Perception of transformational leadership style and its effectiveness on virtual work-teams (VWT). A literature review in the organizational context

Percepción del estilo de liderazgo transformacional y su efectividad en Equipos Virtuales de Trabajo (EVT). Una revisión literaria en el contexto organizacional

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ABSTRACT:
This article presents the development of different studies in perception of the transformational leadership style applied in virtual work-teams (VWT). The approached phenomenon’s study method was conducted through a literature review in transformational leadership and VWT’s, to comprehend and establish their importance in organizations. Results could provide VWT leaders with pertinent information to counteract distance and time difficulties. Findings determined leadership capability generates effectiveness in changing global business scenarios, as an adequate response of VWT’s at the organizational arena.

Keywords: Transformational leadership; Virtual work-teams; Organizations; Literature review

RESUMEN:
Este artículo analiza diferentes estudios sobre percepción del estilo de liderazgo transformacional aplicado en equipos virtuales de trabajo (EVT). La aproximación al fenómeno fue a través de una revisión literaria sobre liderazgo transformacional y ETVs, para comprender y establecer su importancia organizacional. Los resultados proveerán a los líderes de ETVs con información pertinente para contrarrestar dificultades de tiempo y distancia. La capacidad de liderazgo genera efectividad en escenarios empresariales globales cambiantes, como respuesta adecuada de los ETVs en las organizaciones.

Palabras clave: Liderazgo transformacional; Equpos virtuales de trabajo; Organizaciones; Revisión de literatura

1. Introduction
Information era and the use of communication technologies expedite, to organizations and
individuals, the possibilities to communicate through time and space in real time. Business, learning, and socialization are possible to accomplish almost instantly from diverse geographic locations around the globe, no matter the distance.

In this sense, global organizations, located anywhere in the world, absorb and adopt “e-business” (business through the internet) to take advantage of these technologies (Gatautis, 2009). Due to these technological advances, organizational leaders face the challenge of directing their work-teams under these circumstances.

These leaders are now leaving behind their traditional management style to acquire a new distance-management style. They are leading, directing and working with persons located all around the globe, changing the in-situ work-team traditional paradigm for a new and renewed concept of a virtual work-team (VWT) (Kossler & Prestige, 1996).

To avoid any misunderstanding in matters of what a VWT and a remote work-team are, appears necessary to precise some differences. According to Lipnack & Stamps (2000), VWTs are defined as such, because of their frequent information interchanges and interactions and take place at the cyber-space or virtual space. In addition, they report to different leaders in charge of the projects being carried out at that moment. Differently, in spite that remote work-teams also use information technologies, their information interchanges and interactions are minimal, they do not work at integral projects and only report to the same leader (Lojeski, 2009).

Previous researches (Hoch & Kozlowski, 2014; O’Leary & Mortensen, 2010) explored the advantages and disadvantages of VWT versus traditional teams. The adoption of virtual business practices is increasing in organizations nowadays for two main reasons (Purvanova, 2014):

1. Research findings demonstrated that VWT could produce significant savings for organizations, due to a reduction in travel expenses, meeting times, duplication costs, and other logistical expenditures (Cairns, 2013; Purvanova, 2014).
2. VWT will help to make organizations more adaptable regarding to growing globalization and market competition, changing organizational structures, and high expectations from customers and users (Kanar & Bell 2013; Purvanova, 2014).

Another important aspect to remark is that VWT’s are characterized by persons whom communicate between them, in real time or in different time zones. This communication process take place through sophisticated technological tools, such as video conferences, tele-conferences, internet, and e-mail (Symons & Stenzel, 2007). Tools being more frequently used by organizational work-teams. Therefore, these teams have demonstrated that organizational goals achievement depend on their effectiveness; fact that greatly challenge their leaders in consequence (Carte, Chidambaram & Becker, 2006).

The leadership capability is an important factor in the VWT performance (Kerber & Buono, 2004; Speechly, 2005). An effective leadership is vital for a VWT success. Nevertheless, an adequate leadership style to be enforced in this emergent reality has not been clearly studied (Carte, et. al., 2006).

1.1. Contemporary approach to leadership

Purvanova & Bono (2009) mentioned that in a study of in-situ and virtual work teams, the most effective leaders were those who increased their transformational leadership in VWT, where its effect on the team’s performance was stronger in virtual than in in-situ teams. Therefore, transformational leadership is manifested when the leader first expands and uplift the interests of their staff, then encourage mindfulness and acceptance of the organizational, or work-team, mission, and finally encourage to focus on the benefit of the whole (Bass, 1990). VWT leaders are benefited from transformational leadership style because they can develop a cooperative ambience for the teams and, as a result, will improve cohesion towards the task (Kahai, Jestire & Huang, 2013). VWT’s working under highly transformational leaders will produce original and clear solutions, supportive remarks, and questions about solutions, achieving higher levels of perceived performance, extra effort,
and leadership satisfaction (Mukherjee, Lahiri & Billing, 2012). These leaders transform their followers in order to transcend their self-interest by altering their ideals, interests, and values, motivating employees or followers to exceed performance expectations (Nijstad, Berger-Selman, & De Dreu, 2014). To (Li, Tan & Teo, 2012), the four crucial aspects that comprise transformational leadership in organizations are:

![Figure 1](attachment:image.png)

**Four aspects of transformational leadership in organizations**

Source: Own elaboration based in Li, et. al. (2012).

a. **Idealized influence or charisma.** Charisma generates the pride, faith, and respect that leaders work to encourage their followers to have in them, their leaders, and their organizations, engaging in charismatic actions that earn respect and cultivate pride (García-Morales, Jiménez-Barrionuevo, & Gutiérrez-Gutiérrez, 2012). Examples include discussing important values and beliefs, communicating a sense of purpose, and encouraging a focus on collective interests (Grant, 2012).

b. **Inspirational motivation.** It provides inspiration by motivating their followers, largely through communicating their expectations (García-Morales, et. al., 2012). Inspirational motivation includes articulating a compelling vision of the future (Grant, 2012). “This inspiration emphasizes to employees the importance of organizational values and outcomes” (Moynihan, Pandey & Wright 2012: 143-164).

c. **Intellectual stimulation.** It promotes employees’ intelligence, knowledge, and learning towards innovation (García Morales, et. al., 2012). Intellectual stimulation involves challenging followers to question their assumptions and to think differently (Grant, 2012). “By challenging old assumptions about issues and practices within the business or organization, transformational leaders help followers to achieve their mission” (Moynihan, et. al., 2012: 143-164).

d. **Individualized consideration.** Its focus is on changing followers’ motives toward a consideration of the moral and ethical implications of their actions and goals (López-Domínguez, Enache, Sallan & Simo 2013). Involves personalizing interactions with followers (Grant, 2012), which provides relevant mentoring, coaching, and understanding (Grant, 2012; López-Domínguez et. al., 2013).

According to Grant (2012: 458-476), “…using these four concepts of transformational leadership enables leaders to motivate employees to look beyond their own self-interests and contribute to a broader vision”. Therefore, transformational leadership will develop engagement, commitment, and selfless team members and staff, including employees who exceed expectations (Bass, 1985). These leaders transform their followers to transcend their self-interest by altering their ideals, interests, and values, motivating employees or followers to exceed performance expectations (Nijstad, et. al., 2014).

Transformational leaders are accurate at increasing their followers’ interests, gaining their
commitment toward goals and mission of the group, or organization by motivating staff and team members to go beyond self-interests for the common benefit (Bogler, Caspi, & Roccas, 2013; López-Dominguez, et. al., 2013).

The concepts of transformational leadership can lead to successful VWT leaders, improving their effectiveness and efficiency in turbulent and disconnected virtual environments, using motivation and inspiration to empower followers (Bogler, et. al., 2013; Li, et. al., 2012), who can then increase the abilities of VWT members by augmenting their self-confidence.

Organizational leaders can overcome VWT challenges. Transformational leadership is an adequate mean to understand the complexities of the relationships between leaders and their followers, important when analyzing the strategies of successful VWT leaders (Li, et. al., 2012). When VWT leaders expand and uplift the interests of their staff, encourage mindfulness and acceptance of the organizational or team mission, and encourage the focus to be on the good of the whole, transformational leadership takes place (Bass, 1990).

1.2. Virtual work-team (VWT) leadership

Once the important role of transformational leadership is established, seems pertinent to focus it towards the VWT. Due to the fast growth of these teams and its reflection on their fast rise in the actual global business world, an urgency to find the adequate leadership a VWT require surged. Thus, current research in VWT’s leadership is largely retrospective and only focusing on what has happened to them, rather than being able to recommend how they could be improved (Avolio, Sosik, Kahai & Baker 2014). Although students in management courses are being taught about leadership, interactions, communication, and decision-making, seems that there is a minimal amount of classroom time spent on the study of VWT’s, compared to in-situ teams (Gilson, Maynard, & Bergiel, 2013).

Therefore, VWT research do not focus enough on improving their performance, but only on gaining insights into how virtual reality is influencing the work-team. The fast increasing will to shift into virtual modalities and functions has changed the context of leadership and organizational structures, and, in consequence, the way leadership is exercised (Government Business Council, 2015). According to Minton-Eversole (2012), the Society of Human Resource Management conducted a survey in 379 human resources professionals, revealing that nearly half of the polled member firms use VWTs in their organizations. Also, 66% of multinational organizations’ leaders confirmed they were using VWT’s, and 80% of surveyed company leaders firmly believed this number would increase continuously. VWT’s can now develop many collaboration skills, implement document sharing and co-creation systems plus the usage of meeting and project management tools, and social networking (Gilson, Maynard, Young, Vartiainen & Hakonen 2015).

Researchers agreed there is more challenge into leading VWT’s than traditional in-situ teams (Hoch & Kozlowski, 2014). It is not surprising that (Gilson, et. al., 2015) have identified leadership as one of the most pressing themes in research on VWT’s, considering leadership as an opportunity for future research. However, some gaps do still exist for an adequate understanding of leadership in the effectiveness of a VWT.

First, with only a few exceptions (Hill & Bartol, 2016; Joshi, Lazarova, & Liao, 2009), little has been known about through what processes leadership impacts the VWT effectiveness. This new virtual environment, and all actual communication means available due to technology, have brought new meaning to leadership. “Leadership is a problem facing virtual teams in organizations” (Pinar, Zehir, Kitapci, & Tanriverdi, 2014:68-79).

The nature of managing teamwork has been transformed significantly due to changes in organizations and the nature of their work (El-Sofany, Alwadani & Alwadani, 2014). An increasing number of organizations are being geographically distributed throughout the world, and their leaders are realizing the importance of collaborative work among them. “Building a high-performance team starts with making all team members aware of each other’s cultural norms” (Barnwell, Nedrick, Rudolph, Sesay & Wellen, 2014:1-8). Developing an awareness of those cultural norms may require substantial research by the project leader. “Leaders must account for and consider language, time, culture, and location at all times”
In a technology-enriched society, VWT leadership is an organizational reality, exemplified by individuals using digital systems to achieve strategic goals and compete in an increasingly globalized world (Gilstrap & Hendershot, 2015). Technological tools and digital communication are constantly evolving, continuously challenging VWT leaders in consequence, laying down their reliance upon these technologies (Gilstrap & Hendershot, 2015).

In relation to the above mentioned, VWT leaders must learn to develop a balance between both strategic and technological information, adding additional challenges to their leadership tasks (Gilstrap & Hendershot, 2015). Thus, a lack of knowledge about transformational leadership practices among distributed VWT is commonly present. A virtual environment makes adequate transformational leadership practices necessary to permeate their existing leadership skills (Ruggieri, Boca & Garro, 2013).

Organizations that operate internationally through VWT's are subject to additional complexities and challenges (Mockaitis, Rose & Zettinig 2012). Leading VWT’s is complex since their members often have different cultural backgrounds while telecommuting at the interface of technology, and also founding themselves in various time zones (Zander, Mockaitis & Butler, 2012). Allen & Seaman (2015:44) defined telecommuting as “a work practice that involves members of an organization substituting a portion of their typical work hours to work away from a central workplace using technology to interact”.

Therefore, VWT leaders can influence followers to use systematic procedures in analyzing complex problems by encouraging the use of suitable procedures intended for generating solutions, also encouraging discussion on a broad range of options, and preventing from overlooking the cost and benefits proper of each option (Yukl, George & Jones, 2010).

In that sense, transformational leadership within this new context could be now known as VWT leadership. Being a social influence process mediated by advanced information technologies focused to produce changes in attitudes, feelings, thinking, behavior, or performance of individuals, groups, and organizations (Avolio, Kahai & Dodge, 2001).

Nevertheless, even with the increasing numbers of VWT’s in organizations around the world, some organizational leaders do not entirely understand the impacts of advanced technology through transformational leadership (Ziek & Smulowitz, 2014). Successful VWTs need flowing communication, coordination, and cooperation for an optimal performance toward successful results. Thus, leadership and teamwork cannot exist without each other (Sohmen, 2013).

Working in a VWT brings various challenges that may not be present in in-situ teams. VWT’s are more likely to face communication and coordination challenges that could result in work suspensions due to time delays (Brahm & Kunze, 2012). They are also more vulnerable to atmospheric challenges, such as a lack of team cohesion or trust (Brahm & Kunze, 2012).

It is widely recognized that a VWT leadership differ from the conventional way of perceiving and explaining leadership performed in traditional teams where leadership is grounded on in-situ teams interactions. A VWT leader may be able to lead it without ever physically meet their followers (Trivedi & Desai, 2012).

2. Methodology
The study method was conducted through a literature review of 45 research articles and theoretical studies, published between 2000 and 2016 in different locations of the world, mainly from the United States and Europe, approaching transformational leadership and VWT’s in the organizational context. The reviewed literature reflected the results of qualitative and quantitative researches that have collected representative data from several organizations from their own perspective of analysis.

3. Results
In this section, the new tendencies of VWT leadership are discussed, according to several
3.1. New tendencies of the VWT leadership

Research have provided the following factors that could help developing an adequate leadership for VWT leaders. A transformational leadership that could recognize and understand the differences between VWT and in-situ teams. That will help organizations to find all those new opportunities and challenges proper of a growing virtual ambience. Thus, an adequate VWT leadership also will develop all new required skills for these new generation of work-teams. And more important, how to apply existing transformational leadership theories into this new organizational context.

Being a VWT leader not only implies to direct followers in their different organizational functional departments. In VWT’s, goals are more difficult to achieve, due to the time zone hour differences between members of the team. In addition, difficulties grow when local communication infrastructure fail, or when an incompatibility between hardware and software occurs. Also, when local organizational goals demand immediate action from leaders and team-members. Figure 2 shows what the new tendencies of VWT leadership provide for the accomplishment of team’s global goals.

Authors considered the fact, where there is a need to seek for global goals within team collaborators’ objectives, in each region. In other words, VWT leadership must manage a team where members mainly communicate and coordinate with themselves through electronic systems. VWT leaders are non-limited managers who inspire followers, through distance, to develop the most of their capabilities, as shown in Figure 2.

These transformational leaders must focus in the context interface. Therefore, VWT leadership is rapidly replacing traditional leadership, due to technological advances that support new means of communication within organizational members. Successful VWT leaders develop an interaction across time, space, and cultural barriers. They develop improvements in small and big enterprises in different places, where supervision and interaction are impossible. These leaders must develop new abilities and skills to create and support high-performance VWT’s, no matter where their location is throughout the world. A VWT leader must be an inspiration. Instead of supervising and control his team members, he...
According to the above mentioned, VWT are a necessity nowadays for organizations. They are spreading, even regionally, when business goals require hard to find local special talent. Traditionally, technical expert employees, or experienced managers, were urgently needed to lead operations in a foreign country. Consequently, they were relocated along with the expansion branch of the company.

Nevertheless, the roles and needs of global operations in this new digital era are transforming that traditional paradigm. Leaders and managers are facing the necessity of a fundamental organizational transformation, because of recent changes in global economy. Therefore, they must develop their transformational leadership style in virtual management that will take advantages of available technologies, minimizing the forced face to face in-situ meetings. A VWT leadership.

This necessity to adopt and expand a VWT leadership, as well with long distance communication abilities, confront the conventional ways of business. VWT’s are now criticizing those ways, hence emerging the need to create new business ways under this context. This demands to establish a regular training in managers and team-members. A training to develop trust and function delegation in a constant inclusive communication, between each team-member. Authors affirm to have hope in organizations understanding and confronting these challenges, so they can successfully take their operations globally in this digital era.

These VWTs are appearing more frequently, so organizations must envision how to guarantee their success. VWT leaders must manage them to distance and, in consequence, face their unique problems and challenges. That is necessary for any organization aiming for growth and expansion. Organizations now are in no need for offices in foreign countries, or even in different cities, to enforce leadership and goal-achievement in VWT’s. Leaders must build technical and human support systems capable to preserve cooperation within these teams. This support is also necessary in developing tools that will promote team-work and collaboration among its members. VWT leadership is a fundamental task that will demonstrate the leader´s efficiency. Nevertheless, it is complex to lead a group of persons located in different countries, different time zones, and different languages.

4. Conclusions

Authors have examined VWTs as organizations have expanded their operations into worldwide markets. Managers then face challenges such as leadership, including the difficulty of leading geographically disperse persons. Therefore, VWT leadership seems to emerge from the personality and communication perspectives, because they could increase performance (Balthazard, Waldman y Warren, 2009), satisfaction (Purvanova y Bono, 2009), and motivation (Andresson, Konradt & Neck, 2012).

In the organizational context, the participation of VWT’s is rapidly growing. Although, these teams could be complex to lead, owing to their proper variables, such as psycho-social features, cultural diversity, economical background, and management processes. In addition, this complexity is accentuated due to the geographical dispersion and a high dependency to information technologies.

Proliferation of these VWT’s demand to identify all critical factors intervening in their effectiveness when leading them. It is necessary to seek for local priorities and objectives from all different collaborators in each region. Therefore, several questions must be answered to adequately dimension VWT leadership. Questions such as: How technology´s nature and structure affect the transformational leadership style that influence employee’s performance and motivation?, What is the effect of VWT leadership over confidence development?, Is the nature of technology a factor for the development of confidence in VWT?, How does technology affect the quality and quantity of communication between VWT members?, and How does the nature of tasks and leadership affect VWT performance?

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