



Significance of Transformational Leadership on Project Portfolio Success within the Micro Financial Sector in Cameroon

Gaston Gwemelang Ngochembo^{1*}, Honest Kfetua Ful² & Vera Bekebang Mbouh³

¹Researcher, Department of Agribusiness Technology, College of Technology, University of Bamenda, Cameroon

²Researcher at Administrative Reforms Research Institute, Bamunka Ndop, North West Region of Cameroon

³Researcher at AgriDynamic Research and Innovation Centre, Ndop North West Region, Cameroon

*Corresponding Author: Gaston.ngochembo@gmail.com

Citation : Ngochembo G. G., Ful, H. K., & Mbouh V.B., (2023). Significance of Transformational Leadership on Project Portfolio Success within the Micro Financial Sector in Cameroon. *Finance & Economics Review* 5(2), 36-50. <https://doi.org/10.38157/fer.v5i2.595>.

Research Article

Abstract

Purpose: This research investigates the effect of transformational leadership on project portfolio success in the micro-financial sector in Cameroon.

Method: A quantitative research approach was used for this study. Data were collected from 205 managers of Microfinance institutions in Cameroon and analyzed with the help of the SPSS, version 25. AMOS 23 was used to conduct Confirmatory Factor Analyses to examine convergent and discriminant validity.

Results: The result showed that less than 60% of current microfinance institutions have adopted key aspects of transformational leadership (idealized influence; intellectual stimulation; inspirational motivation; and individualized consideration). It was observed that transformational leadership has a significant and positive effect on project portfolio success. The effect of such leadership is mediated by team building practices and teamwork quality.

Implication: Transformational leadership is not well recognized in the micro-financial sector of Cameroon irrespective of its effect on project portfolio success. Microfinance institution managers should adopt and apply such leadership for higher performance of their project portfolios.

Keywords: Leadership style, Finance institutions, Project, Cameroon.

1. Introduction

It is common knowledge that companies of all types and industries must adapt their strategies to changes in their internal and external environment and strive to create new systems that allow them to identify current developments and trends. The survival of businesses depends on the extent to which they adapt, set, and shape their behaviors which must be in harmony with the sub-sector on one hand and environmental expectations on the other hand (Gui et al. 2020; Peng et al., 2021)

While many micro-financial institutions are engaging with digital transformation, recent analyses of successful projects have indicated that strong institutions enhance competitive strength by focusing not only on the technologies they use but also on the strategies their leaders take (Neba et al., 2019; Piot-Lepetit & Nzongang 2019; Singhe & Louche, 2020). Such efforts to improve microfinance institutions make it easier for such businesses to respond more quickly to changes and adapt to uncertain environments (Neba et al., 2019). However, there is still a gap between executives' objectives and

successful project and project portfolio implementation, requiring the need to illustrate the strategic considerations that support them (Piot-Lepetit & Nzongang, 2019).

One of the solutions is to employ experienced and modern leaders who will enhance transformational leadership as a successful approach for managing changing behaviors and faster adaptation to new circumstances (Peng et al., 2021; Hilton et al., 2023). Institutions face more complex, unpredictable, and uncertain complexities than ever (Delegach et al., 2017). When their leaders recognize and consider both external and internal resources and capabilities that may help their organizations to perform better. A common definition of transformational leadership is that it is the process of guiding and inspiring followers to achieve organizational goals (Burns 1978). Thus, transformational leaders are champions, who are generally considered to be key organizational decision-makers (Crawford 2005) that advance dynamic capabilities to directly and positively affect the development of project management assets, particular strategic resources (assets), which contribute to a firm's competitive position and tend to be knowledge-based (Kral et al., 2019; Gui et al. 2020).

In project management works of literature, studies have addressed the relationship between transformational leadership and project success (Turner et al., 2008; Delegach et al., 2017; Wang et al., 2017; Zaman et al., 2019; Kock & Gemünden, 2019). More to that, scholars have explained the mechanisms underlying the relationship between transformational leadership and project performance (Caillier, 2014; Hilton et al., 2023) the context of the microfinance sector is limitedly examined. Recent publications of Neba et al. (2020), Elle (2021), and Romain et al. (2022) examined the performance of microfinance institutions in Cameroon in terms of social and financial dimensions with limited linkage to transformational leadership. The study sought to contribute to a better understanding of the mechanisms through which transformational leadership influences project portfolio success in the context of microfinance institutions in Cameroon in particular, and Africa in general.

2. Literature Review

The first part of this section presents the theoretical framework of transformational leadership project portfolio management, team building, and teamwork quality as well as an overview of the MFI sector in Cameroon. It is based on these theoretical backgrounds that the investigation is modeled and hypothesized.

2.1. Transformational Leadership

Transformational leadership has been described as a process in which leaders and co-workers raise one another to higher levels of motivation and morality by inspiring, encouraging, and providing insight (Crawford, 2005; Ellis, 2015). Further, transformational leadership has also been depicted as one that helps increase employees' concern and strengthens their level of perception as well as their acceptance of the group's vision and aims (Green 2014). Insight, inspiration, courage, etc., are the words that describe transformational leadership.

This type of leadership in institutions nowadays requires a significant change in power relations in the institution or other social systems from hierarchical to horizontal and with equality (Burns, 1978). Caillier (2014) contended that transformational leaders are concerned with long-term goals and focus on employees' performance and development to increase their potential capacity and that such leadership influences employees' behaviors in their in-role as well as extra-role performance. Burns (1978) asserted that a moral need drives employees, the need to take a higher moral stance on an issue, or the need to champion a cause.

Crawford (2005) suggested that the transformation process is founded on understanding, empathy, insight, and consideration, non-manipulative and power-wielding. Scholars view transformational leadership to

have a direct, positive impact on the performances of employees of any company (Caillier, 2014; Delegach et al., 2017; Oh et al., 2019). These views are not new; Burns (1978) pointed out that transformational leaders facilitate new understandings by increasing or altering awareness of issues while fostering inspiration and excitement in placing extra efforts to achieve common goals.

There is general agreement in the literature that transformational leadership has four dimensions: idealized influence; intellectual stimulation; inspirational motivation; and individualized consideration, as reported by Hilton et al. (2023). Idealized influence is charismatic behaviors in which the leader serves as a role model for high ethical behavior, instills pride, and gains respect and trust. Inspirational motivation is shown when a leader conveys an appealing and inspiring vision for employees and provides them with challenging assignments with increased expectations. Intellectual stimulation consists of encouraging creativity and change in employees. That implies transformational leaders nurture and develop people to think independently. Individualized consideration is which implies leaders paying attention to each employee's, needs and wants by supporting, encouraging, mentoring, and coaching employees to use their competence. This also includes the need to celebrate and respect the individual contribution that each follower can make to the team.

2.2. Project portfolio management (PPM)

Project portfolio management is the management of the organization's projects to capitalize on the contribution of projects to the main welfare and success of the enterprise subject to internal and external constraints by maximizing the project value, balancing the portfolio, and aligning it with overall company strategy (Levine, 2010). (Müller et al., 2008). It has also been defined as the centralized management of the methods, processes, and technologies project leaders and offices use to analyze and collectively manage projects based on numerous key characteristics (Ma et al., 2012). Many potential problems await companies without proper PPM processes in place. First, a lack of portfolio management may lead to an unwillingness to kill weak project proposals, projects being selected based on politics or emotions, and a lack of strategic criteria in the project selection (Hansen & Svejvig, 2022). As companies' resources spread thinly across multiple initiatives, delivery times tend to increase, and the final quality of the products tends to suffer because the employees are scrambling between multiple ventures, missing deadlines, and making mistakes that become harder to fix as the projects progress from initiation to the close-out stages (Levine, 2010; Ma et al., 2012; Kral et al., 2019). There seems to be consensus in the literature (Ma et al., 2012; Hansen et al., 2022) that PPM rests on three pillars:

- i. Projects selected must maximize the value for the company.
- ii. Projects selected must constitute a balanced portfolio.
- iii. The final portfolio of projects must be strategically aligned with the company's overall business strategy.

The objective of PPM is to determine the optimal resource mix for delivery and to schedule activities to achieve an organization's goals best while honoring constraints imposed by customers, strategic objectives, or external real-world factors (Ma et al., 2012). Therefore, PPM is important for organizations that want to thrive in the future by being competitive, innovative, and financially driven. Such importance is, regardless, many challenges to address by leadership working together with project and portfolio management professionals. Some of these challenges reported in the literature (Caillier, 2014; Dezhkam et al., 2019; Romain et al., 2022) may include the following:

- PPM is still not widely recognized in the company.
- There is a lack of understanding of PPM.
- Frequently PPM is viewed as something academic, cumbersome, and costly.
- The task of creating and implementing PPM is frequently delegated to mid-level managers by top management or leadership of the institutions.

The success of project portfolio management is expected when the project team considers these challenges. Traditionally, key components of project portfolio success measurement include; scope, cost, quality, and time (Kock & Gemünden, 2019; Romain et al., 2022). The project success evaluation also encompasses additional factors, including product acceptance from the customer, stakeholders, commercialization, and future project opportunities (Pereira et al., 2022). Kock & Gemünden (2019) considered that project success is related to project outcomes, such as information systems or research and development products. Though there is no mutual consensus among researchers on project success criteria in the project management literature, the following determinants have been proposed: the advantages the project brings to the project organization, key partners, the project team, customer satisfaction, the accomplishment of the objectives of the project organization, and marketing potential (McDonough, 2000; Oh et al. 2019). Given the determinants mentioned above, comprehensively, project success involves the following factors: project completion within the scope, time, expense, quality, customer and stakeholder satisfaction, and the achievement of the goals and objectives of the project organization.

2.3. Team-Building Practices

Team building is considered in the literature as a central part of human resource management in project-based organizations (Turner et al., 2008), and is defined as "a class of formal and informal team-level interventions that focus on improving social relations and clarifying roles, tasks and interpersonal problems that affect team functioning" (Klein et al. 2009) Four components of team-building that are generally agreed on in literature are goal setting, interpersonal processes, role clarification, and problem-solving (Klein et al., 2009).

In goal-setting strategy, the project's general goals and specific objectives are conveyed to the team members and translated into subtasks and setting schedules, which enhances team members' subjection to the target as they become active in action planning toward specific objectives (Aga et al., 2016). The interpersonal process includes conflict resolution among team members and the elimination of any hidden agenda (Aga et al., 2016). Role clarification emphasizes increased communication among team members regarding their respective roles. Team members exposed to role-clarification activities are expected to understand roles better for themselves and others as well as their duties within the team (Klein et al., 2009). The team-building process includes clarifying the requirements of the individual roles, team norms, and mutual responsibilities of team members (Aga et al., 2016). Problem-solving practice stresses understanding significant challenges in group tasks to develop the aptitudes relevant to the task. Aga et al. (2016) contested that team building is a process in which the team members identify the problems, gather considerable and pertinent data, take an interest in strategic thinking and action planning, and execute as well as review action plans. Team-building practices have been investigated in the microfinance institutions in Cameroon and the result was positive on graduate volunteer performance and, therefore the success of the project portfolio (Fomude et al., 2020).

2.4. Teamwork Quality

Teamwork refers to "the interdependent components of performance required to coordinate the performance of multiple individuals effectively." (Salas et al., 2008). Plenty of studies have sought to assess teamwork. Some scholars demonstrated that teamwork efficiency is measured as a second-order construct of cohesion, communication, coordination, mutual support, and learning in new product development projects (Klein et al., 2009). Amongst all these measurement parameters, coordination stands out as it demands a general understanding among the project team members when working on parallel subtasks and agreement on common work-down structure, schedules, budgets, and project deliverables (Salas et al., 2008). This may result in a balance of team member contribution in the ability to

employ the expertise of the team members to its full potential. Neba et al. (2020) used teamwork quality to assess the performance of microfinance institutions in Cameroon which seems to be more effective in the social performance of these institutions.

2.5. Micro Finance Institutions in Cameroon

The advent of Micro Finance Institutions (MFI) in Cameroon in 1963 in the North West Region where the first Credit Union was opened; at the time population considered classical banking as an elitist affair (Singhe & Louche, 2020). Today, microfinance has evolved drastically, forming a major bedrock in Cameroon’s financial system. There are over 850 registered MFIs in Cameroon, and the country is a member of CEMAC (Monetary Authority of Central African States) (Wamba et al., 2018; Singhe & Louche, 2020). This is a clear illustration that the sector is waxing strong and providing relief to the Majority of the population that was hitherto excluded from the classical banking services. In recent publications of; Romain et al. (2022); Elle (2021); and Neba et al. (2020) on performance assessment of MFI in Cameroon, social performance (targeting the poorest among the poor) and financial performance (enhancing the profitability of the institution) are being achieved at varying levels. PPM is highly popular among various MFIs, and over 85% of these institutions conduct project analysis before selecting key projects. 91% of MFIs are flying blind with no metrics in place except for financial data. An investigation of MFIs' portfolio management indicated that 70% of MFI managers frequently use portfolio management in their organization (Elle, 2021; Singhe & Louche, 2020; Romain et al., 2022). Accordingly, their portfolios comprise; group loans; agriculture loans; insurance; individual business loans; money transfers; energy loans, and savings accounts.

Generally, many MFIs still need dedicated project managers, even though the current total equity of the microfinance sector was FCFA 2,122.9 billion (representing 32.8% of commercial banks' equity), deposits stood at FCFA 90.09 billion (18.5% of deposits recorded by banks), and credits reached FCFA 839.14 billion (22.90% of the credits granted by banks by that period) (Singhe, & Louche, 2020; Tenekeu, 2022). These numbers should be viewed as a positive trend. Other statistics from scholars about the MFI sector indicated that; 62% of MFI managers described them as highly effective in portfolio management and met or exceeded the expected return on investment (Wamba et al., 2018). Of the organizations that consider their portfolio management to be highly effective, 92% claim their executives possess knowledge and understanding of the PPM principles (Romain et al., 2022). Executives possess good knowledge and understanding of the project portfolio management principles, which is one of the drivers for innovations and creativities, as pointed out by Romain et al. (2022).

2.6. Research Model and Hypotheses

The study is based on the conceptual framework and hypotheses crafted below. It also highlights the relationships between the variables in the study. Figure 1 shows the conceptual framework of the study.

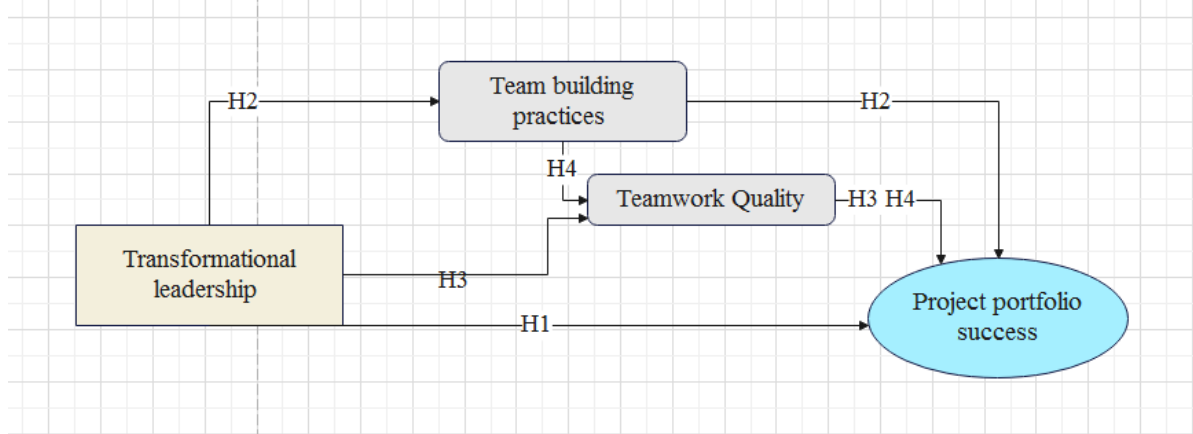


Fig. 1: Research Framework

2.6.1. Transformational leadership and project portfolio success

Literature indicates that the suitable attitudes of the project leaders play a significant role in achieving improved project performance (Zwikael & Unger-Aviram, 2010; Armand & Germain, 2021). The transformational leadership style is positively associated with employee entrepreneurial behavior, employee creativity (Dong et al., 2017), organizational commitment (Delegach et al., 2017), innovative employee behavior (Wang et al., 2017), employee retention (Yang, 2004), employee adaptability and pro-activity (Wang et al., 2017), work engagement (Ding et al., 2017) and performance (Dionne et al., 2004). The leadership style is also positively linked to project portfolio performance in a project environment (Aga et al., 2016) and project success (Zhang et al., 2018). A transformational leader's attributes (inspiration, individualized consideration, obligation, support, respect, and open communication) are much more likely to yield positive results (Al-Ghazali, 2020). Zaman et al. (2019) argued that transformational leadership is a catalyst in strategic repositioning and a positive change in implementing the stakeholder perspective, contributing to a successful project. A transformational approach has enhanced the project team's knowledge of obstacles and related project problems, necessitating improvement initiatives (Zaman et al., 2019). The transformational leader thus sets inspiring goals for his team members to achieve demanding project objectives. In project teams, a transformational leader promotes positive workplace relationships, high engagement, and team consistency, guaranteeing the project's success (Zhang et al., 2018). In this way, the team members work to their full potential and bring the project to successful completion. Thus, we propose our first hypothesis:

H1. Transformational leadership style positively influences project portfolio success.

2.6.2. The mediating role of team-building practices

A strong relationship between transformational leadership style and team-building practices has been suggested by Aga et al., (2016). Team-building facilitates mutual understanding and the exchange of information among team members and improves the team's outcomes (Dong et al., 2017). Four factors of leadership style that positively affect team building investigated by McDonough (2000) included project goals, empowerment, information access, and human resources. Effective project leadership defines the goals and tasks to subordinates and clarifies the constraints in the project goal. It is concluded that project managers' adoption of transformational leadership empowers team members to explore, analyze, and make decisions about the strategies to utilize in performing tasks and problem-solving. Effective leadership style is vital for transformational leaders to maintain the flow of information and empowerment expertise within the team and other organizational groups for actual decision-making. Effective communication is an integral part of teamwork, one of every five projects is reported as unsuccessful due to poor communication (Pollack & Matous, 2019). It has been noted that a high-performing project team with the right skills and techniques also requires a transformational leader to become more effective and efficient (Dong et al., 2017). Aga et al. (2016) suggested that a transformational leadership style is required to instill motivation and enthusiasm in the team to perform beyond their expectations through conventional team-building strategies, such as goal-setting, role-clarification, interpersonal communication, and problem-solving techniques.

H2. Team building practices in a project mediate transformational leadership and have a positive effect on the success of the project portfolio

2.6.3. The mediating role of teamwork quality

Several studies have pointed out that teamwork is a critical factor that positively influences the success of project teams (Yang et al., 2011; Aga et al., 2016). Other studies have shown how teamwork quality acts as a mediator between leadership styles and project performance (Yang et al., 2011; Oh et al., 2019). Oh et al. (2019) contested that transformational, transactional, and entrepreneur networks were positively correlated with teamwork quality which served as an essential mediator between leadership and project performance. Dionne et al. (2004) confirmed how teamwork quality mediates leadership and project outcomes positively. In a controlled environment, the transformational leadership style enhances teamwork quality, leads to completion, and improves performance.

H3. Teamwork quality mediates the relationship between transformational leadership and the success of a project portfolio.

2.6.4. The mediating role of team building via Teamwork Quality

Team-building is one of the methods organizations use to enhance the efficiency of teamwork quality. It is an intervention in which cohesive working groups learn to improve individual team member skills by using a planned agenda. It has been suggested that team-building improves cognitive thinking (e.g., declarative knowledge of teamwork competencies), team member affective outcomes (e.g., team potency and trust), processes (e.g., coordination and communication), and team performance outcomes (e.g., productivity measures). Klein et al. (2009) and Salas et al. (2008). Teamwork quality has been found to improve the usefulness of adopted technologies within the micro financial institution and performance (Neba et al. 2020 Ofeh et al., 2017). Pollack and Matous (2019) strongly believed that the most effective and efficient teamwork happens after team-building, and team-building effective communication is an integral part of teamwork, one of every five projects being reported as unsuccessful due to poor communication. It is more understandable that team building enhances teamwork quality, which in turn may positively affect project portfolio success.

H4. Team building and teamwork quality sequentially mediate the relationship between transformational leadership and the success of a project portfolio.

3. Research Methodology

3.1. Data Collection Procedure and Sample

Data collection was conducted using a self-administered paper questionnaire which was delivered 'in person' from December 2022 to May 2023 to purposefully selected project portfolio managers of microfinance institutions. These managers were approached in their respective places of work in Bamenda, Bafoussam, Douala, and Yaoundé which are cities with the most numbers of MFIs. They were given the questionnaire to be filled out and left at the same place to be collected later. From the over 850 registered MFIs in Cameroon, a total of 230 were purposefully selected and the same number of questionnaires were distributed, with 210 sets returned of which 205 responses were useful for the analysis.

3.2. Instrument

Regarding the existing literature in transformational leadership and the project portfolio management fields, a 38-item questionnaire was developed for this study in a multi-item Likert scale. Variables were measured using a Likert Scale, which is recommended in the previous studies (Ali et al., 2021; Peng et al., 2021, Zaman et al., 2019), with 5 being 'Strongly Agree' and 1 being 'Strongly Disagree'.

Project portfolio success: This research used the aggregate approach of measuring a multi-dimensional project performance construct based on project portfolio managers' interpretation of specific parameters.

Project success constructs adopted from a well-validated study of Oh et al. 2019 composed of six items, addressing time, expense, quality, client use, satisfaction, and efficacy. A five-point Likert scaleranging from "strongly disagree" to "strongly agree" was used by respondents who evaluated each item.

Transformational Leadership: We adopted the constructs of Aga et al. (2016), which used eight elements of transformational leadership, covering idealized influence, inspirational motivation, intellectual stimulation, and individual consideration. A five-point Likert scale was also used, starting with 1 (strongly disagree) to 5 (strongly agree) were based on the five-point Likert scale, respectively.

Team-Building Practices and Teamwork Quality: On the one hand, team-building is a multi-dimensional construct that entails goal setting, role clarification, interpersonal processes, and problem-solving (Dong et al., 2017), which are mediator variables indicated in the research model. The eight items from the study by Aga et al. (2016) for team-building practices were adopted. The respondents assessed each item on a five-point Likert scale of 1–5 ranging between "strongly disagree" and "strongly agree," respectively. On the other hand, teamwork quality that entails communication, coordination, mutual support, effort, and cohesion comprises six items adapted from Oh et al. (2019 and) Yang et al. (2011)

*Covariates:*In this investigation, the participants were microfinance project portfolio managers. A set of control variables are listed that are adopted to mitigate spurious effects and enhance internal validity. The control variable in this study category is the demographics of microfinance project portfolio managers. The measures of demographic control variables include gender (1 =male, 2 = female), age, academic qualification (1 = HND, 2 = Bachelor, 3 = master, 4 = doctorate or PhD), and years of experience in microfinance projects (1 ≤ 5 years, 2 = 6–10 years, 3 = 11–15 years, 4 = 16–20 years, 5 = more than 21 years).

3.3. Data Analysis

The data were analyzed by using the SPSS version 25 to compute the frequency table of demographic information. Then the data was transferred to AMOS 23. Before analyzing the hypotheses, missing values, the accuracy of data, and outliers were examined. We used AMOS 23 to conduct Confirmatory Factor Analyses (CFA) to examine convergent and discriminant validity.

We independently investigated the mediating effect of team building practices and teamwork quality on the relationship between transformational leadership and project portfolio success. A four-step methodology of mediation developed by Hayes (2021) was adopted. First, the independent variable (transformational leadership) must be related to the dependent variable (project portfolio success). Secondly, the independent variable must be related to the mediator variable (Team building practices and teamwork quality). Thirdly, the dependent variable must be related to the mediator variable. Finally, when the mediator variable is controlled, the effect of the independent variable on the dependent variable is no longer significant or is substantially reduced. Next, we examined the mediation effect of team-building and teamwork on the research independent variable and dependent variable.

4. Results

4.1. Demographic information

The demographic results show that 205 managers participated in the research. In the result, 78% of respondents were men, and 22% were women as shown in Table 1. 66% of managers were between the ages of 41 to 45 years, about 11% were between the ages of 31 to 35 and 46 to 50 years 6% were above 50 years, and only 2.4 were between 26 and 30 and 31 and 35 years. Additionally, 79% have a bachelor's degree, and 21% have a master's level. The majority (60%) had between 11 and 15 years of experience, while 25% had between 16 and 20 years; only 9.8% and 4.9% had between 5 and 10 and above 21 years of experience respectively.

Table 1: Participants’ demographic information

Variable		Frequency (N)	Percentage
Sex	Male	160	78.0
	Female	45	22.0
	Total	205	100.0
Age	26–30	5	2.4
	31–35	5	2.4
	36–40	23	11.2
	41–45	136	66.3
	46–50	24	11.7
	>50	12	6.0
	Total	205	100.0
Education	Bachelor	162	79.0
	Master	43	21.0
	Total	205	100.0
Experience	5–10	20	9.8
	11–15	123	60.0
	16–20	52	25.4
	>21	10	4.9
	Total	205	100.0

Source: Field Data, 2023

Table 2: Participants’ consideration of transformational leadership aspects

Variable	Respond	Frequency (N)	Percentage	
Adoption of transformational leadership aspects	Yes	123	60.00	
	No	82	40.00	
	Individualized consideration	Yes	110	53.66
	No	95	46.34	
	Intellectual stimulation	Yes	116	56.59
	No	89	43.41	
	Inspirational motivation	Yes	135	65.85
	No	70	34.15	

Source: Field Data, 2023

The result in Table 2 of participants’ consideration of transformational leadership aspects (idealized influence; intellectual stimulation; inspirational motivation; and individualized consideration), shows that 60% agreed to have been implementing idealized influence to support their teams, while about 53% agreed to intellectual stimulation and about 56% and 65% agreed to inspirational motivation, and individualized consideration respectively.

4.2. Validity and Reliability Analyses

The validity measure was conducted using a threshold value suggested by Bagozzi & Yi (1988) that must be <0.70 for the composite reliability (CR) statistics. Convergent validity is the internal consistency of multiple dimensions for each construct. In Table 2, the CR of TL (0.919), TBPs (0.888), TWQ (0.857), and PPS (0.855) were internally consistent. Factor loadings were all >0.50. Discriminant validity assesses how distinct each construct of the model is from the others. The average variance extracted (AVE) was used to determine if the constructs had adequate discriminant validity. The acceptable threshold value for AVE should be greater than 0.50 (Fornell and Larcker, 1981). In Table 2, the results show that each construct has an acceptable AVE value: TL (0.641), TBPs (0.517), TWQ (0.509), and PS (0.501) were internally consistent. Moreover, the square roots of the AVE of TL (0.801), TBPs (0.719), TWQ (0.713), and PPS (0.708) were greater than the correlations between the constructs. Therefore, all of the tests met

the recommended convergent and discriminant validity thresholds. The results presented in *Table 3* depicted the dimensionality and fitness of the Confirmatory Factor Analyses model.

Table 2: Model validity measure

	CR	AVE	MSV	MaxR(H)	TL	TBP	TWQ	PPS
TL	0.919	0.641	0.479	0.933	0.801			
TBP	0.888	0.517	0.487	0.902	0.704***	0.719		
TWQ	0.857	0.509	0.101	0.871	0.252***	0.318***	0.713	
PPS	0.855	0.501	0.061	0.859	0.218***	0.244***	-0.031	0.708

Note: TL, transformational leadership; TBP, team building practices; TWQ, teamwork quality; PPS, project portfolio success; CR, composite reliability; AVE, average variance extracted; MSV, maximum shared variance.

Source: Calculated by the authors from Field Data, 2023

Table 3: Model fit measures.

Measure	Estimate	Threshold	Interpretation
CMIN	392.92	-	
DF	204	-	
CMIN/DF	1.926	Btw 1 and 3	Excellent
CFI	0.912	>0.95	Acceptable
SRMR	0.052	<0.08	Excellent
RMSEA	0.046	<0.06	Excellent
Pclose	0.533	>0.05	Excellent

Note: CMIN, contrast media-induced nephropathy; DF, degree of freedom; CFI, Comparative fit index; SRMR, standardized root mean square residual; RMSEA, root mean squared error of approximation; PClose: process close.

Source: Calculated by the authors from Field Data, 2023

The results show that our hypothesized model significantly fit the data. All the fitness indicator values are as follows: CMIN = 392.920, DF = 204, CMIN/DF = 1.926, comparative fit index (CFI) = 0.912, standard root-mean-square residual (SRMR) = 0.052, root mean square error of approximation (RMSEA) = 0.046 and PClose = 0.533 are in the acceptable range.

4.3. Test for hypotheses

The hypotheses were tested using the standardized path coefficients analytical method, calculated with 204 valid responses. As said earlier this method is superior to the traditional method for evaluating mediating effects Hayes (2021). In this study, sex, age, education, and experience were considered control variables. *Figure 2* shows standardized path coefficients. The proof that the 95% confidence interval for all indirect effects does not include zero is summarized in *Tables 4*, and *5*. The results confirm that (TBPs) and TWQ mediate the relationship between TL and PPS. *Table 5* entailed estimates of the indirect effects along with the 98% bias-corrected bootstrapped confidence intervals for path estimates.

Hypothesis 1 states that Transformational leadership style positively influences project portfolio success. For H1, the analysis shows the total direct effect of TL on PPS. The regression analysis indicates that TL significantly ($c = 0.401$, $SE = 0.040$, $P < 0.001$) influences PPS, supporting H1.

Hypothesis 2 states that team-building practices in a project mediate transformational leadership and positively affect the success of the project portfolio. The H2 analysis requires the indirect effect of TL through TBPs to predict PPS. This result is shown in *Table 5* and it is observed that TBPs significantly mediate the relationship between TL and PPS, supporting H2. ($b = a_1 \times b_1 = 0.804 \times 0.171 = 0.138$, $SE = 0.051$, $BootLLCI = 0.27$, $BootULCI = 0.514$).

Hypothesis 3 states that teamwork quality mediates the relationship between transformational leadership and the success of a project portfolio. Similarly, the analysis and significance test for H3 required predicting the indirect effect on PPS of TL through TWQ. According to the result as shown in Table 5, TWQ significantly mediates the relationship of TL and PPS ($b = a_2 \times b_2 = 0.281 \times 0.302 = 0.085$, $SE = 0.54$, $BootLLCI = 0.013$, $BootULCI = 0.180$).

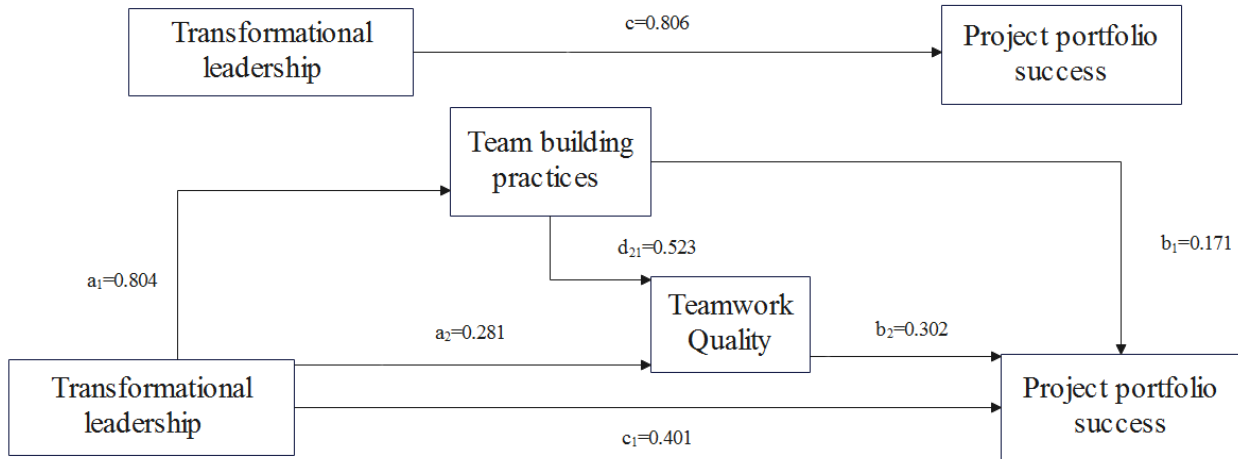


Fig. 2: Standardized path coefficients

Source: Field Data, 2023

H3 supporting H4 states that team building and teamwork quality mediate the relationship between transformational leadership and project portfolio success. The results show that TBPs and TWQ significantly mediate the relationship between TL and PPS ($b = a_1 \times d_{21} \times b_2 = 0.804 \times 0.532 \times 0.302 = 0.129$, $SE = 0.034$, $BootLLCI = 0.07$, $BootULCI = 0.227$).

Table 4: Regression coefficients and model summary information

	M1(TBP)			M2(TWQ)			Y(PPS)		
Antecedent	Coef	SE	P	Coef	SE	P	Coef	SE	P
X(TL)	a_1 0.804	0.083	<0.001	a_2 0.281	0.51	<0.001	$c=0.401$	0.40	<0.001
M1(TBP)				d_{21} 0.532	0.54	<0.001	b_1 0.171	0.043	<0.001
M2(TWQ)							b_2 0.302	0.034	<0.001
Constant	0.511	0.083	n.s	i_{m2} -0.179	0.101	n.s	i_y 0.061	0.071	n.s

Note: TL, transformational leadership; TBP: team building practices; TWQ: teamwork quality; PS: project success; M1: first mediator; M2: second mediator; n.s.: not significant.

Source: Calculated by the authors from Field Data, 2023

Table 5: Indirect effects of project portfolio success

Hypothesized mediating relationships	Indirect effect	BootSE	Lower confidence interval	Upper confidence interval	Figure path
Ind1→TL→ TBPPS	0.142	0.55	0.27	0.514	Ind ₁ : ($a_1 b_1$)
Ind1→TL→ TBPPS	0.091	0.40	0.013	0.180	Ind ₂ : ($a_2 b_2$)
Ind3 TL→ TBP→ TWQ→ PPS	0.15	0.35	0.07	0.227	Ind ₃ : ($a_1 b_1 + d_{21}b_2 + a_2 b_2$)
Total indirect effects	0.381	0.55	0.27	0.502	

Note: Bootstrap sample 10,000 with a 95% confidence interval. TL: transformational leadership; TBP: team building practices; TWQ: teamwork quality; PPS: project portfolio success.

Source: Calculated by the authors from Field Data, 2023

5. Discussion

The study investigated how transformational leadership influences project portfolio success, directly and indirectly, using multiple mediation and robust analysis. Hilton et al. (2023) report four key aspects of transformational leadership (idealized influence; intellectual stimulation; inspirational motivation; and individualized consideration) which were observed to be implemented within surveyed institutions by less than 60% of managers. This implies that about 60% of current microfinance institutions in the research areas might have adopted the concept of transformational leadership in project portfolio management. The study also shows that transformational leadership positively influences project portfolio success which has been confirmed by Oh et al. (2019) and Ali et al. (2021). When project team members believe in managers' leadership style, success is affirmed as members are more likely to align themselves behind project activities, increasing chances of success. This is true given the suggestion of Crawford (2005) that transformational leadership is founded on understanding, empathy, insight, consideration, non-manipulative, and power-wielding.

A significant positive relationship between transformational leadership with project portfolio success and team-building practices was observed in the study. Dong et al. (2017) argued that team-building is a multi-dimensional construct that entails goal setting, role clarification, interpersonal processes, and problem-solving. When a leader enhances the capacities of subordinates, team members are more likely to take responsibility and identify task-related problems, generate ideas, and resolve the problems, therefore increasing the performance of the project portfolio.

It was found that teamwork quality mediates the relationship between transformational leadership and leads to project portfolio success. This is familiar; Dionne et al. (2004) found teamwork quality to mediate transformational leadership and positive project outcomes. Oh et al. (2019) pointed out that transformational leadership is positively correlated with teamwork quality, which is an essential mediator between leadership and project performance. The leader recognizes individual strengths and weaknesses and assigns work following the strength of the individual team member. The significant and positive relationship between transformational leadership and project portfolio success was further observed to be mediated by teamwork quality. The emphasis of transformational leadership on inspirational motivation, individualized consideration, and intellectual stimulation has positively affected work quality (Hilton et al., 2023). Aga et al. (2016) also found a strong relationship between transformational leadership, project success, and teamwork quality, though the effect is indirect.

However, teamwork quality depends largely on transformational leadership and, to some extent, on team-building practices, which in turn increases project portfolio success.

This study identifies the mediation role of team-building practices and teamwork quality in the relationship between transformational leadership and project portfolio success.

6. Conclusion

The study integrates leadership theory in project management literature within the possible mediation effect of team building practices and teamwork quality. The effect considered between transformational leadership and project portfolio success. The study revealed that less than 60% of current microfinance institutions have adopted the four main aspects of transformational leadership. More to that, it was observed that transformational leadership indeed has a significant and positive effect on project portfolio success, and this effect is mediated in like manner by team building practices and teamwork quality as applied to the microfinance domain in Cameroon. This is familiar with contentions in the literature that transformational leadership, directly and indirectly, influences project success (Aga et al., 2016; Ali et al., 2021). This finding strengthens our knowledge of the relevance of transformational leadership in micro

financial project management as such leadership influences project success with or without team-building and teamwork mediation.

7. Limitations and Directions for Future Research

The main limitation of the investigation is the scope for generalizability of the findings. We collected data mainly from project portfolio managers of microfinance institutions located only in four main cities (Bamenda, Bafoussam, Douala, and Yaoundé). This may deter the validity of our findings when generalizing to institutions in other areas or other industries. Thus, the findings of the study should be applied with caution. In addition, most respondents were males and this disproportionate male–female ratio may provide an additional reason for gender-sensitive researchers to use the findings with care. Thus, we encourage future researchers to conduct the study in larger areas and with more female participants.

Authors' Contribution: Gaston Gwemelang conceived the research concept, collected the data, did the analysis, and supported the literature review; Honest Kfetua assisted in data collection, reviewed the paper; Vera Bekebang did the review of the Literature and edit the paper.

Conflict of Interest: The authors declare no conflict of interest.

REFERENCES

- Aga, D. A., Noorderhaven, N., and Vallejo, B. (2016). Transformational leadership and project success: the mediating role of team-building. *International Journal of Project Management*, 34(5), 806-818. <http://dx.doi.org/10.1016/j.ijproman.2016.02.012>
- Ali, H., Chuanmin, S., Ahmed, M., Mahmood, A., Khayyam, M., & Tikhomirova, A. (2021). Transformational leadership and project success: serial mediation of team-building and teamwork. *Frontiers in Psychology*, 12, 689311.
- Al-Ghazali, B. M. (2020). Transformational leadership, career adaptability, job embeddedness, and perceived career success: a serial mediation model. *Leadership & Organization Development Journal*, 41(8), 993-1013. <http://dx.doi.org/10.1108/LODJ-10-2019-0455>
- Armand, D. M., & Germain, N. T. (2021). Incentives Factors for the Performance of Microfinance Institutions in Cameroon. *Scholars Journal of Economics, Business and Management*, 2, 58-68. <http://dx.doi.org/10.36347/sjebm.2021.v08i02.002>
- Burns, J. M. (1978). *Leadership* New York, NY: Harper and Row Publishers.
- Caillier, James Gerard. 2014. "Toward a better understanding of the relationship between transformational leadership, public service motivation, mission valence, and employee performance: A preliminary study." *Public Personnel Management* 43:218-239.
- Crawford, C. B. (2005). Effects of transformational leadership and organizational position on knowledge management. *Journal of Knowledge Management*, 9(6), 6-16.
- Dionne, S. D., Yammarino, F. J., Atwater, L. E., and Spangler, W. D. (2004). Transformational leadership and team performance. *Journal of Organizational Change Management*, 17(2), 177-193. <http://dx.doi.org/10.1108/09534810410530601>
- Delegach, M., Kark, R., Katz, T., and Van Dijk, D. (2017). A focus on commitment: the roles of transformational and transactional leadership and self-regulatory focus in fostering organizational and safety commitment. *European Journal of Work and Organizational Psychology*, 26(5), 724-740. <http://dx.doi.org/10.1080/1359432X.2017.1345884>
- Dezhkam, M., Xue, S., & Liu, Z. (2019). Project portfolio management system, concepts, and approach foundations. In *IOP Conference Series: Earth and Environmental Science* 310, 5, 052081
- Ding, X., Li, Q., Zhang, H., Sheng, Z., and Wang, Z. (2017). Linking transformational leadership and work outcomes in temporary organizations: a social identity approach. *International Journal of Project Management*, 35, 543–556. <http://dx.doi.org/10.1016/j.ijproman.2017.02.005>
- Dong, Y., Bartol, K. M., Zhang, Z.-X., and Li, C. (2017). Enhancing employee creativity via individual skill development and team knowledge sharing: influences of dual-focused transformational leadership. *Journal of Organizational Behavior*, 38(3), 439-458.
- Elle, S. M. (2021). The nature of microcredit products and the financial performance of microfinance institutions (MFIs) in Cameroon. *Recherches en Sciences de Gestion*, 143(2), 143-170.

- Ellis, B. (2014). A Transformational and Authentic Approach to Expectations. *Journal of California Law Enforcement*, 48(3), 10-15.
- Fomude, A. H., Kang, S., Abangbila, L., Ganiyu, S. A., Mukete, N., & Meena, M. E. (2020). The impact of human resource management (HRM) practices on graduate volunteer performance: A case study of microfinance institutions in Cameroon. *Open Journal of Business and Management*, 8(05), 2226.
- Green, MT. 2014. "Improving organizational effectiveness through transformational leadership." *North Charleston, SC: CreativeSpace and Leadership Studies*.
- Gui, C., Luo, A., Zhang, P., & Deng, A. (2020). A meta-analysis of transformational leadership in hospitality research. *International Journal of Contemporary Hospitality Management*, 32(6), 2137-2154.
- Hansen, L. K., & Svejvig, P. (2022). Seven decades of project portfolio management research (1950–2019) and perspectives for the future. *Project Management Journal*, 53(3), 277-294.
- Hayes, A. F. (2013). *Introduction to Mediation, Moderation, and Conditional Process Analysis: A Regression-Based Approach*. Methodology in the Social Sciences. New York, NY, Guilford Press.
- Hilton, S. K., Madilo, W., Awaah, F., & Arkorful, H. (2023). Dimensions of transformational leadership and organizational performance: the mediating effect of job satisfaction. *Management Research Review*, 46(1), 1-19.
- Klein, C., DiazGranados, D., Salas, E., Le, H., Burke, C. S., Lyons, R., et al. (2009). Does teambuilding work? *Small group research*, 40(2), 181-222. <http://dx.doi.org/10.1177/1046496408328821>
- Kock, A., & Gemünden, H. G. (2019). Project lineage management and project portfolio success. *Project Management Journal*, 50(5), 587-601.
- Kral, P., Valjaskova, V., & Janoskova, K. (2019). Quantitative approach to project portfolio management: proposal for Slovak companies. *Oeconomia Copernicana*, 10(4), 797-814.
- Levine, H. A. (2010). *Project portfolio management: a practical guide to selecting projects, managing portfolios, and maximizing benefits*. John Wiley & Sons.
- Ma, X., Du, M., Zhang, B., & Le, Q.-H. (2012). Building and Practice of Multi-Project Portfolio Management System for Aviation Enterprises. Paper presented at the 2012 Third World Congress on Software Engineering.
- McDonough, E. F. (2000). Investigation of factors contributing to the success of cross-functional teams. *Journal of Product Innovation Management: An International Publication of the Product Development & Management Association*, 17(3), 221-235. <http://dx.doi.org/10.1111/1540-5885.1730221>
- Neba, P. N., Omenguele, R. G., & Feudjo, J. R. (2020). Efficiency of microfinance institutes (MFIs) in Cameroon: A comparative analysis of MFIs affiliated to CamCCUL and MC2 using DEA approach and the Tobit Censored Model. *Open Journal of Business and Management*, 8(02), 467-491
- Oh, J., Lee, H., and Zo, H. (2019). The effect of leadership and teamwork on ISD project success. *Journal of Computer Information Systems*. 61(1), 1–11. <http://dx.doi.org/10.1080/08874417.2019.1566804>
- Ofeh, M. A., & Jeanne, Z. N. (2017). Financial performances of microfinance institutions in Cameroon: Case of CamCCUL Ltd. *International Journal of Economics and Finance*, 9(4), 207-224
- Peng, J., Li, M., Wang, Z., & Lin, Y. (2021). Transformational leadership and employees' reactions to organizational change: evidence from a meta-analysis. *The Journal of Applied Behavioral Science*, 57(3), 369-397.
- Pereira, J., Varajão, J., & Takagi, N. (2022). Evaluation of information systems project success—Insights from practitioners. *Information Systems Management*, 39(2), 138-155.
- Pollack, J., and Matous, P. (2019). Testing the impact of targeted team building on project team communication using social network analysis. *International Journal of Project Management*, 37(3), 473-484. <http://dx.doi.org/10.1016/j.ijproman.2019.02.005>
- Piot-Lepetit, I., & Nzongang, J. (2019). Performance assessment and definition of improvement paths for microfinance institutions: An application to a network of village banks in Cameroon. *International transactions in operational research*, 26(4), 1188-1210.
- Romain, F. O. G. O., Tenekeu, N. K., & Feudjio, V. T. (2022). The Effects of Loan Portfolio Management On The Financial Performance Of Microfinance Institutions In Cameroon. *Revue d'Etudes en Management et Finance d'Organisation*, 7(2) 1-14
- Salas, E., Cooke, N. J., and Rosen, M. A. (2008). On teams, teamwork, and team performance: discoveries and developments. *The Journal of the Human Factors and Ergonomics Society* 50 (30), 540–547. <http://dx.doi.org/10.1518/001872008X288457>
- Singhe, S. S., & Louche, C. (2020). The development of microfinance in Cameroon: Focus on regulation. *Strategic Change*, 29(3), 341-353.
- Tenekeu, N. K. (2022). Sources of funding and sustainability of Microfinance institutions in Cameroon: an explanation using the pecking order theory. *Revue Internationale des Sciences de Gestion*, 5(4) 566-584

- Turner, R., Huemann, M., and Keegan, A. (2008). Human resource management in the project-oriented organization: employee well-being and ethical treatment. *International journal of project management*, 26(5), 577-585. <http://dx.doi.org/10.1016/j.ijproman.2006.10.001>
- Wamba, L. D., Bengono, I. B., Sahut, J. M., & Teulon, F. (2018). Governance and performance of MFIs: the Cameroon case. *Journal of Management & Governance*, 22, 7-30.
- Wang, H.-J., Demerouti, E., and Le Blanc, P. (2017). Transformational leadership, adaptability, and job crafting: the moderating role of organizational identification. *Journal of Vocational Behavior*, 100, 185-195. <http://dx.doi.org/10.1016/j.jvb.2017.03.009>
- Yang, L., Huang, C., and Wu, K. (2011). The association among project manager's leadership style, teamwork, and project success. *International journal of project management*, 29(3), 258-267. <http://dx.doi.org/10.1016/j.ijproman.2010.03.006>
- Zaman, U., Nawaz, S., Tariq, S., and Humayoun, A. A. (2019). Linking transformational leadership and “multi-dimensions” of project success: Moderating effects of project flexibility and project visibility using PLS-SEM. *International Journal of Managing Projects in Business*, 13(1), 103-127. <http://dx.doi.org/10.3389/fpsyg.2021.689311>
- Zhang, L., Cao, T., and Wang, Y. (2018). The mediation role of leadership styles in integrated project collaboration. *International journal of project management*, 36(2), 317-330. <http://dx.doi.org/10.1016/j.ijproman.2017.08.014>
- Zwikael, O., and Unger-Aviram, E. (2010). HRM in project groups: the effect of project duration on team development effectiveness. *International Journal of Project Management*, 28(5), 413-421. <http://dx.doi.org/10.1016/j.ijproman.2009.09.005>



© 2023 by the authors. Licensee *Research & Innovation Initiative Inc.*, Michigan, USA. This article is an open-access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY) license (<http://creativecommons.org/licenses/by/4.0/>).