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# **Project uncertainty, project risk and project leadership: A policy capturing study of New Zealand project managers.**

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A thesis presented in partial fulfillment of the requirements for the degree  
of Master of Arts in Psychology  
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## **Abstract:**

Cooperation between project practice and project research could help reduce failure rates for projects in New Zealand and globally. The current research used a “policy capturing” method - systematically varying sources of project uncertainty (policy cues) to explore project leadership responses. A contingency model proposed that project uncertainty (low path-goal clarity, low team cohesion, and high technical complexity) would lead to greater perceptions of project risk (scope/quality, budget, schedule, and project team satisfaction) that would negatively predict the (rated) effectiveness of transactional leadership style and positively predict ratings for transformational style. In total,  $n=131$  experienced project managers rated the effectiveness of leadership styles from ‘not effective’ to ‘extremely effective’. Greater uncertainty produced higher perceived risks that reduced the rated effectiveness of transactional leadership. Path-goal clarity was of particular importance as a policy cue, directly predicting transactional leadership ratings ( $R=-0.189$ ). These results are consistent with the task-orientation of traditional project management. However, the results for transformational style were unexpected - only team cohesion predicted transformational leadership ratings (negatively) ( $R= -0.119$ ) and no link between risk and transformational leadership was found. Possible reasons for the ‘disconnect between transformational leadership, uncertainty and risk are discussed and further research suggested.

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