Remote Leadership, Communication Effectiveness and Leader Performance

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Abstract As remote work arrangements have gained in popularity, workforce dispersion has become increasingly widespread. Little research to date has examined how physical distance influences leader–follower communication effectiveness or leader performance. Building on top of transformational leadership theory, this paper explores how perceived leader performance is influenced by leadership style, physical distance, and communication effectiveness between leaders and followers. A survey of 138 followers, reporting to a total of 41 leaders, was conducted and data were analyzed at the individual follower-level using the Partial Least Squares (PLS) technique. Our model explained 45% of the variance in communication effectiveness and 67% of the variance in perceived leader performance. Consistent with past empirical findings, transformational leadership was associated more strongly with perceived leader performance than transactional contingent reward leadership. Communication effectiveness was also a strong predictor of leader performance, and furthermore acted as a mediator of leadership behavior on performance. Surprisingly, distance had no influence on either communication effectiveness or perceived leader performance. Implications for theory and practice are discussed.
Keywords  Transformational leadership · Physical distance · Communication effectiveness · Leadership performance · Survey research · Mediation · Partial Least Squares

1 Introduction

Since the invention of the first electronic digital computer, continuous adoption of new information and communication technologies (ICT) has dramatically influenced the nature of organizational relationships both inside and outside the firm. One manifestation of this is the ICT-enabled virtual organization that spans geographical and temporal boundaries (Davidow and Malone 1992) and operates as a dispersed, collaborative network of people who are independent of location or affiliation (Hedberg 1997). In the United States over 12 million employees, or 9% of the employee population, work virtually at least 8 h per week (U.S. Bureau of Labor Statistics 2002; Jones 2005). Similar numbers have been reported for Canada (10%, Statistics Canada 2001) and the United Kingdom (8%, Ruiz and Walling 2005). Fortune Magazine (2006) indicated that 79 of the 100 best companies to work for allow employees to work remotely at least 20% of the time. Virtual work appears to be especially proliferating in global corporations. At Intel Corporation, for instance, some 70% of employees regularly collaborate with colleagues located in different time zones without ever meeting face-to-face (Intel Corporation 2004). A study by IDC Corporation predicts that there will be one billion technology-enabled mobile workers globally by the year 2011 (Sudan et al. 2007).

One effect of this shift toward virtual work arrangements is that leaders must assume more responsibility for working with followers who are at a distance (Antonakis and Atwater 2002; Avolio et al. 2000). According to Bass (1990a, p. 658), effective leadership “depends on physical proximity, social and organizational propinquity, and networks of open channels of communications.” In this vein, Howell and Hall-Merenda (1999) investigated how the joint impact of leader–member exchange relationships and leadership style was moderated by physical distance in predicting individual-level follower performance. Howell et al. (2005) extended that work and reported that physical distance moderated the relationship between leadership and business unit financial performance (negatively for transformational leaders, positively for transactional leaders).

Meanwhile, virtual work research examining communication at a distance has shown changes in frequency, quality, and satisfaction with communication (Gainey et al. 1999; Duxbury and Neufeld 1999; Bélanger et al. 2001; Watson-Fritz et al. 1998). It has also raised questions about the performance implications of virtual work arrangements (Neufeld and Fang 2005; Staples et al. 1999). As organizations and employees become increasingly dispersed, communication becomes the principal means by which individuals exercise leadership (Penley and Hawkins 1985)—in essence, “leadership is enacted through communication” (Barge 1994, p. 21). We do not yet have a very clear understanding of how these variables are related, and leadership researchers have called for developing an improved understanding of the links between leadership and communication (Conger and Kanungo 1988; House and Shamir 1993; Mumford et al. 2000).