TRANSFORMATIONAL LEADERSHIP:
THE RELATIONSHIP BETWEEN TRANSFORMATIONAL LEADERSHIP AND ORGANIZATIONAL PERFORMANCE

HOW TRANSFORMATIONAL LEADERSHIP CAN HELP IMPROVE BUSINESS PERFORMANCE WHILE OVERCOMING CHALLENGES EXPLORE NEW OPPORTUNITIES AND REDEFINE STRATEGIES

Final Year Thesis
Abstract

**Background and Problem:** In the current economic climate the circumstances and the environment for companies constantly change and organizations which in the future want to be competitive have to adapt to these new conditions and market requirement else they are forced to be out of business. Seeing the rapid change in telecom sector with flat sales in many countries during 2008, 2009 and 2010 Ericsson decided to do a major reorganization in 2010. Ericsson management set out to restructure the company to trim off fat and to help the company function as a leaner and more productive entity by assigning transformational leaders that can help company cope with the changing market conditions with focus on business performance, growth, new market segments and getting more close to customer. As a result of that change Ericsson Saudi Arabia that was known as Market Unit Kingdom of Saudi Arabia (MU KSA) part of 23 Market Units across the globe transformed to Customer Unit Kingdom of Saudi Arabia (CU KSA) part of Region Middle East (RMEA) with new Head and management team. By 2009-2010 Ericsson CU KSA was facing issues like flat sales, operators were cautious to spend more money since revenues were declining, emergence of Chinese players in the marker resulted in dramatic culture shift in industry where business models and ways of working changed and Ericsson in Saudi Arabia was having direct impact on revenue and market share. During 2008, 2009 and 2010 Ericsson in Saudi Arabia lost local market share from 60% to 50% and a complete overhaul was inevitable.

**Purpose:** One of the primary objectives of this study will be to determine the relationship of transformational leadership to organizational performance by analyzing data collected from Ericsson Saudi Arabia. It will be analyzed if new management in Ericsson Saudi Arabia has the capabilities of transformational leadership. Later I’ll try to establish correlation of transformational leadership towards strategic management, Organizational culture and Employee Motivation & Commitment to see if there is any significant impact of these that will help overcome existing market challenges explore new opportunities and redefine strategies while resulting in positive business growth and performance.

**Methodology:** For the purpose of research a study a mix of qualitative and quantitative approach was chosen. Questionnaire surveys were used as part of quantitative research. Interview surveys together with Sales reports and balanced score cards were used as part of qualitative research. A total of 48 questionnaire surveys along with 8 interviews form different members of management in CU KSA were conducted. Data analysis tool function in Excel was used to figure out mean, median and standard deviation for Transformational leadership attributes. Data analysis tool was also used to calculate correlation coefficient factor between transformational leadership with strategic management, organizational culture and business performance.
**Analysis and Conclusion:** It was discovered after analysis conducted using interview and survey results that Ericsson CU KSA Head and Management fulfill the criterion of transformational leadership having strong presence of transformational leadership attributes namely vision, Inspirational, role model, support for personal growth, trust and consideration for followers needs. It was also discovered that transformational leadership has a strong correlation towards strategic management, organizational culture, employee Motivation and business performance. Data collected from Interviews, Sales reports and Balanced Score Card supported the data analysis of questionnaire. This means that if companies want to experience growth in their business especially in these days of tough competition, there should be focus on making sure the leadership is transformational with strong emphasis on process of Strategic Management, fostering organization culture and boosting employee motivation & commitment that will lead towards positive Business Performance.
Acknowledgements

First and last, I thank God for giving me strength, the patience, the joy of seeking knowledge and the ability to apply it in my life.

Secondly I would like to say special thanks to my family. I am forever grateful to my mother for her support, encouragement and prayers. She motivated me whenever I felt down and cheered for me when I was feeling good. On day to day basis I had my wife on my side. She took charge of daily issues and freed my mind to focus on my studies.

Thirdly I would like to say special thanks to people in my office who made this thesis possible. I would like to thank people in Ericsson who were kind enough to provide time and provided their feedback for the survey.

Last but not the least I would also like to thank our teacher Fredrik Jørgensen who guided us all the way through with proper guidance.
Contents

1 INTRODUCTION ................................................................................................................................. 7
  1.1 BACKGROUND INFORMATION ........................................................................................................ 7
  1.2 PROBLEM DISCUSSION .................................................................................................................. 8
  1.3 AIMS AND OBJECTIVES ................................................................................................................. 9
  1.4 RESEARCH’S THEORETICAL AND PRACTICAL RELEVANCE ........................................................... 9
  1.5 CASE COMPANY ............................................................................................................................ 11
  1.6 THESIS STRUCTURE ....................................................................................................................... 13
  1.7 LIMITATIONS ................................................................................................................................. 13

2 THEORETICAL FRAMEWORK ........................................................................................................ 14
  2.1 LEADERSHIP AND ITS IMPACTS ON ORGANIZATIONAL PERFORMANCE ................................. 14
  2.2 TRANSFORMATIONAL LEADERSHIP ............................................................................................. 15
    2.2.1 How transformation takes place ............................................................................................... 16
    2.2.2 Attributes of transformation leader .......................................................................................... 18
  2.3 STRATEGIC MANAGEMENT ......................................................................................................... 19
  2.4 TRANSFORMATIONAL LEADERSHIP AND STRATEGIC MANAGEMENT ....................................... 22
  2.5 ORGANIZATION CULTURE ......................................................................................................... 23
  2.6 TRANSFORMATIONAL LEADERSHIP AND ORGANIZATION CULTURE .......................................... 24
  2.7 EMPLOYEE MOTIVATION & COMMITMENT ............................................................................... 24
  2.8 TRANSFORMATIONAL LEADERSHIP AND EMPLOYEE MOTIVATION & COMMITMENT ............. 25
  2.9 BUSINESS GROWTH & PERFORMANCE ...................................................................................... 26
  2.10 TRANSFORMATION LEADERSHIP AND BUSINESS GROWTH & PERFORMANCE .................... 27

3 METHODOLOGY ................................................................................................................................ 29
  3.1 RESEARCH APPROACH ................................................................................................................. 29
  3.2 DATA COLLECTION ....................................................................................................................... 29
  3.3 SURVEY METHODS ....................................................................................................................... 30
    3.3.1 Questionnaire ........................................................................................................................... 30
    3.3.2 Interview ................................................................................................................................... 32
    3.3.3 Yearly and Quarterly Performance Reports and Score Cards ................................................. 33
  3.4 DATA ANALYSIS METHOD ......................................................................................................... 33
    3.4.1 Qualitative Data obtained through interviews and Yearly Performance Reports .................... 33
    3.4.2 Quantitative data obtained through questionnaire .................................................................. 33
  3.5 VALIDITY AND RELIABILITY ........................................................................................................ 34

4 RESULTS ............................................................................................................................................ 35
  4.1 SURVEY RESULTS ....................................................................................................................... 35
    4.1.1 Respondents Background Statistical Results – Survey Section 1 ............................................. 35
    4.1.2 Ericsson CUKSA Management as Transformational Leadership and its impact Statistical Results – Survey Section 2 ............................................................... 35
1 Introduction

1.1 Background Information

In today’s complex and quickly varying life of business, the conditions and the environment for companies constantly change and organizations which in the future want to be competitive have to adapt to these new conditions. Those who don't will probably loose against its competitors and eventually disappear from the market. The needs of today’s customers have been changing rapidly and companies are expected to respond to these changing needs by producing innovative products and solution in order to maintain their competitiveness (Delbecq & Mills, 1985). The rapid technological development that have enabled this information age is also affecting the pace at which change is happening in the world. The pace of change is rapidly increasing and in order for organizations to be successful they need to keep up with this pace (Schwarz & Brock, 1998).

It seems that competition constantly increase and theories and methods, which were triumphant yesterday, will tomorrow become outdated. New theories need to be developed, for instance how to organize the businesses, new structures, rebranding, off shoring, new business models, new ways of dealing with the staff, new technological changes, new trends etc.

These changes require new ways of managing people. A leadership style, which might help to acclimatize to all these changes, is through transformational leadership that can help companies overcome new challenges, explore new opportunities and come up with strategies that will help them to be profitable and grow while adapting to new changes. According to Andrew J. Dubrin (2010) a transformational leader is the on who brings about positive, major changes in an organization by moving group members beyond their self interests and towards the good of the group organization and society. Transformational leaders change their organization's culture by inspiring a sense of mission and purpose about the importance of the group’s work and stimulating new ways of thinking and problem solving (Bass & Avolio, 1993). Transformational leaders inspire individuals within an organization to work harder and to strive for the highest levels of performance (Bass, 1985).

According to research conducted by Tarun Khanna, Jaeyong Song (2011) not many people would have predicted two decades back that Samsung could transform itself from a low-cost equipment manufacturer to a world leader in R&D, marketing, and design. In Q1 of 2012, Samsung overtook Nokia as the world’s best selling cell phone brand (Wikipedia) which no one could have thought of five to ten years back. Samsung realized that in a competitive world being innovative is a must but being able to transform this innovation into growth that eventually increases the firm’s market value is the main thing. Here is where transformational leadership helps to explore and identify opportunities that will take innovation to the next level which is exactly what Samsung did under leadership of Lee Kun-Hee (Song, 2011).
The main aim of every business is to attain profitability in all types of market circumstances. Despite tough situation for economy these days where many organizations giants of past e.g. Nokia, Sony and RIM are experiencing loss and shutting down parts of business, there are few companies that seem not to be impacted by this e.g. Apple, Google and Samsung. This may suggest that one possible path of profitability and increasing growth is that every company leader must review the company’s business models and its infrastructure and start transformation process by inspiring people to unlock creativity, come up with new ideas, innovation, ways of improved working and focused strategy within the organization.

1.2 Problem Discussion

An understanding of the relationship between transformational leadership and organizational performance is an important factor for developing effective organizations. Finding ways to optimize the performance of people and hence, the organization has been, and continues to be, a major concern for organizational leaders. As globalization becomes more pronounced, the changes may become even more dramatic as firms struggle to meet competition that only a few decades ago did not even exist. Growth, sustainability, continuous increase in profit and market share has been essential focus of most business companies. However, the challenges of the current economic climate with fierce antagonism means most business do not have enough monetary means and resources to achieve this.

There are various researches indicating several ways by which industries can attain growth and perform but still economic theory have been of little help in pursuit of this goal. Prior research proved that leadership behavior impacts organization business performance. However, the key constituents in the process of how leadership behavior affects an organization that contributes towards positive business performance have not been studied extensively. It is important to understand the relationship and process of transformational leadership behavior in producing positive organization results. Bass (1998) pointed out that there is a need to understand the process by which transformational leaders exert influence to reach their goals. The underlying influencing processes for transformational and transactional leadership are still vague, and they have not been studies in an efficient way (Shamir, House, & Arthur 1993).

Hence the significance of this paper is to emphasize and establish a theoretical framework in relation to the topic parameters, which could help redirect the focus of most businesses in their quest for business growth while examining the process of redefining new innovative strategies, motivating employees, establishing new ways of ways of working that will help overcome existing market challenges.
1.3 Aims and Objectives

The main purpose of this study is to determine the relationship of transformational leadership to organizational performance by data collected through qualitative and quantitative analysis done in Ericsson Saudi Arabia. We will try to investigate how transformational leadership can have an impact on strategic management, employee motivation & commitment and organization culture that when combined together will significantly contribute positive business performance.

The study utilizes the Multi-factor Leadership Questionnaire developed by Bass and Avolio in 1995 (MLQ 5-X Short Form) to measure the level of transformational leadership in the selected company.

It will be investigated that how Transformational leadership is co related towards strategic management and can help organizations formulate a strategy that will contribute towards positive business performance while overcoming existing challenges and staying ahead of business.

It will be investigated how Transformational leadership can have a positive impact on organizational culture that will contribute towards positive business performance especially in companies that are more then 100 years old and comes with a strong cultural background.

It will be investigated how Transformational leadership can help employees to be more committed and motivated to achieve desired results and goals especially during times when competition is getting tough and sales are flat thus enabling them to contribute towards positive business performance.

1.4 Research’s theoretical and practical relevance

Theoretical relevance

In spite of enormous amount of literature that deals with leadership and management, I couldn’t find any research pertaining to Saudi Arabia which explicitly penetrates the relation between transformational leadership and business performance while utilizing strategic management, employee motivation & commitment and organizational culture as key elements and processes used by transformational leaders to help improve business performance.
This research project submits new information regarding the importance of transformational leadership style to the telecom vendors in Saudi Arabia market and how it can have a positive impact on business performance in this tough, challenging and evolving market. For the organizations performing well, this information presents the opportunity to understand the importance of leader and follower development to continue performing well, and for those not performing to a similar level, the data is cause for reflection and an opportunity for improving development policies or changing leadership styles. This study is a small start in the right direction for companies that need leaders to continue to attract the right people for sustainable performance.

Bass and Avolio (1993) have concluded that transformational leadership is important and that leadership training of managers at all levels should become an integral component of organizational education. A final component of this study is its potential impact on the selection and hiring of Country Heads, Regional Heads or CEOs (in case of Ericsson Saudi Arabia its Customer Unit Kingdom of Saudi Arabia Head) and effectiveness of process of strategic management, organization culture and employee motivation that when combined together positively contributes towards growth and business performance. Organization Heads typically have an enormous impact on the performance of organization operating in a specific country, in a region or globally. Therefore the cost of making a mistake in the selection, hiring, or promotion at such key positions can be financially and operationally astounding.

Practical relevance
There is no doubt that this subject is of great interest. In every organization the importance of leadership skills is stressed. The studied area has a direct practical relevance since it can change the searching profile when recruiting important managerial positions like CEO, Regional Heads or Country Heads. Further, transformational leadership skills might be more valued than formal education while recruiting for such important positions. At last these leaders can use strategic management, organization culture and employee motivation as effective catalyst tools and processes that will contribute towards positive business performance.

1.5 Case Company

I have selected Ericsson Saudi Arabia as my case. Since I have been working in this company for last five years as Senior Solution Manager (in pre sales) part of Engagement Practice Mobile Broadband, so getting access to the right people and data was easy and I felt that doing such study will not only help me finish my thesis easily but I can also present my findings to our customer unit head.

Ericsson is a world-leading provider of telecommunications equipment and related services to mobile and fixed network operators globally. Over 1,000 networks in more than 175 countries utilize Ericsson's network equipment and 40 percent of all mobile calls are made through Ericsson’s systems. Ericsson is one of the few companies worldwide that can offer end-to-end solutions for all major mobile communication standards and Ericsson is in business since 1876.

Ericsson started its operation in Saudi Arabia in 1977. Ever since it has been growing and gaining the market share. When Ericsson started offering its wireless telecom solution it was considered to be one of the best among very few telecom supplier in the market having very little competition. But now new suppliers e.g. Huawei, Cisco, Motorola, Nokia, Alcatel Lucent etc. have also emerged creating tough competition in telecom world.

For decades Ericsson has been ruling in the world of telecom providers in Middle East and especially in Saudi Arabia. They have been enjoying market share of 60% or more till 2007. Then came the 2007 global financial crisis, also known as the Global Financial Crisis and 2008 financial crisis, is considered by many economists to be the worst financial crisis since the Great Depression of the 1930s (Wikipedia). This crisis had a direct and indirect impact on telecom world as well. Besides that other factors like declining operator revenues due to free internet to internet calls, unlimited data services with fixed rates and emergence of Chinese players in the marker have resulted in dramatic culture shift in industry where business models and ways of working have changed and are having undeviating impact on Ericsson revenue and market share. In many cases when sales employees are faced with Chinese competitors knowing the fact that for a particular product having similar features Chinese competitors will be offering it for one fourth the price or in certain cases even free really demoralizes them since they believe it’s a lost battle. As a result of above during 2008, 2009 and 2010 Ericsson CU KSA has lost local market share from 60% to 50% and sales have been flat. (MU KSA Sales Report 2009, RMEA Sales Report 2010)
Seeing that Global management decided to do overhaul of Ericsson Saudi Arabia by bringing some changes in Organization Structure and changing local management while going through major process of transformation. Transformation is the radical shift from one state of being to another, where the organization totally changes its essential framework and looking for a new competitive advantage and ways of working that affects the basic organization capabilities (Hutt, Walker & Frank wick, 1995).

2

Change of local management and organization structure in Ericsson Saudi Arabia was part of Ericsson overall reorganization that started in early 2010. Ericsson management set out to restructure the company to trim off fat and to help the company function as a leaner and more productive entity by assigning transformational leaders that can help company cope with the changing market conditions with focus on business performance, growth, new market segments and getting more close to customer. It was a total transformation that took almost six months. In July 2010 Ericsson transformed from 23 Market Units to 10 Regions across the world as shown in Abbreviations.
3 Appendix

4 Appendix A - Organization Structure—*Figure 17: Ericsson New Regional Structure*. Regions are further divided into customer units as show in Abbreviations

- **2G**: 2nd Generation of wireless Telecommunication
- **3G**: 3rd Generation of wireless Telecommunication
- **CU**: Customer Unit
KAM  Key Account Manager
KPI  Key Performance Indicator
KSA  Kingdom of Saudi Arabia
LTE  Long Term Evolution (4th Generation of wireless Telecommunication)
MU  Market Unit
NS  Net Sales
OB  Orders Booked
OPI  Operating Income
QoS  Quality of Service
RMEA  Region Middle East
RFP  Request for Proposal
RFQ  Request for Quotation
SMS  Short Message Service
STC  Saudi Telecom (Mobile Operator in Saudi)
Wi-Fi  Technology for Wireless Local Area Network
Appendix

Appendix A - Organization Structure Figure 18: Region Middle East Structure (Reporting to Regional Head).

With the new structure Ericsson Saudi Arabia has moved from Market Unit (MU) to Customer Unit (CU) part of Region, Region Middle East (RMEA). New Structure of Customer Unit Kingdom of Saudi Arabia is shown in Abbreviations.

CU Customer Unit
KAM Key Account Manager
KPI Key Performance Indicator
KSA Kingdom of Saudi Arabia
LTE Long Term Evolution (4th Generation of wireless Telecommunication)
MU Market Unit
NS Net Sales
OB Orders Booked
OPI Operating Income
QoS Quality of Service
RMEA Region Middle East
RFP Request for Proposal
RFQ Request for Quotation
SMS Short Message Service
STC Saudi Telecom (Mobile Operator in Saudi)
Wi-Fi Technology for Wireless Local Area Network
Appendix

Appendix A - Organization Structure - Figure 19: Customer Unit Kingdom of Saudi Arabia Structure (Reporting to Customer Unit Head. Customer Unit Head has overall responsibility of the customer unit and all sales teams report to him. He/She also has functional reporting for the nine engagement practice heads for each Customer Unit. Engagement Practice areas are divided into nine groups responsible for sales, operations, managed services and strategic development. Engagement Practice is the main backbone of the company responsible for bringing in revenue by selling solutions, products, operational services, and managed services to telecom customers. CU KSA Head, all Local Engagement Practice Heads and Key Account Managers (KAM) are part of Higher Management Team.

Main objective of the new management was to bring in transformation that will contribute towards positive business growth and regain the lost market share specifically in Kingdom of Saudi Arabia.
A company suffering from financial distress with lost market share against tough Chinese rivals in a healthy Saudi Arabian market and also recently appointed leadership with transformational qualities was an ideal case for me to study and analyze if and how transformational leaders will have an impact on organization performance and what are the key constituents used by them that will contribute towards positive performance.

7.1 Thesis Structure

This thesis is structured into seven main chapters. The first chapter ‘Introduction’ introduces the research topic and gives background information, problem discussion along with aim and objective of the thesis. The second chapter ‘theory’ consists of the background theory associated with the topical and how academic world states around impact of transformational leadership on success of companies. Hypothesis questions developed from theoretical framework will also be presented in this chapter. The third chapter ‘Methodology’ will then describe the research method and approach used e.g. It will be explained what research methodology qualitative or quantitative approaches will be used and how data will be collected and analyzed. The fourth and fifth chapter ‘results’ and ‘analysis’ will show results from the survey and its detailed analyses. Hypothesis questions will be answered as per analyzed data. The sixth chapter ‘conclusion’ provides the final conclusion along with summary of analysis. The seventh chapter ‘limitation and further research’ will provide recommendations for future work in this research topic.

7.2 Limitations

The first limitation was the amount of data collected and sample size for this study due to time constraints. In Ericsson CU KSA currently there are around 350 employees in Sales, Technical Sales, Services (Design, Implementation and Local Support), Admin, Accounts, Supply, and HR. Ericsson CU KSA has 200 plus employees in Managed Services. Survey was sent to selective 58 employees who I knew personally and agreed to respond in time. Also interview was only conducted with 8 employees from management.

The second limitation is the timing. This study is conducted by comparing data of 2010, 2011 and 2012. That was the time when economy started recovering from effects of global financial crisis that started in 2007. Business has started improving in 2011 and 2012. It will be interesting to see how Ericsson leadership will perform in coming years.

Third limitation is that research is conducted on Ericsson as a vendor for a specific country not overall Ericsson as a company. Also it may not be applicable to other industry sectors.

Fourth limitation is that study assumes that people responding have good understanding of CU KSA Head and management team in Ericsson. An introductory paragraph has also been given in beginning of survey to introduce transformational leadership along with its impacts on strategic management, organizational culture, motivation & commitment and business performance. It was assumed that introductory paragraph will provide enough guidelines to get basic understanding of the topic being studied.
8 Theoretical framework

In this chapter different theories and the essential research which is related to the transformational leadership in relation to Strategic management, Organization Culture, Employee Motivation and Business Growth will be discussed.

8.1 Leadership and its impacts on organizational performance

According to Dubrin (2010) leadership is the skill to inspire confidence and support among people who are needed to accomplish organizational goals. Effective Leadership deals with change, inspiration, motivation and influence within an organization.

According to Northouse's (2007) Leadership is a process by which a person influences others to accomplish an objective and directs the organization in a way that makes it more cohesive and coherent. Leadership is a process whereby an individual influences a group of individuals to achieve a common goal and objective.

Marshall (2011) suggests that leadership is the ability to guide others, whether they are colleagues, clients or patients, towards preferred outcomes. Leaders are people who have clear idea of what they want to achieve and why. Leaders are resource of confidence, assurance and guidance when we face, like today, system complexity, financial shortfalls and poor distribution of resources.

According to Rowe (2007) your position as a manager, supervisor, lead, etc. may give you the authority to accomplish certain tasks and objectives in the organization. But this power does not make you a leader it simply makes you the boss. Leadership differs in that it makes the followers want to achieve high goals, rather than simply bossing people around (Rowe, 2007). Thus you get Assigned Leadership by your position and you display Emergent Leadership by influencing people to do great things. According to John. P. Kotter, a prominent leadership theorist, managers (or bosses) must know how to lead as well as manage. Without being lead as well as managed organizations face the threat of extinction.

According to Dubrin (2010) for any company to be successful leadership is needed at all levels in an organization. According to Dubrin (2010) a recent analysis suggests that for improved business results to come about it will be because managers below the “C Suite” (such as CEO, CFO and COO) take the initiative and risks to drive the company in a different direction. Change needs to come about from leaders at lower levels rather then relying exclusively on leadership from top. This also means that leader on top has to be a true team builder and very selective about his team. A leader needs to develop trust among his team displaying loyalty to them by supporting their plans and decisions fully with appropriate guidance.
Organizational performance refers to the ability of an enterprise to achieve organization's objectives such as high profit, quality product, large market share, good financial results, and survival at predetermined time using relevant strategy for action (Koontz and Donnell, 1993). Organizational performance can also be used to view how an enterprise is doing in terms of level of profit, market share and product quality in relation to other enterprises in the same industry. Consequently, it is a reflection of productivity of members of an enterprise measured in terms of revenue, profit, growth, development and expansion of the organization.

According to Dubrin (2010) different reach and studies have been conducted to define a relationship between leadership and organizational performance. During these research and studies a consistent relationship was found between who is in charge and how well an organization performance as measured by variety of indicators. Using different methodologies these studies arrived at the same conclusion that changes in leadership are followed by changes in company performance. According to Dubrin (2010) statistical analyses suggest that the leader might be responsible for somewhere between 15 and 45 percent of a firm's performance.

8.2 Transformational Leadership

Researchers have developed a number of leadership theories over the years. Each model has its own pros, cons, assumptions & limitations. The transactional and transformational theories of leadership developed by Burns (1978) and Bass (1985) are one of the most popular leadership models. To understand transformational leadership concept it is vital to understand the difference between transactional and transformational leadership.

Transaction leadership is utilized when managers engage in transaction with employees by explaining what is required and what they will receive if these requirements are properly accomplished. Transactional leaders engage their followers in a relationship of mutual dependence in which the contributions of both sides are acknowledge and rewarded (Kellerman, 1984). Transactions can be positive but also negative if objectives are not fulfilled.

Transformational leadership, on the other hand, occurs when there is active and emotional relationship between leaders and followers (Jung, 2010). A transformational leader recognizes and exploits an existing need or demand of a potential follower and looks for potential motives in followers, seeks to satisfy higher needs, and engages the full person of the follower. A lot of research has been carried out on the concept of transformational leadership and this has even been of more interest of research than any other type of leadership (Kelloway, 2002).

According to Dubrin (2010) transformational leader helps bring about major positive changes by moving group members beyond their self interests and towards the good of the group, organization or society. Leader often encounter the need to transform organizations from low performance to acceptable performance or form acceptable performance to high performance. To accomplish their purpose the transformational leader attempts to overhaul organizational culture or subculture and bring about positive organizational change while leading toward success.
Research on transformational leadership suggests that it is a form of leadership especially suited to fostering organizational change, such as the performance reforms (Yukl, 2008). Significant empirical research has validated the existence of transformational leadership while linking it to employee satisfaction and performance (Bass and Riggio, 2006). Transformational leadership is centered on the assumption that leaders can change follower’s beliefs, assumptions, and behavior by appealing to the importance of collective or organizational outcomes.

Cumulatively, transformational leadership gives rise to a purposeful, committed, and innovative approach to management and outcomes. More specifically, transformational leadership is expected to shape employee behavior through three psychological processes (Bass, 2003). First, transformational leaders direct and inspire employees’ effort by raising their awareness of the importance of organizational values and outcomes. This process requires leaders to create a sense of vision, mission, and purpose among employees, providing confidence and direction about the future of the organization. The appeal to broader goals activates the higher-order needs of employees, encouraging them to transcend their own self-interest for the sake of the organization and its clientele. Second, transformational leaders inspire employees as a source of idealized influence, functioning as a role model, and building employee confidence and pride in the organization. Third, transformational leaders help followers achieve the mission by intellectually stimulating them to challenge old assumptions about organizational problems and practice.

By focusing the employee toward collective outcomes rather than self-interest, and on innovation rather than continuity, transformational leadership creates a climate where employees will be more willing to endure the costs of performance information use, are more cognizant of its benefits, and are creative enough to realize those benefits.

According to Bass (1990) that when companies are faced with turbulent markets, short product life and technology getting obsolete before it is fully depreciated that transformational leadership should be utilized at all levels in the firm.

Jung, Chow & Wu (2003) found that transformational leaders are able to realign their followers’ values and norms, promote both personal and organizational changes, and exceed their initial performance expectations. Transformational leadership creates an emotional bond between leader and subordinates through fulfillment and modification of their needs and values which affect the quality of the subordinates’ relationship towards their organization by influencing the behavior and attitudes of the subordinates.

8.2.1 How transformation takes place

Leaders like the transformational have the need to change an organization’s performance from low performance to high. In order to do those transformational leaders need to make major changes in organization by overhauling organization culture (Durbin, 2010). This is done by nine important ways. Every leader that wants to transform the organization must follow these ways in order to be successful.
Raising people’s awareness is one of the way through which transformation takes place. According to Dubrin, Daglish & Miller (2006) a Transformational leader must show them that there is a problem. By pointing out the issues the followers will think about that and consider changing it. A transformational leader enhances awareness among his subordinates regarding the importance of their work and the rewards that will be achieved and guides them on how these awards can be attained.

Another way through which transformation takes place is by helping people look beyond self-interest. According to Dubrin, Daglish & Miller, (2006) there are two kinds of people in an organization. Those that work for the organizations and try to make it a better place, and those who work for the organization but look only for their best interest. The transformational leader must simply change their mind so that they look beyond their interest only and see the organization as a whole, where if improvement is made can benefit everyone not only just them.

Helping people search for self-fulfillment is another important way that leads to transformation. According to Dubrin, Daglish & Miller, (2006) a transformational leader makes sure that everyone is growing in the organization. This is important because if people can grow they will perform better.

Another way through which transformation takes place is by helping people understand the need for change. According to Dubrin, Daglish & Miller (2006) a change and transformation is important and essential part of today’s world and nowadays organizations depend on it. The transformational leader has to make sure that everyone understands that change is good and that it will benefit everyone in the organization. Team members must be given the emotional and intellectual aid necessary for a successful transition. Resistance to change can cause big problems for the organization, and it can put them into a risky position.

Another way through which transformation takes place is by investing managers with a sense of urgency. According to Dubrin, Daglish & Miller (2006) In order to transform the organization, the leader must assemble all the managers and make sure that they understand his vision and support it. Transformations are achieved by establishing a skillful team of managers who share the same vision as the leader and are able to value the importance of change and help facilitate it.

Committing to greatness is another way through with transformation takes place. According to Dubrin, Daglish & Miller (2006) the transformational leader adapts to a great attitude and also makes sure that his followers follow the same. By doing this leader ennobles human nature and strengthens society.

Another way through which transformation takes place is by adopting a long-range perspective. According to Dubrin, Daglish & Miller (2006) Transformational leader adopts a long range perspective. Transformational leader observes organizational issues from a broad rather than a narrow perspective. Having a future and optimistic way of thinking has a positive effect and will encourage followers to be more focused towards goals.

Building trust is another essential way in the road leading towards transformation. According to Dubrin (2010) another useful process for transforming a firm is to build trust between leaders and group members. Transformational leaders lead by building commitment and trust thus elevating followers to the greatest degree possible so they are motivated to do more than they originally would (Bass & Avolio, 1990).
Last but not the least important way through which transformation takes place is by concentrating resources on areas that need the most change. According to Dubrin (2010) Transformational leaders are very focused in determining the situation and evaluating problems. They use a top down approach while prioritizing the most critical problems to be solved first. A particular strategy is to concentrate on most troubled areas that are most in need for a change and have the biggest potential payoff. Transformational leader cannot take care of all problems at once in a troubled organization.

8.2.2 Attributes of transformation leader

General understandings of transformational leadership are dominated by acceptance of the four dimensions:

**Idealized influence** is about building confidence and trust and providing a role model that followers seek to emulate (Bono & Judge, 2004). Leaders are "admired, respected, and trusted" (Bass, Avolio, Jung & Berson, 2003). Confidence in the leader provides a foundation for accepting (radical) organizational change. That is, followers who are sure of the virtues of their leader will be less likely to resist proposals for change from her/him. Clearly, idealized influence is linked to charisma (Gellis, 2001). Charismatic leadership is a characteristic of transformational leadership and depends on leaders as well as followers for its expression (Kelly, 2003). The link between charismatic and transformational leadership is clearest during times of crisis within an organization such as when Lee Iacocca took over and resurrected the ailing Chrysler Corporation in the 1970s and 1980s (Kelly, 2003).

**Inspirational motivation** is related to idealized influence but whereas charisma is held to motivate individuals, inspirational leadership is about motivating the entire organization to, for example, follow a new idea. Transformational leaders make clear an appealing view of the future, offer followers the opportunity to see meaning in their work, and challenge them with high standards. They encourage followers to become part of the overall organizational culture and environment (Kelly, 2003). This might be achieved through motivational speeches and conversations and other public displays of optimism and enthusiasm, highlighting positive outcomes, and stimulating teamwork (Simic, 1998). Martin Luther King's "I have a dream" speech and US President John F. Kennedy's vision of putting a man on the moon by 1970 stand out as exceptional examples of this characteristic. Through these sorts of means, transformational leaders encourage their followers to imagine and contribute to the development of attractive, alternative futures (Bass, Avolio, Jung & Berson, 2003).

**Intellectual stimulation** involves arousing and changing followers’ awareness of problems and their capacity to solve those problems (Kelly, 2003). Transformational leaders question assumptions and beliefs and encourage followers to be innovative and creative, approaching old problems in new ways. They empower followers by persuading them to propose new and controversial ideas without fear of punishment or ridicule (Stone, Russell & Patterson, 2003). They impose their own ideas judiciously and certainly not at any cost (Simic, 2003).
Individualized consideration involves responding to the specific, unique needs of followers to ensure they are included in the transformation process of the organization (Simic, 1998). People are treated individually and differently on the basis of their talents and knowledge and with the intention of allowing them to reach higher levels of achievement than might otherwise have been achieved. This might take expression, for example, through expressing words of thanks or praise, fair workload distributions, and individualized career counseling, mentoring and professional development activities. Besides having an overarching view of the organization and its trajectory, the transformational leader must also comprehend those things that motivate followers individually (Simic, 1998).

Together, the four main dimensions of transformational leadership are interdependent; they must co-exist; and they are held to have an additive effect that yields performance beyond expectations (Gellis, 2001; Kelly, 2003).

8.3 Strategic Management

According to Thompson and Strickland (1996) strategic management is a term that spans enterprise wide strategy formulation, implementation, and evaluation. Strategic management is the process of developing and executing a series of competitive moves to improve the success of the organization both in the present and in the future. The topic of strategic management has become vital to the success or failure of organizations, especially now when the business environment demands rapid changes, rapid monitoring, analysis and accurate understanding. Strategic management together with strategic leadership provides the vision, direction, the purpose for growth, and context for the success of the corporation. It also initiates "outside-the-box" thinking to generate future growth. Strategic leadership is not about micromanaging business strategies. Rather, it provides the umbrella under which businesses devise appropriate strategies and create value.

Strategic management is an on-going activity concerned with strategy formulation, implementation and periodic evaluation in line with changes taking place in both the internal and external environment. According to Thompson and Strickland (1996), strategic management framework consists of five major tasks as shown in Figure below:
In this model, the first task deals with developing strategic vision and mission, followed by setting strategic objectives as the third task. The fourth task deals with implementing and executing strategies followed by monitoring, evaluation, and taking corrective actions as the last task. In doing all five tasks, Thompson and Strickland model also espouses the need to undertake review and revisions as necessary.

The first task involves developing a *strategic vision and business mission*. The mission statement explains what a company seeks to do and to become. It defines a company’s business and provides a clear view of what the company is trying to accomplish for its customers (Robert, 1993). On the other hand, a strategic vision represents management’s view of the kind of company it is trying to create and its intent to stake out a particular business position (Dobson and Starkey, 1999). By developing and communicating a business mission and strategic vision, management infuses the workforce with a sense of purpose and a persuasive rationale for the company’s future direction. It serves as a sound rationale for allocating resources (Certo, 2000). Above all, management should ensure that the organization walk and talk their strategic direction statements.

The second task concerns the *setting up of organizational goals and objectives*. Managerial statements of business mission and company direction are translated into specific performance targets, something the organization’s progress can be measured by. Objectives which are short-term, medium-term or long-term in nature can be set to improve the financial performance of the organization, its business position in the industry and makes it more intentional and focused in its actions (Harrison, 1998). Short-term objectives spell out the immediate improvements and outcomes management desires whilst long-term objectives prompt managers to consider what to do now to position the organization to perform well over the longer term. According to Thompson and Strickland (1996), setting up challenging but achievable objectives (top – down or participative approach) thus helps guard against complacency, drift, internal confusion over what to accomplish and status quo organizational performance.
The third task in strategic management is that of **formulate a strategy**. This task requires that management correctly analyze the company’s internal and external environment. Together with company’s strategic vision and business mission, management devises sound strategies to achieve both the financial and strategic objectives for the organization.

The fourth task involves **strategy implementation and execution**. This demands figuring out what must be done to put the strategy in place, execute it proficiently and produce good results. The strategic implementing task is the most complicated and time-consuming part of strategic management. It cuts across virtually all facets of managing and must be initiated from many points inside the organization. Key aspects include as discussed by Thompson and Strickland (1996):

- Building an organization capable of carrying out the strategy successfully
- Developing budgets that steer resources into those internal activities critical to strategic success
- Establishing strategy – supportive policies
- Motivating people in ways that induce them to pursue the target objectives energetically and, if need be, modifying their duties and job behavior to better fit the requirements of successful strategy execution.
- Tying the reward structure to the achievement of targeted results
- Creating a company culture and work climate conducive to successful strategy implementation
- Installing internal support systems that enable company personnel to carry out their strategic roles effectively day in and day out
- Instituting best practices and programmers for continuous improvement
- Exerting the internal leadership needed to drive implementation forward and to keep improving on how the strategy is being executed.

The fifth task involves monitoring and **evaluating performance, reviewing new developments and initiating corrective adjustments**. Thompson and Strickland (1996) advise that new circumstances call for corrective adjustments. Long-term direction may need to be altered, the business redefined, and management’s vision of the organization’s future course narrowed or broadened. Performance targets may need raising or lowering in light of past experience and future prospects (Cooper, 2005). Strategy may need to be modified because of shifts in long-term direction, because new objectives have been set, or because of changes in the environment. Lewis, Goodman and Fandt (2001) have observed that realizing developments in the environment is one thing whilst taking the appropriate response is another. Therefore, recognizing change is insufficient, responding proactively is essential. This is where action minded and risk taking leadership is required to take on issues head – on and not wish the challenges away.
According to Johnson and Scholes (2004) leadership is the process of influencing an organization (or group within an organization) in its efforts towards achieving an aim or goal. However, required in today’s complex operating environment is transformational leadership, which is leadership that inspires organizational success by profoundly affecting follower’s beliefs in what an organization should be, as well as their values, such as justice and integrity (Certo, 2000).

8.4 Transformational leadership and Strategic Management

As organizations face a challenging, unstable, uncertain, demanding, challenging and intolerant business environment, these issues outlined above by Thompson and Strickland (1996) can only be realized by companies with sound organizational leadership. The leadership that is critical here is transformational leadership as opposed to transactional leadership. In transformational leadership, leaders are expected to accurately interpret the goings on in the environment and take appropriate actions to exploit the opportunities created by uncertainty. These leaders are risk takers, love change, stay ahead of the change curve, redefine their industries (Gibson, 1998), great communicators, team players, technology masters, problem solvers, change makers and foreign ambassadors. They are not the masters of the status quo as is the case with the transactional leaders. This suggests that the role of leadership (transformational) in the strategic management process is integrative and hence success or failure hinges on the drivers of the organization.

According to Thompson and Strickland (1996) Empirical evidence seem to suggest that organizations that follow the strategic management framework with transformational leadership are high performers. As high performing organizations, they initiate and lead in their respective industries. They don’t just react and defend. They launch strategic offensives to out – innovate and out – maneuver rivals and secure sustainable competitive advantage, then use their market edge to achieve superior financial performance.

According to Gibson (1998), transformational leadership that is critical in facing today’s challenges will not be content to sit back and let the cruise control do the driving. These leaders will be looking forward, scanning the landscape, watching the competition, spotting emerging trends and new opportunities, avoiding impending crisis. They will be explorers, adventurers, trailblazers. Lewis, Goodman and Fandt (2001), explains that some organizations have capitalized on changes in the environment. Starbucks as a coffee peddler, Samsung as mobile phone provider and Dell Computer as the provider of high quality, low cost computer equipment, each of these companies have achieved success by proactively addressing changing market conditions.

For the transformational leaders to be able to become great communicators, team players, trouble-shooters and change makers, they ought to possess certain competencies. These include environmental competence i.e. knowledge of the dynamics of world economy, of major national markets, and of social and cultural environments along with analytic competence to pull together a vast array of information and data and to assemble relevant facts. Strategic competence helps executives focus on the strategic or long-term requirements of their firms, as opposed to short-term, opportunistic decisions and managerial competence, which entails the ability to implement programs and organize effectively (Jeannet and Hennessey, 1995).
Transformational leadership is the most effective strategic leadership style. Transformational leaders develop and communicate a vision for the organization and formulate a strategy to achieve the vision. Transformational leaders raise their follower’s awareness of organizational issues and their consequences, they create a vision of what the organization should be, build commitment to that vision throughout the organization, and facilitate organizational changes that support the vision (Certon, 2000).

This leads to the following hypothesis:

H1: Transformational Leadership can help organization achieve its goals by having major impact on Strategic Management which in effect leads towards positive business performance.

8.5 Organization Culture

According to Ravasi and Schultz (2006) organizational culture is a set of shared mental assumptions that guide interpretations and actions in an organization by following appropriate behavior in various situations. At the same time although a company may have "own unique culture", in larger organizations, there is a diverse and sometimes conflicting cultures that co-exist due to different characteristics of the management team. Most organizational scholars and observers recognize that organizational culture has a powerful effect on the performance and long-term effectiveness of organizations.

Organizational culture is generally seen as a set of key values, assumptions, understandings, and norms that is shared by members of an organization and taught to new members as correct (Daft, 2005). A significant study was carried out by Deshpande (1993), in which culture was defined as “a pattern of shared values and beliefs that help individuals to understand organizational functioning, and thus provide them with the norms for behavior in the organization”. O’Reilly (1989) classified culture as control measures and normative orders that include accepted attitudes, behaviors, risk-taking, rewards for change, receptiveness, mutually accepted goals, autonomy, and the shared belief that organizational action is required. Schein (1990) reveals that organizational culture consists of two layers of concepts, namely visible and invisible characteristics. The visible layer means external buildings, clothing, behavior modes, regulations, stories, myths, languages and rites. The invisible layer means common values, norms, faith and assumptions of business organization members.
8.6 Transformational leadership and Organization Culture

Bass and Avolio (1993) have argued that leadership and culture are so well interconnected that it is possible to describe an organizational culture characterized by transformational qualities. The literature on transformational leadership makes an attempt to approach leadership as a social process by putting emphasis on how leaders stimulate their followers to transcend their own self-interests for the sake of their team and the larger organization. Transformational leaders are typically described as those who inspire their followers to adopt goals and values that are consistent with the leader’s vision. According to Bass (1985), transformational leaders do work within the culture as it exists but are primarily concerned with changing organizational culture. Bass proposes that transformational leadership promotes a working environment characterized by the achievement of high goals, self-actualization, and personal development. Similarly, Bass and Avolio (1993) suggested that transformational leaders move their organizations in the direction of more transformational qualities in their cultures, namely, accomplishment, intellectual stimulation, and individual consideration, therefore, suggesting that transformational leadership has a direct effect on culture. Block (2003) found that employees who rated their immediate supervisor high in transformational leadership were more likely to perceive the culture of their organization as adaptive, involving, integrating, and having a clear mission.

Burns (1978) described transformational leadership as a process in which ‘leaders and followers raise one another to higher levels of morality and motivation’. Transformational leaders seek to raise the consciousness of followers by appealing to higher ideals and moral values such as liberty, justice, equality, peace, and humanitarian, and not to baser emotions such as fear, greed, jealousy, or hatred. Research by Krishnan (2001) suggests that superior performance is possible only through stimulating and motivating followers to higher levels of performance through transformational leadership. Superior performance is possible only by transforming followers’ values, attitudes, and motives from a lower to a higher plane of arousal and maturity.

Most organizational scholars and observers now recognize that organizational culture has a powerful effect on the performance and long-term effectiveness of organizations. Empirical research has produced an impressive array of findings, demonstrating the importance of culture to enhancing organizational performance (Tice and Beyer, 1993). Kotter and Heskett (1992) defined culture as a critical factor in long-term financial success.

This leads to the following hypothesis:

H2: Transformational Leadership can help organization change their unique culture in the direction of more transformational qualities that help them achieve their goals which in effect leads towards positive business performance.

8.7 Employee Motivation & Commitment

Employee motivation or commitment towards its organization is an important issue that has been and will always be of great importance for organizations. Organizations are always looking for motivated and committed human resource in order to achieve its strategic objectives.
As noted by Morris and Sherman (1981) Organizational commitment is an indicator of employee’s performance & turnover. It helps organizations to attain its goals as it is the psychological bond between the individuals and organization. It is the relative strength of an employee’s identification with and involvement within an organization (Mowday 1982 and Porter, 1974). Allen and Meyer (1997) define affective commitment as the employee’s emotional attachment to identification with and involvement in the organization.

Motivation has been defined as the psychological process that gives behavior purpose and direction (Kreitner, 1995). The imperative need to discover, comprehend and implement employee motivation has become a principal concern for organizations, managers and even first line supervisors because employee motivation has been, and will be the deciding factor in work performance, success or failure of an organization (Samuel and Chipunza, 2009). Wiley (1997) suggests that ensuring the success of an organization requires employers who understand the importance of employee motivation. Such understanding is essential to improving productivity. Thus, motivating employees is one of the most important management functions. Helliegel (2001) define employee motivation as “the force acting on or within a person that causes the person to behave in a specific, goal-directed manner”. Motivation is very important to utilize the full potential of employees so as to ensure quality products and services and consequently the success of the organization as a whole.

8.8 Transformational leadership and Employee motivation & commitment

A transformational leadership behavior called inspirational motivation has been empirically linked to a range of outcomes such as extra effort, ethical behavior, learning orientation, and project success by Banerji and Krishnan (2000). In addition Densten (2002) argues that extra effort has important significance for the validity of inspirational motivation because this outcome has been used to confirm the “augmentation effect” of inspirational motivation. This effect represents the unique variance in the ratings of performance, which is above and beyond that accounted for by transactional leadership. In other words, transformational leadership accounts for high performance through its inspirational motivation behavior unlike transactional leadership. In concurrence, Bass and Avolio (1999) point out that several studies have also identified a high correlation between inspirational motivation and extra effort.
Shirbagi (2007) mentioned that there is positive relationship between leadership and overall organizational commitment. Williams and Hazer (1986) states that Leadership has positive and significant impact on organizational commitment. Bass (1985) proposed two types of leadership style i.e. transformational leadership and transactional leadership styles. Transformational leadership has shown significant and positive relationship with organizational commitment while transactional leadership does not positively and significantly correlates with organizational commitment (Lee, 2004). Transformational leaders have great ability to influence organizational commitment by promoting the values which are related to the goal accomplishment, by emphasizing the relation between the employees efforts and goal achievement and by creating a greater degree of personal commitment on part of both follower’s as well as leaders for the achievement of ultimate common vision, mission and goals of the organization (Shamir 1998). Transformational leaders motivate subordinates to accomplish more by focusing on their values and provide guidelines for aligning their values with the values of the organization (Givens, 2008).

Bass (1998) describes that there are further four facets of transformational leadership—charismatic leadership, inspirational motivation, intellectual stimulation and individualized considerations which are interrelated to each other. Bass (1985) found that Charismatic leadership is further divided into two components on the basis of its attributes one is charisma and other is idealized influence. Inspirational leaders motivate their followers. They influence their commitment and loyalty towards organization by giving their actions a particular direction, building self-reliance and rousing their faith in grounds. Idealized influence makes the followers aware of their importance toward work and provokes keenness, thrill, emotional attachment and commitment toward common goals. Individualized consideration helps out the employee by mounting and educating them. He defines that employees are encouraged by focusing on their logical deliberation and confronting assumptions in intellectual stimulation. Davenport (2010) found that personality type and Leadership style both are important predictors of organizational commitment. He found that employees with internal locus of control are more committed towards their organizations. Similarly employees who follow transformational leaders are also more committed towards their organizations.

This leads to the following hypothesis:

H3: Transformational Leadership has a positive impact on employee commitment and motivation which in effect leads towards positive business performance.

8.9 Business Growth & Performance

Performance is the competency of an organization to transform the resources within the firm in an efficient and effective manner to achieve organizational goals (Daft, 1998). Organizational performance can be explained from several different kind of perspectives and there are several aspects which mutually be considered to define organizational performance comprehensively. According to Daft (1998), ‘profitability reflects the overall performance of for-profit organizations. Profitability may be expressed in terms of net income, earnings per share, or return on investment’. Employee moral, motivation, market share and social legitimacy can be considered as part of the overall performance in the highly competitive business world demanding more corporate social responsibility with satisfactory financial rewards.
The Business growth is used to describe a development process of an Enterprise from small to big and from weak to strong. Enterprise growth is the development process that enterprise keeps the tendencies of balanced and stable growth of total performance level including output, sales volume, profit and asset gross or keeps realizing the large enhancement of total performance and the stage spanning of development quality and level (Sun, 2004).

According to Merchant & Van der Stede (2007) the most widely publicized combination of Performance measurement system of recent vintage is Kaplan and Norton’s Balanced Scorecard that proposes a combination of short term measures and leading indicators framed into the following four perspectives:

1. Financial Perspective: How do we look to shareholders? Examples of measures in this category include operator income and Return on Investment.

2. Customer Perspective: How do our customers see us? Examples of measures in this category include on-time delivery and percent of sales from new products.

3. Internal Perspective: What must we excel at? Examples of measures in this category include cycle time, yield and efficiency.

4. Innovation and learning perspective: Can we continue to improve and create value? Examples of measures in this category include time to develop next generation, new product introductions vs. competition.

8.10 Transformation leadership and Business Growth & Performance

According to Dubrin (2010) more positive contribution to business performance and growth came from behaviors associated with transformational leadership. M. Howell and Bruce. J. Avolio investigated the relationship of transformational leadership to business unit performance as part of large study. They collected sample from seventy eight managers from the highest four levels of management in large Canadian financial institutions. They developed a scale to measure three aspects of transformational leadership: Chrisma, intellectual stimulation, and individual consideration. The measure of business unit performance represented the degree to which the manager reached goals for the year, calculated in terms of the percentage of goal met. Each goal was measured against criteria for expected, superior and outstanding performance. Data analysis revealed that leaders who displayed more individualized consideration, intellectual stimulation, and charisma positively contributed to business unit performance.

A field study conducted by Howell and Avolio (1993) found that transformational leadership has a significant impact on business unit performance and is positively related towards it. Business unit performance was defined in terms of percentage of targeted goals. Howell and Avolio (1993) examined that transformational leadership behavior predicted consolidated-unit performance over a 1-year period while considering support for innovation as a moderator. Their study analyzed stock price change over five years and examined the relationship that seems to exist between transformational leadership and this objective organizational performance measure. Howell and Avolio (1993) also found that charismatic, intellectually stimulating, and individually considerate leadership would positively...
and directly relate to the percentage of goals achieved in the leader’s unit over the 1-year period being studied. They concluded that the leaders had positive impacts on unit performance through influence on followers by inspiring followers to accomplish more difficult objectives, to approach and problem solve from new and various perspectives, and through helping them develop themselves to higher levels of capabilities (Howell & Avolio, 1993).

This leads to the following hypothesis:

H4: Transformational Leadership has a positive impact on Organizational Performance and growth
9 Methodology

The research methodology discussed in this section presents all the steps that were performed in order to achieve the objectives of this study.

9.1 Research approach

Researchers in the field of organizational theory and leadership are usually divided in two camps, one that use qualitative research methods and the other camp uses a quantitative method to measure.

Qualitative researchers aim to gather an in-depth understanding of human behavior and the reasons that govern such behavior. The qualitative method investigates the why and how of decision making, not just what, where, when. Hence, smaller but focused samples are more often needed than large samples.

Quantitative research refers to the systematic empirical investigation of social phenomena via statistical, mathematical or computational techniques. Quantitative researcher asks a specific, narrow question and collects numerical data from participants to answer the question. The researcher analyzes the data with the help of statistics. The researcher is hoping the numbers will yield an unbiased result that can be generalized to some larger population.

Because of the complexity to study such an intangible phenomenon as leadership, some researchers suggest the best method to catch organization and leadership is to combine the two methods, thus use both qualitative and quantitative data. This method is preferred by many consultants and in practice (Peter/Waterman and Deal/Kennedy). According to Yin (2008) researches have given increasing attention to “mixed methods research” so I decided to use a mix of both techniques. Bryman (1988) argued for a 'best of both worlds' approach and suggested that qualitative and quantitative approaches should be combined.

In order to carry out this study a mix of qualitative and quantitative approach has been chosen.

There are a number of methods available to the researcher for collecting data. The commonly used data collection methods can be divided into three basic types: Personal interview, Telephonic Interview and Survey Questionnaires.

Personal Interviews and Telephonic are associated with qualitative data while Survey questionnaires are usually associated with quantitative data. In order to benefit from both qualitative and quantitative approaches all three methods of data collection were used.

Besides interviews and Surveys Business Performance Indicators were also analyzed to compare (quarterly and yearly) performance of the company once new management was introduced.

9.2 Data collection

In order to get answers to questions and hypothesis that were raised as a result of review of theoretical literature, data collection was the utmost important stage of this research.
First method used for collection of substantial data for this project paper was a written structured questionnaire. After going through theoretical literature and hypothesis that were mentioned in Chapter 2 a set of questionnaire was prepared that was the baseline for all three forms of data collection i.e. Personal Interviews, Phone Interviews and Survey Questionnaire.

Copies of the questionnaire were distributed to the respondents with instructions on how to fill them out. Altogether, 58 survey forms were distributed, 49 were returned filled out, giving a return rate of 84%. The reason for the high return rate was that I personally visited most of the employees in Riyadh Office (Ericsson CUKSA HQ), explained and convinced the participants on the purpose of the research and the need for participation. Having spent five years in Ericsson Saudi Arabia also helped me for the cause since I personally knew most of the employees. Questionnaire was sent to all CU KSA Heads and employees working under them.

Second method of data collection was personal interviews. I personally took time from team members of higher management (CU Heads), Key Account Managers (KAM) reporting to CU KSA head Ali Eid.

Third method was use of Ericsson CUKSA Yearly and Quarterly Performance Report.

9.3 Survey Methods

9.3.1 Questionnaire

The Questionnaire was properly structured into six sections:

1. Section A:

   This section captures the background details of the respondents such as gender, age, ethnicity, designation, employment and working experience.

2. Section B:

   This section evaluates Ericsson leadership (CUKSA Head and all local Engagement Practice Heads) as Transformational leadership and its impact on Strategic Management, Organization Culture, Motivation & Commitment and Business Performance.

   Evaluate if Strategic Management is in place where CU KSA Management has clear objectives and a strategy to achieve its objective with firm implementation and evaluation. Evaluate how Strategic Management and Engagement is driving Customers (Operators) to generate revenue using new business models. Evaluate how Ericsson CUKSA Management is helping formulate Strategic Management to keep up with competitive market and beating Chinese competitors.

   Evaluate that Ericsson being 100+ years old company having a strong Organizational Culture requires a change in Organization Culture and how the new change will have a positive impact on Organizational Performance. How Ericsson CUKSA Management is helping evolve Organizational Culture to meet new market demands and trends.
Evaluate how Ericsson CUKSA Management is having an impact on Commitment and Motivation of employees leading to positive performance of company especially in times where competition is tough, demanding and very competitive.

Evaluate how Ericsson CUKSA Management is having an impact on Business Growth and Organization Performance.

Bass (1985) as well as Conger and Kanungo (1987) started developing theoretical models and instruments for the empirical research on transformational and charismatic leadership. Diverging from the religious and mystic aspects as well as superhuman extraordinary capabilities of singular “heroes” of the first charisma theories (Weber 1922/1976), they changed the former concepts towards a more behavior orientated and pragmatic perspective. Although there currently exists different theoretical frameworks and instruments a relative consensus concerning the core facets of transformational and charismatic leadership behavior has been found in the meantime. There has been a consensus (Bass 1999, Conger & Kanungo, 1998) concerning the core facets of transformational leadership: vision, inspiration, role model, support of personal growth, trust and consideration of followers needs.

Below table shows distribution of questions as per core facets of transformational leadership that have been used in the questionnaire:

<table>
<thead>
<tr>
<th>Core Facets of Transformational Leadership</th>
<th>Question Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vision</td>
<td>1-4</td>
</tr>
<tr>
<td>Inspiration</td>
<td>5-10</td>
</tr>
<tr>
<td>Role Model</td>
<td>11</td>
</tr>
<tr>
<td>Support of Personal Growth</td>
<td>12-17</td>
</tr>
<tr>
<td>Trust</td>
<td>18-22</td>
</tr>
<tr>
<td>Consideration of Followers Needs</td>
<td>23-25</td>
</tr>
</tbody>
</table>

Transformational leadership styles were measured by using The Multifactor Leadership Questionnaire (MLQ-5x/Short Form) (Bass & Avolio, 1995). The Multifactor Leadership Questionnaire measures a broad range of leadership types from passive leaders, to leaders who give contingent rewards to followers, to leaders who transform their followers into becoming leaders themselves. The MLQ identifies the characteristics of a transformational leader and helps individuals discover how they measure up in their own eyes and in the eyes of those with whom they work. MLQ-5X in its original form assesses both transformational and transactional leadership. For purpose of this study only Transformational Leadership questions have been used.

Below table shows distribution of questions related to respective hypothesis described in theory section that have been used in the questionnaire:
Strategic Management questions were formulated based upon the work done by Thompson and Strickland (1996).

Employee’s commitment was measured through some items taken from commitment questionnaire of Allen and Meyer (1996).

Based upon the work of Podsakoff (1990) questions were developed to see impact of Transformational Leadership on Organizational Culture.

Business Unit performance questions were developed based upon information provided in Dubrin (2010).

9.3.2 Interview

In order to improve quality of research personal interviews were conducted from all CU KSA heads Key Account Managers (KAM for STC and Mobily) that have functional reporting to CU KSA Head Ali Eid and are part of Higher Management Team. All CU KSA Heads have the day-to-day responsibilities of managing a company they hold specific executive powers conferred onto them with and by authority of Regional Middle East Head Anders Lindbald.

In-depth interviewing, as Kvale (1996) observed, attempts to understand the world from the interviewees’ points of view, unfold the meaning of their experiences and uncover the lived world prior to the scientific explanation. It can thus help uncover the meanings and perceptions of the team leaders and team members towards the definition of Transformational Leadership.

A list of interview questions is provided in Section 16.3. Each interview session lasted between 40 minutes to 60 minutes. All interviews were audio-taped and verbatim remarks were obtained through transcription.
In total eight persons were interviewed on the quality and comprehensibility of the questionnaire. It was Six from Engagement Practice (Local Engagement Practice Heads) and Two from Account Team (Key Account Managers for STC and Mobily). Three Engagement Heads out of nine were on business trip or annual leave. Idea was to meet higher management in person to get a better idea of CU KSA Head and the team itself and to compare if employees and management are on same page in terms of strategic management, motivation, organization culture change and positive business performance with emergence of new segments and revenues for operators.

9.3.3 Yearly and Quarterly Performance Reports and Score Cards

Income statement and cash flow for year 2009, 2010, 2011 and 2012 (Q1) were used. Focus was CU KSA in RMEA region. Net Sales, Ordered Booked and Operating Income were compared year to year. Score cards will also be used to compare performance.

9.4 Data Analysis Method

The data analysis involved two stages in order to analyze both qualitative data and quantitative data. Qualitative data analysis was done using in-depth interviews along with yearly performance reports and Quantitative data analysis was done using data obtained from questionnaire.

9.4.1 Qualitative Data obtained through interviews and Yearly Performance Reports

The interviews audios and the remakes taken during interview were examined thoroughly to uncover the hypothesis questions. From the in-depth interviews it will be determined if CU KSA head and Management have the transformational leadership abilities and are having positive impact on strategic management, motivation, organization culture change and positive business performance with emergence of new segments and revenues for operators.

Data was also obtained through yearly performance reports. Due to confidentiality of data only percentages were used to compare performance instead of showing the actual value.

9.4.2 Quantitative data obtained through questionnaire

The survey responses were captured on a Microsoft Excel Spreadsheet in form of a data matrix. From the data certain fields were codified (i.e. allocated a score of 0,1,2,3 or 4). The Excel functions of ‘AVERAGE’ (to calculate Mean), ‘MEDIAN’ (to calculate Median) and ‘STDEV’ (to calculate Standard Deviation) were used for Statistical analysis. ‘Data Analysis’ function of Excel was used to calculate correlation between Transformational Leadership and Strategic Management, Organizational Culture, Motivation & Commitment and Business Performance. Once Correlation coefficients are calculated then to check if it is statistically significant or what the value of its 95% confidence interval is, Significance of correlation value will be calculated using below formula:
$t = r \sqrt{\frac{n-2}{1-r^2}}$

Where ‘r’ is the correlation coefficient and n is number of samples.

9.5 Validity and reliability

The validity of this research requires that the questions measure exactly what it is required to measure. By including a short explanation of transformational leadership, its attributes, its impact on performance, strategic management, motivation and organization culture I am confident that the validity of the research has been proven.

Reliability means that the information filled in the questionnaire may not present the actual facts e.g. someone is too lazy to read the question and answer it properly or someone had a bad day etc. There is nothing much one can do about this problem but in order to mitigate this problem one week time was given to everyone to fill in the survey and importance of survey was also presented in the beginning.

The use of qualitative interviews contributed to the reliability of the research.

When it comes to business performance all yearly and quarterly sales report are present on Ericsson internal CU KSA website and this is more then reliable.
10 RESULTS

Following methodology and data analysis explained in chapter 3, this chapter will present the results and findings based upon interview, surveys and economic results.

10.1 Survey Results

10.1.1 Respondents Background Statistical Results – Survey Section 1

Altogether, 58 survey forms were distributed, 49 were returned filled out, giving a return rate of 84%. Out of these 49 eight were line managers/Heads and forty one were their subordinates. Survey was sent to all respective EPs and Account teams shown in Appendix A - Organization Structure in Figure 20: Engagement Practice Region Middle East (Reporting to Engagement Practice Head).

The age ranges of the majority of the respondents were those between the age of 30 and 39 with 53%. Second majority was age range between 20 and 29 with 37%. Third was age range between 40 and 49 with 8% while 50 plus was only 2%.

In terms of gender, the percentage of males who answered the questionnaire was 92% with 45 respondents while the females were 8% with 4 respondents.

The numbers of those who are team leaders or managers are in the age range of 20 and 29 are 1, 30 and 39 are 5 and 40-49 are 2. All are male managers since we have only recently started hiring females in Saudi. This has nothing to do with management but more of a cultural thing where females are only encouraged to work in female dominated environment e.g. schools, women universities, ladies malls and hospitals.

In terms of contract type 35 were local employees making it 71%. 6 were LTA making it 12%. 6 were on contract making it 12% while 2 were on STA making it 4% only. Details of contract types can be found in Appendix D - Contract Types.

In terms of work experience 33 were having experience in range of 5-10 with 67%, 8 were with 10+ years of experience with 16%, 6 were with 2-5 years experience with 12% and 2 where with less than 2 years experience with 4% only.

Above collected data shows the diverse nature of response and some form of balance in the representation of age, work position, contract type and work experience. While in terms of gender it’s mostly males. Detailed reports related to survey section 1 can be found in Appendix E – Detailed Data Description (Respondent Details)

10.1.2 Ericsson CUKSA Management as Transformational Leadership and its impact Statistical Results – Survey Section 2
Total number of question related to attributes of Transformational leadership along with total points (4 being a max per question), scored points, percentage, means, standard deviations, and Skew are shown in table below:

<table>
<thead>
<tr>
<th>QUESTION #</th>
<th>TOTAL POINTS</th>
<th>SCORE</th>
<th>PERCENTAGE</th>
<th>MEAN</th>
<th>MEDIAN</th>
<th>STANDARD DEVIATION</th>
<th>SKEW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Question 1</td>
<td>196</td>
<td>147</td>
<td>75%</td>
<td>3.00</td>
<td>3.00</td>
<td>0.913</td>
<td>-0.514</td>
</tr>
<tr>
<td>Question 2</td>
<td>196</td>
<td>134</td>
<td>68%</td>
<td>2.73</td>
<td>3.00</td>
<td>0.785</td>
<td>-0.295</td>
</tr>
<tr>
<td>Question 3</td>
<td>196</td>
<td>144</td>
<td>73%</td>
<td>2.94</td>
<td>3.00</td>
<td>0.827</td>
<td>-0.114</td>
</tr>
<tr>
<td>Question 4</td>
<td>196</td>
<td>123</td>
<td>62%</td>
<td>2.51</td>
<td>3.00</td>
<td>0.938</td>
<td>-0.267</td>
</tr>
<tr>
<td>Question 5</td>
<td>196</td>
<td>135</td>
<td>69%</td>
<td>2.76</td>
<td>3.00</td>
<td>0.925</td>
<td>-0.140</td>
</tr>
<tr>
<td>Question 6</td>
<td>196</td>
<td>146</td>
<td>74%</td>
<td>2.98</td>
<td>3.00</td>
<td>0.803</td>
<td>-0.465</td>
</tr>
<tr>
<td>Question 7</td>
<td>196</td>
<td>134</td>
<td>68%</td>
<td>2.73</td>
<td>3.00</td>
<td>0.811</td>
<td>-0.203</td>
</tr>
<tr>
<td>Question 8</td>
<td>196</td>
<td>142</td>
<td>72%</td>
<td>2.90</td>
<td>3.00</td>
<td>0.823</td>
<td>-0.273</td>
</tr>
<tr>
<td>Question 9</td>
<td>196</td>
<td>150</td>
<td>77%</td>
<td>3.06</td>
<td>3.00</td>
<td>0.747</td>
<td>-0.725</td>
</tr>
<tr>
<td>Question 10</td>
<td>196</td>
<td>137</td>
<td>70%</td>
<td>2.80</td>
<td>3.00</td>
<td>0.889</td>
<td>-0.134</td>
</tr>
<tr>
<td>Question 11</td>
<td>196</td>
<td>136</td>
<td>69%</td>
<td>2.78</td>
<td>3.00</td>
<td>0.896</td>
<td>-0.438</td>
</tr>
<tr>
<td>Question 12</td>
<td>196</td>
<td>142</td>
<td>72%</td>
<td>2.90</td>
<td>3.00</td>
<td>0.797</td>
<td>-0.327</td>
</tr>
<tr>
<td>Question 13</td>
<td>196</td>
<td>144</td>
<td>73%</td>
<td>2.94</td>
<td>3.00</td>
<td>0.747</td>
<td>0.101</td>
</tr>
<tr>
<td>Question 14</td>
<td>196</td>
<td>145</td>
<td>74%</td>
<td>2.96</td>
<td>3.00</td>
<td>0.789</td>
<td>-0.191</td>
</tr>
<tr>
<td>Question 15</td>
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<td>138</td>
<td>70%</td>
<td>2.82</td>
<td>3.00</td>
<td>0.834</td>
<td>-0.312</td>
</tr>
<tr>
<td>Question 16</td>
<td>196</td>
<td>144</td>
<td>73%</td>
<td>2.94</td>
<td>3.00</td>
<td>0.827</td>
<td>-0.344</td>
</tr>
<tr>
<td>Question 17</td>
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<td>135</td>
<td>69%</td>
<td>2.76</td>
<td>3.00</td>
<td>0.778</td>
<td>0.188</td>
</tr>
<tr>
<td>Question 18</td>
<td>196</td>
<td>141</td>
<td>72%</td>
<td>2.88</td>
<td>3.00</td>
<td>0.904</td>
<td>-0.455</td>
</tr>
<tr>
<td>Question 19</td>
<td>196</td>
<td>138</td>
<td>70%</td>
<td>2.82</td>
<td>3.00</td>
<td>0.882</td>
<td>-0.383</td>
</tr>
<tr>
<td>Question 20</td>
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<td>147</td>
<td>75%</td>
<td>2.90</td>
<td>3.00</td>
<td>0.736</td>
<td>0.090</td>
</tr>
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<td>Question 21</td>
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<td>138</td>
<td>70%</td>
<td>2.82</td>
<td>3.00</td>
<td>0.858</td>
<td>-0.248</td>
</tr>
<tr>
<td>Question 22</td>
<td>196</td>
<td>132</td>
<td>67%</td>
<td>2.69</td>
<td>3.00</td>
<td>0.847</td>
<td>-0.215</td>
</tr>
<tr>
<td>Question 23</td>
<td>196</td>
<td>143</td>
<td>73%</td>
<td>2.92</td>
<td>3.00</td>
<td>0.786</td>
<td>-0.121</td>
</tr>
<tr>
<td>Question 24</td>
<td>196</td>
<td>136</td>
<td>69%</td>
<td>2.78</td>
<td>3.00</td>
<td>0.896</td>
<td>-0.257</td>
</tr>
<tr>
<td>Question 25</td>
<td>196</td>
<td>135</td>
<td>69%</td>
<td>2.76</td>
<td>3.00</td>
<td>0.879</td>
<td>-0.258</td>
</tr>
</tbody>
</table>

Table 1: Statistical Results for Transformational Leadership attributes - Percentage, Mean, Median, Standard Deviation and Skew

Below figure shows the cumulative percentage distribution result for transformational leadership attributes for CU KSA Head and CU KSA Management.

Figure 3: Transformational leadership attributes – CU KSA Head & CU KSA Management
As per above table and figure Ericsson CU KSA Head and Management show considerable sign of Transformational leadership. On all attributes CU KSA head scored slightly higher then management. On vision CU KSA Head scored 72% while CU KSA Management scored 63%. On Inspiration CU KSA Head scored 72% while CU KSA Management scored 70%. On role model CU KSA Head scored 69%. No data was collected for CU KSA Management on this attribute. On Support for Personal Growth CU KSA Head scored 73% while CU KSA Management scored 69%. On trust CU KSA Head scored 72% while CU KSA Management scored 67%. On Consideration of followers need CU KSA Head scored 69%. The mean in all attributes was between 2.5 till 3.0 (out of 4) showing considerable sign of transformational leadership. Similarly smaller standard deviations (less than 1) are providing a greater confidence in the data provided.

Total number of question related to Strategic Management, Organization Culture, Motivation & Commitment and Business Performance along with total points (4 being a max per question), scored points, percentage, means, standard deviations, and Skew are shown in table below:

<table>
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<th>EVALUATION</th>
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<th>TOTAL POINTS</th>
<th>SCORE</th>
<th>PERCENTAGE</th>
<th>MEAN</th>
<th>MEDIAN</th>
<th>STANDARD DEVIATION</th>
<th>SKEW</th>
</tr>
</thead>
<tbody>
<tr>
<td>/</td>
<td>Strategic Management</td>
<td>Question 26</td>
<td>196</td>
<td>152</td>
<td>78%</td>
<td>3.10</td>
<td>3.00</td>
<td>0.743</td>
<td>-0.167</td>
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<tr>
<td></td>
<td></td>
<td>Question 27</td>
<td>196</td>
<td>141</td>
<td>72%</td>
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<td>3.00</td>
<td>0.832</td>
<td>-0.440</td>
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<td></td>
<td></td>
<td>Question 28</td>
<td>196</td>
<td>139</td>
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<td>2.84</td>
<td>3.00</td>
<td>0.773</td>
<td>-0.269</td>
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<td></td>
<td>Question 29</td>
<td>196</td>
<td>138</td>
<td>70%</td>
<td>2.82</td>
<td>3.00</td>
<td>0.858</td>
<td>-0.248</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Question 30</td>
<td>196</td>
<td>147</td>
<td>75%</td>
<td>3.00</td>
<td>3.00</td>
<td>0.707</td>
<td>0.000</td>
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<tr>
<td></td>
<td></td>
<td>Question 31</td>
<td>196</td>
<td>139</td>
<td>71%</td>
<td>2.84</td>
<td>3.00</td>
<td>0.898</td>
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</tr>
<tr>
<td></td>
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<td>Question 32</td>
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<td>144</td>
<td>73%</td>
<td>2.94</td>
<td>3.00</td>
<td>0.689</td>
<td>0.080</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Question 33</td>
<td>196</td>
<td>133</td>
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<td>3.00</td>
<td>0.816</td>
<td>-0.376</td>
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<td></td>
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<td>Question 34</td>
<td>196</td>
<td>142</td>
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<td>3.00</td>
<td>0.797</td>
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<td></td>
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<td>196</td>
<td>142</td>
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<td>2.90</td>
<td>3.00</td>
<td>0.848</td>
<td>-0.228</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Question 36</td>
<td>196</td>
<td>146</td>
<td>74%</td>
<td>2.98</td>
<td>3.00</td>
<td>0.750</td>
<td>-0.276</td>
</tr>
<tr>
<td></td>
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<td>196</td>
<td>146</td>
<td>74%</td>
<td>2.98</td>
<td>3.00</td>
<td>0.829</td>
<td>0.039</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Question 38</td>
<td>196</td>
<td>145</td>
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<td>2.96</td>
<td>3.00</td>
<td>0.815</td>
<td>-0.164</td>
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<tr>
<td></td>
<td></td>
<td>Question 39</td>
<td>196</td>
<td>126</td>
<td>64%</td>
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<td>3.00</td>
<td>0.577</td>
<td>-0.290</td>
</tr>
<tr>
<td></td>
<td>Organizational Culture</td>
<td>Question 40</td>
<td>196</td>
<td>129</td>
<td>66%</td>
<td>2.63</td>
<td>3.00</td>
<td>0.487</td>
<td>-0.568</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Question 41</td>
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<td>148</td>
<td>76%</td>
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<td>3.00</td>
<td>0.777</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>Question 42</td>
<td>196</td>
<td>142</td>
<td>72%</td>
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<td>3.00</td>
<td>0.770</td>
<td>-0.106</td>
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<tr>
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<td></td>
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<td>140</td>
<td>71%</td>
<td>2.86</td>
<td>3.00</td>
<td>0.890</td>
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<td></td>
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<td>139</td>
<td>71%</td>
<td>2.84</td>
<td>3.00</td>
<td>0.850</td>
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<tr>
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<td>131</td>
<td>67%</td>
<td>2.67</td>
<td>3.00</td>
<td>0.774</td>
<td>-0.473</td>
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<td>3.00</td>
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</tr>
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<td></td>
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<td>196</td>
<td>148</td>
<td>76%</td>
<td>3.02</td>
<td>3.00</td>
<td>0.750</td>
<td>-0.034</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Question 48</td>
<td>196</td>
<td>138</td>
<td>70%</td>
<td>2.92</td>
<td>3.00</td>
<td>0.858</td>
<td>-0.248</td>
</tr>
<tr>
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<td>Question 49</td>
<td>196</td>
<td>151</td>
<td>77%</td>
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<td>3.00</td>
<td>0.750</td>
<td>-0.139</td>
</tr>
<tr>
<td></td>
<td>Motivation and Commitment</td>
<td>Question 50</td>
<td>196</td>
<td>144</td>
<td>73%</td>
<td>2.94</td>
<td>3.00</td>
<td>0.689</td>
<td>0.080</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Question 51</td>
<td>196</td>
<td>141</td>
<td>72%</td>
<td>2.88</td>
<td>3.00</td>
<td>0.857</td>
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</tr>
<tr>
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<td>Question 52</td>
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<td>150</td>
<td>77%</td>
<td>3.06</td>
<td>3.00</td>
<td>0.747</td>
<td>-0.101</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Question 53</td>
<td>196</td>
<td>154</td>
<td>79%</td>
<td>3.14</td>
<td>3.00</td>
<td>0.816</td>
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<td>118</td>
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<td>3.00</td>
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<td>142</td>
<td>72%</td>
<td>2.90</td>
<td>3.00</td>
<td>0.845</td>
<td>-0.228</td>
</tr>
</tbody>
</table>

Table 2: Statistical Results for Transformational Leadership impact - Percentage, Mean, Median, Standard Deviation and Skew

Below figure shows the cumulative percentage of transformational leadership impact on Strategic Management, Organization Culture, Motivation & commitment and Business performance in CU KSA.
Figure 4: Transformational leadership impact on Strategic Management, Organizational Culture, Motivation & Commitment and Business Performance in CU KSA

As per above table Ericsson CU KSA Head and Management are having considerable impact on Strategic Management, Organizational Culture, Motivation & Commitment and Business Performance. Having positive impact on strategic management CU KSA Head and Management scored an overall score of 72%. Having a fairly positive impact on Organizational Culture CU KSA Head and Management Scored an overall score of 65%. Having a positive impact in raising motivation and commitment of employees CU KSA Head and Management scored an overall score of 73%. Having a positive impact on Business Performance CU KSA Head and Management Scored an overall score of 72%. The mean in all questions was between 2.4 till 3.14 (out of 4) showing considerable impact of leadership in all areas. Similarly smaller standard deviations (less than 1) are providing a greater confidence in the data provided.

Detailed data related to survey section 2 can be found in Appendix F – Detailed Data Description (Transformational Leadership and its Attributes) and Appendix G – Detailed Data Description (Transformational Leadership and its impact).

Table below shows correlation of Transformational leadership towards Strategic management, Organizational Culture, Motivation & Commitment and Business Performance that has been calculated using data analysis tool in excel using questionnaire data.

<table>
<thead>
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<th>CORRELATION MATRIX</th>
<th>Transformational Leadership</th>
<th>Strategic Management</th>
<th>Organization Culture</th>
<th>Motivation &amp; Commitment</th>
<th>Business Performance</th>
</tr>
</thead>
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<td>Transformational Leadership</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic Management</td>
<td>0.900</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organization Culture</td>
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<td>0.654</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motivation and Commitment</td>
<td>0.848</td>
<td>0.816</td>
<td>0.730</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td>Business Performance</td>
<td>0.667</td>
<td>0.725</td>
<td>0.650</td>
<td>0.694</td>
<td>1.000</td>
</tr>
</tbody>
</table>

Table 3: Correlation Matrix- Correlation between Transformational Leadership and Strategic Management, Organizational Culture, Motivation & Commitment and Business Performance.
Below figure shows Correlation Coefficient between Transformational Leadership and Strategic Management, Organizational Culture, Motivation & Commitment and Business Performance in chart form.

![Correlation Coefficient between Transformational Leadership and Strategic Management, Organizational Culture, Motivation & Commitment and Business Performance](image)

**Figure 5: Correlation Coefficient between Transformational Leadership and Strategic Management, Organizational Culture, Motivation & Commitment and Business Performance.**

Above table and figure shows a positive correlation of transformational leadership towards Strategic Management with value of 0.9 being the strongest of all. Next strongest is motivation and commitment with value of 0.85. Next is Organizational culture with value of 0.75 and last is Business Performance with value of 0.67 which is positive but lowest of all.

Below figure shows Correlation Coefficient between Business Performance and Strategic Management, Organizational Culture, Motivation & Commitment in chart form.

![Correlation Coefficient between Business Performance and Strategic Management, Organizational Culture and Motivation & Commitment](image)

**Figure 6: Correlation Coefficient between Business Performance and Strategic Management, Organizational Culture and Motivation & Commitment.**
Above table and figure shows a positive correlation of Business Performance towards Strategic Management with value of 0.725 being the strongest of all. Next strongest is motivation and commitment with value of 0.694. Next is Organizational culture with value of 0.65.

10.1.3 Level of Significance

As per calculations done using data analysis tool Correlation Coefficient between transformational leadership and strategic management is 0.90 and significance of correlation coefficient value is 14.15.

As per calculations done using data analysis tool Correlation Coefficient between transformational leadership and Organization Culture is 0.747 and significance of correlation coefficient value is 7.7.

As per calculations done using data analysis tool Correlation Coefficient between transformational leadership and Motivation & Commitment is 0.848 and significance of correlation coefficient value is 10.96.

As per calculations done using data analysis tool Correlation Coefficient between transformational leadership and business performance is 0.667 and significance of correlation coefficient value is 6.13.

Above significance values confirm our sample being statistical significant. Therefore we can conclude that there is more than 95% probability that our sample is representative for population researched.

10.2 Interview Results

Vision:

It was very clear from the interviews that CU KSA Head and management are very clear in its vision and goals.

STC KAM mentioned that:

“Our Vision is to be the prime driver in an all communicating world. We believe in an all communicating world. Voice, data, images and video, conveniently communicated anywhere and anytime in the world, increasing both quality-of-life, productivity and enabling a more resource-efficient world.”

Mobily KAM mentioned that:

“Our vision is to be the prime driver in all communicating world and we envision 50 Billion world wide connections by end of 2020 where everything that needs connection will be connected.”

Most of the engagement heads also mentioned similar definitions while expressing the fact that Ericsson is very clear that it will be the prime driver in mobile or fixed communication world and strongly believes that by 2020 there will be demand for 50 Billion world wide mobile broadband connections.

One of the Engagement head mentioned that:
“Utilizing the power of networks is central to realizing the vision of a world with 50 billion connected devices, enabled by ubiquitous internet access over mobile broadband. The cost of cellular machine-to-machine modules is estimated to be falling at an annual rate of 15 percent, which makes connectivity-based services increasingly affordable. The cost of connectivity is already as low as USD 1.4 per gigabyte. And demands for constant availability, resilience, coverage, latency and bandwidth will only increase with increased dependence on mobile systems.”

Regarding goals it was very clear that we want to regain our 60% market share in Customer Unit Saudi Arabia while retaining our number one position in KSA. At the same time we want to break in all three Operators STC, Mobily and Zain.

Regarding increasing our sales volume most EP heads referring to CU KSA Head mentioned that we should focus mainly on STC and Mobily instead of spending too much time on Zain. In last two years we have repeatedly lost Zain to Huawei and Nokia who are desperate to do business even at break even. Considering bad financial condition of Zain it is currently not seen as an attractive business opportunity instead we are focused more on STC and Mobily’s existing and new business opportunities.

Regarding new market trends most of the Heads and KAM mentioned that Going Mobile Broadband: Video, Cloud Services, Internet and Machine to Machine are where we are heading. We will see more connected devices and affordable smart phones. At the same time we need to have tiered pricing and new business models for mobile broadband.

STC KAM mentioned:

“We need to drive the ecosystem for 50 Billion vision. We are currently working with STC for Machine to Machine, Verticals and connected devices opportunities. We are preparing STC for new demands and new pricing models. Ericsson is also developing partnership with new industry for Cloud, M2M and Wi-Fi Offload Services”.

Inspiration & Role Model:

It was evident from interviews that CU KSA Head has got a very inspirational personality and every one working under him view him as a role model to follow.

STC KAM mentioned:

“Ali Eid always tries to encourage, motivate and guide the team. He is very supportive during tough times and best thing about him is that he takes the heat from both customer and regional management. He never makes his team look bad in front of others.”

Mobily KAM mentioned:

“At times he is tough when it needs to be tough and at times he is really flexible. He is like a fatherly figure and a role model always inspiring and motivating the team to work hard and effectively produce results.”
Most of the Engagement Heads shared similar views. One of them even mentioned that he inspires us to perform better and go extra mile. One EP head appreciated the fact that Ali's thinking is very farseeing and inspiring. He mentioned “Last year when we were trying to request for more resources during Zain’s bid Ali Eid mentioned that it will be better to use your existing resources and pay them special over time. In case we hire resources and if we didn't get Zain’s project then we may have to layoff people. Later we didn’t get Zain’s project and Ali Eid earned lot of respect from me.”

Very few criticized the fact that Ali Eid is running the business as a family business. Few mentioned that he likes working with team of his likeness. One of them even mentioned that “key selections in CU KSA were made from his past team mates.” Others appreciated the fact that he is like a leader with magnetic personality who forms a team and normally takes it along with him where ever he goes.

**Support for personal Growth:**

Most of the EP heads mentioned that Ali Eid has been very supportive regarding personal growth. In past due to financial issues most of the trainings and business trips were put on hold. In Ericsson mostly trainings are arranged in Sweden, Italy, Spain, Malaysia, Dubai and USA since we have Education Centers located in these areas responsible for providing trainings. Ali Eid took personal interest in restoring trainings. He tried his best to arrange local trainings by inviting instructors to come to Saudi thus saving cost and making his team happy.

Ali Eid also tried to arrange non technical trainings e.g. Sales, Business, Management related which was very much appreciated by KAM and EP Heads.

One of the EP Head mentioned that “For the first time in Ericsson CU KSA Ali Eid arranged customized sales training program from third party e.g. Huthwaite International. In past we only had technical trainings from Ericsson Educations Centers but no business or sales skill related trainings.”

Few EP Heads have also been encouraged by Ali Eid to enroll in MBA programs where Ericsson will pay 50% cost and remaining to be paid by individuals.

**Trust:**

Both the KAM appreciated the trust relationship that they enjoy with Ali Eid. Both mentioned that Ali Eid has set expectations and targets and has faith and trust in his team that we do know how to achieve targets and meet expectations.

From EP Heads I got mixed reviews. Mostly people who were appointed by Ali Eid praised the trustworthy relationship while others gave mixed reviews and few were of the view that in beginning he was very commanding but not they have started to develop trust.

Many appreciated the action of transparency that has been imposed on training budgets. In this way everyone knows how training budget is being spent thus developing trust with management. Proper job grading with pay sales was another step taken to introduce transparency. Employees at all levels are encouraged to speak and come up with new ideas for betterment of company. “Need for Change” open discussion forms have been created where CU KSA Head and management is actively involved in answering employee questions and discuss new ideas and ways of working for improved performance.
Many appreciated quarterly all employee meetings in which management presents current business status, Quarterly Net sales, Quarterly Orders booked, remaining targets, challenges, milestones, priorities and way forward for future are presented. Many appreciated the friendly atmosphere during the meeting where everyone gets a chance to question management openly. Prizes and rewards are given to appreciate performance and encourage others. Regular feedback how to make all employee meetings effective was also appreciated. One EP Head mentioned that “such activities help to create a transparent environment among management and employee while developing trust.”

**Consideration for followers needs:**

STC KAM mentioned:

“Ali Eid is very helpful and supportive in tough situation. As you know customer’s attitude in this part of the world so we really need a manager who can lift our moral, cheer us up and guide us when it comes to resolving critical issues. For us he is like a coach who listens and understands our concerns and tries to solve them.”

Mobily KAM mentioned:

“Whether its business or personal needs, Ali Eid is excellent in understanding and resolving the issues e.g he was really helpful during Mobily’s LTE trial where resources in Sweden were fully booked and we were not getting resources in requested time. Finally with Ali’s effort we were able to arrange trial resources as per customer’s request. I remember few years back in my last job when I was very much bored with my repetitive job work and was about to leave Ericsson he guided and helped me in convincing to move from technical sales to Account Management. Decision really paid off and now I am key account manager for Mobily.”

Most of the EP heads shared similar views. They appreciated the fact that Ali Eid realized that trainings are critical for individual needs and he took personal interest in arranging local trainings. Few appreciated the fact that since Ali Eid joined we have been getting bonus and pay raise which was not the case with previous management and we were always told you should be happy to retain a job in these tough economic times.

**Strategic Management:**

It was very clear from interviews from Account and EP Heads that Strategic Management was the most focused area of all by Ali Eid and management.

STC KAM mentioned:

“I remember the first speech that Ali Eid gave mentioning that we need to concentrate on areas which need the most change. Our strategy towards customer and operator’s strategy towards end user are on my top priority. If Operator revenue suffers then effectively we suffer. I do not want a client/customer but a strategic partnership relationship between us and Operator where both will benefit. We should be perceived as trusted and preferred partner by Operators. I always see Ali Eid saying Customer First.”

Mobily KAM mentioned:
“In CUKSA, we have framed our Strategy around four dimensions. First and most important is Customers: How do we create superior value for our customers where we move in strategic alliance with customer. Second is Employees: How do we achieve success through skilled and motivated people, third is the Market Leadership where we take advantage of market leadership while being number one in Mobile Broadband and fourth is new business model where we try to adapt to new business model of pay as you grow. We continuously revise our strategy as per business requirements and ensure proper propagation among employees since they are the ones who will make this happen.”

EP Heads also appreciated a customer and employee focused strategy where we want to have motivated and committed employees working in conjunction with Operator to help improve their profit and grow business.

Regarding new business opportunities STC KAM mentioned:

“Our strategic focus to achieve our ICT ambitions involves establishing leadership positions in cloud solutions, machine-to-machine communication and business support systems. This includes continuing to develop excellence in software, end-user knowledge and developing our brand perception as an ICT player. Similarly we are helping STC to provide new Quality of Service Solutions to help them compete with growing data demand where user who has unlimited data can have further data packages as gold, bronze or silver or can request additional bandwidth on demand while watching online movie or games. We encouraged them to use tiered business models instead of flat rate and categorize service using QoS. Smart Phones along with online video games and videos/movies are the main driver of growing data traffic. In response to the increase in traffic and number of connected devices, we helped STC to increase the capacity and coverage of their network. This was done through investment in mobile broadband across radio access, backhaul and packet core by extending the existing network infrastructure as well as migrating to latest generation technologies LTE.”

Regarding new business opportunities Mobily KAM mentioned:

“New Business Opportunities comes from our vision of networked society. In the Networked Society, we will see major changes to the way in which businesses are run in many industries, such as utilities, smart homes, transport, media and health care. These industries are looking to modernize their processes and systems a key step towards realizing the vision of 50 billion connected devices by 2020. Together with Mobily we have already started engaging on many of these topics with industry and response is very positive. Our Mobile Cabinet solution for Mobile Broadband during Hajj has been another key success during last year which really helped Hajj pilgrims for better mobile coverage and Mobily to get more revenue”

Regarding dealing with Chinese vendors STC KAM mentioned:
“Back in 2010 one of the biggest threats from CU KSA was Huawei and ZTE who were capturing Ericsson share. As part of Strategic Management several steps were taken e.g. Pro active engagement by Account and EP, New Pay as you grow business model, Strategic Business partnership with Operator, Emphasis on End to End solution offering with Managed Services, Quality Solution/Products backed by customer references, Technology leadership, Commercial and Technical Business Intelligence, Bare Bone Tender Scoping, Maximizing local service offering instead of using Global Services to minimize cost, trials, new business model consulting were few steps taken by management to compete. It really did pay off and we have regained our share from 50% to 54%. Goal is to reach 60% by end of 2012. Anyhow we still lack in different processes that are part of Ericsson Global group directives and we are trying our best to improve but that will take time e.g. Huawei technical sales team member sitting in STC’s premises can provide quotation to STC for any product with list pricing from his computer using excel file where as Ericsson employee has to go through specific software that runs on Ericsson LAN. Database of that software is in Sweden so at times it’s very slow. Once BoQ is created then commercial management does pricing and then sends it to STC. At very minimum it will take 2-3 days.”

EP heads also appreciated steps being taken to tackle Chinese vendors specially hiring some of key team members from Huawei who had good relation with customer and very good understanding of how Huawei works. One of the EP head mentioned “We learnt that Huawei normally comes in cheap and later starts making money from Licenses, Services and Support. They will give a product for free with limited software features and licenses and later will charge good amount for enabling more software features or additional licenses for additional users to cover up their costs. This really helped us in thinking that we also need to work on pay as you grow business models which we didn’t have in past.”

Many appreciated steps taken to ensure that strategy is propagated among employees e.g. Strategy Quiz was started and everyone was encouraged to take part in it with Sony Ericsson Xperia Arc were given as prize money.

**Organization Culture:**

Both the KAMs were very critical about further need of change in Organizational Culture in overall Ericsson along with Ericsson CU KSA.

STC’s KAM mentioned:

“Whenever I go to STC’s premises I see Huawei’s technical sales people sitting in their premises. STC has given them permanent work stations to sit. Their main purpose is listening, eavesdropping, socializing, engaging at much higher level then our technical sales team does. Thus they are realizing, understanding and grabbing opportunities much quicker then we do. By engaging at this level they are trying to influence STC to use their own solutions/products and showing them that their support is available 24/7. In Ericsson we are under process of developing this culture. In past our technical sales team only used to visit customer when there is a meeting or during RFPs negotiation or workshops. Ali Eid realized the fact that our technical sales need to evolve from passive to active. Last year we had various consultative engagement and sales seminars to help team improve sales engagement skills and it was made mandatory for technical sales team to spend at least 20 hours with the customer per week. I was asked to tell STC that our dedicated sales teams will be sitting in customer premises. STC really took this in a positive way. We are improving on this but still we lack resources compared to Chinese competitors.”
Mobily’s KAM mentioned:

“There are two main issues I see. Most of the Ericsson employees who have been working for long still feel and think the same way as we used to do in past. In past we didn’t have enough competition so sales were easy. Now tables have turned customer has choice to choose between us or our competitors who provide cheaper solution, are more responsive, more submissive and have less complex processes. Second issue that I see which is specific to CU KSA is taking sales support from Sweden. In Saudi Thursday and Friday is weekend and in Sweden its Saturday and Sunday. So effectively we are working with rest of the world only on Monday, Tuesday and Wednesday only’. Sales support from Sweden is closed on Saturday and Sunday. This has been highlighted by us to Regional Management on various occasions but as of today we are still facing tough time getting support on weekends. On the other hand in Huawei or ZTE Global support is available seven days a week and response time is restricted to 24 hours. We do not have such strict KPIs.”

Engagement Heads also shared similar thoughts. Few appreciated the fact that Ali Eid inducted few candidates from Chinese vendors to better understand their way of working so we know how to mitigate and redefine our roles and responsibilities as per today’s and future’s demands specific to CU KSA.

Many appreciated “Need for Change” open discussion web forums that Ali Eid has started where suggestions from everyone are posted personally or anonymously and managers and subordinates are free to discuss changes that are currently taking place and suggest new changes that must take place.

One of the EP head mentioned:

“There is a big gap of organizational culture and moral ethics like how we work and how some of the Chinese companies work. Last year when Huawei took STC to China they took entire families wives and kids to the trip. I even heard that they paid for shopping and expensive hair saloons and massage parlors. Personal assistants and drivers were assigned for the entire trip and it was more of recreational then customer business trip. I even heard one method of bribery involved hiring an outside consultant to help “win” a contract. This was typically a local resident with ties to ruling leaders. Do you think we will ever do that no and I do not say that we should even do that. But we need to make STC higher management aware of such facts since such treatment will lead to biased decisions which may not be in favor of STC. Anyhow I do appreciate culture of occasional gifts and social events with customer. Currently we lack in this area.”

**Motivation and Commitment:**

Almost everyone appreciated the fact that key actions have been taken by Ali Eid to ensure that employees are motivated and committed.

STC KAM mentioned:

“If you see Dialogue results of 2009 and 2010 you will see that employee motivation and frustration was at its lowest. Since Ali Eid took over things he mentioned in one of the management meeting that one of his main targets will be to raise employee motivation. Since then many actions e.g. bonus, yearly pay raise, trainings, employee of the month, discussion forms, quarterly all staff meetings, rewards, team building activities etc have been initiated to motivate individuals.”
Mobily KAM mentioned:

“I believe one of the major factors for motivation and commitment is recognition and reward. In past we only had yearly recognition and reward in terms of bonus was same for everyone. Ali Eid started the idea of employee of the month and individual recognition based upon yearly performance rather then same bonus for all. My team is really focused towards its goal and is very committed to achieve them.”

One of the EP Heads mentioned:

“A higher Employee Motivation is one of the Group Targets 2011-2012 that will contribute to creating value for customer, employees and shareholders. The current Employee Motivation Index is 69 which is much better then previous years and the target for Ericsson’s wanted position 2015 is 75 which we may achieve even this year. Management is closely monitoring this and is very much keen to reach wanted position as soon as possible.”

**Business Performance:**

From the interviews it was clear that Business performance has been improving since new management took over and all news steps taken by Ali Eid were appreciated and were having impact on positive business performance.

STC KAM mentioned:

“Due to steps our net sales have improved and customer satisfaction is also improving. It will eventually help us to regain our lost market share back to 60% and even more.”

Mobily KAM mentioned:

“Developing strategic partnership with Operator and helping him overcome his challenges by introduction of new business opportunities triggered as a major sales booster for us.”

One of the EP Heads mentioned:

“Results speak for themselves. Our net sales are improving and we are getting bonus and pay raise since last two years.”

One EP Head had a very different and interesting opinion he mentioned:

“To tell you the truth most of the business in this part of the world is won because of contacts and influences especially when royal families are involved. In this part of the world we are still far away from fair game but we are catching up. In many cases even before the project is announced decision is already made who will get which part of the pie. So at times it is very political rather than skillfulness.”

One EP Head even mentioned the following:

“Some of the key positions in CU KSA are assigned after discussion/approval of STC and Mobily. This is done to influence decision making at later stage.”

One EP Head also mentioned:
“It will never be documented or mentioned anywhere but it remains a fact that kickbacks, references, influences, recreational business trips and sometimes even Governments heavily influence decision making on the Operator side. Why we lost Zain from Nokia is a prime example of political decision.”

One EP Head also mentioned:

“Reason for positive business performance this year is investment of STC and Mobily for modernization of their 3G/2G along with introduction of LTE network. We did well overall since in STC we got the Lion’s share but still didn’t get a single base station in Mobily’s LTE network even though we have a strong presence in Mobily’s 2G and 3G network. I guess it could have been much better if we had won the LTE deal in Mobily as well which went to Huawei who gave away LTE to Mobily Free of Cost”

10.3 Economic Results

10.3.1 Balanced Score Cards

Below Score cards details for MU-KSA were taken from Report MU KSA Score Card (2009).

MU KSA Scorecard 2009

<table>
<thead>
<tr>
<th>FINANCIAL</th>
<th>CUSTOMER</th>
<th>COMPETITIVE POSITION</th>
<th>INTERNAL EFFICIENCY</th>
<th>EMPLOYEE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>Customer Satisfaction</td>
<td>60% Market Share</td>
<td>Profit Improvements</td>
<td>CUKSA People and Organization Readiness</td>
</tr>
<tr>
<td>Gross Margin Contribution</td>
<td></td>
<td></td>
<td></td>
<td>Motivation</td>
</tr>
<tr>
<td>WC to NS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Five assessment areas were used namely financial, customer, competitive position, internal efficiency and employee.

Assessment was categorized as off track (red), warning (orange), Robust (yellow), commitment (light green) and stretched (dark green).
In financial it was net sales, gross margin and Working Capital to Net Sales. All were off track.

In Customer it was customer satisfaction. It was on warning level.

In Competitive position it was market share with 60% as target. It was on warning level.

In Internal efficiency it was profit improvements and it was reaching committed.

In Employee it was people and organization readiness. It was reaching commitment level. Employee motivation was on warning level.

Below Score cards details for CUKSA were taken from Report RMEA Score Card (2010). Ali Eid joined Ericsson CU KSA by July 2010 when re organization was finally completed and new management took over the charge.

CU KSA Scorecard 2010

<table>
<thead>
<tr>
<th>FINANCIAL</th>
<th>CUSTOMER</th>
<th>COMPETITIVE POSITION</th>
<th>INTERNAL EFFICIENCY</th>
<th>EMPLOYEE</th>
</tr>
</thead>
<tbody>
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<td>60% Market Share</td>
<td>Profit Improvements</td>
<td>CUKSA People and Organization Readiness</td>
</tr>
<tr>
<td>Gross Margin Contribution</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WC to NS</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

*Figure 7: CU KSA Score Card 2010*

Five assessment areas were used namely financial, customer, competitive position, internal efficiency and employee.

Assessment was categorized as off track (red), warning (orange), Robust (yellow), commitment (light green) and stretched (dark green).

In financial it was net sales, gross margin and Working Capital to Net Sales. All were off track.

In Customer it was customer satisfaction. It was off track.
In Competitive position it was market share with 60% as target. It was also off track.

In Internal efficiency it was profit improvements and it was reaching stretched.

In Employee it was people and organization readiness. It was reaching commitment level. Employee motivation was on warning level.

Below Score cards details for CUKSA was taken from Report RMEA Score Card (2011).

**CU KSA Scorecard 2011**

<table>
<thead>
<tr>
<th>FINANCIAL</th>
<th>CUSTOMER</th>
<th>COMPETITIVE POSITION</th>
<th>INTERNAL EFFICIENCY</th>
<th>EMPLOYEE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
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<td><strong>60% Market Share</strong></td>
<td><strong>Profit Improvements</strong></td>
<td><strong>CUKSA People and Organization Readiness</strong></td>
</tr>
<tr>
<td><strong>Gross Margin</strong></td>
<td><strong>Deals in Key Areas</strong></td>
<td><strong>WC to NS</strong></td>
<td><strong>Motivation</strong></td>
<td><strong>Accelerate Innovation and Technology Leadership</strong></td>
</tr>
<tr>
<td><strong>Contribution</strong></td>
<td><strong>New Business Models</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Figure 8: CU KSA Score Card 2011*

Five assessment areas were used namely financial, customer, competitive position, internal efficiency and employee.

Assessment was categorized as off track (red), warning (orange), Robust (yellow), commitment (light green) and stretched (dark green).

In financial it was net sales, gross margin and Working Capital to Net Sales. There was improvement in all three areas.

In Customer it was initially customer satisfaction only. Later Deals in Key areas to help customer grow his business e.g. machine to machine, cloud, Wi-Fi Offload and New Business Model e.g. Pay as you grow were also added.

In Competitive position it was market share with 60% as target. It was getting better and reached robust.

In Internal efficiency it was profit improvements and it was reaching stretched.
In Employee it was people and organization readiness along employee motivation initially. Motivation improved in 2011. Also Accelerate Innovation and Technology leadership was added to take advantage of Ericsson’s technology leadership and facilitate the customer with new innovative solution and ideas to help grow his business.

Below Score cards details for CUKSA was taken from Report RMEA Score Card (2012).

**CU KSA Scorecard 2012-Q1**

<table>
<thead>
<tr>
<th>FINANCIAL</th>
<th>CUSTOMER</th>
<th>COMPETITIVE POSITION</th>
<th>INTERNAL EFFICIENCY</th>
<th>EMPLOYEE</th>
</tr>
</thead>
<tbody>
<tr>
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<td>Customer Satisfaction</td>
<td>60% Market Share</td>
<td>Profit Improvements</td>
<td>CUKSA People and Organization Readiness</td>
</tr>
<tr>
<td>Gross Margin Contribution</td>
<td>Deals in Key Areas</td>
<td></td>
<td></td>
<td>Motivation</td>
</tr>
<tr>
<td>WC to NS</td>
<td>New Business Models</td>
<td></td>
<td></td>
<td>Accelerate Innovation and Technology Leadership</td>
</tr>
</tbody>
</table>

*Figure 9: CU KSA Score Card 2012-Q1*

Five assessment areas were used namely financial, customer, competitive position, internal efficiency and employee.

Assessment was categorized as off track (red), warning (orange), Robust (yellow), commitment (light green) and stretched (dark green).

In financial it was net sales, gross margin and Working Capital to Net Sales. There was improvement in all Net Sales.

In Customer so far results are similar to next year.

In Competitive position it was market share with 60% as target. It is getting better but still not committed.

In Internal efficiency it is profit improvements and it is reaching stretched.

In Employee section motivation improved to committed for the first time since 2009.
10.3.2 Sales Report

10.3.2.1 CU KSA Reports

Below details for CUKSA were taken from Report MU KSA Sales Report 2009 (2009).

Figure 10: CU KSA Sales Performance Year 2009

Grey bars are the result figures for Orders Booked, Net Sales and Operating Income. Targets have three levels. Robust, committed and stretch. Normally 80% is Robust, 100% is committed and 115% or above is stretch.

During 2009 Ericsson CU KSA didn’t even reach robust in any area.

Below details for CUKSA were taken from Report RMEA Sales Report 2010 (2010).
Grey bars are the result figures for Orders Booked, Net Sales and Operating Income. Targets have three levels. Robust, committed and stretch. Normally 80% is Robust, 100% is committed and 115% or above is stretched.

Results of 2010 were not that different from 2009. During 2010 Ericsson CU KSA didn’t even reach robust in any area.

Below details for CUKSA were taken from Report RMEA Sales Report 2011 (2011).
Grey bars are the result figures for Orders Booked, Net Sales and Operating Income. Targets have three levels. Robust, committed and stretch. Normally 80% is Robust, 100% is committed and 115% or above is stretched.

During 2011 Ericsson CU KSA performed much better. Both Orders Booked and Net Sales were above Robust.

Below details for CUKSA were taken from Report RMEA Sales Report 2012-Q1 (2012).

![Figure 13: CU KSA Sales Performance Year 2012-Q1](image)

Grey bars are the result figures for Orders Booked, Net Sales and Operating Income. Targets have three levels. Robust, committed and stretch. Normally 80% is Robust, 100% is committed and 115% or above is stretched.

Currently in 2012 Ericsson CU KSA is performing even better than last year. Both Orders Booked and Net Sales reached committed for the first time in three years.

10.3.2.2 Regional Reports

Below details for Regional Overview were taken from Ericsson 2010 Sales Report (2010).
Figure 14: Regional Sales Overview 2009 - 2010

Following was mentioned regarding RMEA (Region Middle East) specific to Saudi Arabia “Middle East sales decreased -8% year-over-year. Turkey, Egypt and the Gulf countries developed positively, while Saudi Arabia and Pakistan were weak.”

Below details for Regional Overview were taken from Ericsson 2012 Q1 Sales Report (2012).

<table>
<thead>
<tr>
<th>Year-over-year change, percent</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1</td>
<td>Q2</td>
</tr>
<tr>
<td>North America</td>
<td>63%</td>
<td>46%</td>
</tr>
<tr>
<td>Latin America</td>
<td>7%</td>
<td>-2%</td>
</tr>
<tr>
<td>Northern Europe &amp; Central Asia</td>
<td>-5%</td>
<td>-9%</td>
</tr>
<tr>
<td>Western &amp; Central Europe</td>
<td>11%</td>
<td>14%</td>
</tr>
<tr>
<td>Mediterranean</td>
<td>-4%</td>
<td>3%</td>
</tr>
<tr>
<td>Middle East</td>
<td>-5%</td>
<td>12%</td>
</tr>
<tr>
<td>Sub Saharan Africa</td>
<td>47%</td>
<td>5%</td>
</tr>
<tr>
<td>India</td>
<td>42%</td>
<td>-5%</td>
</tr>
<tr>
<td>China &amp; North East Asia</td>
<td>27%</td>
<td>38%</td>
</tr>
<tr>
<td>South East Asia &amp; Oceania</td>
<td>26%</td>
<td>15%</td>
</tr>
<tr>
<td>Other(1,2)</td>
<td>-42%</td>
<td>-53%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>12%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Figure 15: Regional Sales Overview 2011 - 2012 Q1

Following was mentioned regarding RMEA (Region Middle East) specific to Saudi Arabia “In Middle East Year on Year (YoY) growth was mainly driven by strong sales in Saudi Arabia while business was slower in Turkey. Political unrest is still impacting the region and operators are cautious with infrastructure investments. Services grew strongly, especially in managed services and systems integration as operators are looking into network performance quality and operational efficiencies.”
Data Analysis

The primary objective of this study was to determine the relationship of transformational leadership towards organizational performance where transformational leadership can utilize strategic management, employee motivation & commitment and organizational culture as key elements and processes to help improve business performance.

As part of above objectives the Multi-factor Leadership Questionnaire developed by Bass and Avolio in 1995 (MLQ 5-X Short Form) was selectively used to measure the level of transformational leadership core facets i.e. vision, inspiration, role model, support of personal growth, trust and consideration of followers needs. It was very clear from the results that all necessary attributes of transformational leadership were eminent in CU KSA Head and management team. Based upon survey results for every attribute they scored between 60-75% which is very healthy.

Through interview results it was learnt that CU KSA Head and management have a clear vision and mission. Ericsson CU KSA management knows exactly where they want to be in next 5 years and how telecommunication will help evolve society in coming years. CU KSA management has clear goal to regain 60% market share and retain number one position in the KSA. From a Global prospective they envision 50 billion connections by 2020 where everything that needs connection will be connected. The goal has been communicated very well with in the organization and everybody is inspired, encouraged and motivated to achieve that goal by using simple techniques e.g. employee of the month awards, technical sales and business related trainings, transparency in training budgets, open web forums, quarterly all employee meetings, strategy Quiz, yearly performance bonus and salary raise. It was learnt that CU KSA Head and Management is very inspirational and most of the people in the organization look forward to CU KSA Head as role model. He is seen as a fatherly figure and a role model by many in the company. Few criticized the fact that he wants to work with team of his liking and has tendency of bringing team members of his liking in key positions. On the other hand some appraised this quality as a leadership skill. It was learnt that CU KSA Head and management is very supportive when it comes to personal growth and consideration for follower’s needs. Trainings that were put on hold were restored in a smart way by arranging trainer and facility locally within Ericsson premises. New Sales and Business related trainings where also organized and people were encouraged to enroll in MBA programs where Ericsson will pay 50% of the cost. People were also awarded bonus and pay raise which was frozen in past. A lot more focus was given to evolve Ericsson sales solution team from technical sales team to consultative sales team that will engage more with the customer giving them the feeling of a strategic partner while using consultative sales approach. It was learnt that CU KSA Head and management have developed a trust relationship between themselves and employees. Transparency imposed on training budget is one example of developing trust among employees. Having quarterly all employee meetings where Management tells current business status, challenges and way forward are another form of activates started by management to promote awareness and develop trust among employees. Open web forums where everyone can question management were really helping to develop trust and clarification while clearing ambiguities among employees.
Interview results heavily supported the survey results in all areas and it can be analyzed that Ericsson CU KSA Head and Management fulfill the criterion of transformational leadership having strong presence of transformational leadership attributes namely vision, inspirational, role model, Support for personal growth, trust and consideration for followers needs.

As part of the overall objective of this study it was studied how transformational leadership can have an impact on strategic management that will help Ericsson formulate a strategy to overcome its existing challenges and help in producing positive business results. Survey results showed that CU KSA head and management are on right track where strategy formulation, implementation and periodic evaluation are taking place to help achieve organizational goals. Overall CU KSA head and management scored 72% in strategic management. Using data collected from survey correlation of transformational leadership towards Strategic Management was calculated and it turned out to be value of 0.9 showing a very strong correlation between the two. Correlation between Strategic Management and Business performance was calculated and it turned out to be value of 0.725 showing a strong correlation between the two.

Through interview results it was learnt that CU KSA Head and Management saw strategic management as key area to focus on. As part of strategic management firstly Ericsson’s relationship towards operators was re-defined as a strategic partner rather then customer client relationship. Focus was given to help Operator grow business and come up with new business opportunities with focus on QoS, Machine to Machine and Cloud services. Operators were guided and encouraged to use new business models based upon tiered prices instead of flat rate while providing premium services for the cloud users eventually helping operators to generate more revenue. Secondly raising employee motivation to 75% was defined as the key mile stone. Taking advantage of market leadership and new business models were defined as third and fourth key focus areas for strategic management. Seeing Chinese companies as the biggest threat strategy was formulated to diffuse their threat which helped in producing positive results and Ericsson regained its lost share from 50% to 54%. They still haven’t achieve 60% market share which is the primary goal but it seems that in this market various other factors e.g. politics, business corruption, royal families influences, government involvement hinders final decision making on the customer side.

Scorecard reports also suggested that as a result of positive steps taken for strategic management customer satisfaction has improved from being off track to committed level. Deals in key areas to help customer create new revenues and news business models have also been appreciated by customer since it’s helping operators to generate new revenues.

Interview results together with Score Card Reports strongly supported the survey results and it can be analyzed that Ericsson CU KSA Head and Management have heavily influenced strategic management by defining clear objectives, key strategic focus areas and bringing about major changes in business models to help overcome existing challenges and helped operators to create new business opportunities. Clear strategy and its implementation have resulted in positive business growth.

Now based upon survey, interview results, balance score card reports it can be mentioned that Hypothesis 1 is supported.
H1: Transformational Leadership can help organization achieve its goals by having major impact on Strategic Management which in effect leads towards positive business performance.

My findings are inline with previous research conducted by Avolio (1999) and McShane & VonGlinow (2000) which showed that transformational leaders are strongly correlated towards strategic management which contributes towards positive business performance.

As part of the overall objective of this study it was studied how Transformational leadership can have a positive impact on Organizational Culture that will help in producing positive business results. Survey results showed that CU KSA head and management are having a fairly positive impact on Organization Culture by scoring 65%. Using data collected from survey Correlation of transformational leadership towards organization culture was calculated and it turned out to be value of 0.75 showing a strong correlation between the two. Correlation between organization culture and business performance was calculated and it turned out to be value of 0.65 showing a positive correlation between the two.

Through interview results it was learnt that CU KSA Head and Management felt a great deal of change in organization culture is required. Emergence of Chinese players in the market have changed the rules of the game where Operator expects the vendor to engage more, spend more time in their premises, be more flexible in business terms and simplify process for faster and quicker responses. Management has taken positive steps e.g. “Need for Change” open discussion web forums and making it mandatory for technical sales team to spend 20 hours per week with the customer. Management has succeeded in many cases by creating an impact locally but is still struggling to have an impact globally. Currently they still face issues e.g. different weekend days in Saudi as compared to rest of the world, Technical sales support during weekends, Ericsson centralized sales tools and processes that have been there since many years and will take considerable time to change.

It was also learnt that in some cases competitors were using different means of business corruption and making operators getting used to such treatment. Apparently this still remains an issue with minor impact today that may become major if not tackled properly.

Now based upon survey and interview results it can be mentioned that Hypothesis 2 is supported.

H2: Transformational Leadership can help organization change their unique culture in the direction of more transformational qualities that help them achieve their goals which in effect leads towards positive business performance.

My findings are inline with previous research conducted by Bass and Avolio (1993) and Tang (2006) who suggested that transformational leaders are positively correlated towards organization culture which effectively contributes towards positive business performance.
As part of the overall objective of this study it was studied how Transformational leadership can help employees to be more committed and motivated to achieve desired results and goals while contributing to positive business performance. Survey results showed that CU KSA head and management are having a positive impact on motivation and commitment and they scored 73%. Using data collected from survey Correlation of transformational leadership towards Commitment and Motivation was calculated and it turned out to be value of 0.84 showing a very strong correlation between the two. Correlation between employee motivation & commitment and business performance was calculated and it turned out to be value of 0.69 showing a positive correlation between the two.

Scorecard reports also suggested that as a result of positive steps taken to increase employee motivation and commitment the level has improved from warning to committed.

Through interview results it was learnt that CU KSA Head and Management felt that in order to achieve the desire results and milestones it is very vital to raise motivation and have committed employees. Employee motivation was defined as on of key strategic focus areas and target of 75% motivation and commitment level among employees was set. Several steps were taken to raise commitment and motivation e.g. employee of the month, team building activities, discussion forums, trainings, yearly bonus, yearly pay raise etc to name the few. Results were tremendous and employee motivation index done during last dialogue survey has already reached 69%.

Now based upon survey, interview results and balanced score card report it can be mentioned that Hypothesis 3 is supported.

H3: Transformational Leadership has a positive impact on employee commitment and motivation which in effect leads towards positive business performance.

My findings were inline with previous research conducted by Avolio (1999) and McShane & VonGlinow (2000) which transformational leaders can promote employee motivation and commitment and engender them to fulfill organizational missions and accomplish the organizational goals thus leading towards positive business performance.

As part of the overall objective of this study it was studied how Transformational leadership can have a positive impact on business performance and growth. Survey results showed that CU KSA head and management are having a positive impact on Business Performance and they scored 72%. Using data collected from survey Correlation of transformational leadership towards Business Performance was calculated and it turned out to be value of 0.67 showing a fairly strong correlation between the two.

Scorecard reports also suggested that net sales have improved from being off track to committed. Sales reports also suggested improvement of Orders booked and net sales over time and currently both are reaching committed level.

Through interview results it was learnt that CU KSA Head and Management have contributed a lot towards positive business performance and steps taken by them have helped to regain lost market share and increase Net Sales and Orders booked. Some suggested that it’s not always leadership that help contribute towards positive business performance but in many cases it’s a political decision making that reflect the results. Many suggested that in this part of the world references, influences, royal families and politics has got a lot to do for getting business and in those cases leadership is helpless.
Few even suggested that results could have been much better if we have won the LTE deal with Mobily which was given to Huawei who offered the deal free of cost.

Now based upon survey, interview results, balanced score card and sales reports it can be mentioned that they all support Hypothesis 4.

H4: Transformational Leadership has a positive impact on Organizational Performance and growth

Finally all of above results conclude that effective leadership having transformational leadership attributes have a positive impact on organization performance. As you can see in case of Ericsson CU KSA results have been positive since new management took over with positive impact on sales, strategic management has been in place with more focus and clear goals, employee’s motivation ratio is getting higher, organization culture is fostering to be acquainted with new market demands, customer satisfaction is increasing and market share is also rising. Most important of all Ericsson Management is appreciating and highlighting their success in Yearly Sales Reports.

This research validates that the relationship between transformational leadership and business performance is significant and positive. Several studies that support such findings are Howell and Avolio (1993) who reported a positive relationship between transformational leadership and business unit performance. Crookall (1989) also reported that a 3-day formal training intervention that focused on improving transformational leadership skills resulted in increased business performance. All correlation values from our survey were positive and above 0.5, this implies that firms need Transformational leaders with focus on strategic management, organization culture and employee motivation & commitment that can help experience substantial business growth and performance. Based upon research that was done during this study a new piece of relevance can be added to the literature regarding this relationship: Transformational leaders can have a significant impact on business performance by emphasizing on process of Strategic Management, boosting Employee Motivation & Commitment and fostering Organization Culture. It was learnt that when transformational leadership utilizes all three of them together where employee motivation and commitment and betterment of organizational culture were made part of strategic management process they were all contributing towards each other while maximizing the impact on business performance helping organization achieve its goals. The implications of these findings will be further discussed in more detail in Chapter 6.

This study adds value to the current knowledge base of transformational leadership in at least six different ways; the first was it was a study related to Saudi Arabian market; the second it identifies key tools used by transformational leaders to achieve business performance; the third was that it involved the very top leadership level of an organization within the country i.e. the country head; the fourth was it reported both objective and subjective performance measures using a combination of qualitative and quantitative data; the fifth was it included a timeframe for organizational performance over a period of four years. The sixth way it added value to the leadership literature was it reported some very comparable data through survey, interviews, sales reports and balanced score card reports. This finding is different than that of many of the past studies on transformational leadership and this alone may be a significant finding.
Discussion, Conclusion and Implications

The literature review discussed several studies that found relations among transformational towards strategic management, employee motivation & commitment and business performance. Prior research has focused on the impact of transformational leadership towards strategic management, employee motivation & commitment and business performance individually. However none have examined the process with which transformational leaders exert influence together through strategic management, employee motivation and commitment and foster organizational culture to enhance business performance in Saudi Arabian setting.

This study initially focused on discovering if Ericsson which did major reorganization back in 2010 to cope with existing and new challenges succeeded in bringing new management with transformational leadership attributes. It later tries to establish a relationship between Transformational Leadership towards business performance using strategic management, organizational culture and employee motivation & commitment to determine if effective leadership with transformational skills and attributes can have a positive impact on the organizational performance.

In order to conduct the study data was collected using survey, interviews, sales reports and balanced card reports. For survey the Multifactor Leadership Questionnaire (MLQ-5x/Short Form) (Bass & Avolio, 1995) was used to evaluate transformational leadership attributes in CU KSA head and management team. Interview results and survey results both indicated that Ericsson CU KSA Head and management fulfill the criterion of transformational leadership having strong presence of transformational leadership attributes namely vision, inspirational, role model, Support for personal growth, trust and consideration for followers needs.

Other part of the questionnaire was to study impact of transformational leadership and its correlation with strategic management, employee motivation & commitment, organizational culture and organization performance. Strategic management questions were formulated based upon the work done by Thompson and Strickland (1996). Employee’s commitment questions were developed with the help of commitment questionnaire of Allen and Meyer (1996). Organizational culture questions were developed based upon the work of Podsakoff (1990) and finally organization performance questions were developed based upon information provided in Dubrin (2010).

Data Analysis function of Excel was used to calculate correlation between transformational leadership and strategic management, organizational culture, motivation & commitment and business performance.
Through data analysis it was learnt that there is a positive correlation of transformational leadership towards strategic management with value of 0.9 being the strongest of all and employee motivation & commitment with the value of 0.85 being the next strongest value. My findings were inline with previous research conducted by Avolio (1999) and McShane & VonGlinow (2000) which showed that transformational leaders create a strategic vision, communicate, model and implement that vision by raising employee commitment and motivation. Thus, transformational leaders can promote employee motivation and commitment and engender them to fulfill organizational missions and accomplish the organizational goals. This strong correlation between Transformational Leadership and employee motivation & commitment can be explained with fact that two of four attributes of Transformational Leadership is inspirational motivation and individualized consideration in which transformational leaders encourage and inspire their followers to imagine and contribute to the development of attractive and alternative futures while keeping individualized consideration of followers in mind that eventually helps them to develop skills and ability while being motivated. So it can be suggested that strategic management is a framework that can help business leaders to create value for their shareholders, stakeholders, or constituencies, by aligning vision with capabilities and opportunities. Transformational leaders are able to bring organizations from frameworks defined by outdated vision, to panoramas of new vision and mission and implement that vision by raising employee motivation and commitment while using strategic management that eventually contributes to positive business performance.

Through data analysis it was learnt that the next strongest correlation factor was organizational culture with value of 0.75. My findings are inline with previous research conducted by Bass and Avolio (1993) who suggested that transformational leaders move their organizations in the direction of more transformational qualities in their cultures, namely accomplishment, intellectual stimulation, and individual consideration, therefore, suggesting that transformational leadership has a direct effect on culture. The empirical evidence of this study shows transformational leaders exerting influence through performance systems, while also creating and managing a culture that enables those processes to flourish and succeed. Organizational culture is just like spirit of the organizations, and it will carry the energy of the organizations. The study found that an encouragement of innovational activities and services, and emphasis on the cohesiveness and the consolidation of the employees can contribute towards organizational performance and work efficiency. Transformational leaders can stimulate followers to challenge their current working conditions, and in turn, followers will perform innovatively thus leading to positive business performance. This is in line with previous research conducted by Tang (2006) who suggested that transformational leaders are able to innovate with the organization, satisfy followers, and achieve higher organizational performance. It was learnt that the organization can introduce new managerial conceptions, open new communication channel, respect employees' creativeness, encourage different thinking and brainstorming in order to help employees to communicate each other and pursue individuals' goals, that eventually helps to model organization culture to lead towards positive business performance.
Through data analysis it was learnt that next strongest correlation factor was business performance with value of 0.67 which is positive but lowest of all. My findings were inline with most studies conducted in past by Avolio, Zhu, Koh, & Puja, 2003, Jung & Sosik 2002 and Dubrin’s 2010 that have reported that transformational leaders have a positive impact on individual and organization performance. Based on the results from this study and previous studies it can be mentioned that companies and organizations can experience increased market performance if leaders are taught about transformational leadership and Transformational leaders are likely to benefit the organization both in dealing with immediate crisis during times of misery and in the long run. Transformational leadership along with strategic management, motivation & commitment, and organization culture are intertwined and strongly correlated with firms organization’s performance and this implies the fact that leaders should focus on these areas and processes in order for their businesses to experience substantial growth and have competitive advantage. Previous research within the field conducted by Hancott (2005), Garcia-Morales (2009), Bass, Avolio and Jung et al (2003) also pointed out that there is positive correlation between transformational leadership and company’s performance. This also supports Dubrin’s (2010) theory that Transformational Leadership is the leadership form that brings out major positive change in the group, that eventually also positively affects firm’s market performance. So it can be concluded from this study that strategic management, employee motivation & commitment and organization culture are positively correlated towards Transformational leadership and when combined together they significantly contribute towards positive business performance. Therefore it is suggested that in today’s world where the conditions and the environment for companies constantly change and requires companies to evolve it is important that Transformational Leadership is implemented, in order for companies to transform, evolve, survive, grow and increase the shareholders value. This can also be done using proper mentoring or training processes provided for the leaders to ensure that their behaviors are beneficial to the occurrence of the positive effects of transformational leadership. Kirkbride (2006) provides a practical guideline of developing transformational leaders in an organization. He advised that the leadership intervention by the organization is important because of the potential benefits to the organization if there are transformational leaders in the organization.

At last I would like to say that despite this investigation about transformational leadership and their contribution to the performance in organizations one has to remember the fact it is the people inside the organizations that do the job. Those who actually work there and execute all the decisions should also receive credit. Without them all the charisma is, if not worthless, at least not that important. So in this sense it is a kind of mutual agreement where the leader is transformational and charismatic while the employees accept and follow the leader and his/her ideas and become committed and motivated. So it can be concluded that when transformational leaders are connected with their followers great things can happen. Together, the leader, his immediate team and the employees can achieve a lot when implementing the formulated strategies, adopting new ways of improved and efficient working and being committed and focused. All of these combined together contributed positively towards organization business performance.
13 Recommendations for Further Research

One of the first factors that can be put into consideration is to reach more respondents and conduct more interviews then what I did.

Second can be conducting a research in third world markets or markets which still haven't recovered from global financial crises and see how transformational leadership will perform during economic crisis.

Third can be conducting research on overall Ericsson not just a particular Customer Unit or Region and see if Global management who believed that transformational leadership is answer to current needs and challenges has really helped to turn the tables for Ericsson with positive impact on Business Performance.

Fourth interesting research can be to see how transformational leadership can help a company more then 100 years old and presence in more then 180 countries do major changes in organization culture. Currently CU KSA Head and management are still struggling to bring changes in organization culture globally and during survey and interviews it was suggested by many that Ericsson needs reforms in streamlining its processes and ways of working.

Firth interesting research can be to see how leadership can help mitigate corporate corruption and how leadership will perform in countries polluted by corporate corruption. It was learnt though this study that corporate corruption culture is flourishing from different angles.

Sixth interesting research can be to analyze operator business segments e.g. Voice, Data using Mobile broadband and fixed broadband, SMS, Corporate connectivity, ISP connectivity, Cloud Services, Machine to Machine, Wi-Fi, Roaming, Security, Mobile TV, Gaming, IPTV, Fiber to Home etc. It will be interesting to see how much money is being spent on particular service and how much revenue each service is generating. It will also be interesting to see how the future for particular service looks like.
14 References

14.1 Published Resources


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14.2 Internet Resources

Wikipedia
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MU KSA Sales Report 2009 (2009)
RMEA Sales Report 2011(2011)
RMEA Sales Report 2012 Q1 (2012)
Ericsson 2012 Q1 Sales Report (2012)

15 Abbreviations

2G 2nd Generation of wireless Telecommunication
3G 3rd Generation of wireless Telecommunication
CU Customer Unit
KAM Key Account Manager
KPI Key Performance Indicator
KSA Kingdom of Saudi Arabia
LTE Long Term Evolution (4th Generation of wireless Telecommunication)
MU Market Unit
NS Net Sales
OB Orders Booked
OPI Operating Income
QoS Quality of Service
RMEA Region Middle East
RFP  Request for Proposal
RFQ  Request for Quotation
SMS  Short Message Service
STC  Saudi Telecom (Mobile Operator in Saudi)
Wi-Fi Technology for Wireless Local Area Network
Appendix

Appendix A - Organization Structure

Figure 16: Ericsson Executive Management Structure

Figure 17: Ericsson New Regional Structure (Reporting to Executive Management).
Figure 18: Region Middle East Structure (Reporting to Regional Head).
Figure 19: Customer Unit Kingdom of Saudi Arabia Structure (Reporting to Customer Unit Head).

Figure 20: Engagement Practice Region Middle East (Reporting to Engagement Practice Head).

NOTE: For each area within Engagement Practice Ericsson has Heads per Customer Unit. Customer unit head has line reporting to Engagement Practice Head and functional reporting to Customer Unit Head.

CU KSA Head, all Local Engagement Practice Heads and Key Account Managers (KAM) are part of Higher Management Team.
Appendix B – Questionnaire

In order to accomplish my MBA masters degree, I would like to encourage you to participate in the below questionnaire based on research on Transformational leadership and its impact on Business Growth, Strategic Management, Organizational Culture and Motivation & Commitment.

Below is brief description of the research topics.

**Transformational Leadership** - Transformational leader helps bring about major positive changes by moving group members beyond their self interests and towards the good of the group, organization or society. Transformational leadership enhances the motivation, morale and performance of followers through a variety of mechanisms thereby having an impact on company’s business performance. Idealized Influence, Inspirational Motivation, Intellectual simulation and Individualized Consideration are key attributes of Transformational leadership. After recent company’s re structuring Ericsson’s CEO’s view was to assign transformational leaders that can help company cope with the changing market conditions with focus on business performance, growth, new market segments and getting more close to customer. We will try to analyze Ericsson’s CU KSA management as Transformational leaders.

**Strategic Management** - Strategic management is an on-going activity concerned with strategy formulation, implementation and periodic evaluation in line with changes taking place in both the internal and external environment. E.g in Ericsson’s case emerging Chinese players, Declining Operator revenues etc requires us to redefine our strategy. By answering below questionnaire we will try to analyze if Transformational leaders play a significant role in Strategic Management?

**Organizational Culture** - Organizational culture is generally seen as a set of key values, assumptions, understandings, and norms that is shared by members of an organization and taught to new members. E.g. Ericsson has been Telecom leader since ages without any major competition. Due to this we never felt the need for too much customer engagement. On the other hand Chinese and American companies are very good in engaging and influencing. By answering below questionnaire we will try to analyze if Transformational Leaders play a significant role in evolving organizational culture.

**Motivation and Commitment** – Motivated and Committed employees help organization achieve their goals. By answering below questionnaire we will try to analyze if Transformational Leaders play a major role to help employees become motivated and committed.

**Business Growth & Performance** – Business Growth & Performance are related to yearly and quarterly financial results mainly for Net Sales, Margins and Operating Income. By answering below questionnaire we will try to analyze if Transformational Leaders play a major role in helping companies improve their business performance.

Below questionnaire will be completely confidential and classified. Its sole purpose is research and accurate results will contribute towards betterment of mainly Ericsson CU KSA (in directly all of us) and overall Society so I’ll appreciate if you can answer as truthfully as possible.

Responding time is one week.
Section A

INSTRUCTIONS: Please fill in following background information about yourself.

Respondent's Name: 

Designation: 

Company's Name: 

Department: 

Age 

20-29 

30-39 

40-49 

>50 

Gender 

Male 

Female 

Employment 

LTA 

STA 

Consultant 

Local 

Work Experience 

<2 year 

2-5 year 

5-10 year 

>10 

Section B

INSTRUCTIONS: Rate your current Customer Unit Head Ali Eid, on the items below. When word CU KSA Management is used then it includes all CU KSA Heads.

Use the following 5-point scale: 0 (not at all), 1 (once in a while), 2 (sometimes), 3 (fairly often), and 4 (frequently).

1. CU KSA Head has a clear vision and mission that he/she transmits to the team

2. CU KSA Head is always looking for new opportunities for organization

3. CU KSA Head knows about market trends ahead of time

4. CU KSA Management knows where company and business is heading

5. CU KSA Head makes the team feel good around him/her

6. CU KSA Head is an inspiration to the team

7. CU KSA Head makes everyone around him enthusiastic about work, task and results

8. CU KSA Head is a symbol of success and accomplishment

9. CU KSA Head is always acting as the company's leading force

10. CU KSA Management inspires the team with vision

11. CU KSA Head is a model for the team to follow

12. Team members earn appreciation for doing good job by CU KSA Head

13. CU KSA Head Encourages new ideas and ways of working

14. CU KSA Head Encourages point of view of others

15. CU KSA Head Guides team what to do in order to be rewarded for efforts

16. CU KSA Head Gives the team positive feedback and recognize their achievements

17. CU KSA Management Encourages the team to be at their best and committed

18. CU KSA Head Encourages team to express their ideas and opinions

19. CU KSA Head Gives team freedom of decision making with guidance
20 CU KSA Head is supportive and gives constructive criticism 0 1 2 3 4
21 CU KSA Head has communicated a vision of the future that motivates entire team 0 1 2 3 4
22 I trust CU KSA management of Ericsson 0 1 2 3 4
23 CU KSA Head has a special gift for seeing what is really important for the team 0 1 2 3 4
24 CU KSA Head Delegates work according to employee skills and experience 0 1 2 3 4
25 CU KSA Management Treats each subordinate individually 0 1 2 3 4
26 CU KSA Management has a clear Strategy inline with our Goals and Objectives 0 1 2 3 4
27 CU KSA Management has a clear implementation plan to implement our Strategy 0 1 2 3 4
28 CU KSA Management is innovative and constantly seek to improve our Strategy 0 1 2 3 4
29 CU KSA Management always put customer requirements first while developing Strategy 0 1 2 3 4
30 CU KSA Management has a clear strategy how to beat competition 0 1 2 3 4
31 Management is committed to providing quality products and services to customers 0 1 2 3 4
32 CU KSA Management regularly use customer feedback to improve our strategy 0 1 2 3 4
33 While dealing with customers management is in driving seat instead of being driven 0 1 2 3 4
34 CU KSA Management has a clear strategy how to beat Chinese competitors 0 1 2 3 4
35 CU KSA Management's Strategy helps Operator explore new market segments 0 1 2 3 4
36 CU KSA Management's Strategy helps Operator generate more revenues 0 1 2 3 4
37 Being 100+ years old company is Ericsson influenced by strong Organization Culture 0 1 2 3 4
38 Do we require a change in Organizational Culture 0 1 2 3 4
39 CU KSA management is evolving our Organizational Culture to achieve our goals 0 1 2 3 4
40 Positive Steps are being taken to enforce a change in Organizational Culture 0 1 2 3 4
41 I am committed to Ericsson and what it stands for 0 1 2 3 4
42 I strongly believe in and support the future direction of Ericsson 0 1 2 3 4
43 I feel respected and valued in my workplace at Ericsson 0 1 2 3 4
44 My roles and responsibilities are clear to me 0 1 2 3 4
45 I am overall satisfied with my job 0 1 2 3 4
46 I am proud to say that I work for Ericsson 0 1 2 3 4
47 Overall I am extremely satisfied with Ericsson as a place to work 0 1 2 3 4
48 I rarely think about looking for a new job with another company 0 1 2 3 4
49 I would recommend Ericsson as a great place to work 0 1 2 3 4
50 CU KSA Management keeps us motivated/committed by rewarding and appreciating us 0 1 2 3 4
51 CU KSA Management continuously evaluate our performance compared with our competitors 0 1 2 3 4
52 CU KSA company's market performance is better then competitors during last 2 years 0 1 2 3 4
53 CU KSA's sales has been better then last year 0 1 2 3 4
54 CU KSA has experienced substantial growth in Saudi Telecom Market Share 0 1 2 3 4
55 CU KSA is helping operators create new business opportunities/segments 0 1 2 3 4

Following interview guide was used while doing interview with Engagement Practice Head in CU KSA along with Key Account Managers (KAM).

Vision

- CU KSA Head and Ericsson Management has a clear mission and vision
- CU KSA Head and Ericsson Management knows exactly where company is heading and new market trends and business requirements

Inspiration

- CU KSA Head and Ericsson Management is an inspiration to the team
- CU KSA Head and Ericsson Management is symbol of success and accomplishment

Role Model

- CU KSA Head is a model for the entire management team

Support for Personal Growth

- CU KSA Head guides team what to do in order to be rewarded and use their energy and efforts in the right direction
- CU KSA Management team encourages and coaches the team to be at their best and committed

Trust

- CU KSA gives Management Team freedom of decision making with guidance
- During Higher Management Meeting, Management Team is encouraged to share ideas and opinions

Consideration of followers needs

- CU KSA Head has a special gift for seeing what is really important for the team
- CU KSA management treats each employee individually by providing them right skill set of training and tools

Strategic Management

- CU KSA Head and Management has a clear strategy inline with our goals and Objectives
- CU KSA Head and Management has a clear strategy to help Operator create new business opportunities and enter new market segments to overcome declining operator revenues
• CU KSA Head and Management has a clear strategy on how to beat Chinese competitors

Organization Culture

• CU KSA Head believes we require a change in Organization Culture where we need to be more proactive and engage with the customer more than what we used to do in past

• CU KSA Head and Management believes that emergence of Chinese and American players requires a major change in Ericsson behavior towards customer where we need to simplify our process and be more responsive

Motivation and Commitment

• We are committed to Ericsson and what it stands for?

• We are proud to say that we work for Ericsson

Business Performance

• In last two years since new structure and new management took over our business performance has improved

• In last two years since new structure and new management took over we have explored new opportunities and targeted new market segments

• Our market share in CU KSA has increased in last two years

16.4 Appendix D - Contract Types

LTA = Long Term Assignment (1 year+ assignment contract for Ericsson Employees)

STA = Short Term Assignment (3 months+ assignment contract for Ericsson Employees)

Consultant = Non Ericsson Employees

Local = Local permanent contract for local Employees

16.5 Appendix E – Detailed Data Description (Respondent Details)

Altogether, 58 survey forms were distributed, 49 were returned filled out, giving a return rate of 84%. Out of these 49 eight were line managers/Heads and forty one were their subordinates. Below figure has graphical representation of results.
The age ranges of the majority of the respondents were those between the age of 30 and 39 with 53%. Second majority was age range between 20 and 29 with 37%. Third was age range between 30 and 49 with 8% while 50 plus was only 2%. Below figure has graphical representation of the results.

In terms of gender, the percentage of males who answered the questionnaire was 92% with 45 respondents while the females were 8% with 4 respondents. Below figure has graphical representation of the results.
In terms of contract type 35 were local employees making it 71%. 6 were LTA making it 12%. 6 were on contract making it 12% while 2 were on STA making it 4% only. Below figure has graphical representation of the results.

Figure 24: Response based upon employment type of respondent within the firm

In terms of work experience 33 were having experience in range of 5-10 with 67%, 8 were with 10+ years of experience with 16%, 6 were with 2-5 years experience with 12% and 2 where with less then 2 years experience with 4% only. Below figure has graphical representation of the results.
16.6 Appendix F – Detailed Data Description (Transformational Leadership and its Attributes)

Total number of question related to attributes of Transformational leadership along with total points (4 being a max per question), scored points, percentage, means, standard deviations, and Skew are shown in table below:

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Table 4: Detailed Statistical Results for Transformational Leadership attributes - Percentage, Mean, Median, Standard Deviation and Skew
Appendix G – Detailed Data Description
(Transformational Leadership and its impact)

Total number of question related to Strategic Management, Organization Culture, Motivation & Commitment and Business Performance along with total points (4 being a max per question), scored points, percentage, means, standard deviations, and Skew are shown in table below:

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Table 5 : Detailed Statistical Results for Transformational Leadership impact - Percentage, Mean, Median, Standard Deviation and Skew