

# IMPACT OF LEADERSHIP STYLES ON EMPLOYEE ADAPTABILITY IN CALL CENTER:

# A PERSPECTIVE OF TELECOMMUNICATION INDUSTRY

(QUANTITATIVE STUDY)

# KANAGALETCHUMY A/P KATHAMUTHU SEM0035/08

SUPERVISOR: DR. RAJENDRAN MUTHUVELOO

RESEARCH REPORT IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MBA

UNIVERSITI SAINS MALAYSIA

## Acknowledgement

I wish to express my appreciation to the people who provided support for me during my pursuit of this master degree. Firstly, my sincere appreciation goes to my supervisor

Dr.Rajendran Muthuveloo for his invaluable advice and guidance throughout this dissertation. His guidance and advice had enabled me to successfully complete this research on timely manner.

On the home front, I express my gratitude and love for my dearest husband Mr. Mohgan, my beloved parents Mr & Mrs Kathamuthu and my kids Tharvin and Tharnita who has been my pillar of strength over the years. Their unconditional support, encouragements, contributions and affections have been an instrumental in the success of my educational endeavours and career path.

Last but not least, my sincere appreciation and gratitude goes to Universiti Sains Malaysia for giving me an opportunity to pursue my MBA and to all the people who had made this experience possible, Thank You.

# **TABLE OF CONTENTS**

		Page
ACKNOWLED	OGEMENT	i
TABLE OF CONTENTS		ii
LIST OF TABI	LES	V
LIST OF FIGU	RES	vi
ABSTRAK		vii
ABSTRACT		viii
Chapter 1	INTRODUCTION	
1.1	Introduction	1
1.2	Background of the Study	1
1.3	The Problem Statement	2
1.4	Research Objectives	3
1.5	Research Questions	4
1.6	Definition of Key Terms	4
1.7	Significance of the Study	5
1.8	Organization of Remaining Chapters	6
Chapter 2	LITERATURE REVIEW	
2.1	Introduction	8
2.2	Leadership styles	8
	2.2.1. Transactional leadership	10
	2.2.2. Transformational leadership	12
	2.2.3. Situational Leadership	14
2.3	Employee Adaptability	17
	2.3.1. Employee Performance	17

	2.3.2. Turnover	18
	2.3.3. Employee Participation	19
	2.3.4. Employee Manager Relationship	20
2.4	Theoretical Framework	21
2.5	Hypotheses	22
2.6	Summary	23
Chapter 3	METHODOLODY	24
3.1	Introduction	24
3.2	Research Approach	24
3.3	Research Design	24
	3.3.1. Nature of Research	25
	3.3.2. Questionnaire Design	25
	3.3.2.1. Scale of Measurement	26
	3.3.2.2. Question Construction	26
	3.3.2.3. The Structure of Questionnaire	27
	3.3.2.4. Questionnaire Testing	28
3.4	Data Collection	29
	3.4.1. Population	29
	3.4.2. Unit of Analysis	29
	3.4.3. Administration of the Questionnaire.	29
3.5	Pilot Study	30
3.6	Data Analysis	31
3.7	Descriptive Analysis	31
3.8	Factor Analysis	31
3.9	Reliability Analysis	32
3.10	Regression Analysis	33
3.11	Summary	33

Chapter 4	RESULTS	
4.1	Introduction	34
4.2	Profile of Respondents	34
4.3	Goodness of Measure	37
	4.3.1. Factor Analysis	38
	4.3.1.1. Factor Analysis for Leadership Styles	38
	4.3.1.2. Factor Analysis for Employee Adaptability	39
	4.3.2. Reliability Analysis	40
	4.3.3. Correlation Analysis	41
4.4	Hypotheses Testing	44
4.5	Summary	45
Chapter 5	DISCUSSION AND CONCLUSION	
5.1	Recapitulation of the Study	47
5.2	Discussion	47
5.3	Research Implications	51
5.4	Research Limitations	52
5.5	Future Research	53
5.6	Conclusion	53

#### REFERENCES

## **APPENDIXES**

APPENDIX A: Survey Questionnaire

APPENDIX B: SPSS Analysis

- 1. SPSS of Frequency Table
- 2. SPSS of Factor Analysis
- 3. SPSS of Reliability Analysis
- 4. SPSS of Regression Analysis

# LIST OF TABLES

Table 3.1:	Categories of Responds	26
Table 3.2:	Table of Questions number and Types of Questions	27
Table 4.1:	Gender of Respondents	34
Table 4.2:	Ages of Respondents	35
Table 4.3:	Education Level of Respondents	35
Table 4.4:	Business Function of Respondents	36
Table 4.5:	Organization of Respondents	36
Table 4.6:	Position of Respondents	37
Table 4.7:	Experience of Respondents	37
Table 4.8:	KMO and Barlett's Test for Independent Variable	38
Table 4.9:	KMO and Barlett's Test for Dependent Variable	39
	(Employee Adaptability)	
Table 4.10:	Summary of Cronbach's Alpha for Independent Variable	40
	(Leadership Styles)	
Table 4.11:	Summary of Cronbach's Alpha for Dependent Variable	41
	(Employee Adaptability)	
Table 4.12:	Regression Statistic for Dependent Variable (Performance)	42
Table 4.13:	Regression Statistic for Dependent Variable (Turnover)	43
Table 4.14:	Regression Statistic for Dependent Variable (Participation)	43
Table 4.15:	Regression Statistic for Dependent Variable	44
	(Relationship with Manager)	
Table 4.16:	Summary of Hypotheses Testing	45
Table 5.1:	Answer of Research Questions	47

# LIST OF FIGURES

Figure 1:	Transactional and Transformational Leadership Model	11
Figure 2:	Hersey and Blanchard's Situational Leadership Model	15
Figure 3:	Research Theoretical Framework	21
Figure 4:	Summary of Research Findings	54

#### **Abstrak**

Penyelidikan ini dilakukan untuk mengetahui kesan ke atas penyesuaian pekerja terhadap gaya kepimipinan di pusat panggilan pelanggan dalam industri telekomunikasi. Tiga gaya kepimipinan telah dipilih iaitu gaya bercorak Transaksi, Transformasi dan Situasi untuk menyatakan penyesuaian para perkerja terhadap gaya tersebut.

Tujuan utama penyelidikan ini ialah untuk mengetahui bagaimana gaya-gaya ini mempengaruhi tingkahlaku pekerja dan bagaimana mereka bertindak dengan pengurus mereka. Penyelidikan kuantitatif dilakukan dan pengedaran borang soalan telah dipilh sebagai alat untuk mengumpul data untuk mengendalikan penyelidikan ini. Data yang dikumpul telah dimasukkan ke dalan program SPSS versi 19.0 untuk tujuan kajian statistik dan kajian regresi.

Keputusan penyelidikan ini menyatakan bahawa ketiga-tiga gaya kepimpinan tersebut mempunyai kesan ke atas penyesuaian pekerja di pusat panggilan pelanggan. Dapat dikatakan bahawa penyelidikan ini memberi satu pengetahuan mendalam kepada pekerja supaya pengurus dapat memberikan kepimpinanan yang sewajarnya.

Penyelidik juga menyarankan bahawa pengurus dalam bahagian ini mempraktikkan gaya kepimpinan bercorak transaksi, tranformasi dan situasi serta menasihatkan pihak pengurusan untuk memahami dan menentukan gaya kepimpinan yang sepatutnya dari peringkat awal supaya membolehkan para pekerja menerima dan menyesuaikan diri mereka dengan corak pimpinan pengurus mereka.

#### **Abstract**

This study examines the impact of leadership styles on employees' adaptability in the call center of telecommunication industry. Three main leadership styles namely Transactional, Transformational and Situational Leadership were selected to predict the call centers' employees' adaptability towards the different leadership approaches.

The main purpose of this study is to investigate how each of the above mentioned attributes influences the employees' reaction to interpret and react to the leadership characteristics of their managers. A quantitative research method was employed and a survey questionnaire was chosen as an instrument to collect the data for this research. The survey questionnaires were distributed to the call centers and a total of 104 valid responses were received. The collected data was entered into SPSS version 19.0 for statistical analysis using descriptive and regression analysis methods.

The findings of this study indicate that the Leadership Styles contributes to the prediction of call center employees' adaptability. It was concluded that the research had provided an insight to the adaptability of the call center employees which will help the leaders to identify and adjust their leadership approach and react accordingly.

The Researcher recommends that leaders of the call center division practice Transformational leadership styles to enable the employees adaptability while recommending the call center management to engage and involve the employees in all types of initiatives at the early stage, as this will enable them to accept and adapt to their leader well.

#### **CHAPTER 1**

#### INTRODUCTION

#### 1.1. Introduction.

This study was intended to investigate the factors that influencing call center employees' adaptability towards different leadership approaches. In this dynamic world, everyone is relying heavily on the telecommunication services and the call centers of the telecommunication companies play a crucial role to the success of their organizational performance.

Knowing this fact, almost all telecommunication companies invest in establishing world class call centers to manage their customer relationships. Since the employees are the greatest asset for a call center business unit, therefore it is important to understand how the call center employees adapt to their leaders.

In this study, the Researcher will develop a theoretical framework to analyze the variables that significantly influence the employees' adaptability towards different leadership styles. The independent variables that will be focused on Leadership styles are Transactional Leadership, Transformational Leadership and Situational Leadership, while the dependent variables consist of Employee Performance, Turnover, Participation and Relationship with Manager. These variables play significant roles in influencing the employee psychology towards their adaptability.

#### 1.2. The Background of the Study.

The biggest determinants of an organizational success are the employees and the leaders. In most cases, effective leadership style and the quality of relationship between managers and employees becomes the most powerful determinant of job performance. When an employee work for someone who is positive, respectful and professional, the employees are likely to adopt the similar approach and enjoy their work. In adverse, the consequence of poor leadership affects an organization directly and indirectly. The greatest cost of unhappy employees can be seen through their low productivity and turnover intentions. Thus, the leaders play a crucial role on the employee performance, and management should not underestimate the effect of the leadership styles on the employees' adaptability.

In this study, the Researcher will connect the relationship between the leadership styles and employees adaptability in the call center. Although there are various different approaches that had shaped our current understanding of leadership styles, it has their own phase and has to be used appropriately. This research looks at some of the most popular styles of leadership being practiced in an organization that are well perceived by employees. A suitable leadership style is found to be more strongly related to employee's reaction and commitment, especially when the leaders have created significant personal impact on the employees.

#### 1.3. The Problem Statement.

Leaders determine the direction of an Organization. When different leadership style takes place, it affects the employee performance either positively or negatively. The employees will act in a supportive manner towards their leader if the employees feel and accept that the leader will lead the organization in the direction that will be benefiting the organization and themselves. Unfortunately, at times it is more likely that employees will

experience incongruence among their feelings, thoughts, and actions towards their leaders which can create a challenging atmosphere. On the other hand, leaders face increased pressure to respond to the employees' mood congruence and likely to practice an inappropriate leadership approach to their employees. As a result, this affects the employees' adaptability towards their leader's styles and approach which resulted in the employee performance degradation and creates resistance.

Therefore, the Researcher intends to investigate the adaptability effect of the employees towards leaders' different approaches in the call centers of telecommunication industry and provide specific strategies for the leaders to enhance their employees' adaptability.

#### 1.4. Research Objectives.

In order for the leaders to acquire employees to adapt positively, the leaders must adopt an effective leadership style to influence the employees' perception. Through this adaptability, the leaders will be able to obtain affirmative results from their employees. Effective leadership is determined not only by being clever but it is based upon being consistent in establishing clear direction and exhibit positive characteristics towards the employees.

The main purpose of this study is to explore the factors influencing the call centers employees' adaptability towards the approaches practiced by their leaders. The Researcher will examine the impact of specific employee's adaptability towards their leader and how the leader's leadership styles influence the employee's adaptability. Although there are various different approaches that had shaped our current understanding on leadership, it has their own phase and it has to be used appropriately.

This research looks at some of the relevant styles of leadership being practiced in an organization that are well perceived by employees. A suitable leadership style is found to be more strongly related to employee's reaction and commitment towards leaders, especially when the leaders have created significant personal impact on the employees.

Hence, the aim of this research is to analyze the call centers employees' adaptability towards different leadership styles and investigate how each attributes influence employees reaction to interpret and react to the different approaches practiced by their managers. The findings are to facilitate leaders to formulate specific strategies to enhance the employee's adaptability.

#### 1.5. Research Questions.

To understand the study, a few research questions are developed to find how the leadership styles affect the employee adaptability and their performance.

- 1. Whether Transactional Leadership has impact on employee adaptability.
- 2. Whether Transformational Leadership has impact on employee adaptability.
- 3. Whether Situational Leadership has impact on employee adaptability.

#### 1.6. Definition of Key Terms.

Leadership – process of influencing others to facilitate the attainment of organizational relevant goals. (*Business and Economics Horizons*)

Transformational Leadership – Encourages followers to commit to a shared vision and goals of an organization or unit, challenging them and developing their leadership

capacities by mentoring, coaching and by providing both challenge and support. (*The Annual Review of Psychology*).

Transactional Leadership – Leads through social exchange, rewarding or compensating for productivity and denying the rewards or compensation for unproductivity. (*Leadership & Organization Development Journal*).

Situational Leadership – Situational leader takes decision and changes his/her strategy according to the situation. (*Situational Leadership II*).

Performance – Employee Performance Management is a process for establishing a shared workforce understanding about what is to be achieved at an organisation level. (http://www.peoplestreme.com)

Turnover – The proportion of employees who leave an organisation over a set period (often on a year-on-year basis), expressed as a percentage of total workforce numbers. (http://www.cipd.co.uk)

Participation – The process whereby employees are involved in decision making processes, rather than simply acting on orders. Employee participation is part of a process of empowerment in the workplace. (http://businesscasestudies.co.uk)

Relationship with manager – Trust between managers and employees is the primary defining characteristics of the very best workplaces. (http://www.customer-insight.co.uk)

#### Significance of the Study.

There are a number of studies available on leadership styles and call center industry, however, the Researcher was not able to find any study directly related to the call center's employees adaptability towards leadership styles, particularly in the telecommunications

industry. As such, this study will benefit the Call Center leaders specifically and to those who are interested in this area to understand the Call Center employees preferred leadership approach and other relevant factors that influence their adaptability towards their leaders. This area also gives a space to the management to understand how the employees react towards their leaders.

Hence, this study will attempt to shed light on the research field of Call Center employees' adaptability towards Leadership Styles and contribute to the bank of findings in regards to the relevant areas.

## 1.7. Organization of Remaining Chapters.

This thesis comprise of five chapters with each of the chapters has its own distintive aim and purpose.

**Chapter 1** gives an overview of the subject, research problem, the significant of the study and an overall research purpose will be briefed in chapter.

**Chapter 2** presents research on the leadership styles being applied and how the employees adapt to the different approaches. It also gives rise to the research hypotheses and a theoretical framework.

**Chapter 3** illustrates the theoretical framework and the research methodology applied in this study. The research setting, the sampling procedure, statistical methods are used to analyze and explains how the research mechanisms were developed.

**Chapter 4** presents the data gathering and data analysis. The collected raw data will be interpreted into useful information for the study with the help of SPSS software and a series of hypotheses were tested.

**Chapter 5** discusses the findings and provide recommendations which leads to the conclusion of this research. Finally, the research limitations are highlighted with the recommendations for further study.

#### **CHAPTER 2**

#### LITERATURE REVIEW

This chapter examines the relevant literature and assembles the logic from which study hypotheses are drawn. The relevant conclusions are incorporated to form a model of interrelationship between change of leaders and employee adaptability.

#### 2.1. Introduction.

The greatest asset for a Call center is its employees. Therefore, any changes in the environment that will affect the employees' adaptability must be treated with high regards. In general, the employees' performance and motivation may decline in long term, but effective leadership approaches helps to minimize this impact.

Effective leadership is an important element for a successful organization. Leadership approaches that are not well perceived or accepted by employees will lead to a decreased organizational efficacy. An organization's performance can move unsteadily during and after a leadership change if an appropriate leadership is not demonstrated. Thus, the leaders play a very important role in determining the employee adaptability.

#### 2.2. Leadership styles.

Ivancevich, Konopaske and Matteson (2008) described leadership as the process of influencing others to facilitate the attainment of organizational relevant goals. Good leadership assists in effectively meeting job-related demands, creating higher-performing teams, developing loyal, committed and highly motivated employees. Researchers have

developed various leadership styles which can assist aspiring leaders to understand which styles they should adopt and liked by their followers.

In an organizational change process, Pardey (2007) expressed that effective leaders can ease the transition if they are committed and have a clear vision that they can communicate to employees with the conviction that will win their hearts and minds. He stated that good leaders talk to employees about change, listen to their concern and react to their feedbacks. He pointed out that people need leadership to communicate a clear vision and set directions for others to follow, inspire and trust through consistency in behavior and living up to promote values, empower others to follow by motivating them and trust them to perform effectively. By meeting an employee's legitimate needs, influence is earned by the leader, which in turn builds trust and teamwork in the organization. Trust and teamwork are key ingredients in high performing organizations.

In order to remain effective, the leader must be a person of great character with integrity and must make a daily commitment to lead by understanding the employees (Robert, 1970).

Whether a leader manages a small team or a large organization, the leader should identify the leadership styles that suits best for him and his employees. Consciously or subconsciously, a leader uses some of the leadership styles which go along with their personality. However, understanding the different styles and its impact can help the leaders to develop their own personal leadership style that will be accepted by the followers.

The perceptions that certain traits or personality characteristics that are associated with good leaders or that some are born to lead are no longer accepted (Nahavandi, 2006). In this modern age, leadership theorists have accepted that leadership is based on behaviors and skills that can be learned. With this in mind, there are a few factors that had influenced the adaptability and understanding of leadership. This research will look at some of the most common and popular leadership styles being practiced in this modern era.

#### 2.2.1. Transactional leadership.

Transactional leadership styles assumes work is done only because it is rewarded and it therefore focuses on designing tasks and reward structures. According to Burns (cited in Boehnke et al., 2003), transactional leaders are those who lead through social exchange, rewarding or compensating for productivity and denying the rewards or compensation for unproductivity. While it may not be the most appealing leadership strategy in terms of building relationships and developing a long-term motivating work environment, it's used in most organizations on a daily basis to get things done.

Transactional leadership is really a type of management, not a true leadership style, because the focus is on short-term tasks. Burns (cited in Boehnke et al., 2003) contrasted transactional and transformational leadership, believing that they lie at opposite ends of a continuum. He found that the transactional leaders work within the organizational culture as it exists but the transformational leader changes the organizational culture. Bass (cited in Boehnke et al., 2003) also expressed that transactional leaders do not voluntarily

involve with employees' work until any failure occurs, whereas transformational leaders act as role models for employees, motivate them, and stimulate their intelligence.

A model derived from Bass and Avolio (1990) as shown below, explains that transactional leaders pursues a cost benefit, economic exchange to meet the employees present material and psychic needs in return for the services provided by the employees. While Bass also stressed that the leaders who recognizes the transactional needs in the potential employees but also tends to go beyond, seeking to increase and satisfy higher needs and engage the followers at their full capabilities to achieve a higher level of needs according to Maslow's hierarchy of needs. Bass explained that in order to achieve a performance beyond expectation, a transformational leader should idealize influence, individualized consideration by mentoring, provides inspirational motivation through team spirit and stimulates intellectuals in creativity and innovation among employees.

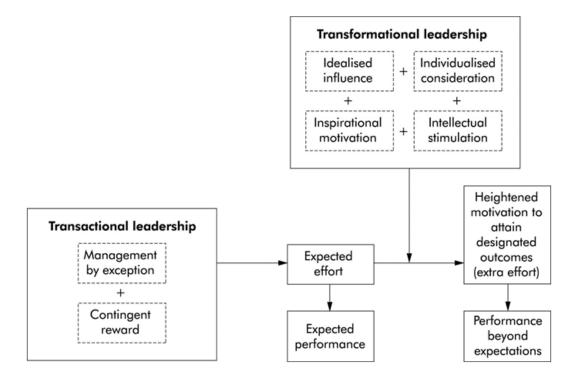


Figure 1: Bass and Avolio's Transactional and Transformational Model.

To support Bass and Avolio (1990), Riaz and Haider (2010) quoted a study of Jansen et al. (2009) that transformational leadership enables the employees' exploratory innovation while transactional leadership extend and improves the existing knowledge of the employees. They (Riaz & Haider, 2010) supported this through their research and concluded that managers who strictly practice the transactional leadership style may also apply the approaches of transformational style to foster a feel of job success and career satisfaction among group members.

#### 2.2.2. Transformational leadership.

One leading theory of leadership, known as transformational leadership, has gained prominence in the post-industrial business landscape. According to Boehnke et al., (2003) and also many other researchers such as Xenikou and Simosi (2008), Felfe and Schyns (2006), Avolio et al. (2009) supported the work of Bass and Burns that transformational leadership raises leadership to the next level. Its elements encourages followers to commit to a shared vision and goals of an organization or unit, challenging them and developing their leadership capacities by mentoring, coaching and by providing both challenge and support.

Transformational leadership occurs when a leader with charisma and vision transforms his/her followers becoming highly motivated and trust the leader whilst demonstrates behaviors that contribute to the achievement of organizational goals. It is a process in which leaders and followers raise one another to higher levels of morality and motivation. In a research conducted by De Jong and Den Hartog (2007) and Aragon-Correa et al.(cited in Raja & Palanichamy, 2011), addressed that transformational leadership draws

more attention in organizations since it contributes to the innovation, organizational learning and employees' creativity skills. Raja and Palanichamy (2011) in their research concluded that transformational leadership best suits for employee performance improvement. In addition, Birasnav and Dalpati (2009) research also concluded that transformational leaders have potential to affect their employees' perception of human capital benefits. Such human capital benefits have high individual return on investment, opportunity to participate in high profile project and increase in status and authority (Motley, 2007).

Transformational leaders create individual and team spirit among employees as they show interest and optimism at employee through coaching, encouraging and supporting. The leaders also seek to raise the consciousness of employees by appealing to higher ideals and moral values such as liberty, justice, and equality, and not to base emotions such as fear, greed, or jealousy. According to a research by Nemanich and Keller (2007), they concluded that leaders who possess the characteristics of inspirational motivation enhance the employees' goal or job performance to achieve the target set by the management. As a result, the leaders improve employees' performance while performing job activities and produce a high return on investment from employees (Boerner et al., 2007).

In short, transformational leaders are exceptionally motivating and they are trusted by employees. When every employee in a team trusts their leader, the leaders achieve the organization goals easily.

#### 2.2.3. Situational leadership.

Blanchard (2007) cited Situational leadership as the best action of the leader depends on a range of situational factors. Situational leader takes decision and changes his/her strategy according to the situation. Employees prefer a leader who can guide and make decision instantaneously. However, the employee's motivation and their capability becomes an important factor that affects the situational decision. A study by Roy (2006) concluded that Situational Leadership can be used as a framework to furnish leaders with the guidance to coach their employees throughout the performance coaching cycle. During the initial meeting, Situational Leadership guides the leader in setting the degree of participation for the planning and goal-setting process. During the rest of the period, it guides the leader in each interaction with the follower. This also supported in a research conducted by Mujtaba (2009) who concluded that using situational leadership skills, managers tend to remain focused on the readiness of their employees and coaches them according to their level of maturity while adapting their communication styles to the way employees like to be treated. In this research, Mujtaba (2009) also provided an overview of situational leadership and linked it to diversity management and coaching of employees in the organization.

Situational Leadership combines four different leadership styles into a practical and methodical order for managers to lead and manage staff effectively. It teaches leaders to diagnose the needs of an individual or a team, and use the appropriate leadership approach to respond accordingly.

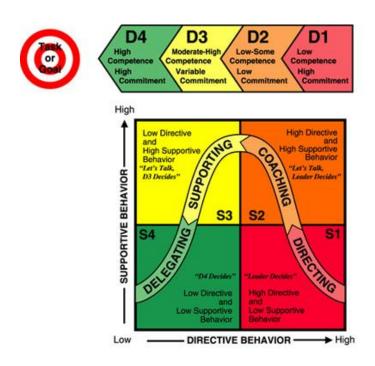


Figure 2: Hersey and Blanchard's Situational Leadership Model

Figure 2.1 shows the different leadership styles associated with two different behavours. The directive behavour focuses on tasks while the supportive behavour focuses on relationships (Blanchard, 2007). Each quadrant is characterized with a leadership approaches that the leader can adapt according to a situation. The four leadership approaches of Situational Leadership are described below:

• **Directing**: High level of direction from leader; typically for employees with low competencies and high commitment. In this situation, the leader will provide instructions and closely monitor the employee performance. (Blanchard, 2007)

- Coaching: Medium to high level of direction from leader; typically for employees
  with low to some level of competencies and commitments. The leader will
  provide high level instructions and provide opportunity for clarifications.
  (Blanchard, 2007)
- Supporting: Medium to low level of direction from leader; typically for employees with moderate to high competencies but with variable commitments.
   The leader will share ideas and facilitate in decision making. (Blanchard, 2007)
- Delegating: Low level of direction from leader; typically for employees with high competencies and commitments. The leader will empower employees to make decisions and implementation of tasks. (Blanchard, 2007)

The fundamental principle in Situational Leadership is that leaders should adjust their leadership styles according to their employees' readiness level in accordance to the ability and willingness to perform a given task.

In a nutshell, managers need to apply an appropriate leadership style that best suited with the environment the employees are working. With the existence of the discussed leadership styles, the Researcher will look at measuring the perceptions of employees against the different leadership styles practiced by their managers and the employees' adaptability towards their leaders in the Call center organization. The finding will implicate the approach most accepted by them.

#### 2.3. Employee Adaptability.

Changes in the economy and the business environment have forced some organizations to change the way they do business. PENN Behavioral Health (2008) quoted that adapting to organizational change often means developing change in policies, processes, procedures, and protocols which are temporary until the organization gains greater clarity and understanding regarding its direction and final structure. Whether the employees like it or not, leaders are the ones who have to implement the changes.

Although the employee adaptability can be related to many other factors, the Researcher will focus the employee adaptability towards different leadership styles from the following three main approaches and their relation to the employee performance, turnover, participation and relationship with manager.

#### 2.3.1. Employee Performance.

In research conducted by Liu and Batt (2010) on employee performance cited that managers should seriously give importance to the employee performance improvement by providing individualized instruction and guidance. This is also supported by Heslin, VandeWalle & Latham (2006) research who stressed that managers must not only manage their teams but also coach the individual employees for their betterment. The close guidance of the manager is appreciated and the portrayed leadership styles are accepted by the employees in which they tend to follow the instructions given by their leader without much hesitation.

Al-Anzi (2009) in his research quoted five factors that affect employee's performance are the (i) attitude of the employee, (ii) manager, (iii) technology and tools, (iv) health, and (v) downsizing and outsourcing. He described that the productivity level of employees significantly impacted when they work with a leader who fails to keep promises, makes negative comments or blames others for their mistakes. A good leader motivates people by seeking challenges, finding ways to achieve goals in order to increase efficiency. Therefore, it reflects that to get employees to perform and deliver higher quality of work, they need a good leader to guide and coach them effectively.

A research conducted by Chen and Silverthorne (2005) confirmed that an employee's ability and their willingness to perform affect each other. The finding suggested that organizations should have the right leaders to give employees suitable training to increase their ability and productivity. Thus, the leaders have to practice more adaptable leadership approach in order to encourage employees to perform.

#### 2.3.2. Turnover.

The turnover issue has been a critical organizational issue for some time. Turnover intention has been emphasized as an important factor for the financial performance of organizations and has been influenced by various reasons in organizations (Lambert et al., 2001).

Employees are most likely opt turnover when both their psychological well-being and their job satisfaction are low (Wright and Bonett, 2007). Align with this statement, a survey conducted by Truskie, S. (2008) found that the number one reason employees leaves a company is because of their manager. Employee turnover can often be attributed

to poor managerial performance, low emotional intelligence and ineffective leadership. This is also supported by Joo and Park (2009) through their findings that leadership factor is one of the main reason for turnover intention.

In another survey reported in a Workforce Magazine (cited in Carruthers, 2010) stated the results of interviews with 20,000 departing workers indicated the main reason employees chose to leave is due to poor management. While a HR magazine (cited in Carruthers, 2010) found that 95% of exiting employees attributed their search for a new position due to an ineffective leadership. Therefore, it is very significant that leaders hold important role in managing and retaining the employees.

#### 2.3.3. Employee Participation.

Employee participation actually increases organizational commitment and job satisfaction, and in fact, during an organizational change it fosters higher levels of change acceptance and effectiveness (Sagie & Koslowsky, 1994, 1996). This can be achieved through an effective leadership styles. An effective leader can inspire employees and motivate them to work harder at their jobs. Leadership is not a random event, rather, it is a dynamic process continually adjusted to an ever changing environment. A great leader is capable to influence the behavior of individuals and groups (McCann, 2009). With the trends moving toward employee empowerment, the leader's relationship with employees becomes more cohesive. Employees tend to feel more empowered when they are asked for input about a particular task concerning them rather than when they were told exactly how to do something. But not all employees are alike, thus, a leader needs to assess an employee's ability and motivation in order to get the employees to participate and commit

in their jobs. This statement correlates with the research done by Walsh and Taylor (2007) who concluded that affective commitment by employees are seen as a strong predictor for employee attitudes and behavioral intentions that brings them to participate in working environment.

As a conclusion, the leadership must be able to understand the employees' behavior and practice the right leadership to get the employees involve and participate in the organizational moves.

## 2.3.4. Employee-Manager relationship.

Gill (2007) describes good employee-management relationship is the key to the success of a hospitality organization. In a research conducted by Gill (2007) he concluded that the employees trust towards managers has a significant impact on their job satisfaction which describes the level of participation of employees with their managers in performing their jobs. Thus, the leaders should practice the appropriate leadership styles but McCann (2009) stresses that leaders cannot just take one style and think it will work for everyone. An effective leader is able to alter their style by adopting an appropriate mix of task and relationship behavior to maintain the connection with the employees.

A good leadership is understood to increase the likelihood of having a more effective employee-manager relationship at workplace. This supports the findings by Snell & Dickson (2010) that employees have reacts positively when managers implemented good leadership practices, such as providing clear direction, coaching and advancing the professional development of employees.

In investigating the Call center employees' adaptability towards their leader, the researcher believes that employee adaptation is more than an attitude whereby it involves a behavioral skill which improves the employees and organizational productivity through the coaching of a good leader. The ability to adapt further is enhanced by the management when they provide good leadership for the organizational operations. The researcher also understands that managers' have his or her own management styles, philosophies, management approaches, value and attitude, but, through this study the researcher will bring to attention which approach is positively perceived by the Call center employees of the organization the Researcher is focusing on.

#### 2.4. Theoretical Framework.

Based on the Transactional and Transformational Model and Hersey and Blanchard's Situational Leadership Model, a conceptual framework is derived to consider the relationship between leadership styles and the employees' adaptability. The proposed framework is diagrammed in Figure 3.

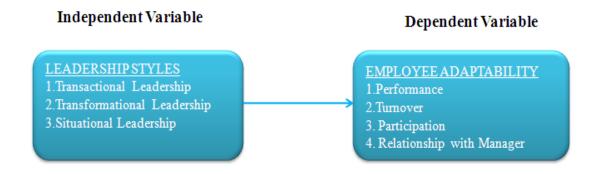


Figure 3: Theoretical Framework

#### 2.5. Hypotheses.

Based on the Conceptual Framework presented above, the following hypotheses were developed.

- ➤ Hypotheses 1: Leadership styles have significant influence on Employee Adaptability.
- Hypotheses 2: Transactional Leadership has significant influence on Employee Adaptability.
- ➤ Hypotheses 3: Transformational Leadership has significant influence on Employee Adaptability.
- ➤ Hypotheses 4: Situational Leadership has significant influence on Employee Adaptability.
- ➤ Hypotheses 5: Transactional, Transformational and Situational Leadership styles have significant influence on Performance.
- ➤ Hypotheses 6: Transactional, Transformational and Situational Leadership styles have significant influence on Turnover.
- ➤ Hypotheses 7: Transactional, Transformational and Situational Leadership styles have significant influence on Participation.
- ➤ Hypotheses 8: Transactional, Transformational and Situational Leadership styles have significant influence on Relationship with Manager.

#### 2.6. Summary.

The way employees perceive and trust their leaders are different from each individual. Thus, it is important for leaders to anticipate and respond to employee's concerns and feelings, whether they are expressed in terms of practical issues, or emotional responses. Leaders should identify the kinds of reactions and questions that employees will have and prepare the responses to them.

The leaders must understand the employees' behavior and practice the best approach to encourage the employees to accept them and produce a positive performance for the achievement of organizational goals. A leader should focus on the employees' needs, be the custodian of the moral responsibility and accountability of their employees' performance and create a high level of trust between employees and leaders.

A review of literature on all the above mentioned variables indicated some support to this research context. However, the Researcher were unable to find any empirical research directly related to the employees adaptability towards their leaders, thus, this research will contribute to the field of Call center management. This research also adds a new dimension to the research field on Call center employees' adaptability and contributes to the bank of findings in regards to the relevant concepts.

Upon reviewing the literature of these variables, the Researcher will develop a model that is capable to predict the Call center employees' adaptability towards their leaders. The details of this model will be explained further in the next chapter where the Chapter 3 will discussed the research methodology including sections on the research design, data collection methods and research variables and statistical analyses.

#### **CHAPTER 3**

## **METHODOLOGY**

#### 3.1. Introduction.

This chapter explains the methods used in this study. This includes research methodology, theoretical framework, research approach, research subject, questionnaire design, administration of the questionnaires and statistical method used to develop this research.

## 3.2. Research Approach.

Based on the research purpose and accompanying research questions, the research methodology of this thesis is classified as quantitative. Quantitative data collection explains the phenomena with numbers to obtain results, thus, based on the data, conclusion can be quantified (Karami, 2008).

#### 3.3. Research Design.

Mouton (2001) has defined the research design as an outline or plan of how the researcher intends to conduct the research. Research Methodology is the systematic, methodical and accurate execution of the design. Leedy (1993) explains that a research design should contain the following:

- Sampling criteria: What are the data needed?
- Size of sample: Where are the data located?