

Investigation on the Effectiveness of E-Leadership Styles and Skills in E-Business

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Abstract: Information and communications technology such as the Internet and e-commerce and lately the severity of global pandemic crisis, have changed the way organizations work. Workplaces evolved to include both virtual online and physical interactive spaces, for example, many enterprises have moved into the realms of online and remote workspaces where the impact of the type of leadership styles on employee performances needs greater study. This has impacted workplace performances and productivity where in some cases, leaders are required to re-think required skills set and the need to acquire new skills. The main characteristic of e-leadership is the way interaction takes place between leaders and the organization. This paper investigates the effectiveness of e-leadership styles and skills in e-businesses and their impacts on employee performance. This study adopts a qualitative approach supported with secondary research based on reviewed documents. The data were collected through open-ended questions created through google form and links were sent to respondents where people can participate in these questions. The analysis indicates that coaching in e-leadership is the most effective style to improve employee performance. The emphasis is placed on a better understanding of leadership style for modern workplace where a proper understanding of leadership approaches impacts work performances.

Keywords: E-Leadership, Virtual Leadership, Leadership Styles, Leadership Skills, E-Business, Online Transactions, Virtual Organization, Distance Leadership

1. Introduction

In the current business environment, firms face numerous and rapid technological changes. Tools such as e-mail, Wi-Fi, online collaboration software, mobile phones, and video conferencing are essential to the growth of virtual companies and allow employees to work remotely. Some companies have built platforms that allow employees to work from home while interacting with other team members. These changes have forced leaders to acquire new skills.

E-leadership refers to the e-business environment in which a leader communicates, supervises, and leads work from a distance and interacts with team members through information technology (IT) [1].

E-business is multi-specialty area that is developed in co-operation with other multi-disciplinary fields such as marketing; finance; Information Systems and technology;

business strategy and management; and computer science [2].

This study is aimed at information technology (IT) organizations, virtual organizations, and online businesses since these firms depend on electronic tools to conduct business and deal with virtual teams. Examining these organizations will provide guidance on leadership styles and help organizations achieve their goals through improved e-leadership.

Successful e-leaders must align business strategies with digital strategies and have the education, training, experience, and skills to lead teams and their organizations. An e-leader must be comfortable with technology and have the skills to lead teams virtually or locally. Moreover, leadership styles are the most important influence affecting employees' performances.

Poor e-leadership styles can result in low employee productivity and failure to meet organizational objectives. Therefore, this paper attempts to identify the e-leadership styles that best motivate employees.

There is a vast amount of literature illustrating e-leadership

styles and skills across e-businesses, including education, healthcare, and e-commerce, as well as analyzing the differences between leadership and e-leadership styles and skills and the quality and competence of leaders in virtual organizations.

As highlighted more research is needed on e-leadership because the rapid changes in technology have transformed the way organizations function and perform [3].

A case in point is illustrated that leader in small- to mid-size businesses face critical challenges in the technology age and discussed the gap in research on how e-leadership aligns business strategy with the latest technology [4]. Future research should investigate e-leadership in larger organizations.

2. Theoretical Framework

The extensive research on e-leadership has focused on its emergence, the differences between traditional leadership and e-leadership, and the impact of leadership styles on employee performance.

Rapid changes has resulted in organizational needs for effective leadership, and defined and compared e-leadership, distance leadership, and virtual leadership [5].

The role and definition of transformational leadership has evolved since Lewin's Leadership Styles framework of the 1930s. There are many styles of leadership that can help leaders become more effective and build the frameworks to meet organizational goals [6].

Many factors must be taken into consideration when selecting the appropriate leadership style for an organization. In our study, we research and compare the different styles, which are as follows:

2.1. Autocratic Style

Commonly known as authorization leadership, it is characterized by full control and power over employees' decisions with little input from group members. Most decisions are handled by the autocratic leaders and accepted by followers.

The advantage of autocratic leadership is that employees' work is managed fully under the control of the leader and any changes in work can be observed and managed.

On the other hand, the disadvantage is that an autocratic leader is often viewed as bossy, controlling, and dictatorial and can cause resentment among group members, leading to poor performance.

The approach can be useful when used for specific circumstances. However, democratic or transformational styles often lead to better group performances [7].

2.2. Bureaucratic Style

Bureaucratic style depends on organizational procedures, rules, and daily tasks and controls decision-making and management. This style is often adopted in extremely structured businesses and can be effective when creativity is not required from employees [8].

2.3. Charismatic Style

Charismatic style depends on a leader's persuasiveness and

charm. It is also known as transformational leadership because the two share multiple similarities. Charismatic leaders usually focus on making employees perform better while transformational leaders concentrate on revamping the business into the leader's vision [9].

2.4. Democratic Style

Democratic leadership is also known as participative leadership or shared leadership. Democratic leaders include members of the group in the decision-making process. This type of leadership can apply to any organization from private sector to schools and government.

It can be the most effective type and lead to higher productivity and increased group morale [10].

2.5. Laissez-fair Style

It is also known as hands-off leadership and means the leader authorizes group members to make their own decisions and work on their own. It is the least active style of leadership decision-making [10].

2.6. Transactional Style

Transaction style is also known as managerial leadership [11] and focuses on management, performance, and the organization. It is a style in which leaders encourage followers through punishments and rewards.

2.7. Coaching Style

Coaching leaders are highly active in settings where performance needs enhancement. It is an effective style when employees are more experienced and responsible. This type of leader helps others build skills and provides much guidance [12].

2.8. Pacesetting Style

This is a productivity-based leadership style rather than a personal style in which the leader sets high standards for performance. It works best as a motivation method when used sparingly.

The advantage is that it can quickly achieve business results while the disadvantage is that it can affect morale [12].

Many studies have ranked coaching as the best style to improve the employee and work performance, supporting our research finding. According to an article published coaching, laissez-fair, democratic, autocratic and pacesetting are the most effective leadership style to practices in 2017 [12].

It was also confirmed that this type of style is not applicable in today's time, but still preferred by manager especially in the workplace need control and power [16].

There are also many skills that affect the work environment and the methods of communicating. These skills are:

2.8.1. Digital Literacy

Digital literacy is the ability to search, appraise, share, utilize, and create content using IT and the Internet. It is not only technical but also requires understanding, innovation, and social skills [13].

2.8.2. Digital Vision

Digital vision refers to building a strategy to sell a good and gain benefits through new technologies. A leader with digital vision is excited by new technology and is an early adopter [13].

2.8.3. Advocacy

Advocacy refers to stimulating people to adopt the digital vision of the organization. Leaders need to explain to employees the importance of digital in their daily lives and work practices [13].

2.8.4. Presence

Presence is a form of advocacy leadership that means “walking the walk.” Leaders must have a clear understanding of the digital work and be able to practice it in the work environment [13].

2.8.5. Communication

According to [13], “Your communication style backs up your presence.” Leaders should have a clear message when communicating the digital vision. Otherwise, the communication will fail.

2.8.6. Adaptability

Leadership should be able to adapt and explore new technologies and apply them to the workplace.

Developing higher risk tolerance can be the most challenging aspect of leadership adaptability. Risk tolerance allows for innovation and improvements to drive the business [13].

2.8.7. Self-awareness

Leadership requires a high degree of self-awareness. Leaders should be aware of the rapid technological changes and their implications and be able to reflect them to employees and in their work environment. Technological awareness should become a regular and ongoing practice [13].

2.8.8. Culture Awareness

Cultural awareness is how leaders view the digital vision. It includes the principles needed for success and achievement. The leader should remember and understand cultural differences in the workplace to communicate effectively and motivate employee participation [13].

3. Data and Methods

This research adopts qualitative research methods and uses secondary research to investigate the effectiveness of e-leadership styles and skills. It also explores the issue with an interpretative method, using a descriptive approach with structured, open-ended online questions as part of a survey.

Three research questions are used to explore the impact of different e-leadership styles and skills on employee performances and organizations:

RQ 1: Between e-leadership and traditional leadership, which is most adopted in e-business?

RQ 2: How do different e-leadership styles affect work performance in an e-business environment?

RQ 3: What are the key skills for a successful leader to

drive improvements in the work performance?

Data were collected through a distributed survey and open-ended online questions among various employees and managers in organizations specialized in online business transactions in the UAE and Jordan. Participant's responses were classified according to age, sex, organization, position within the company, skills, and styles and given a code using NVivo software. An Excel spread sheet was used for statistical analysis and comparison of the data. Figure 1 illustrates the research model for e-leadership styles and skills in an organization.

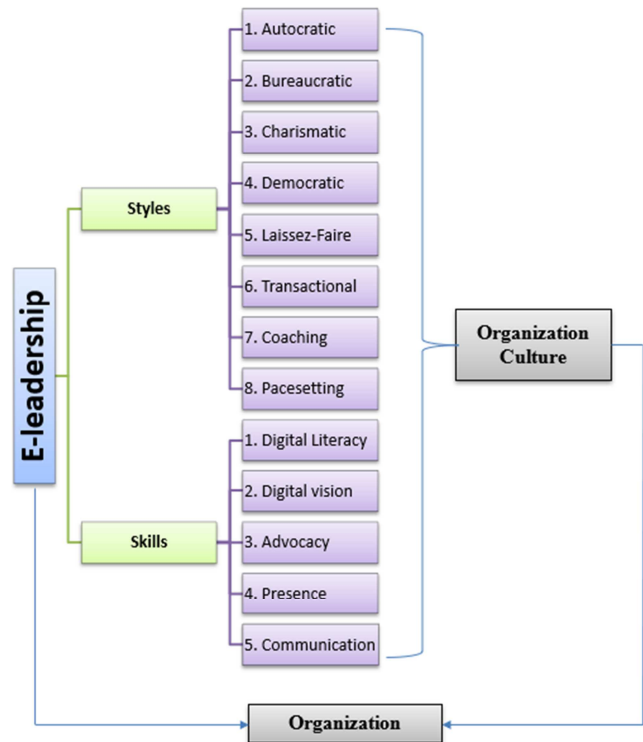


Figure 1. Research Model for e-leadership styles and skills.

4. Conceptual Framework

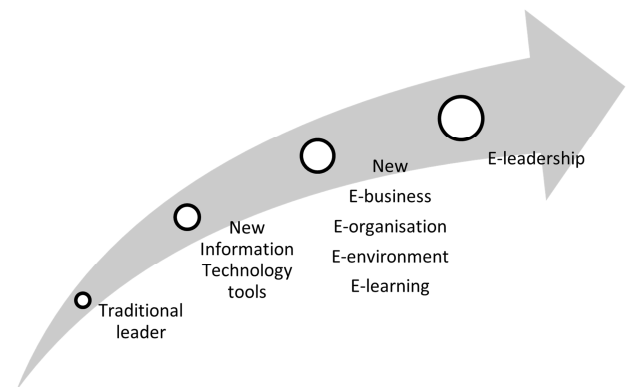


Figure 2. Conceptual framework.

Extensive research has suggested and illustrated that e-leadership is the outcome of the e-business environment that has emerged from rapid developments in IT. The conceptual framework is shown in Figure 2 and indicates that the use of

IT has changed the way business is conducted. As a result, a new organizational form has emerged: the virtual organization. Accordingly, the interface between leaders and followers has changed. Communication is now often done through e-technologies (mobile phones, social media, e-mail, chat, videoconferencing, etc.). The e-business or e-environment is not conducive to the traditional leader. The new work environment has forced the change in traditional leadership to a new form of leadership known as e-leadership. The conceptual framework is illustrated in Figure 2.

5. Data Analysis

To examine the most effective e-leadership style, data is gathered from organizations specializing in online business transactions. The collected data is classified according to age, sex, organization, position within the company, skills, and styles and then given a code using Excel software or other tools such as NVivo software. Each answer to survey questions and open-ended online questions is tabulated using Excel and placed on a chart for statistical analysis and comparison. Descriptive clarification provides information about e-leadership styles and skills.

6. Results

This research has significant implications for managers as the results show that e-leadership has a strong effect on employee performance and that different styles have different effects on motivations and behaviors.



Figure 3. Word Cloud.

The results match those observed in earlier studies and confirm the findings of [14] that leadership styles can affect an organization positively and [15] that “Leadership styles play an important role in influencing organizational performance.”

In addition, the results show that leaders should be

comfortable with new technology and understand how to take advantage of it to improve team and organizational performance.

These findings are well supported by [1], who noted that e-leadership is evolving in the new business environment and that the main form of communication has become electronic. This supports our result that leaders must be familiar with the technology to communicate more effectively.

Most of the respondents are managers in an online business. Data analysis using NVivo software and coded answers indicates that the most frequently used words are leadership, style, and coaching. Figure 3 shows the generated word cloud after data analysis.

The data is then coded into three main themes with sub-categories as described in Table 1.

Table 1. Sub-categories information.

Coded Theme	Sub-categories	Number
Coaching		7
	coaching leadership	1
	coaching leadership style	8
	coaching styles	1
Leadership	one-to-one coaching sessions	1
	autocratic style	1
	charismatic leadership style	4
	coaching leadership	1
	coaching leadership style	8
	coaching styles	1
	democratic leadership style	5
	different styles	1
	effective styles	1
	laissez-faire leadership style	2
	mixed leadership	1
	situational leadership	1
Project	traditional leadership	6
		7
	analysis projects	1
	different projects	1
	project event log	1
	project progress	1
	project resource scheduling	1
	project status	1
	strong project teams	1

Furthermore, our findings show that most participants use electronic tools (virtual communication) to communicate and follow-up with team members and that e-leadership is less expensive than physical leadership. Moreover, the study proves that different e-leadership styles can affect the performance of employees. According to our results, coaching is ranked as the best e-leadership style, followed by democratic, charismatic, and laissez-fair styles.

Figure 4 compares e-leadership and traditional leadership. Most participants disagree that organizations prefer e-leadership to traditional leadership. Also, they disagree that virtual communication is more effective than physical communication. The respondents agree that a disadvantage of e-leadership is the loss of relationships with team members. The respondents believe that without face-to-face communication, it is difficult for the e-leader to gauge the reaction of team members to instructions and to effectively motivate the team.

Table 1 illustrates that most participants use electronic tools to communicate and follow-up with team members.

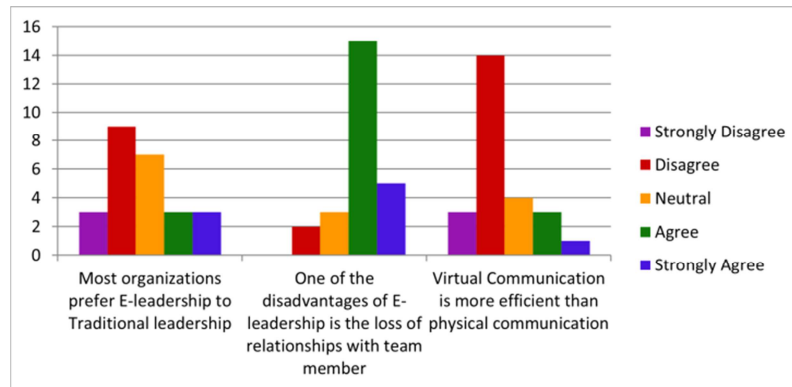


Figure 4. Leadership Comparison.

As discussed earlier, there are eight leadership styles. Each depends on the behavior of the leader, work environment, and the type of employees.

Online responses indicated that coaching was the preferred leadership style at 72.7%, followed by democratic

style at 45.5%, charismatic style at 36.4%, and finally laissez-fair style at 18.2%, with noting that the respondents' rate is more than 100% because the respondents were able to choose more than one style. Figure 5 shows the rated leadership styles.

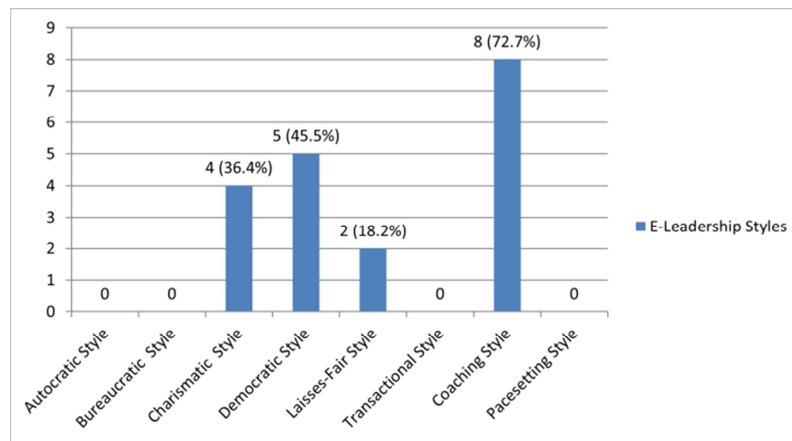


Figure 5. Rated leadership style.

In summary, different e-leadership styles can affect the performance of employees and the workplace depending on the leader's behavior, employee training, and the workplace environment. Our findings indicate that the coaching style is best suited to e-commerce and online businesses.

In terms of leaders' practices, the study finds that good practices and skills affect the performance of employees and the workplace. Most participants agree that leaders should be familiar with new technology and should be able to manage issues created by time zones. Figure 6 presents the results of the respondents.

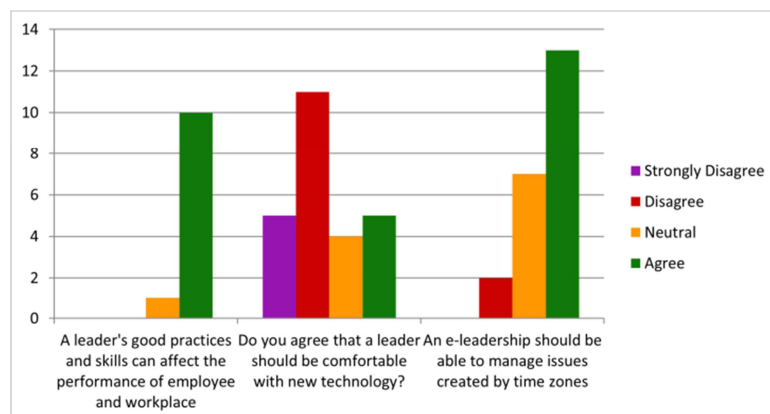


Figure 6. Respondents' results.

Figure 7 outlines essential skills leaders need and how respondents rated those skills. The study proves that e-leaders must acquire communications skills to be effective and should have the skills and experience to monitor team members remotely.

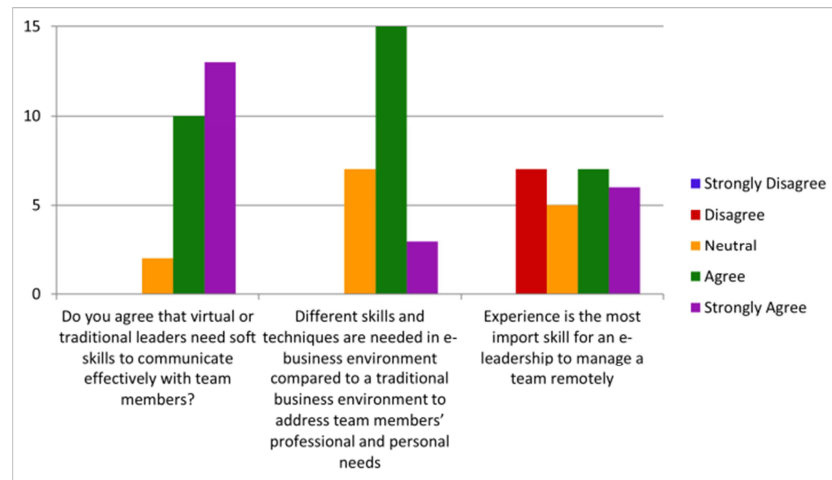


Figure 7. Essential skills of leaders.

7. Discussion

Our study explores the effectiveness of different e-leadership styles, skills, and practices on employee performance in an e-business environment.

The study's findings confirm those of [15] that "leadership styles play an important role in influencing organizational performance."

Rapid changes in IT and the emergence of e-businesses, e-learning, and e-organizations means leaders must be familiar with new technology.

The study finds that e-leaders need a specific set of skills to drive change in e-businesses and achieve organizational goals, as follows:

1. The ability to use new technology effectively.
2. The proper training and educational background.
3. The ability to align business strategy with digital technology.
4. The ability to communicate remotely with the virtual team.
5. The ability to be creative and innovative.

The study's contributions to extant literature are as follows:

1. There are no differences between traditional leadership and e-leadership styles.
2. E-leaders must have excellent communication skills to affect employee performance.
3. E-leaders must be familiar with new technology skills to achieve workplace goals.

Our findings are consistent with previous studies that found no difference between traditional leadership styles and e-leadership styles other than that e-leadership relies on technology to interact with team members as discussed by [1].

The study also finds that e-leadership styles have different impacts on employee performances and behaviors and that the style must be suitable for the particular e-business and team members.

The most desired styles used in an online business are coaching, democratic, charismatic, and laissez-faire while an autocratic style is not desirable in an e-commerce environment but still preferred by the manager. According to [12], coaching, laissez-faire, democratic, autocratic, and pacesetter are the most effective leadership styles. [16] confirmed that an autocratic style is no longer effective, but that it is still preferred by manager especially when control is essential.

Based on our results and finding, both leaderships are preferred in e-commerce and online business, and due to changes in technology and communication tools, we need to go beyond traditional leadership and adopt the new style e-leadership. Our results indicate that face-to-face leadership can be preferable to e-leadership because of the personal time with team members. Therefore, for effective e-leadership, the most important factor is how leaders communicate with team members and motivate them to improve their performances. Communication for e-leaders is cheaper than for traditional leaders as in e-business environments, it can occur remotely through social media, email, video conferencing etc.

8. Limitations

This research is limited to e-leadership in an e-business environment. It was conducted in small or medium-size companies and education workplaces.

The interviews were not conducted face to face and there were difficulties in reaching chief executive officers, managers, and leaders as well as difficulties in reaching e-business companies.

The study was also limited by time constraints. More time to collect and analyze data would be useful in future research as would extending the qualitative methods through in-depth interviews on both virtual and traditional leadership to further investigate e-leadership. Research could also focus on e-business sites and the electronic tools used to lead team members.

9. Conclusion

This paper presents a qualitative study of e-leadership styles and skills and its contribution to this area of research is descriptive. The study indicates that both traditional and virtual leadership should be used in the same workplace. Moreover, the study found that coaching is the most preferred style and can best affect the performance of a team. Leaders should have the training, skills, experience, and good practices for the team to achieve organization goals.

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