# Influence of digital era leadership on Small to Medium Enterprises (SME) growth in Zimbabwe.

**By**

**Tinashe P.T Chisveto**

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| R1810309 | TINASHE P.T CHISVETO |
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## DEDICATION

I would like to thank the Almighty God for bringing me thus far.

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## ABSTRACT

This study examined the influence of digital era leadership on SMEs growth in Zimbabwe. The study was prompted by limited adoption of digital technologies in leadership processes among SMEs. The objectives were to establish the extent to which e-leadership is applied among SMEs; determine the effect of e-leadership on cost reduction among SMEs; examine how virtual teams enhance employment levels among SMEs; and establish the impact of leading through ICTs on sales/turnover growth of SMEs. The study was theoretically guided by the technology acceptance model, diffusion of innovation theory and the adaptive structuration theory. The positivism philosophy and deductive approach were adopted in line with the quantitative nature of the study. An explanatory research design was employed and data were collected using the survey strategy. Structured questionnaires were administered to 177 SMEs selected using simple random sampling. Data were analyzed quantitatively using descriptive and inferential statistics generated from SPSS version 16. The study found out that the e-leadership was mainly practiced through social media platforms such as WhatsApp, Facebook and Twitter. The study noted that e-leadership reduces operational costs for SMEs mainly due to telecommuting and lower costs for virtual environments. A chi square test conducted at 5% level of significance showed a significant relationship between e-leadership and cost efficiency. Study results showed that virtual teams positively influence employment levels among SMEs in Zimbabwe, and further confirmed a positive correlation between leading through ICTs and sales/turnover growth of SMEs. The study concluded that digital era leadership positively influences SMEs growth. It was recommended that SMEs leaders in Zimbabwe prioritize the adoption of e-leadership and incorporate e-leadership in their business strategy. Policymakers in government were encouraged to improve access to cheaper ICT gadgets and supporting network infrastructure. Areas for future research have been suggested after considering the limitations of the study.



**Keywords:** cost reduction, e-leadership, employment levels, sales, SMEs growth, virtual teams

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# CHAPTER 1

# INTRODUCTION AND BACKGROUND

## 1.1 Introduction

The rapid growth in the use of information communication technology (ICT) in organizations has led to the emergence of e-leadership. Digital era leadership has seen leaders conducting leadership processes largely through electronic channels or information communication technologies. However, the continuing digital technology revolution has presented huge challenges for Small and Medium-sized Enterprises (SMEs) leaders as they need to align their business strategies and organisational leadership with digital technology to ensure business growth (Li, Liu, Belitski, Ghobadian and O'Regan, 2016). There is need to examine the degree to which SMEs leaders and their followers are able to develop working relationships and ensure business growth in a context in which work arrangements are mediated by technology. This chapter provides the background to the study including a brief literature review, statement of the problem, research objectives and questions which guide the study. The chapter also outlines the significance and delimitations of the study. The chapter also provides a brief outline of the research methodology and the chapter outline for the study.

## 1.2 Background Statement

The growth in digital era leadership and its influence on business growth continues to generate much interest among practitioners and academics (Sumanasiri, 2020; Junita, 2019; Belitski and Liversage, 2019; Raskino and Waller, 2016). Digital era leadership refers to a social process in which leaders utilize ICTs to influence, motivate and inspire their followers towards the achievement of goals. Unlike traditional leadership, e-leadership makes use of technology to influence followers towards the achievement of targeted goals (Raskino and Waller, 2016). According to Gaines-Ross (2015), 80% of the Chief Executive Officers (CEOs) of the 50 largest companies worldwide were engaged online

and on social media in 2015, whereas in 2010, only 36% of CEOs used digital technologies to execute their duties and responsibilities. However, majority of SMEs are still non-compliant. It has been noted that less than 40% of the SMEs globally are compliant with digital era technology, yet the SMEs contribute significantly to national development (Jakubik and Berazhny, 2017).

SMEs play an important role in economic development and growth. For instance, SMEs account for 98%, 81% and 78% of employment creation in Indonesia, Japan and Thailand respectively. In China, SMEs provide 60% of industrial output (Andreoni, Erard and Feinstein, 2008). In Africa, SMEs contribute 50% to employment creation and Gross Domestic Product (GDP) (Bowen, Morara and Mureithi, 2009). In Zimbabwe, the 2012 FinScope Survey showed that there are 2.8 million SMEs which employ 5.7 million people. According to the Ministry of Finance and Economic Development (MFED)'s 2016 fiscal policy statement, SMEs in Zimbabwe account for 60% of total employment and 50% of the GDP.

The influence of digital era leadership on SMEs growth remains contested. On one hand, it is argued that digital era leadership goals have not changed although the e-leader needs to implement the goals electronically on computer-mediated virtual teams that are dispersed over space and time (Smith, 2014). Leaders are able to instantly communicate with employees, customers and suppliers, cut costs and locate talent globally thus positively influencing business growth. On the other side, digital era technology faces challenges in how to bridge the physical distance with the followers and effectively convey enthusiasm and inspire followers electronically thus limiting the influence of digital era technology on business growth (Smith, 2014).

The recent outbreak of the Covid 19 pandemic has heightened the need for incorporating technology in leadership effectively creating a need for e-leadership (Auvinen, Sajasalo, Sintonen, Pekkala, Takala and Luoma-aho, 2019). In the last few years, working from home has experienced rapid growth due to the covid-19 pandemic, and this has resulted in fundamental shifts in work methods and arrangements. Unlike traditional leadership in which leaders are involved in face-to-face interactions, digital era leaders interact with followers from a distance through information technology. Therefore, the main challenge

for SMEs leaders is how business and information technology can be aligned in an optimal manner to fully leverage the potential of digital technologies through e-leadership (Auvinen et al., 2019). Globally, there has been a notable increase in telecommuting as employees work from their homes. The technology widely in use include video conferencing, online applications, cellphones, e-mails and Wi-Fi and social media platforms such as Whatsapp, Facebook and Twitter. Businesses are increasingly conducting online meetings, communicate with employees online and work assignments are processed through these platforms (Sumanasiri, 2020; Junita, 2019).

As the digital era firmly rages on, SMEs leaders struggle with technology integration issues while employees face a steep learning curve (Junita, 2019). Notably, the impact of digital era technology on key elements of business growth namely; cost reduction, productivity, sales/turnover growth and enhancement of the span of control remains unclear. There is a paucity of empirical research examining how e-leadership drives SMEs growth. It is against this background that this study examined the influence of digital era leadership on business growth among SMEs in Zimbabwe.

### 1.2.1 Literature in support of research problem

The Covid-19 pandemic has resulted in huge and fundamental changes in terms of how companies operate globally. The WHO guidelines for social distancing requires that individuals maintain space among themselves thus necessitated remote working (WHO, 2020). Information and communication technologies (ICTs) have enabled people to work from everywhere anytime. In this backdrop, it is notable that leadership practices cannot remain unchanged. Leaders have to adapt to new remote or virtual working conditions for effective leadership and sustainable performance thus emphasising the importance of e-leadership in organisations (Anthopoulos, Siozos and Tsoukalas, 2007).

Digital era leadership refers to a social influence process where leaders aim to change the attitudes, feelings, behaviours and performance of followers towards achieving specific goals through the use of technology (Raskino and Waller, 2016). Traditionally, leadership in organizations involved face-to-face interactions. The main change in digital era leadership is that the e-leader may never physically meet one or more of the followers, and

that the main communication medium is the computer (Li et al., 2016). SMEs are the backbone of the economy for many countries. With a business climate currently being transformed by digital technologies, an economy driven by SMEs can be an ideal catalyst to make the most of the potential of digital technologies (Junita, 2019). The question remains whether or not digital era leadership enhances business growth for companies particularly among SMEs.

Digital era leadership provides a range of new opportunities with positive impact on business growth. These include ability to instantly communicate one-on-one with employees, customers and suppliers; the capability to use talent wherever it exists; the opportunity to enhance organizational performance by assembling better multi-functional teams (Sumanasiri, 2020); better customer satisfaction; ability to cut costs (Belitski and Liversage, 2019) as well as scope for better knowledge management. The benefits can positively impact on competitiveness.

However, digital era leadership has new challenges with potential negative effects on business growth such as how to bridge the physical distance from the followers; how to communicate effectively with team members (Junita, 2019); how to convey enthusiasm and inspire followers electronically and; how to build trust with someone who may never see the leader (Sumanasiri, 2020). The technology that supports e-leadership and virtual teams should be reliable in order to positively influence organisational performance (Jakubik and Berazhny, 2017). The researcher notes that there have been several studies on e-leadership and its influence on business performance in developed countries (Belitski and Liversage, 2019). There has been little focus on the impact of digital era leadership and business growth among SMEs in developing economies such as Zimbabwe.

### 1.3 Problem Statement

Despite the growth in digital technologies in leadership processes, only 40% of SMEs globally are compliant in the use of such technologies (Jakubik and Berazhny, 2017). However, SMEs contribute significantly to GDP growth, exports and employment creation in most countries' economies. It remains unclear whether or not digital era leadership influences business growth by stimulating the desired change in attitudes, feelings,

thinking, behaviour and performance of followers. There has been limited focus on the impact of digital era leadership and business growth among SMEs in developing countries, Zimbabwe included. If the situation remains unchanged, SMEs would not contribute significantly to economic development in the new social order driven by digital technologies. The Government of Zimbabwe may also fail to register its anticipated growth targets. This study therefore examines the impact of digital era leadership on business growth of SMEs in Zimbabwe.

## 1.4 Research Objectives

The main and specific objectives are as follows;

### 1.4.1 Main Objective

To examine the influence of digital era leadership on SMEs growth in Zimbabwe.

### 1.4.2 Specific Objectives

a) To establish the extent to which e-leadership is applied among SMEs in Zimbabwe.

b) To determine the effect of e-leadership on cost reduction among SMEs in Zimbabwe.

c) To examine how virtual teams enhance employment levels among SMEs in Zimbabwe.

d) To establish the impact of leading through ICTs on sales/turnover growth of SMEs in Zimbabwe.

## 1.5 Research Questions

The main and secondary research questions are as follows:

### 1.5.1 Main Research Question

What is the influence of digital era leadership on SMEs growth in Zimbabwe?

### 1.5.2 Secondary Research Questions

a) To what extent is e-leadership applied among SMEs in Zimbabwe?

b) What is the effect of e-leadership on cost reduction among SMEs in Zimbabwe?

c) How do virtual teams enhance employment levels among SMEs in Zimbabwe?

d) What is the impact of leading through ICTs on sales/turnover growth of SMEs in Zimbabwe?

### 1.6 Research Hypothesis

This study was conducted under the following hypotheses;

$H_1$: There is a relationship between e-leadership and cost efficiency among SMEs in Zimbabwe.

$H_2$: Virtual teams influence employment levels among SMEs.

$H_3$: Leading through ICTs influences sales growth of SMEs

### 1.6 Research Assumptions

The research was carried out under the following assumptions:

- SMEs are aware of digital era leadership and can productively contribute to the study.
- The respondents cooperated and responded to all questionnaires and give genuine answers relevant to the research.
- There was no significant change in policy or regulations impacting leadership and business growth among SMEs in Zimbabwe during the period under study.

### 1.7 Scope of the Study

This study was theoretically focussed on digital era leadership and business growth among SMEs. The theory covered is broadly in line with the research objectives. The target population were employees and managers of SMEs. The study was geographically limited to Harare, Zimbabwe. The study covers the period between 2015 and 2020 over which the usage of technology had been on the increase in most sectors of the economy and was further quickened by the outbreak of the Covid 19 pandemic. An explanatory survey research design was used to establish the impact of digital era leadership on business growth among SMEs.

## 1.8 Research Methodology

This study employed the positivism philosophy in line with the quantitative nature of the study requiring the use of mathematical and statistical techniques. This study utilised the deductive approach which dovetails with the positivism philosophy. In this regard, a hypothesis was formulated and tested to confirm or deny the existence of a relationship between digital era leadership and business growth among SMEs in Zimbabwe. This study employed an explanatory research design to explain how digital era leadership influences business growth among SMEs in Zimbabwe. The target population was SMEs registered with the National Vendors Union of Zimbabwe and operating at Mbare Musika. Structured questionnaires were administered to SMEs leaders in Harare in a survey after a pilot testing exercise. The respondents were selected stratified random sampling, a probability sampling method. The Statistical Package for the Social Sciences (SPSS) version 16 was used to analyse the data using descriptive and inferential statistics. Ethical considerations observed in this study included guaranteeing informed consent of the respondents, confidentiality, anonymity and privacy of the respondents.

## 1.9 Significance of the Study

The research makes the following contributions to practice and theory:

### 1.9.1 Contribution to Practice

This research is valuable to SME leaders who stand to gain important information concerning the impact of e-leadership on business growth. The SME leaders can find ways of incorporating e-leadership in the traditional leadership methods, as a way of improving business performance in line with telecommuting, an emerging trend for work environments. The study improves understanding on how e-leaders cam make use of existing technologies to lead virtually, understand ways of handling the operational challenges caused by working away from work among other challenges. Policymakers in the Ministry of SMEs also gain insights on how to promote business growth among the SMEs through e-leadership by creating the necessary enabling environment. It should be noted that the structure of the Zimbabwean economy transformed remarkably following the land reform programme and the pronouncement of the indigenisation and economic empowerment laws. These developments led to SMEs being key contributors towards

national output in all the productive sector of the economy such as mining, agriculture, tourism, manufacturing and the financial services sector. Having realised the value of digital era technology on business growth for SMEs which are driving the Zimbabwean economy, the Government could be motivated to support investment in ICTs necessary for the effective functioning of e-leaders among SMEs particularly now in the covid-19 pandemic.

### 1.9.2 Contribution to Theory

The study findings can add to the existing body of knowledge on e-leadership and business growth. The research findings can be referenced by future researchers focussing on digital era leadership and business growth. It is possible that the research findings could be the exploratory basis for further research on e-leadership and business among SMEs. This can benefit research institutions such as the University of Zimbabwe (UZ). It is important that research be done towards how businesses can efficiently and effectively operate leveraging on technology in the 'new normal' ushered in by the Covid 19 pandemic. The research will also equip the student with necessary research skills thus, preparing the researcher for future similar tasks. The researcher is set to gain a better understanding of digital era leadership and business growth of SMEs. The research is also being conducted as partial fulfilment of the Masters in Business Administration degree with the UZ.

## 1.10 Chapters Outline

This dissertation consists of five (5) chapters. The current chapter has provided the research problem and its setting. It has explained background issues relating to the emergency of digital era leadership and the mixed influence it has on business growth among SMEs and the wider business community. The chapter has demonstrated the need to examine the impact of e-leadership on business growth among SMEs who continue to contribute significantly to economic development.

The second chapter reviews literature on digital era leadership and business growth to enhance understanding of the research problem. To this end, Chapter 2 covers three main areas namely; theoretical framework, conceptual literature and empirical literature. The theoretical framework covers theories and models which form the theoretical basis for the

current study. This is followed by literature related to the study objectives which shows areas of convergence and divergence among previous authors. Empirical literature focusing on other studies on digital era leadership and business growth is also covered.

Chapter 3, the third section, provides the research processes and procedures which are used in investigating the impact of digital era leadership on business growth among SMEs in Zimbabwe. Following the research onion, the chapter outlines the research philosophy, research approach and research design adopted. Other research matters covered include the data sources, data collection instruments, data presentation and analysis techniques and research ethics observed. The chapter explains the reasons or appropriateness of the research choices made to provide clarity to the reader.

Chapter 4 presents, analyses and interprets data collected from the respondents. The chapter utilizes descriptive and inferential statistics to analyse the data while tables and graphs are used to present data. The chapter also links the findings with the existing body of literature on digital era leadership and business growth.

Lastly, conclusions and recommendations for the study are provided in Chapter 5. The chapter also provides a summary of the study and highlights areas for further research on digital era leadership and business growth among SMEs in Zimbabwe.

### 1.11 Chapter Summary

This chapter has outlined the background to the study that included brief literature on digital era leadership and business growth. This was followed by a summarized statement of the problem. The research objectives and research questions were also provided to indicate the focus of the current study. The chapter also clarified the delimitation of the study, key methodological processes and procedures as well as the significance of the study. The dissertation outline was also provided indicating the chapters and what the reader should expect on each chapter. The next chapter reviews literature on digital era leadership and business growth following the research objectives.

# CHAPTER 2

# LITERATURE REVIEW

## 2.1 Introduction

This chapter reviews literature on digital era leadership and business performance as guided by the research objectives. The chapter first all defines key terms in order to enable the reader to understand the key variables for the study. In this regard, digital era leadership, business performance and SMEs are explained. This is followed by an outline of the theories/models/ frameworks which guide the study. The chapter then provides the views of other authors relating to the link between digital era leadership and business performance as well as the relationships between the variables used to operationalize digital-era leadership and business performance. Empirical literature focusing on studies on digital era leadership and business performance carried out by other authors is provided. The chapter also explains the research gap and the conceptual framework for the study.

## 2.2 Key Terms Explained

This section explains key terms for the study. A review of traditional leadership approaches concentrating on transactional leadership and transformational leadership is made. This is followed by explanations for digital era leadership or e-leadership, business growth and SMEs.

### 2.2.1 Leadership

Leadership refers to a social influence process where leaders aim to change the attitudes, feelings, behaviours and performance of followers towards achieving specific goals (Raskino and Waller, 2016). It is the accomplishment of a goal through the direction of followers. Successful leadership occurs when the leader understands the followers' motivations and enlist the followers' participation in a way that meets the followers' needs and interests as well as the organisation's vision or purpose (Nah, Lau and Kuang, 2001). . A leader should be able to see how things can be improved and rallies his or her followers toward the achievement of the vision or goal (Adeyemi-Bello, 2001). Two traditional

leadership approaches common in SMEs are transactional leadership and transformation leadership.

#### 2.2.1.1 Transactional Leadership

The transactional leadership concept was first introduced by Max Weber, a German sociologist in the 20th century. In 1947, Weber described the rational-legal leadership which was later termed transactional leadership as the exercise of control on the basis of knowledge. At the core of it, transactional leadership rests on the idea that leaders/managers give employees what they want or desire in exchange for obtaining something that the managers/ leaders want themselves (Jansen, Vera and Crossan, 2009). In this perspective, Laohavichien, Fredendall and Cantrell (2009) note that employees are not self-motivated and would require appropriate structures, instruction and extreme monitoring in order to successfully complete tasks on time. Rafferty and Griffin (2004) indicate that the transactional leadership style was extensively applied in the developed countries soon after the second world war when most countries were concentrating on reconstruction that required high levels of structure and organisation to ensure stability. In Burns (1978)'s model, transactional leaders are believed to promote high levels of honesty, fairness, responsibility and have a high appetite to honour commitments. A contrasting leadership approach is transformational leadership.

#### 2.2.1.2 Transformational Leadership

Transformational leadership theory was developed by Burns (1978) and further improved by Bass (1985). In its simplest form, transformational leadership occurs when the leaders and followers attempt to propel each other to higher levels of morality and motivation. In his works on describing political leaders, Burns (1978) first introduced the concept of transforming leadership and the concept has been extended to organisational psychology. Bass (1985) notes that transforming leadership is a process in which leaders and followers help each other to advance to a higher level of morale and motivation. This is supported by Mittal and Dhar (2015) who indicate that transformational leaders are able to maintain employee commitment in the organisation through the provision of inspirational motivation.

Burns (1978) established two leadership concepts namely; transforming leadership and transactional leadership. Burns theorised that transforming and transactional leadership were mutually exclusive styles that could be adopted by leaders in organisations. .

According to Burns (1978), leaders who make use of the transforming leadership approach create significant change in the organisation and the lives of the followers. In the same line of thinking, Herman *et al* (2013) state that transforming leadership redesigns perceptions and values and changes expectations and aspirations of employees. The transforming leadership ensures that the relationship between the leader and the follower is based on the leader's personality, traits and ability to make a change through examples, articulation of an energising vision and challenging goals. This is achieved in view of the consideration that transforming leaders are idealised as they serve as examples of good morale behaviour that is copied by the team, organisation and/or community (Eagly *et al*, 2003). On the other hand, transactional leadership usually does not strive for cultural change in the organisation but rather work in the existing culture while transformational leaders can try to change organisational culture. Relationships in the transactional leadership style are based on a give and take association.

To this end, Bass (1985) suggested that the followers of a transformational leader have trust in the leader, admire the leader, are loyal to the leader and also have respect for the leader due to the qualities of the transformational leader who offer followers something more than just working for self-gain. In fact, the transformational leaders provide followers with an inspiring mission and vision and give the followers an identity. The leader transforms and motivates followers through his or her idealised influence, intellectual stimulation and individual consideration (Herman *et al*, 2013). Table 2.2 shows how different elements of transactional and transformational leadership influence cost reduction and efficiency among SMEs and the consequent impact on business growth.

**Table 2.2: Transactional and Transformational Leadership**

| **Independent Variables** | **Intermediate Variables** | | **Dependent Variable** |
|---|---|---|---|
| **Transactional Variables** | **Cost Reduction** | **Efficiency** | **Business Growth** |
| Maintain Status Quo | Yes | Yes | Nil |
| Supports creativity and innovation | Nil | Nil | Nil |
| Concentrate on results | Yes | Yes | Nil |
| Operate in structured environments | Yes | No | Nil |
| Make use of rewards and punishment | Nil | Nil | Nil |
| Follow rules and regulations | Yes | Yes | Nil |
| **Transformational Variables** | **Cost Reduction** | **Efficiency** | **Business Growth** |
| Encourages change | Nil | Nil | Yes |
| Supports creativity and innovation | Yes | Yes | Yes |
| Creates a compelling vision to guide organisation | Yes | Yes | Yes |
| Inspires followers to achieve vision. | Yes | Yes | Yes |

Source: Researcher (2021)

The researcher notes that digitalization has caused disruptive changes in leadership practices and that transactional leadership practices will not lead to business growth among SMEs particularly in the creative economy where the competitive advantage of organizations is founded on learning, creativity and innovation riding on the use of technology. Although transformational leaders have better chances of attaining business growth they still lack adequate response to digitalisation and use of technology. This leads to the emergency of e-leadership or digital era leadership in which technology plays a

critical role in aligning business strategy to ensure sustainable business growth and development of SMEs.

### 2.2.2 Digital era leadership

Digital era leadership refers to a social process in which leaders utilize ICTs to influence, motivate and inspire their followers towards the achievement of goals. Avolio et al. (2014: 107) says that e-leadership is a "social influence in which work assignments are mediated by advanced information technology to produce a change in attitudes, feelings, thinking, behaviour and performance." E-leadership can be understood by contrasting it with traditional leadership characterised by face-to-face communication, nonverbal communication and physical presence cues as well as physical and 'low-tech' dissemination of materials. Unlike traditional leadership, e-leadership makes use of technology to influence followers towards the achievement of targeted goals (Raskino and Waller, 2016). In digital era leadership, key characteristics are that the e-leader may never physically meet one or more of the followers, and the main communication medium is the computer (Li et al., 2016). It can be noted that e-leadership refers to leaders who conduct many of the processes of leadership largely through electronic channels (Van Wart, Roman, Wang and Liu, 2019).

Traditionally, leadership in organizations involved face-to-face interactions. The recent outbreak of the Covid 19 pandemic has heightened the need for incorporating technology in leadership effectively creating a need for e-leadership (Auvinen, Sajasalo, Sintonen, Pekkala, Takala and Luoma-aho, 2019). There has been a notable increase in telecommuting as employees work from their homes. Telecommuting refers to a work arrangement in which the worker does not have to come or travel to the office but works from home or a place closer to home such as a coffee shop (Matthews, Russell, Kath, Barnes and Janet, 2010). Telecommuting has also been referred to as teleworking, remote working, mobile working, flexible workplace or simply working from home.

According to Wolor, Solikhah, Fidhyallah and Lestari (2020), the Covid-19 pandemic has transformed the world and working arrangements across all companies. The need to work away from the traditional work places has imposed challenges for companies to survive

and thrive in the complex business environment and for employees, who have to adapt to new ways of working. It is in this backdrop that e-leadership is required to spearhead adaptability among SMEs and ensure business growth and development. Teleworking has become the new working order for employees as reporting for duty at normal working stations is strictly being avoided by companies in line with the World Health Organisation guidelines and recommendations to contain covid-19.

It is the responsibility of the e-leaders to transform to achieve goals through active engagement of teleworkers in the virtual work environment. Wright (2014) states that effective e-leadership goes beyond use of ICTs to include a number of areas namely; use of ICTs when it is beneficial to the organisation for many reasons; use of the most appropriate ICTs available relative to value of the resources or information to be passed on to followers; use of physically available communication channels when most suitable; and use of ICTs with competence. This contribution suggests that in order to realize business growth, e-leaders among SMEs should be able to use ICTs in a range of contexts and integrate them with physically present methods. The e-leaders should be able to choose the best ICTs for the tasks at hand and understand how to use them competently (Wang, Tian and Shen, 2013).

Wolor et al. (2020) note that e-leaders have stronger effect in teams that use computer-mediated communication, and that leaders who increase their transformational leadership behaviours in such teams achieve higher levels of team performance. On the contrary, Auvinen et al. (2019) say that SMEs and even large organisations do not entirely adopt e-leadership as they get forced to employ a hybrid of traditional and virtual leadership. In this regard, he says that an initiative between the leaders and followers can be started with a face-to-face meeting, conducted largely by ICT-mediated means, and at the end gets concluded with another face-to-face evaluation or celebration of accomplishment. This therefore brings the view that e-leadership should be considered as the use of ICT-mediated methods in a blended mode with traditional methods. To this end, Wolor et al. (2020) believe that e-leadership should be defined as the effective use and blending of electronic and traditional methods of communication. This implies that leaders can take not of current

ICTs, and then selectively adopt new ICTs for oneself and the organization, and technical competence in using those ICTs selected.

### 2.2.3 Business growth

Business growth is a broad concept with wide definitions and measures. Business growth measures can be divided into two categories which are financial and non-financial measures. Financial measures consist of return on equity, profit, and return on assets, market share while non-financial performance measures consist of use of resources, innovation, quality of service delivery, strategic focus and number of employees (Barthelmy and Adsit, 2003). Business growth or organisational performance is a significant parameter mainly described as a dependent variable. Business growth occurs when a company/organisation/entity reaches a point for expansion and seeks additional options to generate more profit (Van Wart et al., 2019).

There are different types of business growth. For example, organic growth focuses on producing more products, services, and space for business success. For small business, business growth may be concerned with building a bigger customer base and grow sales, even if it means making a short-term loss due to costs associated with the expanding business. Growth can also be considered in terms of more profit levels, more revenue or sales and acquiring more customers (Mohammad, 2009). It can also be measured in terms of production output, profitability, sales turnover and market share (Chikuse et al., 2012). The most common performance drivers include, customer satisfaction, cost efficiency, good management of resources, value creation innovation and profitability, all which are accomplished through, proper implementation of strategies and controls used by the organizations and leadership plays an important role in this regard.

### 2.2.4 Small and medium-sized enterprises

According to Auvinen et al. (2019), a small and medium-sized enterprise (SME) is a business whose revenue/ sales, assets or numbers of employees fall below a certain level. The criteria for determining an SME varies between countries and sometimes between industries but common measurement parameters used include number of employees, annual turnover or sales, asset base and number of operating branches. This means that

there is no universal definition of SME that applies globally. For example, Belitski and Liversage (2019) states that a business is considered small if it has less than 20 employees. Li et al. (2017) define a small business in terms of the market size it controls and says that a small business is one with a relatively small market share. He adds that a small business is normally managed by its owners or part owners in a personalized way and not through the formalized management structure. According to the Zimbabwe Revenue Authority (ZIMRA), a small business is an organisation with 6 - 40 employees and a turnover of $50,000 to $500,000 and assets valued at $50,000 to $1 million. A medium sized enterprise is defined as one with 41-75 employees, an annual turnover of $500000 and above and assets valued between $1 million and $2 million. The Reserve Bank of Zimbabwe (RBZ) defines an SME as a business with a net asset value ranging from US$10 000 to US$ 2 million, employing between 2 to 20 people and with an annual turnover between US$30 000 and US$5 million.

## 2.3 Theoretical Framework

This study is guided by the following theories/models.

### 2.3.1 Technology Acceptance Model (TAM)

The technology acceptance model was introduced by Davis (1986). It is noted that the theory of technology acceptance is one of the most popular and widely used theories in understanding the adoption and usage of computer - based technologies in organisations. According to the TAM, emerging technologies cannot improve organizational effectiveness and performance if the change has not been accepted by the users (Davis, 1986). The fundamental issue is that the adoption of any innovation especially information technology based innovations requires considerable investment in computer based tools to support decision making and planning communication. However, these systems may be risky. It is therefore very critical that the systems are specified on organizational preference and logic. It is also necessary to understand that people may resist technological changes. There must be an effort to understand why people resist changes and the possible ways through which such issues can be resolved (Davis, 1986). Appropriate organizational culture must be inculcated; the change must be adopted in an incremental way accompanied

by communication. Everyone involved must be informed on their roles and empowered to perform the respective roles (Kamel, 2014).

The TAM is relevant to the current study given the need for leaders to incorporate ICTs in interacting with the followers, customers and suppliers. The TAM, a digital adoption theory, informs the current e-leadership research. If the leaders fail to do so, then business growth may not be attained. This theory brings an understanding that acceptance and use of new technology is a function of the users‟ feelings about the system and its perceived benefits.in this regard, the success of digital leadership hinges on its acceptance by the users namely the leaders and their followers. This understanding provides a sound theoretical basis in understanding how e-leaders in SMEs can successfully get the buy-in of their followers in the new order of business operations.

### 2.3.2 Diffusion of Innovation (DOI) Theory

The DOI theory was developed by Rodgers in 1962 with intend to explain how, overtime, an idea or product gains momentum and is able to diffuse or spread in a given population or system. Rogers (2010) says that diffusion is a special type of communication regarding the spread of messages that are perceived as new ideas. The four main elements in the diffusion of new ideas are: the innovation, communication channels, time and social system. The process involved in this theory has five stages namely; knowledge, persuasion, decision, implementation and confirmation.

Knowledge describes a situation whereby an individual becomes aware of an innovation and has some idea of how it functions. Persuasion describes a circumstance whereby a person forms a favourable or unfavourable attitude towards the innovation. A decision is then made by the individual engaging in activities that lead to a choice to adopt or reject the innovation. Implementation is whereby the individual puts the innovation into use and finally confirmation whereby an individual evaluates the decision of an innovation decision already made. The DOI is relevant to the current study in that it gives a roadmap on how leadership can be received by SMEs and eventually has notable impact on business growth in the sector. This means that e-leaders need to adopt a stepwise adoption process that takes account of the stages of diffusion of the new ways of leading among SMEs.

### 2.3.3 Adaptive Structuration Theory

This study was also guided by the Adaptive Structuration Theory (AST). The AST was pioneered by Scott Poole based on the work of Giddens, Robert McPhee, and David Seibold. The theory was inspired by the concept of structuration and applies to group communication. The AST is an approach for studying the role of advanced information technologies in organizational change. The theory seeks to understand the types of structures that are provided by advanced technologies and the structures that actually emerge in human action as people interact with these technologies. AST focuses on social structures, rules, and resources provided by technologies and institutions as the basis for human activity. The theory purports that structures in technology and structures in action are continually intertwined, continuously shaping each other. It proposes that technology should bring productivity, efficiency, and satisfaction to individuals and organizations and posits that failure to achieve desired change reflects a failure in the technology, its implementation, or its delivery to the organization. The theory is therefore relevant to the current study which examines the use of ICTs in performing leadership roles in SMEs.

## 2.4 Impact of Digital Era Leadership on Business Growth

SMEs are the backbone of the economy for many countries. With a business climate currently being transformed by digital technologies, an economy driven by SMEs can be an ideal catalyst to make the most of the potential of digital technologies (Junita, 2019). The question remains whether or not digital era leadership enhances business growth for companies particularly among SMEs. Digital era leadership provides a range of new opportunities with positive impact on business growth. These include ability to instantly communicate one-on-one with employees, customers and suppliers; the capability to use talent wherever it exists; the opportunity to enhance organizational performance by assembling better multi-functional teams (Sumanasiri, 2020); better customer satisfaction; ability to cut costs (Belitski and Liversage, 2019) as well as scope for better knowledge management. The benefits can positively impact on the competitiveness of SMEs in the markets and spur business growth.

However, digital era leadership has new challenges with potential negative effects on business growth such as how to bridge the physical distance from the followers; how to

communicate effectively with team members (Junita, 2019); how to convey enthusiasm and inspire followers electronically as is the case with transformational leadership in face-to-face circumstances and; how to build trust with someone who may never see the leader (Sumanasiri, 2020). The technology that supports e-leadership and virtual teams should be reliable in order to positively influence organisational performance (Jakubik and Berazhny, 2017).

The influence of digital era leadership on SMEs growth remains contested. On one hand, it is argued that digital era leadership goals have not changed although the e-leader needs to implement the goals electronically on computer-mediated virtual teams that are dispersed over space and time (Smith, 2014). Leaders are able to instantly communicate with employees, customers and suppliers, cut costs and locate talent globally. On the other side, digital era technology faces challenges in how to bridge the physical distance with the followers and effectively convey enthusiasm and inspire followers electronically (Smith, 2014).

E-leadership has also been blamed for insufficient and poor communication on the part of e-leaders who do not seek opportunities for questions and answers about assignments given to followers or simply do not provide clear directions and examples of model answers for subordinates to follow (Anthopoulos, Reddick, Giannakidou and Mavridis, 2016). Another common challenge in the use of e-leadership in business setups is lack of leader support or unwillingness to expend the effort necessary in using techniques and technologies that facilitate a sense of community and level of interaction that most followers are accustomed to in face-to-face interactions (Anthopoulos et al., 2016).

Unlike traditional leadership in which leaders are involved in face-to-face interactions, digital era leaders interact with followers from a distance through information technology. Therefore, the main challenge for SMEs leaders is how business and information technology can be aligned in an optimal manner to fully leverage the potential of digital technologies through e-leadership (Auvinen et al., 2019). There is need to examine the degree to which leaders and their followers in SMEs are able to develop working relationships in a context in which work arrangements are mediated by technology.

E-leadership has to effectively deal with the challenge of work-family blurring so that followers remain productive. Although high degrees of integration between the work and family roles can result in smooth role transition, the demands of the two domains can be above the capacity of the employee to manage in efforts to attain work life balance. In this regard, Desrochers (2002) indicates that undertaking paid work from home (telecommuting) results in work-family blurring or work –family boundary ambiguity and it is the responsibility of e-leaders to effectively manage the dilemma. Desrochers (2002) defines this as the general confusion or challenge in telling the difference between an employee's work and family roles in a given circumstance in which the roles are highly integrated.

Matthews et al. (2010) argue that employees, who work from their respective homes, face the challenge of experiencing both work and family cues at the same time. Neill *et al* (2009) argues that the fact that the work domain and the family domain would be occurring at the same time suggests that the boundaries between work and family roles becomes confusing. This brings in the problem of work-family blurring. In support of Neill *et al* (2009), Nwagbara and Akanji (2012) argue that boundaries between work and family are clearer and more easily maintained when roles are separated - a development which cannot be attained when employees engage in telecommuting. The lack of such a distinction could have negative impact on employee productivity and e-leadership should have the means and wisdom to manage or reduce the negative impact.

Avolio, Sosik, Kahai and Baker (2014) argue that electronic media in organizational settings removes important interactions, humor and other social bonding structures which are important in the creation of a healthy organizational climate required to improve production and business growth. In this sense, it can be argued that without suitable leader support, followers under e-leadership are bound to experience isolation, loneliness and weakened sense of mission and vision which works out to limit their contribution towards attainment of business objectives and consequent growth.

Hurduzeu (2015) believes that the quality of leadership style can influence the business growth in organizations. To this end, Hurduzeu (2015) said that leadership in organizations is considered to be effective if the leaders are able to balance the demands of various

stakeholders (shareholders, customers, community) and the employees. Hurduzeu (2015) examined the effect of e-leadership on organizational performance. He focused on e-leadership and its role in facilitating the increase in organizational performance. Hurduzeu (2015) claims that digital leadership inspires followers within the organizations to work harder and to strive for the highest levels of performance.

Arham (2014) also looked at the link between leadership and performance among Malaysian SMEs in the services sector. The study was conducted on the realisation that the business growth of the SMEs was depended upon several factors including leadership skills and qualities. In this study, a total of 193 SMEs leaders in the services sector in Malaysia took part in the study. It was established that leadership behaviour had a statistically significant impact on organisational performance among SMEs in the services sector. Arham (2014) noted that leaders have the capacity to influence transformational changes contributed more significantly to the performance of SMEs than transactional leadership behaviour.

Dunne, Aaron, McDowell, Urban and Geho (2016) investigated the impact of e-leadership on small business innovativeness. They argued that literature concentrating on the importance of e-leadership within SMEs fostering a climate conducive for innovation is lacking. Dunne et al. (2016) found out that that leadership style; negotiation style and organizational efficacy had a strong impact on business growth as the leadership attributes strongly influenced new product innovations among SMEs. They further said SMEs leaders should be inspirational and establish environments that are more likely to yield new product innovations. The researcher notes that e-leadership can present challenges to the SME leaders since the followers would not be present in person and the creation of a conducive environment for innovation may not be possible leading to limited business growth in the increasingly competitive global environment.

Critical areas in which e-leaders should demonstrate excellence include e-communication, e-social skills, e-team building skills, e-change management, e-technological skills and e-trustworthiness (Allen and Seaman, 2015). For instance, effective e-communication skills by leaders including communication clarity, avoidance of unintended messages and avoidance of information overload to both the leader and followers are more likely to

translate into improved employee productivity and employee satisfaction. This sets the appropriate environment for boosting production likely to spur business growth among SMEs.

SMEs with effective e-leadership capabilities are more likely to consider teleworking as an opportunity to increase productivity among employees. In this connection, Avolio et al. (2014) say that telecommuniting is beneficial for SMEs' productivity if the e-leaders are able to create environments for people to work remotely. Bakar, Kama and Harihodin (2016) state that e-leaders now face difficult tasks in to ensure that employees thrive in remote work environments as the leaders need to adjust the companies' structure, develop new abilities to establish a strong and trustworthy relationship with followers and maintain concern for their employees' well-being.

In normal working arrangements, a typical working day has between eight and nine hours which gives averages of forty hours for a five-day working week. However, under telecommuting or virtual working environments there is the risk that both the leaders and employees are exposed to long working hours of more than 48 hours per week. Due to excessive use of ICTs, it is difficult for employees to take a breaks or lunches within the working hours if they are at home and they may end up working anti-social hours which end up reducing employee productivity (Allen and Seaman, 2015; Bakar et al., 2016).

### 2.4.1 E-leadership and virtual teams performance

Malhotra et al. (2007) define virtual teams as those made up of members who are geographically dispersed but working together in an interdependent task through electronic means characterised by extremely low face-to-face interactions. From this definition, can be noted that virtual teams present challenges in coordinating tasks among the different team members who may be operating across different locations, time zones and cultures. In this regard, Anthopoulos et al. (2007) say that e-leaders have a mammoth responsibility of leading a distributed team. The success of e-leadership rests on the ability to create and lead highly functional or effective virtual teams. E-leaders are responsible for enhancing the relationships among dispersed members in circumstances in which work assignments are mediated by technology (Balthazard, Waldman and Warren, 2009).

Leadership plays a critical role in the development of trust between the leaders and followers which translates into positive benefits such as better team performance (Wong and Burton, 2000). However, research on virtual teams seems to show that distance has a fundamental and significant negative effect on the ability of the leader to cultivate trust. This suggests that e-leadership still has a huge gap in it becoming effective and influential in as far as team performance and business growth are concerned. In this connection, Strukan, Nikolić and Sefić (2017) say that e-leadership is a barrier to business growth if the followers do not have faith and trust in the leader or the means of communication in use.

Strukan, et al. (2017) state that virtual teams have distinct characteristics such as virtual context, team composition and team structure. Wong and Burton (2000) argue that virtual team affects different areas of team performance. Improved team performance can be achieved if the e-leader is able to; enhance ease of communication and availability of routines; clarify role expectations while fostering a team culture; and implement a lateral structure in the virtual team (DasGupta, 2011). In the same reasoning, Trivedi and Desai (2012) note that virtual teams are effective in cases in which the e-leader considers situational demands, sets tolerance levels for errors and properly coordinate work assignments for the virtual teams.

Malhotra, Majchrzak and Rosen (2007) studied virtual teams to identify the best leadership practices of effective leaders of virtual teams. The study collected survey, interview, and observational data and concluded that successful e-leadership practices included the ability to: (a) generate and sustain trust through the utilization of ICT (information and communication technology); (b) make sure that distributed diversity is both clearly understood as well as well appreciated; (c) effectively monitor and manage the life cycles of virtual work; (d) monitor and manage the virtual team‘s progress with the use of technology, (e) extend the visibility of virtual members both within the team as well as outside the company; and (f) help ensure that individual team members do benefit from the team.

It is generally held that e-leadership should consolidate and lead effective virtual teams that are able to achieve objectives. Literature on e-leadership widely mentions the need for the

e-leader to create a supportive online environment for the effective functioning of teams (Hertel, Konradt and Voss, 2006). Motivation of teams should be properly structured in the related task charges, introductory activities and encouragements passed by the e-leader to the followers. Balthazard et al. (2009) argue that e-team building skills characterised by social bonding activities, recognition and developmental opportunities are more likely to generate increased individual efforts towards organisational objectives.

Effective interactions in virtual teams suggest lead to the development of trust, satisfaction and performance. Leaders should be able to organize early meetings which identify team members and clarify expectations if they are to release improved performance from the followers (Wang et al., 2013). Balthazard et al. (2009) explain that it is essential that e-leader stress that the achievement of target is hinged on the virtual team's ability to work together through interdependences within them. However, common challenges in virtual teams include possible geographical and cultural dispersion or diversity.

It is therefore necessary that the e-leader is able to hold teams and their members accountable through putting in place mechanisms to monitor and report milestone accomplishments and prevent social loafing. In order to attain high motivation levels from the virtual teams it is necessary that adequate levels of recognition, rewards, development and advancement are put in place and communicated to the followers. Malhotra et al. (2007) state the members of online teams often report a feeling that they are often less visible in line with the out-of-sight, out-of-mind nostrum. This means that that online team members may become complacent in performing team functions or altogether abandon them leading to poor performance.

E-leadership is associated lack of trust in the leader. It therefore follows that the e-leader should strive to be honest, consistent and fair in their actions. Followers sometimes become fearful of relatively faceless leader instructions (Norris and Moon, 2005). Employees are normally accustomed to ice breakers, side-bar stories and social interactions as important means to create a sense of social bonding that leads to trust in the working environment (Bannister and Connolly, 2011). These social bonding circumstances are associated with physical contact and it would require a lot of skill and effort on the part of the e-leaders in virtual teams.

A key aspect which e-leaders should manage on trust is ensuring that intrusions into employees' privacy at work and home are not violated in electronic communications (Herte et al., 2006). Similarly, the virtual environment should also respect diversity and cultural differences as is the case in face-to-face interactions with followers (Malhotra et al., 2007). E-social skills which leaders should be able to practice to enhance business performance in SMEs set ups include effective team interaction, customized communications and ability to use the appropriate ICT media (Norris and Moon, 2005).

Fernandez and Jawadi (2015) examined the factors influencing the performance of virtual research and development (R &D) project teams in which e-leadership is mediated by ICTs in France. It was assumed that high quality relationships are important in virtual teams so that high team performance can be achieved. Fernandez and Jawadi (2015) said that e-leaders in research and development (R&D) virtual project teams should promote relationships characterized by cooperation and trust to enhance creativity and innovation among team members. E-leadership, work organization and communication practices have significant impact on the quality of the relationship between team members. Using a case study of a car development project in in France, their findings showed that dynamic and positive e-leadership plays an important role in enhancing relationships between team members. It was also established that e-leaders should be able to organize frequent meetings and regular interaction to build cooperative and trusty relationships among virtual team members to attain high performance.

Hilbert and Lopez (2011) state that e-leaders in virtual environments still have similar responsibilities with leaders in in face-to-face interactions including organizing, motivating teams, monitoring and controlling, and developing team members, all being done through ICTs. Unfortunately, e-leaders have to perform these functions from a distance, build and coordinate teams drawn from different cultures, motivate followers and respond to questions virtually. It is therefore important to realize that the success of virtual teams rests on the ability of the leaders to move together with the rapid technological changes, and develop technical skills to use technology to facilitate leadership (Nah, Lau and Kuang, 2001). It is also the burden of the e-leaders to improve their communication skills so that they can maintain adequate levels of trust, cooperation, 'closeness' and commitment to

duty. It this connection, Holland, Malvey and Fottler (2009) raise the point that it is difficult for e-leaders to establish social bonds among team members separated by time and space. This again goes to explain the critical role of e-leaders in the development of relationships in virtual teams necessary to ensure team cohesion.

### 2.4.2 Impact of leading through ICTs on SMEs performance

The rapid use of emerging technologies has led to the emergence of telecommuting as employees are increasingly becoming able to work from their homes. The successful implementation of telecommuting rests on appropriate use of technology, social and organizational support through e-leadership practices. The use of digital technology and Internet services has facilitated teleworking and e-leadership is a critical enabler for the work flow processes (Anthopoulos et al., 2007). The emergence of e-leadership in the e-environment means that work assignments are now being mediated by ICTs in highly complex set ups which require that leaders change their practices, attitudes and behaviours if they are to attain organizational success in the future (Malhotra, Majchrzak and Rosen, 2007).

A key characteristic of e-leadership is that communication and gathering and distribution of information occur via information technology as opposed to the traditional face-to-face interactions (Holland et al., 2009). In e-leadership it is possible to lead projects from a distance and interact with followers only through ICTs. This is enabled by the incorporation of technology that replaces physical interactions. Examples of ICTs in use include videoconferencing, social media platforms, online collaboration software, cellphones, e-mail, and Wi-Fi. E-leaders should be able to integrate these technologies in the day to day operations so that productivity is not affected. According to Anthopoulos et al. (2016), organisational performance in virtual environments is often weighed down by inability of leaders to use ICTs competently and blend them with traditional methods of leadership. Avolio, Kahai and Dodge (2000) agree that a general lack understanding and comfort with technological methods can lead to massive underutilization of ICTs deployed to facilitate e-leadership in organisations. The technology widely in use include video conferencing, online applications, cellphones, e-mail and Wi-Fi and social media platforms such as Whatsapp, Facebook and twitter. Businesses are increasingly conducting online meetings,

communicate with employees online and work assignments are processed through the platforms (Raskino and Waller, 2016).

Malgorzata (2013) indicates that teleworkers may make use of their laptops, computers and smartphones to work outside their workplaces because these gadgets can assist them to access their work from their homes. According to Carlson and Grzywacz (2008), approximately 20% of all employees in the world work from the comfort of their homes aided by advancements in technology. In the areas such as the Middle East, Latin America and some Asian countries, about 10% of the working population telecommutes (Bashir, 2008).

E-Leadership should still embrace the style and content as traditional face-to-face leadership, including participative leadership whereby employees still have opportunities to make decisions. To this end, Avolio et al. (2000) say that participative e-leaders can use technology such as chat rooms with anonymous input and electronic polls as tools to inform both their followers and themselves. As is the case with transformational leadership, e-leaders can also inspire their followers through the use of technologies for instance through the use of e-mails to communicate the visions, pride in the accomplishments of followers or excitement about new ventures (Malhotra et al., 2007).

As opposed to traditional leadership which relies on traditional ways of sending messages, e-leadership largely makes use of information and communication technologies (Hoch and Kozlowski, 2014). Driskell, Radtke and Salas (2003) argue that the ease of communication via ICTs over traditional physical dissemination has had a particularly large influence on the costs for businesses. This is because there would be replacement of traditional dissemination of memoranda and guidelines as well as reduction in frequent meetings and filing of papers.

### 2.5 Empirical Studies

The section provides empirical literature covering previous studies on leadership, digital era leadership and business growth which were carried out in other areas. The empirical literature review looks at the research objectives, research methodologies, findings, conclusions and recommendations covered by other studies.

Politis (2019) investigated the impact of e-leadership on interpersonal trust and employee commitment of remote workers and virtual teams in an institution based in the United Arab Emirates (UAE). The study adopted a quantitative approach and collected data using questionnaires. A total of 193 questionnaires were successfully returned and quantitative data analysis was performed using the statistical package for social sciences (SPSS) software. Factor analysis, correlational analysis and structural equation modeling were performed on the data.

The results showed that e-leadership practices such as 'virtual management by objectives' significantly influences employee commitment. It was further noted that e-leadership practices of giving virtual feedback and support have a positive impact on the development of faith and confidence in the management and leadership. This suggested that the exchange of information in virtual teams has a strong influence on building trust which is critical in enhancing performance. The results also showed that the virtual leaders need to further develop their e-leadership practices and be proficient in deploying the coordination and control mechanisms to facilitate information sharing between virtual workers if business growth is to be realized.

Mkheimer (2018) examined the impact of leadership styles on business growth among SMEs in Amman. The study looked at a number of leadership styles including transformational, transactional and charismatic leadership. It was assumed that transformational, transactional and charismatic leadership styles were the most dominant leadership styles among SMEs in Amman. Extensive literature review was conducted and showed that there was a gap in the role that leadership played in achieving total business success. A total of 100 questionnaires were administered and 85 valid respondents were successfully returned and adopted for further analysis in the survey. The questionnaire collected data on demographic information, leadership styles and business growth among SMEs. Descriptive statistics were used to show trends in the variables operationalised to measure leadership styles and business growth. In testing the hypotheses, exploratory factor analysis and standard multiple regression were used. It was established that transactional leadership style has a significant positive impact on business growth among SMEs. Surprisingly, the study found out that transformational leadership style has a negative

impact on business growth despite the need to embrace change and new ways of doing business among SMEs. It was concluded that leadership has an essential, direct cause and effect relationship on business growth and development of SMEs in Amman. The explanation was that leaders are actively involved in setting values, visions and employees' motivation.

Wang and Poutziouris (2010) examined leadership styles, management systems and business growth of United Kingdom owner-managed SMEs. It was expected that the role of leadership in interpreting business growth would complement leadership literature that existed. The study sought to understand how the inter-relationship among leadership, intra-organisational management systems and business growth can create a conducive environment for sustainable performance. In order to collect data, Wang and Poutziouris (2010) conducted a large-scale postal survey comprising of 5710 respondents small and medium sized enterprises (SMEs) in the United Kingdom. Data were analysed using logistic regression analysis and revealed that the leadership capabilities of entrepreneurs are influenced by a series of demographic and situational factors impacting on the performance. It was noted that leaders' abilities to delegate authority appears to enable SMEs to achieve higher growth in sales if operationalized in a more professional way. The study concluded that there is a positive association between leadership and performance of SMEs in the UK.

Using e-teaching as an example of e-leadership, Allen and Seaman (2015) examined how e-leadership affects performance in a Malaysian university. A single-case study methodological approach was employed as proposed by Yin (2009). The use of three ICTs systems namely; emails, online teaching platform and file sharing platforms was tested in the study. The target organization studied consisted of 19,000 students. Data were gathered from structured interviews, focus group discussions, self-administered questionnaires and participant observations. In this regard, a total of 30 interviews were carried out with knowledgeable informants. A total of 1100 questionnaires were sent out to academic and non-academic staff. Categorization of data was done by expert sorting and qualitative analysis ensued. It was noted that e-leadership can result in a change in attitudes, feelings, thinking, behaviour and performance. Leaders of students are e-leaders and should have

the capacity to use effective and appropriate ICTs to gain influence and power. A notable proportion of students preferred online environment and perceived it as more efficient and flexible. However, the biggest number of students had a bias towards face-to-face classes in terms of preferred environment but none was strongly opposed to being the recipients of e-teaching.

Li, Liu and Belitski (2016) studied e-leadership among small-and medium-sized enterprises in the digital age in European countries. The study was conducted on realising that SMEs play a pivotal role in the European economy, yet SMEs leaders faced challenges in aligning business strategy with the digital technology to enable them to leverage the potential offered by these technologies towards attaining sustainable business growth. Li et al. (2016) argued that there were limited empirical studies focusing on how e-leadership in SMEs can drive successful alignment between business strategy and digital technology to achieve business growth. In addressing this research gap, Li et al. (2016) developed an e-leadership model initially based on strategic alignment theory. They sought to explain how SMEs can make use of digital technologies in support of business strategy and enabling sustainable growth. In-depth interviews were held with a total of 42 SMEs leaders in Europe to validate the model. They argued that e-leadership is central in aligning the business strategy to attain business growth in the new order of digital technology.

Belitski and Liversage (2019) investigated e-leadership in SMEs in emerging market and developing countries using South Africa as the case study. The study concentrated on developing an e-leadership framework for SMEs in developing economies. A mixed-method design was adopted. The study targeted SMEs who had websites or Instagram accounts or who trade their products digitally. They also considered SMEs that; employed between 10 and 250 people; operated for three or more years; and registered annual turnover growth of around 20% for three consecutive years. The sample consisted of 11 SMEs made up of 4 chief executive officers, 2 managing directors, 1 partner, 1 chief information officer, 2 sales directors, and 1 marketing director. Data were collected using semi-structured interviews and data mining. Belitski and Liversage (2019) conducted 11 interviews with the SMEs representatives in Johannesburg, South Africa. N-vivo software was used to coded and analyzed through themes. The quantitative analysis was performed

using descriptive statistics mainly mean, standard deviation, maximum and minimum values. The study found out that the e-leadership is more prevalent among SMEs involved in ICT-related businesses. It was also noted that digital leadership technologies improve sales among SMEs, act as a feedback tool, facilitate information exchange with customers and facilitates human resources management.

Liu, Ready, Roman, Van Wart, Wang, McCarthy and Kim (2018) examined e-leadership and virtual communication adoption. They divided e-leadership into phases namely adoption of technology phase vs the quality of use of technology phase), as well as the purposes (e-leadership as virtual communication vs e-leadership as management of organizational structures). Structural equation modeling was used to test a previously published model by Van Wart et al. (2017a). The model included select traits and skills (as antecedent conditions), awareness of ICTs, evaluation of ICTs, willingness to expend effort in learning about ICTs, intention to use ICTs, and facilitating conditions. It was noted that the model is a good fit and that the e-leader's energy, responsibility and analytical skills are important in enhancing performance.

Yanney (2014) studied business strategy and leadership style and their effect on organizational performance among SMEs in the manufacturing sector in Ghana. The study was conducted to address a void in literature relating to how leadership style and strategy could improve organisational performance among SMEs in Ghana. The survey method was used and data were collected using questionnaires distributed to 60 chief executive officers and senior managers. The respondents were drawn from 10 organizations in Accra. Simple random sampling was used to select the respondents. Secondary data consisting of time series data for the period between 2008 and 2013 on sales, profits before tax and employment from the 10 organizations were gathered to develop performance indices for the organizations. Yanney (2014) conducted regression analysis and analysis of variance (ANOVA) to establish the relationships between leadership, business strategy and organizational performance. The study found out that leadership and business strategy among SMEs statistically and significantly impacted on organizational performance among SMEs in Ghana, with business strategy having a huge impact on the performance of the SMEs. The study further found out that transformational leadership style and cost

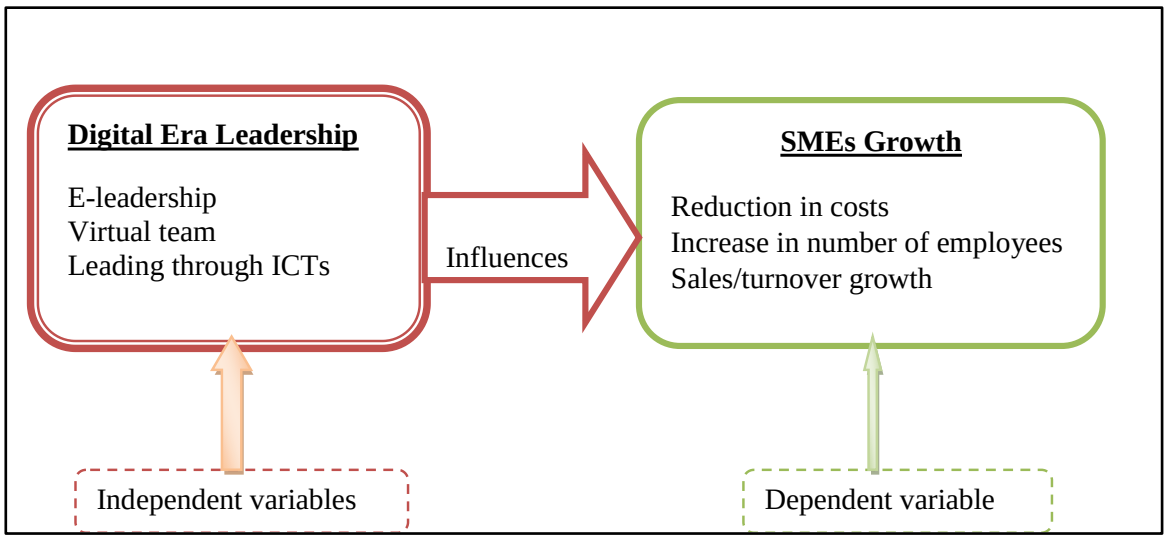
leadership significantly influence organizational behaviour but transactional leadership style, differentiation and focus strategies did not. It was recommended that SMEs should take advantage of transformational leadership style and cost leadership to enhance growth and induce greater organizational performance among SMEs.

### 2.6 Research Gap

The researcher notes that there have been several studies on leadership and its influence on business performance in developed and developing countries (Belitski and Liversage, 2019; Politis, 2019; Liu et al., 2018). However, past leadership research has not focused on issues confronting the leadership particularly in SMEs where work is mediated by information communication technologies. There has been little focus on digital era leadership and business growth among SMEs in developing economies such as Zimbabwe. Yet, SMEs contribute significantly to national employment, GDP growth and general welfare of people. As the digital era firmly rages on, SMEs leaders struggle with technological-integration issues while employees face a steep learning curve. Notably, the impact of digital era technology on key elements of business growth namely; cost reduction, productivity, sales/turnover growth and enhancement of the span of control remains unclear. There is a paucity of empirical research examining how e-leadership in SMEs drives business growth. It is against this background that this study examines the impact of digital era leadership on business growth among SMEs in Zimbabwe. The existing literature does not adequately address the objectives of the current study hence the development of the conceptual framework in the next section.

### 2.7 Conceptual Framework

A conceptual framework gives direction to a study by defining the relevant variables and maps out how the variables are expected to relate to each other. In this study, the conceptual framework shows how digital era leadership is related to business growth. A conceptual framework is often represented in a visual format. This study is guided by the following conceptual framework shown in Figure 2.1.




Source: Researcher (2021)

**Figure 2.1: Conceptual Framework**

In this study, the independent variable is digital era leadership. This is operationalised through e-leadership, virtual teams and leading through ICTs. The dependent variable is business growth and is measured through reduction in costs, increase in number of employees/ subordinates and sales/turnover growth.

### 2.8 Chapter Summary

This chapter has covered theoretical literature providing the theoretical lens for the study. To this end, the technology acceptance model, diffusion of innovation theory and adaptive structuration theory were explained including their relevancy to the study. The chapter also covered conceptual literature relating to the study objectives showing areas of agreement or disagreement among the authors. The chapter also looked at empirical literature looking at relevant studies on digital era leadership and business performance. The next chapter provides the research methods and techniques used in examining the impact of digital era leadership on business performance among SMEs in Zimbabwe.

# CHAPTER 3

# RESEARCH METHODOLOGY

## 3.1 Introduction

This chapter discusses the research methodology for the study. It explains the research processes, procedures and techniques adopted to examine the impact of digital era leadership on business growth among SMEs in Zimbabwe. The chapter provides the philosophy which guides the study. The research approach and design are also explained. This is followed by the description of the population, sample size and sampling method. The chapter then outlines the research instruments, data presentation and analysis techniques and the research ethics observed in the study.

## 3.2 Recap of research aim, objectives and hypotheses

The aim of this study was to examine the impact of digital era leadership on business growth among SMEs in Zimbabwe. The objectives were to; establish the extent to which e-leadership is applied among SMEs in Zimbabwe; determine the effect of e-leadership on cost reduction among SMEs in Zimbabwe; examine how virtual teams enhance employment levels among SMEs in Zimbabwe; and establish the impact of leading through ICTs on sales/turnover growth of SMEs in Zimbabwe. The study was conducted under the following hypotheses;

$H_1$ : There is a relationship between e-leadership and cost efficiency among SMEs in Zimbabwe.

$H_2$: Virtual teams influence employment levels among SMEs.

$H_3$: Leading through ICTs influences sales growth of SMEs

## 3.3 Research philosophy

A research philosophy refers to the general underlying belief systems that direct a researcher on what to study and how to study. It is a world view that governs how data in

a study should be collected, analysed and interpreted (Bryman, 2017). There are three main research philosophies which a study can adopt namely; positivism, interpretivism and pragmatism. The positivism philosophy assumes that reality is fixed and can be objectively, scientifically and mathematically measured following defined rules, thus lending itself to quantitative ways of handling data (Rahman, 2020). Under positivism, knowledge is valid if it is developed by testing hypothesis that is derived from theory and the focus is on facts. In contrast, the interpretivism assumes that there are multiple realities and truths that can be subjectively determined through the expression of reasoned opinions and views. The pragmatism philosophy combines elements of the positivism philosophy and interpretivism philosophy (Hair, 2015). This study employed the positivism philosophy.

The positivism philosophy assumes the existence of fixed reality or single truth which can be objectively measured through mathematical and statistical means (Flick, 2015). This was in line with the quantitative nature of the topic which examined how digital era leadership impacts on business growth among SMEs in Zimbabwe. The common beliefs under the positivism philosophy influenced the research choices on examining the impact of digital era leadership on business growth among SMEs in Zimbabwe. The use of the positivism philosophy ensured that the researcher utilised closed ended questions which generated quantitative data to which descriptive and inferential statistics were applied. This enabled the researcher to establish the influence of digital era leadership on business growth among SMEs in Zimbabwe.

### 3.4 Research approach

A study can adopt the deductive approach or inductive approach. The deductive approach moves from the general to specifics, deriving a hypothesis from literature and making observations that either confirm or reject the hypothesis. The deductive approach can be considered as a ‘top-down’ approach which starts from a theory followed by development of hypotheses, making observations to be tested to confirm or deny the original theory (Mackey and Gass, 2015). Conversely, the inductive approach moves from the specific to broader generalisations or theories. The inductive approach is used in the development of theories and involves making observations, constructing patterns and then theory

developing. For this reason, the inductive approach is sometimes referred to as the 'bottom-up' approach (Punch and Oancea, 2014).

This study utilised the deductive approach. The deductive approach was appropriate for this study in line with the quantitative nature of the topic which lends itself to use of techniques that emphasise measuring, counting and statistical data (Fellows and Liu, 2015). This dovetails with the positivism philosophy adopted in this study. This study also extensively reviewed literature in order to understand the impact of digital-era leadership on business growth. The deductive approach was suitable for the current study as it collected data which needed to be tested to determine whether the findings would confirm or deny the existence of a relationship between digital era leadership and business growth among SMEs in Zimbabwe.

### 3.5 Research design

A research design is a strategy, structure, plan or framework that a research takes in studying a given phenomenon (Holloway and Galvin, 2016). There are three main research designs namely descriptive, explanatory and exploratory designs. A descriptive research describes the prevailing state of affairs in a manner in which the researcher has no control over the variables under study and can only report what has happened or is happening. An explanatory research explains the cause and effect relationships between variables in a study. An exploratory research is used in cases in which there are limited studies in an area and seeks to provide the basis for further study.

This study employed an explanatory research design. An explanatory research design is used in cases in which the researcher intents to explain the cause and effect relationships between variables. In this study, the explanatory research design helped in explaining how digital era leadership influence business growth among SMEs in Zimbabwe. The researcher was therefore able to investigate the relationships between the independent variable (digital era leadership) and the dependent variable (business growth) through understanding the cause and effect between the variables. It was also important for the researcher to extensively explain theory or literature relating to e-leadership and business growth.

### 3.6 Research strategy

According to Saunders and Lewis (2017), a study can adopt any of the following research strategies: experiment, survey, case study, action research, archival research or ethnography or grounder theory. This study adopted the survey strategy. Given the explanatory design adopted in this study and the nature of the research questions, the survey strategy was considered to be the most appropriate because it provides a systematic way to collect data, analyse information, and report the results, thus enhancing understanding of a particular problem or situation (Park and Park, 2016). The survey strategy ensured that many SMEs' representatives could be contacted in order to generate a sufficient sample size to which mathematical and statistical techniques were to be applied. The survey strategy was cost effective and enabled quicker data collection in line with the dispersed respondents and the tight deadlines set by the University for completing the dissertation.

### 3.7 Methodology and Data Collection Methods

The following data collection methods were employed in this study;

#### 3.7.1 Secondary data collection

Secondary data refers to data gathered from other researchers or organisations (Bryman and Bell, 2015). The data would have been meant for other purposes but still usable in the context of the current study. In this study, journals, books, SMEs publications and reports accessible over the Internet were used. Secondary data increased understanding of digital era leadership and business growth which were the main focus areas for the study. It should be noted that secondary data was instrumental in developing the literature for the study.

#### 3.7.2 Primary data collection

Primary data refers to data collected straight from the field to achieve stated objectives (Bryman and Bell, 2015). In this study, primary data were collected from the participating SMEs representatives in a survey conducted. Primary data provided up-to-date information regarding e-leadership and business growth. The data were relevant to the study as only matters related to the study objectives were covered in primary data collection. However, primary data required more time to collect in addition to being more costly compared to secondary data.

### 3.7.3 Questionnaire development

A questionnaire is a data collection instrument which contains a list of questions or other types of prompts that seek to collect data from a respondent. A questionnaire is usually administered in a survey (Mackey and Gass, 2015). This is similar to Bryman and Bell, (2015)'s definition that a questionnaire is a research instrument consisting of a series of questions for the purpose of gathering information from respondents.

In this study, questionnaires were used to gather data from the respondents (See Appendix 1). The questionnaire was designed following extensive literature review. The sections of the questionnaire were designed in line with the research objectives. The questionnaire had five sections. Section A covered demographic profiles of the respondents. Section B had questions on the extent of use of e-leadership among SMEs. Section C contained questions on the effect of e-leadership on cost reduction among SMEs. Section D covered questions on how virtual teams enhance employment levels among SMEs. Section E had questions relating to the impact of leading through ICTs on sales/turnover growth of SMEs. The questionnaire consisted of closed ended questions on a five point Likert scale ranging from 'strongly disagree' to 'strongly agree'.

### 3.7.4 Pilot testing

According to Flick (2015), pilot testing is the administration of a research instrument or test on a limited scale in the real world in order to assess its ability to successfully gather data as expected. Bryman and Bell (2015) asserts that a pilot study is a process by which the researcher administers questionnaires to a few respondents prior to conducting the actual survey. This process helps in ensuring whether the questions are worded correctly, also checking for the reliability and validity of the instrument (Schneider & George, 2011). In this study, the questionnaire was administered to 3 SMEs owner managers in Mbare, Harare. The owner managers were later excluded from the final full scale administration of the questionnaire. The participants were asked to assess whether the objectives of the study could be achieved through the administration of the questionnaire. It was clarified that they could suggestions on how the questionnaire could be improved. The pilot testing exercise improved a number of issues including the removal of technical jargon, ambiguous words as well as separation of points or matters to ensure that one item was tested at a time.

### 3.8 Population and sampling techniques

This section describes the population and sampling procedures adopted;

#### 3.8.1 Population

The target population in a study refers to all the units of analysis meeting the characteristics or specifications of interest to the researcher (Barnham, 2015). Target population refers to the group of people or items of interest whom or which the researcher desires and intends to investigate (Bryman and Bell, 2015). The target population for the current study was made up of 320 SMEs in Harare registered with the National Vendors Union of Zimbabwe and operating at Mbare Musika. These SMEs were considered appropriate for the study given that most of them had been relying on traditional face-to-face leadership styles with limited incorporation of technology in their leadership processes. Given the growing usefulness of e-leadership in driving business growth, it was imperative that the use of technology in their leadership processes be examined to understand the impact on business growth.

#### 3.8.2 Sample size

A sample is representative group drawn from the population so that data in a study can be gathered from it. It is defined as a subset of the population that is intended to represent the whole population (Bryman and Bell, 2007). On account of the limited time and resources faced by the researcher, as well as the little value addition realizable from engaging the population, a sample was drawn. In this study, Yamane (1967)'s sample size determination formula quoted in Fellows and Liu (2015) indicated below was applied to establish the sample size for the study.

Sample Size (n): $n = N/ [1 + N (e)^2]$ where;

n = sample size;

N = population size = 320;

e = level of precision = 0.05.

Sample Size $= N/ [1 + N (e)^2]$

$= 320 / [1 + 320(0.05)^2]$

$= 320/ (1+ 0.8)$

$$= 320 / 1.8$$

$$\mathbf{= 177}$$

From the calculations above, the population of 320 gave a sample size 0f 177 which represented 55% of the population. This was considered adequate given that it was higher than 30% believed to be the minimum for quantitative studies with population sizes of up to 1000 (Brannen, 2017).

### 3.8.3 Sampling method

Sampling refers to the process of selecting units of analysis from the population (Barnham, 2015). Sampling is done due to the inability or impossibility to contact all respondents in a study for reasons related to cost and time constraints. There are two broad categories of sampling methods namely; probability sampling and non-probability sampling. Probability sampling gives the individuals in a population an equal or known chance of being selected into the population. Non-probability sampling does not give the individuals equal chances of being selected (Barnham, 2015).

In this study, stratified random sampling, a probability sampling method, was used to select respondents. In this respect, the SMEs were first grouped into their respective areas of specialty or line of business in terms of the products they manufactured or sold. From each emerging group, random selection was done in line with the proportional sizes of the groups. To ensure randomness, the registration numbers of the SMEs in each group were entered into Microsoft excel sheet. Random numbers were generated using the random formula against each SME identification registration number. The list of the SMEs was then sorted in ascending or descending order of the random numbers to create a random list. The researcher then selected the top most respondents into the sample until the proportional number for each group was met. Stratified random sampling ensured that the sample reflected the composition of the SMEs. Random selection was necessary to minimise sampling bias by only selecting respondents of interest to the researcher.

## 3.9 Questionnaire administration

The questionnaires were self-administered to the extent possible under the Covid 19 restrictions. Electronic copies of the questionnaire were also sent to respondents where

possible. The respondents were given a week to respond to the questions at their own time and then return the questionnaires at a central place agreed in advance with the respondents. Questionnaires were important in the current study as they allowed the researcher to gather quantitative data needed in the determination of the impact of digital era leadership on business growth among SMEs in Zimbabwe. However, it was difficult to observe nonverbal communications from the respondents. Such communication would assist in attaching meaning to the actions, gestures or any reactions from the respondents

### 3.10 Methods of data analysis

Data analysis involved reducing gathered data into summaries, and deducing patterns through the application of statistical analysis techniques. Flick (2015) states that data analysis involves the interpretation of the research findings in relation to the research questions and also checks if the findings are consistent with the research hypotheses. In this study, the Statistical Package for the Social Sciences (SPSS) version 16 was used to analyse the data. Percentages, frequencies, mean and standard deviation were the main descriptive statistics used to describe trends in e-leadership and business growth variables used in this study. Cross tabulations were also used to analyse the demographic data of the respondents. The Cronbach's alpha reliability index was used to check the internal consistency of the Likert scale items which measured different e-leadership and business growth constructs. Inferential statistics such as regression analysis and chi-square test were used to establish the link between digital era leadership and business growth. Data were presented using tables, pie charts and bar charts generated from SPSS.

### 3.11 Validity and reliability

Validity is the extent to which a research instrument or test measures what it is supposed to measure (Park and Park, 2016). In this study, validity was ensured through the following ways: First, the study used a higher sample size that represented 55% of the target population. This was above the 30% minimum generally considered satisfactory for most studies (Brannen, 2017). Second, this study pilot tested the questionnaire to ensure that it could measure digital era leadership and business growth constructs. The pilot testing exercise ensured that the questionnaire collected data which answered the research questions set in Chapter 1. Third, the questionnaire was designed following the objectives

to ensure that the study focuses on digital era leadership and business growth. Subject experts were also consulted to make sure that all important aspects of digital era leadership and business performance in the context of SMEs could be covered sufficiently.

Reliability refers to the consistency with which a research instrument measures what it is supposed to measure (Park and Park, 2016). In this study, reliability was ensured through persistent follow ups on the questionnaires which generated a high response rate. The use of primary and secondary data ensured that the weaknesses of one data source could be covered by the strength of another through triangulation.

### 3.12 Ethical Considerations

Research ethics refer to the application of moral rules, values and professional codes of conduct in gathering, analysing, reporting and publishing of any information concerning respondents or research subjects (Barnham, 2015). According to Holloway and Galvin (2016), research ethics deal with the appropriateness of the researcher's behaviour towards the respondents as well as all other persons affected by the study. Among other things, a researcher should observe and respect rights, needs, values and desires of the research subjects. The following research ethics were considered in this study. First, the researcher was given a letter of consent from the University of Zimbabwe Graduate School of Management (see Appendix 2). No respondents were forced to take part in the study. Respondents were given an opportunity to voluntarily decide whether or not to participate in the study. The researcher sought informed consent of the respondents following clearly explaining the objectives and importance of the study. Confidentiality was guaranteed to the respondents by making assurances in the introduction to the questionnaire that data gathered in the study would be treated with strict confidentiality and would only be used for the purposes of the study. Only the University, the supervisor and the researcher would have access to the data collected from the respondents. Anonymity was ensured through presenting and analysing the data in aggregate form combining data from all the respondents and not making references to specific respondents.

### 3.13 Chapter summary

The chapter provided the research methodology employed in the study. It provided the key methodological aspects over which the success of the dissertation should be accessed on. Some of the main areas covered include the research philosophy, research design, data collection method, population and sampling, data analysis, validity and reliability and ethical considerations. The next chapter utilizes descriptive and inferential statistics to analyse the data collected from the respondents.

# CHAPTER 4

# DATA PRESENTATION, ANALYSIS AND INTERPRETATION

## 4.1 Introduction

This chapter presents and analyses data collected from the respondents. It interprets and discusses the findings on the influence of digital era leadership on SMEs growth in Zimbabwe. The response rate and demographic information are first covered. The chapter then looks at the extent to which e-leadership is applied among SMEs in Zimbabwe; effect of e-leadership on cost reduction among SMEs; how virtual teams enhance employment levels among SMEs; and the impact of leading through ICTs on sales/turnover growth of SMEs.

## 4.1 Questionnaire response rate

In this study, a total of 177 questionnaires were sent out to the respondents. Following extensive follow ups on the questionnaires distributed, a total of 139 respondents were received from the respondents. An examination of the questionnaires received showed that 12 questionnaires were not fully completed. These questionnaires were discarded from the final analysis. As a result, a total of 127 questionnaires were used in this study. The valid questionnaire response rate was therefore 71.7%. According to Rahman, (2020), the minimum acceptable response rate for a quantitative study is 70%. The researcher was therefore satisfied that the study findings could be reliable as this study achieved a response rate of 71.7% higher than the recommended minimum.

## 4.2 Cronbach's alpha reliability analysis

Cronbach's alpha reliability indices were calculated to establish the internal consistency of the Likert scale items measuring e-leadership and SME growth constructs operationalised in this study. The Cronbach's alpha reliability index values range from 0 to 1 with the minimum acceptable value being 0.7 (Bryman, 2017). The results were as indicated in Table 4.1.

**Table 4.1: Cronbach's Alpha Reliability Index**

| Construct | No. of Items | Cronbach's Alpha |
|---|---|---|
| E-leadership practices | 4 | 0.761 |
| E-leadership cost effectiveness | 3 | 0.814 |
| Use of virtual teams | 4 | 0.795 |
| Use of ICTs | 3 | 0.872 |
| SMEs growth | 3 | 0.716 |

Source: Primary Data

The Cronbach's alpha reliability indices for items measuring e-leadership practices, e-leadership cost effectiveness, use of virtual teams, use of ICTs and SMEs growth were 0.761, 0.814, 0.795, 0.872 and 0.716 respectively. The indices were all above 0.7 and thus the study inferred that satisfactory levels of internal consistency were achieved for better reliability.

### 4.3 Demographic information

The gender, age and highest level of education of the respondents are covered in this section.

#### 4.3.1 Gender and age cross tabulation

Table 4.2 indicates the gender and age distribution of the respondents.

**Table 4.2: Gender and age cross-tabulation**

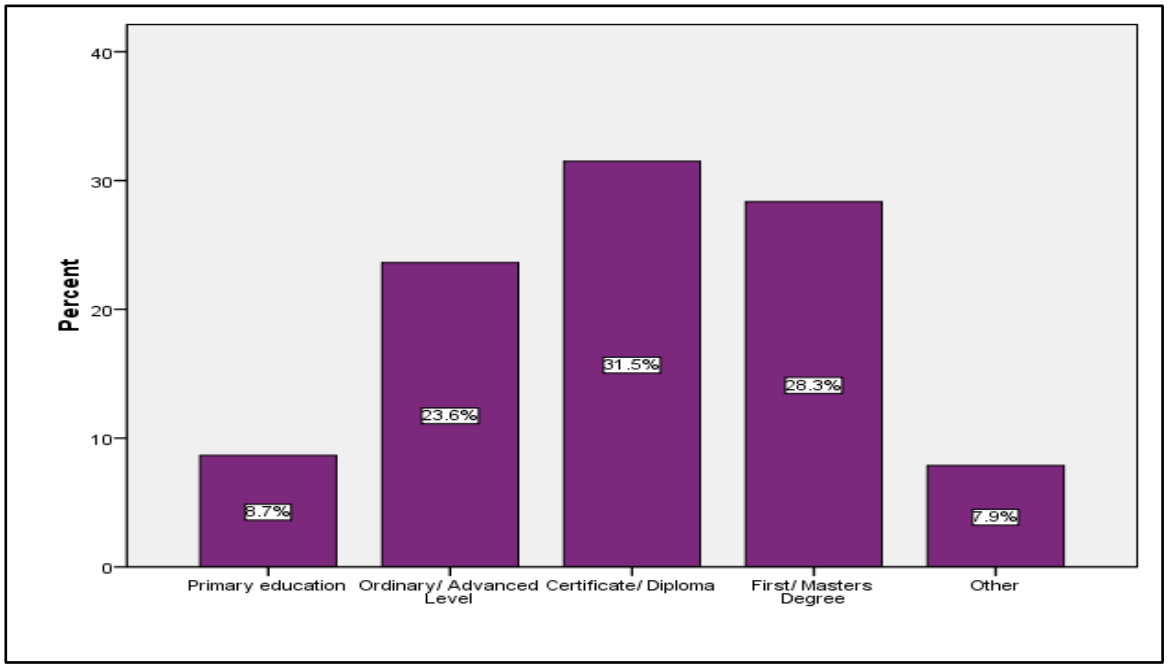
| | | | Age | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Less than 25 years | 25 - 34 years | 35 - 44 years | 45 - 54 years | 55+ years | Total |
| Gender | Male | Count | 10 | 16 | 24 | 15 | 6 | 71 |
| | | % of Total | 7.9% | 12.6% | 18.9% | 11.8% | 4.7% | 55.9% |
| | Female | Count | 9 | 16 | 12 | 12 | 7 | 56 |
| | | % of Total | 7.1% | 12.6% | 9.4% | 9.4% | 5.5% | 44.1% |
| Total | | Count | 19 | 32 | 36 | 27 | 13 | 127 |
| | | % of Total | 15.0% | 25.2% | 28.3% | 21.3% | 10.2% | 100.0% |

Source: Primary data

The results show that 55.9% of the respondents were male and 44.1% were female. This meant that males dominated females among the SMEs. However, there was adequate gender representation to avoid potential gender bias in responses on the influence of digital era leadership on SMEs growth. With regards to age, the results show that 15% were less than 25 years, 25.2% were in the 25-34 years range, 28.3% were in the 35-44 years category, 21.3% were aged between 45 and 54 and the remaining 10.2% were 55 years or above. This meant that a cumulative 40.2% of the respondents had less than 35 years while 59.8% had 35 years or more. It was therefore noted that both the young and technosavy and the mature and more likely less technosavy respondents were all represented in the study. This helped to receive balanced views regarding the influence of digital era leadership on SMEs growth in Zimbabwe.

### 4.3.2 Highest academic qualifications

Figure 4.1 indicates the highest level of education which the respondents had attained.




Source: Primary data

**Figure 4.1: Highest educational qualifications**

Figure 4.1 shows that only 8.7% held primary level education, 23.6% had attained ordinary/ advanced level education, 31.5% held certificates/ diplomas, 28.3% had attained first

degrees or masters degrees and the remaining 7.9% cited other qualifications. It was noted that the majority (67.7%) of the respondents had attained tertiary level education and this enhanced their appreciation of digital era leadership and SMEs growth. This most likely improved the quality of responses received from the respondents.

### 4.4 Application of e-leadership among SMEs

The first objective sought to establish the extent to which e-leadership is applied among SMEs in Zimbabwe. Respondents were asked to indicate the extent to which they agreed or disagreed with pre-identified statements. The responses received on the statements were as discussed in the ensuing sections.

#### 4.4.1 Use of emails in communications

Table 4.2 shows the level of agreement or disagreement among the respondents on the statement that 'in our organisation, emails are used to send and receive instructions, feedback and information between leaders and followers'.

**Table 4.2: Use of emails**

| | | Frequency | Percent | Cumulative Percent |
|---|---|---|---|---|
| Valid | Strongly disagree | 34 | 26.8 | 26.8 |
| | Disagree | 46 | 36.2 | 63.0 |
| | Neutral | 12 | 9.4 | 72.4 |
| | Agree | 19 | 15.0 | 87.4 |
| | Strongly agree | 16 | 12.6 | 100.0 |
| | Total | 127 | 100.0 | |

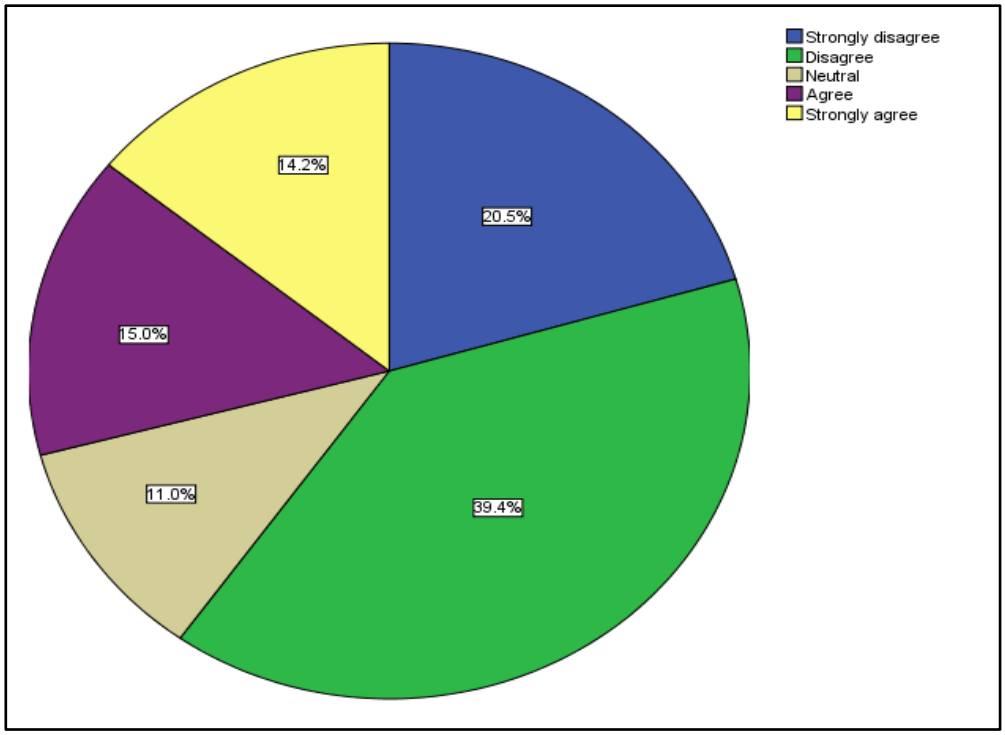
Source: Primary data

The results show that 26.8% strongly disagreed, 36.2% disagreed, 9.4% were neutral, 15% agreed and 12.6% strongly agreed. This meant that the majority (63%) of the respondents did not use emails to send and receive instructions, feedback and information between leaders and followers in their organisations. Despite emails being widely used in communications between leaders and followers in large organisations, the results indicate that there is limited application of emails as digital era-leadership platforms among SMEs in Zimbabwe. This could possibly be a result of the prohibitive costs of customizing email

services for SMEs when compared with subdued business volumes. This means that most SMEs in Zimbabwe are still entranced in traditional ways of sending messages contrary to the views of Anthopoulos et al. (2016)'s assertions that email services are among the widely adopted technologies in leadership processes among SMEs.

### 4.4.2 Use of online meetings

Figure 4.2 indicates whether or not the respondents agreed or disagreed that SMEs held online meetings as a way of operationalizing e-leadership.




Source: Primary data

**Figure 4.2: Online meetings**

The results show that 20.5% of the respondents strongly disagreed, 39.4% disagreed, 11% were neutral, 15% agreed and 14.2% strongly agreed. Further analysis shows that a cumulative 59.9% of the respondents were in disagreement while 29.2% were in agreement. The study therefore deduced that there was limited use of online meetings by SMEs leaders to communicate key messages to followers in the organisation. This demonstrates limited adoption of e-leadership practices among SMEs in Zimbabwe. This

finding therefore suggests that SMEs in Zimbabwe sparingly utilize online communication platforms such as Zoom, Google Meet and other platforms to communicate with customers, followers and other key stakeholders. This finding is in contradiction with the assertions made by Raskino and Waller (2016) that organisations are increasingly conducting online meetings with employees or process work assignments online.

### 4.4.3 Use of social media platforms

The respondents were also requested to indicate whether or not SMEs leaders used social media platforms such as Whatsapp, Facebook and Twitter to coordinate work assignments. The results were as shown in Table 4.3.

**Table 4.3: Use of social media platforms**

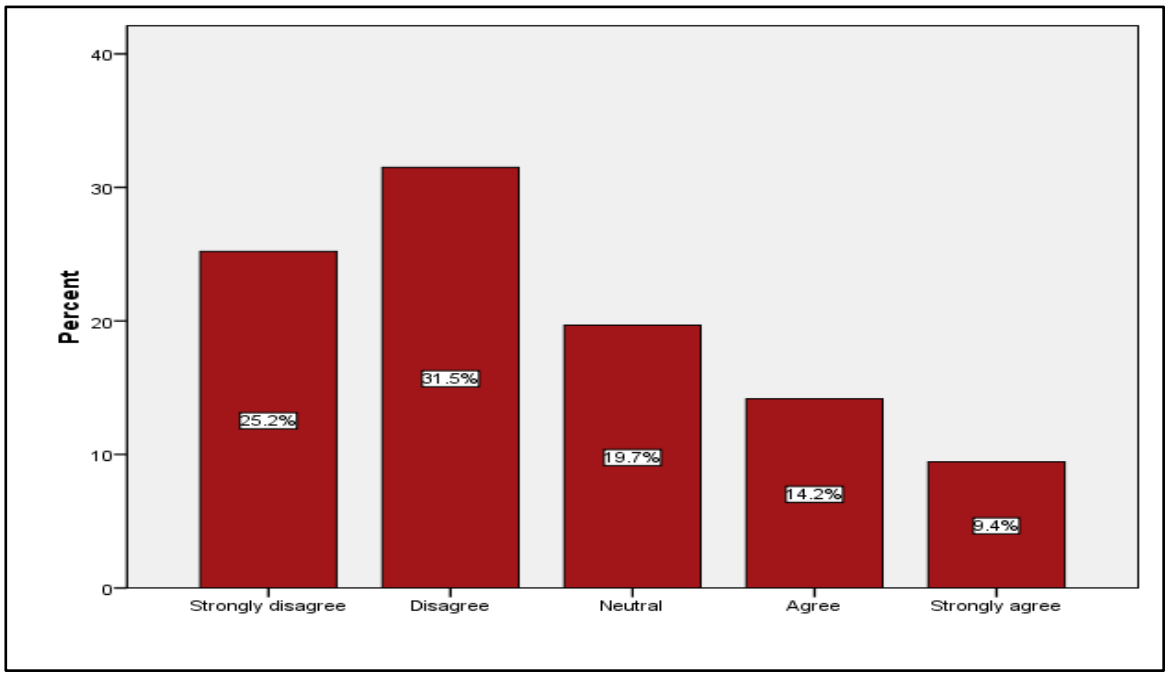
| | | Frequency | Percent | Cumulative Percent |
|---|---|---|---|---|
| Valid | Strongly disagree | 10 | 7.9 | 7.9 |
| | Disagree | 9 | 7.1 | 15.0 |
| | Neutral | 10 | 7.9 | 22.8 |
| | Agree | 51 | 40.2 | 63.0 |
| | Strongly agree | 47 | 37.0 | 100.0 |
| | Total | 127 | 100.0 | |

Source: Primary data

The results show that 7.9% of the respondents strongly disagreed, 7.1% disagreed, 7.9% were neutral, 40.2% agreed and 37% strongly agreed. This meant that the majority (77.2%) of the respondents indicated that their respective organisations used social media platforms such as Whatsapp, Facebook and Twitter to coordinate work assignments. The use of these platforms meant that SMEs leaders could are able to communicate with stakeholders on work assignments, feedback, progress made and challenges being encountered. This finding confirmed the existence of e-leadership practice among SMEs most likely due to the availability of mobile phones which facilitate the communication. The finding supported Sumanasiri (2020)'s views that social media platforms such as Whatsapp and Facebook have transformed leadership practices among SMEs globally.

### 4.4.4 Digital communication of strategic direction

Figure 4.3 illustrates the responses received on the statement that 'in our organisation, leaders communicate digitally the vision, mission and strategic plans of the organisation.'




Source: Primary data

**Figure 4.3: Digital communication of strategic direction**

Figure 4.3 indicates that 25.2% of the respondents strongly disagreed, 31.5% disagreed, 19.7% were neutral, 14.2% agreed and 9.4% strongly agreed. Given that more than half (56.7%) of the respondents were in disagreement, the study deduced that the SMEs leaders did not communicate digitally the vision, mission and strategic plans of their organisations. This implies limited adoption of digital era leadership among the e-leaders given that it is their responsibility to set the vision, mission and values as well as their communication to followers. The non-usage of e-leadership practices in this case could possibly be due to limited awareness of the ICTs and general unwillingness to expend effort towards learning ICTs and well as facilitating the conditions for implementing e-leadership. This finding was in line with Liu et al. (2018)'s study which also noted that the e-leader's energy, responsibility and analytical skills are important in enhancing the adoption of e-leadership within organisations.

### 4.5 Effect of e-leadership on cost reduction among SMEs

The second objective sought to determine the effect of e-leadership on cost reduction among SMEs in Zimbabwe. The respondents were asked to indicate the extent to which they agreed or disagreed with pre-identified statements describing the effect of digital era leadership on costs. The responses received are covered in the following sub-sections.

#### 4.5.1 Reduction in operational expenses

Table 4.4 indicates the responses obtained regarding the reduction in operational costs such as transport as a benefit of telecommuting associated with e-leadership.

**Table 4.4: Telecommuting reduces operational expenses**

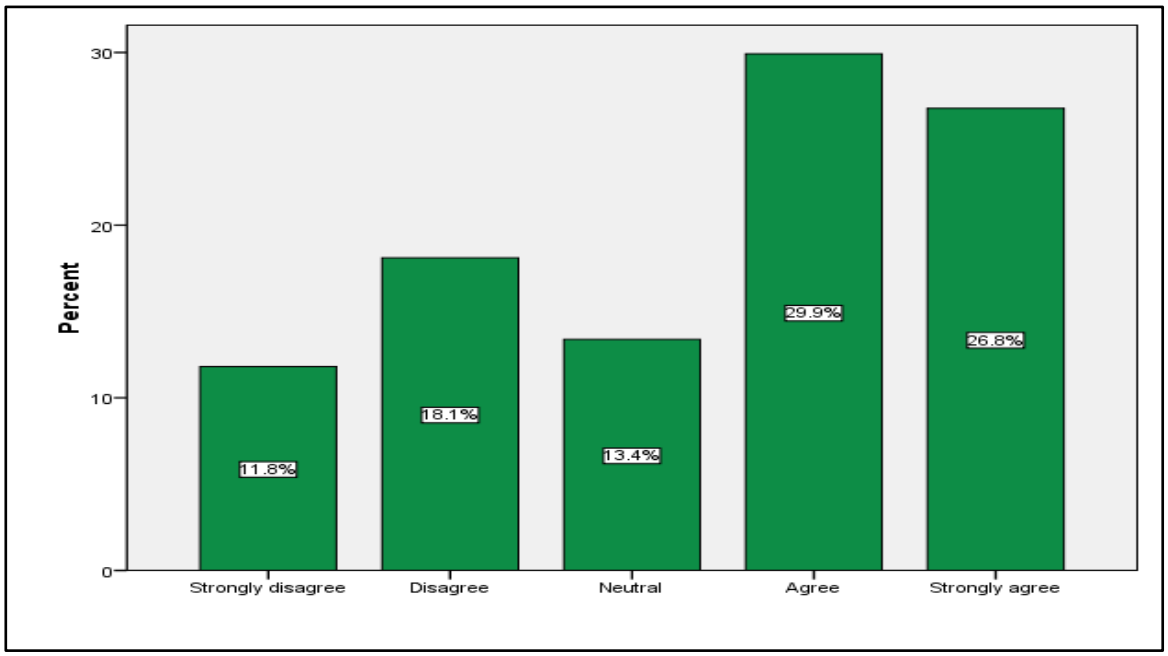
| | | Frequency | Percent | Cumulative Percent |
|---|---|---|---|---|
| Valid | Strongly disagree | 10 | 7.9 | 7.9 |
| | Disagree | 17 | 13.4 | 21.3 |
| | Neutral | 8 | 6.3 | 27.6 |
| | Agree | 38 | 29.9 | 57.5 |
| | Strongly agree | 54 | 42.5 | 100.0 |
| | Total | 127 | 100.0 | |

Source: Primary data

The results show that 7.9% of the responses strongly disagreed, 13.4% disagreed, 6.3% were neutral, 29.9% agreed and 42.5% strongly agreed. This meant that the majority (72.4%) of the respondents were in agreement that e-leadership reduces operational expenses such as transport costs due to telecommuting. The explanation is that telecommuting employees do not require transport fares and often make use of their own gadgets such as smartphones, laptops and computers. Organisations would also reduce on other operational expenses such as electricity, water, security and insurance which are associated with bringing followers and leaders physically together in traditional premises. The finding was therefore in support of Malhotra et al. (2007)'s study which found out that telecommuting reduces costs of operation if the e-leader is able to hold teams accountable through putting in place mechanisms to monitor and report milestone accomplishments without meeting physically.

### 4.5.2 Reduction in information dissemination costs

The responses received on the statement that 'e-leadership reduces costs related to traditional physical ways of disseminating information' were as indicated in Figure 4.4.




Source: Primary data

**Figure 4.4: Reduction in information dissemination costs**

Figure 4.4 shows that 11.8% of the respondents strongly disagreed, 18.11% disagreed, 13.4% neutral, 29.9% agreed and 26.8% strongly agreed. This meant that respondents in disagreement stood at 29.9% compared to more than half (56.7%) who were in agreement. Accordingly, the study noted that e-leadership reduced information dissemination costs as SMEs can instantly send messages to stakeholders in distant places. This is enabled by social media platforms such as Whatsapp where leaders can send instructions to followers and receive instant feedback. The finding therefore echoed the sentiments expressed by Driskell et al. (2003) that the ease of communication via ICTs significantly reduces costs for businesses as traditional ways of disseminating memoranda, guidelines, instructions and filing of papers are reduced.

### 4.5.3 Reduction in physical infrastructure investment

The respondents were requested to indicate the degree to which they agreed or disagreed that e-leadership reduces investment in physical infrastructure such as offices and buildings in costly locations. The responses were as indicated in Table 4.5.

**Table 4.5: Reduction in physical infrastructure investment**

| | | Frequency | Percent | Cumulative Percent |
|---|---|---|---|---|
| Valid | Strongly disagree | 16 | 12.6 | 12.6 |
| | Disagree | 16 | 12.6 | 25.2 |
| | Neutral | 20 | 15.7 | 40.9 |
| | Agree | 46 | 36.2 | 77.2 |
| | Strongly agree | 29 | 22.8 | 100.0 |
| | Total | 127 | 100.0 | |

Source: Primary data

Table 4.5 shows that 12.6% of the respondents strongly disagreed, 12.6% disagreed, 15.7% were neutral, as high as 36.2% agreed and 22.8% strongly agreed. This meant that respondents in disagreement constituted 25.2% while respondents in agreement accounted 59% of the total. The study therefore inferred that that e-leadership reduces investment in physical infrastructure such as offices and buildings in costly locations. Due to the virtual environments normally utilised in e-leadership, organisations no longer require to set up their operations in upmarket or expensive locations thus significantly cutting on the costs related to occupancy and other attendant costs. The finding supported earlier assertions made by Malhotra et al. (2007) and Driskell et al. (2003).

## 4.6 Virtual teams and enhancement of employment levels among SMEs

The third objective examined how virtual teams enhance employment levels among SMEs in Zimbabwe. The respondents were requested to show their levels of agreement or disagreement with pre-identified statements describing how virtual teams enhance employment levels among SMEs. A five-point Likert scale with response options ranging from strongly disagree (=1) to strongly agree (=5) was used. For each statement, the minimum, maximum, mean and standard deviation were calculated. For the purposes of

this analysis and in line with the coding adopted, a mean rating above 3.000 was considered as showing general agreement among respondents and a mean rating below 3.000 was considered as indicating general disagreement among the respondents. With regards to the standard deviation, a cut of 1.500 was used. A value above 1,500 was considered as signifying wider dispersion from the mean and a value less than 1.500 was interpreted as showing that the actual ratings were closer to the observed mean. The results were as indicated in Table 4.6 in descending order of the mean.

**Table 4.6: Descriptive Statistics for virtual teams**

| | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| Distributed teams enable SMEs to locate talent globally. | 127 | 1 | 5 | 3.80 | 1.334 |
| Virtual teams enable leaders to increase their span of control. | 127 | 1 | 5 | 3.38 | 1.403 |
| Leaders can create social bonds among followers in visual teams effectively encouraging them to stay with the organisation. | 127 | 1 | 5 | 2.51 | 1.408 |
| Leaders can build cooperative and trusty relationships which keep employees together through high performance. | 127 | 1 | 5 | 2.29 | 1.292 |
| Valid N (listwise) | 127 | | | | |

Source: Primary data

With regards to measures of dispersion, the results show that the minimum and maximum ratings for all the 4 items were 1 and 5 respectively. All the standard deviations were less than 1.500 which meant that the actual ratings were closer to the observed averages (means). This implied little dispersion or variability in the responses.

The respondents generally agreed that ‘distributed teams enable SMEs to locate talent globally’ (mean = 3.80; standard deviation = 1.334). The respondents also agreed that ‘virtual teams enable leaders to increase their span of control’ (mean = 3.38; standard deviation = 1.403). The location of talented employees could arise from the access to

potential employees from all corners of the world provided they can be able to contribute towards the business strategy and its implementation from far away areas. It is highly likely that e-leaders are able to increase the number of people they supervise given that face to face interactions would not be required or would be aided by interactions over ICTs. Based on this realisation, it is possible for SMEs to expand the number of employees in line the organisational capacity. This is in support of Malhotra et al. (2007)'s assertion that virtual teams can be geographically dispersed but still work working together in an interdependent task through electronic means characterised by extremely low face-to-face interactions. However, this finding refuted Anthopoulos et al. (2007)'s concerns that employment levels do not increase due to difficulties in coordinating tasks among the different team members operating across different locations, time zones and cultures.

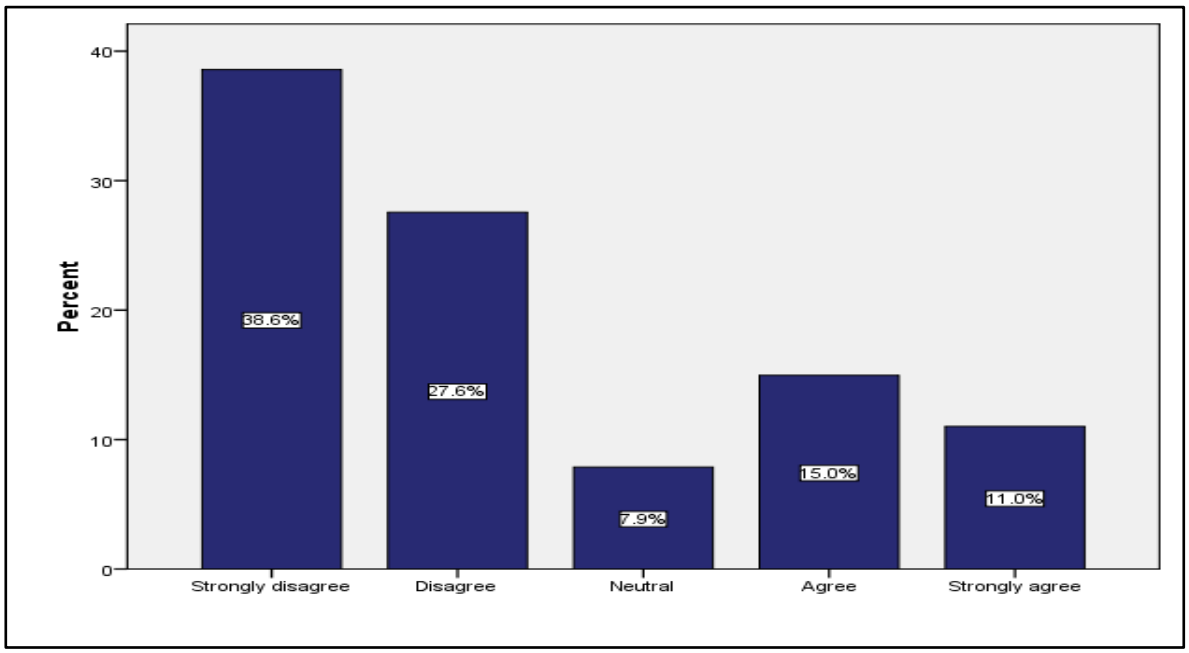
On the contrary, the Table 4.4 indicates that respondents disagreed with the statement that 'Leaders can create social bonds among followers in visual teams effectively encouraging them to stay with the organisation' (mean = 2.51; standard deviation = 1.408). The results further show general disagreement among the respondents on the statement that 'leaders can build cooperative and trusty relationships which keep employees together through high performance' (mean = 2.29; standard deviation =1.292). The lack of cooperative and trusty relationships could arise from the fact distance has a fundamental and significant negative effect on the ability of the leader to cultivate trust or motivate them to stay with the organisation. As a result, most employees interacting online with their leaders feel lonely or neglected and may decide to leave rather than stay with the organisations. This finding is in line with Strukan et al. (2017)'s views that e-leadership is a barrier to business growth in cases in which followers do not have faith and trust in the leader or the means of communication in use.

### 4.7 Impact of leading through ICTs on sales/turnover growth of SMEs

The fourth objective examined the impact of leading through ICTs on sales/turnover growth of SMEs in Zimbabwe. The ensuing sections cover the findings relating to this objective.

### 4.7.1 Customers satisfaction through frequent and timely updates

The views of the respondents on the statement that 'customers get frequent and timely updates from the organisation and are more likely to be stay satisfied' were as indicated in Figure 4.5.




Source: Primary data

**Figure 4.5: Frequent and timely updates to customers**

The results indicate that 38.6% of the respondents strongly disagreed and 27.6% disagreed to give a cumulative 66.2%. On the other side, 15% agreed and 11% strongly agreed working out to a total of 26%. The remaining 7.9% were neutral. Given that the majority (66.2%) of the respondents were in disagreement, the study deduced that ICTs in use among the SMEs in Zimbabwe did not translate into increased customer satisfaction on account of frequent and timely updates from the organisation. The possible explanation for this development could be a general lack of competence in the use of ICTs as well as inability to integrate ICTS into the existing/traditional methods of leading people. This is in support of Auvinen et al. (2019)'s assertion that SMEs need to employ a hybrid or combination of traditional and virtual leadership strategies to achieve growth or organisational objectives. This finding therefore contradicted Belitski and Liversage (2019)'s empirical study among SMEs in South Africa which found out that e-leadership

facilitates information exchange between organisations and stakeholders such as customers – a development which would most likely positively impact on sales of SMEs.

### 4.7.2 Increase sales from extended business hours

The respondents were asked to indicate whether or not 'SMEs and their customers benefit from extended business hours as organisations are reachable all the time'. The results were as indicated in Table 4.7.

**Table 4.7: Increased customer interaction due to extended business hours**

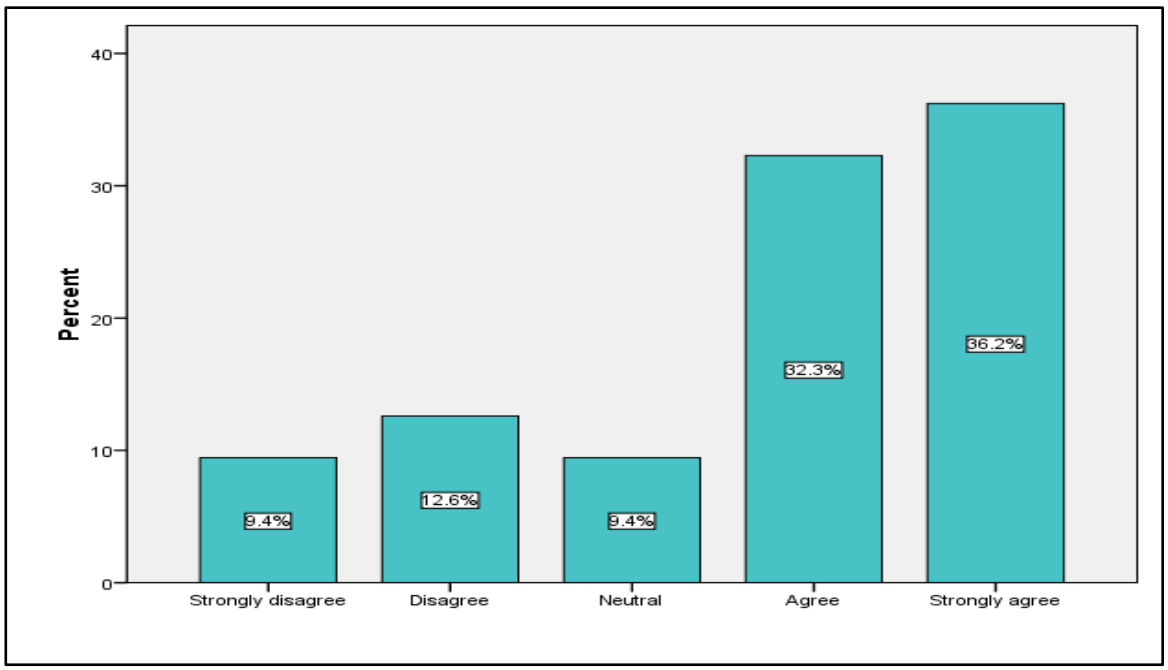
| | | Frequency | Percent | Cumulative Percent |
|---|---|---|---|---|
| Valid | Strongly disagree | 11 | 8.7 | 8.7 |
| | Disagree | 14 | 11.0 | 19.7 |
| | Neutral | 10 | 7.9 | 27.6 |
| | Agree | 48 | 37.8 | 65.4 |
| | Strongly agree | 44 | 34.6 | 100.0 |
| | Total | 127 | 100.0 | |

Source: Primary data

The results show that 8.7% of the respondents strongly disagreed, 11% disagreed, 7.9% were neutral, 37.8% agreed and 34.6% strongly agreed. This meant that most (72.4%) of the respondents were in agreement that leading through ICTs increased the sales/turnover growth of SMEs as the SMEs and their customers benefit from extended business hours. It should be noted that the use of ICTS ensures that the SMEs are reachable all the time thus increasing business contact hours with customers. This finding supported Belitski and Liversage (2019)'s findings that e-leadership is more prevalent in SMEs already involved in ICT-related businesses and that the use of digital leadership technologies would improve sales among the SMEs.

### 4.7.3 Expansion of the market base

Figure 4.6 shows the responses obtained on the statement that 'SMEs are able to sell more products and services to a wider base of local, regional and global customers.'




Source: Primary data

**Figure 4.6: Widening of the customer base**

The results show that 9.4% of the respondents strongly disagreed, 12.6% disagreed, 9.4% were neutral, 32.3% agreed and 36.2% strongly agreed. This meant that respondents in agreement were in the majority at 68.5% compared to those in disagreement at a cumulative 22%. The study therefore noted that indeed the use of ICTs enables SMEs to sell more products and services to a wider base of local, regional and global customers. The explanation for this development is that digital platforms enable the organisation to reach out to more customers internationally particularly those involved in knowledge and service sectors. The finding was therefore consistent with Wang and Poutziouris (2010)'s finding that a positive association exists between e-leadership and performance of SMEs in the UK.

### 4.8 SMEs Growth in Zimbabwe

In order to establish the relative extent of SMEs growth in Zimbabwe, the respondents were asked to indicate the extent to which they agreed or disagreed that specific growth area had been registered by their organisations. For the purposes of this analysis, measures of dispersion namely; minimum, maximum and standard deviation were used. The mean was

used as the measure of central tendency. For the purposes of this analysis, a mean rating above 3.00 was considered as relative agreement and a rating below 3.00 was considered as relative disagreement among the respondents. This was in line with the Likert scale where strongly agree was represented by 5 and strongly disagree was represented by 1. A standard deviation above 1.500 showed that that the actual ratings were more dispersed from the mean and a value less than 1.500 showed less dispersion from the observed mean. The results were as indicated in Table 4.8.

**Table 4.8: Descriptive Statistics for SMEs Growth**

| | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| Our employment levels have steadily increased over the recent years | 127 | 1 | 5 | 3.50 | 1.385 |
| Our costs of doing business have reduced significantly | 127 | 1 | 5 | 3.43 | 1.301 |
| Our organisation has registered steady growth in sales and profits over the years | 127 | 1 | 5 | 2.28 | 1.208 |
| Valid N (listwise) | 127 | | | | |

Source: Primary data

The results show that the minimum and maximum ratings for the SMEs growth indicators were 1 and 5 respectively. All the standard deviations were also below 1.500 showing that there was less dispersion of the actual ratings from the calculated averages. With regards to the mean, the results show general agreement among the respondents with respect to a steady rise in employment levels (mean = 3.50; standard deviation = 1.385) as well as significant cost reduction (mean = 3.43; standard deviation = 1.301).This findings could be explained by the enhanced ability by the e-leaders to manage or supervise an expanded number of followers and the cost savings in transport for employees and use of cheaper ways of disseminating information to stakeholders. These findings supported Allen and Seaman (2015)'s study e-leadership if appropriately applied translates into better performance for organisations particularly in teacher-student relationships. On the contrary, the results also show that the respondents generally disagreed that their organisations registered steady sales or profit growth (mean = 2.28; standard deviation

=1.208). This could be explained by the slow uptake of e-leadership platforms by the SMEs including limited use emails and online meetings.

## 4.8 Hypothesis testing

### 4.8.1 Relationship between e-leadership and cost efficiency

In this study, it was hypothesized as follows;

$H_1$: There is a relationship between e-leadership and cost efficiency among SMEs in Zimbabwe.

In order to establish whether or not a relationship existed, a non-parametric chi-square test of independence was conducted. The test was conducted at 5% level of significance. In this test, e-leadership was operationalised using the item or statement that 'In our organisation, leaders use social media platforms such as Whatsapp, Facebook and Twitter to coordinate work assignments.' Cost efficiency was measured using the statement that 'Our costs of doing business have reduced significantly.' These two items/ statements had frequencies and categories thus making the chi square test appropriate.

Considering that this test was conducted at 5% level of significance, the critical p-value was 0.05. Consequently, the decision criterion was that a p-value greater than 0.05 would imply that no significant relationship existed. In contrast, a p-value less than or equal to 0.05 would indicate a significant relationship existed. The results were as indicated in Table 4.9.

**Table 4.9: Chi-Square Tests**

| | Value | df | Asymp. Sig. (2-sided) |
|---|---|---|---|
| Pearson Chi-Square | 64.443[a] | 16 | .000 |
| Likelihood Ratio | 66.218 | 16 | .000 |
| Linear-by-Linear Association | 13.200 | 1 | .000 |
| N of Valid Cases | 127 | | |

*a. 15 cells (60.0%) have expected count less than 5. The minimum expected count is 1.13*.
Source: Primary Data

The results show that the p-value was less than 0.001 which is way smaller than the cut of point of 0.05. Accordingly, it was inferred at 5% level of significance that a significant relationship existed between e-leadership and cost efficiency. In this regard, it could be inferred that increased usage of social media platforms particularly Whatsapp and Facebook in the leadership processes of the SMEs would in turn drive down the costs of doing business for the SMEs. This is due to significant cut in operating expenses as supported by Sumanasiri (2020).

### 4.8.2 Influence of virtual team on employment levels

In chapter 1, it was hypothesized as follows;

$H_2$: Virtual teams influence employment levels among SMEs.

A Spearman's rho correlation test was carried out to test this hypothesis. The test was carried at the 5% level of significance. The Spearman correlation test was appropriate for the test given that the variables used were ordinal measured on a 5-point Likert scale. In this regard, virtual teams were represented by the statement that that 'virtual teams enable leaders to increase their span of control' while employment levels were represented the statement that 'our employment levels have steadily increased over the recent years.' The Spearman's Rho values lie between -1 and 1 with values close to -1 indicating high negative correlation, values close to 1 indicate high positive correlation and values closer to zero indicating no relationship (Bryman and Bell, 2015). The results were as indicated in Table 4.10.

**Table 4.10: Spearman Correlations**

| | | | Virtual teams enable leaders to increase their span of control. | Our employment levels have steadily increased over the recent years |
|---|---|---|---|---|
| Spearman's rho | Virtual teams enable leaders to increase their span of control. | Correlation Coefficient | 1.000 | .407 |
| | | Sig. (2-tailed) | . | .029 |
| | | N | 127 | 127 |
| | Our employment levels have steadily increased over the recent years | Correlation Coefficient | .407 | 1.000 |
| | | Sig. (2-tailed) | .029 | . |
| | | N | 127 | 127 |

Source: Primary Data

Table 4.10 shows that the Spearman's rho is 0.407. This implies that virtual teams have a moderate positive influence on employment levels among SMEs in Zimbabwe due to the ability to increase the number of people being led by the e-leaders. The results further show that the relationship was statistically significant (p =0.029) further strengthening the importance of virtual teams in business growth as measured by the employment levels among the SMEs. Overall, this finding was in support of Malhotra et al. (2007)'s assertion that virtual teams support business growth if the leaders are able to effectively motivate, encourage and provide social bonding that keeps people willing to stay with the organisations.

### 4.8.3 Influence of leading through ICTs on sales growth of SMEs

The following hypothesis was set in the introductory chapter;

$H_3$: Leading through ICTs influences sales growth of SMEs

In order to test this hypothesis, a Spearman's rho correlation test was conducted at 5% level of significance. The Spearman correlation test was appropriate given that the variables were ordinal measured on a 5-point Likert scale. Leading through ICTs was represented by the statement that 'in our organisation, leaders use online meetings to communicate key messages to everyone in the organisation' while sales growth was operationalised using the statement that 'our organisation has registered steady growth in sales and profits over the years'. The results were as indicated in Table 4.11.

**Table 4.11: Spearman Correlations**

| | | | In our organisation, leaders use online meetings to communicate key messages to everyone in the organisation | Our organisation has registered steady growth in sales and profits over the years |
|---|---|---|---|---|
| Spearman's rho | In our organisation, leaders use online meetings to communicate key messages to everyone in the organisation | Correlation Coefficient | 1.000 | -.020 |
| | | Sig. (2-tailed) | . | .820 |
| | | N | 127 | 127 |
| | Our organisation has registered steady growth in sales and profits over the years | Correlation Coefficient | -.020 | 1.000 |
| | | Sig. (2-tailed) | .820 | . |
| | | N | 127 | 127 |

Source: Primary Data

Table 4.11 shows that the correlation coefficient is -0.02. This implies the existence of a very weak negative influence of online meetings or leading through ICTs on the sales growth of SMEs. Given that the p-value was 0.820 which was way greater than 0.05, it was noted that the influence of online meeting on sales was statistically insignificant. Given

that the study earlier on noted limited adoption of online meetings among the SMEs, these findings show that the use of ICTs in leading employees can only provide positive rewards on business growth if the ICTs are deployed consistently, appropriately and for the correct purpose to generate the desired change in feelings, behaviours and attitudes required to attain organisational objectives. These results were in sync with Wang and Poutziouris (2010)'s study on United Kingdom owner-managed SMEs which found out that e-leadership can enable SMEs to achieve sales growth if operationalized in a more professional way.

### 4.9 Chapter summary

The chapter provided the study findings based on the responses obtained from the respondents following the administration of questionnaires. The chapter presented, analysed and discussed responses relating to items which measured the extent to which e-leadership is applied among SMEs; effect of e-leadership on cost reduction among SMEs; how virtual teams enhance employment levels among SMEs; and influence of leading through ICTs on sales/turnover growth of SMEs in Zimbabwe. Hypotheses were tested in order to establish the statistical significance of e-leadership constructs on SMEs growth. The next chapter provides a summary of the study, conclusions and recommendations.

# CHAPTER 5

# CONCLUSIONS AND RECOMMENDATIONS

## 5.1 Introduction

This chapter provides a summary of the study. The summary covers the purpose of the study, methodology adopted and the key findings obtained from the data analysis process. The chapter then provides the conclusions and recommendations of the study. Suggestions for further studies on e-leadership and SMEs growth are provided.

## 5.1 Re-cap of research questions

The main research question was:

What is the influence of digital era leadership on SMEs growth in Zimbabwe?

The secondary research questions were as follows;

To what extent is e-leadership applied among SMEs in Zimbabwe?

What is the effect of e-leadership on cost reduction among SMEs in Zimbabwe?

How do virtual teams enhance employment levels among SMEs in Zimbabwe?

What is the impact of leading through ICTs on sales/turnover growth of SMEs in Zimbabwe?

## 5.2 Summary of findings

This study examined the influence of digital era leadership on SMEs growth in Zimbabwe. The study was prompted by limited adoption of digital technologies in leadership processes of SMEs particularly in developing countries, yet SME growth is important for national growth and development. The study objectives were to establish the extent to which e-leadership is applied among SMEs; determine the effect of e-leadership on cost reduction among SMEs; examine how virtual teams enhance employment levels among SMEs; and establish the impact of leading through ICTs on sales/turnover growth of SMEs in Zimbabwe. The study was theoretically guided by the technology acceptance model, diffusion of innovation theory and the adaptive structuration theory. Collectively, the theories explain how users gradually accept new technologies or innovations and this

helped to appreciate how SMEs adopt e-leadership over time. The study adopted the positivism philosophy and deductive approach in line with the quantitative nature of the topic which necessitated hypothesis testing. An explanatory research design was employed to explain the cause and effect relationships between e-leadership and SMEs growth. Data were collected using the survey strategy. Structured questionnaires were administered electronically and in-person to 177 SMEs in Harare. Zimbabwe. The respondents were selected using simple random sampling. Data were analysed quantitatively using descriptive and inferential statistics generated from SPSS version 16. The key findings on each objective were as follows;

**Objective 1: To establish the extent to which e-leadership is applied among SMEs in Zimbabwe.**

The study found out that the e-leadership practices in use among the SMEs were social media platforms such as Whatsapp, Facebook and Twitter. This was indicated by as high as 77.2% of the respondents. It was noted that there was limited use emails and online meeting among the SMEs. A total of 63% and 59.9% of the respondents indicated that they did not send and receive instructions, feedback and information using these platforms in their organisations.

**Objective 2: To determine the effect of e-leadership on cost reduction among SMEs in Zimbabwe.**

The study found out that e-leadership reduces operational costs for SMEs mainly due to telecommuting associated with virtual environments. This was cited by 72.4% of the respondents. It was noted that telecommuting followers minimise transport costs and costs attendant to use of offices such as utilities and security services. More than half (56.7%) of the respondents agreed that organisations save costs associated with traditional ways of disseminating information. It was also revealed that e-leadership reduces investment in physical infrastructure such as offices and buildings in costly locations. This was highlighted by 59% of the respondents. A chi square test conducted at 5% level of significance showed that a significant relationship ($p < 0.001$) exists between e-leadership and cost efficiency among SMEs in Zimbabwe.

**Objective 3: To examine how virtual teams enhance employment levels among SMEs in Zimbabwe.**

The study noted that virtual teams enhance employment levels among SMEs through improved talent location globally as well as ability to increase the span of control of the e-leaders. This was reflected by high mean ratings of 3.80 and 3.38 which signified strong level of agreement among the respondents. A Spearman's rho correlation test carried at the 5% level of significance showed that virtual teams positively influence (R= 0.407; p = 0.029) employment levels among SMEs in Zimbabwe.

**Objective 4: To establish the impact of leading through ICTs on sales/turnover growth of SMEs in Zimbabwe.**

The study found out that leading through ICTs increases the sales/turnover growth of SMEs as the SMEs and their customers benefit from extended business hours. This was indicated by 72.4% of the respondents. As high as 68.5% of the respondents agreed that SMEs are able to sell more products and services to a wider base of local, regional and global customers if they employ e-leadership. A Spearman's rho correlation test conducted at 5% level of significance revealed a moderate positive and significant influence of leading through ICTs (R= 0.590 p = 0.020) on the sales growth of SMEs in Zimbabwe.

### 5.3 Conclusions

The study concluded that digital era leadership significantly influences SMEs growth in Zimbabwe. However, e-leadership was applied to a limited extent among SMEs in Zimbabwe. E-leadership was mainly practised through social media platforms such as Whatsapp and Facebook. The use of emails and online meetings as communication channels was restricted among the SMEs. It was concluded that e-leadership significantly reduces costs of doing business for SMEs through lowering both fixed and operational costs. The study also concluded that virtual teams enhance employment levels for SMEs through better access to talent globally and increased span of control for leaders who may not need to physically meet their followers. It was further concluded that leading through ICTs increases the sales/turnover growth of SMEs through extended working hours and access to an expanded global customer base.

## 5.4 Recommendations

The study made the following recommendations in line with the above key findings and conclusions;

### 5.4.1 Prioritise adoption of e-leadership

Given the significance e-leadership on key SMEs growth indicators, the study recommended that SMEs leaders in Zimbabwe prioritise the adoption of e-leadership in line with modern trends in leadership practices. This could be achieved through self-motivated efforts to create a conducive environment for e-leadership. Leaders could also educate themselves and familiarize with readily available digital platforms such as emails, online meetings and social media platforms with a view of enhancing their readiness to utilize the platforms. The SMEs could also prioritise providing followers with the necessary ICT gadgets such as smartphones and laptops so that they can work from home and carry out work assignments remotely. Quick win implementations would include extensive use of Whatsapp platforms in sending and receiving messages between leaders and followers in preparation for other digital platforms.

### 5.4.2 Incorporate e-leadership into business strategy

The study recommended that SMEs in Zimbabwe incorporate e-leadership in their business strategy. This could be achieved through setting objectives that seek to attain high e-leadership implementation levels. Such as development would enable the organisation to allocate funding, human and technical resources required to operationalize digital era leadership and set the SMEs on path towards lower costs, higher employment levels and sales growth.

### 5.4.3 Facilitate access to cheaper ICTs

In view of the critical role of ICTs in enhancing communication with all business stakeholders particularly customers, the study recommended that policymakers in the Ministry of Women Affairs, Community Development, Small and Medium-sized Enterprises develop policies that facilitate access to ICTs at cheaper prices. This could be achieved through advocating for zero duty on the importation of ICTs gadgets as well as the network infrastructure required for online communication. Another option would be to

provide subsidies ring fenced for SMEs intending to adopt technology in their leadership processes.

### 5.5 Managerial Implications

This study demonstrated the importance of leaders in aligning business strategy with the digital technology so as to attain sustainable growth. Managers should realize that e-leadership skills are central in the attainment of business growth in the new order of digital technologies. Organisations which successfully implement digital era leadership gain competitive advantage on key performance indicators such as cost reduction and sales growth whose net effect is increased profitability.

### 5.6 Limitations of the study

This study employed a quantitative methodology and collected data using structured questionnaires. This was appropriate in order to test hypothesis set in the introductory chapter. However, the study did not get opportunities to probe the respondents for in-depth details relating to e-leadership and SMEs growth. This was however, compensated by using a bigger sample size which ensured that results could be generalized to the SMEs in Zimbabwe.

### 5.7 Suggestions for further study

In this study, quantitative methods were employed due to limited time as well as the need to conduct statistical tests on variables representing e-leadership and a SMEs growth. A further study could be conducted employing a mixed methodology so as to benefit from in-depth qualitative methods such as interviews. This study also noted that there was a generally low adoption of digital platforms save for social media channels such as Whatsapp and Facebook, in conducting leadership processes among SMEs in Zimbabwe. A further study could investigate the reasons behind the slow uptake of other digital platforms such as emails and online meetings. Last but not least, the current study was conducted in Harare alone yet there are other SMEs in other parts of the country. A further study could be carried out covering other cities and towns preferably with an expanded sample size. This could further enhance the generalisability of the influence of e-leadership on SMEs growth in Zimbabwe.

## 5.8 Conclusion

The study concluded that digital era leadership significantly influence SMEs growth in Zimbabwe through cost reductions, enhancement of employment levels, improved access to global talent and increased sales turnover for SMEs.

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# APPENDICES

## UNIVERSITY OF ZIMBABWE


## GRADUATE SCHOOL OF MANAGEMENT

### Appendix 1: Questionnaire

My name is Tinashe Chisveto. I am a Masters of Business Administration (MBA) degree student with the University of Zimbabwe (UZ). I am carrying out a study titled; **"Impact of digital era leadership on business growth. Case of SMEs in Zimbabwe."** This is in partial fulfillment of the requirements of the degree programme with the University. I request that you assist me by completing the questionnaire. Please note that all information gathered in the study will be treated with strict confidentiality and shall only be used for the purposes of this study. The results of the study will be presented in aggregate form with information from all respondents.

### General Instructions

a) Attempt all questions by ticking or circling your selected choice(s).
b) You may add any information you might consider necessary at the end of the questionnaire.
c) Please do not write your name or anything that identifies you on the questionnaire.

### Section A: Demographic Data

1. **What is your gender?**

| | |
|---|---|
| Male | 1 |
| Female | 2 |

2. **What is your age?**

| | |
|---|---|
| Less than 25 years | 1 |
| 25 - 34 years | 2 |
| 35 - 44 years | 3 |
| 45 - 54 years | 4 |
| 55+ years | 5 |

3. **What is your highest level of education?**

| | |
|---|---|
| Primary education | 1 |
| Ordinary/ Advanced Level | 2 |
| Certificate/ Diploma | 3 |
| First/ Masters Degree | 4 |
| Other (Please specify) …… | 5 |

**Section B: Extent to which e-leadership is applied among SMEs in Zimbabwe**

4. To what extent do you agree or disagree that the following e-leadership practices are applied among SMEs in Zimbabwe. Please use the following scale when responding (1= strongly disagree, 2=disagree, 3= neutral, 4=agree, 5=strongly agree).

| | **E-leadership practices among SMEs in Zimbabwe** | **S** | **C** | **O** | **R** | **E** |
|---|---|---|---|---|---|---|
| 4.1 | In our organisation, emails are used to send and receive instructions, feedback and information between leaders and followers | 1 | 2 | 3 | 4 | 5 |
| 4.2 | In our organisation, leaders use online meetings to communicate key messages to everyone in the organisation | 1 | 2 | 3 | 4 | 5 |
| 4.3 | In our organisation, leaders use social media platforms such as Whatsapp, Facebook and Twitter to coordinate work assignments. | 1 | 2 | 3 | 4 | 5 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 4.4 | In our organisation, leaders communicate digitally the vision, mission and strategic plans of the organisation. | 1 | 2 | 3 | 4 | 5 |

**Section C: Effect of e-leadership on cost reduction among SMEs in Zimbabwe**

5. To what extent do you agree or disagree with the following statements describing the effect of e-leadership on cost reduction among SMEs in Zimbabwe. Please use the following scale when responding (1= strongly disagree, 2=disagree, 3= neutral, 4= agree, 5=strongly agree).

| | **Effect of e-leadership on costs** | | | | | |
|---|---|---|---|---|---|---|
| 6.1 | Telecommuting reduces operational expenses such as transport costs | 1 | 2 | 3 | 4 | 5 |
| 6.2 | E-leadership reduces costs related to traditional physical ways of disseminating information | 1 | 2 | 3 | 4 | 5 |
| 6.3 | E-leadership reduces investment in physical infrastructure such as offices and buildings in costly locations. | 1 | 2 | 3 | 4 | 5 |

**Section D: How non-physical or virtual teams enhance employment levels among SMEs in Zimbabwe**

6. Show your level of agreement or disagreement with the following statements which describe how virtual teams enhance employment levels among SMEs in Zimbabwe. Please use the following scale when responding to each item (1=strongly disagree, 2=disagree, 3= neutral, 4=agree, 5=strongly agree.

| | | | | | | |
|---|---|---|---|---|---|---|
| | **How virtual teams enhance employment levels** | | | | | |
| 8.1 | Distributed teams enable SMEs to locate talent globally. | 1 | 2 | 3 | 4 | 5 |
| 8.2 | Virtual teams enable leaders to increase their span of control. | 1 | 2 | 3 | 4 | 5 |
| 8.3 | Leaders can create social bonds among followers in visual teams effectively encouraging them to stay with the organisation. | 1 | 2 | 3 | 4 | 5 |
| 8.4 | Leaders can build cooperative and trusty relationships which keep employees together through high performance. | 1 | 2 | 3 | 4 | 5 |

**Section E: Impact of leading through ICTs on sales/turnover growth of SMEs in Zimbabwe**

7. Show your level of agreement or disagreement with the following statements describing the impact of leading through information, communication and technologies (ICTs) on sales/turnover growth of SMEs in Zimbabwe. Please use the following scale when responding to each item (1=strongly disagree, 2=disagree, 3= = neutral, 4=agree, 5=strongly agree).

| | **Impact of leading through ICTs on sales/turnover growth** | | | | | |
|---|---|---|---|---|---|---|
| 7.1 | Customers get frequent and timely updates from the organisation and are more likely to be stay satisfied. | 1 | 2 | 3 | 4 | 5 |
| 7.2 | SMEs and their customers benefit from extended business hourly as organisations are reachable all the time. | 1 | 2 | 3 | 4 | 5 |
| 7.3 | SMEs are able to sell more products and services to a wider base of local, regional and global customers. | 1 | 2 | 3 | 4 | 5 |

**Section F: Business growth among SMEs in Zimbabwe**

8. Show your level of agreement or disagreement with the following statements relating to business growth in your organisation over the recent years. Please use the following Likert scale. (1=Strongly Disagree, 2=Disagree, 3=neutral, 4=Agree, 5=Strongly Agree).

| **SMEs growth** | | | | | |
|---|---|---|---|---|---|
| Our employment levels have steadily increased over the recent years | 1 | 2 | 3 | 4 | 5 |
| Our costs of doing business have reduced significantly | 1 | 2 | 3 | 4 | 5 |
| Our organisation has registered steady growth in sales and profits over the years | 1 | 2 | 3 | 4 | 5 |

**The End**

**Thank You**