# INVESTIGATING FOLLOWERS' PERCEPTIONS OF TRANSFORMATIONAL LEADERSHIP IN MULTICULTURAL WORKFORCES: A NEW ZEALAND CASE STUDY

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## **Abstract**

The unprecedented globalisation and large scale immigration in recent years has transformed the demographic composition and employment practices in New Zealand to a great extent. There is now considerable ethnic diversity to recruit from particularly in Auckland as well as an increasing dependence on skilled migrants. Transformational leadership has been widely recognised by scholars as the most suitable leadership style in global multicultural contexts. The main aim of this dissertation was to examine if ethnically diverse participants' perceptions of leadership align with the behaviours identified as transformational or transactional in the New Zealand context. The project was also intersectionally sensitive of the influences other demographic characteristics may have on the perceptions of participants. A descriptive interpretative paradigm was adopted in this study to discover the perceptions of the followers from different ethnicities towards transformational leadership. A single case study was undertaken in the Debt Management Department of an international organisation in Auckland, New Zealand. The main method of data collection was face-to-face semi-structured interviews along with field notes and company reports. The findings indicated that followers have a strong preference for transformational leadership in a multicultural New Zealand work setting. It therefore supports previous studies on the suitability of transformational leadership outside the American context. This study has important implications in regards to development of transformational leadership behaviour training programs. It also highlights the area of leader-follower relationship duration and its effects on transformational leadership outcomes as a potential field for future research.

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**Attestation of Authorship** 

I hereby declare that this submission is my own work and that, to the best of my

knowledge and belief, it contains no material previously published or written by another

person (except where explicitly defined in the acknowledgements), nor material which

to a substantial extent has been submitted for the award of any other degree or diploma

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## **CHAPTER 1: INTRODUCTION**

## 1.1. INTRODUCTION

Escalating globalisation has given rise to intense challenges for businesses as they strive to strike a balance between the familiar conventional leadership styles and new conceptions of leadership (Robinson & Harvey, 2008). To this extent, a more globalised world poses both obstacles and opportunities for leadership development (Pauliene, 2012). The 'de-bordering' of economies implied by the word globalisation has led to the emergence of multicultural work teams as the universal norm requiring international businesses to engage in worldwide collaborations and at the same time, gain local acceptance (Zander & Butler, 2010). Multinational organisations are operating beyond the confines of their home country meaning their leaders are in dire need of leadership concepts and practices that go beyond national cultures and territories (Ergeneli, Gohar & Temirbekova, 2007).

Leadership has been an interesting subject of business attention and academic research for a long time (Jackson & Parry, 2011; Singh & Krishnan, 2007). Stogdill (1974) remarked that the definitions of leadership are equivalent to the number of scholars who have attempted to describe it. A simple and well used definition provided by Northhouse (2010, p. 5) is "Leadership is a process whereby an individual influences a group of individuals to achieve a common goal." The so-called 'new' leadership paradigm proposes that leadership is no longer limited to accomplishing goals but can lead to performance over and above prediction and reason (Bass, 1985; Yukl, 2010). This new thinking on leadership underlines the restrictions of the traditional models of leadership developed in a specific cultural context and point in time questioning their relevance in multicultural contexts (Jackson & Parry, 2011).

This dissertation focuses on New Zealand and investigates followers' perceptions of transformational leadership in multicultural workforces. The impact of context on follower's perceptions and assessments of leadership and leaders has received little research attention (Fields, 2014). Krishnan (2005) rightly states that "With the increasing importance of knowledge as a corporate asset in today's dynamic environment, and with the technological and social changes constantly affecting organizational functioning, transformational leadership is becoming more relevant than ever." (p.443).

## 1.2.BACKGROUND TO THE STUDY

Transformational leadership can be described as a process that is over and above the business exchange between the leader and the followers (Boehnke, Bontis, DiStefano & DiStefano, 2003). Transformational leaders are "characterised by their ability to serve as inspirational role models, generate good human relationships, develop followers and motivate them to go beyond the confines of their job descriptions" (Eagly, Gartzia & Carli, 2014, p.155). Studies suggest that transformational leadership can bring about a remarkable change not only at the individual level but also at an organisational level as it lays emphasis on fulfilment of mutual needs, goals and principles (Boehnke et al., 2003). It is crucial not only to enhance organisational efficiency but also to uncover new business opportunities (Krishnan, 2005). Boehnke et al. (2003) claim that visioning, inspiring, stimulating, coaching and team-building are clear indicators transformational leadership behaviours. Research tends to contrast a transformational style with transactional leadership which is more managerial through the use of rewards and punishment (Jackson & Parry, 2011). Transactional leadership can be explained as a sequence of negotiations between a leader and the followers. It implies that the needs of the followers are fulfilled by a fixed set of rewards when they accomplish the predetermined objectives of the organisation (Boehnke et al., 2003).

The differentiation between transactional leadership and transformational leadership echoes the perpetual debate between management and leadership. Leadership differs from management in the way that it does not conform to the tried and tested methods but brings about novel and innovative methods of problem solving (Jackson, 2012). Butler (2009) comments that leadership and management should not be treated as independent variables; rather they should be considered as perfect complements to each other. It is not about replacing one or the other but finding a correct balance between the two. Carroll and Levy (2008) have explored the management and leadership debate in the New Zealand context. They suggested these two variables influence one another in an understated yet explicit manner. Therefore, transactional leadership and transformational leadership should be seen as functioning on a single scale (Bass, 1985) rather than as two bipolar concepts (Burns, 1978).

Grint (2005) proposes an effective structure to divide leadership, management and command processes by suggesting each aligns with three kinds of problems. These are

'critical' problems that require critical and quick responses by a 'command' approach; 'tame' problems that require the 'management' of difficult and time consuming issues and 'wicked' problems that require 'leadership' to determine the best resolutions for complex predicaments. Carroll and Levy (2008) found that New Zealand leaders have a tendency to resort to a management style rather than leadership approach when they face organisational challenges or obstacles. This they argue is because management can be perceived as a default identity that is deeply embedded in our system in spite of its incredulity and irrationality. Conversely, leadership is treated as an intangible concept that is hard to define and harder to implement (Carroll & Levy, 2008). It is of utmost importance that the leaders choose leadership over management when leading followers from diverse cultural backgrounds as highlighted in this research.

The majority of the transformational and transactional leadership research and theorisation has been hugely influenced by the North American context which raises questions on the applicability of the models offered in other countries (Jackson & Parry, 2011). This can be explained in two different ways. Firstly, most of the empirical investigation has been conducted in large North American corporations and while it can be argued that there is a range of ethnic groups that may have been taken into account, the cultural specificity does restrict the generalisation of the findings. Secondly, the researchers themselves are shaped up by their immediate cultural backgrounds. This directly affects their nature of research and line of investigation (Jackson & Parry, 2011). The importance of context, that is, localised historical and cultural practices, needs to be tested further as leadership is interpreted in different ways in different cultures. Leadership styles and cultural underpinnings have a mutually dependent correlation and are extremely significant in comprehending the varying needs of different cultures especially in multicultural workforces (Paulienė, 2012).

Leadership needs to be studied in conjunction with culture as leadership can be considered a social phenomenon (Singh & Krishnan, 2007). The influence of culture on leadership can be analyzed in two ways. First, a practical approach by the businesses to enhance their competence in the global market and second, a scientific approach by the scholars to develop cross-cultural leadership theories (Dorfman, 2004). It is quite beneficial for the leaders to gain a basic understanding of the followers' culture to familiarize themselves with their fundamental principles and ideals. It is particularly important for transformational leadership because leaders need to be aware of the

divergent cultural backgrounds of the followers in order to recognize their actual needs (Singh & Krishnan, 2007). Bass (1997) also recommended that the different elements of transformational leadership are exhibited in the leader's actions in unique ways in different cultures. Therefore, transformational leadership behaviour needs to be modified by the leaders according to various cultural contexts.

New Zealand is an interesting case for the study of cultural influences on leadership. New Zealand history is full of examples of successful charismatic leaders such as Kate Sheppard, Roger Douglas, and David Lange (Mittal, 2015). "New Zealand's geographic isolation in the face of globalization, commitment to biculturalism and demographic shift to a multi-ethnic society" are the central factors that precisely surmise the uniqueness of New Zealand (Ryan, Ravenswood & Pringle, 2014, p. 175). New Zealand is a bi-cultural nation where there are two culturally distinct groups, Maori and Pakeha (European), each with differing models of leadership (Jackson & Parry, 2011). However, there is a cultural clash between these two groups as Maori values tend to incline towards collectivism and Pakeha (European) values can be categorised as individualist. Jackson (2012) argues that the small size of the population and simple administrative structures are vital strengths to develop and export leadership practices. Moreover, New Zealand's strategic position in the Pacific region is quite helpful to examine the leadership practices and changes in the Asian countries particularly the recent changes in China (Jackson, 2012).

Additionally, the New Zealand population in the 21<sup>st</sup> century is much more ethnically diverse with increasing migration from Asia and a high percentage of the populace born in a foreign country. Ethnicity, as a difference category (e.g. ethnic minority), is more commonly used in NZ rather than race and is associated with cultural affiliation (Ethnicity - Statistics New Zealand, 2013). In a similar manner to other Western countries the 'greying' of the New Zealand workforce is another area of concern (EEO Trust, 2009) with the youth workforce (15-24 age group) representing only 10.1% of the total workforce (Statistics New Zealand, 2012). Therefore, there is a huge dependence on skilled migrants to augment the labour force growth. It is estimated that Asian population is projected to increase to 20.9% in 2038 mainly due to migration (Statistics New Zealand, 2013). Auckland still remains the commercial hub and the most multi-ethnic city in New Zealand (Ryan et al., 2014). It is estimated that Europeans will constitute 53% and Asians will represent 27% of the total

Auckland population in 2021 (Tan, 2012). Moreover, the majority of the population is employed in small to medium enterprises (SMEs) (Ryan et al., 2014).

The increasing ethnic diversity and the focus on multicultural workforces in this study prompted the investigation of transformational leadership theory from a follower's point of view. This exploratory small-scale study aims to bring in a fresh perspective on this theory from a New Zealand perspective. Lord and Maher (1991) propositioned that the perception of the leader by the followers is an essential requirement to enforce the influence of the leader. They suggested two different processes of leadership perceptions. First, leadership can be ascribed to outstanding results and extraordinary efforts of the leaders. Second, leadership is acknowledged when the followers' implied notions of leadership match the traits of the leader being observed. The followers are in the best position to assess the relationship between a leader and the followers as they "experience the reality of a leader's mode of action" (Castro, Periñan & Bueno, 2008, p. 1842). One of the major drawbacks in the area of leadership development is its constant fascination with the leader. This is a common error not only New Zealand but in most of the Western countries also (Jackson & Parry, 2011). In fact, followers have an important role in developing superior leadership practices. The need is to recognize and enhance the purpose of followers in order to build up a comprehensive approach to leadership (Jackson, 2012). Jackson (2012) firmly believes that New Zealand can "provide a singularly valuable laboratory in which to observe and practise leadership and to experiment with new leadership models and philosophies" (p. 19).

## 1.3.RESEARCH METHODS

Two research questions frame this dissertation:

- 1) How do followers from different ethnic backgrounds perceive transactional and transformational leadership behaviour?
- 2) What types of leadership behaviours do they see as appropriate in a multicultural workplace?

The main aim of the project is to see if ethnically diverse participants' perceptions of leadership align with the behaviours identified as transformational or transactional in the NZ context. In line with thinking on the interrelationships between ethnicity and other demographic characteristics (e.g. age and gender) the project will be

intersectionally sensitive (aware) of the influences these may have on the perceptions of participants (McBride, Hebson & Holgate, 2014). The study would also give an insight into the universal applicability of transformational leadership to multicultural NZ work settings. This dissertation is primarily motivated by Brain and Lewis (2004) study of the leadership preferences of multicultural workgroups in an Australian Government department.

A case study methodology has been used in this study. The major motive to choose this methodology is that the study involved a single organisation with a range of primary and secondary data collection methods (Creswell, 2013). A case study methodology is also considered appropriate for the expectation of a dissertation (sample size and the time restrictions). The main method of data collection was semi-structured interviews. Semi-structured interviews are beneficial as they give greater control over the nature of inquiry and sequence of questions (Creswell, 2013). The other sources of data collection were field notes and company reports. Thematic analysis of the data was used to identify common insights and to draw out differences or contradictions (Smythe, 2012). The intent is to describe (hear the voices of participants), interpret and present "a thoughtful overview of the results" (Smythe, 2012, p.5).

## 1.4.DISSERTATION OUTLINE

The dissertation has been divided in five chapters. The first chapter is the Introduction which gives a background of the study and research design and a brief outline of the following chapters.

Chapter 2 includes the literature review. The key topics that are covered are the background of transactional leadership and transformational leadership and their relationship to culture and multicultural workforces. It also discusses the followers' perspective and the effects of transformational leadership on the followers in particular. Chapter 3 gives an overview of the case study methodology. It describes the main methods and process of data collection. Semi- structured interviews were the primary

Chapter 4 presents the findings and discussion of the analysed data. The various themes have been discussed in relation to the literature from Chapter 2.

Chapter 5 lists the various implications and the limitations of the study.

method of data collection and thematic analysis was used to analyse the data.

## **CHAPTER 2: LITERATURE REVIEW**

## 2.1.INTRODUCTION

This section presents a summary of the past studies on transformational leadership and defines the context for this research. Given the vast quantity of literature on transformational leadership and the limited scope of a dissertation, the researcher has only selected that material that is perceived as relevant to the research question. It starts with a brief background and description of transformational and transactional leadership theories. It then reviews the cross-cultural context for transformational leadership and discusses the multicultural workforces in particular. Thereafter, the followers' perspective is outlined that highlights the various effects of transformational leadership. The chapter concludes with a summary of the key points illustrated in the literature on transformational leadership in multicultural contexts with a special emphasis on the followers' standpoint.

## 2.2.TRANSFORMATIONAL LEADERSHIP: BACKGROUND & FEATURES

Transformational leadership theory has garnered significant scholarly interest since the 1980s. Diaz-Saena (2011, p.299) among others (e.g. Jackson & Parry, 2011; Sinclair, 2007) note how for the past thirty years, transformational leadership has "been the single most studied and debated idea within the field of leadership studies". That it has attracted so much attention, particularly from scholars in the USA, is attributed to the rapid change in the wider environment and threats from international business competitors (Diaz-Saena, 2011), a situation that required leaders with inspirational influence (Sinclair, 2007). Popularised in books such as Bennis and Nanus's, 1985, *Leaders*, (cited in Sinclair, 2007) the transformational leadership approach embraces the concepts of charisma, moral power and visionary leadership (Northouse, 2010). In this way transformational leadership theory has been placed on a pedestal by many leadership scholars as it "expands the scope of leadership theory by recognizing the importance of symbolic, emotional and highly motivating behaviours that appeal to follower's minds and hearts and account for results over and above ordinary leadership" (Ergeneli et al., 2007, p. 704).

Given the vast amount of literature on transformational leadership the purpose of this section is to outline the key attributes associated with the term. 'Transformational Leadership' was first coined by Downton (1973, as cited in Northouse, 2010). The further development of this theory is attributed to political sociologist, James MacGregor Burns in his seminal work titled *Leadership* (1978). Burns (1978, p.18) proposed that leaders "tap the motives of followers in order to better reach the goals of leaders and followers". Burns (1978) also contrasted transformational leadership theory to the more management orientated, transactional leadership theory. The transactional leadership theory is entirely based on formal exchange between the leader and the followers. This separation in the early development of transformational and transactional leadership speaks to the considerable literature which has debated the relationship between leadership and management (e.g. Kotter, 1990; Rost, 1991). Bennis and Nanus (1985, p. 221) iconic statement "Managers are people who do things right and leaders are people who do the right thing" is symbolic of this distinction.

The transformational leadership theory is often studied in conjunction with House's iconic work on charismatic leadership (House, 1976). According to House (1976), charismatic leaders exhibit definite behaviours that direct the behaviours of the followers as well. This leadership theory also advocates that charismatic leaders have certain personality traits that lead to specific charismatic effects on the followers. The term charisma has been defined in many ways but one of the most long-standing definitions was given by Weber (1947). He defined charisma as "a special personality characteristic that gives a person superhuman or exceptional powers and is reserved for a few, is of divine origin, and results in the person being treated as a leader "(p.188, as cited in Northouse, 2010). However, Weber (1947) also proposed that charisma is not entirely a personality trait of the leader but is really authenticated by the followers in the way they perceive their leaders. According to Sinclair (2007), Weber did not necessarily see charisma as only about doing 'good', a point she argues, is missed in much of the contemporary writing on charisma and leadership.

The second major wave of interest in the area of transformational leadership theory was the work of Bass (1985). His work was a broader and improvised version of the transformational leadership model by Burns (1978) and identified more with the needs of the followers than the needs of the leaders. Bass (1985) built upon the work of

House (1976) and focussed more on the source of charisma and its emotional aspects. He further argued that charisma is an obligatory factor for transformational leadership but needs to work in synchronization with various other factors as well. Bass (1985) theorised transformational leadership and transactional leadership as operating on a singular scale rather than as two distinct variants as proposed by Burns (1978).

Bass (1985) model puts forward the following factors for transformational leadership. These are:

**Idealized influence:** Charisma or idealized influence is the primary factor of transformational leadership. It comprises two main elements. First, an attributional component that includes the qualities of the leaders that the followers think they possess and second, a behavioural component that includes the behaviour of the leaders as noted by the followers. It depicts those leaders who can direct the followers towards a common goal that is for the greater good. These leaders possess a strong sense of ethics and morality and induce the followers to try and imitate those same standards. Followers, on the other hand, as well see them as their role model and hold them in high regard (Bass, 1985).

**Inspirational motivation:** Inspirational motivation or inspiration is the second factor of transformational leadership. It depicts those leaders who show complete faith in their followers and encourage them to perform not only for themselves but for the best interests of the organisation. Such leaders put across high objectives for the followers and motivate them to meet these expectations through poignant pleas or symbols (Bass, 1985).

**Intellectual stimulation:** Intellectual stimulation is the third factor of transformational leadership. It depicts those leaders who endorse ingenuity and novelty in their followers. Such leaders go beyond the tried and tested ways and methods to solve problems at hand and persuade the followers to set up original practices as well. They also push the followers not only to contest their own ideas but also bring out a fresh perspective in the organisation (Bass, 1985).

**Individualized Consideration:** Individualized consideration is the fourth factor of transformational leadership. It depicts those leaders who look after their followers at an

individual level. These leaders create an appreciative atmosphere and carefully assess the varying needs of the followers. They may make use of variety of techniques like delegation of duties or specific responsibilities to assist the followers according to their individual needs (Bass, 1985).

Conversely, transactional leadership can be said to be reinforced by transformational leadership. Bass (1997) stated that there is only a one-way relationship from transactional to transformational leadership and not vice versa. He backed this up with empirical verification from military and commercial organisations in a number of countries. Transactional leadership is concerned with the granting of rewards such as recognition or bonuses to followers when they realize prescribed organisational goals (Bass, 1985). The key difference between transactional and transformational leadership is the empowerment of followers which consequently increases their enthusiasm and capability. Empowerment can be enhanced by the leaders through delegation of authority or supporting followers' imagination and ingenuity (Dvir, Eden, Avolio and Shamir, 2002). However, transactional leaders can be expected to be quite unsympathetic and insensitive to followers if they do not achieve their targets (Lee, 2005).

Transactional leadership also operates on a set of specific factors (Bass, 1985). These can be elaborated as follows:

Contingent reward: Contingent reward refers to an explicit interrelation between the leader and the followers wherein the followers are compensated for their efforts. The association between the leader and the followers can be more or less described as a fixed agreement. This agreement clearly spells out the expectations of the leader and how the followers would be rewarded if those expectations are met to their satisfaction (Bass, 1985).

**Management-by-Exception:** Management-by-exception implies that leaders make use of constructive criticism or negative reinforcement. It can be explained in two different ways: active and passive. The active form of management-by-exception is depicted by those leaders who take note of the faults of the followers and try to rectify them in a positive manner. In contrast, the passive form of management-by-exception is depicted by those leaders who do not take remedial measures to help the followers to overcome

their mistakes. Instead, they only get involved when the issue or obstacle is beyond the control of the followers. Overall, this factor relies more towards a negative reinforcement design than a positive reinforcement design (Bass, 1985).

As a theoretical concept, transformational leadership has been subjected to critique with its weaknesses and limitations noted. For example, Jackson and Parry (2011) and Diaz-Saenz (2011) provide an overview of the limitations signalled by scholars which tend to echo criticisms of the whole leadership field: the number of replicated quantitative studies, idealisation of the successful leader, the lack of situational analysis and theoretical inconsistencies. The assumption that transformational leaders only do good not bad is a further point raised (Sinclair, 2007). Despite these criticisms transformational leadership has broadened understandings of what followers perceive as effective leadership, the topic under investigation in this dissertation. The model proposed by Bass (1985) still stands as one of the most influential models of this theory and forms the basis of analysis in this dissertation.

In summary, transformational leadership, has as Sinclair (2007, p.22) comments, been legitimated as the key idea in leadership theory. Much of the writing and empirical research on transformational leadership and its complement, transactional leadership, has its origins in the USA hence this individual-centric approach, highlighted in the attributes identified by Bass (1988) resonates with US cultural values of individualism and universalism (Sinclair, 2007). It has as one would expect, been subject to critique and its limitations highlighted (e.g. Diaz-Saenz, 2011; Jackson & Parry, 2011; Sinclair, 2007). In the next section, transformational leadership will be aligned with a selection of literature on culture, a similarly contentious, yet inviting area of scholarship.

## 2.3.CULTURE AND TRANSFORMATIONAL LEADERSHIP

Culture has been designated as one of the most commanding factors to influence leadership and much credit goes to Dutch academic, Geert Hofstede. Hofstede (1980) defines culture as "the collective programming of the human mind that distinguishes the members of one human group from those of another. Culture, in this sense, is a system of collectively held values" (p.43). To this extent Hofstede positions culture as something we learn rather than inherit (Jackson & Parry, 2011). Hofstede (1980) developed a ground-breaking cultural framework on the basis of analysis of IBM

workers in 72 countries. From the data he saw evidence of four main cultural dimensions at the national level: Power distance, Uncertainty avoidance, Individualism-Collectivism and Masculinity-Femininity. A fifth dimension, long-term versus short-term orientation was added by Hofstede in 1991 after the research of Michael Bond in the Asia Pacific region (Minkov & Hofstede, 2011).

Hofstede (1980) was one of the first scholars to present the argument that culture is a multi-faceted, layered phenomenon within which "the collective programming of the human mind" occurs (Hofstede, 1980, p. 43). He saw a significant relationship between national layers of culture and work-related values. In looking at transformational leadership, he ascertained three major features- charisma, individualised consideration and intellectual stimulation. He further stated that individualism - collectivism is one of the most appropriate cultural dimensions out of the original four dimensions in relation to transformational leadership (Hofstede, 1983). According to Vandello and Cohen (1999), "one of the most useful and actively researched construct to emerge from cultural social psychology has been the dimension of individualism-collectivism" (p. 279). Individualism implies an exclusive personal identity based on self achievement and limited concern for others beyond the immediate family. Conversely, collectivism implies a social identity based in the larger community network and huge dependability on other in-group members (Hofstede, 1980). Jung, Bass and Sosik (1995) also asserted that three major features of transformational leadership - charisma, individualised consideration and intellectual stimulation were more pertinent in collectivist cultures compared to individualist cultures. This is because these features were more compatible with these cultures and could be quickly disseminated and promoted among the followers (Jung et al., 1995).

Ergeneli et al. (2007) explored the relationship between transformational leadership and Hofstede's cultural dimensions. Their results backed up the earlier works of Bass and Avolio (1993) and Bass (1997) that transformational leadership entails specific universal trends and can be applicable across all cultures. This research was quite noteworthy in the way that they also scrutinized the five aspects of transformational leadership as categorized by Kouzes and Posner (1987) with Hofstede's cultural dimensions. The five aspects were-challenging the process, inspiring a shared vision, enabling others to act, modelling the way and encouraging the heart (Kouzes & Posner, 1987). Their results indicated that two aspects of transformational leadership, that is,

challenging the process and enabling others to act were universally applicable. On the contrary, the other three aspects, that is, inspiring a shared vision, modelling the way and encouraging the heart aspects were only appropriate for certain cultures. Moreover, they also verified that uncertainty avoidance is negatively linked to overall transformational leadership.

Jung and Avolio (1999) were one of the first scholars to compare transformational and transactional leadership styles in a cross-cultural context. They found that employees from collectivist cultures performed better with transformational leaders developing novel and innovative ideas whereas those from individualist cultures identified more closely with transactional leaders. As noted earlier transformational leadership is more accepted in collectivist cultures as it encourages greater participation of the followers. This can be attributed to high power distance and acceptance for authority of the leader (Paulienė, 2012). This has also been shown in the work of Perrin et al. (2012) where they conducted research in the collectivist cultures of Japan and Singapore and confirmed that transformational leadership was linked to leadership success. Scholars have also observed that in collectivist cultures such as China (Hong Kong), Thailand and Taiwan followers were more efficient and creative with a transformational leader. Pauliene (2012) notes that Australian and Turkish cultures also advocate for a cordial leader-follower relationship under a transformational leadership style. The leaders assume a coordinating position and promote healthy dialogue among the followers (Paulienė, 2012).

Bass (1985) produced the Multifactor Leadership Questionnaire (MLQ) to assess transformational leadership in seven areas - idealized influence (charisma), inspirational motivation, intellectual stimulation, individualized consideration, contingent reward, management-by-exception, and laissez-faire. It has been reworked over the years to enhance its consistency and legitimacy and still remains one of the most popular instruments to date (Northhouse, 2010). However, many scholars have questioned its dependability in a cross- cultural context (Den Hartog, Van Muijen & Koopman., 1997). To illustrate Singh and Krishnan (2007) created a unique scale to measure transformational leadership in India. They produced a six- factor model encompassing universal and specific cultural traits and is similar to Bass (1985) model in some aspects. The universal factors of this model were - performance-oriented and humane, sensitive and conscientious, conviction in self and non-traditional. The cultural specific

factors of this model were openness and nurturing and personal touch (Singh & Krishnan, 2007). Thus, cultural underpinnings affect not only the transformational leadership style but also its measurement across different cultures.

The most iconic and extensive study in the field of culture and leadership are the GLOBE studies originated by House, Hanges, Javidan, Dorfman, and Gupta (2004). GLOBE is the acronym for the Global Leadership and Organizational Behavior Effectiveness research program. The GLOBE research program was commenced by Robert House in 1991. It covered 62 different cultures all over the world and remains the most extensive research programs to date to investigate the influence of diverse cultural values on the leadership process. The GLOBE program builds upon the research of Hofstede (1980) and recognizes nine cultural dimensions namely uncertainty avoidance, power distance, institutional collectivism, in-group collectivism, gender egalitarianism, assertiveness, future orientation, performance orientation, and humane orientation. The 62 different cultures are represented in the form of 10 regional clusters based on common language, geographical location and historical descriptions. These clusters are Anglo, Germanic Europe, Latin Europe, Sub-Saharan Africa, Eastern Europe, Middle East, Confucian Asia, Southern Asia, Latin America, and Nordic Europe (House et al., 2004).

One noted contribution of the GLOBE research program was to highlight the positive universal attributes of effective leadership. These attributes were found to be collectively supported by 62 cultures all over the world to build a picture of an outstanding leader. These positive attributes are motivation, encouraging, has foresight, plans ahead, team builder, intelligent, to name a few (House et al., 2004). It has been observed that many of these can be linked to attributes associated with transformational leadership, such as trustworthy, positive, excellence oriented and confidence builder (Den Hartog, House, Hanges, Ruiz-Quintanilla & Dorfman, 1999). Moreover, these attributes are regarded as relevant to not only those at the top of an organisational hierarchy but also those at mid-level management (Diaz-Saena, 2011). Overall the contribution of this work has reinforced the idea that the transformational leadership concept has universal application because it has the capacity to be adapted to different cultural settings (Diaz-Saena, 2011).

One example of a more recent study on the relationship between culture and leadership is the work of Paulienė (2012). Pauliene (2012) argues that "cultural values, beliefs and expectations influence leadership styles through a complex set of behavioural processes involving culture-specific roles and responsibilities that are deemed appropriate for leadership." (p. 92). To substantiate this argument Pauliene (2012) shows how first and foremost, the cultural conditions have a strong bearing on gender and give rise to gender specific behaviour. This builds on prior studies that identify how gender and culture work together in national cultures and have substantial repercussions on workplace behaviour. For instance, observations in early childhood coupled with adopting genderbased behavioural likes and dislikes are emphasized and strengthened by groups within a culture. These behaviours over a long period of time result in major differentiation in values, beliefs and actions (Paulienė, 2012). Second, Pauliene (2012) emphasizes the point that leadership theories have by tradition come into being in the individualistic cultures of the West. These cultures perceive effective leadership as a means to achieve improved monetary results and focus on mentoring and networking. In contrast, collectivist cultures look at leadership as a means to attain the individual and community goals on one hand and inculcate loyalty and commitment among the followers on the other hand (Paulienė, 2012).

In summary, selected literature on the multi-layers of culture and leadership has shown the significance of this relationship. To this extent the GLOBE research program has been hugely influential in highlighting the positive attributes of effective leadership. It is suggested many of the attributes identified are similar to those associated with transformational leadership. The next section moves to the meso-organisational level to review relevant literature on the relationship between transformational leadership and multicultural workforces.

# 2.3.1.TRANSFORMATIONAL LEADERSHIP AND MULTICULTURAL WORKFORCES

It is important first to define the term 'multicultural workforces' for the purpose of this dissertation. In this study, multicultural workforces imply "existence of multiple cultures such as African, American, Asian, European, and Middle Eastern. Multicultural can also refer to a set of subcultures defined by race, gender, ethnicity, sexual orientation, or age" (Northhouse, 2010, p. 384). International businesses now treat multicultural workforces as a means to integrate cultures and countries to attain global

harmonization (Zander & Butler, 2010). To this extent, the place where multicultural teams interact re-borders individuals within a particular context (Diaz-Saena, 2011). Effective team leadership has been identified as the most crucial factor for successful performance of multicultural teams (Hajro & Pudelko, as cited in Zander, Mockaitis & Butler, 2012). A leader's style is viewed as an important influence on their effectiveness (Yukl, 2010). As noted earlier transformational leadership is widely recognised by leadership scholars as an appropriate style that will enhance management performance even in non-American countries. There is however, less research into transformational leadership in multicultural contexts (Woerkom & Reuver, 2009). The cultural diversity of the workplace has a significant impact on the role and the functions of a leader (Robinson & Harvey, 2008). Woerkom and Reuver (2009) also argue that transformational leadership is a pre-requisite in an international or multicultural context as followers from different cultures can only be held together by a leader who infuses vision and dedication in them. Three studies of transformational leadership and multicultural workforces in non-American countries will be reviewed.

Brain and Lewis (2004) investigated leadership preferences of multicultural workgroups in an Australian Government department. They looked at transactional and transformational leadership approaches and took into account the views of Australian, New Zealander, English and Asian participants. Their findings indicate that a mix of transactional and transformational leadership behaviour was required by the different cultural groups. However, transformational leadership behaviour was more widely accepted by all cultural groups although it was in different degrees. Moreover, they also found that the supervisors were largely unaware of the leadership preferences of the followers. Thus, the supervisors were unable to display satisfactory level of transformational leadership behaviour (Brain & Lewis, 2004).

Toor and Ogunlana (2008) explored the essential leadership skills and capabilities in a multicultural project team in Thailand. They included participants from ten different nationalities such as Thai, Japanese and British and Americans. They confirmed that effective communication skills, problem solving, supporting and trusting team members and decisiveness were listed as the most important leadership skills by the participants. It was also verified that these skills were congruent to universally endorsed positive leadership attributes mentioned in the GLOBE study (House et al., 2004). As has been discussed earlier these skills are considered as attributes of transformational leadership

which is one of the most effective leadership styles across cultures (Den Hartog, et al, 1999). This has been supported by the earlier works of Prabhakar (2005) who conducted empirical research on project teams in 28 countries and verified that transformational leadership ensured better success in project teams.

Butler (2009) studied supervisor-subordinate relationships in multicultural workforces in the United Arab Emirates. He stated that transformational leadership theory shares some common positive dimensions with the Leader-Member Exchange theory. He found that variables such as education, age, gender or tenure with the organisation do not influence the employees' needs in any noteworthy way. The most crucial variable in supervisor-subordinate relationship is that the subordinates associate their positive assessments from the supervisors to the appreciation of their needs. He agreed with the views of Basu and Green (1997, as cited in Butler, 2009) that it is the primary task of the leaders to guide and look after their subordinates. This is all the more critical in multicultural workforces as individuals from different cultures may execute their responsibilities in their own distinctive ways whilst adhering to the documented departmental plan (Butler, 2009).

## 2.4.FOLLOWERS PERSPECTIVE

The preceding sections have shown the tendency of leadership scholars to position followers as passive to the study of leaders and analysis of leadership. However as Jackson and Parry (2011) remind us, "leadership does not occur in a vacuum (p.61)". So while the act of following is a significant component of leadership, followers are perceived as inferior, lacking autonomous vision and attitude. The work of Jim Meindl is credited with providing a "much needed counterweight" (Jackson & Parry, 2011, p. 47) through the 'follower-centric' approach to leadership studies.

Shamir et al (2007 cited in Jackson & Parry, 2011, pgs. 48-59) have summarised the role follower's play in leadership theory. These are summarized as: 'followers as recipients of leader influence', 'followers of moderators of leader impact', 'followers as substitutes for leadership', 'followers as constructors of leadership' and 'followers as leaders'. In addition 'followers as co-producers of leadership' has been a further area of study (Jackson & Parry, 2011). This line of follower-centred research has highlighted that followers are not passive 'blank slates' of a leaders influence.

Followers can to varying degrees, determine a leaders effectiveness and shape what 'success' actually looks like. Importantly, and closely linked to the transformational model of leadership, "Leadership is essentially in the eye of the follower" (Jackson & Parry, 2011, p. 51).

## 2.4.1.TRANSFORMATIONAL LEADERSHIP AND FOLLOWERS

According to Yukl (2010), "A variety of different influence processes may be involved in transformational leadership" (p. 328). Breevaart, Bakker, Demerouti, Sleebos and Maduro (2014) suggest that the followers should be regarded as active receivers of transformational leadership. It is only when the followers are in need of leadership that transformational leadership can be truly effective. It has also been established that transformational leadership has a substantial effect on the performance and attitudes of the followers and has also been positively linked to the factors of effective leadership (Dvir et al., 2002; McCann, Langford & Rawlings, 2006).

Soane, Butler and Stanton (2015) recognized the wave of increased interest to followership in leadership theories. In their study they offered a model based on Social Identity Theory (SIT), transformational leadership and personality theory to determine a leader's effectiveness and followers' perceptions and performance. They demonstrated that SIT is the fundamental process that impacts on the personality of the followers and thereby establishes their perceptions of transformational leadership behaviour. Soane et al. (2015) further stated that the overall organisational performance can be directly related to the followers' perceptions of the leader and emphasized the significance of a co-operative style and an agreeable viewpoint on leadership by the followers.

Breevaart et al. (2014) presented a framework for investigating the relationship between transformational leadership and the task performance of the followers. They asserted that transformational leaders essentially create an innovative and productive work atmosphere for their followers. This plays a key role in satisfying the basic requirements of the followers and they in turn channel all their energy and enthusiasm into the task performance. Transformational leadership has also been investigated in relation to desired employee attitudes such as satisfaction with supervisor and organizational citizenship. This line of investigation has revealed that followers from collectivist cultures have a strong tendency to adopt a transformational leadership style and this is

shown to have a positive effect on desired employee attitudes (Walumba, Lawler & Avolio, 2007).

Another line of inquiry by Castro et al. (2008) explored the role of psychological empowerment in the followers' approach towards transformational leadership. Psychological empowerment can be defined as "a motivational construct which focuses on the cognitions of the individual being empowered" (Castro et al., 2008, p. 1843). They found that leaders need to be aware that psychological empowerment was highly pertinent in influencing the cognitive state of the followers and shaping their outlook and beliefs. This it is argued was seen as particularly beneficial in increasing job satisfaction among the followers and augmenting their affective commitment towards the organisation (Castro et al., 2008).

In addition to Castro et al. (2008), a few other researchers have also examined the psychological impression of transformational leadership on the followers. One such example is Mulla and Krishnan (2012) study of transformational leadership in the Indian context. They linked Burns (1978) theory of transformational leadership to the Indian work ideal of Karma-Yoga. According to Burns (1978, p.20), transformational leadership connects the leaders and followers in such a manner that "leaders and followers raise one another to higher levels of motivation and morality." Karma-Yoga functions in the form of three dimensions- duty-orientation, indifference to rewards and equanimity. Mulla and Krishnan (2012) showed that transformational leadership encourages the followers to assume a collective identity with the group and inculcates a sense of obligation in them. It also stimulates the followers to fulfil their obligations with no expectations of material rewards.

Wang and Gagne (2013) amalgamated transformational leadership theory and self-determination theory and scrutinized the motivational effects of transformational leadership on the followers in China and Canada. They provided evidence that transformational leadership behaviour has a positive effect on the autonomous work motivation of the followers. They also observed that these results were also independent of the cultural contexts of individualism and collectivism. Additionally, Kark, Shamir and Chen (2003) also proposed two rather conflicting effects of transformational leadership on followers- dependency and empowerment. They recommended that the transitional effects of transformational leadership can be broken down into two

interrelated elements. These are personal identification with the leader which leads to an increase in dependence on the leader among the followers and social identification with the work unit results in greater sense of followers' empowerment (Kark et al., 2003).

Hamstra, Yperen , Wisse and Sassenberg (2014) studied the outcome of transformational and transactional leadership on the followers' achievement goals in a multilevel study. Achievement goals were seen as crucial to organisational performance as they have an effect on the followers' motivation and goal realization. They concluded that transformational leadership at a group level helps to advance the followers towards mastery goals and promotes learning and development. In contrast, transactional leadership drives the followers towards performance goals and instils a sense of competition within the organisation. In addition Hamstra et al., (2014) examined the results at an individual level and showed that "followers' shared perceptions as well as their individual perceptions of transformational leadership were associated with followers applying intrapersonal standards of competence to their achievement striving at work" (p. 420).

## 2.5.CONCLUSION

The preceding overview of a selection of literature has highlighted how transformational leadership is one of the most popular leadership theories due to its utmost importance to followers and universal applicability in different cultures. Hofstede (1980) and GLOBE research by House et al. (2004) have been instrumental in establishing the strong linkages between culture and transformational leadership. This theory is now being actively tested outside the North- American context at both macro and meso level. Some of the recent examples are Butler (2009) in UAE, Pauliene (2012) in countries such as Africa, India and Malaysia and Brain and Lewis (2004) in Australia. Studies such as these suggest that transformational leadership behaviours are quite important in the case of multicultural workforces which have become an indispensable unit of many international businesses in a globalised market-place. Transformational leadership has a significant impact on followers from diverse cultural backgrounds ranging from superior task performance, increase in motivation and job satisfaction and advancing learning and development. The extent this could extend to Aotearoa New Zealand frames the purpose of this small-scale, exploratory study.

## **CHAPTER 3: METHODOLOGY**

## 3.1.INTRODUCTION

The purpose of this chapter is to give an overview of the methodology used in this study. Research in the area of international business, where this project is situated, is predominately quantitative in nature. However, the recent events in the global business environment (e.g. migration patterns, GRC) are far more multifaceted and compelling than ever before hence the call for more use of qualitative methods (Tsang, 2013). Methodology can be defined as "a thinking tool that guides how a researcher frames her research question and how she decides on what methods and forms of data analysis to use" (Grant & Giddings, 2007, p. 56). The selection of a particular methodology stems from an individual's worldview and the most suitable means to achieve one's purpose (Brain & Lewis, 2004). Qualitative research seemed to fit this research well as it facilitates an interpretive inquiry by the researcher and gives utmost importance to the social and cultural milieu (Creswell, 2013). This research required the researcher to establish personal contact with the participants from different cultures in order to understand their perceptions of transformational leadership. This chapter begins with a brief description of the research paradigm. It then explains the case study methodology and the process and methods of data collection. It also covers the ethical considerations of the research and finally explains the procedure of data analysis.

## 3.2.RESEARCH PARADIGM

According to Bryman and Bell (2011), a paradigm encompasses a specific set of philosophies and beliefs which guide the researcher's approach and practices. The interpretive paradigm has been identified as the most closely aligned paradigm to meet the purpose of this particular research topic. This paradigm is considered 'qualitative' and has been termed as 'soft research' by positivist enthusiasts (Grant & Giddings, 2002). This paradigm is most suitable for this study as it allows for a thorough understanding of the experiences and perceptions of the participants including their values and beliefs regarding leadership. The relationship between the researcher and the researched is best described as an intersubjective relationship (Grant & Giddings, 2002). The descriptive interpretive paradigm is linked to relative

realism as the ontological consideration indicating intertwined social interactions among various variables. This in turn leads to subjectivist epistemological perspective which provides an insight into socio-cultural environment (Bryman & Bell, 2011).

The philosophical assumptions underlying this research are essentially subjectivist in nature (Giddings & Grant, 2007). Reality is constructed by socio- cultural factors through the methods used by the researcher. Reality cannot be specifically determined and conceptualised but is built on human experiences (Giddings & Grant, 2007). This study required the researcher to gain an understanding of the perceptions of transformational leadership from different cultural viewpoints. The notions, opinions and observations of the participants are relative constructs. Moreover, the researcher cannot be completely objective in his/her approach. His/her own values and beliefs also influence the choice of methodology and methods (Giddings & Grant, 2007).

### 3.3.CASE STUDY METHODOLOGY

Case study is one of the most popular methodologies in various spheres in international business (Vissak, 2010). International business research as one might expect, considers context as an important multi dimensional element that governs the methodological approach and case selection. The cultural multiplicity in domestic and overseas markets, workforces and institutions calls for increased attention to context in international business research. The role of context holds an important position in case study methodology (Poulis, Poulis & Plakoyiannaki, 2013).

There are multiple meanings attached to the term 'case study'. According to Creswell (2013, p.97), "Case study research is a qualitative approach in which the investigator explores a real-life, contemporary bounded system (a case) or multiple bounded systems (cases) over time, through detailed, in-depth data collection involving multiple sources of information". Yin (1994) sees a case study approach as quite beneficial in those areas where the current body of knowledge can be further extended with new factual data and insights. It is an extremely valuable research tool in areas which require in-depth investigation and where the context requires special attention from the researcher. Case study methodology can be used for theory testing (Eisenhardt, 1989; Hillebrand, Kok, & Biemans, 2001) or to form concrete explanations of phenomena within particular contexts (Eisenhardt & Graebner, 2007; Ghauri, 2004; Yin, 1994).

Case study methodology is particularly suitable for this study as it facilitates the collection of data from different viewpoints and a number of sources (Vissak, 2010). The major motive to choose this methodology is that the study involves a single organisation with a range of primary and secondary data collection methods. These include semi-structured interviews, field notes and reports (Creswell, 2013). It is also an appropriate methodology for countries like New Zealand where small to medium enterprises dominate the business landscape (Ryan, et al., 2014). The sample bases can be small particularly when compared to countries with much larger populations and business enterprises (Vissak, 2010). A case study methodology is also considered appropriate for the expectation of a dissertation (sample size and the time restrictions). The case study methodology can have quite a few advantages for the organisation involved in the research as well. While their identity is not disclosed the findings from a single case study can provide a platform for the management to review the functioning of the organisation and implement any constructive recommendations by the researchers (Vissak, 2010). In this study, the varying perceptions of a multicultural workforce are the focus of investigation and case study methodology was judged to fit the purpose very well.

## 3.4.DATA COLLECTION

## 3.4.1. Case study organisation

A single case study was undertaken in the Debt Management Department of an international business organisation in Auckland, New Zealand. It is a leading organisation in Australasia specialising in product development, infomercial shopping and multi-channel retail distribution. The organisation was selected as the researcher was a past employee and was aware that the workforce was comprised of employees from diverse ethnicities and cultures. When approached the Management of the Auckland branch agreed that the research questions could be mutually beneficial for both the researcher and the organisation.

The structure of the Debt Management Department resembles a typical hierarchy: the Manager at the top of the apex, Team Leaders at the second level and debt management officers at the bottom. In this study, ethnicity has been positioned as the key factor for identifying perceptions of transformational and transactional behaviour. This is because

as Biswas and Varma (2011) state, "national entities are relatively stable configurations of the structure of identities and interests codified in the form of formal rules and norms that shapes collective beliefs, attitudes and culture" (p.180). However, in line with thinking on the interrelationships between ethnicity and other demographic characteristics (e.g. age and gender) this study will be intersectionally sensitive to the influences these may have on the perceptions of participants (McBride et al., 2014).

## 3.4.2.Sampling

The sample group were drawn from debt management officers who total 27 employees. The different ethnicities that work in the department are Indian, Sri Lankan, Samoan, Fijian, Canadian, Sri Lankan, European and Maori. It was intended that the participants were employed with the organisation for over a year and had similar or closely related job profile in their country of origin. The invitation to participate in the research along with the Participant Information Sheet was forwarded through the Administrative Support team to the employees and they were given five working days to respond to the researcher (refer to Appendix A). There were a total of nine responses from the employees within the given timeframe. However, the final number of participants was reduced to five to ensure a purposeful sample as only one participant from each ethnicity was deemed necessary for a small scale study. Special care was taken to include a mix of male and female participants from different age groups. Therefore, the final sample group consisted of three male (Indian, Filipino and South African) and two female (Canadian and Sri Lankan) participants between the ages of 25-50.

## **3.4.3. Methods**

The primary method for data collection was face to face semi- structured interviews. Semi- structured interviews are beneficial as they give greater control over the nature of inquiry and sequence of questions (Creswell, 2013). Interviews are seen as a good way to probe and simplify complex research topics. They give the researcher a chance to ask the right questions from the right respondent (Vissak, 2010). A set of guiding interview questions based on the two research questions that frame this project were used to tease out interviewees' perspectives. Some additional questions were raised with the participants during the course of the interviews. The interview questions focussed on the participants' experience in the organisation and their relationship with the Team leaders and the Manager (refer to Appendix B). Information was gathered on their preferred form of leadership behaviour and if they were satisfied with the current situation.

Questions also delved into the participants' work experience in their home country that was compared and contrasted to their NZ work experience. Previous research on transformational leadership such as Brain and Lewis (2004), Bennis and Nanus (1985) and Kouzes and Posner (1987) have all used open-ended, semi structured interviews to better understand the relationship between transformational leadership styles/behaviours and multicultural workplaces. Therefore, the semi-structured interviews approach seemed the most appropriate method to hear the voices of participants given the short timeframe of the dissertation.

In addition to the interviews, field notes and company documents were the secondary sources of data. Field notes were of great help to note down the key points during and after the interviews and record any noticeable behaviour of the participants (Creswell, 2013). Company documents provided the necessary information about the structure and functioning of the organisation (Vissak, 2010). The Management authorized the researcher to look at the company documents that were accessible through the Intranet to gather the necessary background information about the organisation. This information helped the researcher to be familiar with valuable contextual information for the 'case' within which the perceptions of participants from different ethnicities could be placed.

## 3.5.ETHICAL CONSIDERATIONS

As the primary source of data collection for this study were semi-structured interviews ethics approval was required. Ethics approval was obtained by AUT's Ethics Committee (AUTEC) before approaching the participants. The participants were provided the Participant Information Sheet which explained the nature and purpose of the research. The interviewees were asked for their voluntary consent before the interviews and signed the Consent form. The participants were aware they had the liberty to withdraw from the research at any stage and did not have to disclose any information unwillingly. The interviews were digitally recorded (with permission) and transcribed by a professional transcriptionist who signed a confidentiality agreement. The participants were ensured that their confidentiality and privacy will be protected by the researcher at all stages of the research. The participants' names were coded as Participant A, Participant B and so on and no names appear in the final report.

#### 3.6.DATA ANALYSIS

The purpose of this small scale research project was to investigate followers' perceptions of transformational leadership in multicultural workforces. Qualitative data analysis can be quite challenging and time consuming for the researcher. It is an ongoing process right from the inspection of the field, initial contact with the participants, interviews and field notes to the final report (Bailey, 2007). The central aspects of qualitative data analysis include coding the data, drawing out broad themes from the codes and final interpretation and presentation of data (Creswell, 2013). It is an iterative process and a continuous shuffle between data collection, analysis and final description. The "data analysis spiral" is the best way to describe this framework (Creswell, 2013, p.182).

Thematic analysis was used in this study to classify, analyse and report patterns (themes) from the interview data. The aim was "to hear the voices of people, analyse the themes and present a thoughtful overview of results" (Smythe, 2012, p.5). The process is described below:

# Step one: Data familiarisation

The data analysis began with repeated readings of the five interview transcripts. The transcripts were also read along with listening to the recorded interviews to 'hear' the voices of the participants as the researcher did not transcribe the interviews herself. This was followed by a further thorough reading of the five interview transcripts and guided by the research question; relevant parts of the interviews were highlighted.

#### **Step two: Coding**

Coding can be defined as the process of classifying huge amount of data into meaningful sections (Bailey, 2007). The next step was identifying a list of potential categories (codes) for drawing out the main themes. The initial coding process involved generating categories starting from the transcript of participant A and then to see if these same categories were evident in the other transcripts. As new categories emerged transcripts were revisited to identify similarities. The categories identified were-targets, receptive, expectations, motivation, support, commission, morale, training, promotion, divide in teams, structure, communication, influence, humane and approachable. This was followed by focused coding wherein similar categories were

combined and were further reduced to answer the research questions specifically (Bailey, 2007). The aim was to tease out the subjective meanings participants ascribed to transformational leadership. Creswell (2013) has recommended not to take into account the frequency of categories or to apply pre-existing codes. The final categories were-motivation, morale, training, commission, receptive, influence, support and humane.

#### **Step three: Themes**

Themes can be described as the process of summing up of categories (codes) to express a common concept (Creswell, 2013). The categories were then organised into different themes which represented how followers' from various ethnic backgrounds perceive transactional and transformational leadership behaviour. Further content analysis of the themes was done to gather illustrative quotes and these were then aligned with the field notes. The themes were: receptive to ideas, humane approach, influential persona, morale boosters, inadequate training, importance to monetary rewards and motivation.

#### **Step four: Final report**

These themes were separated into two segments- positive aspects and negative aspects. The findings were then compared to previous literature on perceptions of transformational leadership behaviour in different cultural settings. These findings have been discussed in detail in Chapter 4.

#### 3.7.CONCLUSION

A qualitative approach has been adopted to explore the perceptions of transformational leadership from the followers' point of view in multicultural workforces. This chapter described the relevance of case study methodology for this study. A single case study was undertaken in Auckland, New Zealand. The final sample group consisted of three male (Indian, Filipino and South African) and two female (Canadian and Sri Lankan) participants. The primary method of data collection was face-to-face semi structured interviews along with field notes. The data has been analysed using thematic analysis and has been presented in the form of seven themes in the following chapter.

#### **CHAPTER 4: FINDINGS & DISCUSSION**

#### 4.1.INTRODUCTION

This chapter presents an overview of the findings from the semi-structured interviews. Two research questions framed this study: How do followers from different ethnic backgrounds perceive transactional and transformational leadership behaviour in the New Zealand context and what types of leadership behaviours do they see as appropriate in a multicultural workplace? Thematic analysis was applied to draw out seven broad themes which have been divided into positive and negative aspects. The main purpose of combining findings and discussion as one chapter was to align each theme with illustrative quotes from the interviews, the relevant literature and specific features of the transformational leadership model. It helped to present the data and literature in a more systematic manner without any repetitions. The chapter first explains the themes in detail as positive and negative aspects. It is followed by a short discussion linking the findings to culture and transformational leadership research. The last section discusses a new area of research interest from the data.

#### **4.2.POSITIVE ASPECTS**

This section highlights the affirmative perceptions of the ethnically diverse participants regarding transformational leadership in the organisation. These are: Receptive to ideas, Humane approach, Influential persona and Morale boosters. These have been explained in detail below.

#### 4.2.1.Receptive to ideas

All the participants agreed that the Manager of the Department was always open to new ideas and valued the opinions and views of employees. He was also very appreciative of any feedback from the employees on any policy changes. The participants also mentioned that the Team Leaders were quite approachable and played a key role in forwarding their concerns to the Manager.

Participant D: I think he is a very reasonable guy. What I meant by that is you can reason with him in such a way that he won't reject your opinion straight away, unlike

the other manager. so you can talk to him in such a way that he will understand as well what you're trying to say and where you're coming from, so that's why he's better.

Participant E: You know it's not old school where they usually say ---Oh thank you for your good idea but we'll still do it the way I want it. They actually implement it. Every staff member has a contribution. If something gets done in the department, our current manager makes a point of advising us why he did it and when it gets implemented, and the reasons behind it.

Participant C: She's been quite receptive to what I say. The ideas have been taken aboard and she definitely puts it across to the Manager regarding what my views are. I can always notice that.

The illustrative quotes of the theme 'receptive to ideas' can be directly related to the Intellectual stimulation dimension of Bass's (1985) model of transformational leadership. This dimension has been considered as one of the most important factors of transformational leadership, a point also made in the earlier works of Hofstede (1980) and Jung et al (1995). This theme can also be linked to Singh and Krishnan's (2007) scale of transformational leadership in the Indian context. It can be seen that a few of the factors of the model like "non-traditional" which basically depicts the leader's willingness to change and helping the followers to adapt to change is quite similar to intellectual stimulation dimension. Kouzes and Posner's (1987) model also propagated 'enabling others to act' as a fundamental practice of transformational leadership. This is also comparable to the intellectual stimulation dimension as it depicts that the leaders acknowledge the diverse viewpoints of the followers and infuse solidarity and esprit de corps. Ergeneli et al. (2007) have confirmed that 'enabling others to act' is a universally applicable feature of transformational leadership. Therefore, it can be interpreted as a universal characteristic of transformational leadership that is highly valued even in multicultural contexts.

#### 4.2.2. Humane approach

The participants stated the Manager of the Department is quite easy to approach to discuss personal matters. He is very understanding and cooperative regarding the personal circumstances of the employees and provides sufficient support in terms of flexible working hours or extra leave in times of need. The Manager also encouraged

the same outlook from the Team Leaders as well. All participants commented that this makes it easier for them to focus on their targets and productivity knowing that the Manager and Team Leaders were concerned about their overall well-being.

Participant C: Humane touch is always good when it comes to leadership. Because a simple thing like last year, I had a dispute about a family problem, he was very supportive throughout. He gave me ample time to sort out the situation and approved extra paid leave as well during that time.

Participant E: One of the other things I could say about the manager on a more personal thing that's nice, the fact that he's got children, for example. I don't say you're not family-orientated if you don't have children, that's not what I say, but it makes him approachable. For the more senior staff that have families with young children, he understands. Whatever you say the parent will understand quicker.

This theme can be directly related to the Individualised Consideration dimension of Bass's (1985) model of transformational leadership. This dimension is also considered as one of the most important factors of transformational leadership (Hofstede, 1980; Jung et al., 1995). Burns (1978) also stated that the focal point of transformational leadership was to be aware of and attend to the real needs of the followers. Breevaart et al. (2014) argued that the individualised consideration dimension is evident when the followers believe that the leaders are responsive and attentive to their needs and in-turn create an innovative and productive work atmosphere for them. Singh and Krishnan (2007) have pointed out that "sensitive and conscientious" and "personal touch" are important factors of transformational leadership. They further state that "personal touch" can be considered as the most reliable indicator in terms of contextual performance. Furthermore, it validates that transformational leadership style has a direct impact on the performance of the followers like superior task performance (Breevaart et al., 2014) and empowerment of followers (Kark et al., 2003; Dvir et al., 2002).

# 4.2.3.Influential persona

All the participants hold the Manager of the Department in high regard. They believe that he had implemented a number of new rules and regulations which has helped to improve the overall performance of the Department. They consider that he had a lot of knowledge and experience and that this has lead to a healthy work atmosphere.

Moreover, the participants seemed to recognize the value of their own personal targets and total team targets that has enhanced their performance to a great extent. Participants seem to identify with the bigger picture and see a brighter future for the Department and the organisation as a whole.

Participant C: I think he's very good. In fact, I've been in this company for more than three years now. He's I think the best of all the leaders to be here, that's what I think. I think he is — he's very constructive in what he doing, and he's approachable, he's very much approachable. See I'm from a collections background and the kind of ideas that he is putting in to the team, I think it's going definitely taking the company forward. Because in the end you're reducing old debt and then you're working on only the good stuff, which is proper streamlined, so that's a good way of going about it.

Participant E: I would give him a lot of credit for that. Meaning there's a lot of things that he changed, the way I believe it should be, or the collections department should be run. The previous managers, it was all about figures and turnover – money at the end of the day. It wasn't working accounts per se, which is important to him to actually.

Participant D: Well before, when he first came in changed a lot of things. Of course at first we weren't happy, I wasn't happy doing that, doing those changes. But doing that for a long time, 'cos he's been with us for a while now. Doing those things, I realise that yeah, more people, more customers call back 'cos we leave messages now. More old accounts that we close and more customers who call in to pay their account. So the initial reaction, I didn't like it, but right now I'm starting to understand, I'm starting to get it now.

This theme can be related to Inspirational motivation dimension of Bass's (1985) model of transformational leadership. Kouzes and Posner (1987) presented this dimension in the form of 'challenging the process' and 'inspiring a shared vision' wherein the leader directs and guides the followers in the direction of the shared vision of the organisation and enhances the team spirit as well. This theme can also be linked to the Idealized influence dimension of Bass's (1985) model. Kark et al. (2003) demonstrated that followers' personal identification with the leader is a result of the idealized influence dimension which leads to increased dependence on transformational leaders. Singh and Krishnan (2007) also suggested 'conviction in self' of a transformational leader is a

universal indicator of transformational leadership which combines the Idealized influence and Inspirational motivation dimension of Bass's (1985) model. Nemanich and Keller (2007, as cited in Northhouse 2010) also noted how factors like idealized influence, inspirational motivation and individualized consideration had a positive influence on acquisition acceptance, performance and job satisfaction of the employees.

#### 4.2.4.Morale boosters

All participants indicated they were appreciative of their respective Team Leaders for the personal consideration and attention for their team members. The Team Leaders conducted fortnightly team meetings and monthly performance reviews to discuss personal achievements or grievances. The participants especially emphasised the fact that the Team Leaders make a point to praise the top performing team members even on a day to day basis. Little rewards or appreciation emails boosted their morale and motivated them to perform even better than before. Conversely, Team Leaders were also seen as quite supportive if the employees were, occasionally, not able to meet the desired targets.

Participant A: She's really supportive in the sense that if you're doing really well she'll actually come up to you and say ---Oh, really well, good job, good job---. She'll email you, which I think is great because it's a good morale booster.

Participant B: I guess once in a while when they appreciate you that helps as well because you kind of go into a good mood and you kind of perform better and stuff like that. So when somebody gives it it's like you feel a little more good about yourself. It does help you sometimes but it's not a requirement every single day.

Participant C: The last two weeks have been pretty bad, but she was ok with that because she was like – yeah, you have bad days and that, so don't worry, don't worry, that's fine. It's a feel-good factor and just gets through the day better. Yeah, because sometimes you need to be a tough task master, and sometimes you need to have that pat on the back – good job done.

The illustrative quotes of this theme can be directly related to the Individualised Consideration dimension of Bass's (1985) model of transformational leadership. Butler

(2009) verified that there is an important connection between the supervisors' affirmative and encouraging reviews and the employees. It is because the subordinates look at these reviews as a way to determine if the organisation understands their needs or not. He further stated that transformational style of leadership has a positive impact on the followers' commitment to the organisation that in turn, encouraged quality dialogue between the supervisors and the subordinates. Kouzes and Posner (1987) offered 'encouraging the heart' aspect as an equivalent to the Individualised Consideration dimension of Bass's (1985) model. They also established that personal attention by the leaders fostered collective identity and closer association with the organisation among the followers.

#### **4.3.NEGATIVE ASPECTS**

This section discusses the negative perceptions of the ethnically diverse participants regarding transformational leadership in the organisation. These are: importance to monetary rewards, motivation and inadequate training. These have been explained in detail below.

#### **4.3.1.Importance to monetary rewards (commission)**

One major drawback of the current management highlighted by the participants was the undue significance of monetary rewards (commission). It was felt that management used commission as a tool to promote performance and ethical practices in the Department whereas professional development opportunities such as training were secondary. The participants saw commission as the key motivational factor for them to achieve their targets. Those participants who have been working in the organisation for a long time saw commission in a purely transactional manner, a reason to stay in the same position but rued the lack of other growth opportunities. They also commented on how this form of individualised competitive reward structure can at times advance unfair and immoral practices. Concerns were expressed about the divide that can occur among the team members.

Participant D: By being a collections agent it shows in your stats that you're collecting well, and I mean, we're compensated by commission yes, but being a professional, being in a corporate role, of course you want to move up the ladder, but then again

there are no opportunities. I've learnt to accept that due to the fact that I'm compensated very well.

Participant A: The team leaders expect everyone to do well within their team, but they sometimes jeopardise the customers, the customer experience, then there's almost sabotaging between the teams from the other members of the team. It could just essentially be down to the commission and everyone competing with each other.

Participant B: I think there are too many rules and regulations coming up and it's too hectic at the moment, and it's like our commissions are getting cut for every little thing so I'm not happy about that. But at the end of the day I guess we just have to learn to accept it and adapt to the change, if you want the job!

This theme directly relates to the Contingent reward dimension of Bass's (1985) model of transactional leadership. It can be seen that transactional style of leadership is not conducive for personal or professional development of the followers. This style of leadership only leads to customary results whereas transformational leadership leads to extraordinary results which are beyond the usual expectations (Northhouse, 2010). Mulla and Krishnan (2012) found that transformational leadership was notably correlated to two elements of Karma-Yoga, viz., duty-orientation and indifference to rewards. Indifference to rewards implies that the followers are inspired to perform their duties without any expectations of concrete rewards. It in effect influences the followers towards absolute commitment to their duties with respect to their immediate surroundings. Moreover, they also contested that longer duration of leader-follower relationship further strengthens the effects of transformational leadership and lessens the significance of monetary rewards (Mulla & Krishnan, 2012). Therefore, a higher degree of transformational leadership behaviour over a period of time will be very beneficial to invalidate this drawback.

#### 4.3.2. Motivation

While the participants affirmed that they share a positive relationship with their respective Team Leaders and also give a certain amount of credit to them for their overall performance, questions were raised about motivation.

To illustrate:

Participant D: She's very good, she's very supportive, and yeah, I mean just – I don't know, minor things. Basically she has been very helpful to me, 'cos I'm the type of person that doesn't want to be micro-managed, and she gives me the freedom to do my work. She sees what my strengths are and what my – what do you call that – my weaknesses are. She knows how to improve what I'm good at and change what I'm not good at.

Conversely, all the participants reported that even though the Team Leaders provide satisfactory support and guidance, there was a lack of motivation to meet or exceed the set targets. The major factor driving motivation was the monetary reward (commission) for this group of employees.

Participant A: I feel like there is just a lack of motivation in the organisation, especially in the team. But I think the motivation that is there is for the wrong purposes, so there are not ulterior motives per se, but I feel like it's towards the wrong goal and the wrong KPIs.

Participant D: I'm here because of the compensation, not because I'm happy, to be honest.

Two participants (Participant B and Participant C) commented how they were not dependent on the other team members or the Team Leaders but were self motivated by a desire to achieve their targets.

Participant B: I am my own motivator. I can't depend on other people too much. It'll just be in a little way it helps, that is by creating the right environment for us to work in.

Participant C: I'm self-motivated in that way. There's need of a few guidance here and that, but it is not adding more value to what I already have, that's what I think.

This theme can be related to the Management-by-exception dimension of Bass's (1985) model of transactional leadership. As indicated above, all the participants, despite their

divergent cultural values, recognised the transactional nature of their relationship with their Team Leaders. It reflects the active form of management-by-exception wherein the Team Leaders are just providing support when required or preventing violation of rules. To move beyond this would require a higher degree of transformational style of leadership from the Team Leaders. It is clear that transformational leadership behaviour drives the followers towards collective interests rather than their own self-interests (Bass, 1985). Wang and Gagne (2013) examined the results of transformational leadership behaviour on autonomous motivation of the followers. They established that transformational leadership affects the followers from collectivistic and individualistic cultures alike and has substantial positive motivational effect on the followers. Castro et al. (2008) also validated that psychological empowerment of the followers through transformational leadership behaviour will increase their job satisfaction and commitment towards the organisation.

## 4.3.3.Inadequate training

The participants commented on the lack of appropriate training and development opportunities in the Department. Although all the participants have been in the organisation for more than a year, they recalled their initial days when they joined the organisation and how they experienced a few difficulties. Comments reflected on the lack of proper induction programs for the new employees. The participants also reported a need for more ongoing learning and development programs to enhance their skills that could in-turn, help them to move up the career ladder.

Participant E: The beginning was a bit rough because there wasn't the introductions programme when I joined. The first two or three days I was literally sitting in front of the computer by myself until you find your way around it.

Participant A: I think there should be training modules. But here I feel like you're just thrown into it. They expect I feel like with this organisation they just expect you to already have the skills. I think like as a team leader you should be monitoring your own newbies in that induction process. I think they play a big part in that.

Participant C: We are in a collections environment. We are calling customers but there's no proper training in terms of the actual laws, the legal system of how to go

about it. At least some sort of training which can actually help the guys moving out also.

This theme depicts the transactional leadership style wherein the leaders do not make a distinction between the varied needs of the followers or concentrate on their personal growth (Northhouse, 2010). Hamstra et al. (2014) showed that transformational leadership behaviour is quite effective to encourage learning and development in the organisation. This is because followers' shared perceptions of a leadership style are related to their sanction of achievement goals. Thus, transformational leadership behaviour stimulates the followers towards mastery goals and improves organisational performance. This approach can prove to be quite helpful to compensate for insufficient training facilities at the moment and motivate the followers towards organisational objectives in an efficient manner.

On the whole, it can be summarised that the participants have a unanimous preference for transformational leadership over transactional leadership despite their divergent cultural backgrounds. The Manager is appreciated for his constructive vision for the Department and humane approach. The Team Leaders take into account the ideas and opinions of the participants and provide adequate support. However, the undue importance to monetary rewards and inadequate training and development opportunities lowers the motivation and morale of the employees. A higher degree of transformational leadership behaviour will prove to mitigate these shortcomings to a great extent. The other variables like age and gender do not have a significant on the perceptions of participants. This supports the earlier works of Butler (2009) in United Arab Emirates and Mulla and Krishnan (2012) in India wherein they recognized that factors like education, gender, age or work experience do not influence transformational leadership behaviour in a considerable way.

#### 4.4.CULTURE AND TRANSFORMATIONAL LEADERSHIP

This section attempts to link the above findings regarding transformational leadership to the cultural background of the participants. The two most exemplary works in the field of culture and transformational leadership are Hofstede's (1980) cultural dimensions and GLOBE studies (House et al., 2004). Hofstede (1983) asserted that individualism/collectivism is one of the most useful cultural dimensions in relation to transformational leadership. Brain and Lewis (2004) also endorsed similar views and made use of only two cultural dimensions, i.e., individualism/ collectivism and power distance in their Australian study of multicultural workgroups. In the same way, the researcher considers the individualism/collectivism as the most important dimension and it has been employed for data analysis in this study as well.

According to Hofstede's (1980) cultural dimensions, participant A and participant E belong to individualistic cultures of Canada and South Africa respectively. Alternatively, participant C and participant D belong to collectivistic cultures of India and Philippines respectively. Participant B belongs to Sri Lanka and it has also been identified as a collectivist culture due to its extended family ties and interdependent relationships (Kumarasinghe & Hoshino, 2010). It has been established that transformational leadership behaviour is more effective in collectivist cultures rather than individualistic cultures (Jung & Avolio 1999; Paulienė, 2012). However, the findings of this study suggest that transformational leadership behaviour is highly appreciated and desired by all the participants irrespective of these different cultural dimensions. Therefore, it can be seen that Hofstede's framework is not entirely applicable in this study. Nevertheless, the researcher is aware that Hofstede's cultural dimensions are national and not individual dimensions and therefore might not be accurate in a small scale study. Moreover, the use of a single cultural dimension rather than the full set also restricts the credibility of Hofstede's theory of cultural dimensions (Littrell, 2012).

On the other hand, the participants can also be categorised into different regional clusters in accordance with the GLOBE study (House et al., 2004). Participant A and E fit in the Anglo regional cluster and participants B, C and D fit in the Southern Asian regional cluster. The Anglo leadership profile lays emphasis on charismatic, participative and humane-oriented styles of leadership. The Southern Asian leadership profile also stresses on charismatic and humane-oriented styles of leadership which clearly indicates a strong preference for transformational leadership behaviour (House et al., 2004). These preferences are in line with the findings of this study and further testify the thoroughness and consistency of the GLOBE study. The findings are also parallel to the positive universal attributes of effective leadership as presented in the

GLOBE study. Some of these attributes such as has foresight, plans ahead, team builder and intelligent can be associated with the Manager as discussed in the themes above. Therefore, it can be said that the GLOBE research program is the most comprehensive and reliable study on culture and leadership to-date.

#### 4.5.AN UNEXPECTED FINDING

This section highlights the significance of leader-follower relationship duration and transformational leadership. This finding emerged as a result of personal interaction of the researcher with the Manager of the department when he was first approached regarding the approval for data collection. It was further supported by a few interesting comments by the participants during the interviews which could not be classified as a positive or negative perception as discussed in the above sections but seemed important to be included in the final data analysis to describe their relationship with the Manager and Team Leaders accurately.

#### 4.5.1.Leader-follower relationship duration and transformational leadership

One of the noteworthy findings is regarding the Manager's interaction with the debt management officers. The Manager is primarily responsible for designing the policies and procedures for the whole department and it is the Team Leaders who act as a bridge between the Manager and Debt Management officers. All the participants share the opinion that even though they have little contact with the Manager, he affects their overall working in an understated manner.

Participant D: Well, he affects the performance, not just me, but the whole department, that's his role though 'cos that's why he's there, to implement rules and to implement how we do things in here. So whatever it is that's implemented for the whole department, it's up to my team leader and me to do a good job doing that.

Participant B: With policies and stuff he brings up new procedures or changes and everything, so that does impact our work. Sometimes in a good way, sometimes in a bad way.

All the participants also agreed that the Manager does not affect their performance on a day-to-day basis. This can be attributed to the hierarchical nature of the organisation

which means they rarely interact with the Manager. The participants stated that they do not talk to the Manager everyday and only approach him if the Team Leaders are unavailable or require his approval for special cases.

Participant A: My manager doesn't impact my day-to-day performance, my day-to-day function. He's just there, even though I know he does stuff.

Participant B: We don't actually move much with our manager because it's not like we talk to them daily. You just go in the morning and say good morning, and then he'll go and say bye – that's the relationship.

The interesting point about the relationship between the Manager and the Debt Management Officers is that even though there is minimum interaction between the two parties, the transformational leadership style of the Manager is highly visible and admired by all participants. It can be seen from the above discussion that the manager's leadership style reflected the four basic factors of transformational leadership, viz., idealized influence, inspirational motivation, intellectual stimulation and individualized consideration of the Bass (1985) model of transformational leadership. On the other hand, the Team Leaders and the Debt Management Officers work together closely and interact on a daily basis but still the participants expressed a lack of motivation and unhealthy competition and divide within the teams which reflects more of a transactional leadership style.

It can, therefore, be argued that the effects of transformational leadership behaviour cannot be restricted by the duration or frequency of interaction between the leader and the followers. This presents an interesting subject of research as there is limited literature in this area. A fine example in this regard is Krishnan's (2005) research on the outcomes of transformational leadership and the role of relationship duration in an educational institution in India. He demonstrated that only the cognitive effects of transformational leadership can be improved over a longer period of time. It means that longer the duration of the leader- follower relationship, higher will be the followers' identification with the value system of the leader and a sense of recognition with the organisation. However, there were no similar results in case of affective effects, i.e., follower's attachment and affective commitment to the organisation is not dependent on the duration of the leader- follower relationship (Krishnan, 2005).

Antonakis and Atwater (2002) also underlined the purpose of distance between the leader and the followers. They suggested that the physical and social distance along with frequency of interaction will be of good use to simplify the results of transformational leadership and the level of analysis. Mulla and Krishnan (2012) studied transformational leadership and linked it to the Indian work ideal of Karma-Yoga. They pointed out that an increase in duration of leader-follower relationship and regular leader-follower interactions adds to duty orientation of the followers and make them more indifferent to rewards. Thus, there is ample scope to study the various effects of transformational leadership behaviour that are linked to the duration or frequency of interaction between the leader and the followers.

#### 4.6.CONCLUSION

On the whole, it can be summarised that followers from different ethnic backgrounds have a formidable preference for transformational leadership behaviour rather than transactional leadership behaviour in multicultural New Zealand work settings. The findings are consistent with the previous research on transformational leadership. It further solidifies the universal applicability of transformational leadership even in non-American context. This has been suggested earlier by Pauliene (2012) in countries such as Africa, India and Malaysia and Brain and Lewis (2004) in Australia. It also highlights the meticulousness of the GLOBE research program by House et al. (2004) in the area of cross-cultural research and positive universal attributes of leadership. An interesting topic of research in the area of frequency of interaction and duration of leader-follower relationship has also been presented.

#### **CHAPTER 5: CONCLUSION**

#### **5.1.INTRODUCTION**

This research focussed on the followers' perceptions of transformational leadership in multicultural workforces in New Zealand. It is evident that transformational leadership behaviour is universally acceptable and highly effective in multicultural workforces outside the American context where the theory was developed. This chapter begins with a brief summary of the significance of this study. It also discusses the various practical and research implications and the limitations of this study.

#### **5.2.SIGNIFICANCE**

This study was framed on the basis of two research questions:

# 1) How do followers from different ethnic backgrounds perceive transactional and transformational leadership behaviour?

It is apparent that followers from different ethnic backgrounds perceive the transformational leadership behaviour in a more positive light compared to transactional leadership behaviour. The findings testify that the participants saw the undue importance of monetary rewards as the key drawback of the Department. This is the most significant measure of transactional leadership model (Bass, 1985). Conversely, the four basic factors of transformational leadership, viz., idealized influence, inspirational motivation, intellectual stimulation and individualized consideration of the Bass (1985) model of transformational leadership were highly evident in the leadership behaviour of the Manager and the Team Leaders to a certain extent.

# 2) What types of leadership behaviours do they see as appropriate in a multicultural workplace?

Transformational leadership emerged as the most suitable leadership behaviour in a multicultural workplace. The participants despite their diverse ethnic backgrounds agreed that transformational leadership behaviour has augmented the individual and organisational performance in the form of achieving higher targets, higher ingenuity, better future prospects and increase in overall productivity. The findings also suggest that the current negative aspects of the Department, viz., undue importance of monetary rewards, lack of motivation and inadequate training and development opportunities could be corrected through a higher degree of transformational leadership behaviour.

On the whole, transformational leadership theory still appears to be one of the most effective leadership theories in the case of multicultural workforces. This study further reinforces the validity of transformational leadership in Non- American countries. The universal appeal of the theory combined with its easy adaptability to different cultures is the major strength of transformational leadership theory. This study also contributes to the line of follower-centred studies in leadership which is still a recent area of scholarly interest. The next section highlights the various implications of this study.

#### **5.3.IMPLICATIONS**

The most evident implication of this small–scale study is to promote transformational leadership among leaders to maximise organisational effectiveness. The leaders need to modify and combine various national and cultural differences to align with transformational leadership behaviour to understand the followers' needs and bring about individual and organisational success (Boehnke et al., 2003).

This study also drew attention to the topic of the leader-follower relationship duration and its effects on transformational leadership outcomes as a potential field for future research. The current literature in this area has only found specific outcomes in a single country (Krishnan, 2005) and more comprehensive studies need to be undertaken. It will be quite valuable for future research to duplicate this small study in multicultural workforces outside the American context as there is still limited research in this field. It will be also useful for future research to duplicate this study in different industry types and sizes for a broader perspective and to add to the findings in varied settings (Castro et al., 2008). Another interesting area of future research would be to examine the mediating variables connecting cultural values and leadership perceptions (Brain & Lewis, 2004).

One of the most important practical implications of this study is to develop and propagate transformational leadership behaviour training programs. It would be important for the organisations to consider these programs for the middle and higher level of management to augment individual as well as organisational performance. For instance, Barling, Weber, and Kelloway (1996) proposed short-term transformational leadership training programs which showed positive results on the followers in as little as two weeks. An important aspect of these training programs is the focus on interpersonal skills for leaders. It is all the more important in multicultural workforces

as communication styles need to take into consideration the multiplicity of values, ideas and preferences of followers and to unify them towards organisational goals (Pauliene, 2012).

This study also reveals important information for the Human Resources (HR) Department of international businesses. The HR managers need to take transformational leadership style into account for the recruitment and training of international managers (Woerkom & Reuver, 2009). The findings of this study will also be useful for small-scale businesses in New Zealand who employ people from different ethnicities.

#### **5.4.LIMITATIONS**

This research was a small- scale study and the data was collected from a single organisation in Auckland, New Zealand. It was difficult to gain access to major multinational organisations and due to time constraints the researcher had to resort to personal contacts for the final case study organisation.

The small sample size of the study was another limitation. There were only five participants as there were less than expected responses for the interviews. This seriously deters the generalization of the findings of this study on a large scale.

The main method of data collection was face to face semi-structured interviews. Even though the participants participated voluntarily and were guaranteed confidentiality, the researcher felt that a few participants did not express their views freely. The participants were quite cautious to not divulge any negative comments about their Team Leaders or the Manager.

This research was restricted by time and specific focus on followers' perceptions of transformational leadership. The research did not pay much attention to the "how" and "why" factors of the perceptions of the participants and was limited to general description of their experiences and preferences.

#### 5.5.CONCLUSION

The rapidly increasing globalisation and rising migration especially from Asian countries pose a range of opportunities and challenges for New Zealand. The increasing dependence on skilled migrants and weak labour force growth within the country has

affected the employment practices and lead to an intensification of multicultural workforces across international organisations. Leadership of multicultural workforces is a demanding area as different ethnicities perceive and interpret leadership in different ways. This study investigated followers' perceptions of transformational leadership in multicultural workforces in New Zealand. It was established that transformational leadership is highly desirable and effective in multicultural New Zealand work settings. It also further adds to the successful applicability of transformational leadership outside the American context. Despite its limitations, this study is significant as it analysed the theory from the followers' perspective which has not examined to a large extent in the New Zealand context.

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# Participant Information Sheet



#### **Date Information Sheet Produced**

23 February 2015

# **Project Title**

Investigating followers' perceptions of transformational leadership in multicultural workforces: A New Zealand case study

#### An Invitation

I am Suhasini Pathak, a student at AUT University and pursuing my Master of Business degree. I am writing a dissertation on the topic – "Investigating followers' perceptions of transformational leadership in multicultural workforces: A New Zealand case study" that will contribute to completion of my qualification. I am looking for participants from various ethnic backgrounds to conduct face-to-face interviews for my research. The participation is voluntary and the participants may withdraw at any time prior to the completion of data collection.

#### What is the purpose of this research?

The main aim of this dissertation is to see if ethnically diverse participants' perceptions of leadership align with the behaviours identified as transformational or transactional in the NZ context. The project will also be intersectionally sensitive (aware) of the influences other demographic characteristics may have on the perceptions of participants. Two research questions frame this project:

- 1) How do followers from different ethnic backgrounds perceive transactional and transformational leadership behaviour?
- 2) What types of leadership behaviours do they see as appropriate in a multicultural workplace?

#### How was I identified and why am I being invited to participate in this research?

You were identified and invited to participate in this research because of your cultural background, your work experience and knowledge. The employer is fully aware of the aims of this research. Furthermore, you are meeting the following three criteria: First, debt management officers employed in an international business organisation for over a year. Second, participants must be from different ethnicities and age groups. Third, work experience in a similar or closely related job profile in their country of origin.

# What will happen in this research?

I would need at least one hour of your time for a face to face interview to discuss your experience in the organisation and your relationship with the Team leaders and the Manager. Additional information would be gathered on your preferred form of leadership behaviour and if you are satisfied with the current situations. Questions will also delve into work experience in your home country which would be compared and contrasted to your NZ work experience. I will ask for your permission to record the interview by audiotape, and this will only happen with your consent, otherwise we can proceed with me taking notes concerning our conversation.

#### What are the discomforts and risks?

The recorded interview will be fully based on your personal experience regarding leadership behaviour at the organisation. You are unlikely to experience any significant discomfort or risk. I will protect your privacy and confidentiality of information provided at all stages of the research. Please bear in mind that other people in the organisation may be aware of your participation in the research and therefore confidentiality is limited.

#### How will these discomforts and risks be alleviated?

You will have the liberty to terminate the interview at any time without any penalty or you can choose not to answer any questions that you are not comfortable with.

Moreover, if you feel uncomfortable being recorded that aspect is completely optional as well. You will also be provided a summary of the key findings if you wish. You will also have the option to receive transcripts of the interview for editing.

#### What are the benefits?

This dissertation is required in fulfilment of the requirements for my Master of Business degree at AUT University. The findings of this research may also be potentially beneficial to individuals from different ethnic groups. The study would also give an insight into the universal applicability of transformational leadership to multicultural NZ work settings.

#### How will my privacy be protected?

Your name or your company's name will not be used in any of the documentation and write up of the research. I assure that any information that would identify your organisation or yourself will not be included in any report of the findings. Only the researcher and the supervisor will have access to the data. You will be also given a summary of the findings if you wish.

# What are the costs of participating in this research?

The interview should take no more than one hour of your time. The interview will be conducted at local coffee shops in Auckland CBD.

#### What opportunity do I have to consider this invitation?

I would ask that you reply to the email within five working days. However, you are not obligated to participate and can withdraw from the research at any stage.

## How do I agree to participate in this research?

If you wish to participate, you will need to fill out and email me back the consent form which I have attached to this email.

#### Will I receive feedback on the results of this research?

Yes, you will receive a summary of the key findings of the research via email by me.

#### What do I do if I have concerns about this research?

Any concerns regarding the nature of this project should be notified in the first instance to the Project Supervisor, Dr Irene Ryan, <a href="mailto:iryan@aut.ac.nz">iryan@aut.ac.nz</a>, 09-921 9999 ext: 7852

Concerns regarding the conduct of the research should be notified to the Executive Secretary of AUTEC, Kate O'Connor, *ethics@aut.ac.nz*, 921 9999 ext 6038.

Whom do I contact for further information about this research?

# Researcher Contact Details:

Name: Suhasini Pathak

Email: suhasini.pathak@gmail.com

# Project Supervisor Contact Details:

Name: Dr Irene Ryan.

Email: <u>iryan@aut.ac.nz</u>

Phone: 09-921 9999 ext: 7852

Approved by the Auckland University of Technology Ethics Committee on - 19/03/2015 AUTEC Reference number 15/46

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# Appendix B

# **Indicative questions for interviews**

- Q.1. Please give a brief introduction about yourself. Where are you from and how long you have been in NZ?
- Q.2. Please tell me about your professional experience in this organisation?
- Q.3. How is your relationship with your team leaders?
- Q.4. How much credit would you give to your team leaders for your personal performance?
- Q.5. How is your relationship with the manager? What role does he/she play in your personal performance?
- Q.6. How different is the work culture compared to your country of origin?
- Q.7. Is there was one thing you could change regarding the team management, what would that be and why?
- Q.8. Can you think of any particular expectations from the team leaders or the manager that were not fulfilled?