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TRANSFORM OR TRANSACT? WHICH LEADER GETS BETTER RESULTS? A META - ANALYSIS

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This study used meta-analysis to investigate the relationship between leadership styles and job performance in sales settings. Specifically, the research investigates whether transformational or transactional leadership is more appropriate in creating a high performing sales environment. Results indicate that transformational leadership is positively and significantly related to salesperson's job performance, whereas the relationship between transactional leadership and job performance is mixed. Also, results suggest that the relationship between transformational leadership and job performance is stronger when subjective, rather than objective, measures of job performance are used.

Introduction

Sales force researchers have noted that a manager's leadership style influences both salespeople's attitudes and behaviors and has a direct effect on job performance (e.g., MacKenzie et al., 2001; Shoemaker, 1999). In addition, leadership influences job satisfaction and organizational commitment (e.g., Agarwal et al., 1999; Comer et al., 1995), which are important determinants of sales performance (e.g., Jaramillo et al., 2005; MacKenzie et al., 1998). The critical question for researchers and practitioners concerns identifying leadership styles which foster greater sales results. This question has broader implications because sales force performance is a key determinant of organizational success (e.g., Cravens et al., 1993; MacKenzie et al., 1998).

Transactional and transformational leadership styles have been widely studied (e.g., Dubinsky et al., 1995; Bass, 1997; MacKenzie et al., 2001). The former emphasizes instrumental compliance using rewards and punishment to stimulate subordinates behaviors (Comer et al., 1995; Geyer & Stevner 1998). Conversely, transformational leaders articulate a vision for their followers, provide an appropriate role model for them, and foster the acceptance of group goals (e.g., Bass, 1997; MacKenzie et al., 2001). This, in turn, transforms the followers' aspirations, needs, preferences, and values to be aligned with organizational goals (Jex, 2002; MacKenzie et al., 2001).

The critical role of leadership in business performance has spawned several research projects and books on leadership by both practitioners and academicians (e.g., Egri & Herman, 2000; Humphreys, 2002; MacKenzie et al., 2001; Sosik & Godshalk, 2000).

Several academic journals are devoted entirely to the study leadership (e.g., Journal of Leadership: Research, Practice, and Teaching, Journal of Leadership and Organizational Development, Leadership Quarterly, and Leadership in Health Services). In industry, sales managers are experimenting with different leadership styles with the goal to enhance the performance of their sales force. From one perspective, transactional leadership was found to be more effective in sales settings because these leaders set clear goals, aligned rewards, were directive about tasks, and provided reinforcing feedback about individual performance (e.g., Bass, 1997; Dubinsky et al., 1995).

From another perspective, researchers have noted that transformational leadership could be more effective because it taps into an individual's core values, personal goals, and aspirations motivating salespeople to perform above job requirements (e.g., Humphreys, 2002; McKenzie et al., 2001). While some salespeople are most responsive to leaders who use the transactional style, other salespeople preferred leaders with a transformational style who motivate them using intellectually stimulating methods to perform above and beyond the call of duty (Comer et al., 1995; MacKenzie et al., 2001).

In spite of the numerous studies on the effect of leadership styles on salespersons' job attitudes and behaviors, there is a lack of agreement as to which leadership style is most appropriate for improving job performance. Research thus far has failed to satisfactorily answer the critical research question: what is the most effective leadership style in sales settings? In view of this, a systematic statistical review of the available research can be very valuable to provide a clearer vision of the impact of leadership style on

salesperson job performance and can be of interest to both academics as well as practitioners.

To our knowledge, this is the first meta-analysis that has explored the impact of leadership style on job performance in a sales setting. The findings of this study compare the two widely practiced types of leadership and identify the effective leadership style for sales managers to enhance sales force performance. Specifically, this study analyzes empirical research to determine whether the relationship between leadership and job performance is stronger for transformational versus transactional leadership. This research also provides an additional insight by examining the effect of the job performance measure used (i.e., subjective vs. objective) on the leadership style-performance relationship.

Transactional Leadership

Transactional leaders form relationships that are impersonal and based on exchanges with followers (Bass, 1997; Yammarino, 1997). They engage followers in an exchange that provides them with material and symbolic rewards for their work and loyalty (Bass, 1997). Transactional leadership has two key dimensions: "contingent reward" and "management by exception (MBE)." Transactional leaders who practice a contingent reward style generally perform three key functions in sales force management: 1) they set clear norms for goals and rewards, 2) monitor deviation from goals, and 3) administer corrective actions using rewards and punishments (Bass, 1997; Howell & Avolio, 1993; Waldman et al., 2001). Leaders who display a management by exception (MBE) style are known to be detached and observe salesperson activities from afar (Bass, 1997). Leaders with a MBE style involve themselves in salesperson activities only if there is a negative deviation from the expected course of action (Comer et al., 1995).

Some researchers suggest that a transactional leadership style increases salespeople's confidence about what is expected from them resulting in greater motivation to accomplish goals (Dubinsky et al., 1995). In contrast, it can be argued that in boundary spanning conditions, transactional leadership deprives salespeople of the necessary flexibility to meet a variety of customers' expectations (Johnston & Marshall, 2005). In fact, the evidence of the relationship between transactional leadership and job performance is mixed, showing both positive (e.g., Yammarino et al., 1997) and negative (e.g., Humphreys, 2002) correlations. Such mixed results warrant further analysis. The above discussion leads us to the following research question:

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Research Question 1: Is transactional leadership positively related to salesperson job performance? If so, how strong is this relationship?

Transformational Leadership

Transformational leaders operate out of a deeply held personal value system. Through articulation and role modeling, they raise the consciousness of their followers about higher considerations and create a work environment where individuals are motivated, inspired, and challenged (Bass, 1997; Humphreys, 2002). These leaders are able to increase followers' perception of self-efficacy and self worth by providing meaningful and challenging work (Bass, 1985; Humphreys, 2002). This results in leader-follower relationships that are personal and not based on formal rules, regulations, rewards, and punishments (Yammarino, 1997). Employees working with transformational leaders generally look beyond their personal interests and accept the organizational vision and mission as their own (MacKenzie et al., 2001). Research shows that salespeople perceive transformational leaders as paying special attention to their individual achievement needs and personal growth (Bass, 1997; Humphreys, 2002). Studies have also shown that transformational leadership had a positive impact on innovativeness, created a perception of increased empowerment, enhanced team effectiveness, and performance (Elenkov, 2002). The above discussion suggests that transformational leadership may result in greater job satisfaction and organizational commitment, possibly leading to higher job performance.

Other researchers have argued that transformational leadership may not have a positive impact on salesperson attitudes and behaviors due to the nature of the selling task (Dubinsky et al., 1995). As boundary spanners, salespeople interact with different individuals and groups both within and outside the organization. The physical separation from the organization may impede developing a strong relationship with the leader. This, in turn, could diminish the impact of transformational leadership on job satisfaction, organizational commitment, and performance. Empirical research has reported that the relationship between transformational leadership and a salesperson's performance is mixed, ranging from statistically insignificant (e.g., Dubinsky et al., 1995) to positive (e.g., Humphreys, 2002). The above discussion leads to the following important research questions:

Research Question 2: is transformational leadership positively related to salesperson's job performance? if so, how strong is this relationship?

Research Question 2: Is transformational leadership positively related to salesperson's job performance? If so, how strong is this relationship?

Research Question 3: Is the relationship between leadership and job performance stronger with transformational rather than transactional leadership?

Moderating Effect of Job Performance Measure

Three earlier meta-analyses have hypothesized that the type of measure used to assess performance (i.e., objective or subjective) moderates the strength of the relationships among job performance and its antecedents (e.g., Churchill et al., 1985; Cano et al., 2004; Vinchur et al., 1998). Evidence of the moderating effect of measure type is contradictory. Churchill et al.'s (1985) meta-analysis suggests that the correlations between predictors and criteria are not inflated when subjective, rather than objective, measures are used. However, two recent meta-analyses indicate that the strength of the relationships between job performance and its antecedents is artificially inflated when subjective measures are used (Cano et al., 2004; Vinchur et al., 1998).

An artificially inflated correlation between job performance and its antecedents may be explained by two factors. First, the respondent providing both the performance and antecedents data is often the same person. This increases the likelihood of common method variance when subjective measures are used (Lindell & Whitney, 2001; Podsakoff et al., 2003). Second, job performance and its antecedents are likely to be measured using common scale formats (e.g., Likert scales) or similar anchor points (e.g., extremely, always, never). This results in artificially inflated correlations (Donaldson & Grant-Vallone, 2002). Research indicates that common method variance accounts for approximately 25% of the total variance in behavioral studies using subjective measures (Donaldson & Grant-Vallone, 2002; Williams et al., 1989).

The moderating effect of measurement type may also be explained by the differences in the data which are captured by objective and subjective measures. Objective measures include factors such as net profit dollars, sales volume, market share, expenses, number of new accounts, and number of sales demonstrations (e.g., Churchill et al., 1985; Jackson et al., 1995). Due to the difficulties in obtaining objective data, studies using objective measures often rely on only one of these elements. On the other hand, subjective ratings of performance are more holistic and may capture numerous elements of performance (Cano et al., 2004).

The above discussion leads to the following research questions:

Research Question 4: Is the relationship between transformational leadership and job performance stronger when a subjective rather than an objective measure of performance is used?

Research Question 5: Is the relationship between transactional leadership and job performance stronger when a subjective rather than an objective measure of performance is used?

METHOD

Simple comparisons of empirical studies may produce the illusion of conflicting findings because research results are inherently probabilistic and could have occurred by chance due to sampling and measurement error (Hunter & Schmidt, 2004). By integrating findings across studies, meta-analysis controls for these statistical artifacts and provides general answers about the relationships among organizational variables (Arthur et al., 2001; Hunter & Schmidt, 2004).

Although numerous studies have investigated the effect of transformational and transactional leadership on performance, a meta-analysis examining the direction and strength of these relationships has not yet been undertaken in sales settings. Meta-analysis is one of the most important innovations in the behavioral sciences because of its capacity to synthesize empirical research and, thereby, offers general answers to important research questions (Hunter & Schmidt, 2004).

Inclusion Criteria

Transformational leadership is often operationalized with three highly related dimensions: 1) articulating a vision, 2) providing appropriate modeling, and 3) fostering the acceptance of group goals (e.g., Bass, 1997; MacKenzie et al., 2001). In contrast, sales researchers have often characterized transactional leadership as 1) contingent rewards and/or 2) management by exception (e.g., Bass, 1985; Humphreys, 2002). The above described leadership dimensions are considered as most appropriate for selling contexts (e.g., Humphreys, 2002; Yammarino et al., 1998). Therefore, this research is limited to studies using these leadership dimensions.

Only studies where the respondent was clearly identified as a salesperson were included. To be eligible, studies had to report Pearson's correlation coefficient (r) or other statistics that can be converted to r , such as F -

value, t-value, p-value, and χ^2 . Studies published in refereed journals, conference proceedings, and dissertations between January 1985 and June 15, 2004 were eligible for inclusion in this meta-analysis. The time frame was established because Bass' seminal work on transactional and transformational was first published in 1985.

Study Search

To obtain an ample collection of studies reporting an effect size of leadership style on job performance, the following procedure was used. First, an electronic search of the following databases was conducted: American Psychological Association PsycARTICLES, Emerald, FirstSeach ECO, ProQuest (ABI/INFORM Global and dissertation abstracts), and the Academy of Management Online Article Retrieval. Key words used in the electronic search were: transformational leadership, transactional leadership, job performance, and sales. Second, a manual examination of the articles identified from the computer-based searches was carried out. Third, manual searches were made of all issues of the

following journals during the eligible publication period: Industrial Marketing Management, International Journal of Research in Marketing, Journal of Applied Psychology, Journal of Business Research, Journal of the Academy of Marketing Science, Journal of Marketing, Journal of Personal Selling & Sales Management, and the Journal of Retailing. Finally, a call for working papers, forthcoming articles, and unpublished research was posted on ELMAR-AMA, Sales Listserv, and the Organizational Behavior Subgroup announcements of the Academy of Management. These announcements reach both marketing and management researchers.

The search process yielded a total of twelve journal articles and two dissertations containing fifteen effect sizes resulting from 3,817 salespeople (see table 1). Respondents were from both business-to-business as well as business-to-consumer settings. They worked in a variety of industries including automotive, banking, electronic components, insurance, pharmaceutical, and retailing. Effect sizes included studies from four countries: Australia, Austria, Canada, and the U.S.

Table 1: Study Effect Sizes

Study	n ¹	JP ²	Correlation With JP		
			TFR ³	TRC _{CR} ⁴	TRC _{MBE} ⁵
Carless et al. (2000)	681	S	0.21		
Comer et al. (1995)	30	S		0.36	-0.02
Dubinsky et al. (1995)	174	S	0.22	0.31	
Dubinsky et al. (1995)	174	O	0.04	0.10	
Dubinsky et al. (1996)	38	S		0.31	0.00
Geyer & Steyrer (1998)	376	S	0.29	0.21	-0.21
Howell & Hall-Merenda (1999)	317	S	0.10	0.09	0.02
Humphreys (2002)	369	O		-0.19	-0.14
MacKenzie et al. (2001)	477	O	0.05	0.07	
McColl-Kennedy & Anderson (2002)	121	O	0.20		
Rich (1995)	83	S	0.18	0.24	
Rogers (2000)	100	S	0.08		
Sparks & Schenk (2001)	736	O	0.07		
Yammarino et al. (1997)	30	S	0.17	0.36	
Yammarino et al. (1998)	111	S	0.43	0.44	
Total	3817				

Notes: ¹Sample Size. ²Job Performance Measure (O = Objective, S = Subjective). ³Transformational Leadership. ⁴Transactional Leadership (Contingent Rewards), and ⁵Transactional Leadership (Management by Exception).

Meta-Analytic Model

The two most widely used procedures in meta-analysis are the fixed effects model and the random effects model (Arthur et al., 2001; Hunter & Schmidt, 2004). This meta-analysis uses the random effects model for two reasons. First, it is more generalizable because it accounts for both random and systematic variance (Hunter & Schmidt, 2004). Systematic variance is caused by the heterogeneity of individual study characteristics, i.e., potential moderators (e.g., Arthur et al., 2001; Hunter & Schmidt, 2004). Second, random-effect model is conservative and less prone to Type I

error since confidence intervals around the mean effect sizes are larger (e.g., Hunter & Schmidt, 2004; Overton, 1998).

Credibility and Confidence Intervals

It is important to distinguish between credibility and confidence intervals in reporting and interpreting the results of meta-analytic findings (Arthur et al., 2001; Hunter & Schmidt, 2004; Whitener, 1990). Both mathematical and interpretive differences exist between these two intervals. A confidence interval concerns the range of the true population value and is calculated using

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the standard error of the mean effect size (Hunter & Schmidt, 2004; Whitener, 1990). Hence, confidence intervals are used to assess the statistical significance of a relationship. If the confidence interval does not include zero, the mean effect size is statistically significant at a specified alpha level (Lipsey & Wilson, 2001).

On the other hand, a credibility interval corresponds to the estimated distribution of the infinite sample of effect sizes, and is calculated using the standard deviation of the mean effect sizes (Hunter & Schmidt, 2004; Whitener, 1990). In view of this, credibility intervals are used to assess whether situational differences exist and to investigate the presence of moderators (Lipsey & Wilson, 2001; Whitener, 1990). As suggested, confidence intervals are appropriate for investigating if the relationships between leadership styles and job performance are statistically significant.

Disattenuation of Effect Sizes

Hunter and Schmidt (2004) state that disattenuation

is an adjustment of effect sizes for measurement error of latent variables. They argue that disattenuation is necessary to improve the accuracy of the estimated relationships among constructs. As indicated by Hunter and Schmidt (2004), failure to adjust for scale reliability results in an underestimation of the mean effect size. Adjustments for measurement error have been used in previous sales meta-analyses (e.g., Jaramillo et al., 2005; Rich et al., 1999).

Meta-Analysis Results

The research questions presented in this study were addressed by using the procedures suggested by Arthur et al., (2001) and Hunter & Schmidt (2004). Following their guidelines, mean effect sizes, confidence intervals, and credibility intervals were calculated. Both attenuated (observed correlations) and disattenuated (adjusted correlations) mean effect sizes were estimated. Table 2 provides a summary of the results.

Table 2: Summary of Meta-Analytical Results

Transactional Leadership (Contingent Rewards)									
	k ¹	n ²	r ³	95% Confidence Interval		rc ⁴	95% Credibility Interval		FS N ⁵
				Low	High		Low	High	
Overall	12	2,304	0.10	0.00	0.21	0.12	-0.23	0.47	135
Subjective	9	1,281	0.20	0.11	0.30	0.23	-0.09	0.55	194
Objective	3	1,020	-0.02	-0.17	0.14	-0.04	-0.31	0.23	14

Transactional Leadership (Management By Exception)									
	k ¹	n ²	r ³	95% Confidence Interval		rc ⁴	95% Credibility Interval		FS N ⁵
				Low	High		Low	High	
Overall	5	1,130	-0.11	-0.21	-0.02	-0.13	-0.25	-0.02	72

Transformational Leadership (Core)									
	k ¹	n ²	r ³	95% Confidence Interval		rc ⁴	95% Credibility Interval		FS N ⁵
				Low	High		Low	High	
Overall	13	3,502	0.14	0.08	0.21	0.17	0.01	0.34	211
Subjective	8	1,894	0.20	0.13	0.28	0.23	0.01	0.38	174
Objective	5	1,608	0.07	0.02	0.13	0.08	0.02	0.14	37

Notes: ¹Number of Effect Sizes. ²Sample Size. ³Attenuated Mean Effect Size. ⁴Disattenuated Mean Effect Size. ⁵Fail-safe N: Studies with an effect size of zero ($r_i = 0$) needed to reduce the mean effect size (r_c) to 0.01.

Transactional Leadership and Job Performance

Using the statistical analysis developed by Hunter & Schmidt (2004), the means and credibility intervals were calculated using the sample size and effect sizes collected from the empirical studies that are summarized in table 1. As shown in table 2, results indicate that the attenuated mean effect size of the relationship between transactional leadership (contingent rewards) and job performance (r) is 0.11 and the disattenuated mean effect size (r_c) is 0.13. The 95% confidence interval ranges from 0.003 to 0.22. Since the 95% confidence interval does not include zero, therefore, the relationship between

transactional leadership (contingent rewards) and salespersons' performance is statistically significant (Arthur et al., 2001; Lipsey & Wilson, 2001). Further analysis revealed that this relationship is significant when subjective measures of performance are used, $r = 0.23$ ($r_c = 0.25$), and the 95% confidence interval ranges from 0.13 to 0.32. However, this relationship becomes statistically insignificant when objective measures are used, $r = -0.02$ ($r_c = -0.04$), $CI_{95\%}$ -0.17 to 0.14. In addition, results show that the relationship between transactional leadership (management by exception) and job performance is statistically significant but negative $r = -0.11$ ($r_c = -0.13$), $CI_{95\%}$ -0.21 to -0.02.

Taken together, these results provide a mixed response to research question 1. While the relationship between transactional leadership (contingent rewards) style and performance is statistically significant, it becomes insignificant when objective measures are used. This suggests that the significant and positive relationship between transactional leadership style and performance holds only when subjective measures of performance are used. Also, the relationship between transactional leadership (management by exception) style and performance is statistically significant, but negative. These findings lead to the conclusion that the impact of transactional leadership style on job performance depends on: 1) the dimension of transactional leadership (contingent rewards or management by exception), and 2) the type of measure used to assess job performance (subjective or objective).

Transformational Leadership Style and Job Performance

As shown in table 2, results indicate that the attenuated mean effect size of the relationship between transformational leadership and job performance was 0.15 ($r_c = 0.17$). The 95% confidence interval ranges from 0.01 to 0.34. Since the 95% confidence interval does not contain zero, the relationship between transformational leadership and salespersons' performance is statistically significant (Arthur et al., 2001; Lipsey & Wilson, 2001). In addition, unlike transactional leadership, results show that the relationship between transformational leadership and salespersons' performance is positive and significant regardless of the type of measure used to assess performance. The mean effect size for transformational leadership and subjective performance was 0.22 ($r_c = 0.25$), $CI_{95\%}$ 0.15 to 0.29. The mean effect size of the relationship between transformational leadership and objective performance was 0.07 ($r_c = 0.08$), $CI_{95\%}$ 0.02 to 0.13. Thus, these results provide a positive response to Research Question 2. This brings support to the notion that transformational leadership positively effects job performance (e.g., Bass, 1997; Humphreys, 2002).

Results provide an inconclusive answer to research question 3. This is because the strength of the leadership performance relationship depends on the dimensions of transactional leadership (contingent rewards or management by exception) and the type of performance measures (subjective or objective). A definitive conclusion about a stronger effect of transformational leadership on performance cannot be made because the 95% confidence intervals of the leadership-job performance relationship overlap for the contingent

rewards dimension of transactional leadership ($r = 0.11$, $CI_{95\%}$ 0.003 to 0.22) and transformational leadership ($r = 0.15$, $CI_{95\%}$ 0.08 to 0.21).

However, it should be noted that transformational leadership has a stronger effect on performance than transactional leadership when objective measures of performance are used. This is based on the significant and positive relationship between transformational leadership and objective performance ($r = 0.07$, $CI_{95\%}$ 0.02 to 0.13) and the statistically insignificant relationship between transactional leadership and performance ($r = -0.02$, $CI_{95\%}$ -0.17 to 0.14). Finally, results imply that the relationship between leadership and job performance is stronger with transformational leadership ($r = 0.15$, $CI_{95\%}$ 0.08 to 0.21) rather than transactional leadership when the management by exception dimension is used ($r = -0.11$, $CI_{95\%}$ -0.21 to -0.02).

Moderating Effect of Job Performance Measures

Research Question 4 was about the moderating effect of measurement type (subjective, objective performance) on the relationship between transformational leadership and salesperson's performance. As shown in table 2, the relationship between transformational leadership style and job performance is stronger when subjective (0.22, $CI_{95\%}$ 0.15 to 0.29) rather than objective (0.07, $CI_{95\%}$ 0.02 to 0.13) measures of performance were used. Since the two confidence intervals do not overlap, results show that the moderating effect of measurement type is statistically significant (Arthur et al., 2001; Schenker & Gentleman, 2001).

Similarly, Research Question 5 related to the effect of measurement type on the relationship between transactional leadership style and job performance. As previously indicated, contingent rewards and management by exception are the two most widely used measures of transformational leadership in sales force research. Results indicate that the relationship between transactional leadership style (contingent rewards) and job performance is stronger when subjective (0.23, $CI_{95\%}$ 0.13 to 0.32) rather than objective (-0.02, $CI_{95\%}$ -0.17 to 0.14) measures of performance are used. Although at $\alpha = 0.05$ the confidence intervals have a small overlap, the difference is statistically significant because the mean effect size of the transactional leadership style and subjective performance ($r = 0.23$) is not contained in the confidence interval of the transactional leadership style and objective performance ($CI_{95\%}$ -0.17 to 0.14), and vice versa (Schenker and Gentleman 2001). In addition, these confidence intervals do not overlap at $\alpha = 0.06$. A

comparison between subjective and objective measures for the transactional leadership style (management by exception) and job performance relationship was not possible because only one study provided a correlation between transactional leadership style (management by exception) and objective job performance. Taken together, these results indicate that stronger relationships between both transformational and transactional leadership style (contingent rewards) and job performance are expected when subjective, rather than objective, performance measures are used providing positive answers to Research Question 4 and Research Question 5.

DISCUSSION

This study found that the relationship between transactional leadership style and job performance ranges from negative to statistically insignificant. Two reasons may explain this phenomenon. First, leaders displaying transactional leadership style, especially management by exception, often use negative reinforcement to control salespeople. Managers are likely to create an environment of fear that can negatively impact performance (Howell & Hall-Merenda, 1999). Second, failure of transactional leadership to inspire strong performance could be due to the greater reliance on rewards and punishments (Dubinsky et al., 1995; MacKenzie et al., 2001). The expected performance may not materialize if salespeople perceive that the reward system is unfair, or if they do not fully understand the link between the organizational reward and the performance (Johnston & Marshall, 2005). This association is weak when the manager is unable to effectively communicate the reward structure to salespeople. Finally, punitive behavior associated with contingent rewards has the potential to decrease role clarity thereby leading to poor performance (MacKenzie et al., 2001).

The findings of this study support the belief that a transformational leadership style has a stronger relationship with job performance than the management by exception dimension of a transactional leadership style. This highlights the important role of the sales manager in setting the organizational vision to guide salesperson behaviors (Bass, 1997). Also, the study results are consistent with the notion that effective managers lead by example and engage in behaviors that are emulated by salespeople, thus helping them achieve a greater performance (Carless et al., 2001). Leaders with transformational style lead by example making sure that there is consistency between the vision they set for the department and their articulation of the goals and

objectives. Transformational leaders set examples by their self-confident behavior and by displaying attitudes and values that are compatible with their mission. Results of this meta-analysis are consistent with the idea that effective managers are able to create a team spirit that enhances the group and individual performance (MacKenzie et al., 2001).

The results point out the power of transformational leadership exemplified by the managers' ability to articulate a vision for the sales department and motivate salespeople to go the extra mile to get results. While money is a powerful motivator, results of this meta-analysis suggest it takes more than money to achieve superior performance. This is evident in the current environment of team selling where success is contingent on the entire team performing. A leader, who is able to help team members internalize group goals as their own, is likely to see better results. A transformational leader is able to get better results as she/he transforms the entire team by providing a vision and an overall goal. Managers are responsible for this transformation, which ultimately results in higher performance.

Subjective vs. Objective Measures of Performance

The types of measures taken affect the relationship between transformational leadership style and job performance. Stronger results are found when job performance is measured using subjective rather than objective measures. The results of this meta-analysis are consistent with other meta-analyses which found that the correlations between predictors and criteria may be artificially inflated when subjective rather than objective measures are used (Cano et al., 2004; Vinchur et al., 1998). Sales force researchers should consider these differences when conducting and evaluating research studies.

Limitations and Future Research

Several limitations to this study need to be stated. First, selection bias may be a limitation of the study, although the fail-safe N statistic diminishes the threat to validity from file drawer cases (Lipsey & Wilson, 2001). As shown in table 2, 195 effect sizes would be needed to reduce the mean effect size of the relationship between transformational leadership style and job performance to 0.01. Also, 72 studies would be needed to increase the mean effect size of the relationship between transactional leadership style (management by exception) and job performance to 0.01. In spite of our effort to reduce selection bias, it is possible that relevant studies were excluded from this meta-analysis. Second,

studies were excluded from this meta-analysis. Second, this study only reflects the direct effects of transformational and transactional leadership styles on job performance and does not include indirect effect. It is possible that both transformational and transactional leadership affects job attitudes (e.g., job satisfaction, organizational commitment), which in turn may lead to a greater performance (e.g., Agarwal et al., 1999; Sparks & Schenk, 2001). Future meta-analyses may investigate the indirect effect of leadership styles on job performance. A third limitation from this meta-analysis is that due to sample size restrictions, the relationships between the dimensions of transformation leadership (i.e., intellectual stimulation, idealized influence, inspirational motivation, and individual consideration) and job performance could not be established. Future empirical research in sales settings is needed to assess the strength of these relationships. Finally, results from this meta-analysis do imply causality of the analyzed relationships.

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