

Influence of Leadership Style on Commitment of Contact Centres Agents

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Abstract— This article mainly focused on establishing the influence of leadership style on commitment of contact centres agents in Nairobi, Kenya. Specifically, autocratic, transactional and transformational leadership styles were investigated in this study. An exploratory research design was adopted in studying 325 agents from Horizon and Jambo Contact Centres between November and December 2013. Descriptive and inferential statistics were used to analyse data collected in questionnaires. The findings showed that leadership style has a significant influence on commitment of contact centre agents.

Keywords— Autocratic Leadership, Contact Centres, Commitment, Transactional Leadership, Transformational Leadership.

I. INTRODUCTION

Contact centres are key points where organisations interact with their customers. A contact centre agent is the first person that a customer talks to if they have any unresolved queries. Most of these customers perceive the quality of interaction as a reflection of what that organisation stands for. Therefore, operations of contact centres must be aligned with the overall business mission. There is need for contact centre agents to be connected to the organisation they are working for in order to give high quality customer experience (Amahundu, 2018). This necessitates retention of employees with the right attitude and skills that are equal to the task. Efficiency and performance of employees are major aspects that contribute to the growth of a company. Losing qualified and reliable employees is often a big blow to the organisation and the best has to be done to counter the problem beforehand. Among the best strategies is to increase employee commitment for the benefit of both the organization and individual employees. Employee commitment is an investment of time and mental energy with returns often expected. According to Kinyua *et al.*, (2018) employees and employers have a tacit contract where organizations provide employees with secured jobs, opportunities for growth and fair rewards among others in exchange for their commitment. The level of commitment is feasibly affected when employees perceive an imbalanced reciprocity especially if returns are less than their efforts. A key factor that is important in this equation is leadership which very crucial in managing and controlling the parties in contract. A leader is a mediator who should be in a position to defend the interests both the organisation and the employees in a given situation. A number of studies have shown that companies have realised that leadership styles affect the welfare of employees as well as the performance of the

organisation (Avolio, *et al.*, 2009; McCarthy, *et al.*, 2011; Muchiri, *et al.*, 2011).

This study investigated the influence of leadership style on commitment of contact centres agents. It specifically sought to determine the influence of autocratic, transactional and transformational leadership styles on commitment of agents in Jambo and Horizon Contact Centres in Nairobi, Kenya. The research was guided by the following research questions; a) what is the influence of autocratic leadership style on commitment of contact centre agents? b) what is the influence of transactional leadership style on commitment of contact centre agents? c) what is the influence of transformational leadership style on commitment of contact centre agents?

II. LITERATURE REVIEW

A. Leadership Style and Employee Commitment

Business organisations are brought to existence for a given mission which is broken down to several goals and objectives. Of great importance is human factor which is introduced in order to facilitate accomplishment the intentions of business (Veliu, *et al.*, 2017). The contribution of individuals towards achievement of the goals is influenced by a leader who is at the top in the order of human factor. Leadership creates visions of potential opportunities for organizations and instills employee commitment. It also effects changes in strategies in order to activate and focus energy and resources that have been provided in the organisation. The amount of efforts that employees put in their work may be affected by many factors. One of these factors is their attitude which stimulates their choice of action. A choice of action is basically a behaviour which may be desirable or undesirable in the organisation. Veliu, *et al.* (2017) state that attitudes and behaviours of employees positively affect achievement of competitive advantage through effective use and retention of competent workers although leadership style has been found to be the most prevailing factor.

Leadership is a critical factor in the success or failure of any organization. Most of successful organizations start with exceptional leadership which is reflected in their success. According to Yiing and Ahmad (2009), employees who perceive their leaders as adopting, consultative or participative are more satisfied and committed to their jobs and such kind of perception is beneficial to the organization. Therefore, by providing a high level of support, a leader can facilitate right conditions that would be beneficial to both organisational and

employees needs in the workplace. Among the desirable conducts that organisations do not spare efforts to cultivate is commitment whose benefits are enjoyed by the employer and the employee.

Initially, organisations perceived commitment as a unidimensional concept but Meyer and Allen (1997) developed a multi-dimensional construct which guide these efforts depending on the desired outcome; affective, continuance or normative commitment. Employees tend to have affective commitment when their personal values and those of the organisation are synchronised hence they chose to extend their tenure for the emotional connection they feel. Employees who exhibit normative commitment usually feel indebted to the organisation for the investment and support it has bestowed upon them. Continuance commitment is manifested when employees choose to stay as a result of weighing costs and benefits of detaching from an organization and the former is found to be overwhelming. A study by Meyer *et al.* (2002) established that affective commitment correlates negatively with turnover intention, actual labour turnover and absenteeism while it positively correlates with job performance and organizational citizenship behaviour. On the other hand, normative commitment correlates negatively with turnover intention and actual turnover but positively correlates with absenteeism, job performance and organizational citizenship behaviour.

There are many theories of leadership that have been developed over time. These theories show different scopes of leadership and their effects on the followers. An autocratic leader can be defined as a leader who is very strict, directive and makes use of his power of influence from his position to control rewards and force the subordinates to comply with his instruction. This leadership style aims to engender obedience in those working for the organisation to comply and conform to the directives of the leader. It does not provide review or input by the followers because the leader is domineering and therefore creativity and innovativeness is restricted (Nora and Klee, 2007). The leader alone exercises decision-making and authority for determining policy, procedures for achieving goals, work tasks and relationships, control of rewards or punishments. Followers experience great discontent and become apathetic and unproductive when the leader's back is turned. In fact they fervently wait for the removal of the leader when failure befalls him.

Transactional leadership refers to a leadership style in which the leader gives rewards in exchange for subordinates' effort (Bass, 2005). Transactional leaders encourage the subordinates to realize their goals and priority attached to productivity over job satisfaction. The leader often uses management by exception, working on the principle that if something is operating as expected then it does not need attention. Clear structures remain unchanged so that all employees understand the formal systems that act as a guide for maximum performance (Shah and Kamal, 2015). It assumes that people would act sensibly and react to rewards and punishment. Hence this kind of a leader engages the followers in a reciprocal activity of exchanging one thing for another. Moss and Ritossa (2007) adds that these leaders

intervene when the subordinates fail to meet acceptable performance levels and initiate corrective action to improve performance and thus they shun involvement until the errors arise then rush to correct. In other words transactional leaders are solely concern with making sure everything flows smoothly.

Transformational leadership refers to a leadership style in which a leader inspires the followers to continuously achieve higher levels of performance for the good of the organization (Bass, 2005). The transformational leader stimulates exceptional levels of motivation by providing a compelling vision and getting subordinates to transcend their self-interests. Such a leader is considered to be enthusiastic and optimistic when speaking about the future, which arouses and heightens their subordinates' motivation. The leader also understands his followers' needs and fuels development and initiative through empowerment. Tims *et al.*, (2011) state that transformational leaders create a culture of active thinking through intellectual stimulation, and this culture encourages subordinates to become more involved in the organization. This encourages the employees to be creative and think of old problems in new ways. In today's business world, transformational leadership holds significance importance because they make the employees to see the importance of doing things better. This kind of leadership emboldens people to work more efficiently rather than force them to work. The style of leadership has a direct impact on the level of employee commitment because it enhances organisational and personal development and growth, it also improves the work environment, it negatively influences withdrawal behaviour such as turnover, lateness and absenteeism and it positively impacts employees to always be innovative and creative. These crucial benefits depend on how well a leader can balance the demands of both the task and relation among employees (Mahira *et al.*, 2013).

Although no single leadership style can be said to be 'a size that fits all', recognizing the right situation to practice a particular style can make the difference between failure and success. A good leader therefore should have intuition of knowing the best approach for a given situation. In support of this, Mahira *et al.*, (2013) argues that balancing direction and support seem rather an involuntary approach to deal with people but the reality is that, most leaders probably use more sensitive approaches to meet the needs of different employees. For instance, in times of crisis, autocracy may be the most desirable leadership style because subordinates tend to rally around decisive leaders when quick decisions have to be made. However, this leadership style may not be desirable always, otherwise it might make the followers to feel as if they are not competent enough to be entrusted with a task. Nonetheless, trusting in their competence commits them to their work since they have to be accountable for the outcome.

III. METHODOLOGY

An exploratory research design was adopted in this study. Jambo Contact Centre (JCC) and Horizon Contact Centre (HCC) with an accessible population of 2,200 agents were purposive selected. Systematic random sampling technique

was employed to select every 8th and 6th agent from HCC and JCC respectively. This was in a bid to give every agent an equal chance to be included in the sample. Out of 325 questionnaires that were administered 227 were returned and analysed in the study.

IV. RESULTS AND DISCUSSION

The questionnaires bore questions on a Likert Scale which required the respondents to rate their responses about various statements in regard to autocratic, transactional and transformational leadership styles. A five points on Likert Scale represented; 5=Strongly Agree, 4=Agree, 3=Neutral, 2=Disagree and 1=Strongly Disagree. Chi-square and t-tests were performed to establish difference between responses from JCC and HCC and the null hypothesis was tested using ANOVA.

A. Influence of Autocratic Leadership Style on Commitment of Contact Centre Agents

Autocratic leadership style in the contact centres was tested by asking two questions regarding following strict instructions and sharing of views and ideas. In regard to CCAs being required to follow strict instructions by their supervisors, $M=3.60$, $SD=0.559$ was reported in HCC and $M=3.51$, $SD=0.650$ in JCC. This was an indication that they agreed to this attribute which could be due to the fact that such CC leaders sought compliance to their directives so as to conform to the procedures that had been laid down for standardization of their services. Leaders with such a domineering character provide no platform for opinion sharing and therefore, they are often not so receptive of subordinates' suggestions. This was clearly supported by findings which indicated that supervisors did not respect agents' their views and ideas; HCC and JCC, $M=2.22$, $SD=0.758$ and $M=2.40$, $SD=0.764$ respectively.

B. Influence of Transactional Leadership Style on Commitment of Contact Centre Agents

The respondents were asked whether their supervisors gave them practical support at work, $M=3.63$, $SD=0.532$ in HCC and $M=3.54$, $SD=0.554$ in JCC pointed out that they agreed to this attribute. This showed that supervisors were keen on performance and therefore, they strived to identify and redress any errors and shortfalls encountered during service delivery, since the interaction between agents and customers is a crucial moment which reflects an organisation's reliability towards honouring its promise to clients. The respondents also admitted that their supervisors took time to train them as depicted by $M=3.66$, $SD=0.761$ in HCC and $M=3.66$, $SD=0.705$ in JCC. This would go a long way in building a lasting relationship between the agents and their supervisor in return boosting their commitment.

C. Influence of Transformational Leadership Style on Commitment of Contact Centre Agents

The agents admitted that their supervisors were concerned with their personal problems and well-being as indicated by $M=3.86$, $SD=0.738$ in HCC and $M=3.87$, $SD=0.755$ in JCC.

This meant that some supervisors were sensitive to the needs of their employees which made them feel valued and hence increased their commitment. A similar response was received when the agents were asked to rate whether their supervisors encouraged them to be creative in their tasks. The results were $M=3.80$, $SD=0.570$ and $M=3.54$, $SD=0.615$ in HCC and JCC respectively. A significant difference was recorded in responses received from the two contact centres, $t(225) = 3.214$, $p = 0.000$, $\alpha = 0.05$. The difference in the degree of application of transformational leadership could be attributed to difference in the nature of work in the two contact centres which subjected the employees to different situations that require one to challenge the existing procedures through novel perspectives to increase their output. This was further substantiated by an indication that supervisors encouraged agents to constantly develop new skills; $M=3.80$, $SD=0.591$ in HCC and $M=3.55$, $SD=0.603$ in JCC, $t(225) = -3.044$, $p = 0.000$, $\alpha = 0.05$, depicting a significant difference. In addition, transformational leaders not only encourage their followers to extend their skills but also to grow professionally. A good proportion of the agents concurred with the fact that their supervisors appeared interested in their professional development. This was clearly indicated by $M=3.70$, $SD=0.634$ and $M=3.55$, $SD=0.627$ in HCC and JCC respectively.

D. Study Hypothesis

The study had hypothesized that leadership styles does not significantly influence commitment of contact centre agents in Nairobi, Kenya. The ANOVA results showed that F -value was 100.141 and from the Table value $F(2, 224)$ was 3.04 at 5% significant level. The table F value was lower than the computed value and this was led to rejection of null hypothesis and therefore the alternative hypothesis was accepted.

V. CONCLUSION AND RECOMMENDATIONS

From the results of the study, leaders in HCC and JCC practised all the three styles of leadership. It is notable that a single leadership style cannot fit every situation that may be encountered in the workplace and therefore, commitment of employees is affected significantly by each style. For instance, transactional leadership style is best suited when there are targets that must be met and thus the leader takes control so as to get the work done. In such situations, leaders usually focus on accomplishment of tasks and good relationship in exchange for desirable results. Leaders exercise autocratic leadership style when dealing with inexperienced employees or when there is limited time for decision making. Their directives in such cases remains unchallenged because they are more experienced and there is little or no time for negotiations. Transformational leadership style focuses on evolving organizations in a way that matches changing demands of the market. Therefore, the leader instils a spirit of teamwork and lays emphasis on acquisition of new technologies and working methods. The study recommends that leaders should strike a balance in exercising their power so that the commitment of

their followers not affected negatively. It also recommends a research study that focuses on other styles of leaderships

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