

# THE CHANGING NATURE OF SALES LEADERSHIP IN THE INFORMATION AGE: TRANSACTIONAL OR TRANSFORMATIONAL – WHICH TO RELY ON?

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## Abstract

The new economy, by the courtesy of the information age, requires knowledge-based organizations and in turn *new* leaders to quickly respond to changes in resources, technologies, marketing and distribution systems. By the same token, the notion of leadership has shifted from a parochial point of view towards a more humanistic and vivid multi-dimensional angle of vision. In this context, *transactional* and *transformational* leadership styles in right combination are the source of guidance through the dynamic leadership journey and drawing upon the *triple entente* of rational, emotional and spiritual intelligence as well will benefit mutual parties – both at individual and organizational level, in terms of effective leadership processes and increased performance outcomes.

*Key Words:* Sales Leadership, Information Age, Emotional Intelligence, Transformational Leadership, Spiritual Intelligence

## Introduction

The rules for *and* of business are changing continuously. By the courtesy of the Information Age, the business environment is becoming more challenging involving increased complexity, competition and change. It is no longer compelling to draw clear boundaries between once distinct work organizations. Diverse groups of individuals from discrete locations with dramatically different attitudes, values and beliefs interact and communicate with each other as to become the strategic focus while defining the work organizations itself and their transparent '*walls*'. Furthermore, the concept of the 'work' is also becoming more blurred involving the minds, the hearts and the souls of the individuals. It is now more complicated to excise people's emotions or their soul from the work itself or any other organizational processes. This necessitates then a detailed understanding of individual actors, their needs and specific desires in order to survive in today's dynamic, complex and competitive business environment.

Consequently, the new business economy requires new work organizations and in turn new leaders to quickly respond to changes in resources, technologies, marketing and distribution systems. These challenges facing the leadership process – outspread to all levels of the organization hierarchy, necessitate mutual dependency between leaders,

followers and the general context. The individual inside the organization and the customers outside with all their enhanced power, take their place at the heart of this new paradigm. The customer-focused service perception become as of crucial importance than ever in the sense that *managing* and *balancing* individual/customer differences will be one of the core competences of today's sales leader for overall organizational performance and efficiency. In consequence of these evolutions, the strategy of leadership process has shifted from a parochial point of view towards a more humanistic and vivid multi-dimensional angle of vision. For this study purposes, the dynamic face of the leadership process will be discussed in the context of sales organizations.

Following this introduction, we will review the leadership concept. The definition of leadership will be given highlighting its complementary and independent characteristics when compared to management concept. Later, leadership approaches (Trait, Behavioural and Situational approach) will be discussed briefly to acknowledge the general relevant literature. Then, the focus will be on the new paradigm for leadership itself – how the Information Age and its necessities have shifted the market demands and needs. Further, transactional, transformational leadership styles and Leadership Practices Model will be proposed for effective leadership practices in terms of how they enhance the workplace outcomes in today's dynamic and complex business environment. Lastly, emotional and spiritual intelligence will be recognized to suggest a rough, if not finished, picture for the leadership. It will be noted that the *triple entente* of rational, emotional and spiritual intelligence is the requisite of individual/organizational performance and effective leadership processes. It will also elaborated that how the sales force management has become the crucial focus of attention for effective organizational performance suggesting that sales management has been replaced with *sales leadership* to thrive the challenges of the new age. Finally, by summarizing and binding all notions about leadership process, some concluding remarks will be made.

## **I. The Evolution Of Leadership Concept**

Taking the leadership process as the basis, this chapter will first deal with the general definition of leadership and its components, later, leader/manager differentiation will be the strategic focus in terms of whether they are distinct notions or else they complement one another. Finally, among various leadership theories, the most widely recognized ones would be discussed.

### **1.1 The Definition Of Leadership**

Leadership is a broad and complex topic that attracts attention by many researchers in terms of its definition and scope since the early 20<sup>th</sup> century. Though evolving continuously, the general definition of leadership shall be suggested such that it is an ability to influence, motivate and enable others to contribute towards the effectiveness

and success of the organization in terms of achieving the desired goals under certain circumstances (Zaleznik, 1977: 74; Koçel 2003: 584; Şimşek et. al., 2007: 178). Leadership is inherently an ability and an influence process in the sense that it can arise in any informal group in addition to formal organizations or in any hierarchical level ranging from entry-level positions to senior level ones. Thus the importance of the followers/subordinates by which the leader is attained the leading-power shall be highlighted in the sense that the interpretation of the leader behaviours determines the scope of the leadership process – to what extent a leader satisfies the needs and expectations of follower(s). Moreover, the follower/subordinate performance, satisfaction and commitment are among the benchmark variables to measure leadership effectiveness. Certain circumstances and organizational conditions finally influence this bidirectional relationship between the leader and the follower(s). Thus, the leadership process shall be summarized as the function of ‘the leader itself, the followers and the conditions they are all subject to’ (Koçel 2003: 587; Şimşek et. al., 2007: 178).

## **1.2 Leadership And Management – Independent or Complementary**

It is a truism to suggest that leadership and management are distinct notions in terms of the very meaning attached to their characteristics inherently. However, these distinctions shall be seen as complementary rather than contradictory since ‘one cannot function without the other’ (Kotter, 1990: 85). Leadership and management are the different sides of the same coin – different but attached. The following table derived from various researches (Zaleznik, 1977; Kotter, 1990; Koçel, 2003; Şimşek et. al., 2007) is offered to reveal the leader/manager dilemma.

MANAGERS	LEADERS
<ul style="list-style-type: none"> <li>• Coping with complexity</li> <li>• Rationality and control</li> <li>• Seek stability</li> <li>• Problem solver</li> <li>• Plan and make the budget</li> <li>• Analytical thinking</li> <li>• Hard-worker and patient</li> <li>• Adaptation of impersonal goals which are inherited inside the organizational culture</li> <li>• Balance different view points by limiting alternatives</li> <li>• Conservative</li> <li>• Prefer to work with people by holding their emotional attachment at low levels</li> <li>• The focus is the existing system</li> <li>• Success is natural</li> <li>• How will the decisions be taken?</li> </ul>	<ul style="list-style-type: none"> <li>• Coping with change</li> <li>• Vision and creativity</li> <li>• Press for change</li> <li>• Inspire and excite people by altering moods</li> <li>• Set a direction</li> <li>• Heroism</li> <li>• Power and politics</li> <li>• Active and personal attitude towards goals</li> <li>• Fresh approaches to problems and find new alternatives</li> <li>• Risk-taker</li> <li>• Change the way people think</li> <li>• Establish emotional connection with people</li> <li>• The focus is the people</li> <li>• Recognize and reward success</li> <li>• Which decisions should one take?</li> </ul>

Considering the summarized characteristics above, it shall be bear in mind that the above clear-cut distinction of what leaders – managers are and really do is only a delusion. It is evident that organizations shall embrace and reinforce both sides to survive in today’s turbulent and complex business environment. Leadership with weak management or the reverse is risky for the organization and the adequate mixture of manager and leader characteristics is needed to keep the organization in balance. Healthy organizations are the ones that both manage and lead their employees at its best.

**1.3. Leadership Approaches**

Leadership has been approached from quite distinct and various angles by many researchers each of whom grounded their theory to different facets such as personal characteristics of leaders, followers’ impact on leadership process, job-related subjects and so on. Among those leadership theories, it may well instructive to review the major ones in the light of the trait, behavioral and situational approaches.

**1.3.1 Trait Approach**

Advocates of the trait approach, the first approach to explain the leadership process, suggest that physical and personality characteristics determine leadership effectiveness. The members in a group are taken as the basis for relative comparison in the sense that when a member of a group exceeds others in certain characteristics, it is suggested that s/he will emerge as a successful leader. Going one step further, certain traits are described for effective leaders such as aggressiveness, integrity, self-confidence, cognitive ability,

desire to lead, initiative, emotional maturity and interpersonal relations (Şimşek et. al., 2007). Besides, Koçel (2003) suggests gender, age, height and physical appearance like good-looking will play a role to differentiate one as a leader. Overall, the story goes, leadership is an innate phenomenon. However, the trait approach has its drawbacks in terms of measurement purposes such that certain leadership traits are subject to different interpretations by their very nature. In short, traits in general are ambiguous and ill-defined. Though physical and personal traits are a part of the leadership process, they are not able to draw the overall picture individually due to their embedded subjectivity. The importance of leader behaviors and the impact of the situational factors shall be considered in the following sub-sections.

### **1.3.2 Behavioral Approach**

The strategic focus of behavioral approach is how leaders behave to and interact with others signifying the importance of not only the leader itself but also the followers as a second variable in leadership process. The first to develop this approach is the Ohio State University studies beginning in 1945. The results suggests that leader behaviors major on two factors – *consideration* through which the leader recognizes and responds to the needs and desires of the followers and *initiating structure* through which the leader sets the goals, organizes people accordingly and determines deadlines for the job itself (Koçel, 2003: 590). Concisely, the more a leader cares an individual, the less is the employee turnover and absenteeism and the more leader behavior is predicated on the job itself, the more is the performance outcome of followers (Koçel, 2003: 590). University of Michigan studies develop upon the same distinction of task- or people-orientation proposing that the productivity of groups increases with participative leadership and employee-centered behaviors (Şimşek et. al., 2007: 191). These two university studies have supported the two dimensional nature of leadership, still lacking for the third. Further, based on the delivered weight on these two dimensions, Blake and Mouton’s Managerial Grid Matrix proposes five leadership styles with different compositions of production and people orientation (Blake et. al.; 1964: 136).

*Passive Leadership* - The leader exerts a minimum of effort to get required work done, with very little concern for people or production.

*Country Club Leader* – The leader pays a lot of attention to people, but little to production. The aim is to cheer up followers and to have a friendly and comfortable organizational atmosphere.

*Task Leadership* – The leader emphasizes production and minimizes the influence of human factors. People are equated with machines resulting in operational efficiency.

*Middle Course Leadership* – The leader focus on both task and people but in just medium level in the sense that the morale of people is maintained at satisfactory level together with balanced production.

*Managerial Nirvana* – This is the ultimate leadership style. The emphasis is on team working and team building. Personal and organizational goals are in alignment and followers’ motivation is high. Work accomplishment is from committed people.

What is indicated by behavioral approach is that leadership is ‘a role and not a set of characteristics’ (Thompson and McHugh, 2002: 267). For instance, autocratic, democratic and laissez-faire leadership styles are linked to the heightened emotional climate of the organization and the work effectiveness suggesting that democratic leadership style is sine qua non. McGregor’s *X/Y Theory*, Tannenbaum and Schmidt’s *Linear Leadership Model* and Likert’s *System 4 Model* also recognize different approaches to people- and task- oriented behaviour distinction in light of the style of leaders’ behaviors and the interaction between followers and leaders. However, all these theories under the umbrella of behavioral approach fall into the trap of neglecting the specific situational factors through which a leader may have to behave in different styles according to different conditions. The importance of situational factors will be discussed in the following subsection.

### 1.3.3 Situational Approach

The situational approach considers the situational and contextual variables alongside leader behavior. Fiedler’s theory of leadership effectiveness will be the best to exemplify that leadership effectiveness is contingent on situational favorableness, which in turn depends on levels of task structure, leader-member relations and the leader’s position power (Thompson and McHugh, 2002: 270). The outcome is that democratic (employee-centered) leaders are preferred in most situations whereas autocratic (task-centered) leaders are acceptable mostly in crisis situations (Şimşek et. al. 2007: 200). Though these propositions are promising, the theory is seem to be in question by advocating that autocratic leaders are more effective in highly favorable situations. However, Fiedler’s theory is important in the sense that leadership as being a significant variable can be manipulated in the favor of organizational goals. Many other theories further extent the scope of the situational approach to leadership process. To name the important ones, *Leader-Member Exchange* theory considers that leaders have relationships with in-group and out-group members in varying qualities by which the organizational commitment level of the employees is determined. In other words, high quality relationships between leader and follower are the requisite for job satisfaction, high performance and desired organizational commitment. Further, House’s *Path-Goal theory* aims to balance the leader-member exchange by taking into account of the follower attitudes and expectations. The influence of a leader’s behavior is contingent upon the follower expectancies and valences in the sense that when a task is regarded as mundane and stressful, supportive leadership is expected to increase the satisfaction of followers and in turn the performance by increasing their level of confidence. Finally, Vroom and Yetton’s *Normative Leadership Model* focuses on the quality of leader decisions in relation to the information and skill requirements of followers (Thompson and McHugh, 2002: 270). Besides, as suggested by Purcell (1987) (cited in Thompson and McHugh, 2002), organizational culture and politics in addition to leader-follower relations determine the leadership style whether to be democratic, autocratic, supportive, participative or else. It is evident that leadership is an unpredictable and multifaceted phenomenon. To comprehend how it processes, interaction of many variables shall be taken into account to increase the validity and predictability of the proposed leadership styles. Though the list

can be extended even further; related variables up until now are summarized below as stated by Thompson and McHugh (2002: 272).

***Leader and Follower Characteristics:***

*Background (race, nationality and economic condition)*

*Identification (age, sex, physique and appearance)*

*Status, responsibility, authority and power*

*Personality and behavior*

*Expectations and values*

*Norm conformity and reference group identification*

***Group Characteristics:***

*Size and Structure*

*Composition and homogeneity of membership*

*Task nature, difficulty, complexity and time constraints*

***Outcome Criteria:***

*Follower satisfaction and acceptance of leader*

*Group productivity, motivation and cohesiveness*

***Organizational Culture and Politics*<sup>13</sup>**

*Favouring individualism or collectivism*

*Family-like tone of organizational climate*

*Vision and mission*

*Norms and values*

So far, in Chapter 2, widely known conventional leadership theories are discussed with the aim of giving a general literature review as a background to leadership concept. The next chapter will deal with the paradigm of the new age – to what extent it is shifted and how it affects the leadership process in terms of adding new insights to the existing literature.

## **2. New Paradigm For Leadership**

After a brief review of conventional leadership theories, this chapter will suggest a paradigm shift due to the Information Age and its consequences, all which will be discussed in terms of the leadership processes. First, three new approaches to leadership (*Transactional Leadership, Transformational Leadership and Leadership Practices Model*) will be highlighted to broaden the leadership concept to a more multifaceted one. Later, the discussion will be based on the new emerging concepts (*Emotional Intelligence and Spiritual Intelligence*) and their suggested importance in enhancing leadership processes.

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<sup>13</sup> Researchers themselves add this fourth dimension to the list to deepen the discussion of leadership process.

## 2.1 The Paradigm Shift In The Information Age

The first signs of the *paradigm shift* may well be suggested to be seen after the transition period from agriculture economy to industrial society. Beginning with 1970s, with the assistance of economic liberalization, the international trade has gained its pace and place in the worldwide blurring the country borders in terms of the globalization of goods, capital and human force. Multinational enterprises with their subsidiaries around the world have dominated the scene by investing directly to different countries to exploit economies of scale and scope.

By 1990s, the features of the Industrial Revolution such as unit-production focus, homogeneous demand and mass-production have started losing their priority in organizational concerns giving up the seat to customer/individual focus, heterogeneous demand, customized production and technology focus. This paradigm shift has come into being by the so-called Information Age (Öğüt, 2007). The technological innovations like artificial intelligence, management information systems, micro-technology and internet make it possible for formation of different types of organizational structures. *Network Organizations*, *Virtual Organizations* and *Learning Webs* are the most widely known ones in terms of their flexibility and adaptation to changing economic and technological conditions. Today, a large number of multinational enterprises and small/medium-size firms outsource their sub-functions such as production, styling, advertising or security to other firms in any country depending on the relative advantages. These firms specialize in their strategic core competences and increase their information and knowledge by integrating continuous-learning into organizational processes. These organizations fall into the shape of network or virtual webs in the sense that home offices like in Xerox and Canon Turkey, distant learning alternatives in major universities, tele- or video-conference alternatives in various organizations determine the new communication and information transfer strategies. In other words, once hard to relocate, the work itself has started to travel towards the hands of the employees.

To sum up, the new economy requires organizations and thus leaders to quickly respond to changes in resources, technologies, marketing and distribution systems. These continuous changes forming the basis of the increased competition together with time and speed pressures enable customers with all their enhanced power to take their place at the heart of this new paradigm. Companies' sales force and complementary service facilities become as of crucial importance than ever in the sense that the customer-focused service perception of the sales representatives, sales managers and back-up personnel is necessary for overall organizational performance and efficiency. In consequence of these evolutions, the strategy of leadership process has shifted from a parochial point of view towards a more humanistic and vivid multi-dimensional angle of vision. Moreover, the global leader now may need to work with diverse groups of people whose attitudes, values and beliefs differ dramatically. Thus, *managing* change and *balancing* these differences will be one of the core competences of today's leader. Overall, these challenges facing the leadership process – outspread to all levels of the organization hierarchy, necessitate mutual dependency between leaders, followers and the general context.

In the light of these arguments, three contemporary leadership theories will be highlighted in the next section together with supportive current interests in leadership process to determine what the leader of information age should do in order to maintain and enhance employee satisfaction and in return organizational well-being.

## **2.2. New Leadership Approaches**

As discussed in the previous sub-section, the new Information Age necessitates new perspectives to evaluate successful leaders such as Transactional Leadership, Transformational Leadership and Leadership Practices Model. Each will be discussed together with their intersecting practices.

### **2.2.1 Transactional Leadership Approach**

Transactional leadership approach, introduced by J.M. Burns in 1978 (Şimşek et. al., 2007) and further developed by B.M. Bass in 1985 (Avolio et. al., 1999), connects the present with the past in the sense that continuance of the existing order is of crucial importance. The proved-to-be positive and efficient customs, rules and norms at past are said to be followed at the current time because they have already tried and are safe. Transactional leaders use contingent reward systems, active management by exceptions and passive management by exceptions leadership styles (Dubinsky et. al., 1995; Şimşek et. al., 2007). A transactional leader informs followers about the company expectations such that sales representative has the knowledge of what the specifications of its job are and how s/he will be rewarded based on specific performance such as material gains or promotion to higher status level. The basic standards of the job itself are initially stated precisely and the leader prefers either not to intermeddle in followers' business until a problem occurs, or to stay passive and only take action when the desired goals and standards are not met. In groups that are expert in self-governance and high-autonomy, transactional leadership will yield successful results. However, focusing on only the job and the related performance may put excessive pressure on employees and thus may result in employee stress.

### **2.2.2 Transformational Leadership Approach**

Contrary to transactional leadership, transformational leaders focus on the individual and their capabilities that shall be enhanced for exceptional performance. Reciprocal relationships and supportive organizational culture provide the basis for transformational leadership theory introduced by Bass in 1985 (Avolio et. al., 1999). High importance is attached to maintaining employee self-actualization through visionary and charismatic

leadership. In other words, the present is connected with future in the sense that long-run trends are targeted. Transformational leaders are characterized by the following four characteristics that are theoretically and empirically related (Bass and Avolio, 1993; Dubinsky et. al., 1995; Şimşek et. al., 2007):

*Idealized Influence* – It is leader’s charisma and the ability to gain respect, trust and confidence of followers. Actually, the leader itself has high self-confidence and emotional power in enabling followers to show extra effort. Leaders who exhibit idealized influence have a mission and a vision that pictures the concrete future. Employees develop a strong sense of confidence and loyalty in such leaders.

*Inspirational Motivation* – Leaders increase enthusiasm and stimulates motivation through visioning the future as optimistic and attainable. Such leaders use symbols to communicate important objectives in simple ways. Creation of a unique organizational culture that nurtures employees and at the same time inspires them is essential for motivational excellence.

*Intellectual Stimulation* – Intellectually stimulating leaders encourage followers to find fresh solutions to existing problems by rethinking and reexamining the underlying assumptions. They foster creativity and innovation by aligning and empowering employees. To utilize intuition and risk taking is legitimate to achieve organization’s desired vision.

*Individualized Consideration* – Leaders approach to each subordinate as an individual concentrating on their specific needs and desires. They raise confidence levels of followers by directing, advising, mentoring and providing feedback. Personnel development through continuous learning is the ultimate end.

Transformational leadership with all its tenets affects organizational performance positively through increased subordinate motivation and commitment. Further, transformational leaders create hospitable and supportive organizational cultures that foster intuition, creativity, problem solving and risk taking all that will further strengthen the identification of the followers with the organization. Transformational leadership shall also be suggested as a shelter for other concepts such as visionary and charismatic leadership, learning organizations (learning practices integrated to the organizational culture and all levels of the organization including the leader) and many related others as discussed. The next sub-section will compare transformational leadership with transactional leadership to suggest a counterpoise of two.

### **2.2.3. Transactional or Transformational Leadership**

According to Burns (1978) (cited in Avolio et. al., 1999: 457), transactional and transformational leadership are constructs on ‘*a single continuum with the former at one end and the latter at the other*’. Though each can appear independently of one another, it is best for a successful leader to employ both since each style augments the other’s effects in terms of increasing the overall performance.

Transactional leadership style focuses on specific results and outcomes of a job in addition to the job itself. The aim is to identify and clarify the job tasks and to communicate these to subordinates as a receipt for the contingent job rewards (Bass and Avolio, 1993; Dubinsky et. al., 1995, Avolio et. al., 1999). In other words, the goals are defined such that employees become confident about what is expected from them, how they will meet their role requirements and in turn, what they will achieve in the end depending on their level of performance. This process shall increase the role clarity by assisting employees in becoming informed about both compensation and penalty procedures. As a result, subordinates are presumably motivated to achieve the desired organizational goals since there is a reward at the end and that it is clear how they will drive through the way. Many researchers (Bass and Avolio, 1993; Dubinsky et. al., 1995, Yammarino, 1997; Avolio et. al., 1999), though advocating the transactional leadership as an efficient style for effective performance, proposes that transformational leadership style shall also be incorporated as a complement for transactional style but not for a substitute. It may well be convenient to suggest that whereas transactional style is mostly associated with *managers*, successful *leaders* tend to display both style's characteristics depending on specific situational factors and followers' characteristics (Zaleznik, 1977; Kotter, 1990; Dubinsky et. al., 1995).

The importance of transformational leadership style comes from its unique fact that instead of short-term strategies in terms of maintaining the status quo, long-term ones are targeted through fostering a culture of creative change and growth (Bass and Avolio, 1993; Dubinsky et. al., 1995). This holistic orientation surrounding the transformational leadership style enables leaders to evaluate problems and opportunities facing the organization from new and multi-dimensional point of views. As discussed in the previous sub-sections thoroughly, it is further proposed that job satisfaction, motivation and performance effectiveness of employees are conditional upon how well the strategies including empowerment, intuition, self-actualization are integrated into the organizational culture and processes overall.

As a conclusion, transformational leadership shall not detract from transactional leadership's merits; instead, it builds on it broadening the scope of effective leadership. Both theories recognize the two-way relationship between leader and follower bounded in their unique context. Accordingly, '*Which to rely on?*' is a wrong question to ask. The accurate one shall question how much of each style – transactional and transformational leadership – need to be adopted in order to find the right balance between *task-orientation* and *people-orientation* since one without the other is only the half of the organizational picture. Leadership Practices Model is proposed in the next sub-section to suggest a more definite picture if not finished.

#### **2.2.4. Leadership Practices Model**

Kouzes and Posner's (1987) (cited in Shoemaker, 1999: 2; 2003) Leadership Practices Model has been created based on the idea that leaders' 'ability to get extraordinary things

done in organizations' determines their success. Five practices are proposed in the light of the argument that leaders instead of selecting between them use all or most of the practices continuously (Shoemaker, 1999: 2; 2003:19):

***Challenging the Process***

*Quest for opportunities by seeking new solutions to existing problems*

*Encourage creativity, innovation and taking risks*

***Inspiring a Shared Vision***

*Envisioning the future as achievable to make followers believe in*

*Enlisting others to share that vision to gain commitment*

***Enabling Others to Act***

*Fostering collaboration and cooperation between followers by stressing team-work*

*Strengthening others' capabilities and support personal development for autonomy*

***Modeling the Way***

*Being a role-model by behaving in ways consistent with shared values*

*Planning small wins to enable followers to experience tangible success*

***Encouraging the Heart***

*Recognizing individual contributions and linking performance with rewards*

*Celebrating accomplishments including intrinsic rewards*

It is evident that the Leadership Practices Model permits transactional and transformational characteristic to co-exist within a successful leader at multiple levels by reinforcing each other. Moreover, this model deals with what lies beneath under the effective leadership processes suggesting that leaders may use various behaviors among their followers conditional upon the requirement of each specific situation. To strengthen the propositions of Leadership Practices Model further, the next section will introduce new concepts of emotional and spiritual intelligence.

### **2.3. New Leadership Concepts Associated With Emotional Intelligence**

Traditional view was that rationality was essentially a thinking and cognitive process of cool calculation emptied from all impulsive and emotional desiring qualities. However, Information Age has facilitated a paradigm shift that emotions underpin individual actions and a purely rational organizational actor does not exist, anymore. It is a truism to suggest that organizations exist through individual actors. Then, as Chandler (2000)

argues (cited in Elçi, 2004), since one cannot talk about emotionless individual, it is impossible in return to talk about emotionless organizations. Thus, organizational cognition is emotionally laden in the sense that emotions matter a great deal in organizations and in the leadership process. In that respect, each organization has its own emotional state and it has to be dealt with in one-way or another by not only becoming aware of how organizational actor's feel but also handling their emotions to prevent organizations from falling into a flux. Then, it becomes an important issue how to manage emotions in organizations. The concept of *Emotional Intelligence*, which integrates *emotions* into *rationality*, emerges in this stage. It is the unique intersection of *heart* and *head*, working together. If valued at work, emotional intelligence promises distinguishing success through empathy, compassion, motivation, service orientation, trustworthiness, initiative, intuition, courage and integrity under the headings of self-awareness, social awareness, self-regulation and relationship-management.

In literature, there are numerous academic research and studies about the value of social and emotional abilities for organizational success. Some of this research comes from psychology and organizational behaviour and some comes from the neuropsychology field. For instance, 'optimism', 'the ability to manage feelings and handle stress' and 'empathy' have been found to be important for success, respectively, by Schulman (1995), Lusch and Serpkenci (1990), Rosental (1977) and Pilling and Eroglu (1994) (cited in Elçi, 2004). Moreover, Goleman (1998) has indicated how *emotional intelligence* can affect an individual's success in leadership process and the organizational success overall. According to Goleman (1998), the evidence suggests that emotionally intelligent leadership is 'a key to creating a working climate that nurtures employees and encourages them to give their best'. When this enthusiasm is created, in turn, it will pay off in improved overall business performance. He further suggests that evocation of family-like tone of the company culture and sustaining an open communication within the company are part of the EI framework at work. When the sales-people are considered, Goleman (1998) points out that their training to display 'appropriate' emotions that they may or may not feel is important and that their service orientation, teamwork, achievement-drive and influence competencies determine their success. Further studies also shed light on the role of EI competencies in leadership effectiveness and the link between EI strengths in a leader and the organization's climate. Kerr et. al. (2005), taking the work of Mayer and Salovey (ability-based model of Emotional Intelligence) as the basis of her discussion, proves that emotional intelligence contributes to leadership effectiveness and decision-making process in organizations. There are also wide range of business cases about the significance of emotional intelligence at work and its contribution to leadership and business success (Cooper and Sawaf, 2003; Elçi, 2004; Van Hauen, 2004). The organizations involved in these cases include US Air Force, L'Oreal, Met Life, and Johnson & Johnson, abroad; Philip Morris-SA, Canon and ServOTEL Corporation in Turkey and many others.

However, it should be kept in mind that advocating the value of EI at work does not mean that cognitive abilities are irrelevant for success. In fact, cognitive and non-cognitive abilities are very much related. Goleman suggests that cognitive abilities are *threshold* skills – essential requirements to enter into certain fields such as engineering or the

executive management of an organization whereas EI competencies show themselves as *distinguishing* factors between average and star performers (Goleman, 1998). Looking from a different perspective, Elçi (2004: 21) raise the following questions: ‘Would one hire someone who lacked the technical skills to do the job? Would one hire a person who had great technical skills but surely lacked the skills of emotional intelligence?’. It is further advocated that the answers depend upon the nature of the position. Some jobs such as a programmer or a sales representative may require a higher level of emotional intelligence as a critical skill while some jobs do not. Overall, all these studies converge in one point that emotional intelligence enhances workplace outcomes and has the potential to contribute to effective decision-making and leadership process but does not guarantee success in the absence of suitable skills.

Accepting that organisational actors bring not only their bodies, minds and hearts to work but also their *spirits* – sine qua non, the concept of *Spiritual Intelligence* shall be highlighted with all its promising transformative and binding power. It integrates reason and emotion – the mind and the heart, providing the self with meaning-giving centre. Thus, in order to maintain organisational trust, identification and commitment together with psychological contract, *spiritual intelligence* should further be integrated intensely into the leadership process in addition to emotional intelligence. Spiritual Intelligence is the ultimate intelligence through which the problems of meaning and value are addressed and solved, the actions and lives of the people are placed in a wider, richer, meaning-giving context, and the selection that one course of action or one life path is more meaningful than another is assessed (Zohar ve Marshall, 2001). Spiritual Intelligence refers to the ability of seeing your deeper purpose, manifesting the profound potential of intrinsic self and attaining self-mastery. As Zohar (2005) suggests, SI is the endless longing for asking questions even when there are no formulized answers, which, in return, brings the comfort with complexity, ambiguity and uncertainty – the three inevitable implications of the Information Age. Further, a leader may well use spiritual intelligence as an inner *compass* to maintain internal balance and to synchronize rational and emotional intelligence of itself and in return of others.

Moreover, when integrated into the organizational culture, Spiritual Intelligence will gain its real meaning and impact on the meeting point of the organizational culture itself, the social culture that employees bring to work and the professional culture of the senior management in terms of nesting all three on ethic and moral principles. According to Zohar (2005: 47), the workplace can be more Spiritually Intelligent by applying twelve principles in the leadership processes:

*Self-Awareness* – what one cares about, what one lives for really – authenticity

*Spontaneity* – being responsive to the moment

*Being Vision- and Value-Led* – acting according to deep beliefs that inspire one

*Holism* – cooperation and sense of belonging – being part of the same system

*Compassion* – empathy and feeling with the others

***Celebration of Diversity*** – valuing differences

***Field Independence*** – stand against the crowd

***Humility*** – having the sense that one might be wrong

***Tendency to Ask ‘Why?’ Questions*** – seeking to learn what lies beneath by questioning – infinite game

***Ability to Reframe*** – seeing the bigger picture – objectivity

***Positive Use of Adversity*** – welcoming mistakes and growing by them

***Sense of Vocation*** – work becomes a vocation attached with a larger purpose – making wealth that benefits the whole world

Spiritual Intelligence is also necessary to create *Spiritual Capital* in organizations (Zohar, 2005: 45). In order to inspire long-term and sustainable organizations, in addition to material capital (money and assets – IQ) and social capital (relationships – EI), spiritual capital also needs to be pursued. Spiritual Capital includes moral capital at both individual and organizational level. It is the wealth acquired by shifting the mind-sets and transforming organizational cultures to access deepest values, highest meanings and fundamental purposes to live a richer and more creative life and to have a meaningful work by embedding these values. Ideally, spiritual capital would reflect a values-based business culture. Instead of emphasizing individual gain, the spiritually intelligent leadership would promote awareness of universal values.

According to the research done by Ellen Brandt (1996), there are increasing attempts to integrate spirituality/spiritual intelligence and corporate life throughout the business world such as IBM, American Express, Cargill, Nestle, Bank of Montreal and Exxon Mobil. These firms are said to be including spirituality in their leadership training programs and company strategies. Although there are no numerical utility analyses of relative-effect measurement – with SI and without SI, the organizational climate is said to become healthier and embracing resulting in more satisfied employees with greater performance.

By and large, Emotional Intelligence and Spiritual Intelligence is the source of guidance for effective leadership processes in organizations. The *triple entente* of rational, emotional and spiritual intelligence will benefit mutual parties (leaders and followers) – both at individual and organizational level, in terms of satisfaction, motivation, coping with ambiguity of life and work, all which further result in increased performance.

Lastly, Prof. Robert Goffee and Prof. Gareth Jones (2000) ask ‘Why should anyone be led by a leader?’ to stress the fact that leaders need vision, energy, authority and strategic direction to engage people and arouse their commitment to company goals. Further, the leadership is grounded in authenticity in the sense that leaders shall reveal their true selves. In addition to that, four unexpected qualities are proposed for inspirational leaders (Goffee and Jones, 2000: 64):

*They selectively show their weaknesses and vulnerability to show their approachability and humanity.*

*They rely heavily on their intuition to gauge the approximate timing and course of their actions – when and how to act.*

*They manage employees with empathy and care.*

*They reveal their strategic differences and unique characteristics.*

In conclusion, as has been discussed from various angles up until now, leadership requires one to play different roles simultaneously. Both transactional and transformational leadership characteristics are said to be required for successful leadership practices however; there need to be a right balance between the two in compatible with the necessities of the job itself and the followers. Thus, the leadership process may well as be pictured as a daunting and a challenging journey where the right balance of being authentic and being adaptive or else determines the success and in turn the end of this journey with the assistance of emotional and spiritual intelligence on the way through. The next chapter will discuss the relationship between the so far suggested leadership processes and the sales management in terms of relational sales performance.

### **3. The Interaction Between Leadership And Sales Management**

Beginning with the 20<sup>th</sup> century and onwards, the leadership process with all its suggested approaches has adhered to the sales management field to find ways for increasing the efficiency and productivity in organizations. Thus, the characteristics of the leadership role in sales management have been a great concern for many researchers (Busch, 1980; Buzzotta and Lefton, 1982; Dubinsky and Ingram, 1983; Churchill et. al., 1985). Among those many studies, it is instrumental to note the outstanding ones whose aims have been to explore not only the preferred style of sales management but also its role in increasing the salesperson performance.

In terms of recognizing the importance of interpersonal relationships in sales manager–salesperson dyad, Busch (1980) analyzes the *Social Power Theory* in the sales management arena. The theory suggests sales managers exert five different social power bases (*expert, referent, legitimate, reward and coercive*) in combination or separately as a source of influence. However, for a salesperson to comply with a sales manager, salesperson’s relative perception of a power base is crucial. For instance, perceived similarities in personal goals, interests or values may increase the effectiveness of *referent* power by enabling the salesperson to see the sales manager as a role model (Busch, 1980: 93). In the light of those arguments, it is indicated that proper development of the power relationship between the salesperson and the sales manager may directly increase job satisfaction and role clarity resulting in a decreased propensity to leave and

thus indirectly affect the sales performance positively. Another model – *the Dimensional Model of Sales Management* suggested by Buzzotta and Lefton (1982) proposes a plane with four quadrants including two continuums as Hostility-Warmth and Dominance-Submission. Out of four combinations, Dominant-Warmth sales management that recognizes autonomy, participation, individualized concern and contingent rewarding comes out as the most appropriate behavior style in terms of fostering teamwork, innovation and self-development of sales people, increasing their morale and thus the overall sales performance. Churchill et. al. (1985) further investigate the determinants of sales performance stressing that the personal factors, skill levels, role variables/perceptions, aptitude, motivation and organizational/environmental factors matter a great deal (Brashear et. al., 1997). However, an important implication of this study is that no single factor can predict salespeople’s performance solely and accurately instead; multiple determinants shall be used to measure performance depending on the unique requirements of the job itself. This judgment proves the case for multiple-determinant perspective for sales management and sales performance.

As previously discussed in Chapter 3, by courtesy of the Information Age, the environment that faces sales organizations has changed dramatically. The period of technological innovations such as internet and automation systems, continuous dynamism and tough competition have begun in addition to more than ever increased customer expectations such as customized products, high speed of response and deep breadth of knowledge (Jones et. al. 2005; Colletti and Fiss, 2006). These changes have resulted in sales force adaptation to internal changes in organizational processes like going to market through multiple channels as well as the external ones like global customers gaining more power. Thus sales force management in this new business environment became the crucial focus of attention to balance those diverging and shifting needs for effective organizational performance. As a result, sales management has been replaced with *sales leadership* to thrive the challenges of the new age. Ingram et. al. (2005: 138) defines sales leadership as setting the general direction and developing an organizational culture for the sales force by creating and articulating a vision, establishing core values, inspiring alignment and energizing action. Sales leadership focuses more on ‘*doing the right things*’ instead of ‘*doing things right*’. The best sales leaders appear to be the ones who see their position as a proactive journey revolving as time goes instead of a destination and it becomes a necessity to create cultures that nurture excellence, risk-taking, creativity, and constant learning. The new roles ascribed to business sales leaders are suggested below (Colletti and Fiss, 2006: 126-131):

### ***Company Leader***

*Achieving revenue growth, launching new products, acquiring customers, expanding business with current customers, improving performance*

*Creating a organizational culture in accordance with the company strategies*

### ***Customer Champion***

*Spending more time with customers to keep the relationship alive*

*Providing information about the latest trends, developments and future products*

**Process Guru**

*Having a dual-perspective, balancing both customers and inward organization needs*

*Adapting sales process changes to daily sales activities*

**Organization Architect**

*Redesigning the sales organization's structure to support the strategic goals*

*Providing the base for sales specialization*

**Course Corrector**

*Finding the subtle signs, that sales strategy needs to be retooled*

*Achieving long-term company strategies and predictable organizational performance*

In addition to the multi-dimensional roles discussed above, it is further important to recognize that sales leadership faces unique aspects that may not occur in other less dynamic organizational settings. For instance, salespeople in a sales organization act as *boundary spanners* in the sense that they need to work with others in different functions and departments *inside* the organization as well as with different customers, business units and partners *outside* the organization (Ingram et. al., 2005: 138). This brings as its train the teamwork concept since sales people shall work in internal groups or sometimes in global groups to achieve organizational strategies such as in network or virtual organizations, further framing the sales leadership process as a more challenging one.

The right combination of transactional and transformational leadership styles are advocated by many researchers for success in maintaining long-run sales performance both directly and indirectly through job satisfaction and organizational commitment (Dubinsky, et. al., 1995; Shoemaker, 1999; 2003; Martin and Bush, 2006). Transformational leaders may engender a level of trust, confidence and empowerment among sales people that ultimately results in higher goal attainment through the process of identification and internalization. Shoemaker (1999, 2003) further proposes the Leadership Practices Model signifying that both transformational and transactional leadership practices are necessary for job satisfaction and role clarity – the psychological components that may affect sales performance indirectly. Sales people not only need to know the specifics of the job and the related rewards but also shall be inspired and motivated to see the big picture. Thus, a successful sales leader's role is to find the right balance between short-term performance necessities and long-term company strategies.

Another theoretical path that seems to offer promise for effective sales leadership and performance is the Leader-Member Exchange model (Tanner and Castleberry, 1990; Butler and Reese, 1991; Yammarino, 1997; Ingram, 2004). The theory focuses on the quality of the two-way relationship between a sales leader and a sales person by suggesting that trust is the core determinant in this interaction. High quality relationship is said to result in high satisfaction, motivation and in turn effective performance. Additionally, it is recognized that the same sales leader may display different styles

toward each individual in a group signifying the flexibility, dynamism and adaptability of the leadership process.

As a conclusion, it shall be bear in mind that effective leaders employ multiple leadership styles depending on specific situations, time zones and personal characteristics. However, whatever style is used; emotional intelligence and spiritual intelligence together with social and spiritual capital shall be woven tightly into the fabrics of the leadership process in order to further enhance the organizational culture and the desired organizational climate. Only after that, the leadership practices such as inspiring and visioning, risk taking and innovation, communicating, mutual understanding, integrating and creating a learning organization will gain their supreme significance in organizational setting. Once sales managers are nowadays' sales leaders who are dressed up not only with various opportunities to guide them but also with demanding obstacles to challenge them through the journey of leadership. How well leaders draw benefit from these assistants to overcome the adversities will determine their long-run success and the organizational success overall.

#### **4. Conclusion**

An organizational leader in general and a sales leader in spesific shall employ multiple leadership practices such as inspiring and visioning, risk taking and innovation, communicating, mutual understanding, integrating and creating a learning organization, recognizing success and reward contingently depending on specific situations, time zones and personal characteristics in order to survive in today's dynamic, complex and competitive business environment of the information age. In other words, the right balance between *task-orientation* and *people-orientation* leadership styles shall be adopted since one without the other is only the half of the organizational picture. On the other hand, all these attempts to motivate employees, to attract customers, and to achieve overall organizational success gain their supreme significance in organizational setting only when emotional and spiritual intelligence are integrated to organizational culture. Suggesting that to excise people's emotions or their spirit from the work itself or any other organizational processes is proved to be an absolute impossibility, overall organizational well-being is closely conditional upon the nourishment of meaning and value at work. This necessitates for a sales leader then a detailed understanding and recognition of individual actors' emotions, fundamental needs and their longing for meaning in order to derive the best out of them for long-term organizational performance.

By and large, as previously mentioned, *Transactional* and *Transformational* styles in right combination are the source of guidance through the dynamic sales leadership journey and drawing upon the *triple entente* of rational, emotional and spiritual intelligence as well will benefit mutual parties – both at individual and organizational level, in terms of effective leadership processes and increased performance outcomes.

Finally, in terms of recognising the limitations of this descriptive study itself, a large scale and/or a cross-cultural further research shall be conducted with different theoretical

positions to validate the propositions advocated in this research and to understand what really lies beneath the leadership processes in practice. Scientifically testing or qualitatively validating the propositions of this study might allow constructing a clearer and richer picture, if not finished, for the *leadership process* and its place and effectiveness in organizations.

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