



# The impact of salesperson transformational leadership behavior on customer relationship marketing behavior

Salesperson transformational leadership

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## A study of the Sri Lankan corporate banking sector

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### Abstract

**Purpose** – The purpose of this paper is to identify the impact of transformational leadership behavior of salespersons on the level of customers' trust and customers' relationship commitment with the salespersons in the Sri Lankan corporate banking sector.

**Design/methodology/approach** – Based on the literature, it was hypothesized that idealized influence behavior and individualized considerate behavior of salespersons positively affect customers' trust and customers' relationship commitment. A survey was undertaken among 47 sales persons in the Sri Lankan corporate banking sector, and the regression analysis was performed to test hypotheses.

**Findings** – It was found that idealized influence behavior of salespersons positively influences customer trust, which, together with individualized consideration of salespersons, in turn influences customer commitment. It was also found that the joint effect of both customers' trust and individualized considerate behavior of the salesperson is greater than each alone on customers' relationship commitment.

**Research limitations/implications** – The small sample and non-probabilistic sampling procedure demand further corroboration of the findings. As the relationship marketing literature stresses the coexistence of both relationship and transactional marketing, future researchers may use the full-range of leadership model.

**Practical implications/implications** – This study shows how the two facets of transformational leadership behavior of salespersons implicate their customers' relationship marketing behavior, and thus points out how leadership development training can be adapted to improve relationship marketing skills of sales persons.

**Originality/value** – The present paper illustrates how transformational leadership provides a more appropriate knowledge domain for understanding relationship marketing dynamics at salesperson-individual customer level.

**Keywords** Relationship marketing, Transformational leadership, Sales force, Business-to-business marketing, Banking, Sri Lanka

**Paper type** Research paper



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### Background

Nearly a decade ago, Bass (1997), the leading theorist in transformational leadership, shed light on how salespersons can adapt transformational leadership. According to him, both salespersons and leaders attempt to change and influence the perceptions, cognitions, decisions and behaviors of customers and their followers respectively, and he even went as far as referring to the behavior of salespersons characterized by transformational leadership behavior as transformational selling (Bass, 1997). However, since then there has not been any significant attempt to merge transformational leadership and marketing in spite of major outcomes of transformational leadership- trust and commitment- (Jung and Avolio, 2000) are the key variables of relationship marketing (Morgan and Hunt, 1994; Too *et al.*, 2001; Rees and Gardner, 2003; Chien and Moutinho, 2000; Pillai and Sharma, 2003; Armstrong and Seng, 2000).

Certainly, probing into the impact of transformational leadership on relationship marketing makes sense, at least in business-to-business marketing (BTB) because the “exchange partner” includes both the selling organization and the individual salespersons in BTB (Tellefsen and Thomas, 2005; Doney and Cannon, 1997). Further, an inquiry into such an influence seems imperative as salespersons play a vital role in BTB (Beverland, 2001), and more importantly in BTB services (Tellefsen and Thomas, 2005), where the development of relationships is more the responsibility of the marketer (Abratt and Russell, 1999).

In fact, when relationship marketing is considered at the level of individual salespersons and their individual customers, what Beverland (2001) identifies as relationship selling, relationship marketing seems to be similar to what Bass conceptualizes as transformational selling (Bass, 1997).

### The objective of the study

Having considered the similarity of relationships between leader-follower and salesperson-individual customer, and the significance of salespersons in BTB service, the present study examines whether the transformational leadership behavior of individual salespersons influence customers’ trust in salespersons (known as customer trust hereafter) and their relationship commitment with the salespersons (known as customer commitment hereafter) in the Sri Lankan corporate banking sector; a sector that can be considered a BTB service.

Accordingly, the next section of this paper briefly discusses relationship marketing in the Sri Lankan corporate banking sector that follows a theoretical background and hypotheses. Subsequent sections provide details of the research methodology and the analysis. Then the writers discuss the findings and their managerial and theoretical implications. The paper closes with a discussion of the study’s limitations and directions for further research.

### Relationship marketing in the corporate banking sector in Sri Lanka

Sri Lanka, situated in the Indian Ocean near India, is a small island with a population of around 20 million. The economy of the country was liberalized in 1977, thus becoming the first South Asian country to open its economy. This open economic policy resulted in the expansion of the banking sector, and by 2004, there were 22 commercial banks established in the country. Among them, 11 were foreign banks, and

the others were local of which two were state owned banks (Central Bank of Sri Lanka, 2004, p. 125). The two state banks are the largest in the country, and all the banks operate in the corporate banking sector.

The emergence of relationship marketing in the Sri Lankan banking sector is evident when one observes the growing number of training programs on relationship banking-the name given to the practice of relationship marketing in the banking sector (Mukherjee and Nath, 2003). Certainly, a growth in relationship marketing should be expected when the banking sector is deregularized (Zineldin, 1996). Even in the absence of competition, relationship marketing can be expected to play a vital role in Asian cultures like Sri Lanka where “... a relationship is always considered to be an essential factor in business operations” (Yau *et al.*, 2000).

### Theoretical background and the hypotheses

#### *Relationship between customer trust and customer commitment*

Though some writers (Butler, 1991), identify trust and commitment to be independent from each other, others (Pillai *et al.*, 1999; Ojasalo, 2002; Adamson *et al.*, 2003; Armstrong and Seng, 2000) identify trust as an antecedent of commitment. Since empirical studies (Morgan and Hunt, 1994; Lin *et al.*, 2003; Tellefsen and Thomas, 2005; Andaleeb, 1996; Martin *et al.*, 2004; Jung and Avolio, 2000; Mukherjee and Nath, 2003) support the second argument, the present study conceptualizes trust as an antecedent of commitment as well. Therefore, it is hypothesized that:

- H1. The higher the customer trust in a salesperson, the higher will be the customer relationship commitment with that salesperson.

#### *Transformational behavior of salesperson on customer trust and customer commitment*

While some writers (Jung and Avolio, 2000; Yammariono *et al.*, 1997; Humphreys *et al.*, 2003) are interested only in how transformational leadership as a whole influences followers' trust and commitment, others (Mackenzie *et al.*, 2001; Conger *et al.*, 2000; Rowden, 2000) provide some evidence on the impact of individual components of transformational leadership on trust and commitment.

Conger *et al.*(2000) found that idealized influence affects trust. Rowden (2000) has demonstrated empirically that “sensitivity to member needs” and “vision and articulation” – two dimensions of Conger and Kanungo’s model of charismatic leadership – are related to organizational commitment. While sensitivity to member needs and vision and vision articulation are similar to individualized consideration and inspirational motivation respectively, one can legitimately infer the impact of individualized considerate behavior and inspirational motivational behavior of a salesperson on customers’ commitment. Further Pillai *et al.* (1999) suggest a possible impact of idealized influence and intellectual stimulation behaviors of leaders, on follower trust in the leader. In a study of the moderating effect of web site usage on relational bonds and customers’ trust and commitment, Lin *et al.* (2003) found that there exists a relationship between social bond and relationship performance. They operationalize the social bond in terms of the company’s concern for the customers’ needs, solving personal problems and collecting customer opinions and relationships. Furthermore, performance is operationalized in terms of trust and commitment. As their operationalization of the social bond is similar to the individualized consideration, a relationship between individualized consideration and trust and commitment can be

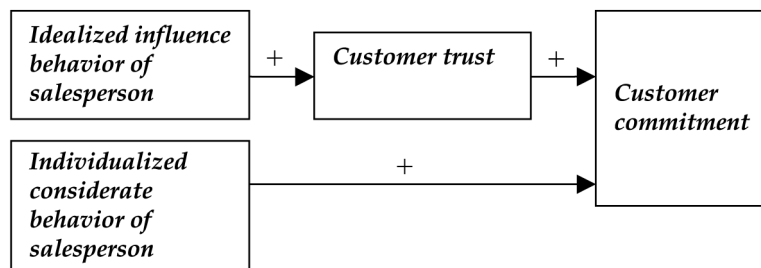
assumed. Doney and Cannon (1997) found that expertise, likeability and similarity of salespersons positively affect customer trust. Among these factors, the highest impact is reported for likability while the second highest impact is reported for expertise: similarity reports the least impact. Further, Bendapudi and Berry (1997) argued that expertise, similarity and social bonding positively influence customer trust. Meanwhile, Tellefsen and Thomas (2005) found that there is no significant impact of the marketer’s personal power and personal expertise on customer commitment. Since expertise (expert power), likeability and similarity have been identified as aspects of charisma, and charisma is synonymous to idealized influence, idealized influence of marketers can be considered to influence customer trust. It can be stated further that idealized influence does not influence customer commitment. According to Too *et al.* (2001), Morgan and Hunt (1994) argue that “trust is enhanced by shared values between buyers and suppliers, communication between the two parties, and a lack of opportunistic behavior . . .” This argument is validated empirically by Mukherjee and Nath (2003) in the context of online relationship banking. Since “shared values” is a variable of idealized influence, this seems to be supporting the argument that the idealized influence of customers affects customer trust and customer commitment. Thus, the following hypotheses are advanced.

- H2. The higher the idealized influence behavior of a salesperson, the higher will be the customer trust in that salesperson.
- H3. The higher the individualized considerate behavior of a salesperson, the higher will be the customer relationship commitment to that salesperson.

Moreover, as both individualized considerate behavior of a salesperson and customer trust affect customer commitment, the following hypothesis is advanced.

- H4. The joint effect of customer trust and individualized considerate behavior of a salesperson is greater than the impact of each alone on the customer relationship commitment to a salesperson.

The relationships and their directions stated in these hypotheses are schematically shown in Figure 1.



**Figure 1.**  
Impact of idealized influence and individualized considerate behaviors of salespersons on customer trust and commitment

## Methodology

### *Questionnaire development and measures*

The writers decided to employ a questionnaire to collect data due to two reasons. First, the study focuses on the causal relationship, thus the questionnaire method is more appropriate. Second, a valid and reliable measure of transformational leadership is readily available in questionnaire form. Therefore, validity and reliability of the present study can be established employing a questionnaire.

The questionnaire consists of three sections. The first section was used to measure the two dimensions of relationship marketing; customer trust and customer commitment: while idealized influence and individualized consideration of salesperson were measured in the second section. The third section of the questionnaire was used to collect the data on the length of the relationship with the salesperson and the designation of customers.

The development of the questionnaire was carried out in several stages. First, the researchers explored different definitions and operationalization of customer trust, customer commitment and transformational leadership. Then, they selected items to measure customer trust and customer commitment (eight statements per each) from the existing measurements, and selected relevant items of Multifactor Leadership Questionnaire (MLQ-5x) to measure two dimensions of transformational leadership. Next, the researchers discussed the items with two senior bankers with experience in corporate banking with the aim of improving the content validity of the measurements. The main change suggested by these two senior bankers was to “customize” the statements, specially of the first two constructs, in order to make the customers feel that the statements are relevant to their relationship with the customer relationship officer (CRO) (name used for salespersons in the corporate banking sector in Sri Lanka). Incorporation of this suggestion resulted in a more or less new measurement of trust and commitment in the corporate banking sector. Also, they suggested that several items of each construct be dropped because they do not “fit” into the context.

### *Customer trust*

After observing that “trust” has been defined in different ways in the marketing literature (Andaleeb, 1996; Doney and Cannon, 1997; Williams, 1998), the writers follow Williams (1998) who says that “trust” has been defined in marketing literature “. . .in terms of party’s reliance and dependence on an exchange partner in the context of risk and uncertainty”. The writers believe that this definition better captures the corporate clients’ psychological status because, in general, corporate clients have to rely on banks for large scale facilities; and probably their ongoing business operations are highly depended on the bank’s response. Accordingly, corporate customers work in the context of risk and uncertainty. Hence, trust in the marketer was operationalized through four items - “rely on my CRO’s advice on credit decisions”, “disclose my financial secrets which may help my CRO to make my credit decisions”, “ignore the bad-word-of-mouth (talking negatively) about my CRO”, and “rely on my CRO’s promises on credit facilities”.

### *Customer commitment*

Morgan and Hunt (1994) define relationship commitment in terms of the exchange partner’s effort in maintaining the relationship with another party, gone through with

the belief of the importance of that relationship. Williams (1998), quoting Morgan and Hunt, argues that relationship commitment is characterized not only by the intention to continue the relationship but also by the intention to expand their association. Taking both views into account, customer commitment was measured by three items – “going beyond the business relationship with my CRO in order to maintain the business relationship with him/her”, “appreciating my CRO’s work to his/her colleagues” and “recommending my CRO to my business colleagues for their dealings”.

*Idealized influence behavior and individualized considerate behavior of a salesperson*

Idealized influence refers to the behavior characterized by self-confidence, determination, persistence, high competency and willingness to take risks. Such leaders are admired, respected and trusted and result in follower identification (Bass, 1997). Individualized consideration is the extent to which the leader cares about the individual follower’s concerns and needs. Leaders educate their followers as to how they could identify the needs and capabilities of others (Bass, 1997) and pay special attention to each individual’s needs for achievement and growth (Hinkin and Tracey, 1999). Furthermore, they create new opportunities for their followers to further develop themselves (Bass, 1997).

The items of idealized influence and individualized consideration were taken from the MLQ-5x. However, two changes were made. First, three and two items of idealized influence and individualized consideration were dropped respectively, after considering the views of the two senior bankers whose opinions were sought in developing the questionnaire. The three items dropped from the measurement scale of idealized influence were “displays conviction in his/her ideals, beliefs, and values”, “takes a stand on difficult issue” and “behaves in ways that are consistent with his/her expressed values”. “Teaches me how to identify the needs and capabilities of others” and “spends time teaching and coaching me” were the items dropped from the measurement scale of individualized consideration. Second, the items were slightly modified to suit the context of the present research. For instance, instead of “follower”, “customer” is used such as “treats me as an individual rather than just another customer”. The first ten questions of the second section measure idealized influence, while the remaining seven questions measure individualized consideration.

All four variables of the present study were measured on a five point scale anchored by “1” indicating “strongly disagree” and “5” indicating “strongly agree”. The customers were asked to indicate to what extent he/she agrees with each statement. No reverse question was used.

*Sample selection and data collection*

Though there is no appropriate data, discussions with a few bankers revealed that around 600 CROs work in corporate banking departments of 22 commercial banks operating in Sri Lanka. It was decided to restrict the study to local banks (11 in number); thus two state banks and a private bank were selected. Around 220 CROs (will be called salespersons hereafter) work in these three banks. It was decided to select both state banks because the largest proportion of salespersons is attached to these two banks and thus the sample selected would be representative. In general, the two state banks are said to be more rule-and- procedure driven compared to the private banks, although they are gradually being relaxed with the rising competition.

Therefore, salespersons in local commercial banks operate in a more or less similar environment.

From these three banks, 60 salespersons who volunteered were selected for the study and a customer of each salesperson was chosen from whom to collect the data, again on the basis of willingness to participate in the study. (In general, around seven customers were allocated for each salesperson.) As the salespersons and their customers for the study were selected based on the feasibility of reaching them and their willingness to participate, the sample should be considered a non-probabilistic sample.

The questionnaires were handed over to the chosen customers through their respective salespersons. Each questionnaire was enclosed in an envelope along with another empty envelope. The customers were asked to return the questionnaire to his/her salesperson in a closed envelope provided by the researcher. The questionnaire was administered by an accountant in the private bank, while a senior manager administrated the questionnaire in one state bank. The second writer, who is a customer relationship officer in the other state bank, personally administered the questionnaires in her bank. A total of 47 customers returned the questionnaires and all were suitable for the analysis. It was found that the average length of the relationship of customers with their salespersons is 3.43 years (with 1.7 standard deviation), and the customers are heads of finance or their immediate subordinates. The analysis was performed with SPSS version 10.01.

## Analysis and findings

### *Descriptive statistics*

The writers computed descriptive statistics (Table I), and accordingly found that respondents are indifferent about idealized influence behavior of marketers though they agree that marketers display individualized considerate behavior. Further, customers agree that they trust marketers and that they are committed to maintaining the relationship with marketers. Next, the researchers computed Cronbach's alpha for all variables. All variables exceeded 0.6 and consequently, can be considered reliable. Finally, with the purpose of exploring the possible relationships, the writers formed the correlation matrix.

The correlation matrix indicates statistically significant correlations among the variables considered in the present study except between individualized considerate behavior of marketers and customer trust. This is in line with the hypotheses stated previously.

	M	SD	IIS	ICS	CT	CC
Idealized influence of salesperson (IIS)	2.56	0.31	(0.64) <sup>a</sup>			
Individualized consideration of salesperson (ICS)	3.88	0.42	0.41*	(0.81)		
Customer trust (CT)	3.84	0.57	0.38*	0.26	(0.71)	
Customer commitment (CC)	3.93	0.58	0.68*	0.43*	0.41*	(0.66)

**Notes:** <sup>a</sup> Cronbach's alpha is in parentheses along diagonal

\*  $p < 0.01$ . Two-tailed test; ( $n = 47$ )

**Table I.**  
Descriptive statistics of  
variables

*Mediating effect of customer trust on the relationship between idealized influence behavior of the salesperson and customer commitment*

Though the writers did not explicitly hypothesize a mediation effect of trust on the relationship between idealized influence and customer commitment in the section on the theoretical background, the conceptual models as well as the correlation matrix show the possibility of such an effect. Taking the exploratory nature of the present study into account, the writers decided to explore this relationship. They employed both partial correlation and the method suggested by Baron and Kenny (1986), to explore the mediating effect of trust.

Partial correlation provides the correlation between independent variables and a dependent variable, when another (or some of other) independent variable is controlled, and has been considered to be appropriate in examining the mediating effect (Feather and Rauter, 2004). The partial correlation reported between idealized influence behavior of the salesperson and customer commitment (after controlling for customer trust) is 0.62 ( $p < 0.01$ , Two-tailed test), slightly lower than the correlation (0.68) between the said two variables without controlling for customer trust. Hence, customer trust can be said to slightly mediate the relationship between idealized influence behavior of a salesperson and customer commitment.

As was mentioned above, the mediating effect was also examined by employing the method suggested by Baron and Kenny (1986). This method has been used in previous studies on transformational leadership in order to examine the mediating effect (Kark *et al.*, 2003). As shown in Table II, the standardized coefficient of idealized influence of a salesperson on customer commitment in the third regression equation is lower than the same coefficient in the second equation. Since the results of the test meet all the other requirements suggested by Baron and Kenny (1986), and the effect of the independent variable on the dependent variable is less in the third equation than in the second, it can be said that customer trust slightly mediates the relationship between idealized influence behavior of a salesperson and customer commitment.

*Tests of hypotheses*

Finally, a regression analysis was undertaken to test the hypotheses. In the case of the first three hypotheses the enter method was performed, whereas the stepwise method was used in testing the fourth hypothesis. The stepwise regression method is said to be useful in analyzing the joint effect of two or more independent variables on a dependent variable. Further, it allows observing the degree of impact of each variable on the dependent variable, when several independent variables are taken into account.

Regression equation	Independent variable	Dependent variable	Standardized coefficient
Regression equation 1	Idealized influence of salesperson	Customer trust	0.384
Regression equation 2	Idealized influence of salesperson	Customer commitment	0.680
Regression equation 3	Idealized influence of salesperson	Customer commitment	0.610
	Customer trust	Customer commitment	0.180

**Table II.**  
Results of testing mediating effect of customer trust

**Note:**Two-tailed test  
**Source:** Following Baron and Kenny (1986)



Table III presents the result of the regression analysis related to the hypothesis testing. Regression analysis supports all four hypotheses. However, the reported  $R^2$  is low. As shown in Table III, customer trust influences customer commitment (adjusted  $R^2 = 0.16$ ). Idealized influence behavior of a salesperson positively affects customer trust (adjusted  $R^2 = 0.13$ ). Moreover, as predicted in *H3*, individualized considerate behavior of a salesperson affects customer commitment (adjusted  $R^2 = 0.17$ ).

The stepwise regression analysis indicates that the joint effect of individualized considerate behavior of a salesperson and customer trust on customer commitment is greater than the impact of each alone on the same supporting *H4*. Also, stepwise regression analysis shows that the impact of individualized considerate behavior of a salesperson (standardized coefficient beta value = 0.35) is only slightly higher for customer commitment than for customer trust (standardized coefficient beta value = 0.32); despite the fact that it enters first in the model. This indicates that both individualized considerate behavior of a salesperson and customer trust are equally effective, as far as customer commitment is concerned.

### Discussion of the findings

#### *The effect of customer trust on customer commitment*

The study found that customer trust positively influences relationship commitment. This is in line with previous theoretical and empirical work (such as Ojasalo, 2002; Adamson *et al.*, 2003; Morgan and Hunt, 1994; Martin *et al.*, 2004; Too *et al.*, 2001; Mukherjee and Nath, 2003; Lin *et al.*, 2003). Therefore, the argument of Butler (1991), that these constructs are independent, is questionable.

#### *The effect of idealized influence behavior of salesperson on customer trust*

According to the findings of the present study, idealized influence behavior of salespersons positively influences customer trust, and this is in line with Mackenzie *et al.* (2001) and Conger *et al.* (2000) who found that the impact of idealized influence affects trust. Further, Doney and Cannon (1997) who argue that expertise, likeability and similarity of marketer positively affect customer trust, also support the present findings. Finally, the findings of the present study also support, at least partly

Hypothesis	Independent variable	Dependent variable	Unstandardized coefficients Beta	Standardized coefficients Beta	F ratio for the equation <i>T</i>	Adjusted $R^2$
<i>H1</i>	Constant	CC	2.31		4.94	0.16
	CT		0.42	0.41	3.50	
<i>H2</i>	Constant	CT	2.06		3.68*	0.13
	IIS		0.70	0.38	3.19*	
<i>H3</i>	Constant	CC	1.64		2.62	0.17
	ICS		0.59	0.43	3.67	
<i>H4</i>	Constant	CC	0.83		1.26	0.26
	ICS		0.47	0.35	3.00*	
	CT		0.33	0.32	2.80*	

Note: \*  $p < 0.01$  Two-tailed test

**Table III.**  
Results of hypothesis testing

Tellefsen and Thomas (2005) who found that personal power and expertise of marketers do not influence customer commitment.

*The effect of individualized considerate behavior of a salesperson on customer commitment*

The present study also indicates that individualized considerate behavior of salespersons positively influences customer commitment. This finding is supported by Rowden (2000) who found that sensitivity to member needs, which is similar to individualized considerate behavior, positively influences relationship commitment.

*The joint effect of customer trust and individualized considerate behavior of a salesperson on customer commitment*

Furthermore, it has been found that the joint effect of customer trust and individualized considerate behavior of salespersons is greater than each alone on customer commitment. Therefore, it can be argued, that both individualized considerate behavior and idealized influence behavior are equally important in developing customer commitment among customers. Though there is no direct impact of idealized influence on customer commitment, this is what determines the level of customer trust, which in turn influences customer commitment.

Finally, it can be concluded that the empirical evidence supports the theoretical relationship between the transformational leadership behavior of salespersons and their customers' relationship marketing behavior (i.e. customer trust in a salesperson and the customer relationship commitment). Thus there is a positive but low impact of transformational leadership behavior of a salesperson on his/her customers' relationship marketing behavior.

### **Theoretical implications**

The present study advances Bass's conceptual work (Bass, 1997) on the implications of transformational/transactional leadership for personal selling: theoretically, empirically and practically. Though, Bass (1997) discussed how transformational and transactional leadership can be employed to enhance the practice of personal selling, he failed to ground his discussion on an appropriate theoretical base. The present paper addresses this theoretical gap, linking transformational leadership and relationship marketing at the level of the individual salesperson and his/her individual customer. Therefore, rather than linking transformational and transactional leadership with personal selling, a rather narrow aspect of marketing, the present writers establish a concrete link between transformational leadership and relationship marketing-the emerging theory of marketing. By doing so, the present paper illustrates how transformational leadership provides a more appropriate knowledge domain for understanding relationship marketing dynamics at the level of the individual salesperson-individual customer relationship. The present paper not only provides a theoretical framework, but also lays the foundation for further empirical works in this area.

### **Mangerial implications**

The present study contributes to the practice of relationship marketing by shedding light on how salespersons can establish and enhance the practice of relationship

marketing. At present, relationship marketing emphasizes company-wide techniques such as sending reminders, gifts etc., and does not sufficiently recognize the salesperson as a potential means of implementing relationship marketing. Certainly, Sri Lankan corporate banking sector is not an exception. This is in spite of the fact that researchers have repeatedly highlighted the significance of the salesperson in implementing relationship marketing (Tellefsen and Thomas, 2005; Doney and Cannon, 1997; Beverland, 2001), the importance of personal interaction in the service industry (Armstrong and Seng, 2000), and argued that the firm's centered approach "... is a wrong attempt at cultivating intimate relationships with customers" (Fournier *et al.*, 1998).

The lack of recognition for the salesperson in implementing relationship marketing may be due to the lack of research on how salespeople actually build relationships (Beverland, 2001). Though there are studies on the contribution of salespersons on relationship marketing, those studies do not pay adequate attention to their behavior. Previous studies, such as those performed by Tellefsen and Thomas (2005) and Doney and Cannon (1997) have focused more on traits of salespersons rather than on behavior. Other than the variable termed "likeability," the other variables used in these studies such as "personal power," "expertise" and "similarity" can be regarded as traits of salespersons rather than their behavior. In contrast, this study shows how the two facets of transformational leadership behavior of salespersons implicate their customers' relationship marketing behavior, and thus points out how the gap in practice can be bridged. In fact, as said previously, Bass as early as 1997, has stressed the usefulness of the full-range of the leadership model in training salespersons. Of course, since there are well-developed transformational leadership training modules, and there are no such training modules in the area of relationship marketing, the findings of the present study open a new avenue in improving the relationship marketing orientation of salespersons.

### Limitations and further research

There are several limitations of the present study that should be addressed in future studies. First, we must note the narrow focus of the study. This study is limited to corporate banking in local commercial banks in Sri Lanka. The selections of banks as well as respondents were made based on their willingness to participate in the study. As a result, the possibility of drawing generalizations from the findings of the present study is limited. Therefore, future researchers should employ more appropriate sampling procedures, and empirically validate the present study in many other fields of marketing including the retail banking sector.

Second, the present study chose only two dimensions of transformational leadership as the independent variables. However, future researchers can consider the other dimensions of transformational leadership as well. As said previously, the findings of Pillai *et al.* (1999) and Rowden (2000) support the possible impact of inspirational motivation on organizational commitment. Further, the marketers' sacrifices and their concern for their customers also influence customer trust (Ganesan, 1994). Therefore, it is useful to incorporate other transformational leadership dimensions in future research. Researchers can even consider the impact of transactional leadership behavior of marketers on customers' trust and relationship commitment. As transformational leadership is treated as one which augments the transactional

effect (Bass, 1997) by bringing together both transformational and transactional leadership, or in other words, the full-range of leadership (Bass, 1997), our knowledge on relationship marketing can be broadened and deepened. Certainly, an attempt at exploring the impact of the full range of leadership is justified by the fact that Styles and Ambler (2003) argue that relational and transactional marketing coexist, and Coviello *et al.* (2002) found that a significant number of firms practice both relationship and transactional marketing simultaneously. This suggestion is also further supported by Abratt and Russell (1999), who suppose that transactional marketing “. . . would still seem to hold notable weight”, Carson *et al.* (2004), who stress the need of delivering both relationship and transactional marketing in a balanced and coordinated way, and Armstrong and Seng (2000), who suggest the need for considering both relationship and transactional marketing in achieving customer satisfaction.

Finally, the preset study considers only the observed or perceived behavior of salespersons. Though customers respond to the perceived behaviors of salespersons rather than to their “actual” behaviors, it is also important to understand to what extent salespersons are transformational leadership oriented, especially for training purposes. Thus, future researchers may also study the transformational leadership behavior of salespersons from the salesperson’s perspective.

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