

# A QUESTION of LEADERSHIP

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In the expanded and updated edition of his book *The World Is Flat: A Brief History of the Twenty-First Century* (Farrar, Straus & Giroux, 2006), Thomas L. Friedman opens with a discussion of the changes that are occurring in what he calls Globalization 3.0. He argues that Globalization 3.0 differs from previous eras in that the world is shrinking and diverse groups of individuals are becoming empowered. Contextual changes such as remote work, distributed operations, and varying structures in organizations are altering the way work is designed and performed.

As organizations deal with advances in information and communication technologies, efforts to accommodate work-life balance and flex scheduling, and attempts to comply with the Americans with Disabilities Act, 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. At a roundtable at the Academy of

Management annual meeting in August 2008, several academics met to discuss how to understand effective leadership in this virtual world.

In this environment, time and space have different meanings. Under more traditional work arrangements, employees were co-located; today, co-workers 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.

Although distance as a factor in leader-follower relationships is certainly not a new issue (consider Jesuit missionaries, military field commanders, and traveling sales reps, for example), it is becoming a critical factor for a greater number of individuals and organizations. The discussion

of distance has grown more prevalent as the leader-follower relationship increasingly spans geography, culture, and demographics. My research on relational distance has investigated the effects of both structural distance (the intertwined impacts of geography, communication channels, and frequency of interaction) and psychological distance.

It is possible that structural distance could have both positive and negative effects on performance. Followers who are structurally distant are better able to work without interruptions, focus blocks of time, and communicate efficiently with a variety of colleagues. On the flip side, structurally distant followers may struggle to coordinate work, receive timely feedback, and understand complex tasks. Interestingly, organizational surveys show that performance does not differ between structurally close and structurally distant leaders and followers. Performance seems to be unrelated to how geographically far apart leaders and followers are or to how they are communicating (through e-mail or face-to-face). I did find, however, that structurally distant followers were slightly more satisfied than their structurally close counterparts, possibly because many structurally distant employees choose or request this work arrangement. For managers this is a particularly interesting result. Employees who express a desire to telecommute or work from home and are then given that opportunity are often more satisfied with their jobs and display no decrease in production or performance. Leaders who

# What does effective leadership look like in a virtual work environment, and can Web-based leadership operate the same way that face-to-face leadership does?

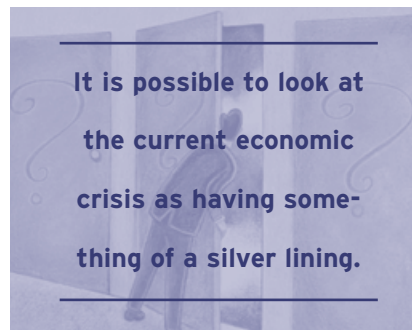
are currently shying away from offering virtual work opportunities may find this result particularly relevant.

Psychological distance creates an emotional disconnect between leaders and followers. My research found that followers who reported feeling close to their leader and who had both their leader's trust and the opportunity to make decisions performed better and were more satisfied with their jobs than were followers who did not report these conditions. This satisfaction and high performance was found in followers regardless of whether they were structurally close or structurally distant.

Although physical separation and communication channels may be what the news media and organizations are focusing on, the real driver is the degree of psychological distance between leaders and followers. Followers who felt that their leader trusted them, would back them in difficult situations, and gave them autonomy were both more successful and more satisfied.

In trying to understand what this means for today's leaders, it is possible to look at the current economic crisis as having something of a silver lining. Given the cash crunch that many companies are facing, it is no longer possible to throw money and material resources at problems. Leaders now have to find ways to motivate employees by providing benefits that go beyond money, and this is where distance comes into play. Workers may accept more flexibility in the location of their work or in the structure of their workday

rather than a significant pay increase or a bonus. Knowing that this may increase satisfaction without hurting performance should help leaders and organizational management get on board. However, regardless of where people are working, leaders need to make the time and take the effort to create personal connections with followers. This does not mean "playing favorites," but it does mean showing an interest by finding out what kinds of strengths individual employees



have and then giving them opportunities to use those strengths. Although many leaders may not be used to having conversations with employees that go beyond the boundaries of the task at hand, rising to the challenge of making a personal connection can have dramatic results. Something as simple as sending a follow-up e-mail praising an employee for a job well done, or asking an employee's opinion on a pending decision, can tighten bonds. Followers will work harder, perform better, and be more satisfied with their jobs. In an economy where everyone has to do more with less, employee loyalty and satisfaction may pay the largest dividends.

Unfortunately, some organizations reject the practice of encouraging close emotional relationships between leaders and followers because they believe that perceptions of special treatment prevent leaders from being effective. Although psychological closeness with a select few sometimes spawns jealousy, I suggest that leaders should strive to increase closeness with all their followers. Psychologically close leader-follower relationships may require third-party monitoring to ensure that performance remains in line with organizational goals and does not negatively affect the performance and satisfaction of other employees. However, this is a worthwhile trade-off for the increased satisfaction and performance of followers.

Although there are some answers and guidelines, a blueprint for leadership in Globalization 3.0 has yet to be created. Organizations may have to answer several questions in ways that align with their specific cultures. Are there times when leaders should try for face-to-face conversation? For example, is it appropriate to provide a performance evaluation or lay someone off via e-mail? When is it acceptable for leaders (or followers) to be unavailable? Should employees keep up with their e-mail messages over the weekend or while they are on vacation? Finally, what should we call this new kind of leadership? Virtual leadership sounds ethereal, and distant leadership or remote leadership sounds inactive. Perhaps *e-leadership* is the most appropriate term.

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