

CAPITAL UNIVERSITY OF SCIENCE AND  
TECHNOLOGY, ISLAMABAD



**LMX and Project Success:  
Mediating Role of Psychological  
Well-being and Moderating Role  
of Trust in Leadership**

by

**Abd Ur Rehman Butt**

A thesis submitted in partial fulfillment for the  
degree of Master of Science

in the

Faculty of Management & Social Sciences  
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*I dedicate my work to my father Shokat Mehmood Butt (Late) who had been an inspiration for throughout my life.*



CAPITAL UNIVERSITY OF SCIENCE & TECHNOLOGY  
ISLAMABAD

**CERTIFICATE OF APPROVAL**

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Leadership**

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## *Abstract*

This study focuses on the relationship between Leader Member Exchange (LMX) and Project Success with mediating role of Psychological well-being and moderating role of Trust in Leadership. The specific context of this study is the project based organizations in Pakistan, especially those of Islamabad, Rawalpindi and Azad Kashmir. Close ended questionnaires were used to get data from 350 employees of project based organizations. In Pakistan project based organizations pay little attention to leaders direct relationship with employees, which creates many misunderstandings between leader and employees. Lack of Psychological well-being of employees in stressful environment may cause negative behavior like uncertainty and frustration. Employees having no trust in leadership show irresponsibility while performing their duties. Results indicate the positive impact of LMX on Project Success. Moreover, mediating role of Psychological well-being is also established. In addition, results confirm the moderating role of Trust in Leadership.

**Keywords:** Leader Member Exchange (LMX), Psychological well-being, Trust in Leadership, Project Success.

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# Abbreviations

<b>LMX</b>	Leader Member Exchange
<b>PW</b>	Psychological Well-being
<b>PS</b>	Project Success
<b>TL</b>	Trust in Leadership
<b>IT</b>	Information Technology

# Chapter 1

## Introduction

### 1.1 Background

In project management literature, project management is a structure, which was previously used with the purpose of increasing the success of projects (Kunc and Serra, 2015). Project Management is realized by companies as leading and powerful manner to protect their business as well as a convincing way to obtain additional value (Heising, 2012). Project management explains the upcoming trend for companies towards project-based formations as reaction to overly rigid structures and as attempt to better fit the current environments (Genus & Jha, 2012). Project management can be defined as the approach through which existing resources are utilized efficiently and professionally by restructuring management and adapting special management tools and techniques to achieve better control (Kerzner & Kerner, 2013).

The popularity of project management is quickly growing from construction industries to the IT sectors, pharmaceuticals, hospitals, law agencies and even governmental, non-governmental organizations. In order to properly run the projects, these different industries are modifying the traditional project management (identified as Waterfall approach within this work) according to their organization and industry specifications and conditions which help them to cope up with the changing environment (Kerzner & Kerner, 2013).

Productivity in the Organization can be achieved through human resource, time, space and organizational boundaries (Viktorsson et al.,2006).

In recent studies of project management, project success is a significant part of projects (Prabhakar, 2009; Nauman, Mansur, & Ehsan, 2010) as researchers have found that many organizations choose project based system (Meredith & Mantel,2011; Zwikael & Smyrk, 2012) to achieve competitive advantage (Turner & Zolin, 2012).Research on project success usually falls in two important categories: dealing with project success criteria or examining critical success factors ( Lim & Mohamed, 1999). The criteria for determining and evaluating project success has three components that is time, cost and quality(wateridge, 1995).In addition customers satisfaction and satisfaction of stakeholders is also include in project success measurement criteria (Lim & Mohamed, 1999). Recently the focus shifted to feature of project team leader, as a political power, environmental factors, requirement, project finance, project operation, leadership support, project scheduling, project planning, client satisfaction, technical & non-technical tasks and client acceptance etc. (Aga,Henderson,2004; Jugdev & Mller, 2005;Noorderhaven & Vallejo, 2016).

Project based organization need employees with innovative personality because project jobs are risky and required a personality who can take decision and also suggest ideas at critical situations in the project (Janssen, 2005). Employees engaged in this sort of job requires strong and trustworthy relationship with the leader. In this particular study we will observed the relational characteristics of a leader whose availability and easy to reach approach will boost up the confidence level of the employee working under his leadership. Employees working under inclusive leadership not only receives support from their leader also feel free to discuss more about new ideas.

Project management success is related to organization relationship with employees of project in which project team concern is involved and project management success leads towards project success (Ika, 2009) and for project management success we need responsible and effective performance of project team members and

good relationships with management and project leadership (Browne, Dreitlein, Manzoni & Mere, 2016; Scott-Young & Samson, 2008).

LMX high quality between leader followers settled strong and healthy relationship through which leader can utilize their follower up to their full potential because the followers have high liking towards their leaders (Dulebohn, Wu, & Liao, 2017). Trust in leadership was found a significant and major component in building an effective team at projects which ultimately increase individual performance as well as team performance (Aga, Noorderhaven, & Vallejo, 2016). Job performance is always connected with work engagement, high level of work engagement results high performance and both makes the more resourceful work environment followed by LMX relationships. (Breevaart, Bakker & Heuvel, 2015). It is very important for leaders to pay full attention and care to important issues relating with their followers such as the extent to which they are trusted by employees and create the level in employees at which they feel easy and comfort to express their inner feelings (Mo & Shi, 2015).

Leader plays a vital role in actual performance of employees. (Avolio & Shamir, 2002). There are so many different ways through which leader support employees' performance, but the most important and basic way is the strong relationship with subordinates. (De Jong, & Den Hartog, 2007), and LMX defines the direct and strong relationship of leaders with their subordinates at workplace (Gerstner & Day, 1997). In the leadership literature, the leader member exchange theory is sum of the most notable views. LMX explains leader-member relationships in both ways high and low. In high relationship, employees who have strong relations with the leader by accomplishment of their tasks in responsible way they also known as In-group employees, have the trust and direct support of the leader. In-group members show high quality of LMX. Low quality of LMX includes employees who have weak relations with the leader, having less support of the leader, they also known as out-group employees.

In-group members of a project-based organization have high performance at individual and team level (Wayne et al., 2002; Witt, Zivnuska. & Gully, 2004). LMX

has positive and negative effects on employee's performance at workplace. Employees having low quality of LMX show negative results during job performance (Lin, Lin, & Chang, 2017).

LMX literature explained positive and significant effects of high relationships with the leadership (Wang et al., 2015). Leaders use various tools, techniques and skills to achieve organizations success one of the major and significant tool is psychological factor (Seibert, Wang, & Courtright, 2011). At workplace, psychological aspect of relationships considered as most important for employee's satisfaction (Grimmer & Oddy, 2007).

In the concept of psychological well-being, perception of both parties (leader & subordinates) and what are their obligation and responsibilities to each other is involved, beliefs are important in this agreement, both leader and employee opinion about their relationship, it can be negative or positive (Anderson, Herriot, & Hodgkinson, 2001). Two main types of psychological well-being are (i) Transactional (ii) Relational. Transactional are those contracts in which focus are given to material rewards. Relational are those in which less focus are given to material and measureable rewards and have long term duration with no end date (Rousseau, 1995).

There are so many scholars observing the basic psychological well-being, health related behaviors to explain why that such relation exists when project success is dependent on high quality relation with leader. Need to work on the mechanisms by which LMX effect the employee's behaviors (Metom, 2017). According to an individual working in project-based organization, trust in leader has been associated with high job satisfaction and job engagement and reduced employee turnover. When the trust in leadership is high, it causes more job satisfaction and showed more attachment with leader (Moorman, Darnold, and Priesemuth, 2013). The psychological well-being for employees is a main concern in developing a project management competence plan. The psychological well-being is very important element to understand the relationship between employee's performance and planned performance of a project. The main point of psychological well-being is trust that employees have on organization (Lopes, Sbragia and Qualharini,

2015). There are so many types of jobs according to their nature, some employees involved in non-projected organizations when they are also involved in projects they show higher level of distress. Employees came from non-project based organizations show lower level of performance due to high stress working environment. Our study suggest that psychological well-being in project based organizations increase the performance of employees (Chiocchio et al., 2009).

Leadership considered as one of the critical part of project success especially in project-based organizations where resources are limited and project needs to be delivered in a defined time span and given finance (Bredillet & Muller, Dwivedula 2016). Trust between project leadership and employees is important because trust create psychological well-being. Employee's trust on leadership creates high quality relationship. In project management, trust is very important and necessary variable. (Carter & Mossholder, 2015; Halbesleben & Wheeler, 2015).

Trust has been observed as level of confidence, which has a direct relation on their behavior acting at the time with ethics, fair and predictable manner ( Russell, 2001). Leadership impact can have further impacts on the subordinates working in the project, due to this impact subordinates can have positive or bad both relation with the leader and employees can produce better outcomes (Mayer & Gavin 2005). Trust in leadership creates very strong relationship between leader and his employees (Sluss & Ashforth 2007). Effective performance is only possible through trust in leadership (Jong & Elfring, 2010). In current situation, leader who can motivate their team members is required (Chen et al., 2007).

High Employee's trust in leadership decrease the uncertainty and stress, on the other hand it increases job loyalty, satisfaction and job commitment (e.g., Dirks & Ferrin, 2002). Therefore, trust in leadership provides self- confidence, self-actualization and freedom to express. (Li & Tan, 2013).

According to social exchange theory (SET; Blau 1964) whenever high quality leader member relationship exist and subordinate's trust on leadership/leader than this relationship is maintain in long term with the relational contract ,as subordinate's trust in leadership is moderator in this relationship.

## 1.2 Gap Analysis

Successful project is the utmost desire of project-based organizations. In project management literature, there are different key success factors have been recognized, which have positive impact on project success, but leader Member exchange is one of the critical factor, which leaves positive impact on project success. In last three decades, there have been a lot of study on Leader Member exchange theory but scholars are still considering the psychological well-being, which leaves positive impact on project success, and it is still missing in current literature of Project Management. In this research, we study psychological wellbeing as a mediating variable between LMX and Project success. Sana (2017) suggested future research to include different mediators like transactional contract, Psychological well-being or Psychological contract.

Yeh (2012) found that relational contract is positively related with work engagement and performance (e.g. Project success), relational contract is the type of psychological contract and yet not studied directly in the research. Current literature also focus on the behavior of the leadership with their subordinates, employees and stakeholders involved in the project (Rodwell, McWilliams & Gulyas, 2017).

We are taking trust in leadership as a moderator between LMX and Psychological wellbeing. Numerous researchers highlighted the need to work on the mechanisms by which leader member exchange theory influence the employees' behaviors (e.g. Project success). However, we found no attention on dynamic of LMX process for project success, through mediated mechanism of Psychological well-being and moderated mechanism of employee's trust in project leadership in Pakistani context. Another factor, which boost up the project success, is trust in leadership. There have been lots of research in this area but the moderating impact of trust in leadership on project success is still missing.

There are various theories, which explain Leader Member relationship with different variables related with LMX such as motivational theory and social exchange theory etc.

### 1.3 Problem Statement

Project management literature draw special attention on the significance of leaders for project success. There are certain areas, which have limited focus by researchers, and researchers are trying to identifying the different variables as mediators team cohesion, job satisfaction and trust in the relationship of LMX and project success. LMX is recognized in project management literature as LMX quality (high & low) with various outcomes related project management like employee's performance, team performance and project success.

In Pakistan project based organizations pay little attention to leader's direct relationship with employees, which creates many misunderstandings between leader and employee. Lack of Psychological well-being of employees in stressful environment may cause negative behavior like uncertainty, frustration, anxiety, lack of confidence, high rate of turnover and may even give rise to corruption. Employees having no trust in leadership show irresponsibility during performing their duties. In construction projects, leaders often exhibit rough and rude behavior with their team members which leads to turnover or project delay. This requires research to guide on these factors to make organizational working easier for employees, in otherwise an already stressful project based environment.

Limited research found that how leader member exchange affect project success through some important mediators. This study also identifies the Psychological well-being as mediator between LMX and project success and trust in leadership as a moderator. This relationship among LMX, psychological well-being, trust in leadership and project success is not studied in project management literature. While mediating effect of psychological well-being on LMX and project success has not been observed in Pakistani context.

## 1.4 Research Questions

Following important five questions need to be answered in this current study.

### Research Question 1

Does LMX has positive impact on Project Success?

### Research Question 2

Does Psychological well-being has significant impact on project success?

### Research Question 3

Does LMX has impact on Psychological well-being?

### Research Question 4

Does Psychological well-being mediate the relationship between LMX and Project Success?

### Research Question 5

Does Trust in Leadership moderates the relationship of LMX and Psychological Well-being?

## 1.5 Research Objectives for This Study

The unique and different aim of this study is to observe the relationship of these four variables LMX, project success and psychological well-being. To explore the impact of LMX on project success with mediating role of psychological well-being.

Additionally trust in leadership is added in this study as moderator on LMX (leader member relations) and project success. Following points are objectives of current study.

### **1.5.1 Research objective 1**

To discover the relationship between LMX and project success.

### **1.5.2 Research objective 2**

To find out the mediating role of psychological well-being between LMX and Project success.

### **1.5.3 Research objective 3**

To discover the moderating role of trust in leadership between LMX and psychological well-being.

## **1.6 Significance of the Study**

The focus of this current study on project success is to know that the important factors, which are necessary for project success. The focus of this present study is to observe a critical success factor of leaders relationship with employees of project based organizations through leader member exchange theory for project success. High leader member exchange relations produce positive output in the organizations. Therefore, good leadership is the basic need of all project-based organizations to achieve objectives affectively within time, cost and scope. Project based organizations work in limited resources and time, effective leadership having high relationships with subordinates can meet these deadlines.

Project management literature tells us about various factors, which improve the success rate of projects. In current study, we try to observe a critical success factor of Psychological well-being of employees through LMX for project success.

Theoretically, this study provides a chance to test high and low quality relationship and project success.

This study will raise awareness in Pakistani project based organizations e.g. construction companies working in Bahria Town & DHA Islamabad that how affective leader member relations effect the project success. In Pakistani culture, where labor and lower level employees accept power distance between leader and themselves. Such a stressful environment need good relations between employee and project leadership, employee should have trust in their leadership. To reduce stress and work load leadership should provide psychological well-being in the form of health care, mental and emotional well-being and social & spiritual well-being. In stressful environment, employees need full attention of their leadership to attain organizational goals and objectives.

Good leaders are the basic need of project-based organizations and without relationship oriented leader the survival of an organization is very worst. In this era of competition organizations, need more effective leadership having strong relationship with employees. Leaders motive their employees and empower them for future challenges. Leaders have the ability to recognize the talent and confidence of employee. (Crawford, 2007). At this time, Pakistan is in developing phase. Different developed countries of the world such as China and Russia are investing in projects in Pakistan. CPEC is the largest project of China in Pakistan, where need different project-based organizations. Organizations having best leadership can get different contracts in CPEC. High leader member exchange creates positive results. This study is supportive for construction sector. High leader member relations can creates organizational citizenship behavior and reduce the negative responses.

The present study has significant contribution in the current project management literature. The present study has aim to fill the current literature gap and solve the problems of the literature. This study will be beneficial for project-based organization. Training of project managers and team members has positive impact on

performance. In the project management literature the researchers have been focus on project success and find different key success factors for the project success, this study contributing in the key success factors.

Pakistans national culture is characterized by a collectivist orientation and high power distance. This entails a workplace where the labor force accepts power differences between themselves and managers. Such hierarchical work environments attach significant resources to the leader. As a result, the supervisor has more resources at his/her disposal to dispense with inner circle/favorites (i.e. in-group members). Conversely, out group members in centralized workplaces have more reason to believe that actions taken by management are politically motivated (Allen et al., 1979; Kacmar & Ferris, 1992). This line of argument suggests that in such cultures, an individual employees relation with his/her supervisor becomes vital.

## **1.7 Supporting Theory: Leader Member Exchange Theory**

According to LMX theory, LMX explains the high and low level of exchange between leader and subordinate. High level LMX creates self-confidence, high level of interaction and high level of motivation and loyalty. In-group members are more responsible during performing their tasks and they got more support from leader. (Ziguang, Wang, & Zhong, 2007). LMX enhanced organizational performance and have positive affect on employees satisfaction. (Janssen & Van Yperen, 2004). Different studies found that the relationship between leaders and subordinates empower them to participate in organizational goals (Schyns et al., 2005).

We totally dependent upon LMX Theory to define Psychological well-being between LMX Theory and Project success. According to Leader member exchange Theory, high quality relationship of leader and employee produces more positive results. (Krishnan, 2005). Leader Member Exchange theory explains that high and strong relationships of leadership and members encourage employees to show more

commitment and loyalty to organizational goals (Castigan, 2012). High quality of relations associated with innovative behavior (Moorkamp et; al, 2010).

Whenever an employee showed trust in leadership with high LMX then the relationship is long lasting. Leader Member Exchange Theory, describes that positive and strong relationship of leader and employees show strong commitment of leader towards organizational long term objectives (Castigan, 2012). In addition, strong relationships related to motivated behavior (Kheng, June & Mehmood. 2013).

The focus of current study is to find out the impact of Leader Member Exchange on project success with mediator role of Psychological well-being and moderator role of Trust in leadership of project. We used Leader member exchange theory as a supporting theory that totally focus on high leader member relationships which caused high level of employees job performance, team performance and also develop organizational commitment and loyalty. Psychological well-being plays an important role to maintain this high LMX relationship. Trust in leadership creates more strength between LMX and Psychological well-being.

## **1.8 Structure of the Thesis**

Chapter No.1 of this study has introduced broad and complete area, which has explained the background, research gap, research questions, significance, research objective of this study and supporting theory, which support this study. Chapter No.2 has discussed literature review and this chapter gave the understanding of all conceptual framework of variables with the hypothesis of this study. Chapter.No.3 has discussed sample and procedures, the scales used to measure the results of data and statistical tests used with the help of SPSS. Chapter No.4 discussed results of data reliability, correlation, regression, mediation and moderation. Chapter No.5 included results, discussion of the results. Theoretical and Practical implications, strengths, limitations and future directions also explained in this chapter.

# Chapter 2

## Literature Review

### 2.1 LMX and Project Success

In order to understand the relationship of leadership in the organization, leader member exchange theory shares a lot of information in the literature. Leaders have different types of relationship with their subordinates and this relation sometimes is not equally important for supervisor working in the project. Their leader who help their team to achieve project goals through team effort (Northouse, 2007) influences group of individuals working in the project. George (2003) explained that we need leaders with great values, the one who have some purpose and integrity, the one who makes organizations culture and also motivate the employees to provide end to end customer services with customer centric approach, and also establish long term stakeholder value ” (p.9)

LMX have relationship of the subordinates with their leaders, where leaders can create different relations with the subordinates in high quality relationship or low quality relationship. In the context of high quality LXM, subordinates may be kept more responsible, may have more support from their leaders, and are known as In-group members. Whereas, in low quality relationship employees are reserved less committed and have lower support from their leaders. The In-group members can achieve at a higher level of performance (Wayne et al., 2002).

Leader member exchange explained leader's interaction and attachment with their employees (Liu, & Loi, 2010). Leader Member exchange theory suggested that leaders have different relationships with their subordinates, formulation of strong relations develop commitment, loyalty, supportive culture and social exchange behavior in the organization. Leadership built social links rather than financial (Uhl-Bien & Maslyn, 2003). Leader member exchange has positive and significant impact on employee's attitude. In organizations, leaders have different expectations from employees other than their job description. Leader can get these expectations from employees with high quality relations with them (Dulebohn et al, 2012).

Different results shows that In-group members have direct relations with their leader and perform beyond their responsibilities. Four factors are very important for creating successful projects, which are communication, trust and respect and collaboration between the project team and the project manager. (Turner & Zolin, 2012). High quality LMX relationship also positively affects job satisfaction and increase job performance of the subordinates (Janssen & Van Yperen, 2004). Employees working on interdependent and more complex assignments needs more communication and coordination from and with their manager to achieve their work objectives successfully. (Kozlowski & Bell, 2013). High LMX provides inspiration, challenging followers with new ideas and motivated behavior. In leader member relation, leader is trusted and liked by the members (Turner & Muller, 2015). High LMX has positive impacts on job satisfaction (Janssen & Van Yperen, 2004; Schriesheim, Neider, & Scandura, 1998) and feedback from the subordinates and performance at work was mediated by LMX (Lang, Huang, & Snape, 2007).

Organizational cynicism is due to low quality of LMX (Davis & Gardner, 2004). Some researchers on the other hand revealed positive effects of low LMX. Anand et al. (2010).

Anand et al. (2010) showed that employees having low relationships with their supervisors rather than high quality relations with idiosyncratic deals showed more, not less, organizational citizenship behaviors. In a similar vein, Van Breukelen

et al. (2002) showed that the positive effects of LMX, eliminated by the differential treatment of leaders. Hooper and Martin (2008) found that individual perception of LMX variability negatively affected job satisfaction and well-being not withstanding these exceptions, most LMX research focuses on the in-group exclusively.

High quality LMX relationship have also positive effects on employee commitments (Janssen & Van Yperen, 2004).

LMX theory explains the relationship of leader and member in the project, which ranges from low to high. People who have strong relationship with their supervisors they follow their task properly with complete responsibility. People who have weak relationship with their supervisor are normally dropped into the low category. If leader wants to have his deliveries on time then he should have a strong relationship with his team (Mukhtar, 2017). When leader of a project team consider his team members most important and pay close care to their needs and have the complete knowledge of their strengths and weaknesses then he is in a position to get the best from them. (Paracha, 2017).

Being In-grouping completely and significantly linked with employee's voice (Botero & Van Dyne, 2017) better job commitment and better job satisfaction (Erdogan & Enders, 2007; Pelligrini & Scandura, 2006) and decrease employee turnover (Nishii & Mayer, 2009).

LMX affected negatively on team members conflict (Barnes & Howell, 2006). In last two decades high quality LMX relationship studied have positive effects on follower autonomy (Basu & Green, 2006). LMX segregation moderated the role of political skill and job satisfaction (Epitropaki et al., 2016). Different researchers studied LMX quality in which LMX mediates the relationship between leadership and employee's behavior (Ilies, Nahrgang & Morgeson, 2007). Thor and Ofari (2008) found a 21st century managing project need a different approach and different attributes knowledge and skill of project manager. They predict LMX relationship have powerful and positive influence on individual performance ( e.g. Project success). LMX has invers relation with team conflict (Boies & Howell, 2006).

To predict organization's commitment, the exchange between the leader and the member is interacted with coworker (Sherony & Green, 2006). LMX predicts communication satisfaction (Mueller & Lee, 2002). LMX quality related to turnover when employee's extraversion was low (Bauer et al., 2006). According to the studies, there is a negative relationship between workplace deviance and bullying keep the social exchange perspective. (Foster, 2012). That is, subordinates who are trusted by the supervisor, reciprocate that trust by enhanced work performance and by withholding deviant behaviors (Huang et al., 2017). In-group members also feel more confident to raise their voice and influence group decision-making (Burris et al., 2009).

Numerous benefits accrue to those employees who are high on LMX with their superiors. Employees quit when they have lower links and have to make less sacrifices when severing their employment. Mitchell et al. (2001) observed that there are different links exist in the organizations but most vital and necessary link in employee-boss relation. High link with boss resist employee to leave the job. The main purpose of Leader Member Exchange is that different relations of leader with employees. Employees who have high relationship with their leadership can report directly (Liden; et, al, 2006). With some employees leader have low relations, they restricted to report directly (Wayan & Sparrowe, 2006).

Also, empirical results have demonstrated that high, LMX is negatively related to turnover intentions (Harris, Wheeler, & Kacmar, 2009). Similarly, studies contend that employees who have poor interactions with their supervisors would have more reason to sever their connection to the organization, as it would amount to less relational sacrifice. Conversely, individuals having high quality relations with their superiors would have to sacrifice meaningful relationships at the workplace, if they intend to quit. Thus, in comparison, low quality LMX employees would be more susceptible to turnover intentions than those scoring high on the LMX scale. Leader Member exchange theory connected with at least three important and basic elements; Trust, Empowerment and job performance.

Leader member exchange argued that a leader has different relationships with every member of same team (Van Dyne, 2009). Organizations have diverse employees

from different regions at different positions, so leaders have different relationships with them (Erdogan & Bauer, 2010). Generally, LMX measure quality of work in association between supervisor and their subordinates, main focus remains in relationships which progress among the leaders and their supporters separately (Liden, Sparrowe, & Wayne, 1997).

Role theory supports LMX (Graen, 1976; Graen & Scandura, 1987) it was also linked with popular theory on exchange relationship which is social exchange theory (Liao, Liu, & Loi, 2010). LMX main focus is on the qualities of supervisors and his subordinates working in the project. It is also stated that on the basis of LMX, leaders divide their followers into two different categories such as group and group instead of treating subordinates equally.

As per leadership theory leader will never establish same kind of relationship with all of his followers. Their behavior changes and this behavior defines the relationship of leader with his follower. Liden and Maslyn (1998) share their thoughts on multi-dimensional LMX scale. In this scale they represent the relationship of leader with his followers.

High quality LMX is conceptualized on base of mutual obligation and exchange relationship in terms of their contribution in this particular relationship (Gouldner, 1960; Liden et al., 1997). However, low quality LMX is only based on transactional exchanges and stated role of both leader and followers specified in job description. In such relationship both parties play their formal role (Blau, 1964). Relationship based on the basis relational exchange is more powerful than the relationship based on the economic relationship. Relational exchange always produce positive outcomes both leaders and followers (Cropanzano & Mitchell, 2005; Uhl-Bien & Maslyn, 2003).

In management, the role of leader and leadership remains always very important. While studying the leadership field, the approach (Leader-member Exchange Theory, LMX) which is used to test the relationship quality among leaders and their followers been admired since long (Yammarino, Dionne, Chun & Dansereau, 2005). LMX explained the objectives of leadership and their relationship with their followers (Martin et al, 2016). Keeping in mind above mentioned relationship of

LMX between leader and the follower we have already achieved this point that if the relationship is strong the followers can bring lots of efforts in their work and can help the leader to achieve project success.

There are some factors in between LMX and project success which have not been answered in the literature. In this research we are explaining main three research issues which contribute to LMX literature significantly.

First, although the link between LMX, contextual performance and task has already been established (Dulebohn, Bommer, Liden, Brouer & Ferris, 2012), previously no meta-analysis focused among the counterproductive performance and LMX i.e., harmful behaviors that damage others in organization, such as stuff misuse, stealing even though numerous studies investigating this part of performance. LMX quality is directly proportional to the follower outcomes which means if the LMX quality increases, the followers affection for their leader increases (Martin, Epitropaki, Thomas & Topakas, 2010; Anand, Hu, Liden & Vidyarthi, 2011).

To the exclusion of the negative outcomes of low LMX, this research replies to such events by addressing the neglected group of employees-out-group members. This line of inquiry is important because Martin et al., Meta analytic results found no support for the relationship between high performance and LMX. Surprisingly, all employees with elevated performance do not enjoy a high quality relation with their leader (Duarte et al., 1993). Reinforcing this point from a different perspective, researchers have found beneficial, not harmful, effects of low quality LMX (Anand et al., 2010). Second, most LMX research employs LMX as a mediator between different individual and organizational outcomes (Dulebohn et al., 2011).

Leadership of project and their relationship has been compulsory for accomplish of project at time. Success and failure of project directly depend upon on leadership of project (Wilkinson, 2016). It has been observed that leadership of project and success are straightly attach with each other (Turner, 2014). The failure of projects according to cost overrun or delay in time reflect the lack of effective leadership (Davis, 2014).

The failure or success of the projects is more significant than the management of project was success (Morris & Pinto 2010). The owner/stakeholder of the project

with failure of project will not working to be gratified by fact that management of project were successful. Failures of project recommends that some of the projects are ruined from the start and could not have been commenced (Avots, 1969).

Ethical leadership employee performance relationship has a positive impact on LMX that has been observed as a mediator (Walumbwa et al., 2010). On the other side, most likely employee's perception of empowerment mediates the relationship with LMX (Gomez & Rosen, 2001). This study focuses on the direct relationship between LMX and project success.

LMX has key suggestions for organizational justice. Researchers found that there are different mediator variables, which found in project management literature in the domain of LMX. One of these mediating mechanisms is the relation of LMX with organizational justice. . Lin and chang (2017) Quality of LMX has better effect on performance of subordinates with better quality of LMX. Lord and Brown (2004) observed that the performance is effected by relationship exist between leader and subordinates. In these days leader member relationship is studied and observed in project-based organizational level and project management literature supports that they affect the employee's performance. The focus of this study is to examine how LMX theory impact on the employee's job performance in project based organizations.

Hence, the following prediction:

**H<sub>1</sub>: LMX is positively related to Project success.**

## **2.2 Psychological Well-being and Project Success**

There are two types of Psychological well-being one is Transactional and other is Relational. Relational well-being has positive and significant timeframe with no ends; they require commitment and loyalty in exchange for the development of organization. (Morrison & Robinson, 1997). According to past researchers, relational contract has positive impact on employees psychologically. Employees

are committed with their jobs and performed their responsibilities properly. In different studies found that relational contract directly related with psychological contract. (Conway & Briner, 2005).

Henderson et al., (2008) showed that LMX relationship positively affected psychological contract (Relational contract) completion, which lead toward project success. Based on different findings of psychological contract, it has been revealed that the astringent parties, who professed both subordinate and supervisor obligations to be elevated and impartial, reported affective commitment, career projection organizational support at advanced levels, and have low level of turnover than those who perceived their Psychological Contract to be out of stability and low in their contents (Shore & Barksdale, 1998).

Project management literature from two decades explained the concept of psychological well-being with respect psychological security; Maslow also explained psychological needs and safety at basic level in hierarchy theory. He also explained the concept of self-actualization (Maslow, 1943). Psychological safety in construction projects directly affect the employee's performance (Li Shantian, 2007). Tyan (2005) observed that relationship of leader with employees is the basic way to fulfill psychological needs. Literature suggested some factors, which are influencing employee's performance; one important factor is psychological well-being. Psychological well-being of employees is most important for decision making in stressful environment (Baer& Frese, 2003). Psychological well-being increase the employee job performance in project-based organizations (Ning, 2007).

By similar findings Janssens et al. (2003) and Tsui et al. (1997) showed that employees who have strong interaction and fulfill their obligation effectively with their employer have higher performance at work place and strong commitment to the organization which in turn lead towards the effective completion of the organization task and those who are not fulfilling their obligation and have low type of mutual obligation (i.e. obligations may involve transactional or relational) have low output level and performance. Additionally, Dabos and Rousseau (2004) found that strong psychological agreement between employee and employer positively affects the organizational productivity and improve the employee working

efficiencies. Zhao, Wayne, Glibkowski and Bravo (2007) studied the Meta analysis of psychological contract fulfillment and psychological contract breach.

Ruokolainen et al. (2016) studied the different typologies of psychological contract in perspective with the employee and employer relationship affectivity and their in-role performance in organization their study find a prosperous explanation of Psychological Contract in which they find and describe six different patterns to implement in psychological contract. Employee and employer in role performance depend upon these different patterns, the performance level varies with these patterns this was the first study to explore the long-term effects of psychological contract contents and hence proved that in-role performance at work place and employee work-related comfort required different type of psychological contract responsibilities. According to job nature, there are different job demands e.g. more work in specific time, physical and psychological demands to fulfil the job requirements. (Peterson et al, 2008). Most important element of work is time pressure (Peterson and Wilson, 2004). Time pressure totally relate with project work. Strong evidence about stressful work in project-based organizations with respect time pressure (Nordqvist et al, 2005)

Previous studies of Psychological well-being and Psychological contract focused on give and take between employees and management. Psychological relationship between employees and leadership has been created after high LMX. (Orvis, Dudley & Cortina, 2008). When both parties, leadership and employee well know about their roles and responsibilities then this leads towards positive outcomes like project success (Dabos & Rousseau, 2004).

Thus, it is formally stated that:

**H<sub>2</sub>: There is a strong and significant relationship between Psychological well-being and Project Success.**

## 2.3 LMX and Psychological Well-being

Innovation is an essential ingredient in gaining competitive advantage in today's world. In LMX differentiation employee's attitude and behavior is positively affected by leader member relationship. Leaders having high relationships believe on responsibility to compensate their members contributions by equal incitements, and this intention supported in the project management literature (Liden et al., 1997). LMX and Psychological well-being have direct effect on project success. High quality relationship of leader member fulfil employee's psychological needs at workplace, which encourage employees toward organizational goals (Tekleab & Taylor, 2003).

Psychological well-being of employee is an unwritten agreement between employee and leader (Liden et. al., 2004). HR researchers are combining LMX, Psychological well-being and Psychological contracts to reduce the stress element at workplace (Chiocchio and Lafreniere, 2009). Leader Member Exchange Theory is one the basic and most important behavioral theory which explains leader and member relations. In high quality of LMX leader, get effective outputs and huge contribution in the project success. Employees who are close to their leader are more contributor in achievements (Wang, et; al, 2005).

LMX is found one of the most important theory in the literature of leader and follower relationships. Through high quality LMX both the organizations and its members are reaping the benefits of effective relationship. Employees who have high LMX with their leadership are found considerable contributors to the success of the organizations (Graen & Uhl-Bien, 1995). When leader are found to engage in relational exchanges with their followers, then followers are respond in same manner due to norms of reciprocity and such relational exchanges boast the morale of the followers, increase their job satisfactions

Researchers are combining Leader Member Exchange, Psychological wellbeing and Psychological contracts as a positive chance for accepting the relationships at workplace. Project based organizations working in complex and stressful environment (Chiocchio and Lafreniere, 2009). In stressful working conditions, mental

health is a complicated issue and mental health has negative effects on employee's performance (Achille, 2003). Mental health problems resist individual's working capacity; it leads organization less productive (Dewa, et al, 2004). Health problems exist in demand full jobs mostly strict working schedule to meet deadlines (Tucker and Rutherford, 2005). High LMX, leader pay full attention and care on individual level. When employees got full attention of their leader, they feel stress free at working hours. In high relations, members can share their problems and working feedback frequently with leader. (Tekleab & Taylor, 2003). When leader member have strong relationship then employees fulfil their Psychological needs and wants. Different researchers suggested that psychological well-being of employees in stressful environment has positive effects on employee's performance and job satisfaction (Yammarino, Dionne, Chun & Dansereau, 2005). Researches recommended that those who receive high level of rewards from organization have high LMX relationship with the team members than Low LMX relationship of team members. (Borrill & Stride, 2004) has discussed that direct relationship of leader and member has positive power to influence employee's psychological well-being. Psychological well-being overcome the stress at workplace.

LMX develop the relations at group level with the each member of the group and it influence the fulfillment of psychological contract with in the groups. Psychological contracts between leader and employee creates psychological well-being of employees in the stressful environment. Research on Leadership suggested that psychological well-being of employees totally depend upon leader member relations (Chun & Dansereau, 2005). Previous researches has recommended that among LMX quality, performance and OCB have positive, direct relationship (Ilies et; al., 2007). Results have been proved positive relationship between LMX relationship within group and Psychological well-being fulfillment, these variables link considered as strong link as leader member relationship increased it also increased the perception of subordinate toward psychological well-being fulfillment (Li & Liao, 2014).

Hence, it is stated that:

**H<sub>3</sub>: There is a significant and positive relationship between LMX and Psychological well-being.**

## **2.4 Mediating Role of Psychological Well-being Between LMX and Project Success**

Good relationship between leader and members has direct relation with project success. High relations predict high rate of project success. (Millward & Hopkins, 1998). The current study deals with relational well-being not transactional side and psychological well-being (relational contract) positively mediates the leader member relations and project success. Psychological well-being gives better understanding of needs that employees need at work place from their leader ( Dabos & Rousseau, 2004). Taylor (2003) Psychological well-being full fill the employee's need about health care and peace of mind during performing job obligations.

Psychological well-being is basic way for leader to make project successful, leader make this agreement with their subordinates. (Rousseau, 1995). Scholars from human resource management gave more important psychological well-being of employees at their work place. (Wright & Nishii, 2007)

We relied on leader member exchange (LMX) to explain the psychological mechanism between leadership and work behavior, according to LMX theory that high quality of leader-follower relationship generates more positive outcomes (Krishnan, 2005; Uhl-Bien, 2006). Leader member exchange, explains that strong link of leader-member relationships inspire employees to show hard work to achieve organizational goals (Graen & Uhl-Bien, 1995; Castigan, 2012). And high quality relationship between leader and followers is associated with innovative behaviour (Graen & Scandura, 1987; Kheng, June & Mahmood. 2013; Sanders, Moorkamp, Torka & Groeneveld, 2010).

Employees in innovative jobs need high quality relationship with their supervisor (Scott & Bruce, 1994; Cotgrove & Box, 1970; Pelz & Andrews, 1966). This is because; innovative job is non-routine and highly risky, because idea generation as

well their implementation is not guarantee for success (Janssen, 2005). Therefore, employees in this particular job need strong relationship with the leader. In this study, we emphasize on relational characteristic of leadership which is inclusive leadership. Inclusive leadership with openness, availability and accessibility give high quality relationship to employees. Employees in the presence of inclusive leadership, not only perceive leadership support but also feel psychological safety to speak about new ideas. Thus, leader member exchange of quality relationship exhibits by inclusive leader and employees, enhance the' IWB in the organizational setting.

In leadership literature, it has been observed that direct and strong relationships of leader and member always produce positive impact on outcomes (Castigan, 2012). And high quality of the relationship motives employee towards project success ( Kheng, June & Mahmood. 2013). Different researches hypothesized that leader and employees plays a basic role in development of an organization. Employees with strong relationship and have trust in leadership easily understand all situations and take right decisions (Singh 2009). Some researchers suggested that strong relationship between leader and member creates from interactions with each other. Formal and informal interactions at workplace develop mutual understanding, respect and trust in both parties. This mutual understanding also creat psychologically safe environment for employees (Muller, 2014).

Moreover, Psychological well-being of employees showing, employees generate, promote and implement new ideas. Idea implementation may be risky to selfimage, status, or career. Behavior of the leaders is meant to create the feelings of psychological safety (Carmeli, Brueller & Dutton 2008, Nembhard & Edmondson, 2006). According to Edmondson (2004), leaders develop feelings of Psychological well-being through openness, accessibility and availability at work. So it becomes imperative for the leaders to encourage the followers to bring new ideas and to take risks. This can be possible if they smoothen the fear of negative consequences by communicating the importance of these behaviors. If a leader is open to the followers and is ready to listen new ideas and ways to get the goals, the employees

will feel a sense of safety and hence this would encourage them toward the implementation of such novel ideas fearlessly. Similarly, if the leader is available to them for listening, solving their problems and encouraging them, this would pave the path towards creative problem solving.

Therefore, when found quality relationship with the leader, then feel the work environment safer to show job commitment. In this regard, Scott and Bruce (1994) found a beneficiary relationship between leader and their subordinates, which creates employee's innovativeness.

Psychological well-being is partially mediating the relationship between leadership behavior and employee job loyalty and commitment. Psychologically satisfied employees feel better about themselves (e.g. higher self-esteem). (Roscoe & Ryan, 2000). Psychological well-being reduce the employee turnover in many organizations (Lambert, Hogan & Barton, 2001). In individual's psychological well-being six elements are considered as key elements mental health, carrer development, peaceful environment, positive relationships with leader and other team members and safty (Brown, Ryan & Creswell,2007).

After reviewing the literature of project management, we found the different elements and conditions which are necessary for project success (Ika, 2009). Number of project based organizations increasing day by day, their business operates through projects (Kerzner, 2001).Leader's behavior has direct impact on the satisfaction of employee's needs within the organization and creats supportive relationship among all team memebers (Booms, Cureu & Oerlemans, 2017) .Followers tend to react positively to, and identify with, transformational Leaders (Judge & Piccolo, 2004).

Leaders play a vital role in performing and completion of employee's targets. (Dulac, Coyle-Shapiro, Henderson & Wayne, 2008). For good relationship between leader and member, it is very necessary to create psychological well-being in the organization (Collins & Smith, 2006). Gibbons and Henderson (2013) have examined that psychological well-being of employees is most important to get high level of organizational performance (Henderson & Helper, 2014).It has been proved

that employee's relationship with leadership lead towards high performance and achievements of the organization. (Blade, Gartenberg, Henderson & Pra, 2015).

Psychological contracts are said to be relational when they have different type of supervisors reward and employee assistance and are built for longer period of time, these type of relational contract develop subordinates efficient performance level and lead towards the future development (Lange & Rousseau, 2010).By Nishii, Lepak and Schneider( 2008) suggested that in HR the investment on employees training is essential as supervisors future expectations with their employees develop on the basis of expertise they are taking by HR practices and trainings and in result it analyze the employee behavior and feelings toward the organization by taking psychological contracts as a base and these behavior positively affect the individual level of performance.

In literature regarding Psychological contract mainly discussion focused on fulfillment, violation or breach of an agreement or contracts (De Cuyper & De Witte, 2006; Dulac et al., 2008; Sutton & Griffin, 2004).The psychological breach of contract or contract fulfillment positively affect the turnover intensions, job commitment, subordinate behavior at workplace, job performance, firm commitment (Hui & Wang , Lee, Rousseau,2011).

Lee and Kartika (2014). They explained that if we have intelligence at high level but psychological contract is absent than we cannot reach at maximum level of performance it means the presence of psychological with employee intelligence creating high performance level.

We therefore tested the following hypothesis:

**H<sub>4</sub>: Psychological well-being mediates the relationship between LMX and project success.**

## 2.5 Trust in Leadership Moderates the Relationship of LMX and Psychological Well-being

Trust in leadership can be defined as a process of exchange between leaders and subordinates, in which leaders recognize employees' needs and provide financial incentives and organizational recognition to motivate them (Bass, 1998, 1990). From last three to four decades, research has observed the direct effects of leadership on subordinate job outcomes like job commitment, job performance, job loyalty and organizational citizenship behaviors. (Burke, Sims, Lassara, & Salas, 2007).

Recent addition in leadership literature argue that there are two main types of trust, (i) Relational trust, which is exchange based in nature and (ii) Character based, second type of trust is character based which is cognitive in nature. (Dirks & Ferrin, 2002). Many researchers already got results that shows that in project-based organizations leaders develop job satisfaction among all employees via developing trust that employees have in leaders (Yang, 2014). Positive link between trust in leadership and job commitment suggested by few empirical studies of project management (Fernandez, 2008).

Moreover, show positive direction between trust in leadership and job satisfaction (Cho & Park, 2011). In private organizations, trust in leadership mediates the relation between leadership as independent variable and project success as dependent variable (Yang & Kassekert 2009). Trust in leadership has positive and prominent impact on employee's job satisfaction and trust in leadership got more attention of researchers due to its prominent effect on project success (Chan & Chan 2004).

Organizations implemented changes through different vehicle and techniques to get success in projects (Ives, 2005), and develop employees through training (Sense, 2003). Projects divide complex work into different portions and activities (Chiocchio and Lafreniere, 2009), formal trainings and experiences are most important for complex construction projects. In term of project management construction sector maybe most complex and mature, so there are so many variables/elements can be managed (Sauer, 2006). In construction industry working environment is stressful

which creates health issues and reduces organizational output (Zika-Viktorsson et al., 2006). Proofs are available in literature that mental issues reduces productivity in complex projects.(Dewa et al., 2004) ,

Different studies on psychological well-being, psychological safety and psychological needs suggested that employees are working in high demand projects need leader's full attention and support to reduce stress (Baker et al., 1996; Karasek, 1979 ; Strazdins et al., 2004; Van Der Doef and Maes, 1999).

Employee's trust in leadership enhanced the relationship between leader and member, when relationship is high employees receive psychological wants from leader. In project-based organizations presence of trust in leadership, provides stressfree environment (Page and Vella-Brodrick,2009). Mental health is a complex, multidimensional construct (Achille, 2003), absence of psychological well-being main cause of stress and mental issues (Masseet al., 1998a,b,c). Trust in leadership creates close relations of leader and members. It is proven in literature that trust creates psychological well-being in stressful and complex working conditions.

Trust in leadership is an exchange of needs and wants between leader and member. Leaders focused on desired results from employees and they need incentives and psychological well-being (Daft, 2002). In this way, employee's and leader's expectations are met. Employees want to work with a leader who have strong relations with them and fulfill their psychological well-being (Tracey & Hinkin, 1998). Leaders here focus on task completion and rely on punishments to secure compliance (Tracey & Hinkin, 1998) and obtain desired behaviors (Daft, 2002), such as improved performance (Bass & Avolio, 1990). In this way, both employees' needs and leaders' expectations are met (Bass, 1985).

Leaders who engaged in transactional leadership typically exhibit the following behaviors: contingent reward and management by exception (Bass, 1985; Bass & Avolio, 1990). On the one hand, leaders who engaged in contingent reward provide reward to subordinates for acceptable behaviors, such as improved performance (Bass & Avolio, 1990) and punish them for unacceptable ones (Bass, 1998). Leaders here also clarify expectations and required tasks to obtain rewards. On

the other hand, leaders who engage in management by exception only take corrective action when problems arise or when employees do not meet standards (Bass, 1985).

The subject of leadership is regarded as an essential element in the study of organizations as it is regarded to be the foremost important ingredient in the success of an organization. The performance of an organization hinges on its leaders as an organization sets out its mission and vision and determines its existence in the market (Zaccaro & Klimoski, 2001). Creating and delivering value are vital components of the competitiveness and the marketability of an organisation (Berghman et al., 2006). As a result, organisations that are not innovative enough are likely to struggle in the market (Lonial et al., 2008).

Construction projects need a complete monitoring and control system ( Al-Jibouri 2003; Hartman ,Zaghloul, 2003). Traditional management system has various problems due to 'hard' management system Walker, 2007). According to Turner (2004) lack of flexibility is a big problem at this time. Lack of flexibility develop rejected behavior in organization. (Badenfelt 2011; Turner, 2004).

Trust in leadership increase in the level of confidence and they have full confidence in leader's decisions and polices. There is a positive and progressive relationship between trust in leadership and subordinate organizational citizen behavior. (Cho & Park, 2011). When employees do not trust in leadership, they feel psychologically distressed and pressure at workplace. (Dirks & Ferrin, 2002). Employee's trust in project leadership reduces the uncertainty, risks, transactional cost and on the other side trust in leadership increase level of job satisfaction and performance (Dirks & Ferrin, 2002). It has been shown in leadership literature that trust in leadership has positive relation with employee's job performance. (Colquitt, Scott & LePine, 2007; Dirks & Ferrin, 2002).

LMX categorizes leadership as a link that emphasized on the collaboration between leader and employees. Past results also suggested that transactional leadership has insignificant impact on organizational performance (Hallinger, 2003). Leader member exchange theory is very relevant in changing and time bound projects to create effective results (Vidyarthi et al, 2014). When employees have trust in

leadership then they feel more comfort with leader and perform their duties as well as they can (Dirks & Ferrin, 2002).

According to Khan's theory, employee's psychological opinion about health care and other facilities to reduce the stress are directly and positively affected the employee's attachment with organization. Relationship with leadership build employee's trust and self-confidence. Leader plays most important role and allow employees to make good relations with team members and with leader at work place. (Sluss & Ashforth, 2007). By Brower, Lester, Korsgaard, and Dineen (2009). A strong psychological connection between employees and leader creates when they have trust in their leader. High quality of leader member exchange occurs when employees have trust in their leader, at the same time this level of trust leads towards effective performance and job loyalty.

Researchers suggested that employee's trust in leader have significant impact on team performance, psychological well-being and self-confidence (May, Gilson & Harter, 2004). Trust in leadership influence positively job outcomes.

We therefore tested the following hypothesis

**H<sub>5</sub>: Trust in Leadership moderates the relationship between Leader Member Exchange and Psychological well-being so that it strengthens the relationship.**

## 2.6 Research Model

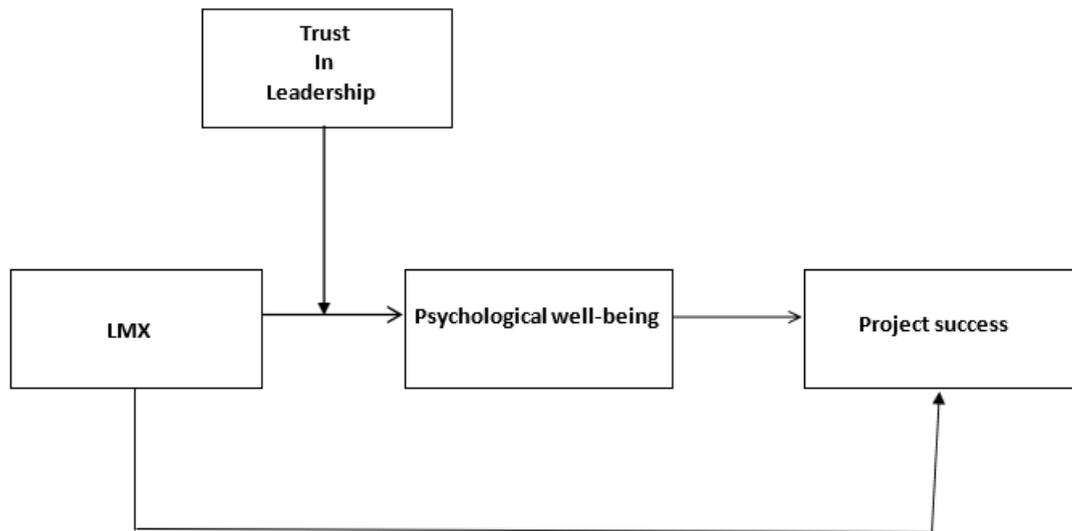


FIGURE 2.1: Research Model

## **2.7 Research Hypothesis**

### **Hypothesis 1**

LMX is positively related to Project Success.

### **Hypothesis 2**

There is a strong and significant relationship between Psychological well-being and Project Success.

### **Hypothesis 3**

There is a significant and positive relationship between LMX and Psychological well-being.

### **Hypothesis 4**

There is a significant and positive relationship between LMX and Psychological well-being.

### **Hypothesis 5**

Trust in Leadership moderates the relationship between LMX and Psychological well-being so that it strengthens the relationship.

# Chapter 3

## Research Methodology

In this chapter the methodology, used for analysis of data collected from project-based organizations, is explained in detail. The chapter explains the methods used to describe the relationship of Leader Member Exchange and Project Success, psychological well-being as mediator and Trust in Leadership as moderator. This chapter also deals with techniques, which were used for data collection (population and sample). Moreover, this chapter explains measurement and instrument reliability analysis.

### 3.1 Research Design

Researchers design a research plan, which explain the different techniques and methods for data collection, and data analysis is called research design. Research design is a plan, which deals with all planning for research. It contains time horizon, types of setting and unit of analysis.

#### 3.1.1 Type of Study

This research is causal study in which the impact of Leader Member Exchange on Project Success with mediating role of Psychological well-being and moderating role of Trust in Leadership was observed and measured on self-reported awareness.

### **3.1.2 Study Setting**

Questionnaires of this study filled from the project-based organizations because leadership and employees are connected in these organizations. Public and private organizations, which are project-based in nature, are concenter in this study.

### **3.1.3 Time Horizon**

Data collection for this study completed in two months and firstly data was collected for pilot testing and then collected at one time.

### **3.1.4 Unit of Analysis**

This portion of methodology explain the unit of analysis. Unit of analysis maybe a individual or an object, which has characteristics can be studied. In this study there are two main units of analysis, leader and subordinates of project-based organizations from Islamabad, Rawalpindi and Azad Kashmir.

## **3.2 Population and Sample Size**

Population is Set of peoples, events, things connected with interest that the researcher wants to investigate (Sekaran, 2001). Population includes different set of events, individuals, things that a researcher needs to observe, and investigate. People includes in this study from different project based organizations. The questionnaires were distributed in different constructional and development projects which were completed and that projects of Bahria town, DHA Islamabad and Azad Kashmir. The questionnaires were also distributed in Mangla upraising project in Azad Kashmir. The population size consists in thousands. Following important construction companies targeted for data collection.

Iqra Construction Company Pvt. Led Bahria town, United Builders Islamabad, New Itehad Builders Islamabad, Sadaat Construction Company DHA, Seven Star Construction Company Bhimber Azad Kashmir and Hussain Construction & Co

Azad Kashmir. All these construction companies are project based, deal with house constructions, roads, bridges and constructions of apartments.

### **3.3 Sampling Technique**

Sample is used to collect the data for further analysis, which represents population. Convenience sampling (Non-probability sampling) was used for collection of data from targeted population. Convenience sampling is a definite type of non-probability sampling which depends on population members who are available easily.

The data were collected in April 2018 and May 2018. For data collection, the management of organization were informed about the purpose of study and after their approval, questionnaires were distributed. Krejcie & Morgan (1970), suggested a formula for sample size according to population. They suggested, 297 sample size required for analysis when population size is 1300.

Questionnaires were distributed in different construction companies, which completed projects in Islamabad, Rawalpindi and Azad Kashmir to all levels of employees according to their education and hierarchal level. Questionnaires were filled from leaders/managers also. Our questionnaire having four variables LMX, Psychological well-being, Project success and Trust in leadership was used for collection of data. Suitable sampling is used for data collection, sample size is 350. According to Krejcie Morgan (1970), this is a sufficient size for the population covered in this research. Data is collected from project based organizations, data were collected from construction projects. Out of 350 questionnaires in this study, 305 are collected and 294 are considered for analysis, 11 questionnaires were not filled properly by respondents, some answers were double picked and some remaining unpicked that's why these types of questionnaires were not included in analysis.

## **3.4 Instrumentation**

In this study for measuring our four variables, mostly close-ended questionnaires were used for data collection. In this research, also close ended-questionnaires were circulated for data collection. All items of each variable were measured on five Likert scale, which starting from (1) = strongly disagree to (5) = strongly agree.

### **3.4.1 Leader Member Exchange**

LMX scale developed by RC Liden (1998). It had 11 items, and described the relationship between leader and their subordinate's. All 11 items of Leader Member Exchange were measured on five Likert scale, which starting from (1) = strongly disagree to (5) = strongly agree. Representing some items as, (1), I like my supervisor very much as a person. (2), My supervisor is the kind of person one would like to have as a friend.

### **3.4.2 Psychological Well-being**

Psychological well-being measurement tool developed by Millward & Hopkins (1998). It has only 07 items (Questions) that measure the Psychological well-being. All 07 items of Psychological well-being were measured on five Likert scale, which starting from (1) = strongly disagree to (5) = strongly agree. Sample from 07 items, (1), I can change things in my life to reduce my stress. (2), I can get help from others when I need it.

### **3.4.3 Employee's Trust in Leadership**

Employee's trust in leadership measurement scale developed by Robinson & Rousseau (1994). Having 7-items.it measure the subordinate trust in supervisor. All 07 items of Employee's Trust in Leadership were measured on five Likert scale, which starting from (1) = strongly disagree to (5) = strongly agree. Sample items from

questionnaire (1), I believe my employer has high integrity. (2), my employer is not always honest and truthful (reverse score).

### 3.4.4 Project Success

For the measurement of Project Success, scale was developed by Aga and Vallejo (2016) and it has 14 items that measure the project success variable. All 14 items of Project Success were measured on five Likert scale, which starting from (1) = strongly disagree to (5) = strongly agree. Samples taken from 14 items are as (1), the project was completed according to the budget allocated. (2), The project was completed on time.

TABLE 3.1: Instrumentation

Variable	Sources	Items
<b>LMX</b>	RC Liden (1998)	11 items
<b>Psychological well-being</b>	Millward & Hopkins (1998).	07 items
<b>Trust in Leadership</b>	Robinson & Rousseau (1994)	07 items
<b>Project Success</b>	Aga and Vallejo (2016)	14 items

TABLE 3.2: Demographic Characteristics

	Frequency	Valid Percent	Cumulative Percent
<b>Gender</b>			
Male	198	64.7	64.7
Female	74	35.3	100
<b>Age</b>			
18 -25 years	81	38.5	38.5
26- 33 years	93	44.3	82.8
34- 41 years	29	13.8	96.6
42- 49 years	7	3.33	100
<b>Qualification</b>			
Intermediate	30	10.2	10.2
Bachelor	73	24.8	35
Masters	114	38.8	73.8
MS/MPhil	75	25.5	98.3
PhD	5	1.7	100
<b>Experience</b>			
1-5 years	149	50.7	50.7
6-10 years	86	29.3	79.9
11-16 years	42	14.3	94.2
17-22 years	12	4.1	98.3
23-28 years	4	1.4	99.7
29 and above	1	0.3	100

Above table shows the gender composition of the sample in which 67.3% were male and 32.7 % female. The male percentage of population is high.

Table 2 shows the composition of the sample with reference to age groups. 32.5 % of respondents age were 18-25, 40.8% respondents age were 26-33 range, 13.6 % respondents age were in 34-41 range, 9.18% respondents age were in 42-49 range, 4.08% respondents age were 50 and above.

Above table represents the respondents qualification, inter qualified was 10.1 %, bachelor qualified was 24.8%, master qualified was 37.7% and MS/MPhil qualified was 25.5 %, and PhD qualification was 1.7% in table 3 the master qualified percentage is high.

Table 4 represents the respondent experience of the work, in which high percentage of respondents work experience is 50.7% in range (0-5), in range (6-10) the

respondents experience were 29.3%, in category (11-16) the respondents experience were 14.3%, in category (17-22) the respondent experience were 4.1% and in category (23-28) the respondent experience were 1.4% and in range (29 and more) were 0.3 %.

### 3.5 Analysis of reliability:

Following table shows Chronbach's Alpha, it is a grade or degree of reliability of data. The value of Alpha must above then 0.70. (Nunnally & Bernstein 1994).

TABLE 3.3: Reliability Measurement

Variables	Items	Chronbachs alpha
<b>LMX</b>	11	.816
<b>Project success</b>	14	.892
<b>Psychological well-being</b>	7	.896
<b>Trust in leadership</b>	7	.728

LMX chronbach's alpha value is .816 in the current study, the chronbach value of project success in this study is .892, the Psychological well-being chronbach's value is in the current study is .896 and trust in leadership value of chronbach's is 7.28.

# Chapter 4

## Results

### 4.1 Descriptive Statistics

In following table, descriptive statistics shows the basic representation of our data. This table shows sample size of data, maximum and minimum value, mean and standard deviation of data collected by questionnaires. The details of data shown in this table.

TABLE 4.1: Descriptive statistics

Variables	Sample size	Min	Max	Mean	Std. Deviation
LMX	294	1	5	3.105	0.75
Psychological well-being	294	1	5	2.96	0.76
Trust in Leadership	294	1	5	2.356	0.62
Project success	294	1	5	3.057	0.65

First column contains all names of four variables LMX, Psychological wellbeing, Trust in leadership and Project success. Second column shows the sample size of this study, third and fourth column shows the minimum and maximum values of mean. All variables 5 liker scale from 1 to 5 used.

Independent variable, which is Leader member exchange, has mean 3.1050 and Std. Deviation is 0.75. Dependent variable Project success shows mean 3.0566 and Std. Deviation 0.65. The mediator Psychological well-being shows mean 2.9599 and std. Deviation 0.76. The moderator, which is Trust in leadership, shows mean 2.3560 and std. deviation 0.62.

## 4.2 Correlation analysis

TABLE 4.2: Correlations Analysis

Variable	1	2	3	4
Leader member Exchange	1			
Psychological well-being	.168**	1		
Trust in Leadership	.332**	.905**	1	
Project success	0.011	.937**	.699**	1

Above table describes the relationship between variables, shown by level of significance and positive and negative signs show the direction of the relation. Positive sign shows that movement of two variables in same direction and negative sign shows they have opposite direction of movement. Zero value of correlation shows no correlation in variables.

Leader member exchange was found positively and significantly correlated with psychological well-being ( $r=.377^{**}$ ,  $p=.000$ ). Leader member exchange was also found significantly correlated with Project Success (PS) ( $r = .306^{**}$ ,  $p=.000$ ). Results shows positive and significant existence of correlation between psychological well-being and Trust in leadership ( $r = .605^{**}$ ,  $p = .000$ ) and positive and significant correlation with Project Success ( $r = .637^{**}$ ,  $p = .000$ ). Finally the

correlation between Project Success (PS) and Trust in leadership (TL) was also found significant results ( $r = .699^{**}$ ,  $p=.000$ ).

### 4.3 Regression Analysis:

TABLE 4.3: Standardized Direct path coefficients of the hypothesized model

Direct Paths	Estimate	SE	CR	P
LMX →Project success	.138	.05	8.01	.000
LMX→Psychological well-being	.210	.04	5.20	.000
Psychological well-being→ Project success	.784	.07	6.00	.000
Trust in leadership→Project success	.340	.04	5.58	.000
LMX * Trust in leadership→Project success	.230	.05	4.00	.000

b. Standardized indirect path coefficients of the hypothesized model

Indirect Paths	BC 95% CI			
	Indirect	Lower	Upper	P
	Effect	Limit	Limit	
LMX →Psychological well-being →Project success	.125	.068	.200	.000

Note: n=294; Bootstrap sample size=2000, BC 95% CI= Bootstrap confidence Intervals \* $p<.05$ ,

\*\* $p<.01$ , \*\*\* $p<.00$

Results of mediation found reliable, results showed ( $\beta = .138$ ,  $p < .000$ ). In second path from independent variable LMX to mediator psychological well-being, first hypothesis was tested and the value of beta ( $\beta = .210$ ,  $p < .000$ ) found reliable. In third path from mediator psychological well-being to dependent variable project success, the results were found reliable as per beta value ( $\beta = .784$ ,  $p < .000$ ). In 4th path, from moderator trust in leadership to dependent variable project success results found reliable and the value of beta ( $\beta = .340$ ,  $p < .000$ ). In last path, mediator LMX means and moderator Trust in leadership means and standardized the values. Mediation tested through interaction term to dependent variable project success and the result ( $\beta = .230$ ,  $p < .000$ ) shows the reliability.



FIGURE 4.1: Path 1



FIGURE 4.2: Path 2



FIGURE 4.3: Path 3

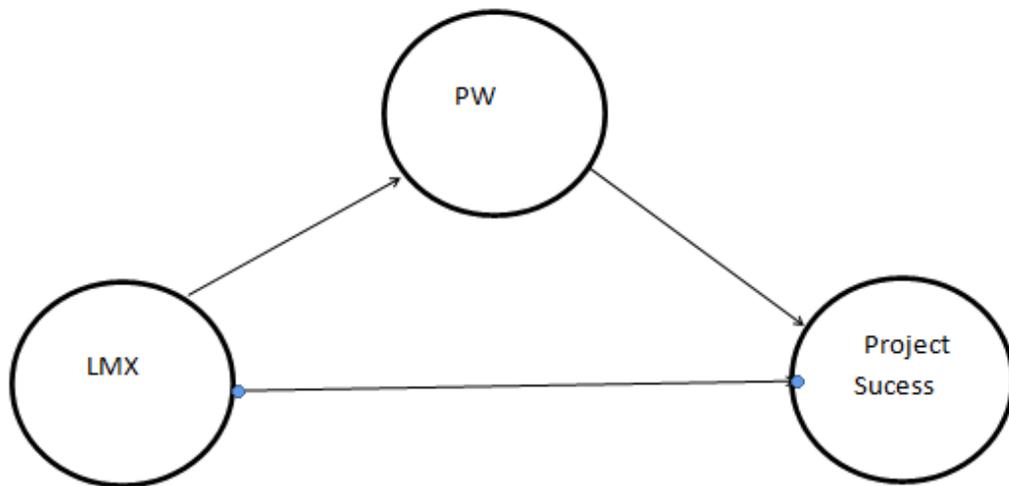


FIGURE 4.4: Path 4

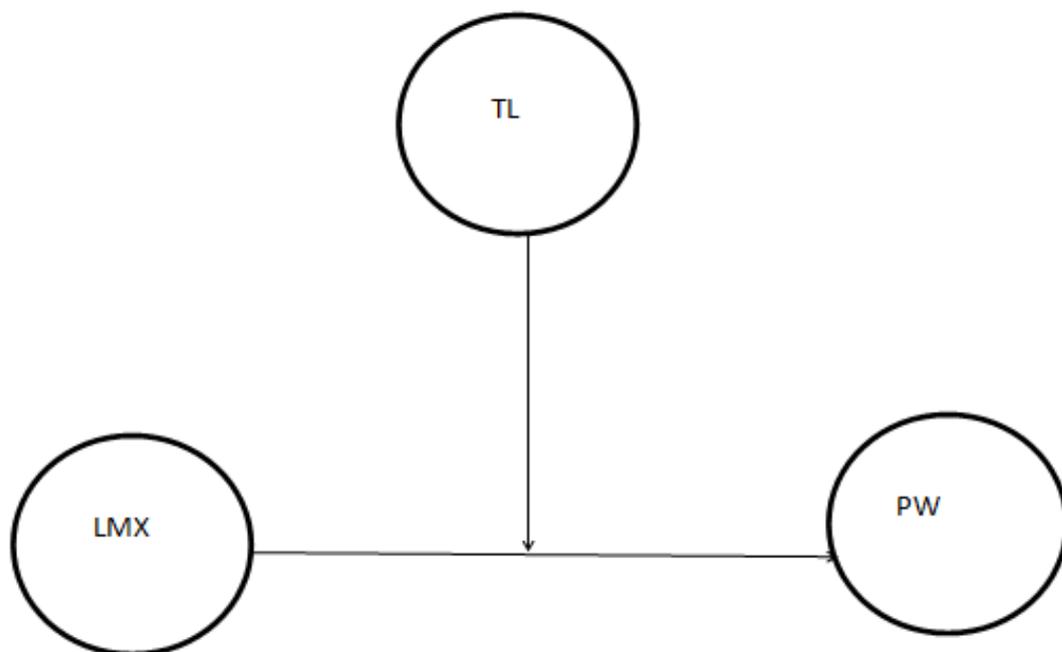


FIGURE 4.5: Path 5

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## 4.4 Hypothesis Summary

**H<sub>1</sub>:** LMX is positively related to project success. (Accepted)

**H<sub>2</sub>:** There is a strong and significant relationship between Psychological well-being and Project Success. (Accepted)

**H<sub>3</sub>:** There is a significant and positive relationship between LMX and Psychological well-being. (Accepted)

**H<sub>4</sub>:** Psychological well-being mediates the relationship between LMX and project success. (Accepted)

**H<sub>5</sub>:** Trust in Leadership moderates the relationship between LMX and Psychological well-being so that it strengthens the relationship. (Accepted)

# Chapter 5

## Discussion and Conclusion

### 5.1 Introduction:

In discussion chapter relationship of all hypothesis and the explanation of acceptance. All other aspects, which deals with theoretical and practical implication. Last portion of this chapter explains the strengths & weaknesses and future research directions.

### 5.2 Discussion:

The objective of this current study is to explore the outcomes of Leader Member Exchange on project success. Psychological well-being as a mediator between LMX and project success. A variable Employee's trust in Leadership as moderator between LMX and Psychological well-being. The result shows that LMX was positively and completely associated with project success and psychological well-being.

There are three basic psychological states occur because of five main job dimensions. These important job dimensions are variety of skills, task recognition, task significance, self-satisfaction and rewards. In variety of skills, skills required to complete tasks and responsibilities, all employees having different skills. In an organization employee assign different tasks at different time. These tasks required

skills, talent, knowledge and experience. Task identification is when the tasks are identifiable part of job.

Task identity is when the tasks are an identifiable part of a whole job; that the work an employee does is part of a larger picture and something bigger than the single task. Task identity occurs when the employee works on a task from beginning to end with a visible outcome, completing a "whole" job. When employees can identify the piece of work they completed, they perceive the work as more meaningful than if they only completed a small part of the job. Task significance relates to the job having a substantial impact on the lives or work of other people, regardless of the scope of the impact (immediate organization vs. external environment).

When employees understand the effect of their work on others, they naturally view the work as being more significant and meaningful. Self-sufficiency is the degree to which the job offers freedom, independence, and preference in scheduling the work and in determining the procedures used. The independent tasks interact with the employee's own efforts, initiative, and decision making rather than relying on others to tell the employee what to do. With the freedom to decide the place and pace of the job the employee feels a responsibility for the success or failure that result from his or her work

Feedback is the response for employees after completing their tasks. Feedback is clear views about employee's performance at work. All basic job dimensions leads to high performance. In this context leaders play an important role in assigning tasks to capable employee who can do successfully. Leader can chose right person for right job, if leader knows him closely. Moreover, high leader member exchange creates positive impact on employee's performance.

### **5.3 LMX and Project Success**

As results show that Leader Member exchange significantly predicts project success. Different studies on LMX are in the favor of this relationship for example Thor and Ofari (2008) suggested a positive and completely direct relation between Leader Member exchange and employee's job performance, which is a major cause

of project success. Lin and Chang (2017) also discussed LMX in their research and they explained that employee's performance at workplace is affected by leader's relationships with subordinates. High quality of Leader Member Exchange increases the performance of employees.

Therefore, project management literature in the favor that Leader Member Exchange has direct, significant and positive impact on employee's performance and job satisfaction. Employee's high job satisfaction and job performance leads to project success (Giallonardo, Wong & Iwasiw, 2010). So, all these elements e.g. high job performance, job satisfaction, loyalty and self-confidence directly increase the percentage of project success. Leader Member Exchange shows leader's relationships with every employee of the organization. Leaders have different relationships with each employee. Leaders are close to some employees these employees are called In-group members. (Wayne et al., 2002; Kacmar, Witt, Zivnuska & Gully, 2003; Liden et al,2006; Ziguang, Wang & Zhong, 2007).

Empirical results support this statement. In-group employees have direct relations with their leader and their individual performance higher than other employees of the organization. (Janssen & Van Yperen, 2004). Completion of project with in cost, time and quality are the main standards for project success (Ika, 2015). In these days organizations working in projects. Leaders have a strong link among all departments working in a project.

Our results of this study shows that high LMX plays a vital role in Project success. Possible reason behind this hypothesis acceptance is that projects in nature very sensitive and they need attention of leaders and leader plays important role in achieving the goal of an organization. In work place when employees who have poor interactions with their supervisors would have more reason to sever their connection to the organization, as it would amount to less relational sacrifice. Conversely, individuals having high quality relations with their superiors would have to sacrifice meaningful relationships at the workplace, if they intend to quit. Thus, in comparison, low quality LMX employees would be more susceptible to turnover intentions than those scoring high on the LMX scale. Leader's good behavior with employees increase their energy level and self-confidence at workplace

(Atwater & Carmelli, 2009), and Organizational citizenship behavior (Dwivedula, Bredillet & Muller, 2016), self-confidence and creativity enhance the rate of project success. (Han, Chae, Macko, Park & Beyerlei, 2017).

In our study, we also check the relationship in a project management context and found significant results. Human factors in not in the critical success factors of the project success, but our result and others studies show and suggest that human factors is a key factors for project management success. The quality of LMX impact on project success is the main contribution in the current literature, result of this study also shows positive support of the current hypothesis.

### **5.3.1 Psychological Well-being and Project Success:**

Moreover, we also confirmed the relationship of Psychological well-being and project success and find positively significant relationship. The LMX theory also support the result because LMX theory focuses on employee's autonomy, psychological contracts and psychological well-being etc.

The leaders have different tools to increase the performance of individual, the relational contract is also good tools for boosting the employee performance, and so we check the relationship of relational contract and project success and find positively significant result. When leaders give autonomy to the employees then they feel empowered and empowered employees increase levels of trust and trusting in their position (May, Gilson & Harter, 2004).

In these days, project-based organizations are competing each other that is why organizations need loyal and committed employees. Some employees leave the job due to stressful working conditions, to retain them leader should give them full attention. Psychological well-being of employees totally depend upon leader's high-level relationships with employees. Our results suggest that Psychological well-being of employees has great and positive impact on project success.

The possible reason for hypothesis acceptance is that in project context the project leadership also needs to develop relations with their employees to enhance project success and need to focus on individual rather than the focus on time, cost and

performance. The human factor is also a critical success factor of project success, but in literature, this factor is ignored, so we need to focus in project management context.

Janssens et al. (2003) and Tsui et al. (1997) showed that employees who have strong interaction and fulfill their obligation effectively with their employer have higher performance at work place and strong commitment to the organization which in turn lead towards the effective completion of the organization task and those who are not fulfilling their obligation and have low type of mutual obligation (i.e. obligations may involve transactional or relational contracts) have low output level and performance.

Additionally, Dabos and Rousseau (2004) found that strong psychological agreement between employee and employer positively affects the organizational productivity and improve the employee working efficiencies. Our study confirmed when the relational contract exist between project manager and their subordinate they can achieve success in projects because the human factor playing vital role in success of the project base organization.

## **5.4 LMX and Psychological Well-being:**

Leader Member Exchange deals with leader and employee's relationship, high or low. High and low, quality of LMX has different impact on employee's performance at workplace.

In stressful environment, every member has psychological needs. These needs can be fulfill easily with leader's relationship. As Leader Member Exchange, suggest that high quality LMX members are close to their leader so, they are more comfortable and stress free at their jobs.

High quality of Leader member exchange creates a healthy and strong environment, which is very necessary for psychological well-being of employees in project-based organizations (Dulebohn, Wu, & Liao, 2017). Psychological well-being of employees in stressful environment is most important to retain skilled employees in the

organization that will increase the chance of maximum achievements (Rezvani, et al., 2016).

Moreover we also confirmed that quality of LMX significantly impact on Psychological well-being. Project management literature discussed that Leader Member relationships and Psychological well-being have positive impact on project success. In these days, project-based organizations have stressful environment to meet their deadlines. In stressful and work overloaded environment, psychological well-being of employees plays an important role in job commitment and job loyalty. When leader has high leader member relations then employees feel comfort and peace of mind at workplace. (Tekleab & Taylor, 2003). Employees with high LMX having positive psychological contract with their leader. (Schriesheim, Castro, Zhou & Yammarino, 2001).

Past studies found psychological well-being mediates the relationship between different variables such as leadership and knowledge sharing, psychological well-being has significant positive correlation with knowledge sharing. There is a significant relationship between psychological well-being and innovation (Van Dyne et al, 2008).

LMX relationship within group of employees and leader have positive influence on individual's level of perceptions for psychological needs satisfaction (Firebaugh, 1980). Literature have been proved positive relationship between LMX relationship within group and Psychological Contract fulfillment, these variables link considered as strong link as leader member relationship increased it also increased the perception of subordinate toward psychological contract fulfillment (Li & Liao ,2014).

## **5.5 Mediating Role of Psychological Well-being Between LMX and Project Success:**

Results also shows evidence about the intervening of Psychological well-being between LMX and Project success. The relationship of Leader Member Exchange

and successful completion of projects were positive and significant, but Psychological well-being of employees fully mediates the relationship of LMX and Project success. As Henderson et al., (2008) explained positive effect of Psychological well-being towards project success.

Project management literature suggested that Psychological well-being and Psychological contracts are the very important medium to get outcomes of project. Psychological well-being given by leader to their subordinates create powerful link between leader and employees, which leads toward project success. (Rousseau, 1995).

HRM scholars gave more attentions to the importance of leaders or managers in the HR domain (Boselie, Dietz, & Boon, 2005; Wright & Nishii, 2007).

In stressful environment, employees suffered mental health issues, which are the main cause of absenteeism. Psychological well-being of employees working in stressful project-based organization have basic importance. (Achille, 2003). High level of Psychological well-being in project-based organizations main cause of job satisfaction and job performance of employees. (Wright et., al 2007). Our results indicates that Psychological well-being of employees in project based organizations provides peace of mind and reduce the absenteeism.

A long convention of work in organizational culture recommend that the organizational environment which consist of efficient managerial practices and the key performance of leaders create a social culture which positively affect the employer employee relationship, the level of output and relationship with the firm ( Collins and Smith, 2006, Edmonson and Lei, 2014 and Hoffer Gittell, 2002).

Gibbons and Henderson (2013) Gibbons and Henderson (2013) have explained in their findings that psychological well-being exist between leader and member creates competitive advantages for the achievements and success of organization.

### **5.5.1 Trust in Leadership as a Moderator Between Leader Member Exchange and Psychological Well-being.**

The last hypothesis the moderating role of employee's trust in leadership between LMX and psychological well-being, the literature shown positive relationship, the study objective was found the positive relationship and results accepted hypothesis. The moderating effect was supported by the results. Therefore, Trust in leadership is the basic need of all project-based organizations to achieve objectives affectively within time, cost and scope. Project based organizations work in limited resources and time, effective leadership having high relationships with subordinates can meet these deadlines. Leadership is people oriented and giving direction authority, when employees have trust in leadership then they feel power in their selves. Different researchers have found results that suggest the leader in project-based organizations creates satisfaction through developing trust in them (Dirk & Ferrin 2002). This study found positive and significant relationship between trust in leadership and project success. Leaders play an important role in effective team composition

Trust in leadership develop different qualities in employees such as problem solving ability, self-confidence, communication skills and negotiating ability. Strong trust in leadership diverts employees towards organizational goals. Trust in leadership is a psychological state of employees, which motivates them.

This current study also helpful in developing a trustworthy culture of leader with their subordinates. Leaders are supportive in trustworthy environment. This study will creates awareness in construction sector of Pakistan. Trust in leadership overcome the conflicts and job turnover, which increase the productivity. Leader Member relations and trust in leadership reduce the negative behavior of employees at workplace. Leaders always need perfect results within given time so, leader should focus on high quality relationship with employees and develop trust in them.

The foundation for this moderation was the employee's trust and complete faith in project leadership that demonstrates strong psychological well-being through

LMX. Trust in project leadership strengthen the relationship of LMX and psychological well-being.

## **5.6 Theoretical Implication**

This present study has many implications in project management literature. This study has various contributions in the domain of Psychological well-being and job satisfaction. Firstly, we hypothesized the impact of Leader Member Exchange on Project success. Secondly, we taken Psychological well-being as mediator between LMX and project success. Our results of this study overcome the literature gap and explain the effect of Leader Member Exchange on Project success. This study have taken Psychological well-being as a mediator between LMX and Project success. Psychological well-being given by the leader to employees has great impact on project success. The relationship of LMX, psychological well-being and project success was missing in literature, and the results of this current study established this relationship. Finally, we take Trust in leadership as moderator between LMX and Psychological well-being.

## **5.7 Practical Implication**

Finding of our research confirmed that Psychological well-being mediates the relationship of leader and member and trust in project leadership moderates between LMX and Psychological well-being. This study has many administrative implications, firstly this study prove that Leader Member Exchange, increase rate of project success, so this current study recommends that in project-based organizations relationship between leader and employees promote high LMX and this high quality relationship support the employees to achieve the objectives at workplace. Secondly, this current study recommends that leaders of project-based organizations have great importance in the project success. In project-based organization, leader should recognize the psychological wants and needs of employees. Leader should have great link with employees to understand their psychological needs and

wants, which are necessary to improve overall performance of employees. Leader should be known with the psychological wants and needs of employees related with health care, mental diseases, stressful working hours and other family related issues. Leader can find out all these psychological issues with creating high level of relations with employees. In high level relations leader can give power and authority to employees at workplace to overcome psychological issues. Finally, training of employees arranged by leadership enhance the efficiency and competency of employees, which is required for given task.

## **5.8 Strengths, Limitations, and Future Directions**

In this study strong methodological approach used. To decrease the potential effect of common methods and single source bias, we collected data related to our variables LMX, Psychological well-being, Project success and Trust in Leadership of project-based organizations. Some limitations of this study, which have the directions for future researchers. In this study, we studied Leader Member Exchange at both level high and low, for future researchers there is a chance to study separately impact of high quality and low quality of Leader Member Exchange on Project success.

This study conducted in limited time so only one mediator and moderator taken in model. Future researcher can expand this model with other suitable variables such as psychological contracts or transactional contract as a mediator between LMX and project success. They can take employee's personality trait as moderator. The data for this study collected only from Islamabad, Rawalpindi and Azad Kashmir, research can be expand through different cities of Pakistan.

## **5.9 Conclusion**

The focus of this study was to observe the Impact of Leader Member Exchange on Project success. Psychological well-being as mediator and Trust in Leadership was taken as moderator between Leader Member Exchange and Psychological well-being. We use LMX Theory as a supporting theory. We distributed 350 questionnaires in project-based organizations, 305 questionnaires collected, and only 294 selected for data analysis. Results derived from collected data shows that all five Hypothesis Accepted.

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# Appendix-A

## Research-Questionnaire (Time 1)

**Dear respondent,**

My name is **Abd ur Rehman Butt**. As a MS project management research scholar at Capital University of science & Technology, Islamabad. I am collecting data for my thesis. Title "Impact of Leader Member Exchange (LMX) on Project success with mediating role of Psychological well-being and moderating role of Trust in Leadership. It will take 10-15 minutes to answer the questions and providing the valuable data. I assure you that data will be strictly kept in confidential and will only be used for academic purposes.

Thanks a lot for your time and support.

**Regards**

**Abd Ur Rehman Butt**

MS scholar,

Faculty of Management and Social Science,

CUST

## Section 1

<b>Gender</b>	<b>1</b>	<b>2</b>
	Male	Female

<b>Age</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	18 - 25	26 - 33	34 - 41	42 - 49	50 and above

<b>Qualification</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
	Metric	Inter	Bachelor	Master	MS/ M.Phil.	PhD	Post PhD

<b>Experience</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
	0-5	6-10	11-16	17-22	23-28	29 and above

## Section 2

The following statements concern your practical views about **Leader Member Exchange (LMX)**. For each item of the statements below, please indicate the extent of your agreement & disagreement by ticking the options against particular statements which you're following at workplace by appropriate number. 1= Strongly Disagree 2= Disagree 3= Neither Agree/nor Disagree 4= Agree 5= Strongly Agree

1	I like my supervisor very much as a person	1	2	3	4	5
2	My supervisor is the kind of person one would like to have as a friend.	1	2	3	4	5
3	My supervisor is a lot of fun to work with.	1	2	3	4	5
4	My supervisor defends my work actions to a superior, even without complete knowledge of the issue in question.	1	2	3	4	5
5	My supervisor would come to my defense if I were "attacked" by others.	1	2	3	4	5
6	My supervisor would defend me to others in the organization if I made an honest mistake.	1	2	3	4	5
7	I do work for my supervisor that goes beyond what is specified in my job description.	1	2	3	4	5
8	I am willing to apply extra efforts, beyond those normally required, to Further the interests of my work group.	1	2	3	4	5
9	I am impressed with my supervisor's knowledge of his/ her job.	1	2	3	4	5
10	I respect my supervisor's knowledge of and competence on the job. I admire my supervisor's professional skills. .	1	2	3	4	5
11	I admire my supervisor's professional skills.	1	2	3	4	5

### Section 3

The following statement measure the **project success**. For each item of the statements below, please indicate the extent of your agreement & disagreement by ticking the options against particular statements by appropriate number. 1= Strongly Disagree 2= Disagree 3= Neither Agree/Nor Disagree 4= Agree 5= Strongly Agree

<b>1</b>	The project was completed on time.	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>2</b>	The project was completed according to the budget allocated.	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>3</b>	The outcomes of the project are used by its intended end users.	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>4</b>	The outcomes of the project are likely to be sustained.	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>5</b>	The outcomes of the project have directly benefited the intended end users, either through increasing efficiency or effectiveness.	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>6</b>	Given the problem for which it was developed, the project seems to do the best job of solving that problem.	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>7</b>	I was satisfied with the process by which the project was implemented.	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>8</b>	Project team members were satisfied with the process by which the project was implemented.	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>9</b>	The project had no or minimal start-up problems because it was readily accepted by its end users.	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>10</b>	The project has directly led to improved performance for the end users/target beneficiaries.	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>11</b>	The project has made a visible positive impact on the target beneficiaries.	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>12</b>	Project specifications were met by the time of hand-over to the target beneficiaries.	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>13</b>	The target beneficiaries were satisfied with the outcomes of the project.	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>14</b>	Our principal donors were satisfied with the outcomes of the project implementation.	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

## Section 4

The following statements concern your practical views about **Trust in leadership** for each item of the statements below, please indicate the extent of your agreement & disagreement by ticking the options against particular statements which you're following at workplace by appropriate number. 1= Strongly Disagree 2= Disagree 3= Neither Agree/nor Disagree 4= Agree 5= Strongly Agree

1	I am not sure I fully trust my employer	1	2	3	4	5
2	My employer is open and upfront with me.	1	2	3	4	5
3	I believe my employer has high integrity.	1	2	3	4	5
4	In general, I believe my employer's motives and intentions are good.	1	2	3	4	5
5	My employer is not always honest and truthful (reverse score).	1	2	3	4	5
6	I don't think my employer treats me fairly (reverse score)	1	2	3	4	5
7	I can expect my employer to treat me in a consistent and predictable fashion.	1	2	3	4	5

## Section 5

The following statements concern your practical views about **Psychological Well-being** For each item of the statements below, please indicate the extent of your agreement & disagreement by ticking the options against particular statements which you're following at workplace by appropriate number. 1= Strongly Disagree 2= Disagree 3= Neither Agree/nor Disagree 4= Agree 5= Strongly Agree

1	I can change things in my life to reduce my stress.	1	2	3	4	5
2	I can figure out things I can do to help me relax.	1	2	3	4	5
3	I can get help from others when I need it.	1	2	3	4	5
4	Members of this team are able to bring up problems and tough issues.	1	2	3	4	5
5	It is safe to take a risk on this team.	1	2	3	4	5
6	I like most parts of my personality.	1	2	3	4	5
7	For me, life has been a continuous process of learning, changing, and growth.	1	2	3	4	5

**Thank you for your time and cooperation**