	1.873

Notes: Variance inflation factor ‘VIF’ ≤ 10

Source: Own Survey, 2024

As indicated in table 4.5, the analysis reveals a minimum tolerance value of 0.534, and the VIF values for variables individualized consideration, idealized influence, inspirational motivation, and intellectual stimulation are 1.773, 1.102, 1.016, and 1.873 respectively, all of which are below the threshold of 10. Based on these results, as shown in the coefficients in Table 4.5, the analysis confirms that there is no multicollinearity problem.

4.5. Relationship Between Independent variables and Dependent variable

Preliminary data analysis also involves examining the degree to which the dependent and independent variables are correlated or related. Correlation analysis investigates the strength and direction of relationship of the variables under the investigation (Marczak et al, 2010).

In this study, Pearson's correlation coefficient was used to determine whether there is a significant relationship between independent variables (project managers' transformational leadership explained by four dimensions) and the dependent variable (project performance).

The Pearson correlation coefficient measures the degree of linear association between two variables. It varies between -1.00 and 1.00 , with 0 representing absolutely no association between two variables, and 1 or -1 representing a perfect positive and perfect negative correlation between two variables respectively. The higher the correlation coefficient, the stronger the level of association is (Marczyk et al, 2010).

According to Marczyk et al, (2010) general guideline for strength of correlation (r) is:

- ✚ r value of 0 is considered as there is no correlation
- ✚ r value of $+0.01$ to 0.24 are considered very weak correlation
- ✚ r value of 0.25 to 0.49 are considered correlation is weak
- ✚ r value of 0.50 to 0.74 are considered strong correlation
- ✚ r value of 0.75 to 0.99 are considered very strong correlation and
- ✚ r value of 1 is considered as perfect correlation

Decision rules for Pearson correlation based on the level of sig. value:

- ✓ If Sig. value < 0.05 , then there is a statistically significant relationship between the variables of the study.
- ✓ If Sig. value > 0.05 , then there is a no statistically significant relationship between the variables of the study.

Table 4.6 Relationship between independent and dependent variables

Study Variables		Idal.Infl	Insp.motiva	Intellect. Simula	Individua. Consid	Proje. Perfo
Idal.Infl	Pearson Correlation	1	.159*	-.037	.659**	.577**
	Sig. (2-tailed)		.039	.633	.000	.000
Insp.motiva	Pearson Correlation	.159*	1	.112	.282**	.344**
	Sig. (2-tailed)	.039		.147	.000	.000
Intellect. Simula	Pearson Correlation	-.037	.112	1	.002	.390**
	Sig. (2-tailed)	.633	.147		.979	.027
Individua. Consid	Pearson Correlation	.659**	.282**	.002	1	.850**
	Sig. (2-tailed)	.000	.000	.979		.000
Proje. Perfo	Pearson Correlation	.577**	.344**	.390**	.850**	1
	Sig. (2-tailed)	.000	.000	.027	.000	
N		169	169	169	169	169

*. Correlation is significant at the 0.05 level (2-tailed).

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

Source: Own SPSS Result (2024)

The correlation table shown above (table 4.6) presents the relationship between four independent variables (Idealized Influence, Inspirational Motivation, Intellectual Stimulation, and Individualized Consideration) and the dependent variable (Project Performance) based on Pearson correlation coefficients. The magnitude of relationship between each independent variable with the dependent variable is presented here under.

1. Idealized Influence (Idal.Infl):

- Idealized Influence also has a moderate positive correlation with Project Performance ($r = .577$, $p = 0.000$), suggesting that higher Idealized Influence in project managers is linked to better project performance.

2. Inspirational Motivation (Insp.motiva):

- Inspirational Motivation also correlates positively with Project Performance ($r = .344$, $p = 0.000$), showing that greater Inspirational Motivation leads to improved project performance.

3. Intellectual Stimulation (Intellect. Simula):

- It has a moderate positive correlation with Project Performance ($r = .390$, $p = 0.027$), indicating that higher levels of Intellectual Stimulation are positively related to better project performance.

4. Individualized Consideration (Individua. Consid):

- It also shows a very strong positive correlation with Project Performance ($r = .850$, $p = 0.000$), suggesting that Individualized Consideration is the most strongly associated variable with better project performance.

5. Project Performance (Proje. Perfo):

- Project Performance shows significant positive correlations with all the independent variables: Idealized Influence ($r = .577$, $p = 0.000$), Inspirational Motivation ($r = .344$, $p = 0.000$), Intellectual Stimulation ($r = .390$, $p = 0.027$), and Individualized Consideration ($r = .850$, $p = 0.000$). Among these, Individualized Consideration has the strongest correlation with Project Performance, followed by Idealized Influence and Intellectual Stimulation.

In conclusion, individualized Consideration stands out as the most significant factor influencing Project Performance, with all other leadership styles (Idealized Influence, Inspirational Motivation, and Intellectual Stimulation) also playing important roles but with weaker correlations.

4.6 Regression Analysis and Hypothesis testing

The aim of this study was to investigate the effect of transformational leadership on project performance in Catholic Relief Services Ethiopia. To attain objectives of examine the effect of idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration on project performance as well as to test the following hypotheses which were developed and presented at chapter two of the thesis multiple linear regression analysis was performed.

H1: Idealized influence has positive and significant effect on project performance

H2: Inspirational motivation has positive and significant effect on project performance

H3: Intellectual stimulation has positive and significant effect on project performance

H4: Individualized consideration has positive and significant effect on project performance

Regression analysis generates several outputs, including the ANOVA, model summary, and coefficient tables, each containing key statistical values. The ANOVA table was assessed whether the model is good-fit-to the data hand. The model summary provides metrics such as R-squared, which indicates how much n the dependent variable explained by the independent variables. The coefficient table contains coefficients and their associated significance tests, which are used to determine the direction and strength of the relationship between each independent variable and the dependent variable. Ultimately, these outputs are used to evaluate whether the proposed hypotheses should be supported or rejected.

Table 4.7. Model summary

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.867 ^a	.751	.745	1.64733	1.552
a. Predictors: (Constant), Id Influence, Ind Consideration, In Motivation, In Stimulation					
b. Dependent Variable: Project_Perf_Total					

Source: Own Survey,2024

As indicated in the above table R² value of the analysis is 0.751 indicates that 75.1 % of variation in dependent variable of the study is explained by the four independent variables included in the model. the rest 24.9 % of variation in dependent variable is explained by other factors that are not included in this study.

This implies that .751 value of R² indicates that 75.1 % of variation and change in project performance in Catholic Relief Services Ethiopia is explained by transformational leadership dimensions included in the model named idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. The rest 24.9 % of variation in project performance is explained by other factors that are not included in this study.

Table 4.8. ANOVA -significance model

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1342.728	4	335.682	123.699	.000 ^b
	Residual	445.047	164	2.714		
	Total	1787.775	168			
a. Dependent Variable: Project_Perf_Total						
b. Predictors: (Constant), Idealized Influence, Individualized Consideration, Inspirational Motivation, Intellectual Stimulation						

Source: Own Survey, 2024

The analysis of variance (ANOVA) table, which is an output of the regression analysis, tests the overall statistical significance of the regression model in explaining the variation in the dependent variable. Specifically, the ANOVA table's F-statistic and its associated p-value were used to determine if the model, as a whole, provides a statistically significant fit for predicting employee project performance.

As depicted in the table above ANOVA table indicates a statistically significant overall model, $F=123.699$, at $p < .001$. This result provides evidence that the model, taken as a whole, explains a statistically significant amount of variation in the dependent variable and that this result is unlikely to have arisen due to random chance. Hence, the statistically significant result from the ANOVA table indicted, the model is fit for the data at hand.

To test the hypotheses of this study, the researcher examined the regression coefficients table, focusing on the standardized beta (β) coefficients. Given the small sample size of the study, standardized beta (β) coefficients were used for interpreting the relative strength of predictor variables. The researcher also examined the associated p-values for each independent variable.

According to Table 4.9, the 'Beta' column of the regression output provides the standardized beta (β) values for the four independent variables. Specifically, the standardized beta (β) values are 0.044, 0.127, 0.793, and 0.099 for idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration, respectively.

Table 4.9. Coefficient table

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.870	1.225		-.710	.479
	Idealized Influence	.062	.073	.044	.848	.398
	Individualized Consideration	.122	.050	.099	2.428	.016
	Inspirational Motivation	.215	.067	.127	3.236	.001
	Intellectual Stimulation	.962	.065	.793	14.870	.000

a. Dependent Variable: Project Performance

Source: Own Survey,2024

The regression table also contains a row or a line with the constant value (α), which represents the intercept in our regression model. Based on these results we present our regression model as follows: $\text{Project Performance} = -.870 + 0.044(\text{IDI}) + 0.127(\text{INC}) + 0.793(\text{INM}) + 0.099(\text{INS}) + e$

To conclude the contribution of each independent variable, to identify the independent variable with the greatest relative effect, and to test the study's hypotheses, the researcher examined the standardized beta coefficients and their associated p-values.

If the p-value associated with a variable is less than 0.05, the variable is making a statistically significant contribution to the prediction of the dependent variable. Consequently, the independent variable with the largest standardized beta coefficient was determined to have the strongest relative contribution.

As shown in table 4.9, the standardized beta coefficients for idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration are 0.398, 0.127, 0.793, and 0.099, respectively. Therefore, intellectual stimulation, with the highest standardized beta coefficient (0.793), demonstrates the strongest relative effect on the dependent variable within the context of this study.

Additionally, table 4.9 presents the significance tests for idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. The p-values for idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration is 0.398, 0.001, 0.000 and 0.016 respectively. This result providing evidence that all independent variables except idealized influence have a statistically significant influence on project performance, and, therefore, support hypotheses of inspirational motivation has positive and significant effect on project performance, intellectual stimulation has positive and significant effect on project performance and individualized consideration has positive and significant effect on project performance. But the analysis rejects the hypothesis of idealized influence has positive and significant effect on project performance.

Table 4.10. Results of testing hypotheses of the research

Hypotheses	P-value /sig. level	Result
H1: Idealized influence has positive and significant effect on project performance	0.398	Reject
H2: Inspirational motivation has positive and significant effect on project performance	.001	Accept
H3: Intellectual stimulation has positive and significant effect on project performance	.000	Accept
H4: Individualized consideration has positive and significant effect on project performance	.016	Accept

Source: own survey, 202

4.7 Result and Discussions

4.7.1. Effect of idealized influence on project performance

assessing the impact of idealized influence on project performance was The first objective of this study. It examined the potential impact of idealized influence on project team members perceived project performance in Catholic Relief Services Ethiopia. And the study hypothesized that idealized influence has positive and significant effect on project performance.

As indicated in Table 4.9, the multiple linear regression analysis depicted that idealized influence significantly impacted project performance ($\beta = 0.044$, $t = .848$, $p > .05$). Therefore, the first hypothesis of the study which stated idealized influence has positive and significant effect on project performance was rejected.

This result does not align with findings from various (Teoh et al., 2022; Top, 2020; Chebon et al., 2019; Langat et al., 2019; Dialoke & Ogbu), which indicated a positive association between the two variables. However, it is aligning with other previous findings, such as Deinert et al. (2015), which found that idealized influence did not have a significant effect on performance. Similarly, Sutanto et al. (2021) reported that the idealized influence variable did not significantly affect HR performance.

This result of idealized influence did not have a significant effect on project performance in the Ethiopian context can be attributed to several reasons including Collectivist Culture- Ethiopia has a predominantly collectivist culture where communal values and group harmony are prioritized over individual charisma. In such environments, team cohesion and collective decision-making may overshadow the influence of individual leaders. As a result, team members might not respond as strongly to charismatic leadership traits, leading to diminished impacts on project performance. Additionally, there may be a tendency to respect authority figures without openly challenging their ideas or decisions. This can result in a lack of engagement and creativity among team members, as they may feel less empowered to voice their opinions or contribute to innovative solutions, thereby limiting the potential benefits of idealized influence.

4.7.2. Effect of inspirational motivation on project performance

The second objective of this study was assessing the impact of inspirational motivation on project performance. It examined the potential impact of idealized influence on project team members perceived project performance in Catholic Relief Services Ethiopia. And the study hypothesized that inspirational motivation has a positive and significant effect on project performance.

The relationship between inspirational motivation and project performance, as outlined in the literature review, led to the hypothesis that inspirational motivation has a positive and significant effect on project performance. Hence, the hypothesis of positive and significant impact inspirational motivation on project performance was tested. As indicated in Table 4.9, the multiple linear regression analysis revealed that idealized influence significantly impacted project performance ($\beta = .127$, $t = 3.236$, $p < .05$).

Therefore, the hypothesis of inspirational motivation has positive and significant effect on project performance was accepted. And the findings conclude that inspirational motivation has a significant effect on project performance in Catholic Relief Services Ethiopia.

The findings of the study align with various research outcomes including the work of Khan et al. (2015) found that inspirational motivation, as a dimension of transformational leadership, had a significant positive impact on project success.

Yang et al. (2011) also found that that transformational leadership has a positive effect on project success and found that it was particularly linked to a project team's innovation, and that this in turn, positively affected project performance. **Top (2020)** revealed that inspirational motivation positively influences employee performance.

Similarly, the findings of Sutanto et al. (2021) underscore the strong and positive influence of inspirational motivation on overall organizational success. Furthermore, studies by Mugambi et al. (2021) in the NGO sector, and specifically in the health sector, reveal that inspirational leadership can positively enhance organizational performance within similar contexts to the current study. These findings are also consistent with the research of Gehani et al. (2019), who found a positive relationship between inspirational motivation and employee engagement, noting that leaders. Therefore, in light of these corroborating studies, the results of this research

confirm that inspirational motivation is a significant driver of improved project performance, including in the context of Catholic Relief Services Ethiopia.

4.7.3. Effect of Intellectual stimulation on project performance

The third objective of this study was to assess the impact of intellectual stimulation on project performance. It examined the potential impact of intellectual stimulation on project team members perceived project performance in Catholic Relief Services Ethiopia. The study hypothesized that intellectual stimulation has a positive and significant effect on project performance and it has been tested.

As indicated in table 4.9, the multiple linear regression analysis revealed that intellectual stimulation significantly impacted project performance ($\beta = .793$, $t = 14.870$, $p < .05$). Therefore, the hypothesis of intellectual stimulation has positive and significant effect on project performance was accepted. And the findings conclude that intellectual stimulation has a significant effect on project performance in Catholic Relief Services Ethiopia.

The finding of study is consistence with a study, which looked at construction projects, found that intellectual stimulation had a significant and positive impact on project performance (Bhatti et al., 201). Yang et al. (2011) also found that intellectual stimulation fosters team creativity, which positively impacts project performance.

Additionally, Khan et al. (2015) reported that intellectual stimulation significantly enhances team performance by motivating team members to approach problems innovatively, thus contributing to project success. This point is further supported by the research of Top (2020) who also concluded that intellectual stimulation significantly enhances employee performance. Additionally, Sutanto et al. (2021) also established that intellectual stimulation has a positive effect on performance which confirms its significance. These findings demonstrate the importance of leaders stimulating employees' minds to improve performance by adopting innovative approaches.

4.7.4. Effect of individualized consideration and performance

The last objective of this study was assessing the impact of individualized consideration on project performance. It examined the potential impact of individualized consideration on project team members perceived project performance in Catholic Relief Services Ethiopia.

The relationship between individualized consideration and project performance, as outlined in the literature review, led to the hypothesis that individualized consideration has a positive and significant effect on project performance. Hence, the hypothesis of positive and significant impact individualized consideration on project performance was tested. As indicated in Table 4.8, the multiple linear regression analysis revealed that individualized consideration significantly impacted project performance ($\beta = .099$, $t = 2.428$, $p < .05$). Therefore, the hypothesis of individualized consideration has positive and significant effect on project performance was accepted. And the findings conclude that individualized consideration has a significant effect on project performance in Catholic Relief Services Ethiopia. This conclusion is strongly reinforced by a range of prior research. Top (2020) demonstrates that individualized consideration has a significant positive impact on employee performance, thereby underscoring the importance of leaders who mentor, support, and meet individual needs. This collection of research demonstrates that individualized consideration is a key component of transformational leadership that positively influences performance across diverse geographical and organizational settings.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1. Summary

Based on the analysis of the study the following summary were provided. The study aimed to assess the effect of project managers' transformational leadership dimensions—idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration—on project performance at Catholic Relief Services Ethiopia. The descriptive analysis revealed that individualized consideration was the most dominant leadership dimension, achieving the highest mean score (3.4660), followed by intellectual stimulation (3.3891), idealized influence (3.1405), and inspirational motivation (3.0592). Team members perceived project performance at a moderate level, with a mean score of 3.532.

Regression analysis indicated that 75.1% of the variation in project performance could be explained by the transformational leadership dimensions studied. Among the dimensions, intellectual stimulation exhibited the strongest relative effect on project performance with the highest standardized beta coefficient (0.793). The significance tests showed that all dimensions, except for idealized influence, had a statistically significant effect on project performance. Specifically, inspirational motivation, intellectual stimulation, and individualized consideration were found to have a positive and significant influence on project performance, while idealized influence did not show a statistically significant impact.

5.2. Conclusion

The findings of the study indicted the critical role of transformational leadership in enhancing project performance within Catholic Relief Services Ethiopia. Intellectual stimulation emerged as the most influential dimension, emphasizing the importance of encouraging creativity, innovation, and problem-solving within project teams. Inspirational motivation and individualized consideration also positively influenced project performance, showcasing the value of inspiring a shared vision and addressing team members' unique needs.

However, idealized influence did not demonstrate a significant effect on project performance, suggesting the need for further investigation into its role in this context.

5.3. Recommendations

Based on the finding of the study the following recommendations are forwarded **Enhancing Intellectual Stimulation:** Project managers should focus on fostering a culture of innovation and critical thinking by challenging existing assumptions and encouraging team members to explore new solutions. One effective intervention is organizing quarterly innovation workshops where team members collaboratively brainstorm, experiment with new ideas, and develop creative problem-solving skills. Additionally, implementing structured knowledge-sharing sessions and incentivizing innovative contributions can further strengthen intellectual stimulation within project teams.

Strengthening Individualized Consideration: Managers should continue to prioritize addressing the unique needs and potential of each team member. Providing personalized coaching, mentoring, and professional development opportunities can enhance this practice and positively influence project outcomes.

To effectively support the unique needs and potential of each team member, management should schedule one-on-one coaching meetings at least once per quarter to discuss personal goals, challenges, and career development plans. Pairing team members with experienced mentors within or outside the organization can provide continuous guidance and professional growth support. Developing structured Individual Development Plans (IDPs) for each employee will help outline their strengths, areas for improvement, and specific learning opportunities. Conducting monthly progress check-ins will allow for regular skill assessments, feedback, and adjustments to professional growth strategies. Additionally, offering customized training programs tailored to individual skill gaps and career aspirations will further enhance expertise and leadership potential. By implementing these initiatives, management can foster a more supportive and growth-oriented work environment, ultimately improving employee engagement and project success

Revisiting Idealized Influence: Given the lack of a significant relationship between idealized influence and project performance. Managers may need to re-evaluate their approach to serving as role models and instilling trust and shared values within their teams.

5.4 Directions for Further Studies

Future research is recommended to further explore the role of idealized influence in project performance within Catholic Relief Services Ethiopia and similar organizational contexts. This dimension's lack of significant impact in this study suggests the need for a deeper examination of its relevance, particularly in organizations operating in complex socio-economic and cultural environments.

Additionally, to enhance the generalizability of the findings, future studies should examine the effect of project managers' transformational leadership on project performance in other sectors, such as education, health, and infrastructure development. Cross-sectoral comparisons would provide insights into the applicability of transformational leadership across diverse organizational settings.

Future research also recommended to investigate additional variables that may influence project performance. These could include team dynamics, organizational culture, leadership experience, and external environmental factors such as political and economic stability. Incorporating these variables would offer a more comprehensive understanding of the determinants of project success. It is also suggested that future studies incorporate mediator variables, such as employee engagement, job satisfaction, or team collaboration, to explore how transformational leadership dimensions' influence project performance indirectly. This would provide a nuanced understanding of the mechanisms through which leadership impacts outcomes.

The study was conducted as quantitative research; therefore, it is recommended that future research incorporate qualitative interviews and internal performance metrics alongside quantitative surveys. Conducting qualitative interviews with project team members and stakeholders can provide deeper insights into their experiences and perceptions of transformational leadership's impact on project performance. Additionally, analyzing internal performance metrics will facilitate a more comprehensive understanding of how leadership styles translate into tangible outcomes. This mixed-methods approach can enhance the robustness of the findings and offer a more nuanced perspective on the relationship between transformational leadership and project success within the Ethiopian context. By integrating both qualitative and quantitative data, future studies can capture a richer narrative and better inform leadership practices that drive effective project performance.

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Appendix I

A Questionnaire to be filled by Employees of Catholic Relief Services Ethiopia

Addis Ababa University
College of Business & Economics

Dear Respondent,

My name is Bitania Tekletsion masters' student at Addis Ababa University, College of Business and Economics. Currently, I am undertaking a thesis entitled with "The effect of Project Manager's Transformational Leadership on Project Performance: the case of Catholic Relief Services Ethiopia.

The questionnaire is prepared to gather data for my thesis work. Thus, you are kindly requested to fill the questionnaire completely. The information that you will provide shall be treated with a high level of confidentiality and strictly used for the purpose of this research study.

Thank you for your cooperation in advance!

If you would like to provide more information about this study, please use this number (+251 962395527)

Instruction: Please encircle the letter that best reflects your characteristics, feelings or perception.

Part One: Demographics profile of respondents

1. What is your Sex?
 - A. Male
 - B. Female
2. What is your age group?
 - A. Less than 25 years
 - B. 25–35 years
 - C. 36–45 years
 - D. Above 45 years
3. Education
 - A. College Certificate or Diploma
 - B. Bachelor
 - C. Masters
 - D. PhD
4. How long have you been working at Catholic Relief Services Ethiopia?
 - A. Less than 1 year

- B. 1–5 years
- C. 6–10 years
- D. More than 10 years

PART TWO: PROJECT TEAM MEMBER’S JUDGEMENT OF PROJECT MANAGER’S TRANSFORMATIONAL LEADERSHIP STYLE

Please describe how do you judge your project manager’s transformational leadership style. Please indicate your response by putting a tick (√) in the the number that describes best how you feel about the statement.

		Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
	IDEALIZED INFLUENCE					
1	Emphasized importance of commitment to beliefs					
2	Took a stand on difficult issues					
3	Displayed conviction of his/her ideals, beliefs, values					
4	Talked to me about his/hers most important values, beliefs					
	INSPIRATIONAL MOTIVATION					
5	Talked optimistically about future					
6	Envisioned exciting new possibilities					
7	Talked enthusiastically about what needs to be accompanied					
8	Expressed confidence that goals will be achieved					
	INTELLECTUAL STIMULATION					
9	Re-examined appropriateness of critical project assumptions					

10	Sought differing perspectives when solving problems					
11	Looked at problems from many different angles					
12	Suggested new ways of looking at how to complete project assignments					
	INDIVIDUALIZED CONSIDERATION					
13	Treated me as individual with different needs and abilities					
14	Focused on developing my strengths					
15	Treated me as individuals rather than just a member of the team					
16	Spent time teaching and coaching me					

PART III. PROJECT PERFORMANCE

For the above-mentioned project, please indicate your level of agreement with the following statements relating to the performance of the project in Catholic Relief Services Ethiopia by putting a tick (√) in the number that describes best how you feel about the statement.

	Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	(5)
1	The project objectives were met						
2	The project was completed within budget						
3	The project was completed within schedule						
4	Project stakeholders were satisfied with this project						
5	The overall quality of the project outcome was high						

Thank you!!

