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Impact Of Leadership Decision Making On Project Success

Enhancing employee efficiency in industrial organizations.

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Abstract

This thesis examined the impact of leadership decision-making on project success, focusing on how leadership choices affect employee efficiency in industrial organizations. The main aim was to understand the relationship between leadership decisions, project outcomes, and workforce performance, particularly in the construction and manufacturing sectors of Finland and Sri Lanka.

The study was implemented using both quantitative and qualitative research design. Data were collected through structured questionnaires distributed to leaders and employees across various industrial organizations. The methods included descriptive statistics, correlation analysis, and multiple linear regression to analyze the influence of different leadership decision-making factors on project success and employee outcomes.

Materials for the research included survey responses from project managers, department heads, and employees from diverse company sizes and industry sectors. The analysis revealed that effective leadership decision-making positively influenced project success by improving employee motivation, engagement, and productivity. Results showed a strong correlation between leadership practices-such as open communication, resource allocation, and employee involvement in decision-making-and successful project delivery.

The thesis found that leadership decisions play a crucial role in achieving project goals and enhancing employee efficiency in industrial organizations. The findings suggest that organizations should invest in leadership development and promote participatory decision-making to improve both project outcomes and workforce performance.

Language: English

Key Words: Leadership decision-making, Employee efficiency, Project success

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Table of Contents

1 Introduction 1

1.1 Background of the Research 1

1.2 Research Problem 4

1.3 Overall objective 4

1.4 Specific Objectives 5

1.5 Research Questions 5

1.6 Thesis Stucture 5

2 Theory 6

2.1 Leadership and Decision Making 6

2.2 Importance of Leadership Decision-Making in Project Success 13

2.3 Role of Leadership in Enhancing Employee Efficiency 18

2.4 My theoretical frame of reference 20

3 Methodology 21

3.1 Research Approach 21

3.2 Research Design 22

3.3 Research Techniques and Procedures 23

3.4 Data Collection 23

3.4.1 Target Population and Sampling Method 23

3.4.2 Questionnaire Design 24

3.5 Data Analysis and Interpretation Techniques 26

3.6 Validation and Verification 27

3.7 Ethical Considerations 28

3.8 Limitations of the Study 28

4 Data Analysis 30

4.1. Reliability Analysis 30

4.2 Analysis of Demographic Information 31

4.3 Frequency Analysis 37
4.3.1 Key Leadership Behaviors That Enhance Employee Work Efficiency 37
4.3.2 Leadership Influence on Key Aspects of Project Success 39
4.3.3 Barriers to Effective Leadership Decision-Making 40
4.3.4 Essential Leadership Traits for Effective Decision-Making 41
4.4 Quantitative Analysis 42
4.4.1. Descriptive Statistics of Key Variables 42
4.4.2. Correlation Analysis 43
4.4.3. Regression Analysis 46
4.4 Qualitative Data Analysis 49
5 Results and Discussion 53
6 Future Recommendations 60
7 Conclusion 62
8 References 63

List of Figures

Figure 1 : Major factors that influence leadership decision making in organizations (Ejimabo, 2015)..... 13
Figure 2: Research onion (Saunders et al., 2009)..... 22
Figure 3 : Distribution of Respondents by Job Position (Developed by author,2025)..... 32
Figure 4 : Respondent Distribution by Industry Sector (Developed by author,2025)..... 33
Figure 5 : Breakdown of Respondents by Company Size (Developed by author,2025)..... 34
Figure 6 : Distribution of Participants by Leadership Level (Developed by author,2025) .. 35
Figure 7 : Distribution of professionals by the country (Developed by author,2025) 36
Figure 8 : Positively influenced leadership behaviors on work efficiency (Developed by author,2025)..... 37
Figure 9 : Key Aspects of Project Success Influenced by Leadership Decision-Making (Developed by author,2025) 39
Figure 10 : Factors contribute to ineffective leadership decision makings (Developed by author,2025)..... 40
Figure 11: Essential Leadership Traits for Effective Decision-Making (Developed by author,2025)..... 41
Figure 12 : Leadership Impact vs Effectiveness of Decision-Making (Developed by Author,2025) 44

List of Tables

Table 1: A Comparision of Leaders and Managers (Zaleznik,1992) 8
Table 2 : Questionnaire Design..... 25
Table 3 : Reliability Analysis of Leadership Decision-Making Scale (Cronbach's Alpha)..... 30
Table 4 : Job Position Distribution of Survey Respondents..... 31
Table 5 : Positively influenced leadership behaviors on work efficiency..... 38
Table 6 : Descriptive Statistics of Leadership Decision-Making, Employee Efficiency, and Project Success Variables 42
Table 7 : Pearson Correlation Between Leadership Decision Impact on Motivation and Effectiveness of Decision-Making..... 43
Table 8 : Correlation Between Leadership Decision-Making Factors, Employee Outcomes, and Resource Management Variables 45
Table 9 : Results of Multiple Linear Regression Analysis on Leadership Decision-Making and Project Success 47
Table 10 : Variance Inflation Factor (VIF) Results for Multicollinearity Check..... 47

1 Introduction

Project success in industrial organizations is significantly influenced by the decision-making abilities of leadership teams. Effective leadership is about more than just completing tasks or meeting deadlines; it plays a critical role in maintaining employee motivation, boosting efficiency, and ensuring the organization achieves its profitability goals. Poor decision-making by leadership can result in inefficiencies, mismanagement of resources, and delays in project timelines. In contrast, well-thought-out decisions can streamline workflows, enhance employee productivity, and improve the chances of overall project success (Altaher et al., 2024). Furthermore, In industrial organizations, projects are often complex, requiring substantial resources and careful planning. This makes leadership decision-making even more critical. Leaders must be able to navigate challenges such as resource allocation, team coordination, and unforeseen obstacles while ensuring that employees stay motivated and work efficiently. Decisions made at the top often set the tone for the entire team, influencing how work is carried out and how employees perform under pressure.

Despite its importance, many organizations struggle to identify the decision-making strategies that consistently lead to positive outcomes. Some leaders may lack the necessary skills or fail to consider the impact of their choices on employee morale and productivity. Others may overlook the need for adaptability in decision-making, which is crucial in dynamic industrial environments. Addressing this issue requires organizations to focus on training and developing leadership teams to make smarter, more informed decisions. By fostering an environment where decisions are made based on data, collaboration, and a clear understanding of project goals, companies can increase their chances of success. Additionally, encouraging open communication and feedback within teams can help leaders make decisions that align with the needs of both employees and the organization.

1.1 Background of the Research

This research focuses on the field of leadership decision-making and its influence on project success and employee efficiency, particularly within industrial organizations. This field is situated at the intersection of management science, organizational behavior, and project

management, making it highly relevant to understanding the dynamics of leadership in complex environments. Industrial organizations, such as those in construction and manufacturing, require effective leadership due to their operational complexities, reliance on large teams, and need for precise coordination. Decision-making by leaders plays a critical role in aligning resources, processes, and people to achieve organizational objectives.

This field is important because leadership is the backbone of organizational success, particularly in industrial settings where projects require coordination across diverse teams, efficient use of resources, and timely execution. In industries such as construction and manufacturing, poor decision-making can lead to significant financial losses, delays, and inefficiencies. Conversely, well-informed and strategic leadership decisions can enhance productivity, improve project outcomes, and drive employee satisfaction. Understanding the role of leadership decision-making in this context is vital for developing strategies to optimize performance and maintain a competitive edge in a globalized economy.

Within the broader field of leadership and management, this research focuses on how leadership decision-making affects two critical outcomes: project success and employee efficiency. The study specifically targets industrial organizations in Finland and Sri Lanka, analyzing the decisions made by leaders such as project managers, Senior Engineers and department heads. The research examines the interplay between leadership strategies, project variables such as cost, time, quality, and employee related factors such as engagement, productivity, and morale. By narrowing the focus to industrial contexts, the research seeks to provide actionable insights tailored to the unique challenges and demands of construction and manufacturing sectors.

The research has made several important contributions to the field. First, it has offered empirical evidence on the relationship between leadership decision-making and key organizational outcomes, filling a gap in current literature where such relationships were often discussed broadly without contextual specificity. Second, the study has provided practical frameworks for leadership in industrial organizations, helping leaders and decision-makers adopt evidence-based strategies that drive project success and enhance workforce performance.

By providing insights into decision-making practices, this research has equipped industrial leaders with the tools to navigate complex challenges and improve overall organizational performance. One of the primary contributions lies in guiding leadership training and development. By identifying effective decision-making strategies, the study has informed the creation of tailored training programs designed to enhance leaders' ability to handle complex scenarios, resolve conflicts, and steer projects toward success. Another key area of impact is employee engagement and performance. The research has helped organizations understand how decision-making affects employee morale, productivity, and innovation. Leaders have gained actionable insights on how to involve employees in decision-making processes, improve communication, and foster a sense of ownership within teams, thereby reducing turnover and increasing overall efficiency.

The study has also advanced project management practices by offering evidence-based frameworks for planning, execution, and evaluation. These frameworks have assisted managers in making informed decisions that align with organizational goals, mitigate risks, and ensure timely and cost-effective project delivery. Additionally, the research has contributed to fostering organizational agility by equipping leaders with adaptable decision-making models. These models have enabled organizations to respond effectively to challenges such as supply chain disruptions, evolving market demands, and technological advancements, ensuring long-term sustainability and competitiveness in a dynamic industrial landscape.

Existing research highlights the importance of leadership in achieving organizational goals, particularly in complex environments like industrial organizations. Studies have explored various leadership styles (e.g., transformational, transactional, and servant leadership) and their impact on team performance and organizational outcomes (Al Khajeh, 2018). However, there is limited research on how specific decision-making processes affect project outcomes and employee efficiency in industrial contexts. Furthermore, while general theories on leadership and decision-making exist, their applicability to construction and manufacturing industries, with their unique operational challenges, remains underexplored.

The field of leadership decision-making in industrial organizations is critical for driving project success and employee efficiency, yet it has remained underexplored in the context of the construction and manufacturing sectors. This research has addressed gaps in the

existing knowledge base by focusing on the industrial organizations of Finland and Sri Lanka, analyzing how leadership decisions shape project outcomes and workforce dynamics. By contributing to both academic understanding and practical applications, the study has provided a robust foundation for future research and serves as a valuable resource for leaders and managers in the industrial domain.

1.2 Research Problem

In industrial organizations, project success is a critical determinant of organizational growth and competitiveness. The success of projects within organizations is heavily influenced by the decision-making capabilities of leadership teams. Leaders in these settings must navigate complex challenges, including tight deadlines, limited resources, and the need to maintain high levels of employee efficiency and engagement. Effective leadership goes beyond project completion; it ensures that employees remain motivated, efficient, and aligned with the organization's broader profitability goals. Poorly thought-out decisions, often made under pressure, can lead to misallocated resources, disrupted workflows, employee burnout, and ultimately, suboptimal project outcomes. These issues not only hinder organizational productivity but can also lead to employee dissatisfaction, decreased morale, and high turnover rates.

While effective decision-making has the potential to foster smooth workflows, motivated teams, and successful project delivery, many leaders struggle to implement decision-making practices that consistently align with both project requirements and employee capabilities. Some leaders focus solely on meeting project deadlines or budget constraints without adequately considering the impact of their decisions on the workforce. This imbalance often results in overburdened employees whose efficiency and creativity are diminished, negatively affecting project outcomes.

1.3 Overall objective

To investigate how leadership decision-making impacts the success of projects in industrial organizations, and enhance employee efficiency.

1.4 Specific Objectives

- To assess the relationship between leadership decision making process and project success metrics.
- To analyze the influence of leadership decision making on employee efficiency and engagement.
- To recommend effective leadership decision making practices that can enhance project outcomes and employee efficiency in industrial organizations.

1.5 Research Questions

1. How does leadership decision-making impact the overall success of projects in industrial organizations?
2. In what ways do leadership decisions influence employee efficiency and engagement in industrial organizations?
3. How do leadership decisions that prioritize open communication and resource provision contribute to improved project success and employee performance?

1.6 Thesis Stucture

The structure of this thesis is organized into eight main chapters. Chapter 2 presents the theoretical background, discussing key concepts related to leadership, decision-making, employee efficiency, and project success. It explains how leadership decisions can influence employee performance and the overall outcome of projects. Chapter 3 describes the research methodology, including the research approach, design, data collection techniques, and analysis methods used in the study. Chapter 4 provides the results of the data analysis, including both quantitative and qualitative findings, such as frequency, correlation, and regression analyses. Chapter 5 discusses the results in detail, comparing them with the existing literature and highlighting the impact of leadership decision-making on employee efficiency and project success. Chapter 6 offers recommendations for improving leadership practices and suggestions for future research. Chapter 7 concludes the thesis by summarizing the main findings and reflecting on the research objectives and questions. Finally, Chapter 8 lists all the references and sources used in the thesis.

2 Theory

2.1 Leadership and Decision Making

The history of leadership research shows clear trends and patterns. Early theories often took an "essentialist" view, treating leadership as a concrete concept that could be measured like a physical phenomenon (Storey,2004). Much of the early research focused on leadership in small groups. However, there was less research on leadership in large organizations, even though findings from small group studies were often assumed to apply more broadly. According to Zaleznik (1992), leaders focus on goals and are proactive, shaping and creating ideas rather than just responding to them. Managers, on the other hand, work to find compromises and solutions, often by limiting options, while leaders bring new ideas and approaches. The debate about the key differences between leadership and management is ongoing. However, the focus is shifting towards understanding the main responsibilities and contributions of leaders and managers, with a more practical approach that continues to evolve.

Leadership relies on followers who actively respond, working together to achieve shared goals. Leaders play a key role in guiding this process by defining the situation and clearly communicating it to their followers (Hollander and Offermann, 1990). They also take on roles like solving problems, planning, resolving conflicts, advocating for the team, and connecting with outside groups. Since a leader cannot handle everything alone, these responsibilities must be shared. This involves empowering others, sharing authority, and making use of the team's talents. Both leadership and followership are active roles, as every level of a hierarchical organization needs both. The old idea that followers are mostly passive is incorrect. While leaders usually get more attention and have more influence, there is growing recognition of how followers influence leaders (Ali et.,al 2021). For example, followers' expectations and perceptions can shape how leadership works.

The effectiveness of leadership depends on two key factors. First is the level of support and legitimacy leaders receive from their followers, which can be referred to as internal validation. Second is how well the team, unit, or organization achieves its goals and continues to thrive, which can be considered external validation. Additionally, the timeframe plays an important role in evaluating leadership effectiveness. This can vary

from short-term successes to medium-term impacts and long-term achievements. It is also important to note that perceptions of a leader's effectiveness can change over time as circumstances evolve or as results are assessed differently. This dynamic nature of leadership effectiveness highlights that judgments about a leader's success are not fixed but may shift depending on the situation and outcomes over time (Weick, 1993).

Some leaders excel in management, and some managers are exceptional leaders. However, leadership and management generally serve distinct functions within an organization. Managers in formal organizations focus on essential operational tasks such as planning, organizing, controlling, budgeting, staffing, and problem-solving which are core responsibilities required to ensure the smooth functioning of the business (Bertocci, 2009). In contrast, leaders often step away from these managerial functions and focus on providing a clear vision of what needs to be achieved and how to achieve it, driving the organization's performance toward its goals. Successful organizations need both management and leadership. Managers typically handle systems, processes, budgets, equipment, and other resources, while leaders focus on visions and guiding people (Bradford and Cohen, 1998).

Leadership is not confined to top management positions; individuals at any level within an organization can assume leadership roles and make meaningful contributions. However, it is essential to recognize that for an organization to succeed and thrive, strong and effective leadership at the top is indispensable (Bertocci, 2009).The effectiveness of a leader is often evaluated based on the achievement of specific goals or a combination of objectives that drive the organization forward. In contrast, a manager's effectiveness is typically assessed through measurable outcomes such as profit margins or operational efficiency.

Moreover, a leader's perceived effectiveness can vary depending on how individuals within the organization view their work experience and the sense of satisfaction they derive from contributing to the achievement of these goals (Bertocci, 2009). This underscores the importance of a leader's ability to inspire, motivate, and align their team with the organization's vision while fostering a positive and engaging work environment.

Understanding the differences between managers and leaders has been a focus of many previous research studies, highlighting their distinct but complementary roles within organizations. Managers are often associated with maintaining structure, overseeing

processes, and ensuring operational stability, while leaders are recognized for inspiring a vision, driving innovation, and motivating people to achieve shared goals. Both roles are essential for organizational success, but they require different skill sets and approaches to address unique challenges. The table 1 below summarizes these key distinctions, providing insight into how managers and leaders contribute differently to achieving an organization's objectives while working together to create a balanced and effective workplace.

Table 1: A Comparision of Leaders and Managers (Zaleznik,1992)

Leaders	**Managers**
Goal oriented	Task oriented
Inspires/ Empowers	Directs
Thoughtful	Industrious
Result oriented	Action oriented
Effective	Efficient
Long-term planner	Short-term planner
Policy oriented	Implementation oriented
Mission oriented	Program oriented
Attracts talent	Recruits talent
Works in the future	Works in present
Studies the environment	Observe operations
National / International perspective	Agency perspective
Process oriented	Product oriented
Consults	Consulted
Decides	Recommends
Utilize staff works	Provides staff work
Mediates	Champions
Focuses on concepts	Focuses on details
Looks outword	Looks inward
Represent entire institution	

See whole Operates in internal and external politics Delegates	Represent separate organizational functions See parts of the whole Operates in internal politics Oversees

A company's success is often linked to its overall performance, the job satisfaction of its employees, and their emotional commitment to the organization (Bass and Rigio, 2006; Drucker, 2005). Research suggests that leaders play a crucial role in motivating and supporting their employees to remain competitive by adopting effective leadership styles (Bass and Rigio, 2006; Luftman, 2004). By using these leadership styles, leaders aim to promote high standards of excellence and encourage the professional growth and development of their team members, helping the organization achieve its goals and maintain a strong, skilled workforce (La Rue, Childs and Larson, 2004). This highlights the importance of leadership in shaping both individual and organizational success.

Effective leadership requires a combination of skills, including the ability to motivate and inspire employees, manage teams efficiently, provide appropriate rewards, and analyze situations to make informed decisions (Hurduzeu, 2015). When these elements are present, organizations often see higher levels of employee satisfaction. This, in turn, leads to improved productivity and increased profitability. Researchers such as Sila and Ebrahimpour (2005) have studied the positive impact of leadership on organizational performance. They measured this impact through various factors, including human resources, such as employee turnover rates and job performance; organizational effectiveness, focusing on cost efficiency and quality improvements; and financial performance, evaluating market share, profitability, and return on assets. These findings highlight how effective leadership directly contributes to both employee well-being and the overall success of an organization.

One key factor in determining a leader's effectiveness is their ability to help the organization achieve its goals. The term "performance" is frequently used in human resource management, but its exact definition and scope remain debated (Danisman et.,al 2015). Performance can be understood as completing a job or the level of success

demonstrated in doing so. Simply put, performance refers to an employee's contribution toward achieving the organization's goals (Bass and Bernard, 1985). Performance can be viewed in two ways: individual performance and organizational performance (Danisman et.,al 2015). On an individual level, performance refers to evaluating how successfully employees carry out their tasks within an organization. On an organizational level, it focuses on the activities completed and the goods or services produced, judged by factors like efficiency, productivity, and effectiveness (Ocampo et.,al 2025). Leadership behaviors play a key role in influencing performance from both perspectives, impacting both employees' success and the overall effectiveness of the organization (Bass, 1985).

A leader can significantly influence organizational outcomes through the perceptions and attitudes of their followers. This is seen in employees' satisfaction, commitment, and trust in their organization. Employees who feel committed, trust their organization, and are satisfied are likely to contribute the most to its success (Danisman et.,al 2015). Therefore, how a leader interacts with and perceives their followers plays a key role in determining their effectiveness. Trust, an essential factor, occurs when an individual believes that another person will act in a way that meets their expectations without pressure, showing openness without needing to defend their actions (Curral and Epstein, 2003). Leadership also plays a critical role in influencing group processes, particularly through collaboration and the leader's ability to persuade team members to achieve shared goals. Effective leaders support their followers by addressing problems, assisting in decision-making, and resolving conflicts, all with the aim of enhancing organizational efficiency (Yukl, 2008). While good leaders have the capacity to drive organizational change, truly exceptional leaders go a step further by inspiring and transforming individuals, recognizing that the core strength of any organization lies in its people.

Leadership style refers to the consistent patterns of behavior that define how a leader interacts with and guides others. In today's dynamic and rapidly changing global environment, organizations require effective leaders who can navigate complexities and adapt to evolving challenges. Leadership styles significantly impact organizational performance and effectiveness, with two primary styles being transformational and transactional leadership (Bass, 1997). Transformational leadership, as described by Bass, aims to fundamentally transform individuals and organizations by reshaping their mindset and values. This style seeks to broaden vision, enhance insight, clarify purpose, align

behaviors with core values, and create lasting, self-sustaining changes that build momentum and drive continuous growth.

Managers with a transformational leadership style focus on fostering the personal and professional growth of employees by enhancing their value systems, inspiring them, and strengthening their moral principles, all while recognizing and developing their individual abilities (Nanjundeswaraswamy and Swamy, 2014). In contrast, transactional leaders prioritize establishing a clear link between performance and rewards, using this exchange to motivate employees to improve their performance (Bryant, 2003).

Transactional leadership relies on motivating followers through a system of exchanges, such as rewarding accomplishments or granting preferences in return for completed tasks. As described by Burns, transactional leaders emphasize task completion and employee compliance, often relying heavily on organizational rewards and punishments to influence performance (Burns, 1978). These differing leadership styles can significantly impact the quality of work life, shaping employee experiences and organizational outcomes.

Zhu et., al (2005), in their study examining the relationship between transformational leadership and organizational performance, analyzed data from 170 companies in Singapore. Their findings revealed a positive correlation between transformational leadership and improved organizational performance. Furthermore, the study highlighted that effective human resource management serves as a mediating factor in this relationship. Through practices that enhance employee commitment, motivation, and intellectual engagement, transformational leadership positively influences both individual and organizational outcomes. Leadership is a critical factor in enhancing organizational performance. As key decision-makers, leaders play a pivotal role in guiding the acquisition, development, and allocation of resources within the organization (Madanchian et.,al 2016). They are responsible for transforming these resources into valuable products and services while ensuring the effective delivery of value to stakeholders. Through their strategic direction and influence, leaders drive the organization's success and sustainability.

Leadership dimensions play a crucial role in the success of projects. It is essential for senior management, who directly oversee the project management community and are heavily involved in driving organizational change, to understand the significant impact of

leadership competencies on the personnel they manage (Nawaz, 2016). The effectiveness of these leadership skills directly influences not only the individuals working within the teams but also the overall success of change initiatives and programs (Geoghegan and Dulewicz, 2008). Project leadership, in particular, plays a pivotal role in controlling the success of a project by fostering effective teamwork and collaboration. As Yang, Huang, and Wu (2011) highlights, project leadership strengthens the success of projects by addressing the challenges that arise, ensuring cohesive efforts, and guiding the team through obstacles to achieve desired outcomes. Therefore, senior leaders must recognize the importance of leadership development and its direct connection to project performance and organizational transformation.

Leadership decision-making is one of the most dynamic, challenging, and ongoing aspects of any organization. It involves creativity and provides valuable insights into leadership and management activities across all organizational operations. Sound decision-making is essential for the success of an organization, as it directly impacts the quality of leadership (Ejimabo, 2015). A leader must possess self-confidence to effectively gather, process information, and solve problems, while also ensuring that decisions align with the interests of all stakeholders (Selart, 2010). Inconsistent or poor decision-making can lead to significant challenges within an organization, creating unresolved issues between leaders and employees (Ejimabo, 2015). Therefore, the development of creative and effective policies is crucial for the growth, development, and long-term success of any business.

Numerous studies across various professions have identified several key factors that influence leadership decision-making within organizations. These factors include past experience, cognitive biases, age, individual differences, belief in personal relevance, and the escalation of commitment, all of which impact the decisions leaders make. Figure 1 illustrates the major factors that shape leadership decision-making in organizations. It is important to note that individuals make decisions differently, depending on the circumstances or specific situations they face.

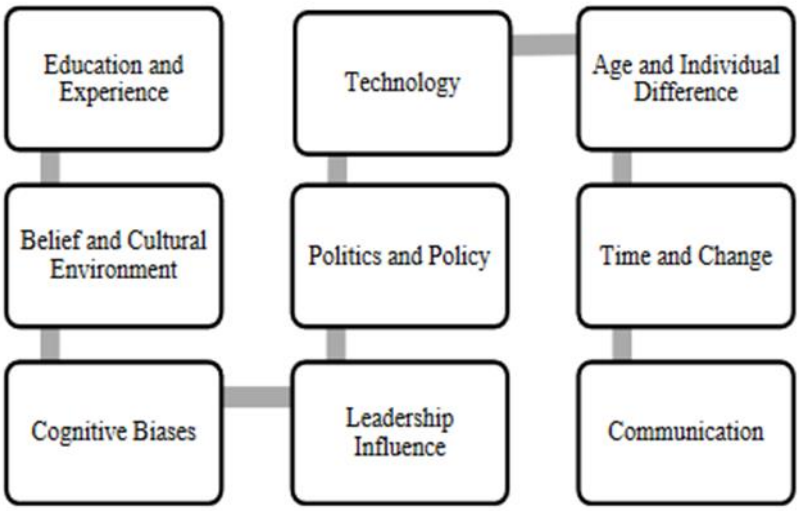

Figure 1 : Major factors that influence leadership decision making in organizations (Ejimabo, 2015)

Both employers and employees should recognize that mistakes can occur, and even well-informed, intelligent, and responsible decision-makers with the best intentions may occasionally make wrong choices (Westaby, Probst and Lee, 2010). To make effective decisions and foster collaboration within organizations, leaders must be viewed as a strategic asset to the company. Successful leaders must demonstrate self-confidence, plan ahead, listen attentively, seek accurate information, be analytical, and, when appropriate, involve their subordinates in the decision-making process, while avoiding hasty actions (Snowden and Boone, 2007). The more skilled a leader is, the more likely they are to feel confident in their abilities and competent in making sound decisions. Leaders who understand the principles of decision-making are better equipped to handle complex and challenging situations (Ejimabo, 2015). Therefore, there is a pressing need for organizational executives to improve their decision-making processes, particularly in light of technological advancements, diversity, globalization, policy changes, teamwork, and leadership effectiveness.

2.2 Importance of Leadership Decision-Making in Project Success

Leadership decision-making plays a crucial role in determining the success of a project. Effective leadership involves not only directing resources and activities but also inspiring teams, making strategic judgments, and maintaining alignment with the overarching goals of the organization. Leaders who excel in decision-making demonstrate a blend of analytical skills, emotional intelligence, and forward-thinking that sets the tone for project

execution and outcomes (Meraku, 2017). Decisions made by top leaders determine the identification of the business problem or opportunity and shape the scope of the solution. Effective decision-making ensures that the right objectives are prioritized and that the project aligns with organizational goals (García, 2006). By establishing a strong vision and involving key stakeholders early, leaders create a shared sense of purpose, which is essential for employee engagement and efficiency (Adair, 2005).

Leaders often face challenges in making the right decisions. Factors such as the complexity of issues, time constraints, and limited access to reliable data can make decision-making difficult. Additionally, leaders must be aware of their own decision-making style and adapt it to meet the needs of both the organization and employees (Ejimabo, 2015). Effective decisions require a careful balance between addressing urgent tasks and considering long-term goals (García, 2006). For urgent or highly sensitive matters, decisions must often be made quickly, though this can sometimes complicate the process.

Understanding the strengths and weaknesses of the organizational environment is essential for making appropriate decisions that lead to successful outcomes (Dick, 2023). Effective leadership requires a keen awareness of the internal and external organizational environments. The internal environment encompasses the organization's culture, structure, resources, and employee capabilities, while the external environment includes market conditions, technological advancements, and competitive pressures. According to a study by Ansoff and McDonnell (1990), leaders who possess a deep understanding of both environments are better positioned to make strategic decisions that align with organizational goals and adapt to changing circumstances. Leaders must assess each situation carefully, weighing the demands of tasks against the needs of their teams. Proper decision-making significantly enhances organizational performance and employee engagement. It also fosters creativity and offers fresh insights into leadership and management processes across all organizational operations.

Organizations with poor decision-making processes, unhealthy communication, or inadequate tools for leadership decision-making often struggle (Sutcliffe and Namara, 2001). Such environments can result in negative policies, reduced productivity, and disengaged employees. These employees may feel compelled to break away from the cycle of inefficiency, ultimately harming both job performance and goal achievement. Without proper decisions, organizations risk failing to meet their objectives, leaving employees and

management uncertain about the root causes of issues (Gilstrap, 2013). Slow or ineffective decision-making processes can result in missed opportunities, reduced competitiveness, and financial losses. Companies that make rapid, high-quality decisions are twice as likely to outperform their peers in profitability and revenue growth (Shepherd et al., 2021).

Making the best choice among alternatives, particularly in critical and challenging situations, is a cornerstone of effective problem-solving (Reiter and Illies, 2004). Leadership and management activities involve driving change, inspiring and motivating teams, and exerting influence. Leaders and managers must focus on achieving organizational goals through key management functions such as strategic planning, organizing, directing, and controlling (Bouhali et.,al 2015).

Leadership is fundamentally about influencing others to achieve common goals. Therefore, the quality of decisions made by leaders is a key determinant of an organization's success. A strong leader is one who sees the bigger picture rather than focusing on isolated details (Storey, 2004). They organize the experiences of their teams, provide a clear vision for the future, and enable others to make meaningful contributions. Leaders who incorporate employee and employer participation in decision-making processes can remedy any lack of clarity, fostering a collaborative and productive work environment (Block, 2003).

To ensure project success and achieve company goals, a leader should embody several key qualities that enable them to inspire their teams, make effective decisions, and navigate challenges. One key attribute of successful leaders is self-awareness, which allows them to recognize their strengths, weaknesses, and biases, enabling more balanced and informed decisions (Müller and Turner, 2010). Alongside this, emotional resilience is critical for navigating challenges and maintaining composure under pressure. Leaders who exhibit emotional stability inspire confidence within their teams, fostering a culture of trust and reliability (Block, 2003).

Motivating and empowering employees is a key part of good leadership and has a big impact on both project success and how well employees perform (Cheong et.,al 2019). When leaders recognize and encourage their team members, they help connect personal goals with project goals, which boosts morale and improves performance (Iqbal et al., 2019). These kinds of motivational actions are a major part of transformational leadership. This leadership style focuses on inspiring team members and paying attention to their

individual needs, and research shows it can improve team performance and increase commitment to the organization (Ahmad et al., 2024; Hussain & Khayat, 2021). Empowering employees by giving them responsibility and encouraging accountability also leads to better results. It supports innovation and helps people take ownership of their work (Ali et al., 2020). When leaders empower their teams, they build trust and make people feel safe to take initiative, solve problems creatively, and actively support project goals (Ahmad et al., 2022). Studies also show that trust and job satisfaction are important factors that help leadership decisions turn into successful project outcomes. Teams with high trust and satisfaction work better together and achieve stronger results (Rezvani et al., 2016; Cerić et al., 2021). Therefore, leadership that focuses on motivation and empowerment not only makes employees more effective and engaged, but also helps drive innovation and achieve project success, showing how important this approach is for organizations.

A clear strategic vision, coupled with the ability to critically analyze and judge situations, ensures that leaders can anticipate challenges and make data-driven decisions. Visionary leaders align their projects with long-term organizational goals. Strong analytical skills enable them to assess risks and opportunities, paving the way for informed and adaptable decision-making (Johansen, 2012).

Effective communication plays a pivotal role in leadership. Leaders who excel in engaging communication ensure that project goals, updates, and expectations are clearly conveyed, fostering collaboration and preventing misunderstandings. Regular meetings to discuss progress, challenges, and feedback from stakeholders enhance transparency and alignment across all levels of the project team (Akinnola, 2022).

Research consistently shows that communication is one of the most critical competencies for project managers, directly impacting project outcomes and team performance. Approximately 90% of a project manager’s time is spent on communication-related activities, underscoring its significance in coordinating tasks, managing stakeholder expectations, and addressing issues proactively (PMI, 2018). Effective communication strategies, such as developing structured communication plans and utilizing appropriate tools, are essential for ensuring that information flows efficiently within the team and with external stakeholders (Kliem, 2008).

The way people communicate in a project has a big impact on its success. Good communication helps build teamwork, trust, and makes it easier to handle problems. Leaders who are good at both personal and organizational communication can better manage different kinds of teams, including virtual ones. They can also adjust more easily to changes and use the best methods to make projects successful (Meng & Berger, 2013). Research also shows that strong communication planning, management, and ethical practices are important tools used by effective leaders. These help keep teams motivated, improve project outcomes, and increase profits for the organization (Mazzei, 2014).

Collaboration and team dynamics also benefit significantly from strong leadership. When leaders ensure that all team members and contributors have an equitable role in delivering outputs, a culture of mutual respect and fairness flourishes (Phillips, Douthitt and Hyland, 2001). Addressing concerns and resolving conflicts promptly also bolsters team satisfaction, which is a critical determinant of project success. Leadership decisions have a direct impact on stakeholder satisfaction. Meeting client expectations in terms of timely delivery, cost-effectiveness, and quality reflects effective decision-making. Similarly, fostering trust and transparency with suppliers and other stakeholders ensures that projects run smoothly and align with broader expectations. Ensuring satisfaction across all stakeholder groups reinforces the reputation and credibility of the project and its leadership.

Efficient resource management is another area where leadership decision-making is essential (Liu et.,al 2003). Leaders who adeptly allocate and monitor resources ensure that projects are completed within budget and on schedule. This capability directly supports the achievement of performance targets and self-defined success criteria, which are critical indicators of project success. These competencies not only ensure that projects meet critical benchmarks such as time, cost, and quality but also foster a motivated and efficient workforce. By embodying these qualities, leaders can align their teams with the organization’s goals, address challenges with confidence, and drive sustainable success across all dimensions of the organization.

Leadership decision-making is a critical factor that influences the success of projects at every stage, from initiation to closure. During the planning phase, leaders' strategic decisions shape the development of essential management strategies, such as time management plans, cost management frameworks, and resource allocation systems,

ensuring the project is grounded in comprehensive and effective approaches. These decisions set clear expectations, reduce ambiguities, and enhance employee productivity and focus (Westland, 2006). In the execution phase, leadership decisions guide day-to-day activities, ensuring resources are optimized, timelines are met, and challenges are managed with minimal disruption. Adaptable leaders inspire confidence, fostering high efficiency even in the face of unforeseen issues. Quality assurance during this stage also hinges on leaders' ability to prioritize problems, conduct consistent reviews, and implement timely corrections. As the project enters the closure phase, leaders focus on evaluating outcomes, documenting lessons learned, and ensuring a structured handover to stakeholders. These decisions not only solidify project success but also contribute to organizational learning and future improvement. (Walker et., al 2008). Throughout the project lifecycle, effective leadership fosters a supportive environment that empowers employees, encourages collaboration, and drives sustained innovation and productivity. Thus, informed and adaptive decision-making by leaders is pivotal to achieving project objectives and maintaining a motivated and efficient workforce in industrial organizations.

2.3 Role of Leadership in Enhancing Employee Efficiency

Employee efficiency in industrial organizations is a measure of how effectively employees utilize available resources to achieve optimal productivity and quality in their work. It encompasses performing tasks with minimal waste of time, effort, or materials while consistently meeting or surpassing established performance benchmarks. Efficiency is typically assessed through key performance indicators (KPIs) such as output per hour, defect rates, on-time task completion, and effective resource utilization. These metrics provide organizations with insights into employee performance and highlight opportunities for process optimization. High employee efficiency not only contributes to meeting project goals but also enhances the overall operational performance of the organization (Meraku, 2017). By monitoring and analyzing efficiency metrics, industrial organizations can identify bottlenecks, implement targeted training, streamline workflows, and adopt technology-driven solutions to foster continuous improvement.

Leadership decisions directly influence how motivated, efficient and engaged employees are in their work (Iskamto, 2020). Leadership is key to improving employee efficiency and ensuring project success through good decision-making. Leaders who make smart and

strategic choices create a workplace with clear direction, motivation, and teamwork. A strong vision and commitment inspire employees to adopt similar values, boosting performance.

A critical aspect of decision-making is establishing transparent and consistent communication. Leaders who clearly articulate goals and expectations enable employees to understand their responsibilities and the broader mission of the organization. This clarity helps employees focus on their tasks without unnecessary distractions or misunderstandings. Effective decision-making is the ability to balance the demands of tasks with the needs of employees. This involves considering factors such as workload, skill development, and work-life balance. Leaders who prioritize employee well-being tend to foster a positive organizational culture, leading to increased employee satisfaction, reduced turnover, and improved performance (Bass & Riggio, 2006). Conversely, neglecting employee needs can lead to burnout, decreased morale, and ultimately, lower productivity. A study by Goleman (1995) emphasized the importance of emotional intelligence in leadership, highlighting that leaders who demonstrate empathy and understanding are more likely to make decisions that resonate with their teams, fostering trust and collaboration. Additionally, leaders who listen actively and provide constructive feedback empower employees to refine their skills and approach challenges with confidence, enhancing their contribution to the project (Zhang et al., 2020). Trusting employees with meaningful responsibilities is another important leadership decision that boosts efficiency. By delegating tasks effectively, leaders make employees feel valued and motivated to contribute to organizational objectives. This delegation not only optimizes resource utilization but also encourages employees to develop their problem-solving skills, leading to improved efficiency in task execution.

Leaders' decision-making is also vital in fostering a culture of continuous improvement and innovation, which directly impacts project success. By encouraging employees to explore new solutions, take calculated risks, and learn from experiences, leaders create an adaptive workforce (Hossain and Saleh, 2016). Recognizing and rewarding employee efforts as part of these decisions boosts morale and incentivizes efficient work practices. When employees feel appreciated and acknowledged, their engagement and commitment to the project increase, positively influencing outcomes. Employee engagement is further enhanced when leaders involve employees in planning and problem-solving processes. By

including team members in decision-making, leaders give them a sense of ownership and responsibility over their work. This involvement increases employees' connection to the project and motivates them to perform at their best. Employees who feel heard and included are more likely to be invested in the success of their tasks and the overall project.

2.4 My theoretical frame of reference

This study borrows from some of the key theories and concepts of leadership, decision-making, and employee effectiveness. The theory chapter outlined the differences between leadership and management, and how both are important in guiding teams and achieving project goals. It described transformational and transactional leadership styles, with a focus on transformational leaders inspiring, motivating, and empowering employees. The review also included how decision-making is the heart of leadership and how leaders' decisions affect project success, team motivation, and employee performance. Emotional intelligence, communication, trust, responsibility, and strategic vision were among the essential leadership skills that were enumerated. The role of leadership in ensuring a productive working environment, coordinating resources, and inspiring employee participation was also emphasized. This theoretical framework will guide the analysis in the following chapters by explaining how leadership decision-making styles influence and are associated with employee motivation, performance, and project success results. It also allows investigation into leadership behaviors, team dynamics, and communication approaches, all of which pertain to an understanding of how leadership decisions influence efficiency and organizational success.

3 Methodology

This methodology chapter outlines the research design, data collection, analysis techniques, and ethical considerations for the study. This study adopts a mixed-method approach, integrating both qualitative and quantitative methods to comprehensively examine leadership decision-making and its impact on project success and employee efficiency. By combining these methods, the research ensures a more holistic understanding of the relationship between leadership decisions and key performance metrics in industrial organizations.

3.1 Research Approach

This study adopted a pragmatic research philosophy, which was well-suited for addressing complex and multifaceted research problems through the integration of multiple research methods (Light, 2006). Pragmatism emphasizes the practical application of knowledge and supports the combination of both interpretivist (qualitative) and positivist (quantitative) research paradigms. This dual perspective enabled the study to capture not only quantifiable data patterns but also rich contextual understandings, offering a more holistic view of the research subject. In the context of this study, leadership decision-making was recognized as a process that was significantly influenced by a wide range of organizational dynamics and human factors. These complexities required a research methodology that was both flexible and comprehensive, allowing the researcher to explore various dimensions of the issue effectively. To achieve this, the study employed both quantitative and qualitative methods.

Quantitative Analysis: Structured survey questionnaires were utilized to gather measurable data concerning leadership decision-making and its direct and indirect impacts on project success and employee efficiency. These questionnaires included Likert-scale questions to assess perceptions and attitudes, as well as multiple-choice questions to capture specific responses in a standardized format that facilitated statistical analysis.

Qualitative Analysis: To complement the quantitative data, the study also incorporated open-ended questions with selected industry professionals. These qualitative methods were intended to elicit in-depth insights into leadership strategies, decision-making

challenges, and the contextual factors that influenced managerial behavior within organizations. Through these narratives, the study aimed to uncover themes and patterns that may not have been evident through quantitative measures alone.

By employing this mixed-methods approach grounded in pragmatic philosophy, the research aimed to generate comprehensive findings that were both empirically grounded and contextually rich, thereby enhancing the overall quality and applicability of the study's outcomes.

3.2 Research Design

Saunders et al. (2009) introduced the research onion to explain study design layers. This model describes a research study's philosophy, methodology, strategy, time horizon, and data gathering and analysis methods. This paradigm helps researchers traverse the intricacies of study design, from broad philosophical assumptions to particular methodological decisions, by conceptualising research as an onion with several layers. The research onion ensures consistency in research design which is helping researchers comprehend.

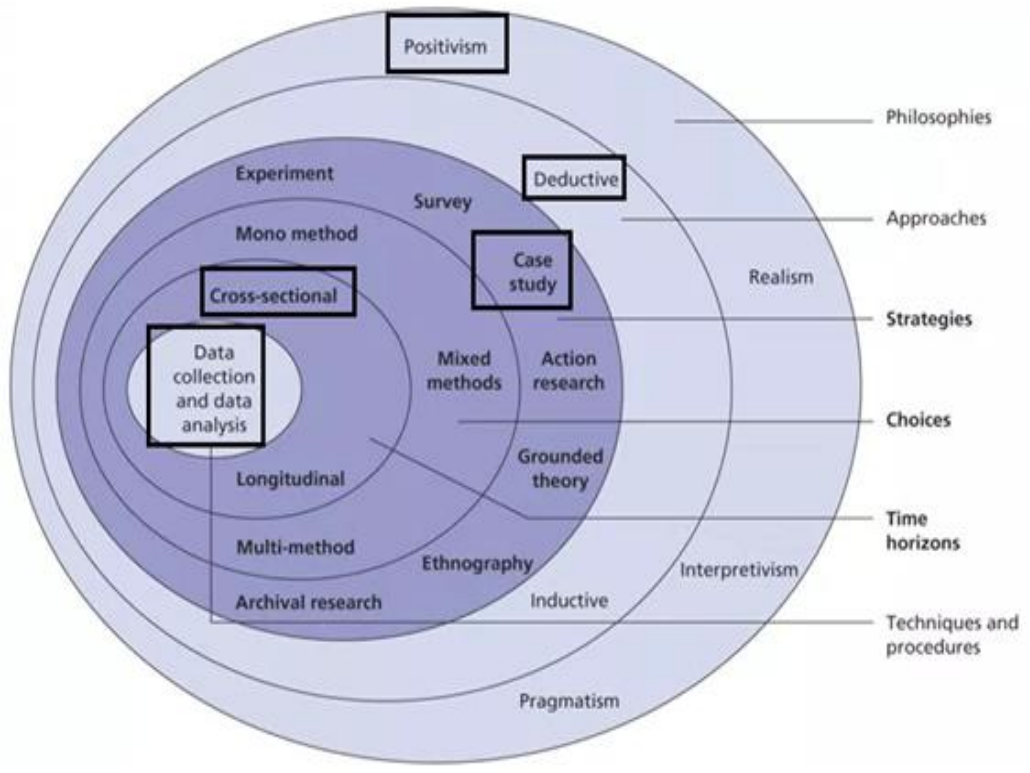

Figure 2: Research onion (Saunders et al., 2009)

The study followed an exploratory research design, which was well-suited for examining complex, context-dependent phenomena such as leadership decision-making. The research focused on understanding how leadership decisions shaped project success and employee efficiency, particularly within industrial organizations, mainly in Finland and Sri Lanka.

To collect relevant data, a questionnaire-based survey was used to gather insights from industrial professionals, including project managers, department heads, and senior executives. The data collected were analyzed to identify patterns, themes, and insights related to leadership decision-making in industrial settings. Given the emphasis on contextual understanding, the study sought to explore how leadership decisions were influenced by specific industrial and cultural settings.

3.3 Research Techniques and Procedures

The primary data collection for this study involved distributing structured questionnaires to industry professionals in construction, manufacturing, and other engineering sectors in Finland and Sri Lanka. These questionnaires consisted of a combination of open-ended questions designed to explore leadership decision-making processes, project success metrics, and employee efficiency, along with scaled-response questions that allowed participants to rate their experiences and perceptions on a structured scale. The mixed-question format ensured that the study captured both detailed narratives and measurable trends.

The collected data were analyzed using thematic analysis for qualitative responses and basic statistical techniques for scaled responses. These methods were applied to identify patterns and extract meaningful insights that contributed to leadership and organizational research.

3.4 Data Collection

3.4.1 Target Population and Sampling Method

The target population for this study comprised industrial professionals with leadership experience in construction, manufacturing and other industrial sectors mainly in Finland

and Sri Lanka. This included Project Managers, Department Heads, Senior Executives, Site Engineers, Supervisors, as well as professionals from operational, middle, and top-level management roles.

A purposive sampling technique was employed to select participants who had relevant leadership experience. This method was chosen to ensure that only professionals directly involved in decision-making processes were included in the study. As a result, the data collected provided rich and meaningful insights into the research problem, particularly concerning leadership decision-making and its impact on project success and employee efficiency.

3.4.2 Questionnaire Design

The primary data collection tool for this study was a structured questionnaire designed to gather both qualitative and quantitative insights into leadership decision-making. The questionnaire included a mix of open-ended questions**,** which allowed participants to share detailed experiences and perspectives, as well as scaled-response questions to capture measurable data. This combination of question types enabled the collection of comprehensive information that reflected both personal viewpoints and quantifiable patterns relevant to the research objectives.

The key focus areas of the questionnaire include:

- Leadership decision-making strategies in industrial organizations.
- Impact of leadership decisions on project success (time, cost, quality).
- Influence of leadership on employee efficiency, engagement, and motivation.
- Challenges in decision-making and strategies used to overcome them.

The quantitative questions consisted of Likert-scale items (on a 0–4 scale) that assessed leadership effectiveness, decision-making strategies, and their impact on project success. Additionally, multiple-choice questions were used to explore leadership challenges, decision-making tools, and employee engagement practices.

On the other hand, the qualitative questions were open-ended and aimed to explore participants' personal experiences, leadership challenges, and best practices within their professional environments. The surveys were distributed electronically, primarily via email

and professional networks, to ensure a wide reach and to encourage active participation from professionals across the industrial sector.

Table 2 : Questionnaire Design

Section	Questions	Questi-on No:	Method
General Information	Job Title Years of Experience Sector Size of organization Leadership Level	1-6	Multiple-choice (single-answer) question
Leadership Influence on Employee Efficiency and Engagement	Impact of decisions on motivation Leadership behaviors Increase in Workload and Job Stress Employee retention and job satisfaction Improvements	7 - 12	Five Point Likert Scale Multiple-choice question Open ended questions
Communicati on, Resource Allocation and Decision-Making Transparency	Sharing Information with co-workers Communication Strategies Resource shortages Ineffective decision making Ensure the availability of resources	13 - 17	Five Point Likert Scale Multiple-choice question
Leadership Decision Making & Project Success	Impact of leader's decisions Factors affecting project success Effectiveness of leadership decision making Impact of leadership practices Project failures	18 - 22	Five Point Likert Scale Multiple-choice question Open ended questions

Leadership Decision Making Practices and Recommendations	Leadership traits Training Leadership-decision making improvements	23 - 25	Multiple-choice question Open ended questions
Final comment and Personal Thoughts	Experiences and suggestions	26	Open ended question

3.5 Data Analysis and Interpretation Techniques

To support the analysis and enhance data interpretation, data processing tools such as RStudio statistical software and Microsoft Excel were utilized for organizing, analyzing, and visualizing the findings. A range of analytical techniques was employed, including frequency analysis, descriptive statistics, correlation analysis, and regression analysis, to identify patterns, relationships, and trends within the data. These methods helped in drawing meaningful conclusions related to leadership decision-making and its impact on project success and employee efficiency.

The quantitative data analysis involved examining the responses from structured questions using descriptive statistics, including measures such as mean, median, and standard deviation, to summarize and interpret patterns in the data. In addition, correlation analysis was performed to assess the relationships between leadership decision-making and project outcomes. To further explore the influence of leadership decisions, regression analysis was conducted to determine the extent to which these decisions impacted employee efficiency and project success. This analysis provided deeper insights into potential causal relationships within the data and contributed to a clearer understanding of how effective leadership influences organizational performance.

The qualitative data analysis was carried out using thematic analysis to identify key themes that emerged from the open-ended responses provided by participants. Coding techniques were applied to systematically extract patterns, categorize responses, and uncover meaningful insights related to leadership challenges, strategies, and best practices.

The thematic analysis followed a structured process that involved several key steps to ensure consistency and depth in the interpretation of the data. This approach allowed for a rich understanding of participants' experiences and perceptions regarding leadership decision-making in industrial settings.

- Data Organization – Transcribing responses, categorizing key information, and systematically arranging data for in-depth analysis.
- Data Familiarization – Reading through the collected data multiple times to deeply understand its meaning and context.
- Coding – Identifying and labeling key ideas in the data. Codes were generated either inductively (emerging from the data) or deductively (based on a pre-defined framework).
- Theme Development – Grouping related codes into broader themes that represent significant aspects of leadership decision-making.
- Interpretation – Analyzing the themes to explore their meanings, connections to research questions, and their implications for leadership practices. Context, contradictions, and interrelationships between themes were also considered.

3.6 Validation and Verification

To ensure the credibility and reliability of the findings, the study employed several methods. These included cross-checking insights from different participants to identify common and consistent themes, member checking by obtaining feedback from participants to confirm the accuracy of the researcher's interpretations, and peer debriefing, in which colleagues or experts reviewed the analysis to ensure it was fair and unbiased.

Since the study followed an interpretivist approach, the focus was on understanding leadership decision-making within its real organizational and cultural contexts. The researcher's role in interpreting the data was clearly acknowledged, ensuring that the findings reflected the participants' perspectives and experiences, rather than being shaped by the researcher's personal views.

3.7 Ethical Considerations

To ensure ethical integrity, the study adhered to the following principles:

• Honesty and Integrity: The research was conducted with transparency, ensuring that methods, data, and results were accurately reported.

• Objectivity: Bias was minimized throughout the research process, including in data collection, analysis, and interpretation.

• Confidentiality and Anonymity: Responses were kept confidential, and personal identifiers were not used in the analysis.

• Respect for Intellectual Property: Proper credit was given to sources, and plagiarism was strictly avoided.

• Responsible Publication: The study aimed to contribute meaningfully to academic knowledge rather than being conducted for personal gain.

• Legality and Compliance: All research activities conformed to relevant legal and ethical guidelines.

• Human Subjects Protection: Steps were taken to minimize potential harm to participants while maximizing the benefits of the research. (Pietilä et al., 2019)

3.8 Limitations of the Study

While this study provided valuable insights into leadership decision-making, certain limitations should be acknowledged. As the research relied on qualitative data, the subjectivity of responses may have influenced findings, as participants shared perspectives based on their personal experiences. Additionally, the study focused on a specific sample within the industrial sectors of Finland and Sri Lanka, limiting the generalizability of the results to other industries or regions. Another potential limitation was response bias, where participants might have provided socially desirable answers rather than fully candid responses. Given the interpretivist approach, the researcher's influence in data interpretation may have shaped the findings, as meaning was derived through interactions and contextual understanding. Furthermore, the flexible nature of mixed-method research

allowed for in-depth exploration but may have also led to evolving research questions, requiring ongoing adjustments to the study framework. Despite these limitations, the study aimed to provide meaningful insights into the complexities of leadership decision-making in industrial organizations.

4 Data Analysis

4.1. Reliability Analysis

To examine how well the survey questions related to leadership decision-making performed together, a reliability test was conducted using Cronbach's Alpha. The analysis measured how well the group of questions related to leadership decision-making were consistently capturing the same underlying concept. If the alpha value is greater than 0.70, it usually means that the items in the questionnaire are measuring the intended construct reliably. A high Cronbach's Alpha number means that the questions on the questionnaire are strongly related to each other, showing that they accurately measure the variable. Furthermore, Cronbach's Alpha values of at least 0.70 are usually what researchers look for to make sure that their questionnaire is accurate and gives regular results. The reliability values of the developed questionnaire is indicated as below;

Table 3 : Reliability Analysis of Leadership Decision-Making Scale (Cronbach's Alpha)

Statistic	Value
Raw Cronbach's Alpha	0.97
Standardized Cronbach's Alpha	0.97
G6(smc)	0.98
Average Inter-item Correlation	0.77
Signal-to-Noise Ratio (S/N)	33
Standard Error of Alpha (ASE)	0.0042
Mean of Item Scores	4.1
Standard Deviation of Item Scores	1.2
Median Inter-item Correlation	0.78
95% CI (Feldt)	0.96 – 0.98
95% CI (Duhachek)	0.96 – 0.98

As shown in Table 3, a Cronbach's Alpha value of 0.97, which indicates excellent internal consistency among the survey items. This means that the questions were well aligned and effectively measured the concept of leadership decision-making as intended. The standardized alpha was also 0.97, and the G6(smc) value was 0.98, which further confirms the high reliability of the scale. The average correlation between the questions was 0.77,

which means that the questions were closely related to each other and worked well together as a group. The signal-to-noise ratio (S/N) was 33, showing that the survey items provided a clear and strong measurement signal with very little random error or noise. The standard error of the alpha value was 0.0042, which is very low and suggests that the reliability estimate is accurate and stable. The average score of responses to the leadership items was 4.1 out of 5**,** which means that most participants gave positive responses, showing agreement with the statements. The standard deviation was 1.2**,** which shows there was some variation in how participants responded, but not too much. Lastly, the median correlation between questions was 0.78**,** again confirming that the items were well-connected and measured the same concept effectively. The 95% confidence intervals for Cronbach's Alpha, provided by both the Feldt and Duhachek methods, ranged from 0.96 to 0.98, reinforcing the reliability and consistency of the data. Overall, these results confirm that the questionnaire used in this study is a reliable tool for measuring leadership decision-making practices in industrial organizations.

4.2 Analysis of Demographic Information

Job Position

To identify the impact of leadership decision-making on project success and employee efficiency, a questionnaire-based survey was conducted among professionals in industrial organizations. The survey included a total of 108 participants from a variety of job positions. The breakdown of participants by job position is shown in the table 4 below:

Table 4 : Job Position Distribution of Survey Respondents

Job Position	Percentage (%)	Participant Count
Manager / Project Manager	9.26	10
Assistant Manager	4.63	5
Department Head	5.56	6
Project Engineer	22.22	24
Senior Engineer	24.07	26
Site Engineer	18.52	20
Supervisor	2.8	3

Other	13.0	14
Total Participants		108

Distribution of Job Position

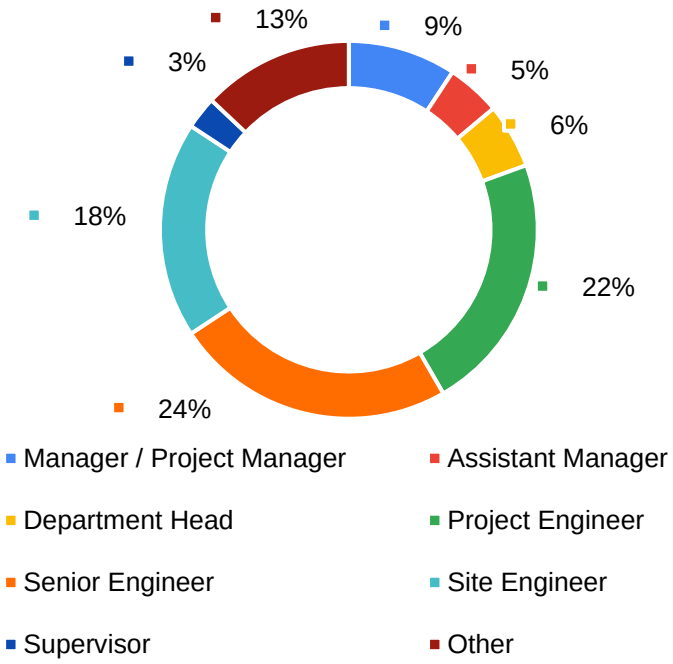

Figure 3 : Distribution of Respondents by Job Position (Developed by author,2025)

As shown in the Figure 3, the job positions of the respondents were distributed across various roles in the industrial sector. The data shows that the majority of participants were engineers, which reflects the technical nature of the organizations involved in this study.

The highest number of responses came from Senior Engineers, who made up 24% of the total, representing 26 out of 108 respondents. This was followed closely by Project Engineers, accounting for 22% or 24 respondents. These two job roles together represent a significant portion of the workforce who are directly involved in planning, technical decision-making, and project execution. Site Engineers were the third-largest group, comprising 18%, or 20 respondents. Site Engineers are usually responsible for on-site implementation of projects, and their involvement in this study helps to reflect how leadership decisions affect fieldwork and daily operations.

A notable portion of the respondents, 13.0% or 14 individuals, were categorized under “Other” job titles. This group likely includes roles such as quality control, health and safety

officers, environmental officers, administrative staff, or procurement officers. Their participation adds diversity to the dataset, helping capture a broader perspective on the impact of leadership. The number of Managers or Project Managers was 10 respondents, which makes up 9% of the total. These individuals typically have higher decision-making authority and are responsible for setting project goals, allocating resources, and overseeing teams. Only 6 respondents (6%) were Department Heads, who are generally responsible for managing entire departments and aligning project outcomes with organizational goals. Despite being few in number, their feedback is valuable because of their strategic role. Assistant Managers accounted for 5% of the responses, with a total of 5 individuals. They usually assist senior management in supervising staff and handling project operations.

Finally, the smallest group was Supervisors, with only 3 respondents (3%). Supervisors work closely with staff and help in carrying out instructions from higher management. Their feedback helps understand how leadership decisions are implemented on the ground level.

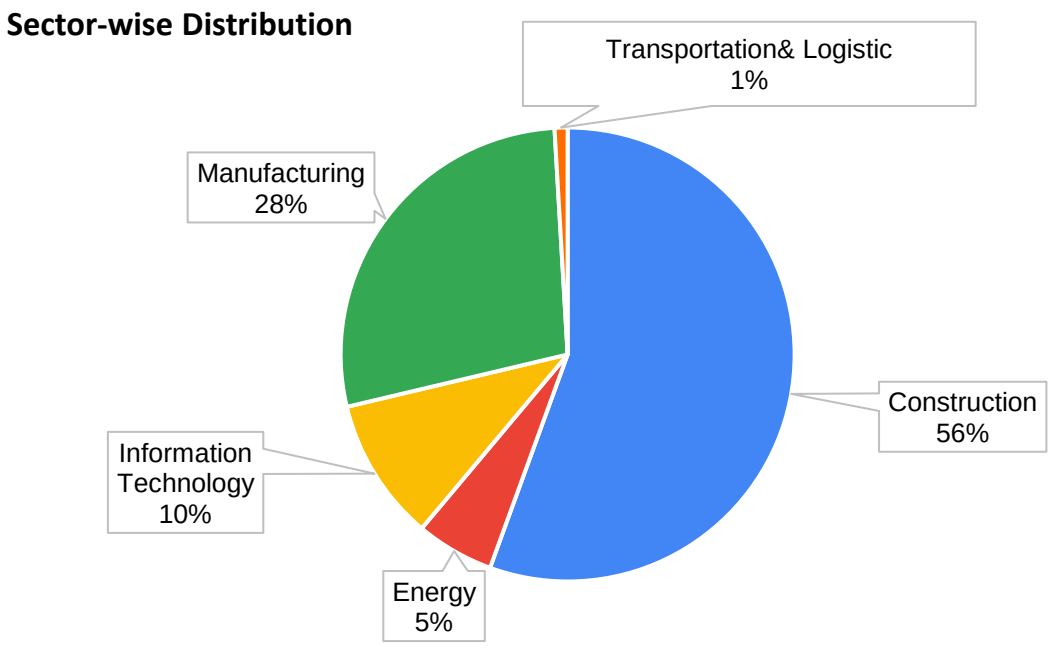

Figure 4 : Respondent Distribution by Industry Sector (Developed by author,2025)

Figure 4 illustrates that, the sector-wise distribution of employees shows that most respondents work in the Construction sector, which makes up 56% of the total participants (60 out of 108 people). The second largest group is from the Manufacturing sector, representing 28% (30 people). Information Technology accounts for 10% of the

respondents (11 people), while the Energy sector includes 6% (6 people). The smallest group is from the Transportation & Logistic sector, which makes up only 1% (1 person).

This distribution means that more than half of the employees in the study are from Construction, and about one out of every four is from Manufacturing. A smaller number come from Information Technology and Energy, and very few are from Transportation & Logistic. This breakdown helps to understand which sectors are most represented in this research.

Breakdown by Company Size

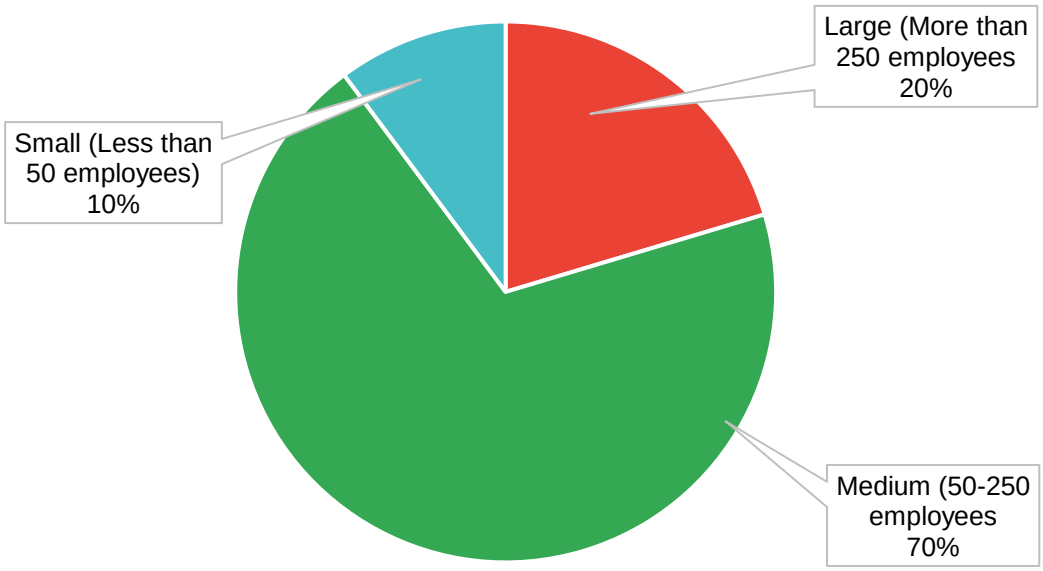

Figure 5 : Breakdown of Respondents by Company Size (Developed by author,2025)

According to the data presented in the Figure 5, the company sizes of the respondents were distributed as follows: The majority of respondents, 70% (75 out of 108), work in medium-sized companies with 50 to 250 employees. This is clearly shown in the pie chart, where the largest section is dedicated to medium-sized organizations. A smaller portion of the respondents, 20% (22 out of 108), are employed in large companies that have more than 250 employees. This group is represented by the second largest segment in the pie chart.

Finally, the smallest group consists of respondents working in small companies with less than 50 employees. This group makes up 10% of the total respondents, which is 11 out of 108 people, and is shown as the smallest section in the pie chart.

This breakdown indicates that most of the data in this study comes from employees in medium-sized companies, with fewer participants from large and small organizations. This demographic information provides important context for analyzing how leadership decision making impacts project success and employee efficiency in industrial organizations.

Leadership level

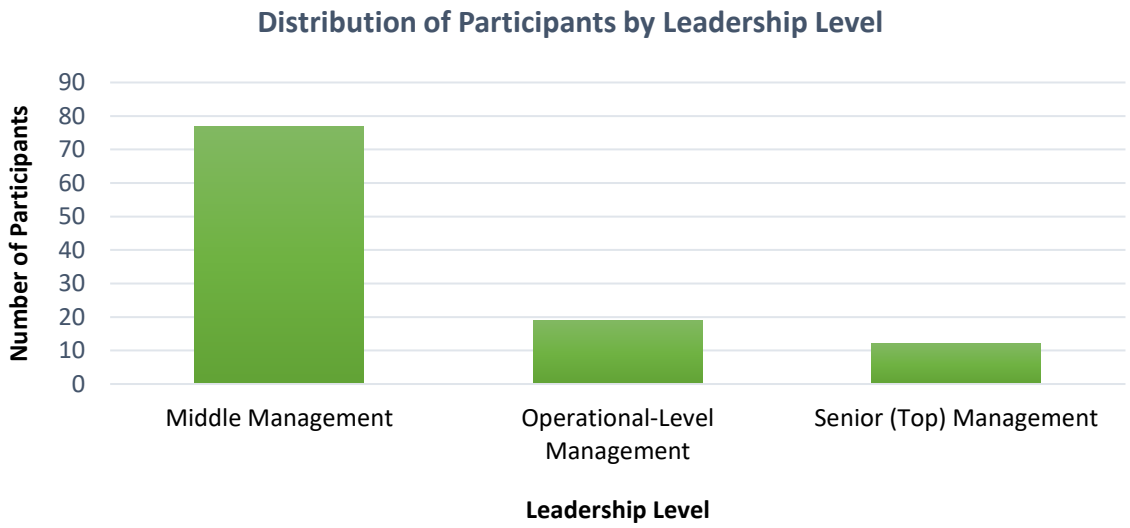

Figure 6 : Distribution of Participants by Leadership Level (Developed by author,2025)

As shown in above bar chart (Figure: 6), the job positions of the respondents were mainly distributed among three leadership levels: the majority of participants were from Middle Management, making up 77 out of 108 respondents. This is followed by Operational-Level Managers, who accounted for 19 participants, and finally, Senior (Top) Management, which included 12 respondents. This breakdown shows that most of the data in this study comes from individuals in middle management positions, with fewer responses from operational-level and senior management. This distribution provides important demographic context for analyzing how leadership decision making at different management levels impacts project success and employee efficiency in industrial organizations.

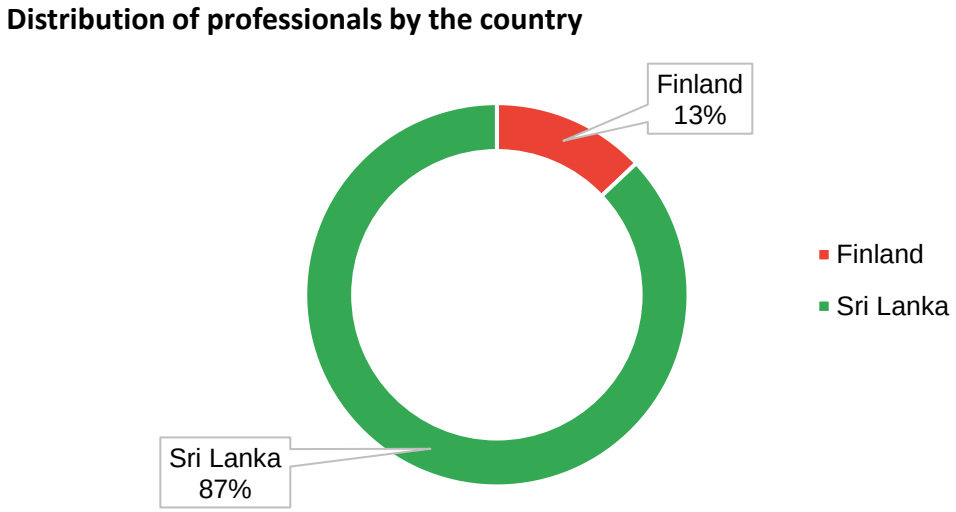

Figure 7 : Distribution of professionals by the country (Developed by author,2025)

The distribution of participants by their working country shows that most respondents are from Sri Lanka (See figure 7). Specifically, 87% of the professionals in the study work in Sri Lanka, while only 13% are from Finland. This means that the majority of the data collected for this research comes from professionals based in Sri Lanka, with a much smaller group representing Finland. This breakdown is important because it gives context to the study results, showing that the findings mainly reflect the experiences and views of professionals working in Sri Lanka.

4.3 Frequency Analysis

4.3.1 Key Leadership Behaviors That Enhance Employee Work Efficiency

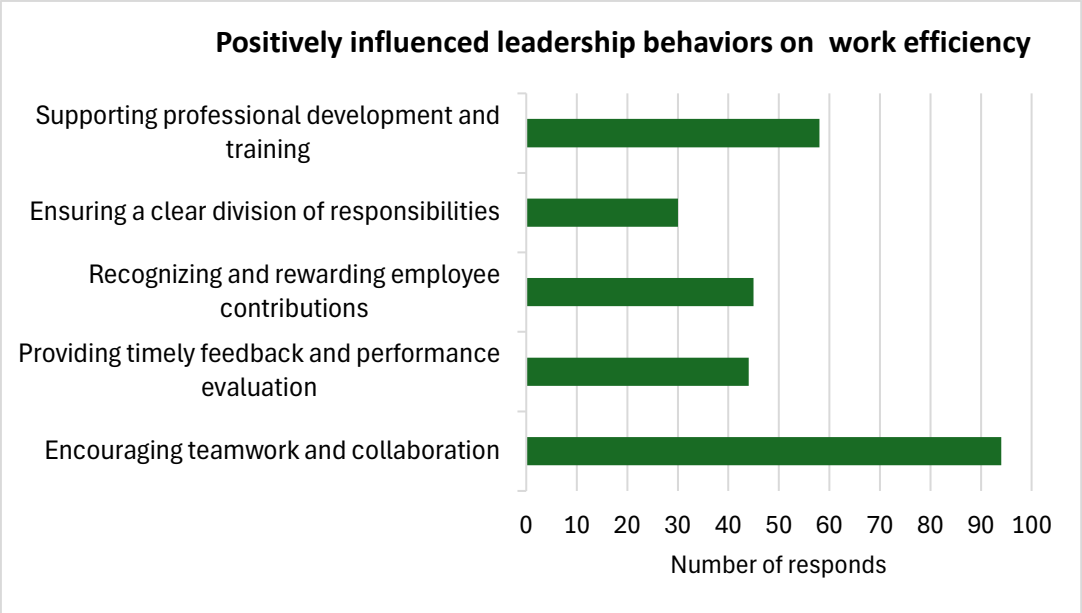

Figure 8 : Positively influenced leadership behaviors on work efficiency
(Developed by author,2025)

The Figure 8 displays the results of a survey on leadership behaviors that positively influence work efficiency. The data shows that professionals believe leadership decisions significantly affect employee work efficiency and motivation. The most highly rated behavior is "Encouraging teamwork and collaboration," with the greatest number of respondents selecting it. This suggests that professionals see collaboration as crucial for improving efficiency, likely because teamwork helps employees share knowledge, solve problems together, and support each other.

"Supporting professional development and training" is also highly valued, indicating that employees feel more efficient and motivated when leaders invest in their growth. When employees receive training and opportunities to develop new skills, they are better equipped to perform their tasks and feel more confident in their roles.

"Providing timely feedback and performance evaluation" and "Recognizing and rewarding employee contributions" are both seen as important but received fewer responses than the top two behaviors. These results suggest that feedback and recognition are essential for maintaining motivation and guiding employees toward better performance.

"Ensuring a clear division of responsibilities" received the fewest responses, but it is still recognized as a positive influence. Clear roles help prevent confusion and ensure that everyone knows what is expected, which can reduce mistakes and improve efficiency.

Overall, the survey results highlight that professionals believe positive leadership behaviors especially those that promote teamwork, development, and recognition, play a key role in increasing employee work efficiency and motivation. Leaders who focus on these areas are likely to create more productive and engaged teams.

Table 5 : Positively influenced leadership behaviors on work efficiency

	Encouraging teamwork and collaboration	Providing timely feedback and performance evaluation	Recognizing and rewarding employee contributions	Ensuring a clear division of responsibilities	Supporting professional development and training
Encouraging teamwork and collaboration	1.00				
Providing timely feedback and performance evaluation	-0.04	1.00			
Recognizing and rewarding employee contributions	0.09	0.79	1.00		
Ensuring a clear division of responsibilities	-0.02	0.62	0.52	1.00	
Supporting professional development and training	-0.18	0.58	0.67	0.37	1.00

According to the analysed data (see the table 5) a correlation coefficient of 0.79 indicates a strong positive relationship between these two factors. This means that when leaders provide timely feedback and performance evaluations, it is often associated with higher levels of recognizing and rewarding employee contributions. In other words, in workplaces where employees regularly receive feedback, they are also more likely to feel that their efforts are noticed and rewarded.

This strong correlation suggests that these two leadership behaviors often go hand-in-hand. When leaders give feedback, they are also likely to acknowledge achievements, which can boost employee motivation and satisfaction. This relationship highlights the importance of combining feedback with recognition in leadership practices to effectively enhance employee performance and morale.

4.3.2 Leadership Influence on Key Aspects of Project Success

Figure 9 : Key Aspects of Project Success Influenced by Leadership Decision-Making (Developed by author,2025)

The figure 9 illustrates how different aspects of project success are influenced by leadership decisions, based on survey responses. Budget management stands out as the most influenced aspect, with the highest number of respondents (close to 90). Team coordination and morale is the second most cited aspect, with nearly 70 respondents. The other aspects-meeting deadlines, risk management, quality of deliverables, and stakeholder satisfaction-have a moderate and similar number of responses, each ranging between about 30 and 40.

This data suggests that professionals believe leadership decisions have the greatest impact on budget management and team coordination/morale within projects. Effective

leadership appears to be especially important for controlling project costs and ensuring strong teamwork and motivation. While leadership also affects other areas like deadlines, risk, quality, and stakeholder satisfaction, these are seen as slightly less influenced compared to budget and team factors.

4.3.3 Barriers to Effective Leadership Decision-Making

Figure 10 : Factors contribute to ineffective leadership decision makings (Developed by author,2025)

Figure 10 presents survey data on the main factors that contribute to ineffective leadership decision-making. Lack of communication with employees is the most significant factor, with nearly 90 respondents selecting it. Resistance to change is the second most common factor, chosen by about 60 respondents. The other factors-insufficient data analysis before making decisions, political influence or favoritism, and lack of leadership training-were selected by fewer respondents, each with less than 30 responses.

The data clearly indicates that poor communication between leaders and employees is seen as the main reason for ineffective leadership decisions. Resistance to change is also a major barrier, suggesting that organizations may struggle to adapt and improve if leaders are not open to new ideas. The lower number of responses for the other factors shows that while they are important, they are not as widely perceived as the main causes of ineffective decision-making.

4.3.4 Essential Leadership Traits for Effective Decision-Making

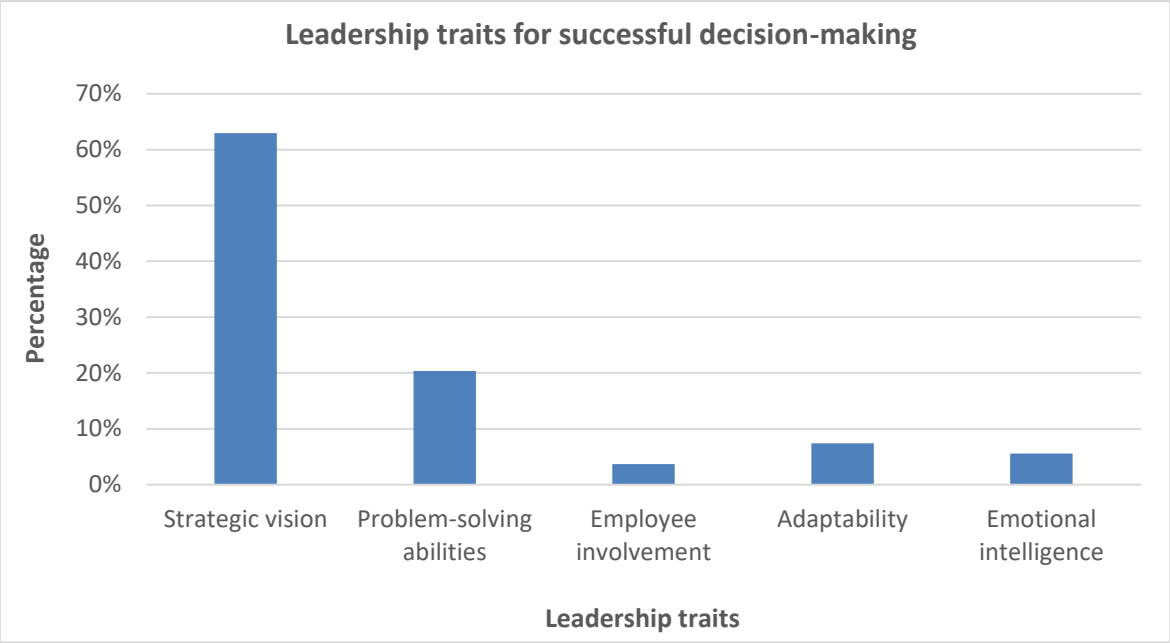

Figure 11: Essential Leadership Traits for Effective Decision-Making (Developed by author,2025)

The survey results, as illustrated in the figure 11, indicate that strategic vision is the most highly valued trait for effective decision-making, with over 60% of respondents selecting it as the most important. This suggests that professionals believe leaders who can set long-term goals and maintain a clear understanding of the bigger picture are best equipped to make impactful decisions. This finding is consistent with Boal and Hooijberg (2000), who emphasized that strategic leaders play a crucial role in navigating teams through complex environments, and Zhao et al. (2021), who highlighted the importance of strategic foresight in uncertain business conditions.

Following strategic vision, problem-solving ability was identified by around 20% of respondents as the second most critical trait. This reflects the value placed on leaders who can effectively tackle challenges and develop solutions, especially in high-pressure or dynamic project settings. Hussain and Khayat (2021) also noted that problem-solving skills are essential for leaders operating in rapidly changing environments.

Other traits such as adaptability, emotional intelligence, and employee involvement received considerably lower percentages, each cited by fewer than 10% of respondents. While these traits are not seen as primary contributors to decision-making success, they

are still recognized for their supporting roles. Goleman (1998) emphasized that emotional intelligence enhances relationship management and team responsiveness, which are indirectly crucial for sound decision-making. Similarly, Aga et al. (2016) argued that involving employees in decision-making improves overall team commitment and innovation, even if not always viewed as the most dominant trait.

4.4 Quantitative Analysis

4.4.1. Descriptive Statistics of Key Variables

Table 6 : Descriptive Statistics of Leadership Decision-Making, Employee Efficiency, and Project Success Variables

Variable	Mean	Std Dev	Min	Max
Impact of leadership decision on employee motivation (0–4)	3.54	0.65	2	4
Frequency of leadership decisions increasing job stress (0–4)	2.23	0.87	0	4
Impact of leadership style on retention and satisfaction (0–4)	3.21	0.71	1	4
Clarity of leaders' communication about goals/resources (0–4)	2.91	0.89	0	4
Frequency of resource shortages due to leadership decisions (0–4)	2.15	0.94	0	4
Effectiveness of leadership in ensuring tools/materials/manpower (0–4)	3.02	0.83	1	4

Table 6 presents the descriptive statistics for the main variables related to leadership decision-making, employee efficiency, and project success. The data is summarized using the mean, standard deviation, minimum, and maximum values for each variable, based on a 0 to 4 scale. The average score for the impact of leadership decisions on employee motivation is quite high at 3.54, with a standard deviation of 0.65, indicating that most respondents believe leadership decisions positively influence motivation. The minimum reported score is 2, and the maximum is 4, showing that while opinions vary slightly, most respondents agree on the positive impact. In contrast, the frequency of leadership decisions increasing job stress has a lower mean of 2.23, with a higher spread (standard

deviation of 0.87). Responses range from 0 (no increase in stress) to 4 (high increase in stress), suggesting that while some leadership decisions do cause stress. The impact of leadership style on employee retention and satisfaction also received a relatively high mean of 3.21 (SD = 0.71). This suggests that effective leadership style generally contributes to keeping employees satisfied and loyal to the organization. The clarity of leaders' communication about goals and resources, the mean is 2.91 with a standard deviation of 0.89. This indicates moderate agreement that leaders are generally clear in their communication, but some variation exists, as some respondents rated communication clarity as low as 0. The frequency of resource shortages caused by leadership decisions has a mean of 2.15 (SD = 0.94), with responses also ranging from 0 to 4. This suggests that while some respondents frequently face resource shortages due to poor leadership decisions, others rarely encounter this issue. The effectiveness of leadership in providing tools, materials, and manpower has a mean score of 3.02, which is relatively high. The standard deviation is 0.83, and responses range from 1 to 4, showing that, in general, leaders are seen as effective in ensuring the availability of necessary resources, though not all experiences are the same.

4.4.2. Correlation Analysis

Table 7 : Pearson Correlation Between Leadership Decision Impact on Motivation and Effectiveness of Decision-Making

Statistic	**Value**
Pearson Correlation Coefficient (r)	0.17
p-value	0.075
Degrees of Freedom (df)	106
t-value	1.796
95% Confidence Interval	-0.018 to 0.349
Statistical Significance	Not Significant ($p > 0.05$)

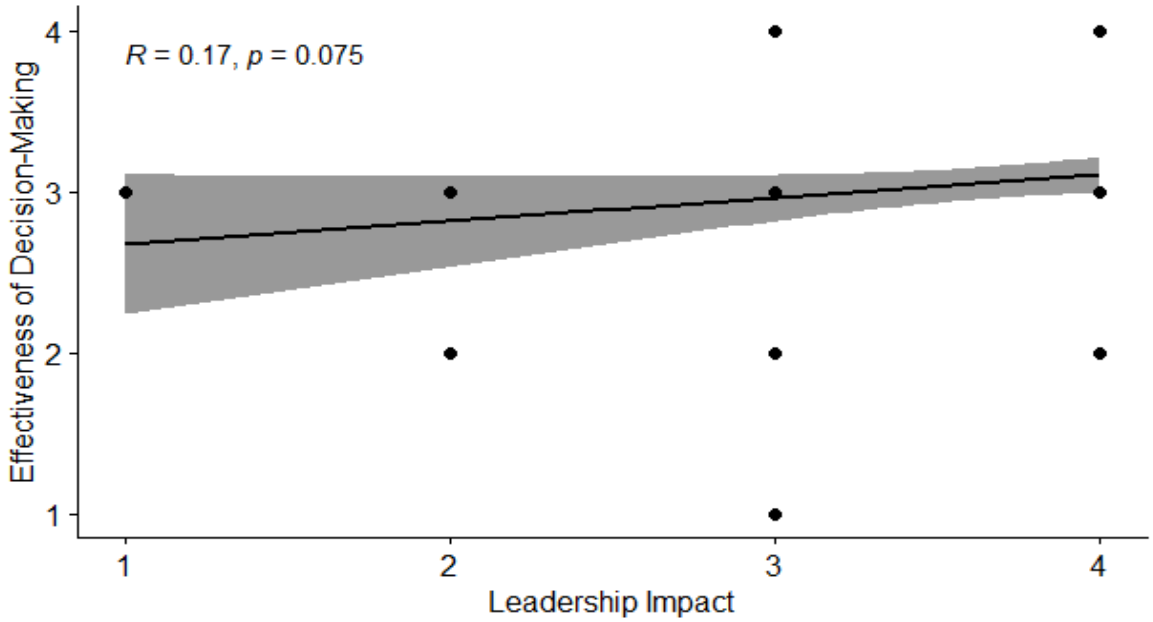

Figure 12 : Leadership Impact vs Effectiveness of Decision-Making (Developed by Author,2025)

Table 7 and Figure 12 above present the results of a Pearson correlation analysis that was used to explore the relationship between two important variables:
(1) the impact of leadership decision-making on employee motivation, and
(2) the effectiveness of leadership decision-making in ensuring project success.

The Pearson correlation coefficient was found to be r = 0.17, which shows a small positive relationship between the two factors. This means that, when leadership decisions have a stronger effect on motivating employees, the effectiveness of those decisions in helping achieve project success also slightly increases.

However, the result was not statistically significant, as the p-value was 0.075, which is slightly higher than the commonly accepted level of 0.05. This means there is not enough strong evidence to confirm that the relationship between the impact of leadership decision-making on employee motivation and the effectiveness of leadership decision-making in ensuring project success is real. The observed relationship might have happened by chance and cannot be considered statistically reliable based on this result.

The scatter plot shown in Figure 12 helps to visually understand the relationship between the impact of leadership decision-making on employee motivation and the effectiveness of leadership decision-making in ensuring project success. Each dot on the graph represents

a response from an individual participant. The black trend line slopes slightly upward, indicating a small positive trend which indicates the leadership decision making impact on employee motivation increases, the effectiveness in achieving project success also tends to increase a little.

The grey shaded area around the trend line shows the margin of error or uncertainty in this trend. A wider shaded area means there is more uncertainty in the prediction, which is visible here. In addition, the data points are spread widely around the line, which indicates that the relationship is not very strong or consistent. Some responses are much higher or lower than others, showing variation among participant views.

Table 8 : Correlation Between Leadership Decision-Making Factors, Employee Outcomes, and Resource Management Variables

Variable A	**Variable B**	**Correlation**
Impact on employee motivation	Impact on retention and satisfaction	0.41
Impact on employee motivation	Frequency of resource shortages	-0.23
Frequency of job stress	Frequency of resource shortages	0.56
Retention and satisfaction	Clarity of communication	0.42
Resource shortages	Effectiveness in ensuring tools/materials/manpower	0.40
Effectiveness in ensuring tools/materials/manpower	Clarity of communication	0.23

The table 8 shows the correlation relationships between leadership decision-making factors, employee outcomes, and project success. The values range from -1 (perfect negative correlation) to 1 (perfect positive correlation). There is a moderate positive correlation (r = 0.41) between the impact of leadership on employee motivation and its impact on retention and satisfaction, indicating that higher motivation tends to coincide with greater employee satisfaction and retention. This suggests a meaningful connection

between how leadership motivates teams and how satisfied employees feel in their roles. A negative correlation (r = -0.23) was observed between employee motivation and the frequency of resource shortages, implying that as motivation increases, perceived resource shortages tend to decrease. Although this correlation is relatively weak, it may suggest that motivated employees are more adaptable to limited resources or that better leadership in motivation also contributes to improved resource planning. A stronger positive correlation (r = 0.56) exists between the frequency of job stress and the frequency of resource shortages, suggesting that when leadership decisions lead to frequent shortages of tools, manpower, or materials, employee stress levels are likely to increase. The correlation between retention and satisfaction and clarity of communication is moderately positive (r = 0.42). This indicates that clearer communication from leadership about goals and resources is associated with better retention and satisfaction among employees. A moderate positive correlation (r = 0.40) was also found between the frequency of resource shortages and leadership effectiveness in ensuring tools, materials, and manpower, which may suggest that even when leaders are perceived as relatively effective, resource limitations may still occur possibly due to external constraints. A weak positive correlation (r = 0.23) was found between leadership effectiveness in resource provision and clarity of communication, indicating a slight association between leaders who communicate clearly and those who are viewed as better at providing necessary project resources. These correlations provide valuable insights into how different aspects of leadership decision-making are interconnected and how they collectively influence both employee experiences and operational effectiveness.

4.4.3. Regression Analysis

The multiple regression analysis was conducted to examine the impact of leadership decision-making on project success and employee efficiency. The model used three independent variables: the impact of leadership decisions on employee motivation, the clarity of communication regarding project goals, budget, and resources, and the frequency of resource shortages due to leadership decisions. The dependent variable was the effectiveness of leadership decision-making in ensuring project success.

Table 9 : Results of Multiple Linear Regression Analysis on Leadership Decision-Making and Project Success

Variable	Estimate	Standard Error	t-value	p-value
Intercept	2.14951	0.38162	5.633	1.52e-07
Impact of leadership decision on employee motivation	0.13783	0.08185	1.684	0.0952
Clarity of communication about project goals, budget, and resources	0.12262	0.07562	1.621	0.1079
Frequency of resource shortages due to leadership decisions	0.05183	0.07254	0.714	0.4766

Table 10 : Variance Inflation Factor (VIF) Results for Multicollinearity Check

Predictor Variable	VIF Value
Impact of leadership decision on employee motivation	1.0589
Clarity of leadership communication about project goals, budget, and use of resources	1.0670
Frequency of leadership decisions resulting in resource shortages impacting project efficiency	1.1249

According to the results shown in Table 9, the intercept value of 2.14951 represents the baseline level of leadership decision-making effectiveness when all independent variables are set to zero. This indicates the starting point of leadership effectiveness without considering the influence of the selected predictors.

The coefficient for the variable related to the impact of leadership decisions on employee motivation is 0.13783. This suggests that for every unit increase in the perceived impact of leadership decisions on employee motivation, the effectiveness of leadership decision-

making increases by 0.13783 units. However, the p-value for this coefficient is 0.0952, which is marginally above the common threshold of 0.05, indicating that this result is only marginally significant. This implies that while there is a positive relationship between leadership decisions and employee motivation, the strength of this effect is not strong enough to be statistically significant at the 5% level.

The coefficient for clarity of communication is 0.12262, suggesting that clearer communication about project goals, budgets, and resources leads to a slightly higher effectiveness in leadership decision-making. Despite this positive relationship, the p-value of 0.1079 indicates that the result is not statistically significant at the 5% level. Therefore, while better communication may be beneficial, this analysis suggests that it does not significantly contribute to leadership effectiveness in the context of this model.

The coefficient for the frequency of resource shortages is 0.05183, indicating a small positive relationship between the occurrence of resource shortages caused by leadership decisions and the effectiveness of leadership decision-making. However, the p-value for this variable is 0.4766, which is far above the 0.05 threshold, suggesting that the frequency of resource shortages does not significantly impact leadership decision-making effectiveness. This result implies that leadership decisions that result in resource shortages are not a strong determinant of leadership effectiveness in this model.

To evaluate the statistical importance of each predictor variable, the p-values presented in the regression results table were examined. A p-value below 0.05 typically indicates that the variable has a statistically significant effect on the outcome.

According to the table 8, the intercept has a p-value of 1.52e-07, which is well below the 0.05 threshold. This indicates that the baseline level of leadership decision-making effectiveness, when all other predictors are held at zero, is statistically significant and reliable.

The variable impact of leadership decisions on employee motivation has a p-value of 0.0952. Although this is slightly above the standard 0.05 level, it is below 0.1, indicating marginal significance. This suggests there may be a positive relationship between leadership decision-making and employee motivation, though the strength of this effect is not strong enough to be considered highly significant.

In contrast, the variables clarity of communication regarding project goals, budget, and resources, and frequency of resource shortages caused by leadership decisions, have p-values of 0.1079 and 0.4766 respectively. These values are above the 0.1 threshold, indicating that these predictors do not have a statistically significant impact on leadership decision-making effectiveness in this model.

The regression analysis data reveals that the factors of leadership decision-making have a modest influence on project success and employee efficiency. The relationships between leadership decisions, employee motivation, and communication about project goals are positive but weak. Additionally, the model's overall fit is low, suggesting that other unmeasured factors might influence leadership effectiveness. These results indicate the need for further investigation into other variables that may better explain leadership's role in project success in industrial organizations.

As Table 10 indicates, to assess whether multicollinearity exists among the independent variables in the regression model, a Variance Inflation Factor (VIF) test was conducted. Multicollinearity refers to a situation where two or more predictor variables are highly correlated with each other, which can lead to unstable and unreliable coefficient estimates in regression analysis. VIF is a common statistical method used to detect such issues.

According to the VIF results, all three independent variables in the model have VIF values well below the commonly accepted thresholds of 5 or 10. Specifically, the VIF for the variable impact of leadership decision on employee motivation is 1.0589, the VIF for clarity of leadership communication regarding project goals, budget, and resources is 1.0670, and the VIF for frequency of resource shortages caused by leadership decisions is 1.1249.

These low VIF values indicate that the independent variables are not highly correlated with each other. Therefore, multicollinearity is not present in this model. This confirms that the regression coefficients are stable and the effects of each variable can be interpreted without concern for distortion due to multicollinearity.

4.4 Qualitative Data Analysis

This chapter discusses the survey responses on leadership decisions in industrial firms. The aim of the analysis is to identify the main issues, best practices, and advice on better

decision-making and how this affects worker productivity and project achievement. In this research, Thematic analysis was chosen as the method to analyze qualitative data. Thematic analysis is a common method of identifying, analyzing, and reporting patterns (themes) within qualitative data. It is ideal for open-ended survey responses because it enables the researcher to read much text carefully and gain useful insights.

Key Themes and Findings

1. Impact of Leadership Decisions on Employee Motivation

Most participants reported that leadership decisions have a high or significant impact on employee motivation. Positive leadership practices-such as open communication, recognition, and involvement-were linked to higher morale and productivity. Conversely, poor leadership led to stress, inefficiency, and disengagement.

2. Major Challenges Due to Leadership Decisions

Inadequate communication was one of the biggest problems caused by choices that leaders made. When leaders did not communicate information freely or at the right time, it made employees feel confused and left out. It made them feel unimportant and lack motivation in the workplace. Another typical issue was setting unrealistic expectations and deadlines. At times, leaders would plan or set targets without actually knowing the resources available, working conditions, or how much the employees could realistically do. This stressed out the workers and more often than not led to poorer-quality outcomes. People opposed change, and that was a problem.

Leaders and employees sometimes found it difficult to accept and adjust to new methods of doing things or to changes in the organization. One of these was that employees were not involved in decision-making. When decisions were made by leaders without input from the individuals who would be impacted by these decisions, it lowered motivation and disconnected employees from being team members. Finally, the majority of the employees experienced work-life imbalance and job stress. Excessive working hours, lack of flexibility, and poor management support prevented them from balancing their personal and work lives.

3. Suggested Improvements in Leadership Decision-Making

The participants in the study proposed many ideas for enhancing leadership decisions. One of the key proposals was employee involvement in planning and decision-making. They

thought that involving people from throughout the whole organization would result in better outcomes along with greater teamwork. They also suggested better communication. Leaders need to communicate often, clearly, and truthfully so that everyone knows what is going on and feels included.

The other essential element was the need to recognize employees' work. The leadership ought to appreciate and give positive feedback to their employees' work. There needs to be more realistic planning. The objectives have to be achievable, and resources need to be allocated based on the project requirements and actual needs of the team. Lastly, continuous training and learning were suggested. Employees and leaders need to be provided with the opportunity to enhance their competencies, especially in decision-making, as well as adjusting to changes in the workplace.

4. Leadership Decisions Leading to Project Failures or Delays

Some of these leadership choices resulted in delay or even failure of the project. One main reason was poor planning and poor risk management. This involved establishing unrealistic objectives, failing to make contingency plans, and refusing to acknowledge external difficulties. Another reason was insufficient input from the appropriate individuals. When leaders failed to involve the correct workers or specialists, the decisions were unsuccessful. Finally, communication problems also had an essential part to play. When the teams were not properly informed or updated, it resulted in confusion and slowed down the work.

5. Recommendations for Enhancing Project Success and Employee Engagement

In order to enhance project success and maintain employee engagement, various effective recommendations were given. Among the major recommendations was conducting regular meetings and providing ongoing feedback. This helps in monitoring progress and enabling all the people to air their views and concerns. Another recommendation was fact-based and evidence-based decision-making, as opposed to making decisions on assumptions and speculation. Individuals also believed that leaders need to entrust employees with more responsibility by letting workers make decisions and being accountable for the outcome. Lastly, leaders were asked to be more flexible and receptive to new ideas. Flexibility and being receptive to altering leadership styles when necessary can result in improved outcomes and a more motivated workforce.

6. Additional Comments on Leadership

There were also some concluding comments about leadership from the interviewees. They emphasized building trust and teamwork within the workplace. The employees have to be respected, and the leaders have to be approachable. Ongoing improvement was also one of the major concerns. Leaders must always be willing to learn, develop, and take constructive criticism. Lastly, they mentioned that all decisions have to be made in alignment with the project's goals. If all the stakeholders are informed and functioning towards the same goals, then the possibilities of success are greater.

The research shows that good leadership decisions are based on open communications, involving everyone, realistic planning, and ongoing development. Solving the problems faced can greatly enhance project results and staff motivation.

5 Results and Discussion

This study was focused on determining the effect of leader decisions on project success and employees' performance in industrial companies. Responses from 108 professionals were used for the study. The demographic data reveal that most of the respondents were engineers, and they were mainly Senior Engineers and Project Engineers who composed almost half of the population. This signifies focus on technicality in the industrial firms researched and guarantees that the views obtained are from those who are most involved in project planning, making technical decisions, and implementing them. The rest of the participants were Site Engineers, Heads of Departments, and Managers, and they provided a broad perspective of various leadership levels. Most of the participants were in middle management. This is significant since Turner and Müller (2005) noted that middle managers are likely to be a bridge between the workers and the top management. The industries involved were mainly Construction and Manufacturing, which aligns with other studies like those by Dulaimi (2005) and Raziq et al. (2018), which focused on leadership within the same sectors. Most of the respondents worked in medium-sized companies. These companies have their own special leadership challenges, like few resources and flexible team dynamics (Müller and Turner, 2010). Most of the answers came from Sri Lankan professionals, but including some Finnish professionals made it possible to conduct a small comparison on an international scale.

Statistical analysis also showed a small but positive correlation between leadership decision-making styles and employee motivation (Pearson correlation coefficient = 0.17; p = 0.075). While not statistically significant, this suggests that good leadership may be able to improve employee motivation. In the same way, regression analysis also showed a coefficient of 0.13783 with a p-value of 0.0952, again with a small effect. This aligns with what Judge and Piccolo (2004) found. They concluded that transformational leadership improves employee performance and satisfaction through inspiring and motivating groups. This study looked at what outcomes result from leadership decisions and also looked at how different decision styles such as autocratic, participative, or delegative can affect those results. This gives us a clearer view of how leaders' decision-making styles affect employee engagement and project delivery.

The test of reliability shows that the measurement tool is strong with a Cronbach's Alpha of 0.97, reflecting very good internal consistency of the survey items. This is well beyond the conventional figure of 0.70, as suggested by Nunnally and Bernstein (1994). This high reliability shows that the items on the survey worked together in harmony and measured what they were supposed to measure. While the majority of the statistical correlations were weak to moderate, all of them reflected that leadership decision-making is very important for employee effectiveness and project success. Other researchers, including Popovic et al. (2018), also found similar reliability in leadership studies, reflecting that this study used sound and reliable measures.

The survey data shows strong positive correlation between leadership decision-making and the most important factors of project success. Budgeting was affected most, with almost 90 respondents pointing to its importance, followed by team morale and coordination. These observations align with what Raziq et al. (2018) determined, that competent leadership is extremely important in managing finances and team motivation in manufacturing projects. This is in line with what Turner and Müller (2005) found. They reported that successful project leaders make good use of resources and control finances well. Team morale and coordination also ranked high, with about 70 respondents confirming that leadership has a big influence on these two aspects. This again verifies what Müller and Turner (2010) found. They reported that effective leadership enhances team motivation and collaboration, which are key in the realization of project goals. Remaining areas like meeting deadlines, controlling risks, producing quality work, and satisfying stakeholders were moderately influenced by leadership. This indicates that while leadership has a broad impact, it makes its largest contributions in financial management and team dynamics.

With an average score of 3.54, the descriptive statistics of the important variables showed that the influence of leadership choices on employee motivation had the highest score. This indicates that the majority of respondents concurred that motivated employees are a result of effective leadership. This corroborates research by Judge and Piccolo (2004), which demonstrated that motivated and inspired leaders increase employee satisfaction. When leaders employ effective leadership styles, employees are more likely to remain with the company and feel satisfied, as evidenced by the high scores for the impact of leadership style on employee retention and satisfaction. This is consistent with the findings of Meyer

and Allen (1997) and Podsakoff et al. (1996), who discovered that supportive and transparent leadership increases employee commitment. The job stress score of 2.23 indicates that certain leadership choices may be a contributing factor in employee stress. This supports the findings of Yammarino and Dubinsky (1994), who observed that stress levels rise in high-pressure settings when there is unclear leadership. In a similar vein, leaders' inconsistent communication is indicated by their 2.91 communication clarity score. This confirms the findings of Yang et al. (2011), who discovered that a lack of communication causes misunderstandings and delays in projects. Both project success and employee engagement depend on effective communication. With a score of 3.02 for effectiveness in providing tools, materials, and manpower, the majority of respondents believe their leaders are generally effective at providing resources. This is consistent with the findings of Dulaimi (2005), who discovered that capable leaders are crucial in planning and guaranteeing that their teams have access to necessary resources. Descriptive findings thus demonstrate that while inadequate planning and communication lead to stress and shortages, effective leadership increases motivation, satisfaction, and resource access. In order to improve project success and employee engagement, these findings support both research objectives and emphasize the need for better leadership practices, particularly in communication and resource management.

Furthermore, the correlation analysis emphasizes how resource management, employee performance, and leadership decision-making are related. The effect of leadership on employee motivation, retention, and satisfaction was found to be moderately positively correlated ($r = 0.41$). This implies that in addition to improving motivation, good leadership also raises job satisfaction and employee retention. These results are in line with those of Judge and Piccolo (2004) and Meyer and Allen (1997), who found that motivated workers are more likely to be dedicated and perform better. Employee motivation and the frequency of resource shortages have a negative correlation ($r = -0.23$), indicating that higher levels of motivation are linked to fewer resource-related problems. This could suggest that good leadership, which boosts motivation, also helps with better planning and resource allocation. These results are consistent with the study's goals because project success depends on both resource availability and employee motivation. The frequency of resource shortages and job stress have a moderately positive correlation ($r = 0.56$), suggesting that higher employee stress levels are correlated with leadership's insufficient provision of tools, materials, or manpower. These findings corroborate those of Yammarino

and Dubinsky (1994), who highlighted that inadequate planning and a lack of leadership support are major contributors to workplace stress in industrial settings. The second research goal, which examines the impact of leadership on worker productivity, is directly related to this relationship.

The clarity of leadership communication and employee satisfaction and retention have a moderately positive correlation (r = 0.42). This suggests that effective communication raises workers' sense of security and worth, which in turn raises satisfaction. This result is consistent with Yang et al. (2011), who found that clear communication enhances collaboration and lowers miscommunication. By emphasizing how communication can enhance employee engagement and project performance, it advances both research goals.

The effectiveness of leadership in guaranteeing resources and resource shortages were found to be positively correlated (r = 0.40). This may seem contradictory, but it implies that shortages can still occur even when leaders are thought to be effective due to outside factors like tight budgets or supply delays. Müller and Turner (2010) reported similar results in environments with limited resources. Clarity of communication and leadership effectiveness in providing resources were found to be weakly positively correlated (r = 0.23). Though modest, this shows that effective resource management and clear communication are related, suggesting that informed teams have a higher chance of getting the resources they require.

Organizations in Sri Lanka tend to have limited funds, so they have to invest what they have wisely. There is strong linkage (0.79) between leadership behavior, e.g., giving feedback and recognition of team members' work, and overall project success. This concurs with the finding of Judge and Piccolo (2004) in their extensive review of leadership studies. This suggests that leaders who give clear and regular feedback cause their teams to perform better.

While most findings align with the existing body of research, some new ideas were also exposed by this research. Dulaimi (2005), for example, suggested that technical competency is the key to project success in construction, yet in this research, it seems that making decisions together and team-oriented leadership are even more important. This may be explained by changes in project management nowadays, where human skills are more and more becoming essential rather than just technical expertise. Aga et al. (2016)

also agreed with this change, indicating that caring for people well helps teams cope with intricate and dynamic project circumstances.

The survey examines leadership behaviours considered to make employees more efficient. Encouraging teamwork and collaboration was ranked as the most effective leader behaviour; this supports Bhatti et al. (2020) who argued that teamwork enhances problem-solving and job satisfaction. The next most popular offered developmental opportunities for training. Employees who were trained and offered development opportunities felt confident in what they did, thus reiterating Avolio and Bass's (2004) emphasis on developmental support as part of transformational leadership. Dionne et al. (2019) reinforces these findings, claiming that leadership that encourages collaboration and employee development foster highly motivated and efficient teams. According to Singh (2017), leadership styles that encourage participation and support teamwork are most effective while employees are required to voice ideas and work in close conjunction. As, feedback and recognition are key to creating behavior connections, these two practices should never be separated. This finding also supports that of Bratu and Cioca (2019) stating that non-material recognition is even more effective than financial incentives in motivating the performance of employees.

In addition, it should be added that both behaviors that are feedback and acknowledgment of efforts were closely linked to each other; if a respondent highlights one, he/she is more likely to mention the other. This supports Podsakoff et al. (2006) who found recognition to be of little value unless it was coupled with feedback for correction. Respondents gave fewer answers in relation to clearing the division of responsibilities; nevertheless, it was still an appreciated behavior. Yukl (2013) stated that clear roles reduce confusion and delays, especially on project assignments.

This element of professional development and training deserves strong emphasis in the study and aligns well with Popovič et al.'s (2018) assertion that continuous learning is a key driver of employee engagement and adaptability. Interestingly, the study also found that differentiating very clearly between duties was not deemed very important. This emphasizes a preference for flexibility and adaptation rather than sticking to fixed roles. The counters are demonstrated in the adaptive leadership study of Hussain and Khayat (2021).

The study also looked into what stands in the way of wise leadership choices. Nearly 90 respondents cited a lack of communication with employees as the most frequently mentioned barrier. These results are in line with those of Ekrot et al. (2016), who found that poor communication is a major reason why projects in complex organizations fail. One of the leadership characteristics that was studied, communication clarity, also demonstrated a positive but statistically insignificant correlation with employee motivation (coefficient = 0.12262; p = 0.1079). However, in line with Yang et al. (2011), who discovered that good communication lowers misunderstandings and promotes improved project execution, this supports the notion that clear communication improves team understanding and collaboration.

According to Oreg (2006), who discovered that organizational inertia and a fear of the unknown are significant barriers to the adoption of new practices and technologies, resistance to change is still a prevalent organizational challenge. It's interesting to note that less important obstacles were thought to be things like a lack of data or leadership training. This implies that, in the context under study, strong team dynamics and efficient communication are seen as more important for leadership success than formal training or technical resources. Limited data analysis, political meddling, and inadequate leadership training were additional difficulties. These indicate that in order to assist leaders in making just and well-informed decisions, more organized leadership development programs and decision-making instruments are required. To get past these obstacles, organizations might find it advantageous to invest in training.

The survey also looked at the qualities that leaders need to have in order to make good decisions. Over 60% of respondents agreed that leaders who set long-term goals and see the bigger picture are more effective, making strategic vision the most often chosen option. According to Boal and Hooijberg (2000), strategic leaders assist their teams in navigating challenging situations. Additionally, Zhao et al. (2021) emphasized that strategic visionary leaders can steer organizations through uncertain times. The ability to solve problems was also highly rated, demonstrating the significance of making decisions quickly and effectively when carrying out a project. According to Hussain and Khayat (2021), problem-solving skills are also essential in project environments that move quickly.

Employee involvement, emotional intelligence, and flexibility were additional beneficial qualities. Goleman (1998) pointed out that emotional intelligence helps leaders to improve

relationships and effectively address team needs, even though fewer respondents selected these. This is in contrast to the findings of Goleman (2000) and Aga et al. (2016), who contend that these characteristics are critical in the diverse and rapidly evolving workplaces of today. Together with vision and problem-solving abilities, these qualities assist leaders in directing their teams toward project success.

It can be seen from comparing these results with earlier studies that the findings of this investigation both confirm and add to the body of existing literature. As pointed out by Turner and Müller (2005) and Raziq et al. (2018), the strong positive correlation between leadership decision-making and project success metrics confirms the crucial role that leadership plays in influencing project outcomes, especially regarding budget management and team coordination. The discovery of critical leadership behaviors that boost worker productivity offers organizations looking to boost performance practical insights, enhancing the claims made by Singh (2017) and Dionne et al. (2019) about the significance of transformational and collaborative leadership styles. The analysis of barriers and essential traits offers practical recommendations for overcoming challenges and developing more effective leaders, with an emphasis on communication, strategic vision, and problem-solving, aligning with the latest thinking in leadership research (Goleman, 2000; Zhao et al., 2021).

These results reinforce existing literature, demonstrating that effective leadership extends beyond decision-making to include communication, motivation, vision, and adaptability (Avolio & Bass, 2004). The results provide compelling evidence in support of the idea that, in industrial organizations, leadership decision-making plays a crucial role in determining project success and worker productivity. According to this study, even minor adjustments to leadership techniques can have a big impact on project results, particularly in settings with limited resources or when there is a lot of outside pressure. The findings also highlight the significance of precise performance evaluation, the critical function of middle management, and leadership practices that foster collaboration, staff growth, and acknowledgment. Barriers like poor communication and resistance to change must be addressed in order to accomplish these goals. To successfully handle the complexity in modern project environments, leaders should also develop their strategic vision and problem-solving skills.

6 Future Recommendations

Several suggestions are made for further research and real-world application based on the study's findings. The purpose of these suggestions is to increase knowledge of how leadership choices impact project success and worker performance in various contexts.

In the beginning, a bigger and more varied sample size should be used in future studies. With little support from Finland, the primary focus of this study was Sri Lankan professionals. Researchers would better understand how different leadership styles may function in different contexts by having included participants from a variety of nations, cultures, and industries. Studies that compare nations with different business practices may bring light on the leadership philosophies that work best in various contexts.

Second, it is advised to use real-world data to examine finished projects within businesses. This involves collecting data on project outcomes, team performance, budgets, and schedules. It is possible to determine which leadership choices contributed to the project's success or failure by contrasting these actual results with the initial plans. More useful information would be provided by this kind of assessment to enhance project planning and execution in the future.

Interviews or focus groups with project planning teams and staff members at various management levels are further recommendations. These conversations may bring light on the motivations behind project results and demonstrate how leadership choices are implemented. Understanding middle managers' and planning teams' points of view can give a more comprehensive picture because they are crucial in carrying out leadership directives.

The use of mixed-method approaches, as used during this study, is encouraged to be continued and expanded in future research. A more thorough understanding of leadership practices can be obtained by combining quantitative data and qualitative insights. Qualitative data offers more in-depth explanations of those findings, even though numerical data can be used to measure impact and recognize trends. Future studies, for example, may go deeper into the ways that particular leadership behaviors affect teamwork, employee motivation, and project management skills.

Long-term studies should also be a part of future research. It may take some time for the effects of leadership to become evident particularly in areas like innovation, employee satisfaction, and business expansion. Researchers can better understand the long-term impacts of decision-making and leadership styles on project success and organizational performance by tracking projects or organizations over an extended period of time.

Future studies should examine how virtual leadership functions in comparison to traditional, in-person leadership, as more businesses use digital tools and remote working. Researching how remote leaders maintain team motivation in digital workspaces, manage communication, and promote trust is essential. Practically speaking, businesses should to fund leadership development initiatives that highlight critical abilities like communication, emotional intelligence, flexibility, and strategic thinking. It was discovered that these abilities were crucial for overseeing complicated projects. Additionally, promoting an environment where managers provide frequent feedback and acknowledge staff members' efforts can boost motivation and project results.

Finally, middle managers should receive more attention. They serve as a link between the team's other members and upper management. In order for middle managers to successfully implement leadership plans, future research should examine how to provide them with training, clear communication channels, and the power to make decisions.

7 Conclusion

With a focus on increasing worker productivity in industrial organizations, this study investigated how leadership decision-making affects project success. Using a mixed-methods approach, the study looked at data from 108 professionals in the engineering, manufacturing, and construction industries in Finland and Sri Lanka. The results provided valuable insights into the ways in which leadership practices impact team performance and organizational outcomes. The results showed that important project success metrics are greatly impacted by leadership decision-making. Despite the weak statistical correlation between leadership choices and worker motivation, the steady upward trends imply that good leadership practices have a significant impact on project success and worker productivity.

Additionally, the study highlighted the critical function of middle management as a link between operational execution and top-level strategy. For managing complex project environments, leadership qualities like strategic vision, problem-solving skills, emotional intelligence, and adaptability were found to be crucial. It has been demonstrated that barriers like poor communication and resistance to change reduce the effectiveness of leadership, highlighting the necessity of clear communication techniques and cultures that are prepared for change.

Overall, by highlighting the growing significance of people-oriented leadership in industrial settings, this study complements and expands on the body of existing leadership literature. Additionally, it offers organizations useful suggestions, such as funding leadership development initiatives that foster teamwork, emotional intelligence, and strategic thinking. Effective leadership decision-making is essential to project success and creating motivated, productive teams. In environments that are limited or changing quickly, even minor changes in leadership conduct can have a big impact. Industrial organizations can improve project outcomes and create more resilient, high-performing teams by removing barriers to leadership and promoting the appropriate behaviors.

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Appendix: Survey Questionnaire

Survey on Leadership Decision-Making and Its Impact on Project Success & Employee Efficiency.

Section 1: General Information

1. What is your job title or designation?
   - Project Manager / Manager
   - Assistant Manager
   - Department Head
   - Senior Engineer
   - Project Engineer
   - Site Engineer
   - Supervisor
   - Other (Please specify)

2. How many years of professional experience do you have in an industrial organization?
   - Less than 2 years
   - 2-5 years
   - 6-10 years
   - More than 10 years

3. Which sector does your organization belong to?
   - Construction
   - Manufacturing
   - Energy
   - Transportation & Logistics
   - Information Technology
   - Other (Please specify)
4. What is the size of your organization?
   - Small (Less than 50 employees)

- Medium (50-250 employees)
- Large (More than 250 employees)

5. What leadership level do you primarily interact with in your daily work?
   - Senior Management
   - Middle Management
   - Operational-Level Leaders

6. In which country are you currently working? (Open ended)

Section 2: Leadership Influence on Employee Efficiency & Engagement

7. How would you describe the impact of leadership decisions on employee motivation in your organization? (1 = No Impact, 5 = Significant Impact)

8. What leadership behaviors have positively influenced your work efficiency? (Can be select multiple answers)
   - Encouraging teamwork and collaboration
   - Providing timely feedback and performance evaluations
   - Recognizing and rewarding employee contributions
   - Ensuring a clear division of responsibilities
   - Supporting professional development and training

9. How frequently do leadership decisions result in increased workload or job stress? (1 = Never, 5 = Very Frequently)
10. In your opinion, what are the biggest challenges employees face due to leadership decisions? (Open-ended response)

11. How do leadership styles impact employee retention and job satisfaction in your organization? (1 = Negative Impact, 5 = Positive Impact)

12. What improvements in leadership decision-making would enhance employee efficiency? (Open-ended response)

Section 3: Communication, Resource Allocation & Decision-Making Transparency

13. How clearly do leaders share information about project goals, budget, and use of resources? (1 = Not Clear, 5 = Highly transparent and clear)

14. Which leadership communication strategies do you find most effective in ensuring project success?
    - Regular team meetings
    - One-on-one discussions with employees
    - Use of digital communication platforms (Slack, Teams, Emails)
    - Clear and detailed documentation of decisions

15. How frequently do leadership decisions result in resource shortages that impact project efficiency? (1 = Never, 5 = Very Frequently)

16. Which factors contribute most to **ineffective** leadership decision-making in your organization? (Can be select multiple answers)
    - Lack of communication with employees
    - Insufficient data analysis before making decisions
    - Political influence or favoritism
    - Resistance to change
    - Lack of leadership training

17. How well do leadership decisions ensure the availability of necessary tools, materials, and manpower? (1 = Very Poorly, 5 = Very Well)

Section 4: Leadership Decision-Making & Project Success

18. In your opinion, how often do leadership decisions impact project outcomes in your organization? (1 = Never, 5 = Always)

19. In your experience, which aspects of project success are most influenced by leadership decisions? (Can be select multiple answers)
    - Meeting deadlines
    - Budget management
    - Risk management
    - Quality of deliverables
    - Stakeholder satisfaction
    - Team coordination and morale

20. How do you rate the effectiveness of leadership decision-making in ensuring project success? (1 = Very Poor, 5 = Excellent)

    Rate the impact of the following leadership practices on project success: (1 = No Impact, 5 = Significant Impact)
    - Clear communication of project objectives
    - Timely and well-informed decision-making
    - Proper allocation of human and financial resources
    - Employee engagement in project planning
    - Implementation of risk assessment and mitigation strategies
21. Have leadership decisions in your organization ever led to project failures or delays?
    - Yes
    - No
22. If yes, what were the key reasons behind those failures or delays? (Open-ended response).

Section 5: Leadership Decision-Making Practices & Recommendations

23. What leadership traits do you believe contribute most to successful decision-making?

- Strategic vision
- Problem-solving abilities
- Employee involvement
- Adaptability
- Emotional intelligence

24. Have you received training on leadership decision-making in your organization?
    - Yes, multiple times
    - Yes, once
    - No, but I would like to
    - No, and I don't think it's necessary

25. What leadership decision-making improvements would you recommend enhancing project success and employee engagement? (Open-ended response)

Section 6: Final Comments

26. Do you have any additional comments, experiences, or suggestions regarding leadership decision-making and its impact on project success and employee efficiency? (Open-ended response)