

## **The Importance of E-Leadership in Meeting Digital Challenges**

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### **ABSTRACT**

As organizations deal with advances in information and communication technologies, efforts to accommodate work-life balance and flex scheduling, they are using virtual work to break down boundaries and connect employees—regardless of geographical location or subunit affiliation. In addition, researchers from a number of academic disciplines are attempting to investigate how these changes are affecting organizations.

In this environment, time and space have different meanings. Under more traditional work arrangements, employees were co-located; today, coworkers may be collaborating or coordinating activities from geographically diverse locations. Because leaders may no longer have the luxury of bringing people together physically as an aid to keeping them focused on the right job, they often have to rely on the emotional connections that result from bringing people together around organizational mission and vision. As a result, behavior becomes more discretionary and cohesion around mission and vision enables all employees to step up to leadership roles—leading both themselves and others.

Today, more and more companies are emptying their cubicles and opting for a virtual workforce. For many organizations the cost-cutting nature of virtual collaboration, which allows companies to save money on office leases or other real estate costs and decreases the need for business travel, is simply too hard to resist at a time when budget cutting is priority one.

### **1. INTRODUCTION**

Virtual teams are a relatively new phenomenon, and are defined as "groups of geographically and organizationally dispersed coworkers that are assembled using a combination of telecommunications and information technologies to accomplish an organizational task". Virtual teams communicate and work synchronously or asynchronously through such technologies as telephones, electronic mail, bulletin boards, audio/video/data conferencing, automated work flow,

electronic voting, and collaborative writing. Face-to-face communication may also be an important factor.

Virtual teams play an increasingly important role in organizational life and offer organizations the flexibility to remain competitive. Virtual teams are projected to form the nuclei of twenty-first-century organizations. However, the use of virtual teams has outpaced our understanding of their dynamics and unique characteristics. Leadership is one of the most fundamental of these virtual team dynamics.

There has been long and extensive research on leadership in collocated teams and groups. Typically, leadership can be viewed in a number of ways; for example, as a structured authoritative role, or as the ability of individuals to intrinsically or extrinsically motivate followers. One of the key skills in concept of leadership is that of relational management, which refers to the ability of leaders to develop interpersonal relations that foster a workable balance of cohesion, unity, and task motivation in the group.

Leadership in the group support systems process is an important variable influencing the effectiveness of small group decision-making. Other studies also suggest the critical role leadership plays in groups working via ICT. In virtual teams, leaders are often the nexus of the team, facilitating communications, establishing team processes, and taking responsibility for task completion. Technology becomes the crucial and ever-present link between virtual team members, one that team leaders must manage skillfully. Although recent research has begun to look at leadership issues in virtual teams, but clearly, to some extent, the role of virtual team leaders necessitates a different level of skills than those of traditional collocated team leaders. Leaders can no longer control the work processes of virtual teams with traditional means, and need to develop a different set of coordination and control mechanisms. Virtual team leaders must be able to "read" all the personal and contextual nuances in a world of electronic communications. They must be able to understand the possible causes of silence, misunderstandings, and slights, without any of the usual signs to guide them. Leaders must be sensitive to the "flow" of team processes, paying attention to the smallest matters to head off potential troubles that could derail the team's task. Virtual team leaders, therefore, must not only manage the project tasks and occasional personality conflicts normally associated with a collocated team, but must also be able to guide a team of geographically distributed, and often organizationally and culturally different individuals, in creating a common purpose. They may also be the person interfacing with stakeholders and extended team members, such as direct and indirect managers, customers, and suppliers.

Whereas the global, organizational, and technological pieces are in place for a revolutionary change in the way people work together, it is imperative that virtual team members and leaders have the cognitive models they need to operate effectively in this new environment. The importance of relationship building in a virtual environment and methods to build relationships are significant factors when practitioners engage in virtual work.

## **2. E-Leadership**

Virtual teams are increasingly becoming the life-blood of most companies: they tend to undertake the most global, strategic and complex projects. They have the strong advantage of gathering the best people for a specific task independent of their geographical location in a sort of 'Just in time talent' approach.

There are practical reasons for this development. Given the ongoing, relentless globalization of organizational life with a growing emphasis on India, China and Latin America, an increasing number of employees tend to spend an increasing amount of time working virtually. Furthermore,

multinationals are becoming wary of the costs of having their employees travelling around the world for a meeting lasting just a few hours. We also observe that an increasing number of professionals are developing a strong sense for sustainability, both in terms of protection of the environment and carbon footprint reduction, as well as maintaining a healthy 'Work-life balance'.

Knowing how to develop and maintain high performing virtual teams has therefore become a critical competitive advantage. Virtual leadership is a new term for a new situation. Companies that perpetuate the myth, that virtual teaming are business as usual, just on a distributed scale, often encounter serious challenges in team communication and conflict resolution. On the other hand, company's conscious of developing and maintaining a high quality of trusting relationships are better prepared to successfully develop common purposes, operating principles, goals, roles, expectations, and milestones. It is the human interpersonal relationship ingredient, often called emotional intelligence (EI), which unites highly qualified people in different locations.

Virtual leaders conscious of EI do the following:

- **Create--and communicate--the big picture.**
- **Establish best practices.**
- **Re-engineer work processes.**
- **Establish clear communication channels.**
- **Be a role model.**
- **Fine-tune your ability to understand multiple perspectives.**
- **Be skilled at leading in a cross-cultural environment.**
- **Create effective email protocols.**
- **Interface successfully with organization executives.**

### **3.Current Scenario of E-Leadership**

The last decade has seen an impressive amount of literature about virtual teams. The focus has been changing over the years. After a strong preoccupation with technology and processes (the thinking was mainly that if you got the right technology and the right processes in place, the team would automatically perform). There followed the realization that there was something else to learn in order to develop high performing virtual teams: the aspects of team work and management in virtual teams got more and more into the focus.

However, developing, and leading effective virtual teams still remains a big challenge. Less than 30% of virtual teams are seen to be effective and successful. Furthermore, there is often frustration around virtual working: people consider it to be only a necessary (but often poor) substitute for face-to-face meetings. Intrigued by the current situation – characterized by this paradox of increasing virtual working on the one hand and unresolved difficulties and growing challenges on the other the question arises. Why is virtual working still representing such a challenge?

It has been found out that the crucial differentiate between mediocre and high performing virtual teams is the development of virtual leaders who are able to develop and lead virtual teams. Effective management of virtual teams is necessary but not sufficient: there is a real need for virtual leadership. Geographical distance needs not be a distracter but can become an enabler.

Virtual working can lead to very rich results and high performing virtual teams can be developed, provided that the right leadership is in place, with the right skills and competences in the team.

#### **4.Challenges for Leaders of Virtual Teams**

Recognizing the need for support often leaders and managers just 'end-up' leading and managing virtual teams without having necessarily learnt to do so. They often don't realize that developing high performing virtual teams requires some different leadership and management skills. Often they actually don't dare admitting/expressing that they need help:

Also only a minority of organizations have realized that virtual working needs specific support and endorsement. At this stage it seems that only a few organizations have explicitly assessed the value of virtual working and developed a strategy for it, or have a programme to attend to the technological, social and psychological needs of their employees.

Some strategies for effective E-Leadership are:-

- **Keeping the technology simple**
- **Establishing trust and intimacy**
- **Establishing a new etiquette**
- **Recognizing that each individual is unique**
- **Recognizing and managing tensions and dilemmas**
- **Role versatility**
- **Self-awareness**
- **Leading in the moment**
- **Managing the virtual process**

#### **5. E-Leadership –A Concept for Saving Time and Money**

The number one reason that professionals want to participate in virtual teams more frequently is simple: increased productivity. As the size of the virtual workforce is growing, so is the likely impact on productivity and profitability for organizations. Everyone believes that virtual leadership helps in saving time and money.

Almost everyone who has worked on virtual teams said they liked the experience. Most would like to participate in virtual work (or do so more frequently). The majority of those who want to work on virtual teams report that they anticipate it will become a part of their job in the next five years.

#### **How It All Gets Done**

Of all the communications tools relied upon in a virtual project team, email and audio conferencing are the leaders. Other commonly used tools include fax, cellular, intranet or extranet, online calendar or scheduling tools, paging, Web conferencing and videoconferencing, among others.

#### **Looks Aren't Everything**

Most of the employees have never met the entire virtual team face-to-face. So how does it affect the communication when working with groups they have never seen? Most of the employees feel that being a part of a virtual team has actually enhanced their relationships with other team members.

### **No Worries Here**

The greatest concern expressed about working virtually was a potential negative impact on business relationships. This was particularly true among younger employees, who, while one might assume would be more comfortable with the technology, may also have a less established network of business contacts. Despite these speculative concerns, among those who have worked virtually, nearly all report that their relationships have either improved or remained the same.

### **8. Why Go for E-Leadership?**

- A big advantage of having a virtual office is cost. Commercial space is fairly expensive no matter where your business is located. Crunch the numbers and see how much you could save in rent, utilities, Internet, and parking for your office.
- Another advantage of telecommuting is the lack of part of that word: commuting. Sparing your employees (and yourself) from the hassles of commuting by car or train could save everyone money, time, and stress.
- Some employees who telecommute say that their home life improves when they work from home because it allows them to see their family more.
- Other employees cite that an advantage of working from home is the opportunity to take care of personal things during breaks, like working out, laundry or grocery shopping.
- If your employees do a lot of creative work, such as designing or writing, it can also be beneficial for them to work in an environment free of distractions. A lot of offices are not conducive to focusing.

Many business owners think that the specific technology they use at their office is irreplaceable. But, as you'll note below, going virtual doesn't mean you have to be sent back to the Stone Age. In fact, most virtual employees can do their jobs remotely with a laptop, an Internet connection, a cell phone and some specific software programs. A lot of traditional office hardware such as a server, fax machine and telephone switchboard can be exchanged for alternative, low-cost services.

Most remote teams come about as a result of cost saving efforts. Reducing travel costs, saving money on remote offices or contracting work on a project basis rather than hiring full timers are all valid financial reasons but can you measure their impact?

The problem may be in your metrics. You have to measure output as well as savings, and that can be harder than it seems. Some of what you're measuring can be held against the bottom line (if they don't have to come to a meeting you saved the airfare, you can measure that), but what are the costs or productivity advantages between a team that's clicking and one that's dysfunctional? That can be harder to quantify.

### **9. Measuring Costs**

The cost of managing remote teams is ideally measurable in terms of:

- amount of time
- increased risk
- mistakes and corrections (integrity and trust)
- lost opportunity

- And/or business infidelity.

**One key cost is the establishment of the team.** Due to the fact that the members will be remote, there needs to an evaluation of them at three levels.

- First, the members need to be an evaluated in terms of their skills and history against a clear set of requirements.
- Second, there needs to be a testing of the gravity (commitment/ability/interest/trust/drive) of the member to the team, mission and deliverables.
- Third, their ability to collaborate with other members of the team for the good of all involved.

The benefit of motivated, well-chosen team members reduces the measurable costs while increasing the value of what's delivered or produced beyond the expected value. Chemistry, clarity, and cooperation result in a value that renders the cost almost irrelevant.

### **10. CONCLUSION**

The effort to manage a remote team is greater due to the checks and balances that need to be maintained to reduce cost and risk.

- First and foremost, creating a system of checks and balances within your existing framework of technology will reduce risk and increase profitability. Knowledge does not change behavior—“Knowing” what to do does not deliver the same results as creating a system of checks and balances that demonstrates you have benefitted from that knowledge.
- The second key element in creating a productive environment is maintaining open communication. Several factors can undermine such communication. An effective manager understands these factors and takes steps to overcome them.
- The third element is valuing diversity. Every team comes with a variety of perspectives, experiences, and needs. Knowing what they are and how this variety can be used is key to a successful organization.

Flexibility and creativity can be invaluable when it is constrained by clarity of purpose and specification of deliverables. The art of managing those constraints through clear, consistent, respectful communication and measurement is how managing a remote workforce yields successful results.

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