

TRADITIONAL LEADERSHIP VIS-A-VIS E-LEADERSHIP A STUDY OF BPO SECTOR

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As the Information Technology shadowed the old life style; a major change can be noticed in the way people work or are required to work. In the working environment, where you do not get to see your employees or team members daily or not at all it requires different approach, different strategy and different methods to interact with them. The similar change in turn, of course reflects in their behavior, their thinking, their efficiency, their performance, their motivation, their satisfaction etc. It becomes essential to track this effect so as to mould the current practices, if all the resources are to be put to the best use. This is no new idea, but the divulging of the old basic law of 'adaptation to the change to survive', the only difference being that the change is not so manifest, as it is gradual and abstract in nature.

But the question arises what are the implications for leaders and followers in teams and organisations where interactions are now mediated by information technology? How should we develop leaders to work in this new environment? How does the technology affect trust, motivation, commitment and performance levels? What does "having a presence," mean when the leader is projected into the work group via technology?

In this context, the study is focused to identify the impact of physical absence of leader in BPO organisations i.e., where he is in touch with his team members through IT mediated ways and vice versa. Various measures used in the study include Motivation, Trust, Commitment, Organisational Culture, and Performance.

Key Words: Leadership, E-leadership, Motivation, Trust, Commitment, Organisational Culture, Performance.

Introduction

The global economy is undergoing a major transition with the advancements in the Information Technology. The rapid advances in Information and communication technology which allow people to more easily generate, organise, and access information have real implications for the capacities that leaders need. New technology has the potential to affect the distribution of power and the development of relationships in organisations. Therefore, an Information Technology enabled economy is creating a new context for leadership and it becomes important to consider how Information Technology interacts with leadership to influence both the structure and effects of leadership and how leadership, in turn, might influence the adoption of advanced Information technology and effects on organisation.

Leaders in Today's business world need to grab hold of two interrelated forces. First the work of organisations and leadership has become increasingly global. An organisation's divisions and subunits,

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customers, stakeholders, and suppliers can often extend worldwide. Second, the exponential explosion in communicating technology has resulted to greater frequency of daily interactions with colleagues, coworkers, subordinates and bosses who are dispersed in different geographic locations. Today, business leaders typically lead teams in which members are located, not in the same office or building, but in different places around the world. Today many leaders and team members stay in contact with each other by interacting through telephone, overnight express mail, fax-machine and groupware tools such as e-mail, bulletin boards, chat and video conferencing.

In response to these changes people have begun to talk about e-leadership to refer to leaders who conduct many of the processes of leadership largely through electronic channels.

Leadership in the electronic age is surely different. We definitely need to think that *what has changed* and *what has remained the same* as the apparent and remarkable developments in computer and communications technology continues to change the world. One tremendously important context for leadership is impact of e-factor on leadership.

According to (Avolio, et al. 2003), it is different because it alters the patterns of how information is acquired, stored, interpreted and disseminated and that, in turn, alters how people are influenced and how decision are made in organisations. The following are some specific happenings brought about by information technology in a way that alters leadership:

1. Access to Information and Media has changed.
2. Greater workforce Inter connectedness.
3. It is easier to Reach and Touch others.
4. Communication is more Indelible than before.

E-leadership can be defined as a social influence process mediated by information technology to produce a change in attitudes, feelings, thinking, behaviour, and/or performance with individuals, groups, and/or organisations. (Avolio, Kahai, and Dodge, 2003).

The key difference between leadership and e-leadership is that e-leadership takes place in an environment where information technology acts as a go-between. In such a state of affairs, not only may a leader's communication with followers take place via information technology, but the collection and dissemination of information required to support organisational work also takes place via Information Technology. The critical differences may be in what is meant by "feeling the leader's presence", as well as reach, speed, permanence, and perception of a leader's communication. But the purpose of e-leadership too is to take the relationship among organisational members defined by an organisation's structure.

The most fundamental bottom line is that e-leadership in due course is not about connecting technology, but about connecting people.

Leadership and E-Leadership – A Conceptual Framework

Leadership is a subject that has gained increasing interest among scholars. The term itself indicates images of powerful, dynamic individuals who command victorious armies, direct corporate empires from atop or shape the course of nations.

Questions about leadership have long been a subject of thoughts, but specific research on leadership did not begin until the twentieth century. The focus of much of the research has been on determinants of leadership effectiveness. Behavioural scientists have attempted to discover what traits, abilities,

behaviours, sources of power, or aspects of the situation determine how well a leader is able to influence followers and accomplish group objectives. The reason why some people emerge as leaders and the determinants of the way a leader acts are other important questions that have been investigated but the predominated concern has been leadership effectiveness.

As shown in Figure 1, most leadership research can be classified into one of the following approaches:

1. Trait Approach
2. Behavioural Approach
3. Contingency Theories
4. Contemporary Approaches

However, in due course of time leadership has taken a new face in the light of communication technology and got connotation like *e-leadership* or *virtual leadership* and can be added to the framework shown below.

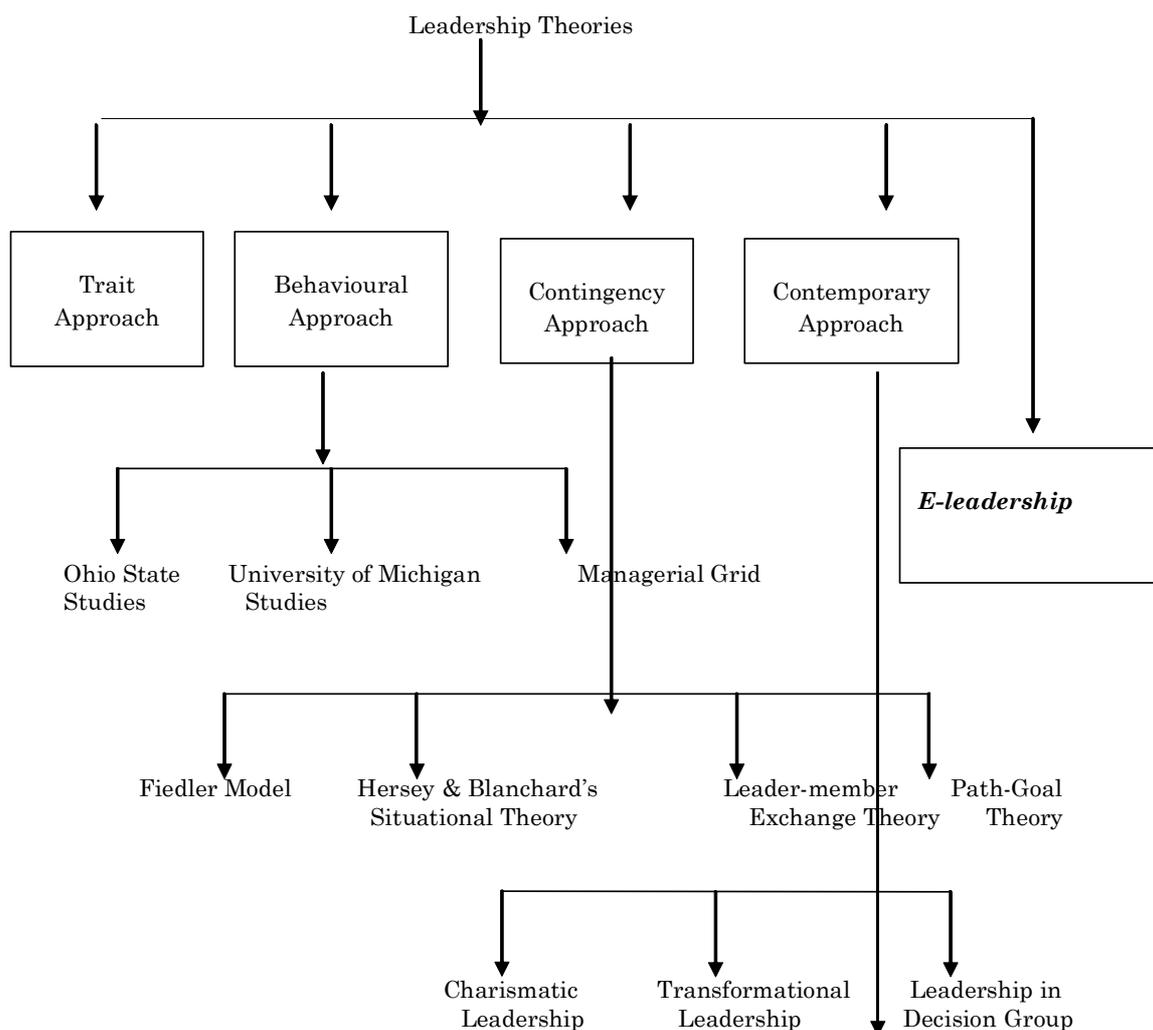


Figure 1: Classification of Major Leadership Theories

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Leadership research has been characterised by narrowly focused studies with little integration of findings from different approaches. A general theory of leadership that explains all aspects of the process adequately has yet to be developed. However, an integrated conceptual framework was presented to show the likely relationship among major types of variables included in most prior research on leadership.

Nevertheless, keeping in view the today's scenario it has been beautifully imagined by Annunzio (2001) - What if one morning you arrived at your corporate offices and no one was there? The salespeople, equipped with palmtops, thinkpads and mobile phones were operating in mobile virtual offices. Because of economies, customer service had been moved to another city, as had your distribution warehouse. The R & D team you assembled was a collection of brilliant thinkers located around the world who worked with each other on networked computers and the occasional videoconference. Your support staff- accounting, communications, corporate counsel preferred to telecommute, plugging into the network from home offices and talking to each other via email and fax. Even your personal assistant actually was located at the offices of your corporate parent, five hundred miles away, you and he communicated via calendar software, page and overnight mail. What if, sitting alone at a big desk, you realise you didn't need a corporate office building at all? What would you do?

That's the world of e-leadership, where business strategies are fluid, workers are smarter and more demanding than ever, and the old rules of business just don't apply.

It's a world of global markets, adhoc teams, telecommuters, e-mail, videoconferences, online ordering, virtual offices, intranets, networked alliances and instant information. And its full of both challenges and opportunities for e-leaders.

Leadership in an Internet economy is about leadership in a connected economy that the personal computers, mobile phones, the PDA and the Internet has made possible. To succeed in such economy, each one of us needs to get the feeling of leadership and discover the difference between things like sourcing and reacting, between what's possible and what's predictable, between transformation and change. At the same time, each one of us needs to develop the ways of being, mindset and behaviour for succeeding in a connected economy.

In outlook of the tremendous and rising importance of Information Technology in business organisations, the present research attempts to find out the effect of IT on certain human dynamics in BPO sector i.e, Trust, Commitment, Organisational Culture, Motivation, and Performance.

In the current study traditional leadership or simply leadership has been considered as "*a way where leader is physically present with his team members and leader-follower interaction is face-to-face irrespective of the type of leadership followed by the leader.*"

E-leadership has been viewed from a perspective "*where leader is not physically present with the team members and interacts with them through ways which are IT mediated. He has been called as an e-leader.*"

The study makes an effort to achieve the following objectives:

Objectives of the Study

The specific objectives of the research paper are outlined as below:

- To compare the effectiveness of traditional leadership and e-leadership on motivation.
- To assess the level of trust among employees in organisations with traditional leadership and e-leadership.

- To study the commitment level of employees in organisations in e-leadership vis-à-vis traditional leadership.
- To see the impact of leadership and e-leadership on organisational culture.
- To assess the performance of organisations with leadership and e-leadership.

Hypotheses of the Study

A set of hypotheses have been generated to evaluate the impact of leadership and e-leadership on different dimensions as following:

1. There is a positive impact of e-leadership on motivation as compared to Traditional leadership.
2. E-leadership influence the trust level positively in team members when compared with traditional leadership.
3. There is a favourable bearing of e-leadership on commitment level in leader-follower dynamics as compared to traditional leadership.
4. E-leadership positively influences the organisational culture when compared with traditional leadership.
5. E-leadership plays a positive role in performance of the team members in comparison to traditional leadership.

Data Source, Sample Design and Measures Used in the Study

The present research work is an empirical one based on both primary and secondary data. The theory is basically developed from secondary sources of information and a thorough study of various academic works in the field has been attempted. Primary data were collected with the help of a self administered questionnaire.

For the present study, questionnaires were distributed to around 250 respondents. From whom 209 correctly completed questionnaires have been obtained, yielding a response rate of approximately 85% and convenience sampling was used to collect the data. The measures needed for the study were, Trust, Commitment, Organisational Culture, Performance and Motivation. For the purpose of identifying the trust level among team members, an acquired Trust scale developed by Gibb (1972) was used. Commitment was studied using a scale developed by Buchanan (1974). Organisational Culture was measured by using the Organisational Climate Questionnaire (OCQ) by Furnham and Goodstein (1997). The scale by Pam Jones and Joy Palmer (1996) was used to measure Performance. To measure the motivation level, a scale of 9 items as developed by Shookla (2004) was used. Sample consisted of 209 respondents working in five different BPO organisations. Distribution of sample is as shown in Table 1.

Table 1

Sector	No. of Respondents		Total
	Leadership	E-leadership	
BPO	153	56	209

The data so obtained was analysed using SPSS Package and statistical techniques like mean scores, t-test, and correlation analysis.

Findings and Discussion

To describe the basic features of the data in a study descriptive statistics are used. They provide simple summaries about the sample and the measures. The summary of the means and standard deviation of dimensions under leadership and e-leadership in BPO Sector (comprising of five companies) is presented in Table 2 and 3 respectively. The results show that Trust in leadership in BPO Sector has a mean score of 3.06 with a standard deviation of 0.24. Commitment shows a mean score of 3.61 and standard deviation of 0.32. In case of other dimensions i.e, Organisational Culture, Performance and Motivation a little high mean score is seen as compared to Trust and Commitment i.e., a value of 4.06, 4.11 and 4.07 respectively. Likewise, standard deviation of 0.45, 0.45, and 0.49 is seen for Organisational Culture, Performance and Motivation respectively.

As per Table 2 Performance under traditional leadership in BPO sector has the highest mean score while Trust has least mean score with least standard deviation.

Table 3 shows the mean scores and standard deviation of dimensions under e-leadership in BPO sector. The table shows that mean score of Trust in e-leadership in BPO sector is 3.02 with a standard deviation of 0.35. Mean score for Commitment is 3.46 and standard deviation of 0.38. In case of Organisational Culture, the standard deviation is 0.52 with a mean score of 3.99. Performance and Motivation shows a mean score of 4.05 and 4.06 respectively. Standard deviation is 0.56 and 0.58 for Performance and Motivation respectively. As per Table 3 Motivation under e-leadership in BPO sector has the highest mean score with highest standard deviation while Trust has least mean score with least standard deviation.

Table 2: Means and Standard Deviation of Dimensions under Leadership in BPO Sector

S.No	Dimension	Mean	Standard Deviation
1	Trust	3.06	0.24
2	Commitment	3.61	0.32
3	Organisation Culture	4.06	0.45
4	Performance	4.11	0.45
5	Motivation	4.07	0.49

Table 3: Means and Standard Deviation of Dimensions under Leadership in BPO Sector

S.No	Dimension	Mean	Standard Deviation
1	Trust	3.02	0.35
2	Commitment	3.46	0.38
3	Organisation Culture	3.99	0.52
4	Performance	4.05	0.56
5	Motivation	4.06	0.58

Since descriptive scores do not help us in drawing inferences about the significance of the mean scores and also the differences in the perceptions of leadership in BPO sector, t-test has been carried out to find out the significant differences, if any, across the various dimensions with respect to the perception of leadership.

Table 4: Comparison between Different Dimensions under Leadership and E-Leadership for the BPO Sector

BPO Sector						
S.No	Variable	Mean (L)	Mean (EL)	S.D (L)	S.D (EL)	t-value
1.	Trust	3.06	3.02	0.24	0.35	0.90
2.	Commitment	3.61	3.46	0.32	0.38	2.90*
3.	Organisational Culture	4.06	3.99	0.45	0.52	0.96
4.	Performance	4.11	4.05	0.45	0.56	-0.51
5.	Motivation	4.07	4.06	0.49	0.58	0.16

* Significant at 0.01 level

The comparison of the dimensions under leadership and e-leadership for the BPO sector shows that the two types of leadership i.e, traditional leadership and e-leadership are significantly different on the dimension of Commitment as depicted in Table 4. The mean value for Commitment in traditional leadership is 3.61 and for e-leadership are 3.46.

For the dimension of Commitment, the mean of traditional leadership is higher than that for e-leadership with a significant t-value. The scores clearly imply that traditional leadership has much impact on the commitment level of the team members as compared to the e-leadership.

Our hypothesis in the study states that there is a favourable bearing of e-leadership on commitment level in leader-follower dynamics as compared to traditional leadership. But the results show that traditional leadership has higher impact on Commitment as compared to e-leadership. Therefore, we can not accept the hypothesis for BPO sector.

In BPO sector for other dimensions of leadership/e-leadership t-value found is not significant. Hence, here we do not find a reason to accept the other hypotheses too.

The comparison on the dimensions under leadership and e-leadership for the BPO sector shows that traditional leadership and e-leadership are significantly different on the dimension of Commitment. The scores clearly imply that traditional leadership has much impact on the commitment level of the employees as compared to the e-leadership. BPO is a sector where attrition rate is higher as compared to other sectors major reason being odd work schedules and monotony in the job. Situation gets worsened if the leader is also not physically present with the team members. Less interaction and the absence of non-verbal cues from the leader tend to make the employee to feel no kind of assurance from the organisation side. This could result in less commitment to the organisation from the employees side. Past studies have also supported the results that traditional leadership enhances the commitment level of the subordinates.

House (1997) proposed a theory of charismatic leadership that focused on how a leader can create an impression among subordinates that the leader has the competence and vision to achieve success. The result is an enthusiasm and commitment by subordinates to the group objectives.

Likewise, it has been shown that transformational leader gains a greater commitment from subordinates and induces them to transcend personal self-interest for the betterment of the group or organisation not only with charisma but also by serving as a coach, teacher, or mentor (Bass, 1985; Yukl, 1994).

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There are evidences present that transformational leaders enhance follower effort, satisfaction, commitment, and performance (Lowe, Kroeck, and Sivasubramaniam, 1996; Podsakoff, Mackenzie, Moorman, and Fetter, 1990; Yammarino, Spangler, and Bass, 1993).

Research of charismatic leadership has consistently found significant relationships with follower trust, effort, and commitment (Howell and Frost, 1989; Lowe et al. 1996).

In case of virtual situation, Staples (1997) has also reported that organisational commitment of their employees was one of the most important abiding concerns of managers of virtual workers. Research has also shown that the dispersion and dislocation characterising virtual organisations may reduce communication among employees, increase their feelings of isolation, and consequently reduce their commitment to the organisation (Huff, Sproull and Kiesler, 1989).

No significant difference was found for the impact of traditional leadership and e-leadership on another variables viz. Trust, Motivation, Organisational Culture and Performance.

Conclusion and Limitations of the Study

The present study, to a certain extent, highlights the importance of the feel and presence of human touch in the work place. The present study has shown that if organisations do not make attempts to understand the importance of human touch, to develop relation between the leaders and the team members, the absence of leader from the work place may have detrimental impact on human dynamics. It was found that Commitment, Organisational Culture, Motivation and Performance were high where traditional leadership was prevailing as compared to e-leadership. In case of Trust, no significant difference was found between leadership and e-leadership. Hence, the hypotheses stated earlier in the study can not be accepted.

No research work, however, is complete to its fullest extent – it's an ongoing process. The generalisations occurring from this study are more conducive and are based on the perceptions of a limited to a particular group of employees who were included. The study was confined to Delhi and NCR and only five companies in the BPO industry were taken for the purpose of the study. Since E-leadership is relatively a new and evolving concept and only a limited number of resources are available that can be studied in detail. The importance and utility of this small effort lies in its practicality and if this work is able to stimulate further research in this area, it would achieve its purpose.

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