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Management as a concept is discussed in all functional areas. The scope is not just restricted to the industries but becomes applicable to almost all the sectors such as agriculture, industries, services and the entire economy. In all these areas the resources being employed by the entrepreneurs are fundamentally scarce. They are not only scarce but can be used for multiple purposes. So there arises the problem of decision making and effective utilization of the resources. Management in particular attempts to provide an answer to this fundamental problem faced in the different sectors. In this process of decision making, the role of leadership gains prominence.

In the present issue, we include the research study conducted on the leadership. The paper highlights the point that the need of the hour is transformational leadership. In other words we require a leader who can think innovatively and give a new direction to the people and resources for being placed on higher growth path. The second article uses statistical techniques to study the level of development . The article develops few hypotheses and employs scientific techniques to verify these hypotheses with respect to development. The third article focuses on the understanding the trends and variations in the exports of India. By using the graphical method the author brings an insight into the export canvas of the country. Consumer behavior issues with regard to the trade practices are examined in the last article. The case study and the book review are the features of the journal that are being continued in the present issue. The articles, case study and the book review would help in giving new direction to researchers in the respective fields.

Dr. T. V. G. Sarma  
Editor



# Building Transformational Leaders At Workplace

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**Abstract :** Modern organizations face a continuous challenge of growing leaders at the workplace who are geared to steer the organization forward in turbulent times. The importance of growing leaders is appreciated by progressive organizations in the industry and many of them initiated measures like developing a leadership pipeline, in-house continued education to prepare for leadership challenges, etc in one form or other. Management research claims that organisational performance is directly influenced by the quality of leadership across different levels. Leader characteristics, factors affecting leader-member exchange, and a number of mediating variables are studied in depth by researchers over decades, and there is a general consensus that leadership plays a significant role in organizational performance.

In the last twenty five years, a concept which gained increasing popularity among leadership researchers is Transformational Leadership (Burns 1978). A principal aspect of transformational leadership is its emphasis on follower development (Avolio & Gibbons, 1988). Transformational leaders evaluate the potential of all followers in terms of their ability to fulfill current commitments, while also envisioning expansion of their future responsibilities. In contrast, transactional leaders expect followers to achieve agreed-upon objectives, but do not encourage them to assume greater responsibility for developing and leading themselves and others (Bass, 1985; Burns, 1978).

The current article dwells on the need for developing transformational leaders at workplace, the tools and techniques, and the potential impact on organizational performance. A model will be proposed showing the role of different variables impacting growth of transformational leaders in modern organizations.

**Key words :** Transformational leadership, follower development, transactional leadership

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***Transformational leadership is that which :***

*...facilitates a redefinition of a people's mission and vision, a renewal of their commitment and the restructuring of their systems for goal accomplishment. It is a relationship of mutual stimulation and elevation that converts followers into leaders and may convert leaders into moral agents. Hence, transformational leadership must be grounded in moral foundations.*

*(Leithwood, as cited in Cashin et al., 2000)*

## 1.0 Introduction :

Leadership scholars define a leader as a person who sets attractive goals and has the ability to attract followers, or constituents, who share those goals. Leadership is considered a very potent area for management research. In his Pulitzer Prize-winning book *Leadership*, the political scientist James MacGregor Burns (1978) introduced a leadership theory that has been widely influential during the past three decades. Central to Burns's theory is a differentiation between two contrasting leader types, transactional and transforming.

Organisational performance is directly influenced by the quality of leadership across different levels. Leaders have an innate responsibility to ensure that their followers willingly do the needful to ensure that organizational objectives are achieved. Leader characteristics, factors affecting leader-member exchange, and a number of mediating variables are studied in depth by researchers over decades, and there is a general consensus that leadership plays a significant role in organizational performance.

Bower M (1997), an ex-senior consultant of McKinsey's, urged senior managers in organisations to abandon command-and-control structures and adopt a program to develop leaders, starting with themselves. He posited that a business should not be run by a single leader, but that it should be run by a network of leaders positioned right through the organization.

Modern organizations face a continuous challenge of growing leaders at the workplace who are geared to steer the organization forward in turbulent times. The importance of growing

leaders is appreciated by progressive organizations in the industry like the Tatas, the Birlas and the Ambanis and many more business groups in India; many of them initiated measures like developing a leadership pipeline, in-house continued education to prepare for leadership challenges, etc in one form or other.

The subject of leadership and organization change is embedded deeply in the lexicon and discourse of business executives, management consultants, and organizational scholars (Cummings, 1997).

Burns (1978) had been the pioneer in proposing the concepts of transformational and transactional leadership, drawing from the literature concepts of traits, leader-member exchange, leadership styles and from his observations in research. A number of researchers worked on the topic henceforth, the most notable being Bass & Avolio (1985) who had developed a multifactor leadership instrument to capture transformational leadership skills of an individual self and by rater. They promoted the use of full range leadership.

## 2.0 Transformational Leadership Vs Transactional Leadership

Over the past twenty five years, a number of researchers worked in the area and meta analyses conducted at varied points of time showed some convergence among organizational behavior scholars concerning a new genre of leadership theories, alternatively referred to as "transformational," "charismatic," or "visionary." Despite different emphases in each theory, House and Shamir (1993) asserted that "it can be safely concluded that there is a

strong convergence of the findings from studies with charismatic leadership and those concerned with transformational and visionary leadership”.

**Transactional leaders** exert influence by setting goals, clarifying desired outcomes, providing feedback, and exchanging rewards for accomplishments. Bass (1985) characterized the traditional transactional leader as one who operates within the given structural and cultural limits, avoids risk taking, prefers going by the rule, time constraints, efficiency and the like are guiding his work behavior. A skillful transactional leader is most successful in stable environments where past performance can be analysed to predict future requirements and traditional decision making process helps in achieving his goals.

**Transformational leaders**, who exhibit charismatic behaviors, arouse inspirational motivation, provide intellectual stimulation, and treat followers with individualized consideration, transform their followers toward reaching their full potential and generate higher levels of performance (Bass & Avolio, 1990). Transformational leaders exert additional influence by broadening and elevating followers' goals and providing them with confidence to perform beyond the expectations specified in the implicit exchange agreement.

O'shea et al (2009) proposed that transactional and transformational leadership co-exists in individuals and they are not mutually exclusive. They concluded that two of the three patterns emerging as types contained high levels of both transformational and transactional behaviors. The optimal pattern was the most common mixed (i.e. transformational and

transactional) type.

A principal aspect of transformational leadership is its emphasis on **follower development** (Avolio & Gibbons, 1988). Transformational leaders evaluate the potential of all followers in terms of their ability to fulfill current commitments, while also envisioning expansion of their future responsibilities. In contrast, transactional leaders expect followers to achieve agreed-upon objectives, but do not encourage them to assume greater responsibility for developing and leading themselves and others (Bass, 1985; Burns, 1978).

### **3.0 Significance Of Transformational Leadership In Today's Business Context**

Transactional leadership gets results in stable conditions, but in volatile business conditions, leaders need to be more transformational, be able to introduce changes in the organisation taking environmental and internal changes into consideration. More importantly, transformational leaders not only take decisions in the best interests of the organization, but also guide followers to the best of their potential.

Transformational leadership has been associated with the personal outcomes (Hatter & Bass, 1988; Barling, Moutinho, & Kelloway, 1998; Kirkpatrick & Locke, 1996) of the follower as well as organizational outcomes (Boerner, Eisenbeiss, & Griesser, 2007; Zhu, Chew, & Spangler, 2005; Jorg & Schyns, 2004; Barling, Weber, & Kelloway, 1996; Howell & Avolio, 1993). Research has shown that transformational leadership impacts follower satisfaction (Hatter & Bass; Koh, Steers, & Terborg, 1995) and commitment to the organization (Barling et al., 1996; Koh et al.).

Research has also shown that transformational leadership impacts employee commitment to organizational change (Yu, Leithwood, & Jantzi, 2002) and organizational conditions (Lam, Wei, Pan, & Chan, 2002). Due to its impact on personal and organizational outcomes, transformational leadership is needed in all organizations (Tucker & Russell, 2004). According to Aarons (2006), "Leadership is associated with organizational and staff performance".

#### **Organisational Experiences**

*While talking to executives working in private insurance organisations in Goa on leader development, a general process had come to the fore. The Chief Executive Officer creates a hype around leadership, and mentions in periodic branch visits that some leaders (from those who had put in five years with the organization, etc) are being identified based on their potential, and will be groomed separately. Certain feelers are sent as what kinds of leaders are valued, and in each lot one or two leaders are identified from each office and grouped separately. They attend different training modules, get ahead much faster than their colleagues. Their performance seems to visibly improve and their commitment to organization development becomes immense.*

#### **4.0 Significant Attributes of Transformational Leaders:**

Charismatic leaders, visionary leaders, Level-5 leaders (Collins J), are terms used synonymously in literature, with transformational leaders. With minor differences in a couple of attributes, they reflect a leader personality that focuses on introducing, implementing and monitoring transformational changes across the organization – that impact the organizational performance exponentially. Transformational leaders work to bring about

human and economic transformation. Within the organization they generate visions, missions, goals, and a culture that contributes to the ability of individuals, groups, and the organization to "practice its values and serve its purpose" (Hickman, 1997). These leaders are reliable leaders who generate commitment from followers which results in a sense of shared purpose (Waddock & Post, 1991). The leader's ability to inspire, motivate, and foster commitment to a shared purpose is crucial (Bass, Waldman et al., 1987).

The table 1 gives the most comprehensive attributes of transformational leaders

Together, the four main dimensions of transformational leadership are interdependent; they must co-exist; and they are held to have an additive effect that yields performance beyond expectations (Gellis, 2001; Hall, Johnson, Wysocki & Kepner, 2002; Kelly, 2003).

Table 2 summarizes the characteristics that, according to the extant literature, accompany the four foundational attributes of a transformational leader. Collectively, they do suggest a human being of remarkable capabilities! They lead changes in mission, strategy, structure and culture, in part through a focus on intangible qualities like vision, shared values and ideas, and relationship building. They are able to give significance to diverse activities, illustrating, for example, the ways in which different people and groups might be working towards larger organizational objectives. Transformational leaders also find common ground that allows them to initiate followers in processes of change.



**Table 1. Dimensions of Transformational Leadership**

The Four Common I's	Leithwood's Six
<ol style="list-style-type: none"> <li>1. Idealized influence. Charismatic vision and behaviour that inspires others to follow.</li> <li>2. Inspirational motivation. Capacity to motivate others to commit to the vision.</li> <li>3. Intellectual stimulation. Encouraging innovation and creativity.</li> <li>4. Individualized consideration. Coaching to the specific needs of followers.</li> </ol>	<ol style="list-style-type: none"> <li>1. Building vision and goals.</li> <li>2. Providing intellectual stimulation.</li> <li>3. Offering individualized support.</li> <li>4. Symbolizing professional practices and values.</li> <li>5. Demonstrating high performance expectations.</li> <li>6. Developing structures to foster participation in decisions.</li> </ol>
<p>Sources: Barbuto (2005); Hall, Johnson, Wysocki&amp;Kepner (2002); Judge &amp; Piccolo, 2004; Kelly (2003); Simic (1998).</p>	<p>Source: Leithwood&amp;Jantzi (2000).</p>

## 5.0 Developing Transformational Leaders :

### 5.1 The Process of Building

#### Transformational leaders at work :

Despite general consensus on the contribution of transformational leaders to organisational performance, literature does not speak much about the process of building transformational leaders at work place.

Emergence of transformational leadership depends in part on the context in which the leader and followers interact (Bass, Avolio, et al, 2003). They had studied how transactional and transformational leadership predicted unit performance, while operating under high conditions of uncertainty and concluded that both transactional and transformational leadership are required for maintaining cohesion and developing potency of the organizational units.

Only Avolio and Gibbons (1988) have

addressed the development of transformational leadership specifically. They analyzed the life histories of successful CEOs and identified several early factors associated with transformational leadership, including parents who set high standards for achievement and who encouraged their children to be the best, and family circumstances that were difficult but not overwhelming. Furthermore, transformational leaders had often learned, within the family, how to deal with disappointment and conflict effectively.

Barling&Kelloway (2000) studied the impact of transformational leadership in parents (as perceived by their children) on development of similar behavioural patterns in the children.

They proposed and tested a model showing the impact of transformational leadership of father, mother and the skills of the student (they studied children who are sportsmen) on the



**Table 2. Characteristics of Transformational Leaders.**

<ul style="list-style-type: none"> <li>• Clear sense of purpose, expressed simply (e.g. metaphors, anecdotes)</li> <li>• Value driven (e.g. have core values and congruent behaviour)</li> <li>• Strong role model</li> <li>• High expectations</li> <li>• Persistent</li> <li>• Self-knowing</li> <li>• Perpetual desire for learning</li> <li>• Love work</li> <li>• Life-long learners</li> <li>• Identify themselves as change agents</li> <li>• Enthusiastic</li> <li>• Able to attract and inspire others</li> <li>• strategic</li> <li>• Effective communicator</li> </ul>	<ul style="list-style-type: none"> <li>• Emotionally mature</li> <li>• Courageous</li> <li>• Risk-taking</li> <li>• Risk-sharing</li> <li>• Visionary</li> <li>• Unwilling to believe in failure</li> <li>• Sense of public need.</li> <li>• Considerate of the personal needs of employees</li> <li>• Listens to all viewpoints to develop spirit of cooperation</li> <li>• Mentoring</li> <li>• Able to deal with complexity, uncertainty and ambiguity</li> </ul>
<p><i>Sources: Bass (1990a); Cox (2001); Epitropaki (undated); Hall, Johnson, Wysocki&amp;Kepner (2002); Lussier&amp;Achua (2004); Stone, Russell &amp; Patterson (2003); Tichy&amp;Devanna (1986); and University of Regina (undated).</i></p>	

transformational leadership skill of the children.

## **5.2 Can transformational leaders be made?**

A few decades ago, leadership discussion used to center around it being a science (can it be taught logically?) or an art (you need to be born with the required traits to become a leader). Now there is a consensus between the academia and the industry that leaders can be trained, and millions of rupees are spent by the industry and the academic institutions

nationwide to develop leaders who can contribute to the growth of an organization, and the nation at large. Some call it leadership pipeline, some call it performance management or grooming potential leaders or succession planning and so on. Leadership development is defined as expanding the collective capacity to engage effectively in leadership roles and processes.(McCauley et al, 1998).

In addition to building leaders by providing training in a set of skills and abilities, a complementary perspective talks of leadership

development as a social perspective. Here, everyone is considered a leader. Leadership is considered as an effect rather than a cause (Drath, 1998). Leadership is therefore an emergent property of effective systems design. To build leadership capacity, organisations need to continuously reinvent themselves, and they need to cater to individual leader development and collective leadership development. Both these should be linked to each other and to the organization strategy. (Day, 2001). Hirai & Summers discussed at length the importance of leader development and education, stressing the need for growing leaders for tomorrow today, especially in the army context.

They suggested creation of fellowships for selected leaders in agencies that will enable in-depth analysis of Army doctrine, organization, training, materiel, leadership, education, personnel, and facilities (DOTMLPF). They postulated that such experiences will create heightened understanding of the relationship between the institutional, organizational, and self-development domains, exposing redundancy, promoting integration, synchronizing resource allocation, and focusing efforts on relevant requirements. They also mention that these are also relevant in the civil society.

Avolio & Hannah (2008) proposed a model showing the developmental readiness of the individual, the organization and triggering events have an impact on positive accelerated leader development. While the benefits of transformational leadership are widely acknowledged, it makes better sense to study the process in more detail, and if any, steps (and

a model) can be proposed for building such leaders at the workplace.

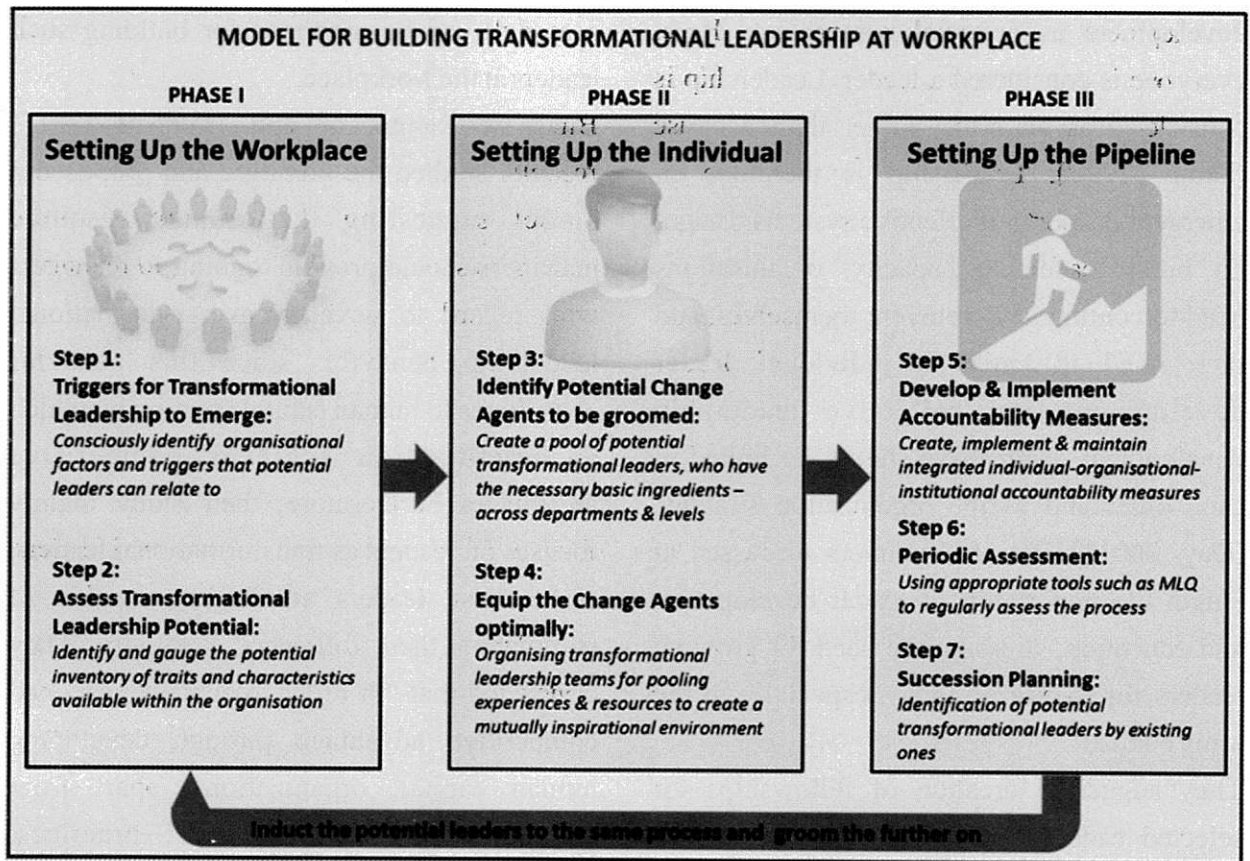
Birasnav, Rangnekar and Dalapati (2011) recently studied the literature and proposed a model suggesting that human resource managers should provide training to managers with regard to developing transformational leadership behavior, since this behavior contributes to human capital creation by which an organization achieves competitive advantage. Furthermore, their study mainly focuses on leaders as transformational leaders, since these leaders are highly capable of stimulating their followers' creativity. They concluded that "in order to achieve sustained competitive advantage through developing human capital, organizations, apart from human resource management practices, concentrate on developing transformational leaders and implementing knowledge management"

In line with Birasnav et al, we propose that transformational leaders can be developed by identifying potential leaders with core values, and groomed through training and development. The proposed model is given in the diagram.

A conscious effort by the top management in the human resources department is very crucial, to take it up as a major project to build transformational leaders at work. Given the organizational commitment to building transformational leaders, we propose the following steps:

**1. Triggers for transformational leadership to emerge:** Incidents that bring out the best of





the leadership potential to emerge in individuals. Research says that impending financial bankruptcy had triggered many organizational leaders to emerge as transformational leaders; they introduced drastic organization wide changes and turned around the organization within a short time. In regular day to day affairs, people may get lost in transactional leadership and may not give time / make effort to create a common vision and direct people towards achieving the same. An organization keen on developing transformational leaders at work may need to consciously identify triggers that potential leaders can relate to, find a bonding among themselves and go all out to develop as transformational leaders. These triggers could be small (for example – to get the best department award) but to which many people

can strongly relate to.

2. **Assess transformational leadership potential:** The basic ingredients of transformational leadership. Bass & Avolio, in their Full range leadership model suggest general characteristics of leaders (being empathetic, valuing of individual needs, encouraging continuous improvement) are essential to become transformational leaders. He needs to have a genuine interest in the welfare of people and takes initiative to develop them.
3. **Identify potential change agents to be groomed:** Create a pool of potential transformational leaders, who have the necessary basic ingredients – across different departments, across different levels.

**4. Equip Change Agents Optimally:** To motivate them to motivate others, to share their passion and positive energy, attend workshops on transformational leadership. Those needed in organizations that are changing and developing--as well as the kinds of skills, competencies, and perspectives that are needed for transforming those organizations. Development can and should involve organizational change. Teams of transformational leaders may be formed who share experiences and resources among themselves. This in itself might serve as a motivator to the select individuals, as they may feel special and put in that extra effort to transform themselves and those around them.

**5. Develop Integrated Accountability Measures:** Develop and implement integrated individual, organizational, and institutional accountability mechanisms to link professional and personal education with development. This is a very important step which can determine the success or otherwise of the whole process. These include top management support, organizational systems and the like which should provide trust to the employees that this exercise is not another route to exploitation of people working in the organization, but in the best interests of all stakeholders.

**6. Periodic assessment of transformational leadership skills**  
(using appropriate assessment tools like

Multifactor leadership questionnaire) by the leaders and their followers gives further inputs that can be shared with the leaders themselves who can assess their journey towards transformational leadership.

**7. Succession Planning:** Ask the trained transformational leaders to identify others in the team who can be further groomed as transformational leaders, and the process continued.

## 6.0 Conclusion

The conceptual model presented in this paper gives the basic idea that transformational leaders can be groomed by identifying potential leaders and by following a scientific or methodical process. The basic assumption underlying the model is that the top management / a dedicated team of people believe in the benefits of transformational leadership and they make conscious and unrelenting efforts which aim at promoting the same among rank and file. A positive attitude towards learning, and a working environment based on mutual trust and individual development is taken for granted. This model provides a basic process that guides leaders in developing their bottom-line to grow into transformational leaders. It also provides basic insights into the different tools and techniques that may be used in the process.

It will be interesting for researchers to study an organization which takes up building transformational leaders across different levels as an organizational development initiative, and study the potential mediating and moderating factors. Also it will be interesting to study the



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