

Patterns of empowerment and leadership style in project environment

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Abstract

The current study explores the relationship of empowerment, leadership style and customer service as a measure of effective project management in projects with varying degree of virtuality. The study makes comparisons of *empowerment climate* in less and more virtual projects. Moreover, the study examines moderating effects of degree of virtuality on the relationship between empowerment and leadership style. We test our hypotheses with data collected from project management professionals working in five countries using linear regression and moderated regression analysis to analyze the proposed hypotheses.

Results demonstrate that empowerment climate has a significant effect on concern for task, concern for people and customer service and is higher in more virtual than less virtual projects thus leading to effective virtual project management. Moreover, we found virtuality moderates the relationship between empowerment and concern for people. Findings of this study have significant implications for leadership behaviours and project performance at project management workplace.

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Keywords: Empowerment; Leadership style; Customer service; More virtual and less virtual projects; Effective project management

1. Introduction

Increased productivity, higher quality products and services, improved teamwork and customer service, increased speed and responsiveness has led to the eminence of empowerment (Shelton, 1991; Brown, 1992; Von Dran, 1996; Appelbaum and Honegger, 1998). Previous research has demonstrated a positive relationship between team empowerment and colocated team performance (Burdett and Bigoness, 1997; Kirkman and Rosen, 1999). To date, however, little attention has been paid to virtual team empowerment (Kirkman et al., 2004). Kirkman et al. (2004) work on virtual teams suggests that team empowerment is positively related to process improvement and customer satisfaction in virtual teams. This paper takes further the work of Kirkman et al. (2004) and compares it to two virtual project environments. His work focused on *psychological empowerment* while this present study takes of *empowerment climate* as the basis for research. Here we

have taken empowerment as the independent variable and effective virtual project management as the dependent variable measured through customer service and leadership style (concern for both task and people). We define and discuss these variables in the next section. It is also suggested that project management will be effective if these measures of leadership style (customer service and leadership style) are high in virtual projects.

Virtual teams can rapidly respond to business globalization challenges (Kayworth and Leidner, 2001; Maznevski and Chudoba, 2000; Montoya-Weiss et al., 2001) and their use is expanding exponentially (Kirkman et al., 2002). Thus there is a need to understand further the role of empowerment in virtual projects. Cohen and Bailey (1997) suggests that empowerment research should also be conducted on various types of teams, including management teams, project teams, and virtual teams, to determine if the results of their findings with permanent work teams are generalizable (Cohen and Bailey, 1997). Kirkman et al. (2004) suggest that researchers who build models of virtual team effectiveness should include empowerment as an important predictor

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variable. This study supports the growing body of research on empowerment suggesting that it to be a very important construct for building models of virtual project teams.

This article is organized as follows: we first introduce ‘project management effectiveness’, and then how ‘leadership style’ and customer service can be a measure of project management effectiveness and lastly ‘virtuality as a continuum and moderator’. We further discuss empowerment climate and its significance with leadership behaviour and customer service and explain the approach adopted in this research work. After proposing the hypotheses, we study the relationship between empowerment climate and leadership behaviour (concern for both task and people) and customer service. Key results of the survey are presented and discussed. The article concludes with a discussion of the general contribution of this study.

2. Theoretical framing

2.1. Project management effectiveness

Project management is a growing field and many organizations have project teams which are less or more virtual in nature defining their degree of virtuality. Transition towards virtuality emphasizes the need to understand and enhance the effectiveness of management of projects in organizations, which refers to the success of the project (Hyväri, 2006). Researchers are increasingly interested in exploring the dynamics of such project-based organizations and the factors that lead to project management effectiveness. Research related to project management effectiveness in project organizations includes the following themes: (1) organizational structures, (2) project management tools and methods, (3) leadership competence, (4) critical success and failure factors and (4) the characteristics of an effective project manager (Gray et al., 1990; Fox and Spence, 1998; Belassi and Tukel, 1996; Pinto and Prescott, 1988; Schoultz et al., 1987; Wilemon and Baker, 1988; Zimmerer and Yasin, 1998).

2.2. Leadership style as a measure of effective project management

Organizations involved in projects are now focusing on effective leadership as an important success factor (Pinto, 1986; Pinto and Slevin, 1988). Crawford (2000) suggests that project leadership is the highest ranking category among project management competence factors. Project management leadership style affects overall project performance. Recent research supports the idea that successful projects are led by individuals who possess not only a blend of technical and management knowledge, but also leadership skills that are internally compatible with the motivation of the project team (Slevin and Pinto, 1988; Turner et al., 1998). Zimmerer and Yasin (1998) found that positive leadership contributed almost 76% to the success of projects. Negative or poor leadership contributed 67% to the failure of projects. Project leaders need both, relation-

ships and task oriented leadership styles, to cope with the challenges within different phases of project (Slevin and Pinto, 1991). In projects, project leaders must lead their teams towards completing defined goals with in a fixed time scale. Verma (1997) states “Achieving the goal or final aim is the ultimate test of leadership”. Goals and tasks are achieved through people thus making people an important resource for projects. However, Bell and Kozlowski (2002) stated in their recent theoretical review of virtual teams, “There is little current theory to guide researchers on the leadership and management of virtual teams”.

The aforementioned discussion provides us the rationale to take the style approach to study leadership behaviour in project environment. Based on the dynamic nature of virtual teams having fluid membership and geographically distributed members, we can argue that empowerment is inherent in virtual project management as compared to collocated project management. Marks et al. (2001) suggests empowerment as a key emergent state important to virtual team performance. The present study examines relationship of empowerment with leadership behaviour (concern for task and concern for people) taking virtuality as a moderator and proposes that empowerment is a critical predictor of effective project management for projects having varying degree of virtuality. Fig. 1 depicts suggested model of effective virtual project management. Empowerment at the workplace can be examined through various perspectives. For our study in less and more global virtual project environment, we developed the *empowerment climate construct* in which more and less virtual project teams work.

2.3. Virtuality as a continuum and moderator

With the transition of organizations from traditional to virtual, the teams in project environment are neither purely collocated nor purely virtual. Virtual teams were originally conceptualized as “fully” virtual, in contrast to face-to-face (“traditional” or collocated) teams (Griffith and Neale, 2001). However, researchers have now viewed virtuality as a continuum, arguing that many teams in organizations today are characterized by dimensions of virtuality (Griffith et al., 2003). Griffith and colleagues (2003) have proposed three dimensions of virtualness: (1) the level of technological support used by the team, (2) the percentage of work that the team does with its members distributed across time and space, and (3) the distribution of the phys-

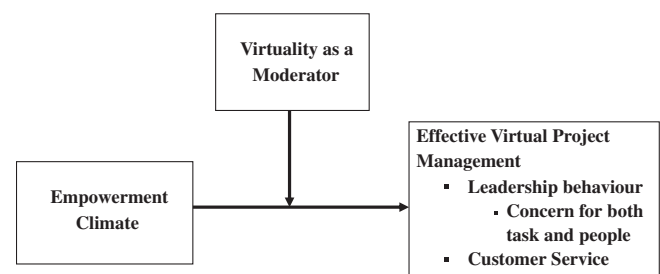


Fig. 1. Model of effective virtual project management.

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