Chapter XXVIII
Collaborative Synergy and Leadership in E-Business

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ABSTRACT

Logically, it makes sense that organizations can be successful if their employees collaborate effectively, in a synergistic manner. Economically, e-businesses around the world leverage the Internet for efficient collaboration while in parallel many companies now use enterprise applications for process automation and knowledge sharing. From a human resource perspective, it is argued professionals must inspire and influence their e-business teams to virtually collaborate and synergize across physical organization boundaries using transformational leadership principles. Rationally, investors in e-business need proof that applying knowledge sharing and transformational leadership theories will facilitate team collaboration and synergy and therefore improve organizational performance. Empirically, this e-business industry study develops a statistically significant path model using multivariate linear regression (n=3995), revealing transformational leadership and knowledge sharing factors are mediated by a latent construct of collaborative synergy, which predicts project performance and stakeholder satisfaction. Rival theories are evaluated to stimulate future research.

INTRODUCTION AND RATIONALE

This empirical study answers the general hypothesis: what factors are significant when professionals successfully lead teams to collaborate and synergize across organizations in e-business projects? Given that "collaboration" is "an interactive process that engages two or more participants who work together to achieve outcomes they could not accomplish independently" (Salmons & Wilson, 2008, p. xxxiv), while "organizational synergy" is "an open, integrated process (operational, procedural and cultural) that fosters collaboration and encourages participants to expand connections beyond typical boundaries and achieve innovative outcomes" (Salmons & Wilson, 2008, see Preface

p. xxxiv), then it is proposed the interaction of these theories in contemporary e-business project teams (within and between organizations, including partners) becomes "collaborative synergy." It is argued that collaborative synergy is an unobservable predictive mediator of organizational performance when skilled e-business professionals apply knowledge sharing and transformational leadership principles.

E-business is an important dimension of current organizational business process automation whereby mature companies of all sizes strategically leverage Internet-enabled enterprise computer software to effectively and efficiently transform resources to produce and supply products or services to their clients and partners around the world. The term e-business is defined here as doing business online and thereby leveraging the Internet/digital economy as a business process tool to virtually interact with staff, partners and marketplace clients (Kalakota & Robinson, 2003, 2001). Professionals in e-business will have applied practice in the mainstream "e-business domains" such as Supply Chain Management, Enterprise Resource Planning, Client Relationship Management, Human Resource Management/ Workflow, Executive Information Management, Advanced Strategic Planning/Optimization, and e-Procurement (Bigwood, 2004; Moitra & Krishnamoorthy, 2004). These are the generic e-business software names but not all system vendors utilize these titles.

Skilled project leaders are required to manage e-business team collaboration (Cowley, 2003; Golob, 2002; Lampel, 2001) of which minimum corporate hiring criteria include MBA degrees and Project Management Professional certification plus at least five years applied leadership experience (Labrosse, 2007; PMI, 2007). Due to the challenging e-business project demands, professional leaders are often outsourced because the required leadership and project management skills are difficult to develop (Bone, 1996; Parise & Sasson, 2002; Slowinski, Hummel & Kumpf, 2006). People management is a key success factor because e-business project managers lead multidisciplinary, virtual, collaborative teams, having multiple cultures (Manning, 2003; Trompenaars & Woolliams, 2003). Leaders are further challenged to manage e-business project teams that span departmental functions, beyond country boundaries, that frequently include international partners and vendors (Grant & Baden-Fuller, 2004; Powell, Koput & Smith-Doerr, 1996). E-business projects are complex since the applications must accurately and securely interconnect organizational data, processes, rules, and people across the Internet, introducing unknown risks that could potentially constrain performance.

Research Objective

It is argued that the transformational leadership and knowledge sharing theoretical constructs can be integrated as a single analytical model, using measured project leader (survey) items to explain how two unobserved latent factors (herein referred to as synergy and collaboration) mediate project outcome variables. The research hypothesis is that in e-business projects, the perceived transformational leadership and knowledge sharing factors will have a covariance, that is mediated by an unobservable latent construct of collaborative synergy (team collaboration and synergy), that in turn explains (predicts) the dependent organizational performance variables of earned value and stakeholder satisfaction.

BACKGROUND AND LITERATURE REVIEW

A literature search using the chapter keywords and index terms did not reveal any empirical studies that specifically investigated both transformational leadership and knowledge sharing, within contemporary e-business projects, during 2000-2007. Some of the recent fugitive literature including conference papers and books such as Kalakota and Robinson (2003) discuss some ap-