

The Impact of Leadership Behavior

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Introduction

Leadership behavior plays a defining role in project success and broader organizational outcomes. Although project management is often framed in technical terms such as scope, schedule, budget, and deliverables, projects are ultimately executed through people, and people are shaped by leadership. Leadership influences organizational culture, mission, vision, goals, and the organization's ability to achieve those goals. Leaders do more than direct work; they establish expectations, model standards, and shape the environment in which employees operate. From human resource (HR) and project management perspectives, this influence is especially significant because leadership behavior directly affects trust, morale, accountability, workforce readiness, and the overall employee experience. In project settings, success depends not only on planning and execution, but also on whether leaders create the conditions that allow employees to engage fully, communicate candidly, and remain committed during periods of uncertainty and change.

Across the project lifecycle—from planning and stakeholder alignment to implementation, adoption, and sustainment—leadership behavior shapes both workforce experience and project outcomes. From an HR perspective, it affects employee engagement, trust in leadership, morale, and willingness to adapt during change. From a project management perspective, it affects execution quality, issue escalation, stakeholder confidence, risk management, and the long-term sustainability of project results. For that reason, balancing performance, compliance, and people-centered leadership is not optional; it is essential to project success.

Ethical Leadership and Organizational Culture

Ethical leadership is foundational to organizational health. Leaders set the tone and agenda for ethical organizational behavior and shape how organizations conduct business. Ethical

leaders influence other leaders and employees by modeling standards that others can trust and follow. In project environments, this matters because teams often operate under time pressure, shifting requirements, and intense performance expectations. Under such conditions, leadership behavior determines whether a project culture values honesty, compliance, and shared accountability, or whether it slips into silence, defensiveness, and short-term thinking.

Ethical leadership is not only a matter of compliance; it is also a driver of organizational performance. Ethical environments create conditions in which trust is high, employee commitment is stronger, and organizational members are more willing to contribute their ideas, concerns, and expertise. In such environments, employees are more likely to speak candidly, share knowledge, and support organizational goals because they believe their perspectives matter and that leadership will respond with fairness and integrity. Ethical leadership therefore strengthens not only culture, but also communication, creativity, adaptability, and sustained performance. The connection between ethical leadership and performance is especially important in both HR and project settings, where organizational success depends on the willingness of people to engage honestly, collaborate effectively, and contribute beyond minimum expectations.

Ethical leadership is especially important in environments where external pressures may tempt leaders to prioritize speed, competition, or short-term gain over principle. Ethical organizations fail because they ignore standards; they succeed because leaders make a deliberate choice to pursue results in a manner consistent with integrity, law, and the long-term interests of the organization and its stakeholders. When leaders consistently model ethical behavior, those behaviors become easier for employees to receive, trust, and replicate throughout the

organization. Ethical leadership thus becomes part of the fabric of the organizational culture rather than a set of abstract aspirations posted in policy documents.

As Demirtas and Akdogan (2015) noted, leaders' behaviors are critical to establishing effective work conditions and organizational culture. In HR terms, those conditions influence employee engagement, morale, trust in leadership, and confidence in organizational fairness. In project terms, they influence whether team members communicate openly, collaborate effectively, and remain aligned around shared goals. Ethical leadership is therefore not separate from performance; it is part of what makes high performance sustainable. Strong leadership creates the kind of environment in which expectations are clear, concerns are surfaced early, and team members understand that both results and methods matter.

Policy alone is not enough to ensure ethical behavior. As Pope (2015) explained, ethical standards and written codes often fall short because leader behavior carries greater weight than formal policy. From an HR standpoint, this is especially important because employees take their cues less from what is written than from what leaders model, reinforce, and tolerate. Organizations may have strong policies, governance structures, and accountability mechanisms, but if leaders behave inconsistently, employees will quickly recognize the disconnect. In project environments, this disconnect can weaken discipline, reduce trust, create confusion about priorities, and undermine both compliance and execution.

This point is reinforced by both the ethical leadership literature and case study evidence: formal codes and written expectations lose force when leader behavior sends a conflicting message. Employees are acutely aware of whether ethical standards are truly universal or whether they are selectively applied. When leaders model the standards they expect from others,

they strengthen trust and organizational alignment. When they do not, employees may grow skeptical not only of the leader, but of the organization's policies, values, and fairness more broadly.

Ethical leadership also helps create an ethical organizational climate that reduces misconduct and shapes behavior across the organization. Mayer et al. (2011) emphasized that ethical climates influence whether employees engage in ethical or unethical conduct. Bavik et al. (2018) found that ethical leadership creates conditions where trust is high and employees are more willing to share knowledge and contribute to organizational goals. This is particularly relevant in both HR and project management because many failures do not occur because no one recognized a problem, but because information was delayed, minimized, or left unspoken.

Leadership Behavior and Employee Engagement

Leadership behavior has a direct effect on employee engagement. Employees are more likely to remain committed, collaborative, and resilient when they believe leadership is fair, transparent, and consistent. When employees trust leadership, they are more likely to raise concerns early, contribute ideas, adapt to change, and remain invested in organizational goals. When that trust is absent, disengagement, resistance, and silence often increase.

This dynamic is especially important in projects that involve change. From an HR perspective, large initiatives require workforce readiness, employee buy-in, and sustained confidence that leadership understands operational realities. From a project management perspective, those same conditions affect adoption, execution, stakeholder support, and long-term sustainability. Leadership behavior therefore shapes not only whether a project is

completed, but whether it is accepted, supported, and sustained by the workforce after implementation.

Huang and Paterson (2017) showed that ethical leadership encourages employee voice by creating conditions in which employees feel respected and heard. This aligns closely with the concept of psychological safety. Gallo (2023) explained that psychological safety helps create conditions where employees can ask questions, admit mistakes, and raise concerns without fear of embarrassment or retaliation. In HR terms, this supports engagement, trust, healthier workplace culture, and stronger change adoption. In project terms, it supports early risk identification, better issue escalation, improved collaboration, and more effective decision-making. Employee voice is not simply a cultural preference; it is an operational necessity. When employees do not feel psychologically safe enough to raise concerns, projects become more vulnerable to delayed escalation, avoidable rework, and weakened adoption.

The consequences of harmful leadership can be far-reaching. Inceoglu et al. (2018) explained that leaders must understand that their behavior influences employee performance and, ultimately, organizational success. Almeida et al. (2021) further showed that harmful leader behavior causes followers to perceive the leader as damaging both to the organization and to the people being led. From an HR lens, this affects morale, trust, employee commitment, retention, and confidence in leadership. From a project lens, it can reduce collaboration, delay escalation of problems, weaken team effectiveness, and erode stakeholder confidence. Leadership behavior, therefore, has practical consequences for both workforce outcomes and project outcomes.

Leadership, Change Management, and Project Adoption

Projects rarely fail for technical reasons alone. Many struggles emerge because workforce

concerns are not addressed early, communication is inconsistent, or employees do not trust that implementation challenges will be taken seriously. From an HR perspective, effective change management requires readiness, transparency, credibility, and meaningful employee engagement. From a project management perspective, it requires clear planning, stakeholder alignment, issue tracking, and disciplined follow-through.

A relatable example of these dynamics can be seen in the Department of Veterans Affairs' electronic health record modernization effort. Although often described as a technology implementation, the initiative is equally a leadership, workforce, and change-management case study. The Government Accountability Office (2025) reported that the VA had made incremental improvements in the new system, but substantial work remained, including unresolved configuration requests and continuing user dissatisfaction. The Government Accountability Office (2025) also reported that users expressed concerns with training, help desk support, productivity, and the effect of the system on daily operations.

This example illustrates why project success cannot be assessed only by implementation milestones or technical progress. Projects of this scale also require workforce readiness, trust in leadership, clear communication, and credible responses to employee concerns. When leadership behavior does not create confidence that problems will be heard and addressed, projects may experience resistance, frustration, reduced adoption, and weakened outcomes. The VA modernization effort illustrates that project challenges are rarely only technical; they often reflect leadership decisions about communication, readiness, accountability, and how seriously employee concerns are heard and addressed. This is where HR and project management perspectives intersect most clearly: implementation success depends not only on delivering the system, but on preparing, supporting, and sustaining the people expected to use it.

Decision-Making, Emotional Intelligence, and Accountability

Decision-making is another leadership behavior with direct implications for project success. Leaders must motivate others while balancing standard operating procedures and guidelines with employee realities in order to create an environment that is both effective and compliant. This is especially true in project settings, where leaders must make decisions under conditions of ambiguity, time pressure, and competing stakeholder demands. Sharma et al. (2019) argued that leaders must pursue organizational goals in ways that are both effective and ethical. Effective leadership therefore requires more than technical competence. It requires judgment, discipline, and the ability to balance performance expectations with compliance obligations, employee trust, and longer-term organizational credibility.

Emotional intelligence is equally significant. Joubert and Feldman (2017) noted that leadership involves social interaction between leaders and followers and that emotional awareness and regulation influence the quality of those relationships. In project environments, where priorities shift and conflict is inevitable, emotional intelligence enables leaders to manage stress without transmitting it destructively to others, to navigate disagreement without escalating it, and to preserve team cohesion during uncertainty. From an HR perspective, emotional intelligence is closely tied to employee engagement, manager credibility, workplace relationships, and trust. From a project perspective, it supports collaboration, resilience, communication, and sustained team performance throughout the project lifecycle.

Accountability also strongly shapes project and organizational outcomes. When leaders misuse authority or engage in misconduct without meaningful consequence, employees receive the message that standards are not applied equally. That kind of inconsistency is deeply harmful to workplace culture. Teams are less likely to embrace accountability when they see senior

leaders deflect blame or avoid responsibility. By contrast, when leaders model accountability, acknowledge mistakes, and follow through consistently, they create a culture in which accountability is credible and normalized. Practical application of these principles requires leaders to create clear expectations, reinforce accountability consistently, communicate candidly, and ensure employees feel safe raising risks and implementation concerns early.

A clear illustration of this dynamic appears in the Army Brigadier General case study. In that example, a senior leader lobbied on behalf of a contractor while seeking employment, skipped meetings, and billed unauthorized expenses, yet was allowed to retire at rank after receiving only a fine. The significance of the case lies not only in the misconduct itself, but in the organizational message sent by the response. When senior leaders appear to receive lighter consequences than others might expect for similar actions, employees may conclude that standards are unevenly applied. That perception can weaken morale, reduce trust in leadership, and foster skepticism about whether ethical expectations truly apply to everyone. In structured organizations especially, double standards at the top can create confusion, damage motivation, and contribute to an underperforming workforce.

The Brigadier General case also reinforces a broader lesson about leadership credibility: employees watch senior leaders closely, and the conduct of those at the top shapes how policies, values, and organizational expectations are interpreted throughout the workforce. Where leader behavior departs from communicated standards, the damage extends beyond individual misconduct to the ethical climate of the organization itself. That is especially important in both HR and project settings, where confidence in leadership influences performance, engagement, and the willingness of employees to support organizational goals.

This issue is especially relevant in the United States today, where institutional trust remains fragile and expectations for leadership credibility remain high. Edelman (2025) reported widespread grievance and declining confidence across major institutions, reinforcing the importance of transparency, consistency, and ethical leadership. In that environment, project results are judged not only by whether objectives are met, but also by whether they are achieved in ways that preserve trust, demonstrate accountability, and reflect organizational integrity.

Current research also supports the risks associated with poor leadership behavior. Tawfik et al. (2025) found that toxic leadership undermines morale, job satisfaction, and retention. Although this study is set in healthcare, the broader lesson applies to project environments as well. Harmful leadership behavior produces measurable organizational costs, including burnout, disengagement, reduced collaboration, weakened execution, and diminished trust in leadership. Projects may still progress under poor leadership, but often at the expense of employee well-being, long-term sustainability, and organizational credibility.

Conclusion

Leadership behavior has a profound effect on project success and organizational outcomes because it shapes the culture, trust, and accountability that sustain performance. Viewed through both an HR and project management lens, effective leadership supports not only project delivery, but also employee engagement, workforce readiness, change adoption, and long-term sustainability. Ethical leadership strengthens communication, knowledge sharing, performance, and change readiness by creating a climate rooted in integrity and respect. Harmful leadership, particularly from senior levels, weakens morale, erodes trust, and damages both culture and results.

The ethical leadership literature and the Brigadier General case study together underscore a common point: organizations are shaped not simply by the standards they publish, but by the conduct leaders' model, the consistency with which accountability is applied, and the degree of trust that employees place in leadership.

For project managers and organizational leaders, the practical lesson is clear: effective leadership must support both project delivery and workforce engagement by reinforcing trust, accountability, communication, and readiness throughout the project lifecycle. Balancing performance, compliance, and people-centered leadership is essential not only to completing projects, but to ensuring that project outcomes are accepted, sustained, and aligned with broader organizational goals.

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