IMPACT OF TRANSFORMATIONAL LEADERSHIP DEVELOPMENT THROUGH ORGANIZATION DEVELOPMENT INTERVENTION ON EMPLOYEE ENGAGEMENT AND FIRM PERFORMANCE: A CASE STUDY

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Abstract

As the rate of unprecedented changes in business environment is growing and firms do not have any more capital to further invest in products, marketing and other staff motivational programs, leadership effectiveness of managers is crucial to lead their followers and organization to achieve common purposes. Though a lot of attention on transformational leadership and its positive impact on employee engagement and organization performance have increased, little empirical studies have been conducted in a foreign-owned lending business in Thailand. This study examines the organizational development intervention (ODI) impact on transformational leadership development of 42 Branch Managers on employee engagement elements: job satisfaction and extra effort and organization performance on improvement of sales revenue, staff attrition and customer complaints. A control group of 33 team leaders of similar business was employed to compare the outcomes. Alpha analysis, t-tests and correlation were employed to judge data reliability and the statistical significance measurement of the organization development intervention. The results indicate statistically significant of both employee job satisfaction and extra effort as a result of the intervention. It was also found that there is statistically significant improvement of organization performance between pre-and post-OD intervention as opposed to the negative findings in the control group.

Keywords: Transformational leadership; whole brain appreciative coaching; employee engagement; employee satisfaction; firm performance.

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Introduction

Efficiency, deregulation, e-commerce and pressure to deliver numbers are demanding trends forcing leaders to seek for new ways of working. This requires strong and effective leaders to make effective changes and to guide subordinates as well as organization through uncertainty and demand for positive outcomes. Key to understand leadership is the understanding of business failure as a result of leaders’ inability to adapt to a changing environment (Gill, 2006). There is substantial evidence of the positive effect of leadership on organization performance (DDI, 2011; House & Aditya, 1997; IBM Global Business Survey, 2010; Towers Perrin, 2007). This study focuses on one of the 100% foreign own lending business companies in Thailand (referred to “ABC Lending” in this article). The organization was established and begun operations in Thailand since 2004. One of the objectives of the company is to achieve positive operating results in 2011 or risk being diversified. Majority of branch managers at ABC are those hired, trained and promoted from customer service representative (CSR). Staff turnover rate is as high as 27%. One of the challenges about leaders is quality of effective leadership to execute successful changes (Lawler & Worley, 2006) through inspiring, influencing and engaging subordinates since there is positive relationship of highly engaged employees and company’s revenue growth (Towers Perrin, 2003). Leadership style of leader is found critical to the success of the organization (Bass, 1990). It is in this context that this action research case study seeks to examine the positive impact of leadership development of managers on employee engagement and organization performance. It is hypothesized that the findings of this study would contribute positive impact in solving the current business pressures by transforming of managers’ leadership effectiveness to improve subordinates’ engagement and organization performance.

Literature Review

Leadership

Definitions of leadership are varied. Cook (2000) referred leadership as the ability to learn and adapt to change, a risk taker and using personal power to win the hearts and minds of people to achieve a common purpose. While Burns (1978) defined it as a mobilization process by individuals with certain motives, values, and access to resources in a context of competition and conflict in pursuit of goals. Northouse (2010) cited different functions of management and leadership was that leaders produce changes and movement while management provides order and consistency in organization. Gill (2006) argued that vision is the key differences between managers and leaders. Bennis and Nanus (1985) defined difference between management and leadership that managers are people who do things right while leaders are people who do the right things. To manage is to
accomplish activities and master routines while to lead is to influence others and create vision for change.

Importance of Leadership

The DDI’s 2011 Global Leadership Forecast Research (Boatman & Wellins, 2011) revealed that organizations with the highest quality of leaders were thirteen times more likely to outperform their competitors in key bottom-line results while many corporations are facing leadership shortage (Bersin & Associates, 2011). A survey carried out by Accenture in 2007 with more than 900 top executives in the world’s largest organizations in the U.S, Europe and Asia revealed that only fifty five percent of the organizations were able to develop their executives’ ability and talent to cope with the rapid changes (Moe, 2007). Trust in managers and having good relations with managers who provide training, coaching, giving challenging work and providing more opportunities to do what subordinates want and having clear work preferences as well as career goals lead the organizations with more engaged and satisfied employees (White, 2008).

Leadership Development

Overall leadership interventions had a sixty six percent probability of achieving positive results (Rice, 2011). Leadership development has become increasingly important and an emerging trend to organizations in response to the increase in organization’s competitiveness (Leskiw & Singh, 2007). DDI’s 2011 Global Leadership Forecast Survey reported that leaders in organizations with more effective leadership development programs were eight times more likely to rate leadership quality as excellent (Boatman & Wellins, 2011) and training more than four hours in a month resulted in fourteen percent increase in productivity (Fox, 2011). Many leadership development programs are offered and they are very expensive since it is a time-based process and cannot be accomplished in one single point of time (Bruce, 2011). The training cost was estimated to range from $100,000 to $250,000 to develop and $50,000 to $150,000 to deliver per session (Fulmer, 1997). Gill (2006) cited that self-awareness of a leader is considered a basic necessity for effective leadership development as it starts first with learning to know and control oneself. White (2000) argued that leadership development program can be effective depending on leadership that transform and raise both the leaders’ and followers’ motivation, sense of higher purpose and higher-order needs for achievement (Gill, 2006; Burns, 1978).

Leadership styles

This study employed transformational leadership (TL) model proposed by Bass & Avolio (Avolio, 1999 & 2011) integrated with various learning methods, which included whole brain appreciative coaching approach (Soponkij, 2010) to generate more effective and creative development program for the ABC Lending
Company. Transformational leadership approach is found one of the most popular studies due to its emphasis on intrinsic motivation, development and inspiring followers (Bass & Riggio, 2006; Yammarino & Bass, 1990), help followers achieve long term organization’s goals (Howell & Avolio, 1993).

Transformational leadership comprised of four dimensions or behaviors referred to as “4Is”. They are: (1) Idealized influence (II) or Charisma behavior. This refers to leaders who act as a strong role model for followers, set examples for show determination, taking risks, creating sense of empowerment and a joint of mission and who are deeply trusted and respected as they concern about followers’ needs (Avolio, 2011; Northouse, 2010); (2) Inspirational motivation (IM) behavior. This refers to leaders who provide meaning and challenge, communicate high expectations to followers, inspire, motive and painting an optimistic future; (3) Intellectual stimulation (IS) behavior. Leaders who stimulate efforts of followers to think innovatively. They encourage followers to question assumptions and approach old situations with new methods and perspective (Avolio, 2011); (4) Individualized consideration (IC) behavior. Leaders who pay attention to follower’s needs and growth by providing support and act as coach or mentor. Such leaders delegate tasks and monitoring (Avolio, 2011).

Culture and Thai Leadership

Cultural values and traditions are found having strong influence on attitudes and behavior of leaders and many times without conscious of (Yukl, 2012). Studies of the GLOBE 2011 and Hofstede (2010) found Thailand having highest score on Power Distance Index (PDI). A high PDI is indicative of a high level of inequality of power. Others Thai’s cultural dimensions include Uncertainty Avoidance Index (UAI), Collectivism and Long-term orientation. Thai society with high UAI tends to prefer having strict rules, laws, policies as well as regulation (Soponkij, 2010). Similarly a group of Thai scholars (Anurit et al., 2011; Wongtada, Leelakulthanit & Singhapakdi, 1998) found strong cultural factors embraced from Buddhism that Thais focus on social harmony (conflict avoidance). To maintain harmony, Thais would not express disagreement and try to avoid conflict (Chen, 2005 cited in Anurit et al., 2011); as a result subordinates would not express disagreement nor making decisions in meeting. Moreover, Thais are more collective as opposed to individualism. It was found 60% of Thai’s leadership styles were between relationship and task-oriented (Runglertkrengkrai & Engkaninan cited in Yukongdi, 2010). Additionally, the findings of national culture dimensions revealed that the most effective leadership amongst Thais are charismatic, autocratic, paternalistic, team-oriented, participative and non-confrontational styles (Gupta, 2002; Anurit et al., 2010). Study of Limsila and Ougunlana (2008) as cited in Yukongdi (2010) found that transformational leadership style was most adopted by Thai managers in the construction industry.

Application of transformational leadership style by managers is crucial to improve operating performance and employee engagement. Transformational leadership can be taught (Kelloway & Barling, 2000) as found in both studies of Barling et al., (1996) and Kelloway et al, (2000) for 20 bank branch managers in
Canada who participated in a one-day transformational leadership workshop and attended four individual counseling sessions. The results of these studies suggested subordinates noticed changes in the behavior of their leaders in the training interventions; and attitudes/behaviors of subordinates changed in response to leaders’ enhanced transformational leadership style. The review of positive impact of transformational leadership behavior on firm performance and subordinates’ engagement further demonstrates a necessity to develop such leadership through various interventions. This study explores the positive impact of developed transformational leadership behavior of 42 Branch Managers on employee engagement and organization performance. Consequently, the following first hypothesis was developed.

**Hypothesis 1:** There is a difference between pre-and post-ODI on transformational leadership development of the managers.

**Employee engagement**

Employee engagement has different definitions. It is defined as employees’ willingness and ability to help their company succeed (Towers Perrin Talent Report (2003); employees’ positive emotional attachment and commitment to employer (Dernovsek, 2008); and willingness to invest oneself and expand one’s discretionary effort to help employer succeed beyond simple satisfaction (Blessing White, 2008; Erikson, 2005; Macey & Schneider, 2008); the extent to which employees commit to someone or something in their organization and how hard they work and how long they stay as a result of that commitment (Lockwood, 2007).

Numerous researchers found that engaged employees will contribute their best and exceed typical performance levels beyond their employment contract (Macey & Schneider, 2008; Wellins & Concelman, 2005; Robinson et al., 2004) and that engaged employees increase competitive advantage of organizations (Corporate Leadership Council, 2006); Harter, Schmidt & Hayes, 2002); Schaufeli & Bakker, 2004) and a positive relationship of a highly engaged employee and the company’s revenue growth. High engagement firms experienced an earnings per share (EPS) growth rate of twenty eight percent compared to an 11.20% for low engagement firm; and seventy eight percent were more productive and forty percent were more profitable (Towers Perrin, 2003 & Hewitt’s Best Employers in Asia Report, 2007). This study adopted two employee engagement elements, which include employees’ job satisfaction and extra effort. Stemming from this relationship of transformational leadership behavior and employee engagement, the following two hypotheses were developed:
Hypothesis 2: There is a positive improvement of employee engagement element on job satisfaction element after intervention.

Hypothesis 3: There is a positive improvement of employee engagement on employee's extra effort element after intervention.

Positive Change Approaches

Several studies have shown that leaders using strength-based employee development in the workplace can maximize their potentials and lead to desired behavior changes. Based on prior studies, this study will explore two areas of positive approaches which are combined and employed to support the leadership development behavior of the 42 Branch Managers: (1) Whole Brain Literacy (WBL); (2) Appreciative Coaching (AC).

Whole Brain Literacy (WBL) or brain-based learning. Rooted from the research work of Dudley Lynch’s four-brain model (1988) cited in Tayko & Agloro (2012) defined the whole brain literacy as the conscious use of one’s own thinking-through process and using literacy refers to the ability, capability and capacity to perform specific skills or carry out certain tasks to function and perform a task on the job at a higher with strategic, systemic, substantive and specific dimensions. Brain based learning is a new finding of how humans learn (Weiss, 2000). Henry Minzberg (1976) suggested that left/right brain differences may be relevant to leadership and management. Findelstein & Hambrick (1996) argued that managers with dominant left hemisphere may be good planners while managers with dominant right hemisphere may be good managers or leaders. Rewiring the four quadrants of the brain to achieve greater learning coherence could enhance individual manager’s effective leadership (Waldman et al., 2011). Four brain parts of human formed four processes of brain functioning, which comprised of I-Control, I-Explore, I-Preserve, and I-Pursue in order to develop thinking perspective and learning. WBL is a change approach which leaders can employ to transform their leadership when they realized their full capabilities (Tayko & Talmo, 2010).

Appreciative Coaching (AC). Appreciative coaching has grounded its positive process of change approaches from appreciative inquiry of Orem, Binkert & Clancy (2007). AC principles reflect a world view that is open, dynamic, interconnected and filled with possibilities. It energizes people to think about, dream about, and talks about things that they do well and enjoy by using appreciative languages, understanding what an individual brings, creating to guide changes in individual and organizations. This study applies WBL and AC approaches focusing on positive leadership thinking.

In summary, the evidence derived from various theories reviewed of this study suggests that effective transformational leadership development indicates positive impact to followers on their engagement and organization performance. The fourth and total four Hypotheses were developed for this study:
H1a: There is a significant difference in the pre- and post transformational leadership development.

H2a: There is positive improvement on employee engagement element on job satisfaction.

H3a: There is positive improvement on employee engagement element on extra effort.

H4a: There is positive improvement of organization performance.

Research Methodology

Action research was employed for this study based on WBL and AC approaches. There are three phases of action:

- **Phase one (pre-ODI):** this is the assessment stage which objectives were determined and information collected from interview with management, company documents and questionnaires to determine the current situation and leadership of middle management managers comprising of 42 branch and district managers.

- **Phase two (ODI stage):** this includes the implementation of the ODI activities during a four-month period to address issues and identify a plan of action to improve leadership behavior of managers. The transformational leadership development program intervention consisted of two workshops in the following sequence: (1) WBL and AC and (2) Leadership development workshop. To foster the transfer of learned content from the leadership program intervention to the workplace, the two workshops combined classroom-based training which include lectures, discussions and practicing, and the use of learning feedback from subordinates, direct manager and the management. After the training workshops, individual managers were required to practice newly learnt behavior in day-to-day work settings. Supportive activities to enhance the newly learned leadership included: (1) monthly self leadership practice report; (2) monthly reflection, and (3) group project work.

- **Phase three (assessment and evaluation stage):** it includes a formative evaluation during the ODI and a post-ODI summative evaluation.

Data was collected using two sets of questionnaires. Transformational leadership factors were measured using 20 standard questions of the MLQ Form 5X-
short. Employee engagement factors were measured using two sets of questionnaire based on (i) the Employee Job Satisfaction Survey of the focal company and (ii) Extra Effort of the MLQ Form 5X-short questions. The employee engagement questionnaire comprises 10 questionnaires and three questions on extra effort. The job satisfaction questionnaire is a valid instrument since it was developed by the company’s learning and development expert and has been used more than 100 countries over 10 years consecutively. The sample of this study consisted of forty two managers (8 District and 34 Branch Managers). Majority of them (45%) have been working with the company more than five years in the position and supervised (74%) 5-8 subordinates or customer services representatives. Majority of them (52%) had a bachelors’ degree. Each manager was requested to identify three subordinates from each branch to provide feedback on their leadership perspective during pre-and post-ODI. A total of 179 subordinates were participated to provide their perspectives, of whom 88% graduated with a bachelor’s degree and sixty-eight (38%) of them had more than 5 years of working experience with the company.

A control group comprised of 8 Team Leaders and 25 subordinates was employed in this study as the experimental conditions were complex and difficult to isolate so the independent variables being tested in the experimental group cannot influence the results.

Semi-structured interviews were conducted with two groups of participants (9 individual managers and 18 subordinates). Four reflective sessions were conducted to reflect how managers learned and provide a meaningful way for them to gain genuine understanding (Densten & Gray, 2001). A group of 6-7 managers developed a team project since learning from real-life experience on project at work helped learners to achieve tangible improvement on their specific business issues as well as advance in their learning (William, 2003; Carter, 2001). There were total 6 projects proposed which each team presented their results 120 days later.

Data from the respondents were analyzed using descriptive statistics options of SPSS. To assess the improvement of leadership behaviors and determine whether they were significantly different, a Paired Sample t-Test (2-tailed) was employed. The Pearson’s Correlation was used to examine the relationship between the two elements of the staff employee engagement (the dependent variables) and the managers’ leadership effectiveness (the independent variables) at the significant level of 95% or alpha = 0.05.
Results and Discussion

Table 1: Comparison of the Pre-and Post-ODI impact on perception of variables between the experimental and control group

<table>
<thead>
<tr>
<th>Variables</th>
<th>Experimental Group</th>
<th>Control Group</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>Diff in mean value</td>
</tr>
<tr>
<td>Idealized Influence (II)</td>
<td>179</td>
<td>0.150</td>
</tr>
<tr>
<td>Intellectual Motivation (IM)</td>
<td>179</td>
<td>0.096</td>
</tr>
<tr>
<td>Intellectual Stimulation (IS)</td>
<td>179</td>
<td>0.094</td>
</tr>
<tr>
<td>Individualized Consideration (IC)</td>
<td>179</td>
<td>0.195</td>
</tr>
<tr>
<td><strong>Employee Engagement</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job satisfaction</td>
<td>179</td>
<td>0.050</td>
</tr>
<tr>
<td>Extra effort</td>
<td>179</td>
<td>0.178</td>
</tr>
</tbody>
</table>

Table 1 below presents the pre- and post-ODI descriptive statistics for all the variables between the experimental and Control groups.

Impact on transformational leadership behavior

As shown in Table 1 above, subordinates of the experimental group perceived differences in pre- and post-ODI leadership behavior. After 120 days intervention, there was positive improvement of managers’ transformational leadership behavior. All four factors of transformational leadership were improved (II=6.04%, IM=3.81%, IS=3.76%, IC=8.17%). As expected, the results from the control group showed negative in most of leadership behavior except for slight increase on the IC factor. Therefore, Hypothesis 1 is accepted.

Table 2: The correlation matrix between leadership and extra effort engagement elements

<table>
<thead>
<tr>
<th>Leadership Factors</th>
<th>EE</th>
<th>IS</th>
<th>II</th>
<th>IM</th>
<th>IC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extra Effort (EE)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intellectual Stimulation (IS)</td>
<td>.804“”</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Idealized Influence (II)</td>
<td>.908“”</td>
<td>.868“”</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inspirational Motivation (IM)</td>
<td>.866“”</td>
<td>.825“”</td>
<td>.915“”</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individualized Consideration (IC)</td>
<td>.914“”</td>
<td>.791“”</td>
<td>.905“”</td>
<td>.834“”</td>
<td></td>
</tr>
</tbody>
</table>

*Correlation is significant at the 0.01 level (2-tailed).*
Impact on Employee Engagement – Job Satisfaction Element

The data from Table 1 also indicates that the leadership development program significantly enhanced the leadership behavior of the managers. Job satisfaction element was improved by 1.53% and extra effort by 7.25%. The results from Paired Sample t-Test (2-tailed) revealed that there was some improvement in job satisfaction, one of engagement elements but not statistically significant. Therefore, Hypothesis 2 is rejected.

Impact on Employee Engagement: Extra Effort Element

The result from Paired Sample t-Test (2 tailed) revealed there was statistically significant improvement at a minimum of confidence level of 0.05 in extra effort ($t=-2.846$, $p<0.05$). Therefore, Hypothesis 3 is accepted.

Table 3: The correlation matrix between leadership and job satisfaction

<table>
<thead>
<tr>
<th>LEADERSHIP FACTORS</th>
<th>IS</th>
<th>II</th>
<th>IM</th>
<th>IC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Satisfaction</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intellectual Stimulation</td>
<td>.678</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Idealized Influence</td>
<td>.822</td>
<td>.868</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inspirational Motivation</td>
<td>.768</td>
<td>.825</td>
<td>.915</td>
<td></td>
</tr>
<tr>
<td>Individualized Consideration</td>
<td>.790</td>
<td>.791</td>
<td>.905</td>
<td>.834</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

Table 2 shows inter- correlation of leadership behavior and employee engagement element. There were strong and positive relationship between all leadership behavior, as the $r$ values ranged from 0.804 to .914. A strong, positive relationship was shown between individualized consideration (IC) behavior and extra effort. The results suggested that managers with higher scores on individualized consideration factor tend to influence subordinates’ extra effort. Specifically the finding indicated a strong and positive correlation between these two variables as the $r$ values were very high (.914); the correlation coefficient was significantly different from zero ($p<0.001$) and the variance 84% (.914$^2$) in IC behavior could be explained by followers’ extra effort. Similarly there were strong and positive relationship between leadership behavior (Table 3) and job satisfaction, with $r$ values ranged from .678 to .822. The variance 68% (.822$^2$) in intellectual stimulation (IS) behavior could be explained by followers’ job satisfaction.
Results from the managers’ monthly self-leadership practice report concurred with the statistical results obtained from the leadership questionnaires designed to assess the extent to which the managers develop and exhibited newly learned transformational leadership behavior.

Additionally, the findings from semi-structured interviews supported the statistical data of the quantitative inquiry approach which transformational leadership behavior perceived by both self and subordinates as well as direct manager were positive and significantly improved after implementation of leadership development program. Especially, five of six group project works produced better results than anticipated while one project did not achieve planned results due to new product and limited knowledge of staff.

Impact of Transformational Leadership on Organization Performance: Sales revenue, Employee turnover, and Customer Complaints

Table 4: Organization performance outcomes between experimental and control groups

<table>
<thead>
<tr>
<th>Organization Performance</th>
<th>Total aggregated improvement (Jan-Dec 2011 vs 2012)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Experimental Group</td>
</tr>
<tr>
<td>Sales revenue</td>
<td>34%</td>
</tr>
<tr>
<td>Staff attrition reduction</td>
<td>-13%</td>
</tr>
<tr>
<td>Customer Complaints</td>
<td>-138%</td>
</tr>
</tbody>
</table>

As can be seen from Table 4 indicated positive improvement of all three organization performances in 2012 the experimental group. The statistical data revealed statistically improvements of managers’ leadership development post-intervention on all three measurement of organization performance: sales revenue increased by 34% (t= -4.305, p<0.05), staff turnover reduced by 13% (t=3.094, p<0.05) and customer complaints reduced by 138% (t= -4.460, p>0.05). On the contrary, the results from the control group showed negative results: sales revenue decreased by 14% and staff attrition increased by 3%. Due to high attrition in the control group business and a change in data collection methodology on customer complaints, there was no data available to properly compare.
Conclusions and discussion of implications and limitations

Conclusions

First, the findings of this study are consistent with prior empirical researches that transformational leadership development inspired and motivated followers (Yammarino & Bass, 1990; Yukl, 2002) to put extra effort (Harter, Schmidt, & Hayes, 2002) and impacted on employee engagement element especially extra effort and company’s performance (Avolio 1999 & 2010; Bass, 1985 & 1990; Gill, 2006; Howell, 1993; Northouse, 2010; Soponkij, 2010).

Second, the important findings was on the action or experiential learning through project work was found to be a powerful component of leadership development as managers had the opportunities to deal with different types of subordinates in workplace situations as the lessons learned by practices was found to stay with managers for many years (Cacioppe, 1998).

Third, the results of this study also suggested that a period of four months for a leadership development program intervention was sufficient and effective to enhance the leadership behaviors of the managers. The combination of OD tools, comprising the formal learning of the structured and planned leadership development workshops coupled with the monthly boosters and self-enhanced activities such as self leadership practice report, monthly reflective sessions, and group project works enhancing the effective leadership behavior of managers.

Fourth, the study indicated that the impact of the appreciative coaching (AC) under the whole brain literacy concept was so powerful since learning new leadership behavior required a paradigm shift in the managers’ thinking concept specifically the change of thinking concept depended on the individual self who sought to see the world as “it was” or “as they perceived it to be” Tayko (2010).

Lastly, the positive change of the managers’ transformational leadership started first from individual managers who shifted their thinking mind set or perspective. The findings implied that Thai managers’ leadership style influenced by national cultural dimensions could compliment and strengthen the transformational leadership style of the Thai managers since Thai leadership styles tended to be more paternalistic, team-oriented, participative and non-confrontational style.

Recommendations for future studies

Although this study lasted four months and the monthly reflective session was organized only two hours per month, 4 months continuously, the results from semi-structured interviews with managers revealed that 90% of managers acquired the newly learned leadership behavior from group reflective sessions and from group project work. Future studies could consider to explore and deepening these
two learning approaches in other business to validate similar findings. Though this study did not address correlation of national cultural dimensions and managers’ transformational leadership behavior, specifically individualized consideration factor which was found significant correlated with employee extra effort.

Future research could identify specific national cultural dimensions that might correlate transformational leadership style and its impact on employee engagement. This study has a small sample size of both experimental and control groups. Future researches are encouraged to use larger samples to validate findings. Moreover, this study examined the improvement of leadership development in terms of the positive change of employee engagement and organization performance. A more fruitful approach in assessing leadership development would be to examine whether managers who received training continue to exhibit the learned leadership and the positive organization performance in terms of sales revenue, staff attrition and customer complaints continue improving.

References


