

A Test of Transactional and Transformational Leadership Behaviour of Salesman on Customer Relationship Marketing Behaviour: A Study of the Indian Banking Sector

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Abstract - *The present study was aimed to test constituents as well as complete theories of Transactional and Transformational Leadership behaviour of salesman on customer relationship marketing behaviour in Indian Banking scenario. For Transactional Leadership it was hypothesized that contingency reward system and management by exception of salesperson positively affect customer trust, customer commitment and together they contribute to customer relationship behaviour. For transformational Leadership it was hypothesized that idealized influence behaviour, individualized considerate, Intellectual stimulation, Inspirational motivation behaviour of salespersons positively affect customers' trust, customers' commitment, customer assumptions and customers optimistic engagement. Non-Probabilistic sampling methods were used. A survey was conducted among 61 sales persons and their customers in the Indian banking sector, and the regression analysis was performed to test hypotheses. Conclusion shows that contingency reward system influence customer relationship up to a certain extent while management by exceptions is not so appropriate for maintaining the relationship with customer though it is showing correlation, while in case of transformational leadership idealized influence behaviour of salespersons positively influences customer trust, individualized consideration of salespersons, in turn influences customer commitment, Intellectual stimulation encourage creativity and changes earlier assumptions of customer and Inspirational Motivation influences optimistic engagement of customers. It was also found that the combined effect of all the constituent of Transformational Leadership theories are positively related with customers' relationship commitment. Conclusion motivate us to think complementary nature of these theories thus points out how leadership development training can be adapted to improve relationship marketing skills of sales persons.*

Index Terms - *Transactional Leadership, Contingency Reward, Management by exception, Transformational*

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leadership, Individualized consideration, Intellectual stimulation, Inspirational motivation, Idealized influence behaviour, Customer Relationship marketing, customer trust, customer commitment, assumptions of customers, optimistic engagement of customers Sales force, Business-to-Business marketing, Banking, India.

1. INTRODUCTION

Transformational leadership is relevant, desired and brings positive change in the followers, it enhances the motivation, morale and performance, through his or her idealized influence, intellectual stimulation, individual consideration and inspirational motivation. Bass added to the initial concepts of Burns (1978) to help explain how transformational leadership could be measured, as well as how it impacts follower motivation and performance [1], [2]. The followers of such a leader feel trust, commitment, admiration, inspiration, loyalty and respect for the leader. James Mac Gregor Burns (1978) first introduced the concept of transforming leadership" [2]. Burns established two concepts: "transforming leadership" and "transactional leadership." Transformational and Transactional (Bass & Avolio, 1991) are all dependent on perceptions [3].

A transactional leader align much on a series of "transactions". This person is interested in looking out for oneself, having exchange benefits with subordinates and clarify a sense of duty with rewards and punishments to reach goals-BASS BM [1]. Bass suggested that leadership can simultaneously display transformational and transactional leadership. Years of research and number of meta-analyses have shown that transformational and transactional leadership positively predicts a wide variety of performance outcomes including individual, group and organizational level variables (Bass & Bass 2008, The Bass Handbook of Leadership: Theory, Research, and Managerial Applications" 4th edition Free Press) [4]. Charismatic and transformational leadership models have attracted considerable research attention (Conger & Kanungo, 1987) [5]. The banking sector plays relevant and dynamic role in the economic development of a country by acting as centre of interest and barometer of the financial system. Liberalization of the Indian Banking sector in the early 1990s resulted the emergence of new horizons which gave the dynamism to the market and enhanced customer expectations. Indian banks need to adopt and implement innovative relationship marketing strategies to maintain the competitive edge in the marketplace. How are Banks misled by an over-reliance on technology and confusion regarding leadership

roles? Leadership roles are not constraints with manager behaviour. The salesperson perspective requires holistic understanding of customer perceptions and leadership strategy for multi-faceted relationships. There has not been any significant attempt merge transformational leadership and marketing in spite of major outcomes of transformational leadership even if so than also full transformational and transactional leadership styles were not tested at least in Indian Banking scenario. In Business-to-business marketing (BTB), the communication ally includes both the selling organization and the individual salespersons in BTB (Doney and Cannon, 1997) [6]. Meta-analyses have shown that it is significantly related to important effectiveness dimensions, e.g., higher performance ratings, enhanced innovativeness, etc, and more importantly in BTB services, Egri and Herman (2000) [7].

2. AIM OF THE STUDY

Objective of the study concentrated on the impact of transactional leadership behaviour and transformational leadership behaviour of sales person on customer relationship in Indian Banking sector, considering the transactional and transformational leadership aspects, leader-follower; salesperson-individual customer relationship and customer relationship marketing behaviour. Study examines whether the transactional leadership behaviour of individual salesperson influence customers trust in salesperson and their relationship commitment with the salesperson in the Indian Banking sector; and whether transformational leadership behaviour of individual salesperson influence customer trust, customer commitment, assumptions of customer, optimistic engagement of customer and their relationship commitment with the salesperson. After knowing the impact of both theories it can be implemented as training module and enhance customer relationship innovative marketing in Indian Banking Sector.

3. REVIEW OF RELATED LITERATURE

Literature relevant with Transformational Leadership, Transactional Leadership and customer relationship theories in the popular press and scholarly work is vast and continues to expand progressively because of its usage, diversity and implementation by academicians and researchers. Not only is the literature vast, it is often scattered. The arrangement of the literature review is as follows: Customer Trust, Customer commitment, Customer Assumptions, Customer Optimistic Engagement, Contingency Reward, Management By Exception, Individualized Consideration, Intellectual Stimulation, Inspirational Motivation and Idealized Influence.

3.1 Customer Trust

Constructing trust among salespeople and their customers has traditionally been considered a relevant element in developing and maintaining a successful sales relationship.

Trust is considered as a strategic variable in current marketing (Selnes, 1998) [8]. Trust and commitment- are the key variables of relationship marketing (Morgan and Hunt, 1994 [9]. Such assumption is nothing more than a trust credit suggested to others before experience can provide a more rational interpretation (Gefen et al .2003,p62) [10]. Some of the items of CT- "Disclose my financial secrets which may help my salesman to make my credit decisions." "Ignore the bad word of mouth (talking negatively) about my salesman."

3.2 Customer Commitment

Commitment is an vital ingredient for successful long-term relationships. Rather than routinely trying to meet or exceed every customer wildest expectations, sales departments began studying customer habits. The trick was to reward customer loyalty, Customers and their salesperson tend to believe that long-term relationships are a decisive source for competitive advantages (e.g., Ganesan 1994) [11].The outcomes for the customer of such long-term orientation (Anderson and Weitz 1992) are committed relationships that improve quality and process performance as well as increasing access to valued resources and technologies [12]. Considerable research has been done in order to illuminate the correlation of social aspects in business relationships such as commitment, satisfaction, long-term orientation, dependence and trust (Garbarino and Johnson 1999) [13]. Taking views into account, customer commitment was measured by items – "going beyond the business relationship with my CRO in order to maintain the business relationship with him/her", "appreciating my CRO's work to his/her colleagues". Some of the items of CC— "Recommending my salesman to my business colleagues for their dealings." "Ask any problem any time from salesman without any hesitation"

3.3 Customer Assumptions

Whether it's in regard to our sales efforts, during a discussion, or when trying to uncover ways to best manage customer, certain assumptions can dramatically affect the results we seek to achieve. This is especially true for research purposes. When clients ask for help in closing more sales, ask them to list the objections they hear that prevent the sale. It's when they start stumbling over their response that I ask, "Are these the objections you are hearing directly from your prospects or what you're assuming as the reason why they don't buy?" Rather than uncovering the real barrier to the sale, assuming where the objection lies becomes a detrimental process that spreads like a virus throughout every sales call. These assumptions are not based on fact but rather the salesperson's assumption of the truth. The problem arises when the salesperson fails to invest the time to go beyond the obvious and to explore the prospect's specific objectives or concerns. Thinking they "know" this prospect, the salesperson provides them with the benefits of his service that he perceives to be

important, without considering the prospect particular. Some of the suggestions to create more selling opportunities. Some of the items of CA- "Whether services offered by salesman are beneficial in nature , comparison with other products." "Whether salesman is able to change the perceived assumptions of customer."

3.4 Customer Optimistic Engagement

Disposed to take a favourable view of events or conditions and expect the most favourable outcome. The impact of transformational leadership styles on followers' effectiveness and motivation has also been documented (Bass & Avolio, 1990) [14]. A tendency to expect the best possible outcome or dwell on the most hopeful aspects of a situation: "There is a touch of optimism in every worry about one's own moral cleanliness" (Victoria Ocampo) doctrine asserted that this world is the best of all possible worlds [15].

1. to come nearer in position, time, quality, character, etc., to (someone or something)
2. to make advances to, as with a proposal, suggestion, etc.
3. a means adopted in tackling a problem, job of work, etc. ideas or actions intended to deal with a problem or situation; "his approach to every problem is to draw up a list of pros and cons"; "an attack on inflation"; "his plan of attack was misguided"
4. access: a way of entering or leaving; "he took a wrong turn on the access to the bridge."

Some of the items of CP- "Whether customer feels that future plans of banks are feasible and possible as communicated by salesman." "Whether customer engage himself with future plans of banks as told by salesman."

3.5 Contingent Reward

As many academics have pointed out, while researchers have learned a great deal about the effects of contingent reward (CR) leader behaviour, relatively little is known about its genesis. CR is traditionally viewed as an independent variable which exerts influence. The final phase in the creation of a customer service training program should be reward (Kerr & Slocum, 1987; Schein, 1985) it suggests that reward systems may work like a layer-cake[16], [17].

3.6 Management by Exception

Management by Exception is a "policy by which management devotes its time to investigating only those situations in which actual results differ significantly from planned results. The idea is that management should spend its valuable time concentrating on the more important items (such as shaping the company's future strategic course). Attention is given only to material deviations requiring investigation."

3.7 Individualized Consideration

Recent empirical evidence indicates that individualized consideration is an important leadership behavior in the workplace (Sarros, Gray, & Densten, 2003) [18]. Bass (2000) identified a developmental orientation and individualized attention to followers as important aspects of individualized consideration [19]. It pay special attention to each individual's needs for achievement and growth (Hinkin and Tracey,1999) [20]. Some of the items of ICARE "Salesman treat as individual rather than just as any other group member/customer." "Salesman spends time for individual customer queries and problems and tries to give best of his services."

3.8 Intellectual Stimulation

Intellectual stimulation is defined as having a leader who stimulate and applaud innovation and creativity, as well as critical thinking and problem-solving. Still another research initiative conducted by Hetland and Sandal in 2003 regarding 177 subordinates and superiors of mid-level Norwegian managers in five different healthcare organizations showed a positive correlation in their application of the intellectual stimulation factor, which was defined as where a leader articulates new ideas that prompt followers to rethink conventional practice and thinking [21]. Some of the items of IS- Salesman re-examine critical assumptions to question "whether they are appropriate." "Salesman seek different perspective when solving problems."

3.9 Inspirational Motivation

Leaders with inspirational motivation justify followers with high standards, communicate optimism about future goals, and provide scope for the task at hand. Followers need to have a strong sense of purpose if they are to be motivated to act. Purpose and meaning provide the energy that drives a group forward. This is an example of inspirational motivational leadership, which is part of the full-range or transformational/transactional leadership model espoused by Burns beginning in 1978 [2]. Intrinsically motivated salespeople seek peer recognition and put the organizations and the customers before their own interests (Kunz and Pfaff, 2002) [22]. Some of the items of IM- "Salesman articulate a compelling vision of the services provided and its future benefits." "Salesman talks optimistically about future and requirements for that."

3.10 Idealized Influence

Provides a role model for high ethical behaviour, in stills pride, gains respect and trust.

1. Comprehensive vision-"I believe that this is truly the right thing to do."
2. General characteristics.
 - Respects, trusts, and demonstrates confidence.

Idealized influence refers to the behaviour characterized by self-confidence, determination, persistence, high competency and willingness to take risks. Some of the items of II- “Salesman go beyond self interest for the good of the customer.” “Salesman acts in way that builds customer respect for him.”

3.11 Transactional Leadership (Hypotheses and its Background)

Some thinkers may be interested in knowing how transactional leadership as a whole influences followers relationship commitment, others provide some evidence on the impact of individual components of transactional leadership. Particularly transactional leader concentrate on the exchange process whereby leader secure the effort of followers through the use of desired incentives (Bass and Avolio, 1990) [14]. These incentives are usually offered as contingent-reinforcement or management-by-exception (Avolio and Bass al., 1991) [3]. Also, transactions may be denoted as either active or passive between leader and follower (Hater & Bass, 1988) [23]. Logically, a transactional leader is more likely to implement only those service-oriented behaviours that are in the spirit of the activities one would expect a transactional leader to undertake. Like for salesman discount and various schemes.

H1:The higher the Contingent Rewards of salesperson, the higher will be the customer trust in that salesperson.

H2:The higher the Management By Exception of a salesperson, the higher will be the customer commitment to that salesperson.

Berry (1995) stresses that attracting new customers should be viewed only as an intermediate step in the marketing process [24]. He proposed relationship marketing as attracting, creating, maintaining and in multi service organizations-enhancing customer relationships. Berry’s notion of customer relationship management resembles that of Gummesson and Evert (1981) [24], [25]. Armstrong and Seng, 2000) identify trust as an antecedent of commitment [26]. The commitment-trust theory of relationship marketing by Morgan and Hunt (1994) also proposes certain variables that contribute to achievement of trust and commitment [9].

H3:The higher the Customer Trust in a salesperson, the higher will be customer commitment with the salesperson.

We can state that both Management By Exception of a salesperson and customer trust affect customer commitment, the following hypotheses is concluded:

H4:The effect of Contingent Reward and Management By Exception(Transactional Leadership) behaviour of salesperson is relevant and positive on customer relationship commitment.

3.12. Transformational Leadership

A transformational leader would be thriving in getting a change plan implemented by intellectually stimulating the followers (Bass, 2000), that will motivate them to rethink old ways of doing business [19]. Empirical tests of the

extraordinary effects of transformational leaders on followers have become known as tests of the 'augmentation hypothesis' (Bass, 1985; Hater & Bass, 1989)[19] ,[23]. Theoretical and empirical research has identified the relevant role that employee behaviours play in the formation of customers' quality perceptions and loyalty behaviours Maxham, Netemeyer and Lichtenstein, 2008;) [27]. It shows the pathway. Successful and innovative marketers move beyond physical connections of the product, price, place, promotion to psychological connections. Some of the successful cases– The Container Store, and Harley-Davidson. Their business models cater to employee and customer emotions, making them great companies. Connected companies replace business transactions with superior human interactions (Szymanski.M.David) [28]. Salesperson are constituents of society and if they show individualized consideration for customer than certainly it will increase customer commitment which ultimately leads to enhance relationship.

H5:The higher the idealized influence behaviour of a salesperson, the higher will be the customer trust in that salesperson.

H6:The higher the individualized considerate behaviour of a salesperson the higher will be the customer commitment to that salesperson.

H7:The higher the intellectual stimulation of a salesperson the higher will be the change in the assumption of customer.

H8:The higher the inspirational motivation of salesperson, the higher will be the optimistic engagement of customer.

H9:The mutual effect of Idealized Influence, Individualized considerate behaviour, Intellectual Stimulation and Inspirational Motivation (Transformational Leadership) of salesperson is relevant and positive on the customer relationship commitment(customer trust, customer commitment, customer assumption and customer optimized engagement).

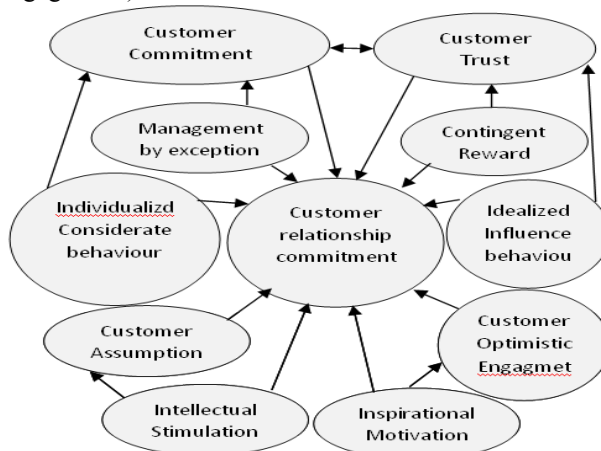


Figure 1

4. RESEARCH METHODOLOGY:

Questionnaire was used to collect the primary data to answer the research questions and objectives regarding customers' perception on Leadership behaviour of salesman in India. Study focuses on the causal relationship, thus the questionnaire method is more appropriate. Second, a valid and reliable measure of transformational leadership is readily available in questionnaire form.

5. POPULATION, SAMPLE, AND SUBJECTS

A total of 110 questionnaires were distributed to banks operating in the India. The number of questionnaires delivered to each bank was determined by the size of its customer database. From the questionnaire distributed, seventy questionnaires were collected, of which 9 were excluded due to incomplete data. Non probabilistic sampling techniques were used. Items selected to measure customer trust, customer commitment, customer assumptions and optimistic engagement of customers (four statements per each) from the existing measurements, and selected relevant items of Multifactor Leadership Questionnaire (MLQ-5x) to measure four dimensions of transactional leadership and four dimensions of transformational leadership. The questionnaire included a total of 40 items. Items were discussed with some senior bankers with experience in corporate banking with the aim of improving the content validity of the measurements. Some of the items were customize, so that customer can correlate the statements. All the variables of the present study were measured on a 4 point scale anchored by "0" indicating "not at all" and "4" indicating "frequently if not always".

6. ANALYSIS AND FINDINGS

The analysis was performed in SPSS version 17. The correlation table shows relevant correlation between variables.

6.1 Reliability Analysis

To assess the reliability and internal consistency of the data, the Cronbach alpha test was performed. Variables exceeded the value of 0.6 and concluded as reliable for the study.

| Group Name | Questions | Cronbch Alpha |
|---------------------|---------------|---------------|
| Contingency Reward | Q-1,2,3,4 | 0.6491 |
| MBE | Q-5,6,7,8 | 0.7748 |
| Individulized Consd | Q-9,10,11,12 | 0.6710 |
| Intepectul Stimultn | Q-13,14,15,16 | 0.7022 |
| Inspird Motivation | Q-17,18,19,20 | 0.6103 |
| Idealized Influence | Q-21,22,23,24 | 0.7144 |
| Customer Trust | Q-25,26,27,28 | 0.6552 |

| Group Name | Questions | Cronbch Alpha |
|------------------|---------------|---------------|
| Customer Commit | Q-29,30,31,32 | 0.7036 |
| Customer Asumptn | Q-33,34,35,36 | 0.7869 |
| Optimizd Engagmt | Q-37,38,39,40 | 0.7137 |

Table1

6.2 Relationship Analyses

In order to understand the correlation between the transformational leadership, transactional leadership, Customer relationship commitment, the matrix of correlation coefficients were shown in Table 2. A higher coefficient indicates a stronger correlation between variables.

6.3 Contingency Reward And Customer Trust

One of the most important fact is to verify the relationship between contingency reward and trust. Table 2 displays positive and significant correlations between contingency reward and customer trust. These results provide support for a consistent positive relationship between contingency reward and customer trust, therefore suggest that Hypothesis 1 is supported. Hypothesis 1, that contingency Reward is positively correlated with customer trust, is supported.

| | Intellectual Stimulation | Customer Assumption |
|--|--------------------------|---------------------|
| Contingency Reward Pearson Correlation (Sig 2tail) | .479 .000 | 1 |
| Customer Trust Pearson Correlt (Sig 2 tail) | 1 | .479 .000 |

Table 2

6.4 Management by Exception and Customer Commitment

Hypothesis 2 stated that the Management By Exception Behaviour of salesperson is positively correlated with Customer Commitment. Management By Exception and Customer Commitment are positively related, was supported in the findings. Table 2 indicates that there was a significant positive correlation between Management By Exception and customer commitment. However, this correlation was moderate, $r = 0.26$, $p < 0.01$. Consequently, Hypothesis 2 is supported.

| | Management by Exception | Customer Commitment |
|---|-------------------------|---------------------|
| Management by Exception Pearson Correlation (Sig 2tail) | .267 .038 | 1 |
| Customer Commitment | 1 | .267 .038 |

Table 3

6.5 CUSTOMER TRUST AND CUSTOMER COMMITMENT

The third and central hypotheses, that customer trust and customer commitment are positively related, was supported in the findings. There was a significant positive correlation between customer trust and customer commitment shown in table 2. Correlation suggest $r = .60$. Hence Hypotheses 3 was supported.

| | Customer Commitment | Customer Trust |
|--|---------------------|----------------|
| Customer Trust Pearson Correlation (Sig 2tail) | .605 .000 | 1 |
| Customer Commitment | 1 .000 | .605 |

Table 4

6.6 Transactional Leadership and Customer Relationship

Fourth and one of the most important hypotheses, that contingency reward, management by exception, customer trust and customer commitment are positively correlated. Results shows the relevance for the consistence positive relationship between the variables of transactional leadership(contingency reward, management by exception) and customer relationship commitment(customer trust, customer commitment) shown in table 2. Therefore hypotheses 4 is supported.

| | Customer Trust | Customer Commit | Contgency Reward | Mgmt By Exce ption |
|---|----------------|-----------------|------------------|--------------------|
| Customer Trust Pearsn Cor 2 tail | 1 | .605 .000 | .479 .000 | .316 .013 |
| Customer Comt Pearsn Cor 2 tail | .605 000 | 1 | .347 .006 | .267. 038 |
| Contingency Reward Pearsn Cor 2 tail | .479 .000 | .347 .006 | 1 | .094 .473 |
| Management By Exception Pearsn Cor 2 tail | .316 .013 | .267 .038 | .094 .473 | 1 |

Table 5

6.7 Idealized Influence and Customer Trust

Hypotheses 5 stated that there exist a positive and significant relationship between Idealized Influence and Customer Trust. Table 2 justified positive and significant relationship between Idealized Influence and Customer Trust.

Hypotheses 5 that there exists a positive and significant relationship between Idealized Influence and Customer Trust is supported.

| | Customer Trust | Idealized Influence |
|---|----------------|---------------------|
| Idealized Influence Pearson Correlation (Sig 2tail) | .092 .482 | 1 |
| Customer Trust | 1 | .092 .482 |

Table 6

6.8 Individualized Consideration and Customer Commitment

Hypothesis 6 stated that the Individualized Consideration Behaviour of salesperson is positively correlated with Customer Commitment. Individualized Consideration and Customer Commitment are positively related, was supported in the findings. Table 2 indicates that there was a significant positive correlation between Individualized Consideration and Customer Commitment. This correlation was relevant, $r = 0.59$. Consequently, Hypothesis 6 is supported.

| | Customer Commitment | Individualized Consideration |
|--|---------------------|------------------------------|
| Individualized Consideration Pearson Correlation (Sig 2tail) | .596 .000 | 1 |
| Customer Commitment | 1 | .596 .000 |

Table 7

6.9 Intellectual Stimulation and Customer Assumption

One of the most important relationships that need to be verified is the relationship between contingency reward and trust. Table 2 displays positive and significant correlations between Intellectual Stimulation and Customer Assumption. Correlation was relevant $r = 0.53$. These results provide support for a consistent positive relationship between Intellectual Stimulation and Customer Assumption, therefore suggest that Hypothesis 7 is supported. Hypothesis 7, that Intellectual stimulation is positively correlated with customer assumption, is supported.

| | Intellectual Stimulation | Customer Assumption |
|---|--------------------------|---------------------|
| Customer Assumption Pearson Correlation (Sig 2tail) | .531 .000 | 1 |
| Intellectual Stimulation | 1 | .531 .000 |

Table 8

6.10 Inspired Motivation and Optimized Engagement

Hypothesis 8 stated that the Inspired Motivation Behaviour of salesperson is positively correlated with Optimized Engagement of customer. Inspired Motivation and Optimized Engagement are positively related, was supported in the findings. Table 2 indicates that there was a significant positive correlation between Inspired Motivation and Optimized Engagement. This correlation was relevant, $r = 0.58$. Consequently, Hypothesis 8 is supported.

| | Optimized Engagement | Inspired Motivation |
|---|----------------------|---------------------|
| Inspired Motivation Pearson Correlation (Sig 2tail) | .589 .000 | 1 |
| Optimized Engagement | 1 | .589 .000 |

Table 9

6.11 Transformational Leadership and Customer Relationship

Hypotheses 9 stated that there exist a positive and significant relationship between Transformational Leadership (Idealized Influence, Individualized Consideration, Intellectual stimulation, Inspired Motivation) and Customer Relationship (customer trust, customer commitment, customer assumption, optimized engagement). Table 2 justified positive and significant relationship between Transformational Leadership and Customer Relationship.

Hypotheses 9 that there exists a positive and significant relationship between Transformational Leadership and Customer Relationship is supported.

| | Ins Mot | Opt Eng | Cst Trs | Cst Cmt | Idl Infl | Indl Cons | Intl Stm | Customer Ass |
|------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| IM (2 Tal) | 1 | .589 .000 | .207 .109 | .228 .077 | .047 .720 | .329 .076 | .224 .083 | .072 .579 |
| OE (2 Tal) | .58 .00 | 1 | .141 .277 | .324 .011 | .121 .353 | .211 .103 | -.08 .525 | -.13 .388 |
| CT (2 Tal) | .20 .10 | .141 .277 | 1 | .605 .000 | .092 .482 | .380 .003 | .140 .282 | .216 .16 |
| CM (2 Tal) | .22 .07 | .324 .011 | .605 .000 | 1 | .086 .508 | .596 .000 | .019 .885 | -.03 .7 |

| | Ins Mot | Opt Eng | Cst Trs | Cst Cmt | Idl Infl | Indl Cons | Intl Stm | Customer Ass |
|------------|------------|---------------|--------------|---------------|--------------|---------------|--------------|--------------|
| II (2 Tal) | .04 .72 | .121 .353 | .092 .482 | .086 .508 | 1 | .179 .167 | .316 .013 | .159 .20 |
| IC (2 Tal) | .22 .07 | .211 .103 | .380 .003 | .596 .000 | .179 .167 | 1 | .019 .881 | -.06 .45 |
| IS (2 Tal) | .22 .08 | -.083 .525 | .140 .282 | -.019 .885 | .316 .013 | .019 .881 | 1 | .531 .31 |
| CA (2 Tal) | .07 .57 | -.113 .388 | .216 .094 | -.037 .776 | .159 .220 | -.060 .645 | .531 .000 | 1 |

Table 10

IM-Inspirational Motivation, OE-Optimized Engagement, CT- Customer Trust, CM- Customer Commitment, II- Idealized Influence, IC- Individualized Consideration, IS- Intellectual Stimulation, CA-Customer Assumption.

7. MANAGERIAL IMPLICATION

Research tries to correlate leadership prospects of salesman and customer relationship behaviour. By scrutinizing each and every aspect of transactional leadership behaviour and transformational leadership behaviour of salesman on customer relationship, it can be concluded that training module programme can enhance the effectiveness of salesman customer relationship. In India, relationship marketing includes policies and procedure which are very basic in nature. In fact in some banks customer have to deal with delay and ineffective services. Customer relationship is just used as buzz word, there is no feedback and does not sufficiently recognize the salesperson as a potential means of implementing best relationship marketing. Research work showed the importance of effective and individual selling (Doney and Cannon, 1997; Beverland, 2001) the importance of personal interaction in the service industry (Armstrong and Seng, 2000) [6], [29], [26]. In fact there are well-developed transactional and transformational leadership training modules, but there are no such training modules in the area of relationship marketing especially for banking sector in India, Though Bass conceptualize transformational and transactional leadership can be employed to enhance the practice of personal selling, he failed to grouped his discussion on an appropriate theoretical base.

In this paper we have tried to address this gap, linking and finding out the impact of complete transactional and transformational approaches.

8. LIMITATION, FURTHER RESEARCH AND CONCLUSION

The sample elected for the study suffers from many constraints. The selection of banks, salesperson as well as customers depended on their willingness to participate and their convenience consequently resulted into constraints. Present study chooses two theories transactional leadership and transformational leadership however, future researchers can consider the other dimensions and leadership aspects and theories like charismatic, influential theory, behavioural theory even go for further improvement in leadership theories and enhanced for effective utilisation with relationship marketing. It is also very important to understand how much these leadership theories can be implemented on salesperson. Another constraint is that loyal customer may have some perception on customer thinking which might have influenced in knowing the actual leadership behaviour and its impact on customer. The lack of recognition for the salesperson in implementing relationship marketing may be due to the lack of research on how salespeople actually build relationships (Beverland, 2001) [29]. Future research may be focused on whole leadership concept and include all the leadership theories, even go with experimental leadership theories, they can opt for more appropriate sampling techniques even cross national surveys can be done for knowing the leadership aspects and different financial institutions can be included for research purposes. In fact, while most transformational & transactional leadership models take it granted that followers attribute leadership qualities based on face-to-face exchanges with the leader, the bulk of studies in this area result in measuring distant as opposed to close leadership relationship. Specifically, this study provides evidence of transformational and transactional effects in a real organizational setting, where followers were assessing the leader they know and deal with on a daily basis. The evolution of innovative complex business strategies has increased the challenge to banks to consider the salesman leadership behaviour-customer relationships in a dynamic way, using strategies that are new and effective. In designing this study, our initial position was that both leadership styles are necessary conditions for leadership traits. Transformational Leadership has been linked to outcomes such as leadership effectiveness, innovativeness, quality improvement, Transactional Leadership was also positively correlated with these outcomes, but, in general, the relationships were considerably weaker than those found for transformational leadership. Finally, though both transactional and transformation leadership styles ultimately self evident to enhance service performance, the impact of transformational leadership is likely to be greater and stronger than its counterpart. To maximize the satisfaction and performance levels of their followers, leaders must possess charisma, provide individualized consideration, and be intellectually stimulating and inspiring to followers.

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