

BACK TO BASICS: THE PREVALENCE OF TRANSACTIONAL LEADERSHIP BEHAVIORS IN THE WORK-FROM-HOME ENVIRONMENT

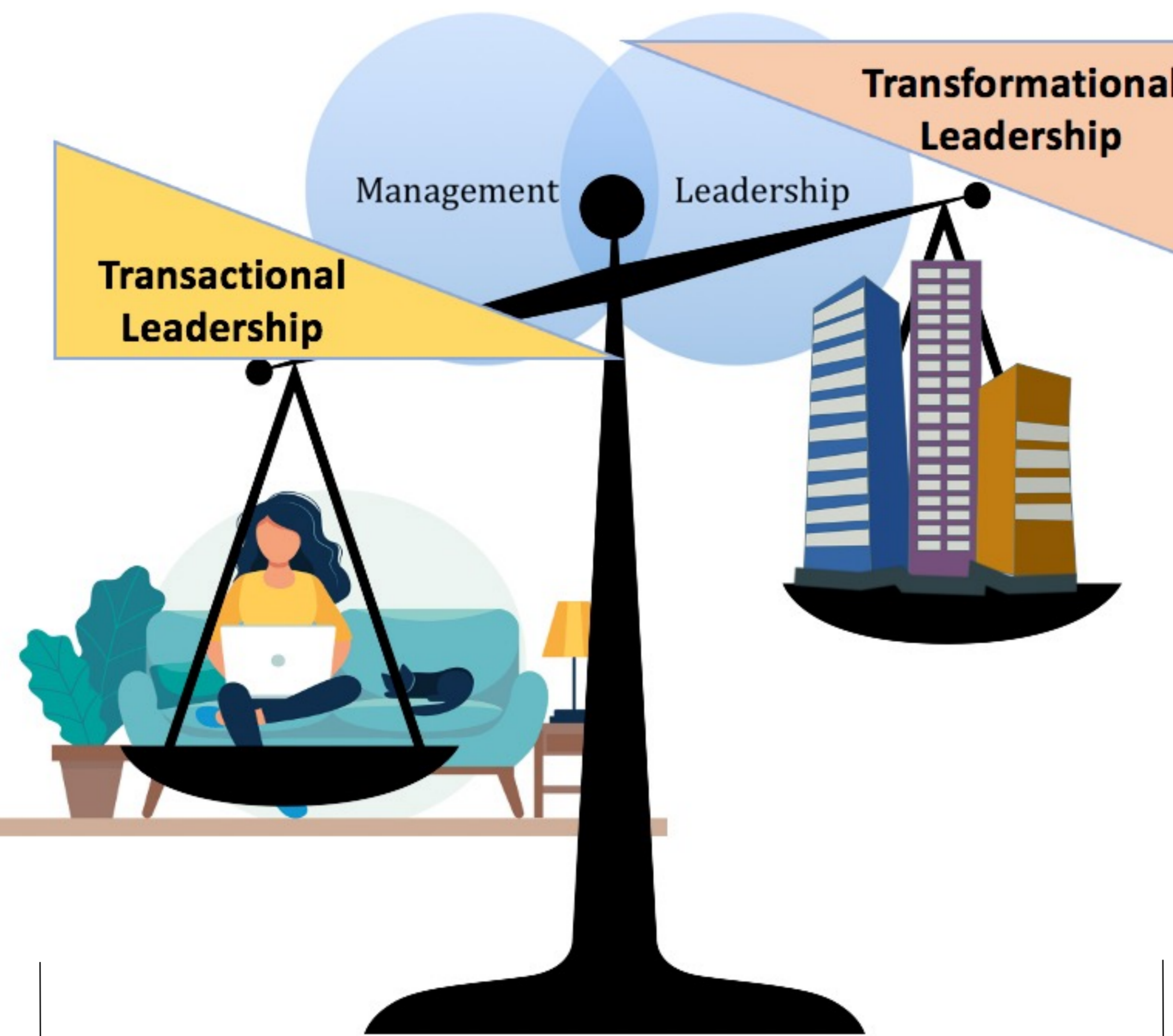
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ABSTRACT

The lockdown caused by the COVID pandemic forced vast numbers of employees and managers to work from home (WFH). While many virtual teams have succeeded in remaining productive and effective in the WFH environment, the long-term impact that such arrangements could have on effective leadership behaviors is unknown. Given the newly gained popularity of WFH, it is not unlikely that these arrangements will be adopted well into the future to simplify international business dealings. A 100% virtual environment allows global recruitment and easier international collaboration, but what does it mean for leaders? Previous studies have suggested the importance of transformational leadership styles with virtual teams. However, the implementation of this relational-based style is difficult in a 100% virtual work environment. In-depth interviews with eleven managers revealed an unexpected prevalence of transactional leadership behaviors by both study participants and their supervisors. The results show initial evidence for the "resetting" of the supervisor-employee relationship in a virtual setting and a need to reestablish trust before transformational behaviors can be reestablished to the pre-pandemic state.

METHODS

- Qualitative data via in-depth interviews was collected with 11 managers leading teams in a virtual WFH environment during the 2020 lockdown in Germany at seven different organizations.
- Pre-requisites for taking part in the study were that both the participant and his/her supervisor be working in a majority WFH environment since the start of the pandemic and that the supervisor be categorized by the participant as "transformational" as measured by 12 items from Podsakoff et al. (1990) inventory.
- An average of 16 subordinates were on each manager's team. Seven of the managers worked for DAX corporations, and three of the managers were not of German descent.
- The data were translated into English by the researcher and analyzed using thematic analysis (Grbich, 2007).
- Data was coded with six transactional leadership themes: "upholding rules", "monitoring of performance", "contingent rewards/praise", "maintaining fairness", "successful exchanges", and "management by exception".



BACKGROUND

- Virtual teams allow international expansion without excessive operating costs.
- Past studies regarding the leadership of virtual teams has argued for the importance of a transformational leadership style that allows leaders to establish interpersonal relationships to overcome distances and the lack of physical contact with the team.
- Transformational leadership enables leaders to produce significant organizational change and results by fostering higher levels of employee engagement, trust, and loyalty from followers.
- In comparison, transactional leadership style includes managerial activities such as providing structure, setting guidelines, establishing goals, and rewarding or disciplining employees based on performance.

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RESULTS

The results are arranged by frequency of each theme as mentioned in the interview data:

- Evidence of increased "monitoring of performance" in WFH environment, including a "greater need to discuss work than before", an increased need for contact via "additional daily virtual meetings" or "more frequent telephone calls". Some increased contact with certain employees in particular: "It was a challenge to persuade him and motivate him. I called him daily, I gave him small and challenging tasks so that he could stay excited about work." Others felt pressured to "tell employees when I am available" and "sending an email or showing some activity so that everyone knows I am working".
- "Contingent rewards/praise": "My boss praised me. She said we are doing a great job. She shows that she appreciates it."; "(The most positive experience) was that we took on more tasks, that this was recognized, and that we worked so well in the HO."; "It is difficult for my boss to show that (empathy) in the HO. There is no body language. Without presence, she is much more to the point/businesslike."; "In the management meetings, she is very challenging in her questioning. It comes across as being very harsh and accusatory. My colleagues feel pushed around and under pressure."; "I wasn't as severe before. Now, I make clear statements. When they (the employees) are not sitting in front of me, it is easier to make direct statements. I don't see their reactions, so there is less risk for me to go back on my word."
- All other pre-determined coded themes were present in the data, the third most prevalent being "upholding rules": "somebody changed their vacation days even though that is not allowed right now. I addressed this immediately."
- In this unique and sudden WFH environment caused by the pandemic, the relationship between the supervisor and subordinates seemed to experience a "resetting" of working behaviors supported by a transactional leadership style. This unexpected finding offers support for the idea that trust and a baseline of dependable and successful exchanges first need to be established before transformational behaviors have the potential to be as effective as they are in office environments.