THE INFLUENCE OF LEADERSHIP STYLE ON INTERNAL MARKETING IN RETAILING

By

JOHARI MAT

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Abstract

An exploratory investigation using a survey study approach was undertaken in two organisations in retailing, to explore whether there is any connection between HOD leadership style and the effectiveness of marketing concept in the organisation. Findings emerged on several levels.

Despite the agreement on the importance of leadership in IM, little integration of leadership and IM research is found in the literature. Traditionally, leadership studies relate to job satisfaction, motivation, performance, productivity and communication. The term leadership means different things to different people (De Jong 2006). Although no ultimate definition of leadership exists (Yukl 2002) the majority of definitions reflect some basic elements including influence, motivation, intention, and change.

Despite the importance of acknowledging the concept of leadership and its implications on internal marketing, it emerges that empirical studies of the relationship between leadership and internal marketing are unduly under-represented.

Looking at the results, the achievement oriented and participative styles are positively associated with internal marketing. The achievement oriented is somewhat a better predictor than participative style in predicting variability in internal marketing. Conversely, the directive style is negatively associated with the internal marketing variable. The only leadership style that has no significant effect on internal marketing is the supportive style.

The results also show that staff job satisfaction levels are positively predicted by leadership style. Further analysis shows that only 2 out of 4 leadership styles have positive significant effects on internal marketing; these are: achievement oriented and

participative styles. The other two are not significant in predicting the variability in job satisfaction.

The regression results show that leadership style has a significant effect on the HOD performance variable. All leadership styles, except supportive style, have significant effects on HOD performance. The achievement oriented and participative styles have positive significant effects, but the directive style has a negative effect on HOD performance.

The overall results show that achievement oriented and participative styles have positive significant effects directly and are mediated by internal marketing effects on job satisfaction and HOD performance. But the directive style of leadership has a significant direct negative effect and is mediated by internal marketing on HOD performance only and not on job satisfaction.

Survey data at the individual level was aggregated across the two organisations and analysed. While these results cannot be statistically generalisable because of the small and unrepresentative sample used, the findings suggest that the link between individual organisation members' perceptions of Internal Marketing and HOD leadership would be worthy of a larger study.

Acknowledgements

More people then I can possibly hope to thank here have contributed to the completion of this thesis.

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Finally, I note the backing of my family for undertaking this work, especially my beloved wife Eva, and my lovely children, Aniq, Nia, Ariq and Adreena. Your understanding of my office-bound status during this project has been greatly appreciated.

This thesis is dedicated to
Eva, Aniq, Nia, Ariq and Adreena

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CHAPTER 1

RESEARCH INTRODUCTION

1.1   Preamble

This chapter consisting of 6 sections serves as a preliminary introduction to the chosen area of study. The first section discusses the justifications for the research; the second section describes the purpose and objectives of the research. A list of the anticipated hypotheses is presented in section three. The fourth section explains the way the research was conducted, presenting the synopsis of a research embarked on. The fifth section examines the importance of the research. The organisation of the thesis is summarised in the last section.

This empirical research examines the relationship between leadership style (LS) of the head of department (HOD), internal marketing (IM), job satisfaction (JS) and the HOD performance (HP). Specifically, the focal objective is to establish which style of leadership predicts the IM competency level in retailing.

A set of substantial research questions are prepared and will be tested using the Path-Goal theory introduced by House (1971). A combination of various established research contexts from the areas of LS, IM, JS and HP are used in this cross-sectional study.   Answering the research questions requires the deployment of established research instruments for evaluating the LS of the HOD, the competency level of IM, the JS level of the staff and the performance level of the HOD. Hypothesis tests are produced to verify the revisited Path-Goal leadership model.

Predictably, in this research, the LS of HOD has possibly influenced the IM competency, job satisfaction of the staff and her/his job performance. The LS of the

HOD may either promote or diminish the IM competency level, the employee's satisfaction in the current job and the performance of the HOD. Having a good understanding of the influence of the HOD LS on IM, JS and HP may facilitate the HOD in improving the IM competency level, job satisfaction as well as her/his work performance. In addition, it is hoped that the findings will contribute to both leadership and internal marketing theories and practices.

This chapter starts with a justification of why the topic is imperative to the spheres of leadership and internal marketing. This discussion is followed by the details of the parameter within which the study is executed, a review of the methodology and an outline of the structure of the study.

1.2   Justification for the research

The role of HOD in both private and public sectors is very demanding. In retailing, Harris, Church, & Paddey (2005) have established a set of HOD's attributes for the retail HOD to be aware off. They have observed that the leadership qualities of HODs are essential to the effectiveness of the organisation and in maintaining the excellence level in customer service delivery. The job of retail HOD has shifted from a policing function to a more active role in business activities. The retail HODs are a business strategists and they must be adaptive to the change and actively involved in learning and development programs for staff and in self development especially in customer service, business strategy and communication. One of the challenging roles of retail HOD is to manage internal business activities.

The success of internal business activities influences the overall business performance. The most challenging role of retail HODs is how they can influence the

employees to get involved in internal business activities and how they can promote these internal business activities.

The HODs use influence factors to encourage employees to participate in internal business activities. The influence factor is one of the themes in leadership studies. Leadership is described as the activity of influencing people to cooperate toward some goals (job satisfaction and performance) which the employees find desirable (Tead 1935). Latest research also highlights that the influence factor is one of the critical elements in leadership studies Northouse (2004) and Kearns (2005). Leadership involves a systematic process of influencing the activities of an organised group towards achievement of the goals (Behling & Rauch 1985). A key component in a leader's ability to be effective is measured by the effectiveness of a particular leader to influence the employees to participate in internal business activities and motivate them to excellent performance.

In addition, the role of HOD is not just limited to influencing the employees only but is bigger than that. Promoting internal business activities is a considerable challenge for the HOD. The use of the marketing concept in executing internal business activities promotions is essential. The use of the marketing concept in promoting internal business activities among the employees is defined as internal marketing. The distinctive characteristics of internal marketing are to treat the employee as an internal customer, to develop employee customer oriented behaviour, to strengthen human resources management, to increase business strategy implementation and to be responsive to change. In order to do well in external marketing, the public and commercial organisations have to succeed in internal marketing first (Foreman 1995; Gronroos 2000; Kotler & Armstrong 2001).

Despite the agreement on the importance of leadership in IM, little integration of leadership and IM research is found in the literature. Traditionally, leadership studies relate to job satisfaction, motivation, performance, productivity and communication. The term leadership means different things to different people (De Jong 2006). Although no ultimate definition of leadership exists (Yukl 2002) the majority of definitions reflect some basic elements including influence, motivation, intention, and change.

Despite the importance of acknowledging the concept of leadership and its implications on internal marketing, it emerges that empirical studies of the relationship between leadership and internal marketing are unduly under-represented. A review of recent published articles shows that these two concepts have been discussed indirectly in other areas of studies such as _total quality management_ (Broady-Preston & Steel 2002); _management_ (Davis 2001; Naude, Desai, & Murphy 2003); _human resources_ (Cobb, Samuels, & Sexton 1998; Naude, Desai, & Murphy 2003); and _marketing_ (Ahmed & Rafiq 1993). A notable research linking these two concepts has been conducted by Harris & Ogbonna (2001). This research affirms that leadership style is an important determinant the success of internal marketing in organisations. Albeit the previous findings are important it is inappropriate to make a generalisation that leadership has a very strong influence on internal marketing without directly investigating the relationship between these variables. Thus this study directly investigates the relationship between these concepts.

At least four rationales appear to exist for examining the possible relationship between leadership style and internal marketing. First, leadership style plays a significant role in leading the group of staff since Roman and Greek times. Leadership

dominantly controls the relationship between the leader and the follower or the staff. The four common themes in leadership (being influence, motivation, intention and change) are utilised by the leader in leading and managing the staff. The success and failure stories of a leader are controlled by the style of leadership of individual leader. Second, leadership is normally associated with staff performance and job satisfaction studies. Leadership style influences staff performance and job satisfaction directly. Sharing the same objectives, the IM also aims to increase staff performance and staff job satisfaction. As such, it is expected that leadership style and internal marketing concepts are interrelated. Exploring the relationship between these variables will contribute to the body of knowledge in these areas of study. Third, the marketing approach is highly important not only for the external environment but the internal one as well. The factors that influence the success of the external marketing strategy are well established but are not for internal marketing. This study is intended to investigate whether the leadership style predicts the internal marketing competency. Obviously, all leadership styles such as directive, supportive, participative and achievement oriented have strengths and weaknesses, investigating these leadership styles against the internal marketing concept could indentify the appropriate leadership style to be adopted by the HOD in order to increase the internal marketing competency level.

Forth, it can logically be assumed that if differences exist among the leadership styles, the leaders should adopt the appropriate style that benefits the internal market. On the other hand, if the leadership style is not found to be the predictor to the internal marketing functions, more efficient internal marketing strategies can be developed by focusing on other leader and staff factors. Therefore, it is critical to understand whether leadership style has an effect on aspects of internal marketing.

In view of the potential of leadership style as the predictor variable for internal marketing as well as for staff job satisfaction and the HOD performance, there is indeed, a pressing need to study its application in predicting the internal marketing competency level. The study reported in this thesis extends the current small knowledge base by empirically investigating the role played by the leadership style in predicting the effectiveness of internal marketing. The aim is to contribute to the current pool of understanding of this relationship as well as to provide a basis for further investigation in this promising research area.

1.3   Purpose of the Study

Internal marketing can be defined as a study to promote the marketing approach internally. According to Parasuraman, Berry, & Zeithaml (1991) internal marketing is attracting, developing and retaining qualified employees through job(products) that satisfy staff needs. It is also the philosophy of treating employees as customers and it is the strategy of shaping job (products) to fit human needs. The main objectives of the internal marketing approach are to gain market share, to create the company as a brand, to strengthen the corporate culture, and to create competitive advantage.

The previous studies on internal marketing focus on the internal elements that form the internal marketing concepts such as treating the staff as an internal customer, developing employee customer-oriented behaviour, human resource management and strategy implementation and change management. There a lack of studies of the influence of external factors on the internal marketing concept.

In investigating the external factors that influence the internal marketing approach, the Path-Goal leadership model is used that has a similar approach towards increasing staff job satisfaction and performance.   Several studies like Rafiq &

Ahmed (2003) and Harris & Ogbonna (2001) have linked leadership aspects and the internal marketing approach. This study is to ascertain the previous findings on the relationship between the leadership style and internal marketing. Moreover, this study is trying to establish whether internal marketing exists as a mediating factor between leadership style and job satisfaction and also with HOD performance. Specifically, the purpose of this study is to examine which leadership style (directive, supportive, participative or achievement oriented) has a significant effect on internal marketing competency.

1.4   Hypotheses

The following exploratory hypotheses have been developed based on the objectives and theoretical model of the current study.

Part 1: Section 1 and Section 2

- H1a: "There is no significant difference in staff perception of preferred the leadership style based upon staff gender".

- H1b: "There is no significant difference in staff perception of the preferred leadership styles based upon staff length of service in retailing".

- H1c: "There is no significant difference in staff perception of the preferred leadership styles based upon age of staff".

- H1d: "There is no significant difference in staff perception of the preferred leadership styles based upon level of education".

- H1e: "There is no significant difference in staff perception of the preferred leadership styles based upon different staff core skills".

- H1f: "There is no significant difference in staff perception of the preferred leadership styles based upon different organisation".

- H1g: "There is no significant difference in staff perception of the staff preferred leadership upon HOD gender".

Part 2: Section 1 and Section 3

- H2a: "There is no significant difference in staff perception of the IM competency level in the organisation based upon staff gender".

- H2b: "There is no significant difference in staff perception of the IM competency level in the organisation based upon staff length of service in retailing".

- H2c: "There is no significant difference in staff perception of the IM competency level in the organisation based upon age of staff".

- H2d: "There is no significant difference in staff perception of the IM competency level in the organisation based upon level of education".

- H2e: "There is no significant difference in staff perception of the IM competency level in the organisation based upon different staff core skills".

- H2f: "There is no significant difference in staff perception of the IM competency level in the organisation based upon different organisation".

- H2g: "There is no significant difference in staff perception of the IM competency level in the organisation upon HOD gender".

Part 3: Section 1 and Section 4

- H3a: "There is no significant difference in staff perception of the staff job satisfaction level in the organisation based upon staff gender".

- H3b: "There is no significant difference in staff perception of the staff job satisfaction level in the organisation based upon staff length of service in retailing".

- H3c: "There is no significant difference in staff perception of the staff job satisfaction level in the organisation based upon age of staff".

- H3d: "There is no significant difference in staff perception of the staff job satisfaction level in the organisation based upon level of education".

- H3e: "There is no significant difference in staff perception of the staff job satisfaction level in the organisation based upon different staff core skills".

- H3f: "There is no significant difference in staff perception of the staff job satisfaction level in the organisation based upon different organisation".

- H3g: "There is no significant difference in staff perception of the staff job satisfaction level in the organisation upon HOD gender".

Part 4: Section 1 and Section 5

- H4a: "There is no significant difference in staff perception of the HOD performance level in the organisation based upon staff gender".

- H4b: "There is no significant difference in staff perception of the HOD performance level in the organisation based upon staff length of service in retailing".

- H4c: "There is no significant difference in staff perception of the HOD performance level in the organisation based upon age of staff".

- H4d: "There is no significant difference in staff perception of the HOD performance level in the organisation based upon level of education".

- H4e: "There is no significant difference in staff perception of the HOD performance level in the organisation based upon different staff core skills".

- H4f: "There is no significant difference in staff perception of the HOD performance level in the organisation based upon different organisation".

- H4g: "There is no significant difference in staff perception of the HOD performance level in the organisation upon HOD gender".

Part 5: Hypotheses 5

- H5a predicts that there is linear relationship between leadership styles and internal marketing.

- H5b predicts that there is linear relationship between leadership styles and staff job satisfaction.

- H5c predicts that there is linear relationship between leadership styles and HOD performance level.

- H5d predicts that there is linear relationship between IM competency level and job satisfaction.

- H5e predicts that there is linear relationship between IM competency and HOD performance.

1.5 Significance of the study

The use of the marketing concept in attracting and keeping external customers is well established. The marketing mix concept introduced by McCarthy (1960) has been successfully implemented in the external environment. The attempts to incorporate this concept into the company internal environment can be observed in some studies such as Piercy & Morgan (1991). Internal customers are equally important as the external customers. The success of the external marketing approach is likely to be controlled by the success of the internal marketing approach. Gwinner, Gremler, &

Bitner (1998) explain that the needs of internal customers must be fulfilled first before the needs of external customers can be met. The majority of previous studies of internal marketing are focused on the relationship between *internal and external marketing* (Ahmed & Rafiq 1993; Flipo 1986; Green, Walls, & Schrest 1994; Piercy & Morgan 1991;Tansuhaj, Randall, & McCullough 1998); *internal marketing and management* (Davis 2001; Mitchell 1992; Lings 1999; Blois 1983; Caruana, Ewing, & Ramaseshan 2000; Griffin, 2002, Broady-Preston & Steel 2002; Papasolomou & Vrontis 2006; Bak et al. 1995) and *the research to identify its antecedents.* (Gounaris 2008; Harris & Ogbonna 2001;Naude, Desai, & Murphy 2003).

Rafiq & Ahmed (2000); Rafiq & Ahmed (2003) and Varey & Lewis (2000) have suggested that leadership style seems to be an important predictor on the internal marketing concept. Thus this presents a logical starting point to examine their relationships. Albeit the internal marketing literature reveals a promising interest in the topic, unfortunately there is inadequate empirical research to date on the influence of leadership style on the internal marketing concept.

Accordingly the results from this study should add to the existing body of knowledge in the internal marketing field by explaining the relationship between the HOD leadership style and the internal marketing competency in an organisation.

Besides being underrepresented in the literature, the findings of the existing research can bring considerable managerial implications for internal marketing strategists. The current study will verify whether leadership style is the predictor for internal marketing. If internal marketing is largely predicted by leadership style, the internal marketing strategists could prioritise the development in individual leaders of

the desired leadership style, in order to enhance the competency level of internal marketing.

1.6   Thesis Structure

It is beneficial to provide a summary outline on the organisation of the thesis chapters, which consists of eight chapters (Figure 1.1). This chapter explains the background of the study and the key themes to be considered within the context under investigation.

Chapter Two offers an intensive review of the leadership field. In exploring the literature, the following topics will be considered on: the definition of leadership, leadership discourse, the differences between leader and manager, the function of management, the managerial roles, a review of commonly used instruments and the justifications for the chosen leadership approach and the instrument for the current study.

Chapter Three presents an empirical review of the internal marketing field. This chapter is divided into eleven sections namely the beginning of internal marketing; internal marketing and functional level marketing; internal marketing definitions; the significance of IM in creating a marketing culture organisation; the objectives of internal marketing; the IM components; the roles of job satisfaction and HOD performance; job satisfaction and HOD performance; job satisfaction and leadership; job satisfaction and IM; and HOD performance and leadership style.

Chapter Four outlines the research problems and tries to identify the research gaps. The discussions include the retail sector in the UK as a setting for the study, the research gaps between leadership and internal marketing, leadership in retailing,

internal marketing in retailing, leadership and internal marketing in retailing and the research problems.

Chapter Five discusses the detailed methodology applied in obtaining the required information for this empirical study. There are thirteen sections : research paradigms, research methods, determination of the suitability of the paradigms and approach, the choice of research method, quantitative research strategy, justification for the survey method, research validity and reliability, the research instrument, the survey instrument, recruitment of respondents, administering the questionnaire, sampling and data collection.

Chapter Six explains the data analysis method used in this study. This chapter consists of nine sections: selections of a statistical system package; selection of appropriate analytical techniques; univariate analysis; bivariate analysis, multivariate analysis; criteria for significance testing; follow-up analysis and multiple linear regression analyses.

Chapter Seven presents the empirical findings of the current study. This chapter is divided into five sections: descriptive statistics, frequency distributions, descriptive statistics-variable profiles, correlation analysis and regression analysis.

In the final chapter, the researcher concludes the thesis by comparing the empirical findings with all chapters in this study. Finally the findings are used to highlight the relevant implications of this study. The findings will be addressed in the retailing context, emphasising the implications the current study has for leadership study and internal marketing practices. The limitations experienced by the research during the study will be discussed. A list of potential approaches for future research will be suggested.

Figure 1. 1Thesis structure

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                    ┌─────────────────────────┐
                    │      Chapter One        │
                    │  Research Introduction  │
                    └─────────────────────────┘
                                 │
┌──────────────────┐  ┌─────────────────────────┐  ┌──────────────────────┐
│   Chapter Two    │──│   Review of Literature  │──│    Chapter Three     │
│   Leadership     │  │                         │  │   Internal marketing │
└──────────────────┘  └─────────────────────────┘  └──────────────────────┘
                                 │
                    ┌─────────────────────────┐
                    │      Chapter Four       │
                    │    Research Problems     │
                    └─────────────────────────┘
                                 │
                    ┌─────────────────────────┐
                    │      Chapter Five       │
                    │  Research Methodology    │
                    └─────────────────────────┘
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                    │       Chapter Six       │
                    │      Data Analysis       │
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                    │      Chapter Seven      │
                    │    Research Findings     │
                    └─────────────────────────┘
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                    │      Chapter Eight      │
                    │    Discussions and       │
                    │      Conclusions         │
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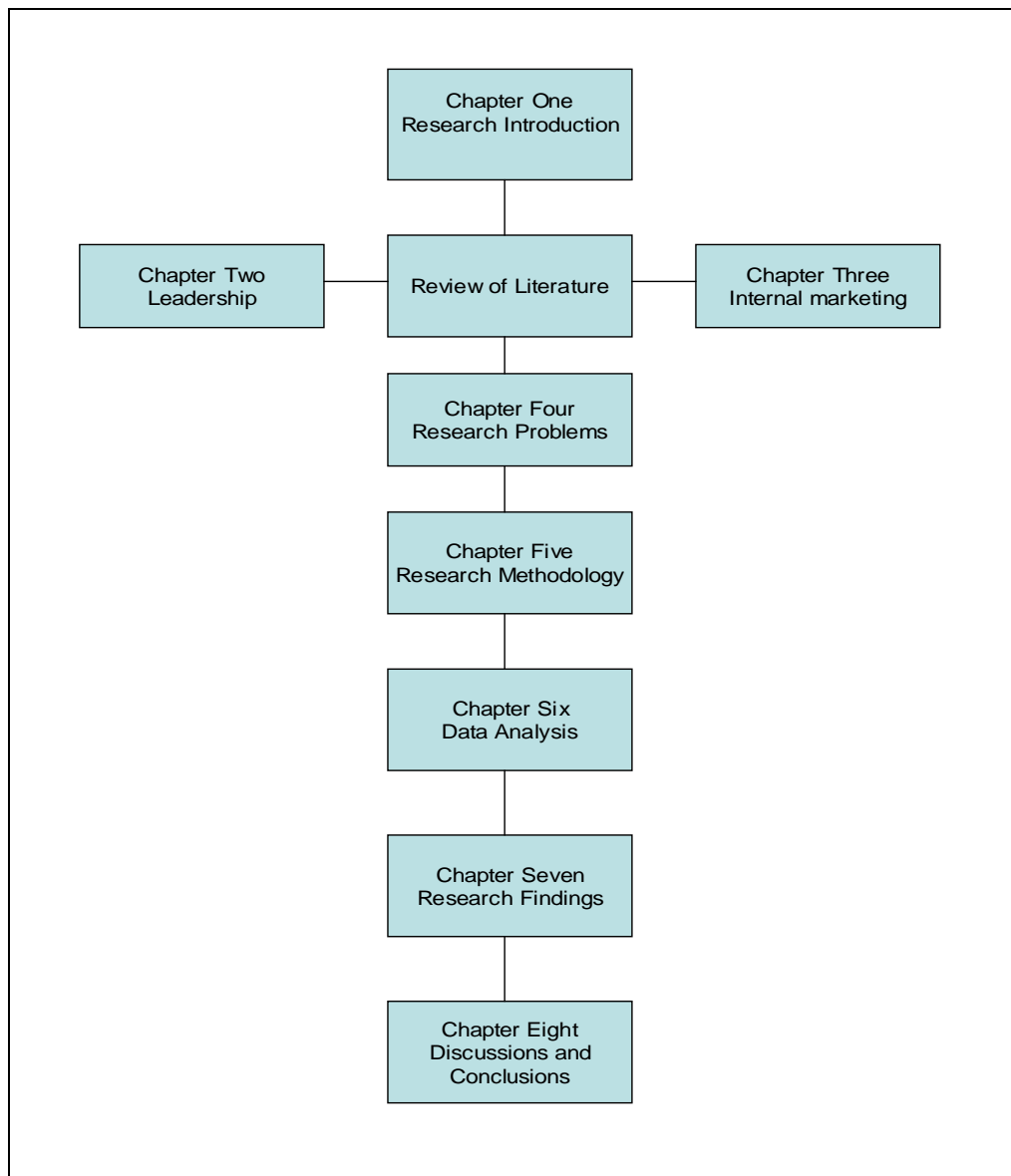
CHAPTER 2

LITERATURE REVIEW LEADERSHIP

2.1   Introduction

This chapter is intended to provide an overview of leadership. It sets out to: (1) present and review some common models and ideas related to leadership; and (2) indicate the broad implication of leadership in the organisation. Since the early 1900s studies on leadership have established a large pool of theoretical materials relating to leadership concepts. A comprehensive review of these previous studies on leadership concepts is essential, to help the researcher understand leadership concept holistically. Undoubtedly, a good understanding of the concepts of leadership provides a clear path to the study. As such, this chapter is divided into five (5) main sections discussing the leadership concept. All five sections are essential in helping the researcher to enhance their knowledge of the research subject.

The first section discusses leadership definitions (Sub-sections 2.1-2.2). Leadership definitions evolve in line with leadership studies. Generally, leadership definitions are closely associated with leadership concepts. Indisputably, the definitions of leadership introduced by previous scholars provide a clear indication of their interests in leadership studies. Thus it helps the researcher to discover the evolvement of leadership and to provide the details of leadership concepts from various sources. At the same time the researcher can identify the different viewpoints among the scholars. It is expected after working through this chapter the researcher will understand leadership concepts such as trait, behaviour, situation/contingency, transformation and future interests.

The second section discusses leadership discourses (Sub-section 2.3). This section looks at the evolution of leadership discourses over the past decades. These discourses offer an enormous benefit to the researcher in term of understanding leadership approaches and the interrelations of the concepts. All discussions on leadership discourses attempt to provide a good insight into leadership approaches, which is fundamental for selecting an appropriate approach to be applied in this study.

Section three investigates the differences between leader and manager concepts in the organisation context (Sub-sections 2.4-2.6). It is evident that in the organisation the overlapping roles between leader and manager are unavoidable. The best approach is to investigate the differences between these two roles. The review is focusing on previous studies and findings which could support the definitions of leader and manager to be used in the current study. Establishing a list of differences between leader and manager is highly important in designing the survey questions.

The fourth section discusses the antecedents used by the scholars in previous leadership studies (Sub-sections 2.7-2.8). The discoveries on the key antecedents employed in the previous studies enhance the research design and also helps the researcher to determine the gaps between previous, current and future studies.

The final section aims to offer an overview of the instruments used in measuring leadership style (Sub-sections 2.9-2.10). The intention is to provide a better insight of the instruments used by previous scholars in determining leadership style. Thus it helps in selecting the suitable measurement instrument for the current research.

Chapter Two describes the literature review on leadership. A broad knowledge of leadership and its concepts undoubtedly helps the researcher in determining the appropriate direction for the study. Once the leadership concept to be applied in this

research is soundly established in Chapter Two (2), the next task is to review the literature on the internal marketing concept which is the focus of Chapter Three (3).

2.2   Definition of Leadership

Leadership concept is not a new concept in social science studies. In more recent years the area of leadership has been extensively studied more than almost any other aspect of human behaviour (Goffee & Jones 2000; Higgs 2002; Higgs & Rowland 2001; Kets de Vries 1993). It is one of the most important aspects of human behaviour, yet the terms used to describe it have been varied. Although the practice of leadership has been in existence since the origin of the mankind, until now no one has been able to give the definite origin date of leadership concept. However, such observations do not appear to have stemmed scholars' appetites for continuing the research (Higgs 2002). In 2001 a search of the Library of Congress database revealed in excess of 8,000 books on the topic of leadership (Aitken & Higgs 2002; Higgs & Aitken 2003). This shows that leadership concept is a fascinating subject to explore.

Like other social science concepts, leadership has been interpreted in various ways by different scholars, depending on their own ways of thinking. Over the years, leadership has been studied extensively in various contexts and theoretical foundations (Horner 1997). As many different definitions of leadership have been introduced as there are persons who have attempted to define the concept (Stogdill 1950). Leadership definitions keep evolving as scholars try to simplify the definition to enable people to understand the concept easily and to make it less complicated and more practical in daily business. For centuries leadership studies have been obsessed with leaders, and with identifying the characteristics required for effective leadership (Higgs 2002). Even though it is clearly stated that it is difficult to give leadership a

single definition people keep exploring this area of study. It shows that there is no stopping point for leadership study and it has become an essential element in social science. Leadership is like love, deemed to be something everyone knew existed but nobody could define (Bennis & Nanus 1985). Many books have been associated with human problems and complex situation. Scholars sharing same interest continuously attempt to define the concept of leadership.

Even though the definition of a leader has been established as early as the 1300s but a definition of leadership only evolved in the 1800s (Stogdill 1950). Despite the fact that the study of leadership started as early as the 1800s, rapid progress only began from the 1900s. Since then, many scholars have been involved in this area of study, they have greatly contributed in searching for and developing the most suitable and practical definition of the leadership concept. In earlier days the practice of leadership is known as kingship, chief ship, headship etc (Stogdill & Nadler 1975).

Academic and popular literature, leadership training, and frames of reference from academia and practitioners continue to confuse about the definitions and examples of leadership despite many years of trying to clarify and secure a common understanding of leadership characteristics (Prewitt 2003). All of them proposed that the leader is a key person in the group who is instilled with great human qualities, consistent in his pattern of behaviour and motivating members towards their goals.

In the early stage of the definition of leadership, scholars define leadership only from the perspective of a leader. Any person who is more than ordinarily efficient in carrying successful psychological stimuli to others and is thus effective in conditioning collective responses may be called a leader (Bernard 1928). It emphasises the efficiency of the leader. However, the leadership definition keeps

evolving. The next stage in the evolution sees the insertion of the characteristics of the group and the situation into the leadership definition. The functional relation in leadership exists when a leader is perceived by a group as a controlling means for the satisfaction of their needs (Knickerbocker 1948). Later the leadership definition relates to the interaction between the leader and the follower. Leadership, most broadly conceived, is a relationship between the leader and the follower; which the leader influences more than he is influenced; because of the leader, those who are led act or feel differently than they otherwise would (Gerth & Mills 1953). The next phase of leadership definition involved the behavioural aspects of the leader. Leadership is the activity of persuading people to co-operate in the achievement of a common objective (Koontz & O'Donnell 1955). Leadership is perceived as a process. Leadership behaviour as a process is generally meant to describe the particulars acts in which a leader engages in the course of directing and coordinating the work of his group members. This activity may involve such acts as structuring work relations, praising or criticising the group members and showing consideration for their welfare and feelings (Fiedler 1967a).

Even though in some cases, leadership has been described as a process most of the theories and research on leadership focus on a person to gain understanding (Bernard 1926; Blake et al., 1964; Draft & Palus 1994; Fiedler 1967a ; House & Mitchell 1974). The Literature review shows that there are four common themes found in leadership definitions: influence, motivation, intention and change. Leadership involves activities such as influencing and motivating the group members; the leader promoting change and the leader and the group members sharing the same intention to achieve common goals.

Table 2. 1Leadership Definition Theme

Year	Author	Definition theme			
		Influence	Motivation	Intention	Change
1928	(Cowley 1928)		√		
1929	(Nash 1955)	√			
1935	(Tead 1935)	√			
1942	(Davis 1951)		√		
1950	(Stogdill 1950)	√			
1954	(Stogdill 1955)	√			
1957	(Hemphill & Coons 1957)	√			
1959	(Bellows 1959)		√		
1962	K.Davis		√		
1969	(Merton 1969)			√	
1978	(Kahn & Katz 1978)	√			
1986	(Richards & Engle 1986)		√	√	
1988	(Hersey & Blanchard 1988)	√		√	
1989	(Bennis 1989)		√	√	
1990	(Jacobs & Jaques 1990)			√	
1992	(Schein 1992)				√
1992	(Zalenik 1992)	√			
1993	(Rost 1993),	√		√	√
1994	(Rauch & Behling 1984)	√	√		
1994	(Drath & Palus 1994)			√	
1997	(Buchanan & Huczynski 1997)	√			
1997	(Horner 1997)	√			
1988	(Hosking 1988a)	√			√
1999	(Daft 1999b)	√		√	√
2002	(Osborn, Hunt, & Jauch 2002)				√
2002	(Yukl 2002)	√			
2004	(Northouse 2004)	√			
2005	Kearns	√			√
2006	(De Jong 2006)		√		

Generally, it shows that most of scholars recognise that the leadership concept is typically defined by the traits, the qualities and the behaviour of the leader. The literature review of current research reveals that scholars use the traits, qualities and behaviours of leader to associate with the influence, motivation, intention and change themes in defining leadership. Table 2.1 depicts a list of leadership scholars that defined the leadership concept in one or more themes and they are the influence, motivation, intention and change. The definitions of the leadership concept are gathered from various sources. It shows that the most used theme is the influence, followed by intention, motivation and the least is change. Sections 2.2.1 to 2.2.4 discuss these themes individually.

2.2.1 Influence Theme

As indicated in Table 2.1, the influence theme is the most frequently used theme in the leadership definitions compared to others. This theme has been discussed by Hemphill & Coons (1957); Kahn & Katz (1978) ;Nash (1955); Stogdill (1950); Tead (1935); Blanchard & Hersey (1996); Hersey & Blanchard (1988); Zalenik (1992); Buchanan & Huczynski (1997);Horner (1997);Rauch & Behling (1984); Daft (1999); Hosking (1988) ;Northouse (2004) ; and Kearns (2005) in their work. Leaders use the influence factor to draw people toward achieving goals and to maximise the results in the organisation. The influence factor does not mean the leader having power over the followers and controlling or directing them to the goals the leader wants to achieve. Rather it is the leader's own actions that affect the followers' behaviour and actions. Generally, followers will emulate the leader's acts and behaviours thus leading to achievement of the desired goals. Leadership is influencing change in the conduct of people (Nash 1929) and the activity of influencing people to cooperate toward some goal which they come to find desirable (Tead 1935).

Later studies show that leadership is a part of the influential process. The process is a planned method of persuading followers to achieve the desired goals. Leadership is a process of influencing the activities of an organised group toward goal achievement (Rauch & Behling 1984). The role of leader in a business organisation is very demanding and challenging especially when it involves people. A leader is expected to lead in planning, executing and evaluating business activities to meet business goals. Thus a systematic leading process has to be established first in order to be an effective leader. The systematic leading process is the process (act) of influencing the activities of an organised group in its efforts toward goal setting and

goal achievement (Stogdill 1950). Leadership is the behaviour of a leader in directing the activities (influence) of a group toward a shared goal (Hemphill & Coons 1957). The behaviour of a leader is defined as a catalyst in directing the followers to achieve common goals. The followers follow the leader's behaviour of when carrying out their duties.

Leadership is the influential increments over and above mechanical compliance with the routine directives of an organisation (Kahn & Katz 1978). The leadership influence aspect is greater in an organisation. Eventually it is the invisible factor which can ruin or build the organisation. The direction of the organisation relies on the leadership style of the leaders. Leadership helps to chart the future direction of the organisation.

Though different scholars define leadership in various ways, this research is consistently focused on the way in which the leader drives the followers to a common goal (business, military, social group and etc). The researcher tries to identify the human qualities of leaders, the set of acceptable behaviours of followers and the essential attributes of the leaders. Leadership is typically defined by traits, qualities and behaviours of a leader (Horner 1997).

2.2.2 Motivation Theme

Longman dictionary defines motivation as an eagerness or willingness to do something without needing to be told or forced to do so. This is a motivating process; the leader develops the followers' enthusiasms in order to accelerate organisation activities toward achieving the desired goals. The process is systematic and the leader is required to be equipped with the motivational skills before dealing with the

followers. The leader has to learn, disseminate and evaluate the effectiveness of the motivational skills when dealing with the followers. A leader is a person who has a programme and is moving toward an objective with his/her group in a definite manner (Cowley 1928). The programme is the set of planned activities to be applied in motivating the followers which requires skills to disseminate the motivational activities. The leader is the principal dynamic force that stimulates, motivates, and coordinates the organisation in the accomplishment of its objectives (Davis 1951). The leader is the self-motivated individual that plans the activities in an organisation thus creating a pleasant environment, which leads to the accomplishment of the desired goals.

Bellows (1959) states the definition of leadership is that is a process of arranging a situation (motivational activities) so that various members of a group, including the leader, can achieve common goals with the maximum economy with the minimum of time and work. This refers to the process of motivating the followers including the leader in creating the teamwork and increasing the followers' productivity as the result. Leadership is the human factor which binds a group together and motivates it toward the goals (Davis 1962).Teamwork and motivational factors are important in the leadership concept. The human factor refers to the skills that the leader possesses (Bellows 1959; Davis 1962). The leaders use their skills to inspire and motivate the followers. Leadership is a process of a person who achieves goals through the inspiration and motivation of other people (De Jong 2006).

2.2.3 Intention Theme

As leadership studies evolved rapidly, the scholars started realising that leadership study is not only about the leader but beyond that. The scholars started considering the

follower's role in the leadership studies. The intention theme shows that the follower involvement in the leadership studies is as vital as the leader. The leader and the follower share the same intention which is to achieve the desired goals.

Leadership involves interpersonal relationship between the leader and the follower. Interpersonal relations in which others comply because they want, not because they have to (Merton 1969). The interrelation between the leader and the follower where there is no existence of forcing behaviour and their willingness to follow in order to achieve the goals. Intention or will means that the leaders and the followers are actively involved in the pursuit of change towards a desired future (Daft 1999b) . Leadership is a process of giving purpose (meaningful direction) to collective effort, and causes willing effort to be expected to achieve purpose (Jacobs & Jaques 1990).

A high level of follower involvement in achieving the goals leads to a committed follower. Leadership is the process of making sense of what people are doing together so that people will understand and be committed (Drath & Palus 1994) . Leadership is regarded as educating followers on the importance of team work in order for them to have a better understanding of their roles hence increasing the ownership level. The leader and the followers put emphasis on team effort and togetherness in achieving the organisation's goals. The leader sets the trend and direction in the organisation that the followers will adapt into their way of doing things in order to reach the goals that have been set. All business activities that involve staff are connected to the business strategic planning. Leadership is about articulating visions, embodying values, and creating the environment within which things can be accomplished (Richards & Engle 1986). Leadership is about creating a

healthy work environment to connect shared visions and corporate values among the followers, thus maximising the productivity in attaining desired goals.

2.2.4 Change Theme

Change is the process of something becoming different and better. Change theme in leadership is described as the situation or the process in an organisation that has been changed to be better compared to the previous. The leader articulates change and the follower accepts change, this reflects the shared purpose between the leader and the follower in achieving the desired goals. Leadership is the ability to step outside the culture and to start evolutionary change process that is more adaptive (Schein 1992). The leaders must have the ability to lead the followers out from a non productive to a productive environment. A good leader is a person who can contribute effectively to the group. Leaders are those who consistently make effective contribution to the social order and who are expected and perceived to do so (Hosking 1988b). Leaders are the significant change agents for the society and their actions as a leader are expected by the followers. Leadership influences the relationship between the leaders and the followers who want the real changes that reflect their shared purposes (Daft 1999a).Thus creating a win-win situation in the organisation, where both parties that have similar goals boost the current situation to a better level.

2.2.5 Summary

Albeit many scholars have emphasised on the need for strong leadership in business organisations, a clear definition of leadership remains rather indefinable. Numerous definitions of leadership have been discussed in this section. Fundamentally, the previous scholars discuss the four common themes in leadership definition which are the influence, the motivation, the intention and the change or the combination of the

four. Daft (1999) puts forward the most extensive leadership definition and it consists of five key themes such as influence, intention, change, shared purpose and follower. For the purpose of this study the combination of definitions between Daft (1999) and De Jong (2006) will be used. In summary leadership is an influence relationship between the leaders and the follower who intends real changes that reflect their shared purposes and the leader achieves goals through the inspiration and motivation of other people.

2.3   The Leadership Discourse

Leadership literature review shows that there is still lack of evidence on the definite date of the existence of the leadership concept (Stogdill 1955). The leadership scholars have categorised the leadership discourses according to the similarity of the leadership concept or dominant discourse and the period of time it has been introduced. Clemens & Meyer (1999) state that the leadership discourses can be categorised into four different eras which are Classical, Renaissance, Industrial and Modern. The same discourses also have been discussed again by Malcolm (2002).

Rapid progress in leadership study has only taken place in the modern era thus this era will be a central point of discussion for the literature review in this study. In modern era leadership is being categorised by the traits; the behaviour; the power, the situation/contingency and the transformation/transaction concept.

Bryman (1992) classifies these discourses into four approaches. Leadership is being defined by the period of time in accordance to the approach and the core theme. The approaches have been differentiated by the way the leadership concept has been interpreted by the scholars. The four dominant discourses are Traits, Style, Contingency and New Leadership Approach (includes charismatic leadership).

Bolden et al., (2003) elaborates further that "the early theories tend to focus upon the characteristics and the behaviours of the successful leaders, later theories begin to consider the role of the followers and the contextual nature of the leadership". At the beginning of the modern era, the formation of leadership style definition is on observing the leader's characteristics. The observation is focused on the individual leader using his/her "strong" characteristics or traits in influencing the followers without taking into consideration other factors. At that point of time the civilisation of big employers like Greek and Roman rely on the power of the leader's characteristics. Table 2.2 indicates the evolvements of the leadership discourse from the classical to modern era. It shows clearly the shift in the dominant discourse is in line with the evolvement of the leadership eras.

Table 2. 2: **Leadership discourses: An historic perspective**

Era	Dominant discourse	Example of author
Classical	Dialogue	Plato
	Society	Aristotle
	Democracy	Homer
		Pericles
		Sophocles
Renaissance	Ambition	Petrarch
	Individual	Chaucer
	Great man	Castiglione
		Machiavelli
		Shakespeare
Industrial	Survival of the fittest	Weber
	Control	Darwin
	Rationality	Durkheim
		Marx
Modern	Psychological	Freud
	Behaviour	Skinner
		Jung

Sources: Adopted from Clemens and Meyer (1999)

The formation of the leadership style definition is in accordance to the individual leader's characteristics or traits. Moreover, a number of people believe that some leadership is hereditary. They believe on innate and inborn characteristics. Consequently, they become very devoted followers. At this point in time, most

leadership definitions are based on the traits of the leaders. This is considered as a "one-sided" definition, the development of the definition is only based on the person who influences and not the group that has been influenced.

In view of the fact that social systems are becoming more complex in terms of the economy, communication and most people are living with new edge technology, consequently the evolution of leadership definition has also changed with time. The underlying factors besides the leader characteristics have been explored rapidly in order to understand the leadership concepts as a whole. As a result the role of the followers and the contextual nature of leadership started getting attention by the scholars. Obviously the followers start evaluating the leader's leadership style and the performance and thus begin to relate these factors with the organisation performance as a whole. This section examines four leadership discourses namely traits, behavioural, contingency and transformational. Concurrently, the leadership theories that have been introduced in line with the leadership approaches will be discussed in this section as well. The discussion will start with the traits approach.

2.3.1 The Traits Approach

Since the Roman & Greek eras, people have believed that the leaders posses inborn or innate characteristics to be a great leader. The personal traits are perceived as the important influential factors. Daft (1999) states that the "early efforts to understand leadership success focused on the personal traits". He elaborates further that " the traits are the distinguishing characteristics of the leader, such as intelligence, values, self-confidence, and appearance". The traits approach began in late 1900s, leaders are born to be leaders, not made. Northouse (1997) puts forward that the traits approach suggests that certain individuals have special innate or inborn characteristics or

qualities that make them leaders and it is these qualities that differentiate them from non-leaders.

Leadership scholars early this century examined the leaders who had achieved levels of greatness, and this study became known as the Great Man approach (Daft 1999). Northouse (1997) discusses this by saying that the Great Man Approach believes that people were born with these traits and only the "great" people possess them i.e. Abraham Lincoln and Mahatma Gandhi. Undoubtedly, the leadership scholars observe the traits that obviously differentiate the leaders from the followers. At the time the leadership scholars believed that external factors such as training and experience did not contribute significantly towards the development of the leadership skills but the leadership qualities of the leaders are inherited from the parents. The leadership scholars strongly believed that the personal traits are part of the inherited characteristics of human beings.

Great leaders were perceived to have been made in the womb. Getting knowledge or experience was considered as a routine responsibility for human beings. At this time, leaders were amongst the elite groups, the right for position was inherited from the predecessor amongst the family group. It was hard or impossible for ordinary people to break the shell of belief to become a leader. The bearers were not only from the elite group but also the social members who use the social system.

Stogdill (1974) conducts two surveys on personal traits, first between 1904 and 1947; and the second survey between 1948 and 1970. He establishes a very impressive outcome on leadership. In this survey he classifies a group of important leadership traits that are related to how individuals in various groups turn to become leaders. Research results show that the average individuals in the leadership role are

different from the average group member in the following ways: intelligence, alertness, insight, responsibility, initiative, persistence, self confidence and sociability (Northouse 1997).

In the second survey he establishes that the traits are positively associated with the leadership. There are ten of them namely achievement, persistence, insight, initiative, self-confidence, responsibility, cooperativeness, tolerance, influence and sociability. In this survey he affirms that the original traits ideas of the leader's characteristics are indeed a part of the leadership.

In time, the social system becomes more complicated as people are more educated and come from different types of background and knowledge. They are challenging each other to be a leader. The belief that a leader is born to lead is no longer accepted. Stogdill (1974) reports the situational factor is one of the determinants of leadership. This report embarks into new eras in leadership, the behaviour and the situational factors are more important in the leadership studies besides traits.

This new era of leadership has been welcomed by some scholars. Matthew (2004) believes that the focus on traits theory has diminished over the years. Apart from the qualities and traits of leaders, scholars have begun to link traits with other requirements of leadership such as behaviour and situation. Though the scholars have established a few new approaches in leadership studies, over the years the traits approach is constantly present in all approaches but personal traits only do not guarantee the effectiveness of the leader. Daft (1999) states that "a large number of personal traits and abilities distinguish successful leaders from non-leaders, but the traits themselves are not sufficient to guarantee the effectiveness of leadership".

2.3.1.1 The Trait Theories

The traits theory is one of the first systematic attempts to study leadership (Northouse 1997). It is one of the early efforts to understand leadership success that focuses on the leader's personal traits (Daft 1999a). The theory introduced was known as the" Great Man". The first Great Man theory was introduced in the 1940's. The scholars attempted to identify leader's traits that would distinguish them from the non-leaders. The most noticeable components of this theory are the belief that successful leaders all over the world and through out history are born with innate qualities such as personality traits, social traits, ability traits and physical traits (Jago, 1982, p.317). The grouping of leadership traits and characteristics vary from one scholar to another. Stogdill (1948) outlines eight (8) traits namely intelligence, alertness, insight, responsibility, initiative, persistence, self confidence and sociability in his first survey. Stogdill carried out a second survey in 1974. The numbers of traits in his studies was increased have been enriched to ten. He dropped the intelligence and the alertness traits and replaced them with the achievement, the cooperativeness, the tolerance and the influence traits. Table 2.3 shows some of the inconsistency in determining the leader's traits and characteristics by the leadership scholars.

Table 2. 3: Leadership Traits and Characteristics

Stogdill (1948)	Mann (1956)	Stogdill (1974)	Lord,DeVader,& Alliger (1986)	Kirkpatrick & Locke (1991)
Intelligence	Intelligence	Achievement	Intelligence	Drive
Alertness	Masculinity	Persistence	Masculinity	Motivation
Insight	Adjustment	Insight	Dominance	Integrity
Responsibility	Dominance	Initiative		Confidence
Initiative	Extroversion	Self-confidence		Cognitive
Persistence	Conservation	Responsibility		-Ability
Self-confidence		Cooperativeness		Task Knowledge
Sociability		Tolerance		
		Influence		
		Sociability		

Table 2.3 also shows there is no clear grouping on the similarity of the traits and the characteristics of leadership by Stogdill (1948, 1974), Mann (1956), Lord De Vader & Alliger (1986) and Kirkpatrick & Locke (1991). These traits and characteristics have been clearly categorised by Jago (1982) and Daft (1999). The leadership traits and characteristics are divided into four (4) main groups namely personality, social, ability and physical (refer Table 2.4).

The main advantage of the traits theory is that it tends to treat the personality variables in an atomistic fashion, each trait acted singly to determine the leadership effects (Stogdill 1974). The traits theory is extremely useful to differentiate (1) the leaders from the followers, (2) effective from ineffective leaders, and (3) the higher echelon from the lower echelon leaders (Stogdill 1974). The trait theory focuses exclusively on the role of the leader in leadership and the traits theory has been able to provide us with a deeper and more intricate understanding of how the leader and his or her personality are related to the leadership process (Northouse 1997).

Literature review has identified several problems with the approach. The traits theory has failed to find favour with the assessors of leadership for three reasons. First, the behavioural scientists could not identify even a few traits which could be common to all leaders. The most substantial problem is that even though for decades numerous researches on traits theory have been conducted, there is no standard list of traits introduced which can be used to define the leadership effectiveness. The second, significant failure of the traits theory is inability to limit itself to a list of traits. Table 2.3 and 2.4 depict that the scholars kept introducing new traits to define the leadership effectiveness. The list of human traits is too long to prove any partial use for assessing or developing the leadership theory. Third, it is linked to the assumption that a leader

is born, if a person has certain traits, he is a leader. In traits theory the determination of leadership effectiveness is solely dependent on the list of traits and not on the situation. This makes it very difficult for the scholars to predict the leadership effectiveness based on the pre-defined list of traits in different situations. Even though the above evidence provides no explanation for associations between the traits and the leader effectiveness there has recently emerged a modest body of traits theory and evidence relevant to leadership and management practice. There are four traits theoretical perspectives that enjoy nontrivial empirical support. They are the McClelland's Achievement Motivation Theory, the Leaders Motive Profile (LMP) Theory, House's Theory of Charismatic Leadership, and Kenny and Zaccaro's leader sensitivity and flexibility constructs (House & Aditya 1997, pg. 413). The discussions on traits approaches and theories above are useful for this research especially to understand the individual characteristics that universally differentiate the leaders from the non-leaders. The next section will try to identify the behavioural aspects of leaders in relation to the various criteria of leader effectiveness.

Table 2. 4: Leadership Traits

Personality	Social	Ability	Physical
Achievement Drive	Cooperative	Administrative	Activity
Adaptability	Interpersonal skills	Intelligence	Energy level
Adjustment	Sensitivity	Judgment	Appearance
Aggressiveness	Popularity	Knowledge	Grooming
Alertness	Prestige	Technical Competence	Height & weight
Antiauthoritarian	Sociability	Verbal fluency	
Dominance	Socioeconomic level		
Emotional Balance	Tact		
Enthusiasm	Talkativeness		
Extraversion			
Independence			
Initiative			
Insightfulness			
Integrity			
Objectivity			
Originality			
Persistence			
Responsibility			
Self-confidence			
Sense of humor			
Tolerance of stress			
Control			
Non conformity			

Source: Jago, 1982 p.317

2.3.2. The Behavioural Approach

The behavioural approach was born when the scholars realised that the traits approach was not adaptable to time. Most of them considered, great leaders must be observed not only in term of the personal traits but beyond that. After 1940, the study of leadership shift from traits to behaviour or style. The main focus of the research is on the leaders' behaviour. The leaders' behavioural factors contribute significantly towards the employee effectiveness. Most of the leadership style (behaviour) researches believe that once the behaviour that makes for effective leadership is known, leaders can be trained to exhibit that behaviour so that they can become a better leader (Bryman 1992a). The staff normally observe the way their leaders behave. They will follow the leaders' good behaviour and adopt it. The majority of staff believe on the "lead by example" style.

Matthew (2004) believes that "leadership is not what the leaders are like, but rather as what the leaders do, their behaviours and functions". Daft (1999) says "anyone who adopts the appropriate behaviours can be a good leader". He says more by saying that behaviours can be learnt more readily than traits, enabling leadership to be accessible to all. Matthew (2002) explains further that leadership is being the sum of two important behaviours that great leaders seem to hold in common: getting things done and relating well with others. (Horner 1997) has agreed with (Daft 1999a)and (Matthew 2004) that "these scholars (Michigan and Ohio State leadership studies) identify what behaviours differentiated the leaders from the followers so that the behaviours could be taught". Matthew (1999) states the behavioural approach is fundamentally where the leaders meet the followers' needs. In the behaviour approach, the explored behaviours are autocratic versus democratic leadership,

consideration versus initiating structure, employee-centred versus job centred leadership, and concern for people versus concern for production.

This approach considers the leaders' behaviour as one of the focal points in the organisation. The way the leaders act, communicate and interact with the staff will give a lasting impression to the staff. In the behavioural approach, leaders are sometime confused on what to choose between the people approach and the task approach.

2.3.2.1 The Behavioural Theories

The development of behaviour theories is strongly based on the leader's behaviours. The previous researches have a good understanding of it and also illustrate the leader's behaviour while performing duties. The focus is on what the leaders do and it is very different to the traits theory where the main focuses are the personality characteristics of the leaders. A different standpoint to the traits theory for leadership is that the behavioural theories consider how the leaders actually conduct themselves as opposed to their underlying characteristics.

A number of models and theories have been introduced to affirm the behavioural approach. The main leadership models and theories are: Theory X and Theory Y (McGregor 1966), Ohio State University Research; and The University of Michigan Studies and Leadership Grid (Blake and Mouton, 1964, 1978, 1985). This section explains only two main theories in behavioural approach: Theory X & Y and the Leadership Grid Model. These are the two most frequently used behavioural theories in leadership.

2.3.2.2   Theory X & Y

This theory was introduced by McGregor (1966) before then Theory X and Theory Y is detailed in The Human Side of Enterprise, published in 1960.Mainly Theory X and Theory Y explains two conflicting observations of people at work that will influence management style. The managers are perceived to follow either view of their workforce. Theory X is perceived as a traditional view of direction and control. Theory Y involves a more self directed workforce that takes an interest in the goals of their organisation and incorporates some of their own goals into these.

Theory X assumes that the average person dislikes work and will avoid it unless directly supervised; the employees must be coerced, controlled and directed to ensure that organisational objectives are met; the threat of punishment must exist within an organisation; in fact people prefer to be managed in this way so that they avoid responsibility and Theory X assumes that people are relatively unambitious and their prime driving force is the desire for security.

Theory Y in actual fact takes the opposite extreme. It perceives that the employees are motivated, keen to take greater accountability and apply both self-control and direction; the employees will, in the right conditions, work towards organisational objectives and that commitment will in itself be a reward for so doing; the employees will exercise their thoughts and imagination in their jobs if given the chance and this will give an opportunity for greater productivity; Theory Y assumes that the common human being will, under the acceptable conditions, not only take the responsibility but also look for more, and lack of ambition and the qualities of Theory X are not innate human characteristics but learned in working environments that

suffocate or do not promote Theory Y behaviours. Table 2.5 summarises the details of these theories.

Table 2. 5: Leadership Theory X & Y

Theory X	Theory Y
• The average human being has an inherent dislike of work and will avoid it if he or she can • Because of this human characteristic, most people must be coerced, controlled, directed, and threatened with punishment to get them to put forth adequate effort toward the achievement of organisational objectives • The average human being prefers to be directed, wishes to avoid responsibility, has relatively little ambition, and wants security above all.	• The expenditure of physical and mental effort in work is a natural as play or rest • External control and threat of punishment are not the only means for bringing about effort toward organisational objectives. People will exercise self direction and self –control in the service of objectives to which they are committed • Commitment to objectives is a function of the rewards associated with their achievement. • He average human being learns, under proper conditions, not only to accept responsibility but to seek it. • The capacity to exercise a relatively high degree of imagination. Ingenuity and creativity in the solution of organisational problems is widely, not narrowly, distributed in the population. • Under the conditions of modern industrial life, the intellectual potentialities of the average human being are only partially utilised.

Source: McGregor (1906-1964)

2.3.2.3   Leadership Grid Model

This model was developed in the USA. Leaders are classified on the grid in terms of their concerns for: (1) people (measured along vertical axis) and (2) production (measured along horizontal axis). The leadership grid model's main purpose is to demonstrate how the leaders can modify their leadership style in terms of concern for people and production to synergise the team. Concern for people explains how a leader attends to the people within in order to accomplish the goals. A different perspective to the traits theory for leadership is to consider what leaders actually do as opposed to their underlying characteristics. Concern for production terminology describes how the leader behaves to achieve the organisation's goals. Concern for production is an element which not only refers to things but all sorts of activities that the organisation wishes to accomplish.

The leadership Grid model represents five (5) leadership styles of leaders in business organizations. Each of the axes given scales 1 to 9 represents concern for production (X) and concern for people (Y). A variety of leadership styles of leaders can be exemplified by plotting scores from each of the axes. Blake & Mouton (1991) suggest that there are five important leadership styles in the Leadership Grid. They are: authority-compliance; impoverished leadership; middle-of-the-road management; country club management and team management (Figure 2.1). The explanations of these five categories are as follows.

Authority-Compliance (9, 1)

Leaders in this category possess very strong authoritarian characters such as controlling, demanding, hard-driving and overpowering. The leadership style is more to task-oriented. A lot of effort is focused on completing the task and there is little less internal communication with employees. Communication only takes place if there is concern about the task or job.

Figure 2. 1: Leadership Grid
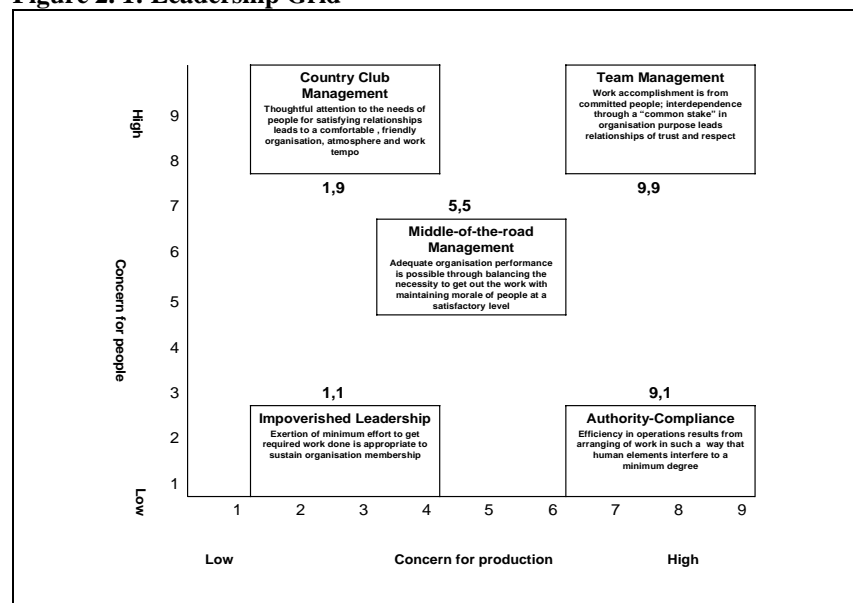
Source:Blake and Mouton (1991)

Country Club Leadership (1, 9)

The needs and feelings of the staff is the main concern of the leaders. Leader shows a very high interpersonal skill in performing tasks. The concern is on the relationship with the staff, with low concern about the completion of the task. The leader avoids conflicts and tries to generate a harmonious working environment. Leaders in this category show very high interpersonal skills, eager to help, comforting and uncontroversial characters.

Impoverished Leadership (1, 1)

In this category the leader is perceived as an indifferent, noncommittal, resigned and apathetic person. Leaders in this style are not dedicated to performing the tasks and keep their distance from the staff.

Middle-of-the-Road Leadership (5, 5)

Leaders in this category try to balance concern between production and people. This style describes leaders who are taking care of the productivity in completing a task and at the same time are trying to maintain the relationship with the staff. Leaders in this style believed both production and people are equally important. Therefore sometimes the leaders compromise the relationship with their staff in order to complete their task and compromise production in order to fulfil the staff' needs.

Team Leadership (9, 9)

The leader in this style believes in order to complete the task with a high quality output, the needs of the staff must be fulfilled first. Once the basic needs of the staff have been fulfilled they will be engaged and committed to their work. Leaders in this category promote employee participation and teamwork. The Leader tries to generate work-life-quality environment.

The behavioural leadership approach applies to nearly everything a leader does. This is a popular leadership approach in training and development companies to educate managers in improving their effectiveness and organisational productivity. The next section discusses the situational approach in the leadership studies.

2.3.3 The Situational/Contingency Approach

Investigation into the new leadership approach commenced when scholars started noticing the limitations in the traits and the behavioural approaches. Instead of focusing on the unobservable traits, many scholars shifted their attentions to the characteristics that a leader exhibits in various situations when she or he is interacting with the followers (Tannenbaum & Massarik 1957).

This approach was introduced after the failure of finding a universal leader in traits or behavioural approaches. The main advantages of this approach are the combination of three elements: leader, situation and follower. Daft (1999) puts forward that "while the leadership is still being examined, the central focus of the new research is the situation in which leadership occurred". He clearly defines the correlation elements in the situational leadership are namely: leader, follower and situation. Figure 2.2 clearly explains the three important elements in the situational approach of leadership.

In the situational approach, the leadership scholars consider that the staff require a different set of leadership in a different set of situations. In monotonous leadership this approach does not exist. The leadership approach varies from one situation to another. An effective leader must cleverly identify the needs of the staff. (Northouse 2004) suggests that the leaders should able to change their leadership style in order to meet the needs of the staff. The leaders must be adaptable to any situation, however

will not necessarily be effective in all situations. In this approach, the spotlight is not only on the leaders' needs but on the followers' needs as well. The leaders have to be adjustable and responsive to the staff's needs in order to boost their effectiveness.

Figure 2. 2: Comparing the Universalistic and Contingency Approaches to Leadership
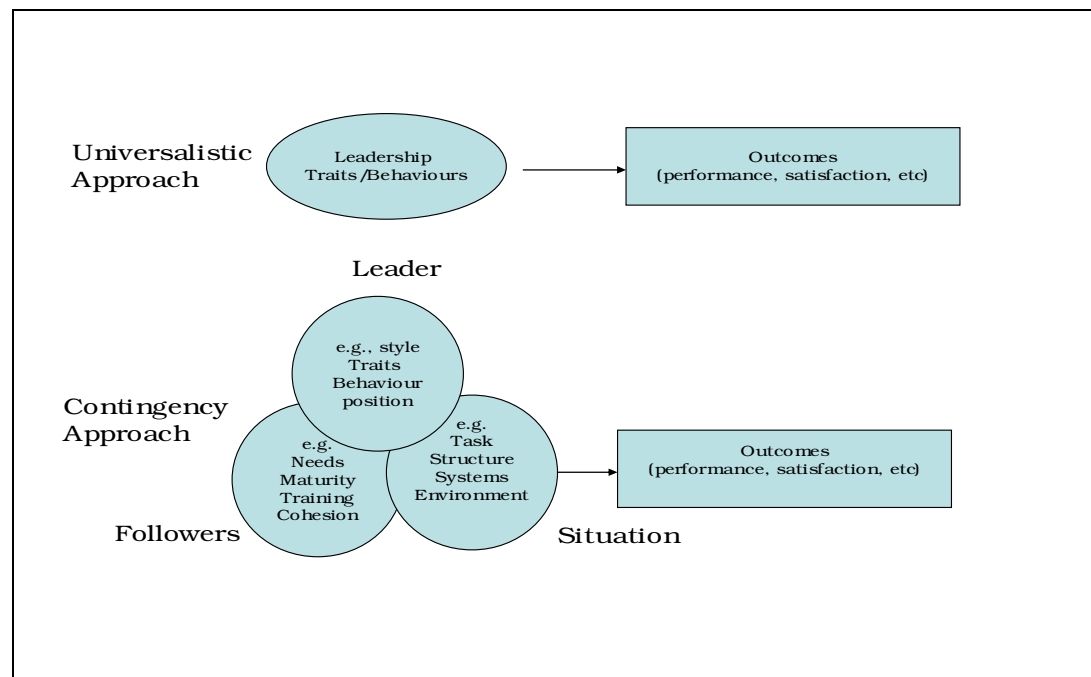
Source: Richard L.Daft (1999) Leadership Theory and Practice

Northouse (2004) discusses how Fiedler explored the contingency approach. He believes that effective leadership is contingent on matching the leader's style to the right setting. In Fiedler's research he identifies two important elements in the contingency (situational) approach, the leadership styles and the situational variables. Leadership styles are either task-motivated or relationship-motivated. Leaders are perceived to choose one of these two styles based on their priorities, the completion of the goals or to foster a good relationship with staff.

According to Northouse (1997), Fiedler believes that the situational variables can be categorised into three major parts namely the leader-member relationship, task structure and position power. Firstly, the leader-member relationship describes the

feeling and the level of confidence of the member about their leader. Secondly, the task structure depends on the clarity of the task to the staff. A high structured task enables the leader to control the situation more effectively compared to the least structured task. Lastly, the position power refers to the level of the empowerment the leader gained to take charge. Basically, the amount of power the leaders possess is only in rewarding and giving punishment. In explaining this leadership approach the next section (2.3.4) discusses the four main theories in the situational approach.

2.3.4 Contingency Leadership Theories

This section expands on contingency leadership theories that are linked to the contingency approach in leadership. Four theories have been identified and will be discussed in this section that has significant contributions in the situational/contingency approach. They are the Situational Theory (Hersey & Blanchard 1969); the Autocratic vs. Democratic - Leaders Leadership Theory (Tannenbaum & Schmidt 1973); the Fiedler's Contingency Theory (Fiedler 1967); and the Path-Goal Theory (House & Mitchell 1974).

2.3.4.1 Fiedler's Theory

Fiedler (1972) introduces this theory and it is considered as an early effort to link the leadership with the organisational situation (Daft 1999). House & Aditya (1997) say that this theory is one of the very first leadership theories that specifies how the situational variables interact with the leader personality and behaviour. (Fiedler & Leister 1977) suggests that leadership is effective if the leader's style is appropriate to one of three (3) principal factors below.

Leader-member relations

The nature of the interpersonal relationship between the leader and the follower, expressed in terms of good through poor, with qualifying modifiers attached as necessary. It is obvious that the leader's personality and the personalities of the staff play important roles in this variable.

Task structure

The nature of the staff's task, which is described as structured and unstructured, is associated with the amount of creative freedom that has allowed the staff to accomplish the task, and how the task is defined.

Position power

The degree to which the position enables the leader to get the group members to comply with and accept his or her direction and leadership. The evolution of the situational theory starts after this theory is introduced. The leadership scholars keep investigating the principal factors introduced by Fiedler. Thus the following theories have been introduced by different scholars in order to improvise the Fiedler's contingency theory.

2.3.4.2 The Autocratic vs. Democratic - Leaders Leadership Theory (Tannenbaum & Schmidt 1973)

This theory affirms that the autocratic leaders are more likely to make their own decisions and not involve their staff in the decision making process. Conversely, the democratic leaders offer the staff a greater degree of entrustment in the decision making process. The involvement of the staff in the decision making process depends on the following factors:

- Forces in the manager: The manager's value system, his/her belief in team member participation and his/her confidence in the capabilities of his/her staff.

- Forces in the staff: staff who are independent, tolerant of ambiguity, competent, and have the ability to understand and identify with the goals of the organisation, and knowledge and experience to deal with the problem.

- Forces in the situation: Type of organisation, effectiveness of the group, the team has knowledge and the team holds organisational value and traditions.

Figure 2. 3: Leadership Continuum
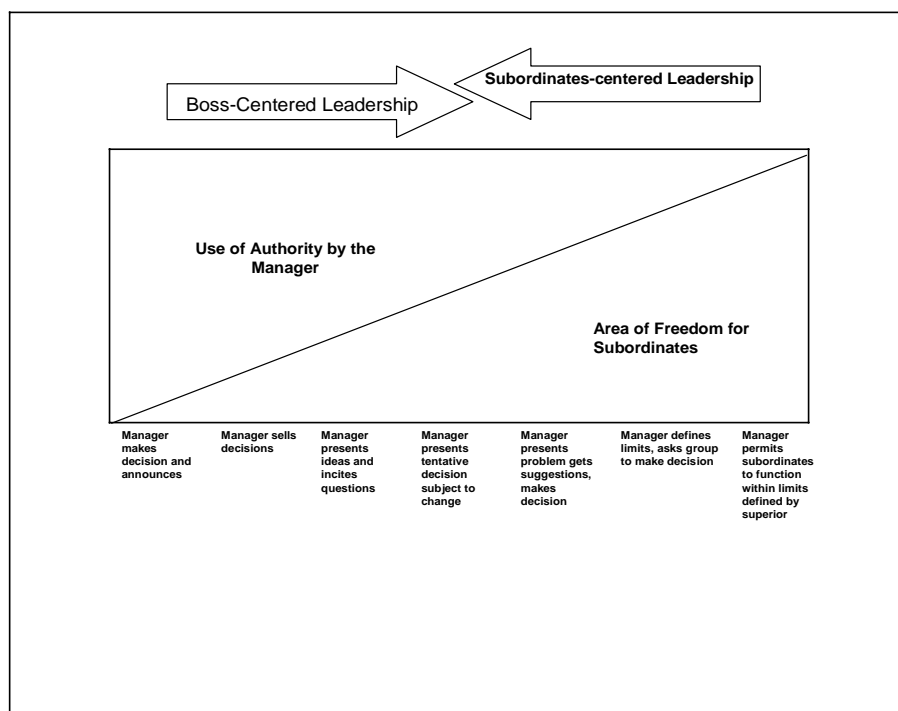
Source:Tannebaum & Schmidt (1973)

Figure 2.3 explains the two types of leadership: the boss-centred and the staff-centred. The leaders are perceived to possess the boss-centred leadership if they use the authority that they have to make a decision. On the other hand, the leaders are

assumed to possess the staff-centred leadership if they permit staff to function within limits defined by the leaders.

2.3.4.3 Situational Theory

This theory is one of the most distinguished and broadly used leadership theories in employee training and development programs worldwide. The situational theory was introduced by Hersey & Blanchard (1969) and since then it has gone through some modifications and improvements. The use of a different pattern of leadership behaviour depending on the maturity of an individual follower (Yukl, Kim, & Chavez 1999; Yukl 1998).

This theory focuses on two key elements: the characteristics of the followers and the situation. These elements are believed to play significant roles in determining the effectiveness of the leaders' behaviour. In the organisation the staff vary in terms of experience, attitude, belief, culture, skills and education level. These make the staff varry in terms of the readiness level and consequently the expectation also will be varied from one to another. Adopting one leadership style only will not be effective. The leader should use a combination of styles when dealing with different employees' level of readiness and different situations. As visualised in Figure 2.4, the Situational Theory explains four leadership styles: telling (directing)-S1, selling (coaching)-S2, supporting (participation)-S3 and delegating-S4. The leader attempts to influence the staff using these behaviour patterns in order to increase the staff' effectiveness and the productivity. The suitability of the pattern depends on the readiness level of the staff and the current situation.

Figure 2. 4: Situational Theory
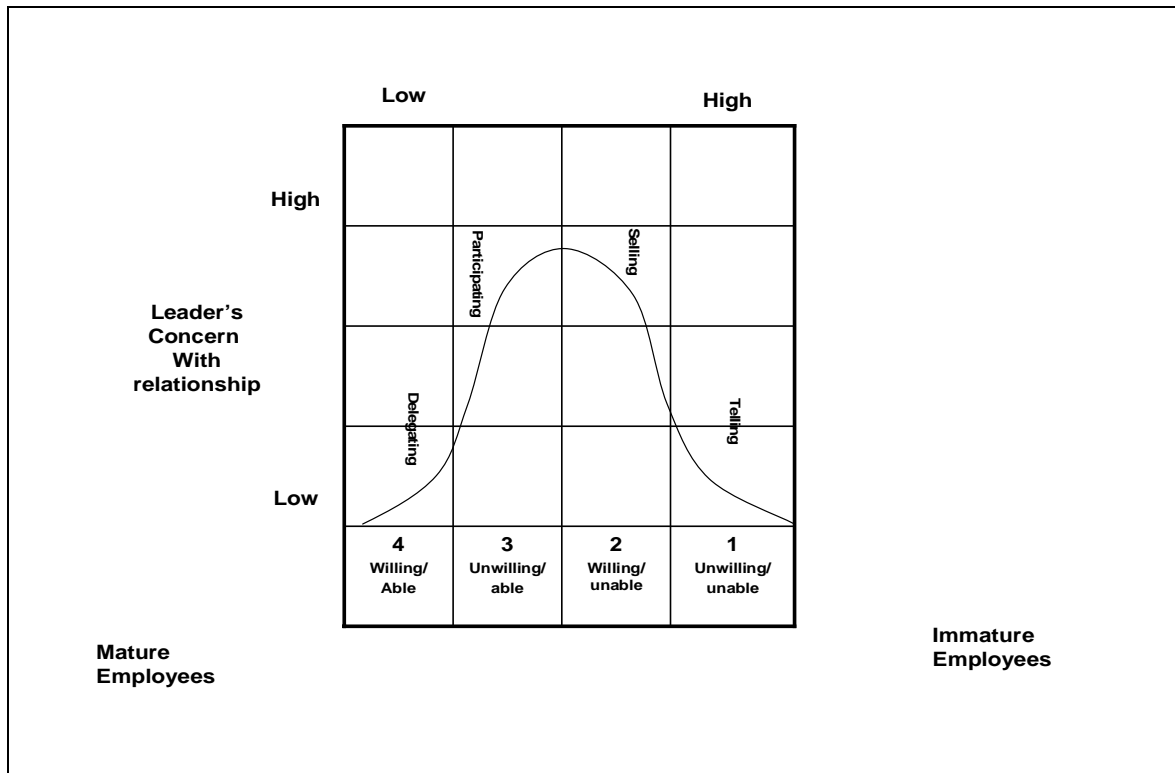
Source: Blanchard & Hersey (1969)

S1: The directing/telling leaders define the roles and the tasks of the 'follower', and supervise them closely. Decisions are made by the leader and announced, so communication is largely one-way.

S2: The coaching/selling leaders still define the roles and the tasks, but seek ideas and suggestions from the follower. Decisions remain the leader's prerogative, but communication is much more two-way.

S3: The supporting/participating leaders pass day-to-day decisions, such as task allocation and processes, to the follower. The leader facilitates and takes part in decisions, but control is with the follower.

S4: The delegating leaders are still involved in decisions and problem-solving, but control is with the follower. The follower decides when and how the leader will be involved.

Effective leaders need to be flexible, and must adapt themselves according to the situation. Blanchard & Hersey (1969) elaborate further that the maturity level of a follower can be influenced by the development of interventions. Moreover, the follower maturity may regress, requiring continuous adjustment of the leader behavior maturity (Yukl 1998).

2.3.4.4 Path-Goal Theory

House & Mitchell (1974) introduces the Path-Goal Theory in explaining how leadership behaviour can influence the satisfaction and the performance of an individual follower (Yukl 1998). Three areas of concern are: the leader style, the characteristics of the follower and the situation. This theory explains the relationship between the leader's style of leadership and both the characteristics of the follower and the situation (Northouse 1997; Northouse 2004). This theory explicates that a leader's behaviour is motivating or satisfying to the follower if the behaviour increases the attractiveness of the goals, while simultaneously, increasing the follower confidence in achieving them (Howell & Shea 2001). In ensuring this, the leaders take an active role in guiding, motivating and rewarding the followers in their job. To summarise, the leader steers the follower down a path to their goals by selecting the behaviours that are best suited to the individual follower's needs and situation. Moreover, the leader identifies the obstacles along the path and helps the follower to get through them by navigating the follower around the obstacles on the way to achieving the goals.

There are four types of leadership behaviours or styles that are generally included in this model: supportive, directive, participative, and achievement oriented. The supportive leader goes out of his/her way to make work enjoyable for followers

and treats them with respect. The directive leader sets clear standards of performance and makes rules and regulations clear to the followers in a control environment. The participative leader consults with the followers and takes their contributions into account during the decision making process. The achievement oriented leader challenges the followers to performance their best and demonstrates a high degree of confidence in their abilities to do the job.

The Path-Goal Theory stipulates that a leader may exhibit any or all of these types of leadership, and that the best type of leadership for a given situation will be dependent on the individual follower and the specific situation. The theory hypothesises that when the followers are inexperienced and the task is complex then directive leadership is the best course of action. When the task is stressful, boring, tedious and/or dangerous, the theory suggests that the supportive leadership is the most effective style of leadership. This is because it is thought to increase follower effort and satisfaction by increasing self-confidence, lowering anxiety and minimising the unpleasant aspects of work. Participative leadership is suggested to increase the follower effort when the task is unstructured by increasing the role clarity and increasing the follower autonomy. Achievement oriented leadership on the other hand is predicted to increase the follower effort and satisfaction when the task is unstructured and complex by increasing the follower self confidence and the expectation of successfully accomplishing a challenging task or goal. Figure 2.5 explains the concepts of the Path-Goal Theory. The environment and the staff factors are moderators in leadership style and staff performance relationship as well as in leadership style and job satisfaction relationship.

Figure 2. 5: The Path-Goal Theory
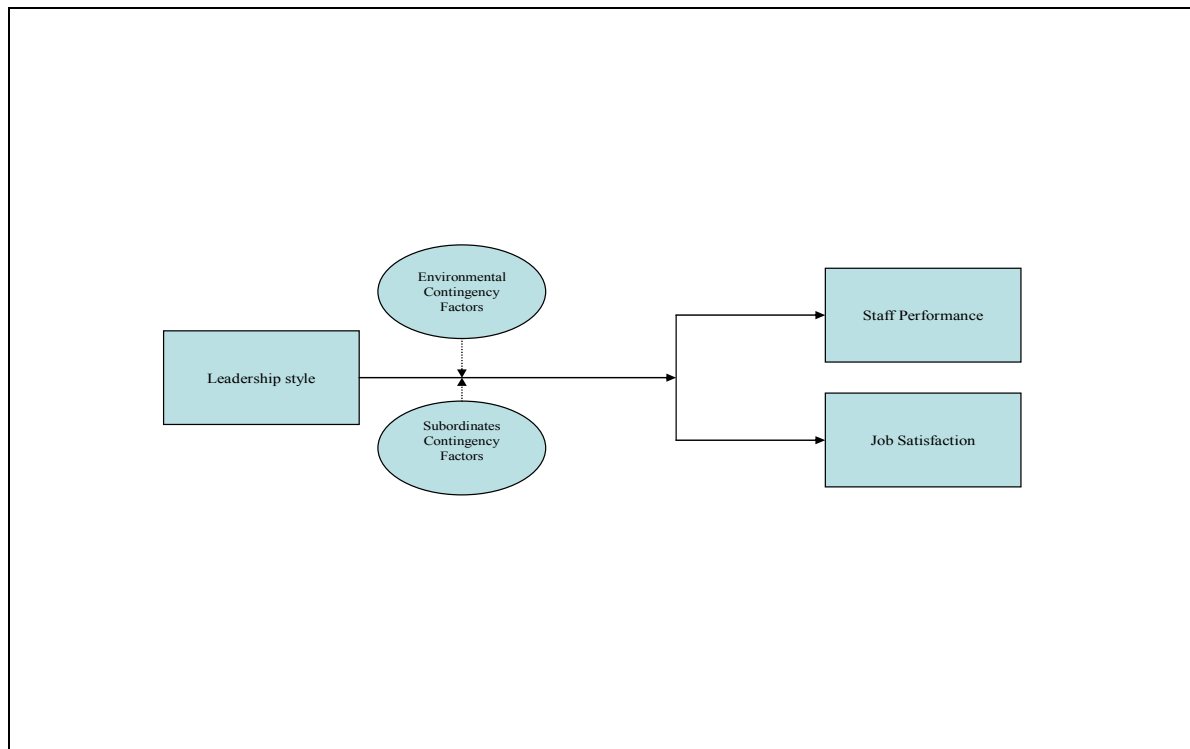
Source: Northouse (2004)

2.3.5 Transformational leadership

This new approach of leadership was initially introduced by Downton, Jr. (1973). After that Burns (1978) has contributed much to transformational leadership study. He says "leaders are those individuals who tap the motives of the followers in order to better reach the goals of the leaders and the followers". Leaders are attentive to the needs and motives of the followers, thus creating a connection between the followers and the leaders. He explains further that the transformational leadership refers to the process whereby an individual engages with others to create a connection that raises the level of motivation and morality in both the leaders and followers. The transformational leadership is significantly related to change. The leader creates revolutionary activities and transforms the current situations to the next level of

betterment. The leader converts the followers' mentality, attitude, behaviour and the ways they perform the job to ensure they can face current and future challenges. Daft (1999) states that transformational leaders have the ability to lead changes in the organization's vision, strategy, and culture as well as to promote innovation in products and technologies.

Transformational leaders do not offer tangible incentives to the followers to set off change; they use tangible qualities to accelerate the transactions with the followers. The transformational leaders believe the tangible incentives is not lasting or sustain the followers' energies, whereas, transform the followers' values, beliefs and qualities in themselves is the best way to sustain and keep them motivated. Daft (1999) states that transformational leadership is based on the personal values, beliefs and qualities of the leader rather than on an exchange process between the leaders and the followers.

Before Daft (1999), transformational leadership was clearly explained by Bennis & Nanus (1985). They perceive transformational leadership as an effective leadership which can move the organisations from the current to the future states; create visions of potential opportunities for organizations; instil within the employees commitment to change; instil new cultures and strategies in organizations that mobilise and focus energy and resources. The critical areas forwarded by them are the vision, the employees' commitment, the culture and the strategies. The ideas suggested by Bennis & Nanus (1985) gained support from Bryman (1992), he agrees that transformational leadership addresses the higher-order needs of followers and looks to the full range of motives that move them. Understanding the needs and motives of the followers is important in transformational leadership. Leaders design the suitable approaches to lead them. Transformational leadership is concerned both

with the performance of the followers as well as developing them to their full potential. There are four key factors that have been associated with transformational leaders: idealised influence, inspirational motivation, intellectual stimulation, and individualised consideration. Through the use of these four factors, transformational leaders empower and elevate their followers. Section 2.3 explains the leadership approaches and theories. The next section describes the differences between the leader and the manager.

2.4   The differences between the leader and the manager

The use of leader and manager as words in describing a person's role is widely accepted in the organisation. But yet the confusion in differentiating these roles, the manager and leader still widely exists. Obviously, to differentiate the role of the manager and the leader is the most difficult thing to do in the organisation. Most of the scholars agree that this is the most multifaceted area which could create a great deal of confusion not only amongst the employees but the management as well. The staff are puzzled whether they need a leader or a manager or both. Worst still, they get confused with the bombastic definitions of leadership from the top management who also most of the time does not know how to differentiate these two important roles. The employers are also caught in the same situation especially in recruiting top management personnel whether to hire a leader or a manager.

Nowadays in robust situations recruiting the right employee is crucial especially in maintaining or gaining the market shares. The wrong decision will affect the company's competitive advantage in the market. Thus a good understanding on these two elements is crucial in this research. The current research only focuses on the leadership elements and not the management elements of the retail industry. In most

cases leadership and management are used interchangeably although they are two different elements in the organization. Bryman (1992) states that leadership is a process that is similar to management such as working with people and goals accomplishment. He agrees that there are differences between the leader and the manager; he supports ideas from Fayol (1916) and Kotter (1990) on management, which state that management is created to reduce chaos in organizations and make it run successfully and competently. The manager's roles are to keep things in order and to maintain the stability level of the company, while the leader's roles is to look-out for adaptive and constructive changes. Zaleznik, Kets, V, & Howard (1977) state that "unlike the manager, the leader is active instead of reactive; he/she is shaping ideas instead of responding to them. Leaders adopt a personal attitude towards goals. The influence a leader exerts in altering moods, evoking images and expectations, and in establishing specific desires and objectives determines the direction a business takes. The net result is to change the way people think about what is desirable, possible, and necessary. Daft (1999) explains that the management can be split into two ways, the functions of management and the roles into which the management activities fit. In explaining these, Sections 2.4.1 and 2.4.2 discuss the functions of the management and the managerial roles.

2.5   The functions of Management

Bryman (1992) discusses further on the management activities introduced by Kotter (1990), there are three traditional management activities: planning/budgeting, organising/staffing and controlling. The definition of planning and organising is referring to the roles of managers in detailing the organisation agenda, setting up the framework, allocating certain resources to accomplish the goals. Daft (1999) has agreed with this by saying that management can be defined as the attainment of

organisational goals in an effective and efficient manner through planning, organizing, staffing, directing and controlling organisational resources. In organising and staffing activities, the manager's roles are focusing on the people asset. Activities at this stage are allocating work structure for employees, work environment, employees' relationship and physical needs to perform the work effectively. The last activity in management by Kotter (1990) is controlling and problem solving. He refers to all activities on the employees' incentive development system, to encourage the workforce, problem solving, maintaining the progress of the performance and correcting any substandard performance.

2.6   The managerial roles

Mintzberg (1973) introduces the Mintzberg's Manager Roles; and argues that not all managers' activities can fit into Kotter's Five-Traditional Functions of Management as detailed in Daft (1999) and Yukl (2002). In explaining this Mintzberg (1973) has divided ten manager activities into three concept categories: informational, interpersonal and decisional. First, the informational category is described as the way the manager's process information or organizational data consistently. Managers are perceived as an "information centre" that can transmit data to the internal and the external parties. As a manager, gathering information is crucial; therefore they seek reliable information from different sources internally and externally. Managers who possess in depth information are perceived to be effective and efficient. He has grouped three roles into this category, to be exact: the monitor; the disseminator and the spokesperson. Secondly, the interpersonal category expresses that the manager is perceived as a relationship agent, foster the relationship within the organisation including the motivational activities, the employees' development and the symbol of the group. Mintzberg (1973) clusters three major roles into this category and they are

the figurehead, the leader and the liaison. Thirdly, in the decisional category, there are four major roles as specified by Mintzberg (1973) which are the entrepreneur, the disturbance handler, the resources allocator and the negotiator. In this category the managers are perceived to be actively involved in the decision making process in term of the business strategy, the operational problems, the resources allotment, and the business-interest negotiation. Daft (1999) has simplified the characteristics of management and leadership. As outlined in Figure 2.6, he has clearly segregated the role of the manager and the leader. The next discussions are based on Figure 2.6.

Figure 2. 6: The comparisons between the management and the leadership
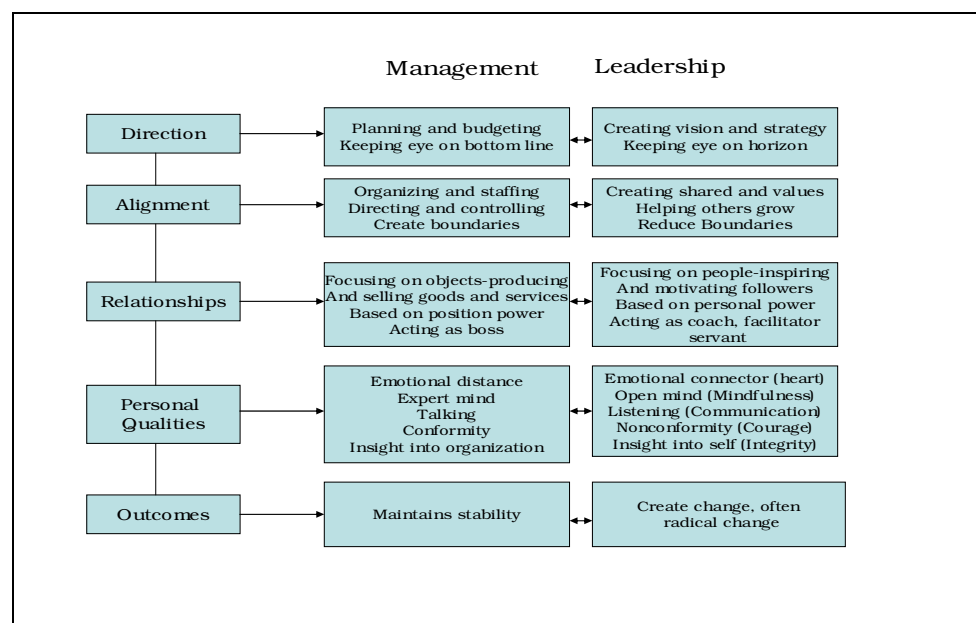
Adopted from Richard L. Daft, Leadership: Theory and Practice, 1999

<u>Providing direction</u>

Both the manager and the leader are involved in planning and establishing the directions for the organisation. The difference is the way the direction is provided. The management roles are focusing on the short term plans (short-sighted) or the business plans. The longest period is commonly 5 years. The establishment, the execution, the monitoring activities and the revision of the business plans are the

crucial functions of management. In addition the resource allocations are also part of the roles.

On the contrary, leadership is the way of constructing the change in the organization to fulfil the company's vision. This can be defined as the business strategies for the longer run. The major roles of the leaders are to motivate and influence people (employees) towards the company's vision in a competitive market. Leadership is being observant of the long-term future of the company and the management concentrates on the operational matters and ensuring the company's bottom-line is achieved.

Providing Alignment

Since one of the important roles of the management is securing the company's bottom line, the management provides a organisation structure and operational procedures in order to achieve the goals. The management creates divisional and departmental staffing procedures in order to segregate the employees' roles to achieve higher productivity. In common practice the employees are divided into departmental functions. The management creates boundaries within the organisation especially in employee communication. The manager as a thinker and the employee as a follower concepts are promoted within the organisation.

Leadership is concerned with nurturing employees ownership by communicating and sharing the vision, the work culture and the core values of the company. The leader catalyses change by aligning everyone in the same direction to achieve the common goals of the company. Leaders share the change process with the employees, besides being a leader they are also a thinker and a doer. Leaders are not

directing but promoting the shared values and the work culture to fulfil the company vision.

Providing Relationships

Management believes that in the organisation there is a formal authority relationship between the employees and the superior. All matters are based on the evidence, the like work-related reports and the machinery in producing products and services. Managers focus on the company's hardware in order to keep their eye on the bottom-line. The relationship is based on the employees' role and is very structured. The manager imposes assigned power to influence the employees such as the employment contract, the goal- setting agreement and the implied contract to achieve the desired operational goals. The manager acts as a boss and decides all aspects of the operational issues.

Whereas leadership concentrates on the soft-side of the company, focusing on the factors that could motivate and inspire the employees in order to fulfil the company's vision and not using coercive behaviour to influence the employees. Leaders empower employees to make decisions in many cases. Leadership strives to make the work stimulating and challenging by attracting and motivating the employees through recognition and not by rewards or punishments. Leaders use personal influence rather than position influence to inspire the employees to attain the goals.

Personal Qualities

The management focuses on the bottom line. All decisions rely on facts. Everything must be presented clearly in order to provide the answers to the problems.

Management acts as a problem solver in the company. In all processes, the management encourages emotional distance since the profit and loss is a major concern. Often the employees get upset with the behaviours shown by the managers, but that is the way the manager runs the show. The manager earns the respect of the followers on his/her professional skills and not on his/her personal qualities. The employees' productivity is encouraged by the goals. Employees work hard to achieve the goals and to obtain the rewards. The management encourages the employees to perform duties by promising rewards.

Conversely, the leadership conceives a set of "invisible" personal qualities that motivate the followers. The leadership promote an emotional connection between the leaders and the followers. It is a difficult process but crucial to develop a real leadership. Daft (1999) explains that a good leadership springs from a genuine concern for others. Many leadership gurus believe that a good leader is a leader that serves the followers. Leaders encourage their followers by communicating and exploring the problem faced by the followers.

Having pleasing personal qualities is crucial to being a good leader. Followers observe and tend to duplicate the leader's behaviours in all aspects. Some examples of good personal qualities are enthusiasm, honesty, guts and humbleness. These influential skills will be observed by the followers.

<u>Outcomes</u>

As discussed in the earlier part of this chapter, the management focuses on the short term outcomes by creating stability, predictability, order and efficiency in the organisation (Daft 1999). Management is always trying to find ways to maximise the profitability of the company. Organisation with a good management team generates

good profit and meets the expectations of the stakeholders. thus maintaining the current market shares of the company. Nowadays, it seems to be impossible for a product or service to be stable for a long period of time. It changes with time. Leadership creates radical changes in an organisation for its survival in the future. Leadership removes the outdated practices and unproductive processes for the future betterment. Good leadership increases new horizons for the company where the new products, services and expertise could reach new customer groups and increase market shares. The level of employees' creativity and innovation depend on the leadership of an individual company.

2.7   Antecedents of leadership style

The antecedents to be observed will vary according to the type of the research and the interest. A major challenge for leadership study is the selection of antecedents to be incorporated. Broadly leadership scholars have shown different interest in the antecedents of leadership style studies. Most of the scholars uphold the interest of study and the current needs of the leader to perform the job or to rule the situation in selecting antecedents. As an example, Sinha (1980);Sinha (1990) studies the characteristics of the nurturant-task leader in India. The antecedents used have to focus on the determination of the leader's leadership style with 91 different types of questions which have been designed and forwarded to the respondents. The leadership style of leader then links to the forces influence such as political, religion caste, government, city influence, union, bribes , organization's efficiency, job satisfaction, age, designation, education level, sociable level, employment service, employment progress, places where the person is brought-up, numbers of family members, father's occupation and degree of religiousness. It seems to be complex and complicated but antecedents are chosen to fulfil the interest and the needs of the research. Stogdill

(1974) suggests the common antecedents in leadership studies are the leader's age, education, years of service, time in the job, consideration, structure, authority, delegation; superior's consideration and structure; and the employee's satisfaction on organization, work, advance, pay, freedom and security. As such there is no limitation in the numbers of antecedents but the suitability of the antecedents is important in the research instrument.

Section 2.6 reviews nine (9) different instruments in the previous leadership studies. In this section various areas will be reviewed before deciding the ideal research instrument. The end of this section, it will discuss the selection of the ideal research instrument to be used in the current study.

2.8 Review of commonly used instrument to measure leadership style

This section intends to review various leadership style instruments. Literature reviews reveal that the scholars use different measurements/instruments to identify leadership style in leadership studies. Sinha (1995) states that the very first scholar that initiated a study on measuring leadership style are Lewin & Lippitt (1938) even though some of the scholars believe that Stogdill (1948) should get the credit for introducing leadership style/behaviour and demolishes traits leadership. The discussions on the previous instruments intend to establish the strengths of the individual instrument and to identify its suitability for the current study. The details of each instrument are illustrated in Table 2.6 It shows the evolvement of leadership instruments used as early as 1940's. The recent studies of leadership evidently used the previous introduced instruments with some modifications to suit the research needs. This concludes that the selection of the leadership survey instrument used is depended on

the suitability of a particular instrument in the current study and regardless of the year the instrument has been introduced.

Table 2. 6: Leadership style measurement

Year	Scholars	Leadership measurement
1943	Iowa State University Kurt Lewin	Autocratic versus Democratic Leadership
1957	Ohio State Studies Hemphill & Coons	Leadership Behaviour Description Questionnaire (LBDQ) Initiating Structure and Consideration
1963	The University of Michigan	Two types of leadership behaviours; Employee Orientation and production Orientation.
1967	Fiedler	Least Preferred Co-worker (LPC)
1971	House	Path-Goal Leadership Questionnaire
1974	House & Dessler	Path-Goal Leadership Questionnaire
1988	J.Indvik	Path-Goal Leadership Questionnaire
1995	Graen & Uhl-Bien	LMX 7 Questionnaire
1994	Bass & Avolio	Multifactor Leadership Questionnaire
1989	Larson & Lafasto	Team Effectiveness Questionnaire
1979	Blake and Mouton	9-1Style versus 1-9 Style
1995	JBP Sinha	Leader's Style Scale
2001	Harris & Ogbonna	Path-Goal Leadership Questionnaire
2001	Price	Path-Goal Leadership Questionnaire
2005	Schriesheim, Castro, Zhou & DeChurch	Path-Goal Leadership Questionnaire &

Source: Summarized data from Sinha, The Cultural Context of Leadership and Power, 1995, Sage Publications New

2.8.1 Autocratic versus Democratic Leadership

This instrument is used to determine the leadership style of leader, whether autocratic or democratic. Daft (1999) states that autocratic leader is one who tends to centralise authority and drive power from the position, control the rewards, and coercion. The move is introduced in responding to current situation in contemporary European countries at that time. A study has been carried-out on leadership styles: authoritarian, democratic and laissez-faire. In the research by Lewin, White, & Lippitt (1939); Lippitt & White (1943), a group of children (mixed boys and girls) where placed under guidance of adult leaders with differences in leadership styles. The results show that the children (followers) have duplicated the styles of their leaders. Under authoritarian style, leaders are in control in all situations. Leaders are always giving

deconstructive feedbacks, very directive, hardly appraising team members, go-by-the-book type of leadership. The team members under authoritarian leaders are not empowered to make decision as they always depend on the leaders for approval, fight to get attention from the leaders and show very disrupting behaviours if they get turned-down.

Contrary to the authoritarian is the democratic style of leadership, leaders give "more room to the followers to breathe", a lot of encouragement factors by the leaders and team members possess high self confidence. The followers show sociable, impulsive and cheering behaviour which is replicated from the leaders.

The laissez-faire is considered as a "light-weight" of leadership style. Leaders limit their involvement with the group members. No direction like the authoritarian or encouragement like the democratic style. In other words a ship without captain, the followers lost in direction. Shaw (1955) states "speed and accuracy of performance are greater under authoritarian than under democratic style". On the other hand satisfaction and nominations for leaders are greater under democratic. Table 2.7 shows the explanations of these two leadership styles: authoritarian and democratic. Tannenbaum & Schmidt (1973) have extended the autocratic versus democratic leadership concept by introducing Leadership Continuum. Lewin, White, & Lippitt (1939); and Lippitt & White (1943) explain the differences of these two styles in terms of policies, strategies, assignments, staff motivation and the relationship between the leader and the follower.

Table 2. 7: Comparison between Authoritarian and Democratic Styles

Authoritarian Style	Democratic Style
All policies are determined by leader.	All policies are determined by the group.
Strategies for goal relation determined by leader; no future direction	Explanation of overall processes give in the beginning; technical advice sought and given.
Leader dictates work task and work teams	Members are free to choose work companions and division of tasks.
Leader is personal in his praise and critics without objective reasons.	Leader is objective and fact minded in praise and criticism.
Leader maintains distance from members	Leader participates in the group.

Source: Kurt Lewin (1943)

2.8.2 Leader Behaviour Description Questionnaires (LBDQ)

This instrument was introduced when the leadership scholars began to realise the studies on personality traits in determining leadership style did not meet with expectation. Moreover, the evidence showed that personal traits are not the only factors that contribute to the effectiveness of leadership. A group of scholars from Ohio State University embarked a study on behavioural leadership. The study examined the way the leader behaves when leading a group or an organization. The questionnaires were developed to enable staff to analyse the regularity of the leader in certain behaviour while working. Originally there were 1800 items describing the variations in the leaders' behaviour. Later this figure was reduced down to 150 questions. Since then LBDQ have been given to hundreds of respondents in military, educational and industrial firms and the findings show that the leaders posses a cluster of behaviours that differentiate them from the followers.

The responses show that there are two clusters of leadership styles dominating the research, initiating structure and consideration. According to Fleishman & Harris (1962), " initiating Structure is the extent to which a leader defines leader and group member roles, initiates actions, organizes group activities and defines how tasks are to be accomplished by the group". On the other hand, "the consideration reflects the

extent to which an individual is likely to have job relationships characterised by mutual trust, respect for staff's ideas and consideration for their feelings"

2.8.3 The University of Michigan Studies

The research started between 1951 and 1967 .The studies focus on the implication of the leader's behaviour on the performance of the small groups. The scholars have acknowledged two main areas in leadership which are the employee orientation and the production orientation. The employee orientation explains the soft skills of approaching the employee. This orientation is about building interest in people, appreciating them as they are and giving undivided attention to the people needs. Unlike the employee orientation, the production orientation focuses on the leader's behaviours that put emphasis on the hard skills of the job- the technical and production aspects.

2.8.4 Blake and Mouton's Leadership Grid

This was introduced in early 1960 by Blake & Mouton (1964) . This model is one of the most popular leadership instruments and it has gone through a few revisions and has been redefined since then Blake & McCanse (1991) ;Blake & Mouton (1964) ;Blake & Mouton (1985); and Blake & Mouton (1978). First it is known as the Managerial Grid then the Leadership Grid following the shifting of the organisational focuses from the management to the leadership approach. This instrument becomes one of the powerful leadership instruments for employees training and development.

This instrument has been used to clarify the way leaders behave in meeting the organisation's goals and purposes through two factors: concern for production and concern for people. The concern for production relates to the way a leader is involved in attaining organisational tasks. The focus is on profit and the survival of an

organisational operation in the present and future. This concern includes business processes, strategies and decisions.

The concern for people relates to the way a leader chooses and implements the right human management methods in achieving goals. It includes employees' ownership, self-esteem, quality work life, comparative market salary and creating effective internal communication system for the employees.

2.8.5 Least Preferred Co-Worker (LPC) Measure

This measurement was introduced by Fiedler (1974) in his Contingency Model. It is one of the tools to measure leadership style. It describes a co-worker behaviour to complete the job or task as expected when they have problem with other co-workers. The LPC contains eighteen (18) objectives for the respondent to describe his/her co-worker in a scale 1 to 7.

The final score of LPC determines the leadership style of a person. A score of 57 and below is considered as a lower LPC. It shows that the person possesses task-oriented leadership style. This group of individuals' primary concern is tasks completion with less concern on the relationship with others while performing tasks. The leader gains self-esteem through achieving goals or completing tasks. The leader uses interpersonal skills to build the relationship with the employees after directing them towards the tasks.

The range score between 58 and 63 is described as an independent or middle LPC. The leader in this group is perceived as self-directed and slightly concern on the task and how other people perceive his/her relationship with others. The leader in this group is less concerned about the situation more independent compared with the low

LPC leader. An individual who scores 64 and over is perceived as high LPC and is concerned with the relationship with other people in a group or organisation. Leaders in this group will give priority to relationship rather than task. The perception of other people on the way he/she maintains relationships with others increases his/her self-esteem.

2.8.6 Path -Goal Leadership Questionnaire

This has been widely used to measure and study the important aspects of path-goal leadership. The 20 questionnaires contain four different leadership styles; directive, supportive, participative, and achievement approaches. The respondents should rate themselves based on the frequency that they behaved on given situations. The ratings are from 1 to 7: 1 will be weak and 7 will be strong. The score will determine the style of leadership of the respondent.

The directive style score is 18 and above. A score of 28 and above he/she can be categorised into high directive leadership. Commonly the score is about 23 points. A score below 18 points is considered low. The supportive style score is 23 and above. A score of 33 and above can be categorised into high supportive leadership. Commonly the score is 28 points. The participative style score is 16 and above. A score of 26 and above can be categorised into high participative leadership. Commonly the score is 21 points. The achievement-oriented style score is 14 and above. A score of 24 and above can be categorised into high participative leadership. Commonly the score is 19 points.

2.8.7 LMX 7 Questionnaire

The leadership scholars use several questionnaires in studying Leader-Member Exchange (LMX) leadership. This is one of the instruments widely used. It is designed to evaluate the quality relationship at work between the leaders and the followers. In LMX 7 there are three main areas of concerns: trust, respect and obligation. According to Northouse (1997), "it assesses the degree to which leaders and followers have mutual respect for each other's capabilities, feel a deepening sense of reciprocal trust, and have a strong sense of obligation to one another". The trust, respect and obligation are three fundamental concerns in maintaining healthy relationship between the leaders and followers. It can be used for both, leaders and followers in assessing their relations at the work place. The score can be categorised in five elements: very high (30-35), high (25-29), moderate (20-24), low (15-19) and very low (7-14). The score indicates the degree of relationship between the leaders and the followers. The higher the score the stronger the relationship between them.

2.8.8 Multifactor Leadership Questionnaire (MLQ)

This instrument was developed by (Bass 1985), since then it has been widely used to measure transformational leadership. (Bass 1985) has carried out interviews with seventy senior executives in South Africa. In the study they have been asked to memorise their experiences that lifted their awareness to wider goals, instil high motivation and concern about other's interests. Finally the executives have been asked to complete the MLQ based on the leaders' behaviours to influence the change.

The MLQ has gone through several revisions and keeps evolving. The current MLQ version is MLQ 6S developed by Bass & Avolio (1994). The areas of concerns in MLQ are idealised influence, inspirational motivation, intellectual stimulation, individualised consideration, contingent reward, management-by-exception and

finally laissez-faire. It consists of twenty-one questions and it has been divided into seven concerns equally. The score determines the leadership style: transformational, transactional, and non-transactional. Transformational leadership consists of the idealised influence, the inspirational motivation, intellectual stimulation, individualised consideration factors. Transactional leadership consists of contingent reward and management-by-exception. Finally non-transactional leadership consists of laissez-faire factor. The interpretation of the score is divided into three divisions: high (9-12), moderate (5-8) and low (0-4).

2.8.9 Team Effectiveness Questionnaires

This instrument was developed by LaFasto & Larson (1989) in assessing team effectiveness and leadership style. The leader and the team members use the same set of questionnaires to evaluate their team performance and leadership style. At the end of the survey the score from each team member will be compared and diagnosed. The questionnaires contain eight criteria which are associated with the team performance and merit. The criteria are: clear elevating goals; results driven structure; competent team members; unified commitment; collaborative climate; standards of excellence; external support/recognition and principled leadership. On top of that the team members are free to give comments besides directed questions at the end of the questionnaires form. The final findings will be shared together. The weak area will be put on corrective action to strengthen it. All corrective actions will involve the leader and the team members. Normally this survey is suitable to clean-up the mess in the group and to increase the team performance and to identify the weak areas. Section 2.6 explains the instruments used in the previous leadership studies. Based on

this information, Section 2.7 outlines the justifications on the chosen leadership approach and the instrument to be applied in this study.

2.9   Leadership approach and instrument for the study.

Regardless of the distinctive characteristics of a retail sector, retail leaders appear to perform their responsibilities like other leaders in many other sectors. As an example, in defining the organisational leadership, House (1971) has included various characteristics of the leader's role that are appropriate for retail leaders. Leaders may be viewed as those specialised "role holders" in the retail sector whose purpose it is to facilitate the retail's operation by implementing motivational aspects. The retail leaders facilitate the operations by integrating group members holding diverse goals and statuses, by inducing cooperation and compliances from individual members and by advancing goal achievement and directing the decision making process and by advancing goal achievement for the entire organisation.

This nature of leadership is also visualised in the Contingency Approach and the Path-Goal Theory. House (1971) uses expectancy theories of motivation as the foundation to formulate the Path-Goal theory. The Path-Goal theory consists of three sets of contingencies: leader style, followers and situation, and the rewards to meet follower's needs (Daft 1999). This theory explains the functions of a leader that enhances staff expectancies, instrumentalities and valences. Particularly, the motivational functions of the leader consists of (1) escalating personal payoffs to group members for work-goal attainment, (2) clarifying the paths to these payoffs, (3) reducing obstacles and pitfalls that impede goal attainment, and increasing the opportunities for the group members' satisfaction. The leader provides the coaching, guidance, support and rewards necessary for effective and satisfying performance that

would otherwise be lacking in the environment (House & Dessler 1974). In any organisation a variety of factors will affect the values of the variables. One of the most important will be the leaders, since they: determine what rewards will be given for various accomplishments; affect the size of the payoffs made available, clarify how various behaviours lead to differing outcomes; set forth examples of differing paths and their acceptance; structure through work assignments or lesser barriers will be put up that will affect the outcomes of differing paths (House 1971) .

Studies by House and others have used variables derived from these concepts and have investigated the relationship among them posited in the theory. Some of these relationships seem applicable to leadership in a retail setting. Investigating them should provide some tentative indication regarding the utility of this theory, its concepts and their posited interrelationships for the study of retail leadership. As explained by (Jermier 1996, p.312-313) the Path-Goal theory has four strong advantages. Firstly, the theory specifies multiple leadership behaviours known as directive supportive, participative and achievement oriented styles. Secondly, the leaders are theorised to impact differently on the motivation of individuals by affecting valences and expectations. It also has an effect on the satisfaction of the individual staff and the degree the individual accepts the leader. Thirdly, this theory accelerates the move towards contingency approaches in organisational behaviour by identifying more complex combinations of variables that moderated the effects of leaders' behaviours. Forth, the Path-Goal theory lays the groundwork for considering situations. Leader behaviour will be motivational for staff to the extent that it compliments the work environment and supplements it with what is otherwise lacking.

The Path-Goal Theory has integrated three different aspects-the leader, the situation and the follower. The current study attempts to relate the leader behaviour, the situation which is the internal marketing and the followers which are the retail staff.

The leader behaviour is investigated in order to determine the degree of influence of leadership on the internal marketing, job satisfaction and the HOD performance. The situation refers to the internal marketing. This study tries to assess the internal marketing level in retailing. Contrary to the previous studies, the situations are acted as moderator variables but in this study the situation is acted as mediator.

The followers are the retail staff and involved directly in assessing all aspects in this study. The followers will assess their HOD leadership styles, the HOD performance, and the internal marketing competency level where they are working in and assess their own job satisfaction on their current jobs. In considering the above explanations, undoubtedly the Path-Goal Theory is the most matching instrument with the requirements in the current study. This theory shows a high flexibility and it is convincingly suitable to be employed for the current study.

2.10 Conclusion

In summary, there is no one best type of leadership; that is, what is effective for one person may not be effective for another (Boseman 2008). The purpose of this literature review is to highlight the major leadership approaches, models and theories. The results of the review indicate that the leadership style/behaviour of the leader is present in most of the leadership approaches, theories and models. After thorough consideration the Path-Goal theory, model and instrument appear to be the most

suitable to be applied in the current study. The elements in path-goal theory suit research requirements. The strengths of Path-Goal theory are as follows:

Provides a useful and powerful theoretical framework for understanding how various leadership styles affect staff' satisfaction and work performance. This suits the current study in which leadership will be tested together with internal marketing competency level, staff job satisfaction and HOD's performance in participating organisations.

Path-goal theory provides a model that in certain ways is very practical. The theory reminds leaders that the overarching purpose of leadership is to guide and coach employees as they move along the path to achieve a goal.

Path-goal theory addresses issues of motivation at the forefront of the leader's mind by incorporating questions concerning staff motivation (Northouse, 2004).

The Path-Goal Model is expected to undergo some modifications to suit the current study. The situational factors (staff characteristics and nature of the task) are not included and tested. The Leadership styles are matched against the internal marketing competency level together with the staff job satisfaction and the HOD performance. The leadership style, job satisfaction, the HOD performance and the IM competency level are tested against each other in understanding the relationships among them. Figure 2.7 depicts the proposed model for the current study.

As visualised in Figure 2.7, the researcher intends to test all the relationships between the variables. Firstly, the leadership will be tested on internal marketing in order to understand the relationship between them. In addition, it helps the researcher to identify which leadership style has a significant impact on internal marketing.

Secondly, the leadership style will be analysed on the staff job satisfaction and again to determine the degree of the relationship between them.

Thirdly, the leadership style will be examined against the HOD performance as rated by the staff. This is to understand which leadership style has an effect on the HOD performance.

Fourthly, the mediating tests will be performed to verify whether the internal marketing and the HOD performance affect the relationship between the leadership style and the staff job satisfaction. In addition, the mediating test also will be employed to verify whether the internal marketing affects the relationship between the leadership style and the HOD performance.

Figure 2. 7: The Proposed Model
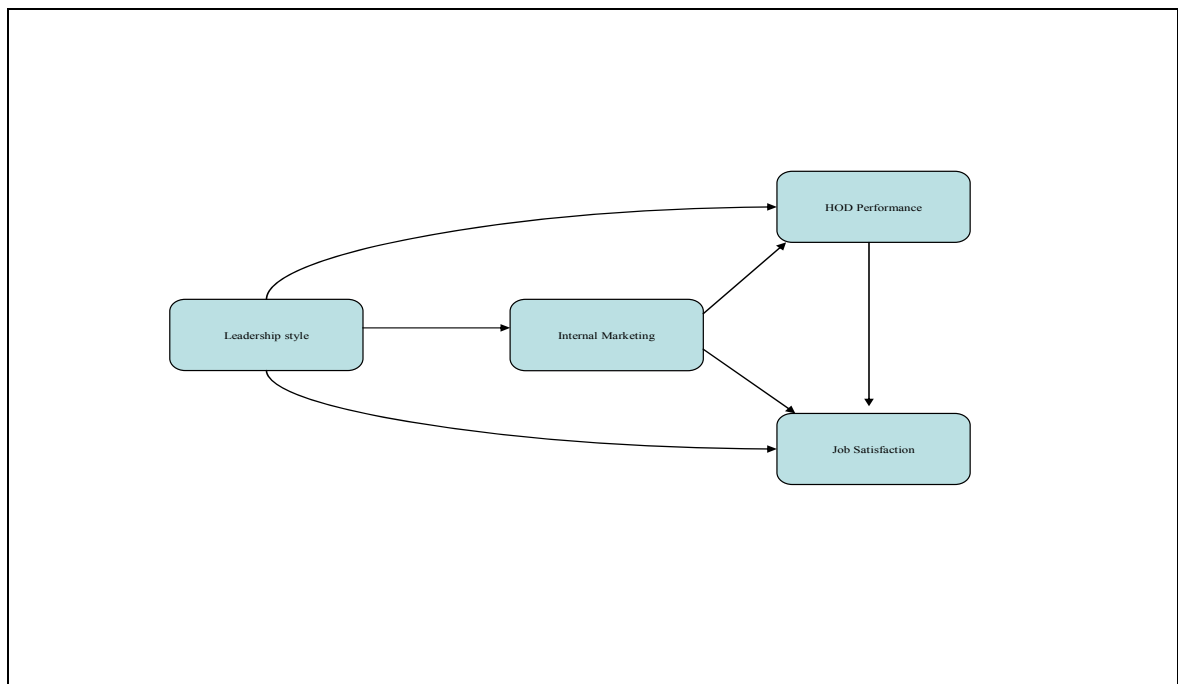
The next chapter discusses the literature review on internal marketing, job satisfaction and the HOD performance. The main objectives are to explore the internal marketing concept, the internal marketing definitions by various scholars and the significant

contributions of internal marketing in the organisation. In addition the concepts of job

satisfaction and the HOD performance will be briefly discussed.

CHAPTER 3

LITERATURE REVIEW ON INTERNAL MARKETING (IM)

3.1   Introduction

In the previous chapter, a range of leadership concepts were discussed. This chapter provides discussion on various internal marketing concepts and the importance of the internal marketing role in organisations. Moreover, it also covers a range of views from different experts. A wide ranging literature review on definitions, concepts, measurements and applications of IM provides assistance to the researcher in deciding the ideal concept, definition, measurement and application of internal marketing to be used in this study.

This chapter consists of thirteen subdivisions: 1) Introduction; 2) The origin of the internal marketing concept; 3) Internal marketing as functional level marketing; 4) Internal marketing definition; 5) The significance of internal marketing in creating a marketing culture organisation; 6) The objectives of internal marketing; 7) Internal marketing components; 8) The role of job satisfaction in the current study; 9) The link between job satisfaction and HOD performance; 10) The link between job satisfaction and leadership; 11) The link between job satisfaction and internal marketing; 12) The link between HOD performance and leadership style; and 13) Summary of Chapter Three.

3.2   The Origin of the Internal Marketing Concept

The early focus of marketing strategy was more inclined towards the external environment. The direction of marketing strategy was determined by external rather than internal factors. Considering this, there is no doubt that marketing strategy was

always protected from other functional departments in the same organisation and treated as a secret affair. In most cases, only certain individuals in an organisation could have access to it, supposedly to protect the information from being exposed to competitors. Marketing strategy was discussed only within a small circle of individuals in an organisation and not in all functional departments. Normally, only selected departments like marketing, sales and corporate division were involved. The marketing strategy would go through a filtering process after which a censored version of the marketing strategy would be cascaded down to other functional departments. Other departments' contributions therefore played no crucial role in developing marketing strategy. A few researchers have viewed this phenomenon as a "corporate disease". Caruana, Ewing, & Ramaseshan (2000) elaborate further that inter-departmental rivalry and organisational politics often resulted in these plans being treated as a "secret" affair with the level of co-operation between functional areas within the firm being rather limited.

The situation has evolved rapidly. The practice of controlling information within organisations is obsolete, and most of them are practising "open" and "sharing" management methods. Management teams now welcome ideas, suggestions, and feedback from each and every member of their company as well as sharing business information with them. This new approach is based on a partnership philosophy that incorporates the values of co-operation, caring, creativity, empathy and connectedness needed in the so-called "knowledge" era (Rafiq & Ahmed 2003). In realising the importance of the internal factors in an organisation, a few companies have introduced a strategy to promote internal activities which is known as internal marketing.

Ishikawa (1985) explains that the existence of the internal marketing concept has been noticed since the early 1950's and has been discussed indirectly in the Total

Quality Management literature. This statement has sparked some arguments on when the idea of internal marketing was initially conceptualised. Varey & Lewis (1999) argue that the explicit discussion of the marketing concept used in the internal operations of the organisation entered the marketing and service management literature in the late 1970s. However, this concept appeared in published marketing and management discussions in the early twentieth century. It seems that the essence of internal marketing is not a phenomenon of the post-industrial era, since there is some evidence of associated attitudes and methods in the early marketing management literature, indicating that programmes to generate commitment amongst employees to company goals are not new. For example, Taylor (1911) puts emphasis on the 'internal affair', which bears an obvious resemblance to the attitude management aspect of internal marketing (Gronroos 1994). He believes that internal marketing had started utilising the new active market-oriented approach.

Internal marketing became an established trend only in the 1980s and has grown rapidly (Bansal, Mendelson, & Sharma 2001; Rafiq & Ahmed 2003). In the 1980s, the term 'internal marketing' also appeared in service marketing literature (Carson & Gilmore 1996). Wilson & Wilson (1995) mention that for over 30 years Smiths Industries successfully marketed its internal information and marketing research department throughout the company year after year, providing extremely high quality technical and commercial information services on a self-liquidating and profit-making basis. At present, a rich mixture of ideas, theories, and techniques have been drawn together under the umbrella of internal marketing (Kelemen & Papasolomou-Doukakis 2004).

Given its importance, internal marketing is gaining recognition in academic and commercial sectors as a means of enhancing both customer and employee

satisfaction (Lings 1999). Recent attitudes of commercial and public organisations' management teams towards this concept are therefore very encouraging. Evidently, in current movement, many organisations are attempting to implement the concept of internal marketing (Papasolomou & Vrontis 2006). For example, Wilson & Wilson (1995)) reveal that "Surrey County Council and Philips Applications and Services are some of a few names that are actively promoting the internal marketing concept in their operations". Rafiq & Ahmed (2000) introduced the IM concept development and it has been grouped into three phases:

- The employee satisfaction phase;

- The customer-orientation phase; and

- The strategy implementation and change management phase.

This concept has been enhanced by Hwang & Chi (2005) where another phase is added. The enhanced phases are (1) treating the employee as an internal customer; (2) developing employee customer oriented behaviour; (3) human resources management (HRM) orientation; and (4) internal exchange.

The researcher believes that Hwang & Chi's (2005) fourth phase, internal exchange, should be incorporated in the customer-orientation phase introduced by Rafiq & Ahmed (2000). This study will be based on the combination of IM categories by Rafiq & Ahmed (2003) and Hwang & Chi (2005): (1) the employee satisfaction; (2) the customer-orientation; (3) the HRM orientation; and (4) the strategy implementation and the change management. Figure 3.1 illustrates the IM categories. It will be elaborately discussed in Sections 3.2.1-3.2.4.

Figure 3. 1: The Internal Marketing Categories
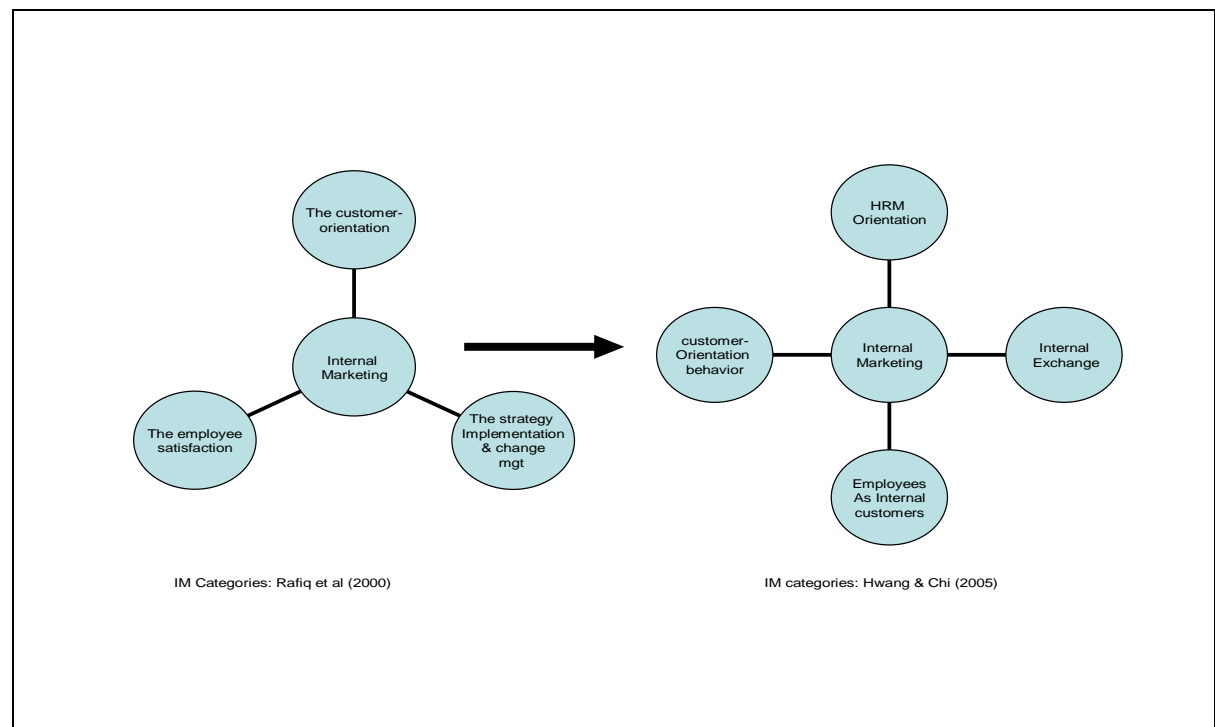
Source: (Rafiq & Ahmed 2000; Hwang & Chi 2005)

3.2.1 Category 1: Treating the employee as an internal customer.

Berry (1981) introduces this concept. Internal marketing is about viewing employees as internal customers, viewing their jobs as internal products, and then endeavouring to offer internal products that satisfy the needs and wants of these internal customers while addressing the objectives of the organisation (p.75). The same notion is also shared by Goldsmith (1996); Maignan, Ferrell, & Hult (1999); and Sasser & Arbeit (1976). The main characteristics of this IM concept are viewing jobs as products and employees as the customers.

In this regard, every employee in the organisation is perceived as a customer who has similar characteristics to external customers. One of the customers' main characteristics is "demanding" services or products in order to fulfil their needs and wants. As a customer (internal), an employee demands excellent services and information from the organisation. Concurrently, each employee has to provide

excellent services to other employees in order to satisfy their needs and wants and vice versa in a mutual provider and customer relationship. But this is slightly different to external customers, where they only receive products or services. Several scholars have explained this concept further. Rafiq & Ahmed (2000) believe that internal customers in service companies buy labour.

Undoubtedly, this concept offers several advantages to organisations: create customer-focused workforce; enhance human resource practices; create competitive advantage above competitors and create productive and pleasing work environment. In reality, the IM approach is at disadvantage if its implementation lacks planning, is poorly executed, and the activities are not suitable for the company. A few disadvantages have been identified are: staff will be loaded with a lot of internal activities, create unhealthy competition among staff, increase in staff training and development cost and lost focus on external customers. Rafiq & Ahmed (2000) anticipate three (3) drawbacks that may arise from this approach. Firstly, the focus of management on internal customers may surpass the needs of the external customers. Secondly, the organisation may face a substantial financial implication in maintaining /sustaining motivated employees. Thirdly, as internal customers, the employees may not have control over decisions on buying internal products.

3.2.2 Category 2: Developing employee's customer-oriented behaviour.

The development of customer-oriented behaviour is the second. This category is similar to the suggestion introduced by Gronroos (1990), where the focus of IM should be on obtaining and retaining customer-conscious employees. IM activities should be implemented in all departments. Peltier, Schibrowsky, & Schultz (2002) suggest that in creating customer-focused organisations, marketing and research

techniques should be employed throughout the organisation. The implementation of IM is not only beneficial to internal customers, but beyond it. Foreman (1995); and Gronroos (2000); Kotler & Armstrong (2001) confidently recommend and believe that in order to do well in external marketing, public and commercial organisations have to succeed in internal marketing first. Smiles on employees' faces indicate their happiness and show the satisfaction they have received as internal customers. This state of feeling motivates the employees to serve the external customers excellently. Green, Walls, & Schrest (1994) explain that internal marketing is the key to superior service and external marketing success.

Ahmed & Rafiq (2004) state that the objectives of IM are to generate a pool of motivated and customer conscious employees as well as fostering good co-ordination between employees when dealing directly with external customers and internal customers (colleagues, staff and superiors). Organisations implement internal marketing concepts in order to develop and maintain a workforce that is customer oriented, focused on delivering service quality and satisfied, in order to deal with a highly competitive service industry. However, there is a need to recognise the bureaucratic and mechanistic structures of organisations that hinder the application and potential effectiveness of internal marketing practice, inhibiting the process of adaptation to changing environmental circumstances (Papasolomou & Vrontis 2006).

3.2.3 Category 3: human resources management (HRM) orientation.

Evidently, the marketing words in IM concept often allow for the misconstruing of the scope of internal marketing. Some people assume that IM is a part of the marketing department, not the HR. Several scholars do not agree with this assumption. Peltier, Schibrowsky, & Schultz (2002) suggest that internal marketers should help HR

practitioners to understand the internal marketing concept, but not to overrule HR departments, since internal marketers are not familiar with most of the HR functions. The cooperation of both departments is important to ensure the success of the IM exercise in the organisation. People are critical to the success of the organisations (Papasolomou & Vrontis 2006). Joseph (1996) believes that incorporating all HRM theories, technologies; knowledge and principles into the IM concept can enhance its effectiveness. Recent research confirms that current thinking agrees that the prime concern of internal marketing is to get all employees to adopt a customer-supplier service ethos, relative to others in the organisation. It shows that the HR and the marketing concepts are interrelated and important in the IM study. The objectives of internal marketing are to produce motivated and customer conscious employees in order to achieve service excellence (Papasolomou & Vrontis 2006). IM is a part of the HRM orientation in which the staff training and development section aims to equip the employees with the right knowledge, skills and attitudes to serve external and internal customers better. Organisations that select, develop, manage and motivate their workforce to produce outstanding business results have an extraordinary competitive advantage that others cannot emulate (Nalbantian 2004).

3.2.4 Category 4: Strategy implementation and change management

IM strategy is a combination of internal strategies to achieve the organisation's objectives or aims. Internal strategy is referred to as IM components. Effective implementation of the IM components could help a company achieve its business strategy. Ahmed & Rafiq (2004) believe that if the strategies are to be implemented more effectively, internal conflicts must be overcome and internal communications must be improved as well. IM is a process of identifying the current internal strengths and the weaknesses of the company.

Hogg & Gabbott (1998) consider internal marketing strategy involving internal activities that can improve internal communications and customer consciousness among the employees, and the links between these activities and the external market place performance. Numerous IM scholars have concluded that in order to achieve the optimum external marketing performance, the organisation must strengthen and maximise internal performance. Varey & Lewis (2000) recommend that "this market should be informed, educated, trained, rewarded and motivated in order to meet the external customers' needs and expectations". In preparing the organisation to cope with external customers' demands and competitor threats, it is also necessary to train and motivate all the staff within the organisation to provide the appropriate level of service to customers (Bradley 2003). This shows the significant relationship between these two marketing concepts: internal and external.

Internal marketing strategy indicates a new concept and represents the relevance of the external marketing strategy within the company. Internal marketing theories show that organisations should emphasise the importance of employee needs satisfaction, approach jobs as internal products and aim towards the development and motivation of best-qualified personnel (Gronroos 1994). Later, Ahmed, Rafiq & Saad (2003) describe the logic of satisfying the needs of internal customers, which is about placing the organisation in a better position to deliver the quality desired in order to satisfy external customers (p. 1177).

Largely, the IM strategy is linked to other internal elements such as internal customer satisfaction and service quality. The relationship exists involving internal marketing and consumer satisfaction and linking internal marketing and service quality (Bansal, Mendelson, & Sharma 2001;Ewing & Caruana 1999). Several critics of internal marketing argue that the phrase is simply a way of referring to good human

resources management and practices. Nevertheless, internal marketing and human resource effectiveness are distinct and the former represents the antecedent of the latter (Ewing & Caruana 1999).

The successful implementation of IM strategy does not rely on its strengths only, but also on some of an organisation's characteristics; for example, bureaucratic organisation and office politics, which are usually considered as great barriers. Despite the fact that the importance of internal marketing is widely recognised, specific models of practising internal marketing in the business sector are rare. (Papasolomou & Vrontis 2006). This is partly because in bureaucratic organisations there are rigid rules and structures to guide work and these form barriers to the application of internal marketing.

Evidently, the success of the IM strategy is also related to organisational characteristics. The current study advances internal marketing at a strategic level, couples it with the conclusions of Sadler-Smith (2000) and uses it as a mechanism towards the re-orientation of business organisation (Varey & Lewis 1999) . Internal marketing strategy in business organisations is correlated with participative decision-making and employee empowerment, both driven by explicit top management initiatives. Thus, the practice of internal marketing is based on the premise that management displays a behaviour that facilitates employee involvement towards policy formulation and decision-making.

Several studies have suggested some recommendations in order for management roles to increase the effectiveness of an IM strategy. In ensuring the internal marketing strategy carries outstanding advantages for business entities, a few internal practices have to be revisited. The alignment of the management roles creates three advantages:

- First, it forces top management to state clear objectives based on deep knowledge about the parameters involved.

- Second, it grants employees at all levels of the organisation the power to implement change.

- Third, it contributes towards the identification of internal entrepreneurs (or champions) who are capable of leading innovation and organisational change (Ivancevich & Gilbert 2000).

Internal marketing implementation can foster the creation of informal cooperative relationships among the members of the organisation; thereby leading to voluntary exchanges of information and perspectives which in turn facilitate innovation (Hayton, 2005).

With these considerations in mind, internal marketing can be practised in a business organisation in order to formulate a strategy that fosters corporate strategy. The link between internal marketing and corporate strategy may seem implicit.. Furthermore, corporate strategy can be promoted through human resource management practices. Therefore, internal marketing is practised so that the best human resource management practices may be identified and distributed with high efficiency and effectiveness to the employee groups having similar characteristics. This is in line with the view held by Ahmed & Rafiq (2002) who state that internal marketing is a planned effort to align, motivate and integrate employees towards the effective implementation of corporate and functional strategies.

3.3 Internal Marketing and "functional level marketing"

In recent years, the success of the marketing mix concept by McCarthy (1960) in an external marketing context has drawn IM scholars to adapt this concept. According to

Keller et al. (2006) the researchers such Piercy & Morgan (1991) are the first to have adopted the marketing mix in the IM studies. They have conducted normative studies on IM. The research provides a basis for implementing key marketing mix elements in creating the successful internal marketing plan. Later, the use of the marketing mix concept in internal marketing has been adopted by Ahmed & Rafiq (1993), also in a normative study. The first empirical study on IM has been conducted by Kotler & Keller (2006). They have produced empirical confirmation of the use of the marketing mix concept in internal marketing. They have introduced six internal mix elements; each element fits precisely into one of the original 4P's of product, place, price and promotion. Table 3.1 shows the use of marketing elements in IM studies.

Table 3. 1 : The use of marketing elements in IM Studies

Researchers	Elemental Make - Up
Ballantyne (2000)	Involve employees in policy, procedure, and process development, one-way feedback, training, information dissemination, reciprocal communication, team-based learning
Finn et al. (1996)	Respect, accuracy and speed, internal suppliers fill orders, use information, keeping informed, proactive feedback.
Foreman & Money (1995)	Employee developments, rewards, understand and internalise the vision of the firm.
Gronroos (1994)	Training, management support for an internal marketing orientation, one-way and two-way communication, rewards, employee involvement in operational and customer service plans.
Lings (1999)	Employee interaction
Piercy & Morgan (1991)	Techniques, systems, power structure, political culture
Pitt & Foreman (1999)	Cost of exchanges between internal customers and internal suppliers.
Rafiq & Ahmed (1993)	Employee values and attitudes, services, training, employee cost to gain knowledge, communication, face-to-face interactions, recognition, formal meetings, conferences, in house education, work-place environment, processes, memos, training manuals.
Tansuhaj, Randall, McCullough (1991) and Tansuhaj, Wong and McCullough (1987)	Positive attitude toward employees, include in hiring process, formal ans on job training, direction toward achievable individual goals, open environment for communication, inform employees of strategic decisions and industry developments, two- way feedback, help understand links between performance and rewards.
Keller, Lynch, Ellinger, Ozment and Calantone (2007)	Includes internal promotion, internal customer job satisfaction, internal customer performance and interdepartmental customer orientation.

Realising the importance of the marketing mix in the internal marketing concept, the next section focuses on the marketing mix in the internal marketing concept.This section clarifies the connection between the Internal Marketing (IM) concept and

Functional Level Marketing. Functional Level Marketing (FLM) is one of the three levels in Marketing Strategy beside Corporate Level Marketing and Business Level Marketing. FLM deals with marketing tactics and marketing mix. In FLM the key purpose is to create and keep customers. It is also well known as the 4Ps: product, price, promotion and place. In recent years, the rapid growth in services marketing is undeniable. This influences the theorists to review the marketing mix and Fifield & Gilligan (2008) have established the extended concept of the 4Ps and it is known as the 7Ps marketing mix- Product, Place, Price, Promotion, People, Process and Physical. Fifield & Gilligan (2008) explain the 7Ps concept as the following:

1) Product-features, quality, quantity;

2) Place-location, number of outlets;

3) Price- strategy, determinants, levels;

4) Promotion- advertising, sales promotion, public relations;

5) People-quantity, quality, training, promotion;

6) Process- blueprinting, automation, control procedures; and

7) Physical- cleanliness, décor, ambience of the service.

Is this marketing mix applied in IM? In order to explore the situation, individual element in 7Ps marketing mix must be discussed. The discussions on these elements will be in Sections 3.3.1-3.3.7. The questions in Section 2 and 5 in the survey will be categorised in one of these marketing mix elements.

3.3.1 Product

Internal marketing adopts the traditional tools of marketing to develop and distribute the job product to employees (Keller, Lynch, Ellinger, Ozment, & Calantone 2006).

From this perspective, all employees of the firm are the internal customers and must understand how they impact upon customer value through the organisational process (Berry, Conant, & Parasuraman 1991;Gummesson 1987;Hartline & Ferrell 1996;Hartline, Maxham, & McKee 2000;Kennedy, Goolsby, & Lassk 2002; Lings 1999;Tansuhaj, Wong, & McCullough 1987). Product is defined as "everything (both favourable and unfavourable) that ones receive in an exchange; it is a complexity of tangible and intangible attributes, including functional, social, and psychological utilities and benefits. A product may be goods, a service, or an idea" (Dibb 1994;Dibb 1997;Dibb 2001;Dibb 2006;Doyle & Stern 2006). A product is anything that can be offered to someone to satisfy a need or want (Bradley 2003). Sasser & Arbeit (1976) view that the employees exchange time, energy and values for the firm's money. It is comparable to the exchange concept in external marketing where the customers exchange cash for goods and services.

Consequently, Sasser & Arbeit (1976) conclude that by augmenting internal products offerings (jobs) with such things as flexible working hours, salaries, and other benefits, managers can facilitate an internal exchange. Miles, Hatfield& Huseman (1991) state that those less tangible social benefits are also important in the external exchange. These include: status, recognition for good work, and a sense of accomplishment. In an organisation, the employee is the individual that runs the job that provides a service to internal and external customers. In addition, the employee contributes ideas for new innovations and developments in the organisation. Obviously, it shows that product definition in functional level marketing can be applied to the IM concept and can also be categorised under intangible attributes. The job specification and design process determines the effectiveness of service level provided and how it relates to the needs and wants of the internal customers (other

employees). Lack of knowledge in designing job specification will give impact on the service level and the ideas enrichment process in the organisation, thus restricting the employee in fulfilling the needs and wants of the internal customers. Consequently, developing the jobs to meet the needs of the employees involves consideration of both financial and social wants and needs (Lings & Greenley 2005).

3.3.2 Place

Place refers to the marketing management attempts to make products available in the quantities desired, with adequate service, to a target market (Dibb 1994;Dibb 1997;Dibb 2001;Dibb 2006). It refers to the departments or divisions in the company. Piercy & Morgan (1991) define the place in internal marketing as "the physical and sociotechnical venues at which the staff have to deliver the product and communicate". Ahmed & Rafiq (1993) explain that the internal place is the place and the channels used to get the products to the customers. Later, Lings & Greenley (2005) define place is the formal processes and procedures employed by the internal suppliers (employees) to effectively deliver the job products to the internal customers.

3.3.3 Price

Price is a critical marketing mix variable in which the marketing management is concerned with establishing a value for what is exchanged (Dibb 1994; Dibb 1997; Dibb 2001; Dibb 2006). Kotler & Armstrong (2001) view price as the sum of the values that consumers exchange for the benefits of having or using products or services. Exchange is defined as the act of obtaining a desired product from someone by offering something in return (Doyle & Stern 2006). This element is very difficult to define in IM. It is almost impossible to determine the cost of the service provided by an employee to other employees in daily operations. In the IM contexts, one's

desire to obtain service/information from other employees in order to complete the tasks or the assignments thus exchange occurs. Direct exchange does not happen in IM, since the ones that receive the service are unable to offer a direct return to service providers. Indirect return only happens when service receivers provide good comments and praise service providers for the excellent service provided by them.

Fundamentally, it relates to the reward system in a company. There is no direct transaction of money between employees while providing services. The service provided by an employee is to be paid in the mode of a salary or an employment package (daily, weekly or monthly) by a third party which is the company. The employment contract is a legal contract that employees sign and in which they agree to provide services in return for which they receive rewards in a particular job. Employees will be rewarded for good service with good pay rises, bonuses and promotion. The exchange process thus creates value, since normally both parties are better off than before the exchange (Doyle & Stern 2006).

3.3.4 Promotion

Promotion is defined as activities that communicate the product or service and its merits to the target customers and persuades them to buy Kotler & Armstrong (2001). Businesses should use promotion variables in order to facilitate exchanges by informing an individual or one or more groups of people about an organisation and its products (Dibb 1994;Dibb 1997;Dibb 2001;Dibb 2006). This could only be achieved through effective internal communication tools; for example, in the way the HOD promotes the department and creates a sense of importance about the existence of jobs which could make a significant difference. The existence of a job, the job role, and the benefits of having it in the organisation must be communicated clearly within it. The

organisation must be very clear about the objectives in forming (creating) a particular job and the advantages of having it as well. The products (jobs) in a department should be communicated to other departments as functional departments and include what the individual department can offer to other departments.

3.3.5 People

This variable refers to the physical attributes necessary to carry out the duties of a firm. In this case those that belong to human resources. The human resource aspect in an organisation is considered the backbone of companies. The stronger the HR is, the better the company will be. In order to strengthen it, management must take certain steps such as proper human resource planning, selection and recruitment process, proper training, and install a good career planning for employees. It relates to the quantity and the quality of the employees performing the job. What is the right number of quality trained employees to carry out the job effectively? Once an organisation has a group of customer-centred personnel, they can easily understand customers and communicate effectively with them, responding quickly to their requests and problems (Kotler & Armstrong 2001).

3.3.6 Process

This relates to the Standard Operating Procedures (SOP) in the company. What are the controls procedures that make employees perform identically and provide the same level of service to every customer? The reasons for having the SOP are to accelerate operational processes, to maintain service standards throughout the company, to increase staff productivity, and to strengthen inter-departmental communication as well as creating quality working life in the company. The details of this part will be discussed further in SOP subdivision in IM components.

3.3.7 Physicals

In IM, physicals normally relate to how the HOD creates the work place ambience. The work place atmosphere is more likely to depend on the HOD's leadership style. The role of the HOD is to create a pleasing work environment which is clean, happy, respectful, and enjoyable and has integrity, thus motivating employees to work, with the consequence of generating higher productivity.

Ballantyne (2004) mentions that the methods of internal marketing are aligned either with transactional marketing: to capture new knowledge and to classify knowledge; or with relationship marketing: to generate knowledge and to circulate knowledge. Internal relationship marketing can be divided into two categories. First, knowledge generation and discovery of new knowledge for use within the organisation with external market intelligence perceived as inputs. Second, knowledge circulation represents the diffusion of knowledge to all that can benefit, through the chain of internal customers to external customers. Bansal, Mendelson, & Sharma (2001) explain that the higher the level of perceived service quality, the higher external customer satisfaction will be. This would lead to the re-patronisation of the service provider.

The literature review shows that there has been insufficient study on marketing mix concepts in IM. But the above investigation shows the significant possible link between these two areas: the IM and the marketing mix. The similarity of both concepts is to create and keep customers.

3.4 Internal Marketing definitions

In last two decades the internal marketing concept has experienced an impressive advance. IM scholars have rapidly investigated the IM concept in order to produce a

unified internal marketing definition. Unfortunately, as yet, IM scholars haven't been able to create a single IM definition which is universally used. The literature review indicates that in many cases there are a number of competing definitions and activities which all claim to address the internal marketing concept (Ahmed & Rafiq 2000). Table 3.2 illustrates the evolution of the IM definition and the efforts made by various scholars.

Table 3. 2: Internal Marketing definitions by themes

Year	Researcher	Marketing approach	HRM Strategy	Staff Performance/ quality	Customer conscious	Internal Customer	Change	Staff Motivation	Knowledge	Internal communication	Internal activities/ process	Internal products
1980	EMAC, p 150	✓	✓	✓								
1981	Gronroos				✓			✓				
1984	Berry					✓						✓
1990	Reardon and Enis						✓				✓	
1991	Berry and Panasuraman			✓		✓		✓				✓
1991	Christopher, Payne & Ballantyne	✓		✓	✓	✓						
1993	EMAC Conference			✓							✓	
1993	Rafiq & Ahmed						✓	✓			✓	
1995	Varey						✓				✓	
1995	Christopher, Payne & Ballantyne						✓				✓	
1997	Ballantyne			✓	✓				✓		✓	
1998	Hogg, Carter & Dunne									✓		
1999	Varey & Lewis						✓				✓	
2000	Ballantyne			✓					✓		✓	
2003	Rafiq & Ahmed								✓			

Table 3.2 shows that most of the scholars define internal marketing as a set of internal activities or processes; the activities that have been planned and executed by the management in promoting the marketing approach within the company. The second most frequently discussed theme is staff performance or quality. Internal marketing is perceived as an effective tool that can be used by management to increase staff performance. Staff performance relates to a company's internal performance when

staff interact with each other and its external performance when staff deal with external customers. The third most mentioned theme is change. Internal marketing is a change agent in the company. Management uses the marketing approach to accelerate the new practices in the company. The use of the marketing approach is seemed more practical and effective to motivate the staff to be more receptive to change. In this research IM definitions will be classified according to the combined IM categories introduced by Hwang & Chi (2005) and Ahmed & Rafiq (2000): employee satisfaction; customer orientation; HRM orientation; and strategy implementation and change management. All themes discussed in Table 3.1 are able to fit into one of the internal marketing categories that have been introduced by Hwang & Chi (2005) and Ahmed & Rafiq (2000).

The employee satisfaction category consists of the staff motivation elements (Ahmed & Rafiq 1993;Gronroos 1990;Parasuraman, Berry, & Zeithaml 1991).The customer-orientation category is formed by the marketing approach elements (EMAC, 1980; Christopher, Payne, & Ballantyne 1993); the customer conscious (Ballantyne, Payne, & Martin 2002;Gronroos 1980); the internal customer (Christopher, Payne, & Ballantyne 1993;Parasuraman, Berry, & Zeithaml 1991); the internal communication (Hogg, Carter & Dunne); and the internal products (Parasuraman, Berry, & Zeithaml 1991). The HRM orientation is created by the HRM strategy elements (EMAC, 1980); the staff performance/quality (Christopher, Payne, & Ballantyne 1993;Parasuraman, Berry, & Zeithaml 1991); EMAC, 1993; (Ballantyne 1997;Ballantyne 2000); and the knowledge (Ballantyne 1997;Ballantyne 2000; Ahmed & Rafiq 2003). The Strategy implementation and change management category consists of the change (Ahmed & Rafiq 1993;Reardon & Enis 1990;Varey 1995; Ballantyne, Christopher, & Payne 1995;Varey & Lewis 2000) and the internal activities /process (Reardon & Enis

1990); EMAC, 1993;Ahmed & Rafiq 1993; Ballantyne 1997;Ballantyne, Christopher, & Payne 1995;Varey 1995; Ballantyne 2000;Varey & Lewis 1999).

As explained, Table 3.2 elucidates the internal marketing themes. The literature review reveals that the most suitable internal marketing definition that incorporates all four categories introduced by Ahmed & Rafiq (2000) and Hwang & Chi (2005) has been produced by Parasuraman, Berry, & Zeithaml (1991). Table 3.3 illustrates the internal definitions from various scholars. Parasuraman, Berry & Zeithaml (1991) defines the IM as *"Internal marketing is attracting, developing, motivating and retaining qualified employees (strategy implementation and change management) through job-products that satisfy their needs (employee satisfaction). Internal marketing is the philosophy of treating employees as customers (customer orientation) and it is the strategy of shaping job-products to fit the human needs (HRM orientation)"*.

In general, the definition of internal marketing is synonymous to human resources and marketing approaches. With regard to that, Gronroos (1985) defines internal marketing as: "the internal product consists of a job and work environment which motivates the employees to respond favourably to the management's demand for customer-orientation". This definition proposes that the human resource elements (job and environment) must be taken into serious consideration, since it plays a significant role in motivating the workforce to meet the high demands of external customers. Effectively managed, internal marketing elements will strengthen the organisation in the competitive market, thus resulting in crafting and developing a competitive advantage for the organisation. The organisation which provides superior service (human resources and marketing) will experience a consequential increment in the market share. Internal marketing can be defined as promoting the firm and its

product or products' lines to the firm's employees (Greene, Walls, & Schrest 1994). This effort is an opportunity to create a "marketing organisation", where all employees are well trained in products knowledge, practising excellent customer service skills and being highly motivated in disseminating tasks.

In addition, Varey (1995) states that "a service-centred business philosophy is called for and competitive advantage is increasingly achieved through the mobilisation of the accumulated "know-how" of individual employees to create value for customers through service activities". Prior to that Vandermerwe & Rada (1998) view "servitisation" as causing more employees to become services providers to one another and to customers. Overall, "servitisation" culture anticipates the need to increase service levels, not only internally but externally.

Table 3. 3: Internal Marketing definitions

Year	Researcher	Definitions of IM
1980	EMAC, p 150	…internal marketing means applying the philosophy and practices of marketing to people who serve the external customers so that (1) the best possible people can be employed and retained and (2) they will do their best possible work.
1981	Gronroos	…the objective of internal marketing is to get motivated and customer-conscious personnel.
1984	Berry	..Viewing employees as internal customers, viewing jobs as internal products that satisfy the needs and wants of these internal customers while addressing the objectives of the organisation.
1990	Reardon and Enis	Internal marketing is a process of encouraging employees to accept changes in company philosophy or policy.
1991	Berry and Panasuraman	-Internal marketing is attracting, developing, motivating and retaining qualified employees through job-products that satisfy their needs. Internal marketing is the philosophy of treating employees as customers… and it is the strategy of shaping job-products to fit human needs.
1991	Christopher, Payne and Ballantyne	…an important activity in developing a customer-focused organisation… Fundamental aims of internal marketing are to develop internal and external customer awareness and remove functional barriers to organisation effectiveness
1993	EMAC conference	-Internal marketing is the set of activities aimed at establishing and improving internal exchange processes, for the purpose of achieving the organisational and /departmental goals as efficiently and effectively as possible.
1993	Rafiq and Ahmed	…we suggest that internal marketing involves a planned effort to overcome organisational resistance to change and to align, motivate and integrate employees towards the effective implementation of corporate and functional strategies.
1995	Varey	-Internal marketing is a process and mechanism for ensuring effective responsiveness to environmental changes, flexibility for adopting newly designed administrative arrangements efficiently, and continuous improvement of performance. Internal marketing can assist the organisation to match its responses to environmental change and to enhance its capacity continuously.
1995	Ballantyne ,Christopher and Payne	-Internal marketing is any form of marketing within an organisation which focuses staff attention on internal activities that need to be changed in order to enhance external market performance.
1997	Ballantyne	Internal marketing is a relationship development process in which staff autonomy and know-how combine to create and circulate new organisational knowledge that will challenge internal activities which need to be hanged to enhance quality in marketplace relationships.
1998	Hogg,Carter and Dunne	…those activities that improve internal communications and customer-consciousness among employees, and the link between these activities and external marketplace performance.
1999	Varey and Lewis	… A goal-oriented social process and a conceptual system for continually creating rapid strategic organisational change in response to the macro-environment (society) and the micro-environment (the community which constitutes the organisation.)
2000	Ballantyne	-My experience of internal marketing comes down to this. It is a strategy for developing relationships between staff across internal organisational boundaries. This is done so that autonomy and know-how combine in opening up knowledge generating process and challenge and internal activities that need to be changed. The purpose of this activity is to enhance the quality of external marketing relationship.
2003	Rafiq and Ahmed	IM is a new approach based on partnership that incorporates values such as co-operation, caring, creativity; empathy and connectedness. These values are needed in the so-called "knowledge" era. It is a "total" managerial approach for co-ordination and integration.

Source: Summarised definitions from M.Dunmore, inside-out Marketing- How to create an Internal Marketing Strategy, 2002, Kogan Page Limited, London

3.5 The significance of the IM in creating a "Marketing Culture Organisation"

Now, the approach that considers marketing as only "a flash-in-the- pan" in determining the company strategy is getting obsolete. At present a lot of companies are starting to realise the significance of human factors/contributions in determining the success of the company. Focusing on marketing strategy alone is nowadays insufficient to sustain a company's survival in a rough market situation. Many companies have started to realise the importance of HR. Management perceptions on human resources have changed and they make use human resources to strengthen the company's structure.

This situation before managements perceived their employees as one of their company's main assets to be strengthened and developed and not just as a depreciating asset, was not very encouraging. After realising that investment in employee development does not have depreciation value, then the management began to perceive the employee as capital.

In the current market, employers appear to be very connected to their people. This phenomenon reflects the recent fashion in employers who like to be associated with "Employer branding" organisations. In achieving this, employers aim to implement policies that attract, develop and retain excellent employees (Dunmore 2002).

One of the key objectives of internal marketing is to create contented employees in the organisation. Previous paragraphs show the positive links between employees' satisfactions and customers' (internal and external) satisfaction. Satisfied employees will be highly motivated to serve customers, thus directly creating satisfied customers and indirectly increasing customer loyalty. This leads to opportunities for

greater company profits. Internal marketing focuses on creating effective internal relationships between people at all levels in the organisation via the development of service and customer-oriented individual mindsets (Kelemen & Papasolomou-Doukakis 2004). All employees should have a customer-oriented mindset which leads them to treat external and the internal customers equally. Internal and external customers are equally important. Based on this concept (Kelemen & Papasolomou-Doukakis 2004) have introduced two key ideas that underlie the concept of internal marketing are: The notion that every individual in a service organisation should recognise that they have customers to serve (both inside and outside the organisation).In order to achieve this, all internal customers (employees) must be convinced about the quality of the service being provided, and be happy in their work.

In summary, each and every employee has to have a good understanding of their roles. Within the organisation they have the obligation to serve other colleagues with excellent service and vice versa. Inducing marketing "mindset" in each and every employee and adopting the marketing approach in all business activities (IM components) will be one of the ultimate solutions. Once the employees become customer-conscious employees, they will behave professionally in dealing with the customers externally and internally. Customers will be first in their minds. The benefits are to the external customers who will be satisfied with the service provided, thus increasing customer loyalty. Internally, the internal customers will be satisfied and there will be an increase in the level and quality of relationships amongst employees, enhancing the harmonious ambience and hence increasing staff productivity.

3.6   The Objectives of Internal Marketing (IM)

The establishment of the IM concept endeavours to improve the inner strengths of the organisation. The establishment of IM reveals the weaknesses and the strengths concurrently. Internal issues or weaknesses within the organisation impact directly and indirectly upon external customers. Issues relating to employees' satisfaction and communication may possibly result in low service quality to the external customers. Therefore IM helps the organisation to identify the needs of the internal customers (employees). Several IM scholars have argued with this statement. Gwinner, Gremler, & Bitner (1998) state that a number of business practitioners maintain that the needs of internal customers may be fulfilled before the needs of external customers can be met. In order to fulfil the needs of the internal customers, an organisation must be aware of the internal issues faced by employees such as internal communication, job role and responsibility, empowerment, welfare, training and development, business direction and rewards and compensation. Failure to identify the internal issues will lead to unsatisfied employees. The researcher has identified 4 main objectives of IM.

First is to gain market share. In the current rapidly growing market situation companies are competing to gain the market share. Each company tries all sorts of business strategies (internal and external) in order to outdo competitors. External business strategies appear to be easily emulated by rivals, but it is considerably harder for rivals to emulate internal business strategies, where IM is one of the main strategies.

Second is to create company as a brand. Successful business empires put human resources practices as one of the company's priorities. Managements want the public to know widely that they are an "investor in people" organisation. This is one of the powerful business strategies to instil the confidence of external and the internal

customers in them. Corporate identity showcases the organisation's beliefs. Keeping the organisation ahead of competition will not be achieved if the human resources strategy is ineffective. Employee development must be perceived as an investment rather than as a cost to the organisation. Recruit, develop and retain good employees seems to be the best solution to maintain competitive advantage. Traditionally, the recruitment process is controlled by employers. In recent years prospective candidates have played a significant role in this process. If the employer provides a good corporate identity through good human resources practices, they want to be part of the team.

Third is to strengthen the corporate culture. Corporate culture showcases the norms practised throughout the organisation. It is about the similar way each employee does things. Corporate culture is to be embedded in all employees, which is no easy task. One of the objectives of IM is to create a corporate culture in an organisation that can provide high quality services and which is customer-driven. Promoting "marketing" culture in all company activities makes a direct impact on the service provided by all employees. The customer will receive the same level of service in terms of quality, regardless of the department they are from. Employees offer services with an excellent manner to internal and external customers. All employees should be aware that the customer is a primary concern, regardless of the department they are attached to, thus providing a contribution to a high quality of customer service.

Fourth is to create competitive advantage. Nowadays, organisations have a range of corporate strategies to be utilised in sustaining competitive advantage in a rapidly growing market. Living in a communication and technologically focussed

world means that having an edge in being able to act differently through the implementation of a corporate strategy is a must.

Dunmore (2002) states that the increased need to act swiftly and perhaps globally in the implementation of strategy means that some traditional models of strategy development have become less popular, as they have tended to be prescriptive. The traditional strategy development based on external marketing factors only, tends to omit the importance of internal strength. External marketing strategies can be easily duplicated by competitors; however, developing a unique corporate strategy can be difficult without a pool of good employees. Internal marketing drives the development of the staff throughout the organisation and not only in selected departments. All departments are perceived equally important. The role of IM is to provide a contribution to enhance the internal conditions which will support corporate strategy development.

3.7   The IM Components

The literature review on IM components shows much diversification of views. It shows that most of IM publications focus on the IM characteristics: HRM orientation, employee satisfaction, customer orientation and strategy implementation and change management; but the discussions on IM components are limited. Realising the limitation of this, Dunmore (2002) introduces IM components to the research needs and outlines, as well as discusses thoroughly, the components of internal marketing. The IM consists of seven components namely (1) vision, mission, values, culture; (2) corporate strategy; (3) processes, service standards and measures; (4) knowledge management; (5) internal communication; (6) HR strategy and (7) Integrating internal and external marketing. In addition, he believes the IM draws practices from a broad range of business disciplines including; marketing, customer services, corporate

strategy, operations management, quality management, HR, knowledge management and IT. This section discusses the IM components introduced by Dunmore (2002). This section will be divided according to the IM components and it hopes to enhance the clarity of this section. Sections 3.7.1 to 3.7.7 outline the discussions on IM components.

3.7.1 Vision, Mission, Culture and Values create business direction

In an organisation, business activities are categorised by task type: finance, human resources, sales and services, operations etc. These functional departments' employees perform the job in accordance with the assignments or tasks that are assigned to them. In streamlining the job activities in a department the person in charge, who is normally head of department, is likely to set the goals for each of them to achieve. Each department will constitute its own goals to achieve or the reason why the department exists. Henceforth it is vital to establish a sole business direction in order to align all departmental directions into one stream. The business direction is the way the business leaders shepherd the business resources to one common goal. The four key elements in creating business direction in the organisation are: creating a vision, mission, culture and values.

Generating business direction requires undivided commitments from the business leaders. Creating business direction is a process. It involves a well planned process and requires a full commitment from the leaders and the employees. The words or statements put together must represent the company's goals to be achieved by the employees (management and non management) as a whole and must therefore be effectively communicated to all employees.

The ideal communication method chosen to sell the company's mission, vision, culture and values to employees is one of the key factors in determining whether it succeeds or fails. It also determines the level of the employees' acceptance of business directions across the board. If this succeeds, it would generate a unique and powerful corporate identity and create a competitive advantage over the competitors. Corporate identity refers to how the external and the internal customers recognise and differentiate the organisation to its competitors. These four components of business direction: mission, vision, culture and values are interrelated.

Corporate Vision

Korac-Kakabadse & Kakabadse (2001) identify the importance of creating a corporate vision. The vision gives leaders and their companies a sense of direction and purpose, enabling them to allocate resources well to develop and to grow. As a leader, the responsibility to identify the vision is greater than for the other employees. All stakeholders expect them (leaders) to initiate the process of developing, implementing and evaluating the company's vision. A vision statement coming from the "hearts" of the top management - with the best ones evoking emotion - is easily remembered. This states a noble purpose and creates a rallying point for all concerned within the organisation (Yau et al. 1996). Broady-Preston & Steel (2002) suggest the vision should be communicated personally by top the management.

Vision indicates "where is an organisation going" in future. It is an alignment process to bring the fragmented resources in an organisation into one path of business direction. Parasuraman, Berry, & Zeithaml (1991) say one of the essential roles of IM is to offer a vision.

Corporate Mission

Mission refers to the tools or methods that an organisation uses to achieve the vision. A mission statement reveals the current reason for the existence of an organisation, and it is developed by the top management of an organisation on the basis of the stated vision (Calfee 1993). The identifying, clarifying and communicating of the organisational mission processes are now a major part of the business planning process.

Wickham (1997) says that since the 1980s, mission statements have been increasingly used to define and communicate the kinds of relationships which an organisation wishes to establish with each of its major stakeholder groups (e.g. investors, customers and employees). There are five stages of developing mission statements: operation, elucidation, generation, articulation and communication.

Corporate mission is used to initiate, evaluate, and refine business activities. It serves as a road map, guiding an organisation to be successful. Business organisations have long recognised the need to have mission, and many have put this powerful tool into action, especially organisations attempting to provide excellent customer services externally and internally.

Corporate Culture

Corporate Culture creates a group of assumptions, understandings and implicit rules that administer day-to-day behaviour in the workplace. These concepts are generally known as organisational culture, because they often refer to the internal affairs of an organisation. Corporate culture brings into line employee behaviour, increases organisational commitment, and offers social workplace guidelines. The culture should be a system of shared meaning, and composed of the key characteristics that

the organisation values. The corporate culture should consist of shared meanings, allowing its existence to be accepted by the employees whose attitudes and behaviours it affects. The aspects that compose the corporate culture include: assumptions, values, behaviours, and artefacts. The assumptions of a corporation illustrate their position in relation to their environment.

<u>Corporate Values</u>

In the last two decades, different scholars have tried to establish a specific definition of corporate values. Corporate values as shareholder value, stakeholder value, customer value, business ethic, corporate social responsibility, environmental sustainability or citizenship (Thomsen 2004). Wolfe (2005) defines corporate values as "will to meaning". Both Thomsen (2004) and Wolfe (2005) have concluded that corporate values are motivators of the human behaviours to be tapped in achieving corporate goals. Wolfe (2005) elaborates further by saying if the "will to meaning" is the primary motivator of human behaviour, it is reasonable for corporations to tap into this motivator as a way to achieve goals.

Corporate values must be represented by each and every person in the workforce of an organisation to ensure a complete acceptance by them. This is agreed with by Wolfe (2005), he states that in order for a corporation to harness the " will to meaning" , it must be able to design an approach around a set of values that are held by virtually all persons regardless of race, age, gender, culture, religion, personality type or other differences. Morris (1997) explains that corporate values are classified into four (4) transcendental values:

- Truth- is important because it is the foundation for trust and nothing is more important for any business endeavour than trust.

- Beauty- There is a beauty to be experienced in solving a problem elegantly, in creating a business structure. And there is a beauty in providing acknowledged excellence or quality in a service or products.

- Goodness is demonstrated by the explicit corporate commitment to acting in an ethical manner. Basically, the leader should demonstrate integrity by acting at work the same way they act at home.

- Unity- in a corporate context means helping people fulfil their deep need for a sense of the following: uniqueness as individuals; union with something greater than the self; usefulness to others; and understanding about the work they do.

Scholars such as Wolfe (2005), Morris (1997) and Thomsen (2004) share the same view that corporate value is one of the motivator factors that can be instilled to make corporate goals a reality. Thomsen (2004) suggests that there are three important areas to look at in strengthening corporate values in business organisations. The areas are: 1) corporate values must be rooted in corporate ownership; 2) the composition of the board- for example the background, personalities, values of managers and directors- is the most direct instrument for installing new values in the company; and 3) the rationale for new corporate values is strengthened considerably if the values are attuned to external pressure from important board members.

As described by Thomsen (2004) in point number 2 above, it shows the important role played by the corporate leaders in establishing corporate values in an organisation. The HODs' background and personalities are a considerably important catalysis in introducing and fostering corporate values in an organisation. Some scholars reiterate that many organisations fail to establish corporate values due to the

lack of commitment from the leader to make it alive. Senn (2000) quoted that "Most values, credo, or principles- hang on the walls but don't live in the halls'. Most of the failures are connected to the following reasons: 1) the top team does not own the values; 2) an informational process, not a transformation process; and 3) the guiding behaviours are not built into all the human resources reinforcement systems; selection, orientation, performance management, 360-degree feedback and compensation.

3.7.2 Corporate Strategy

Corporate strategy is a means of thinking through and articulating how an organisation's corporate goals and objectives will be achieved (Morris & Jamieson 2005). Nadler (2004) has classified corporate strategy tasks into four (4) areas which are:

1. Strategic Thinking- Strategic thinking is collecting, analysing, and discussing information about the environment of the organisation, the nature of competition, and broad business design alternatives - different views of customer value proposition, scope, competitive advantage, and profit capture.

2. Strategic Decision Making - Strategic decision making is making the fundamental set of decisions about the business portfolio and business design.

3. Strategic Planning- Strategic planning is translating the critical strategic decisions into a set of priorities, objectives, and resource allocation actions to execute the strategy.

4. Strategic Execution-Strategic execution is undertaking the various initiatives and actions consistent with the strategic plan, including

adjustments over time to account for environment changes and different outcomes.

Corporate strategy can be classified into two categories which are external and internal corporate strategies. In this study the focus will be on internal strategy. How the internal environment and strengths are applied to make an organisation stay ahead of its competitors? The IM is a tailor-made strategy and is one of the corporate strategies that is difficult for competitors to be reproduce. The corporate IM strategy is developed within an organisation. It is the strategy that is solely designed for a specific organisation and is based on its internal strengths which are culture, workforce, processes, knowledge and systems. Internal marketing plays a critical role in connecting the link between vision and functional strategies. (Dunmore 2002) explains that strategy selection and implementation provides a link between visions and functional strategies, with internal marketing having a key role in the integration of these functional strategies. IM is corporate strategy aiming to strengthen internal resources. As an internal corporate strategy IM should focus on four areas:

a. **Workforce**. What type workforce should a company have?

b. **Knowledge.** What skills and expertise should the company focus on developing?

c. **Culture and Value**. How to create work culture and value in a unique way?

d. **Processes and Systems**. How to organise and structure internal activities

As mentioned by Nadler (2004), business leaders are required to perform effectively in four corporate strategy tasks: strategic thinking, strategic decision-making, strategic planning and strategic execution. The effectiveness of a leader can be measured

through the way he/she carries out these tasks. The role of business leaders is significant in creating the uniqueness/identity of an organisation. The way the leader creates the difference in an organisation will create the difference in the market.

Iverson, McLeod, & Erwin (1996) have warned about the implications of not having an effective IM program in organisations. Internal marketing is one of the organisation activities, lack of an effective internal marketing program which stresses the alignment of internal processes with business strategy and clear prescription of performance levels an open communications as the foundation of the " employment contract" is likely to have difficulty in implementing its chosen strategy (Berry & Parasuraman 1991;Gronroos 1984;Gronroos 1991; Rousseau & Wade-Benzoni 1994).

3.7.3 Standard Operating Procedure (SOP)

Emphasis on internal resources will enrich business processes, thus increasing service standards. Implementing IM practices will enable an organisation to measure the achievements of the business strategy in detail. In order to increase productivity, the organisation must have standard operating procedures (SOP) to be adopted by all employees in functional departments. SOP is a guideline for employees in performing their duties effectively. The only way to secure a high service standard is through the SOP being in place and being used by all employees across the board. The success of the internal strategy is doubtful and cannot be measured without the SOP. SOP is one of the tools used to measure actual performance and expected performance. The gap between actual and expected performance gives an overall picture of the service standard in an organisation. The wider the gap is the poorer the service standard will be.

SOP is about standardising the business process in order to ensure that external and internal customers receive a united/identical service standard regardless of who provides the service and from which functional departments the customers received the service. The marketing approaches/practices and standards could be inserted easily and efficiently through the SOP. The service standard will be spelt out clearly at every step in the SOP. This makes the employee aware at all times to put priority on customers. Without the SOP, service standards might vary from one member of staff to another. The decisions they make will depend on their knowledge, experience, behaviours and mood at the time they are making decisions. Customers might not be getting the same standard of service from different staff or, worse still, from the same staff but at different times.

3.7.4 Knowledge Management (KM)

Knowledge Management (KM) addresses the broad processes of locating; organising, transferring and more efficiently using information and expertise within enterprises (Offsey 1997). Many scholars believe that in creating an organisation's competitive advantage, it does not rely on information so much as knowledge management. Lang (2001) explained the economic transition from the era of competitive advantage based on information to one based on the knowledge creation. McDermott (1999) has distinguished KM from information. The six characteristics of KM are: 1) knowledge is a human act; 2) knowledge is the residue of thinking; 3) knowledge is created in the present moment; 4) knowledge belongs to communities; 5) knowledge circulates throughout communities in many ways; and 6) new knowledge is created at the boundaries of old.

Employees are demanding more information to increase their effectiveness Randeree (2006). Later, this statement is supported by Scarborough, Swan, & Preston (1999), KM defines as "any process or practice of creating, acquiring, capturing, sharing and using knowledge, where it resides, to enhance learning and performance in organisations". KM is a planned and systematic approach of using employees' brains to create competitive advantage; a system that aligns the knowledge and skills of employees in the same direction to achieve the company's goals. Coakes & Bradburn (2005) explain that KM is as much about reducing exposure to potentially costly operational errors as it is about value addition. Ballantyne (2003) suggests that marketers need to calibrate with the non-marketers to access and mutually re-interpret the rich experience of staff and their knowledge, and to do so within a suitably structured knowledge-generating environment. Internal marketing is combination of relationship marketing and knowledge management that essential for the "new organisation" (Varey & Lewis 1999 p.914) . Randeree (2006) believes that knowledge management can be a benefit to an organisation in terms of: 1) awareness- everyone knows where to go to find knowledge, saving people time and effort; 2) accessibility- all individuals can use the organisation's combined knowledge and experience in the context of their own roles; 3) availability- knowledge is usable wherever it is needed; and 4) timeless-knowledge is available whenever it is needed.

The role of business leaders acts as a framework for the exploration of knowledge management to improve internal practices and enhance performance. Skyrme & Amidon (1997) suggest seven (7) factors to enhance the KM in business organisations. They are: 1) a strong link to a business imperative; 2) a compelling vision and architecture; 3) knowledge leadership; 4) a knowledge-creating and-

sharing culture; 5) continuous learning; 6) a well-developed technology infrastructure; and 7) systematic organisational learning processes.

The great challenges for business leaders are how to create, maintain and emphasise knowledge management within the organisation to meet the employees' demands, to enhance employees' performance and to create the organisation's competitive advantage. Choosing the ideal marketing strategy to sell KM within an organisation makes a significant contribution to the success of the KM.

3.7.5 Internal Communication

Most organisations face great challenges in selecting the right and effective internal communication strategy to be adopted. Should they let the information flow without any restrictions or put some restrictions on certain information types or channels in order to protect the sensitivity and the confidentiality of the information? This section discusses the definition, the benefits and the limitations of internal communication in organisations. In past years, internal communication has been discussed widely under the headings of employee communication (Argenti 1998), organisational communication (Grunig 1992) and corporate or business communication (Kitchen 2005;Oliver 1997;Rawlins 1993). Although it has been discussed under different headings, the main principle remains the same, which is the way the organisation communicates to employees.

Argenti (1998) describes how organisations have necessarily had to think more now than in the past about how they communicate with their employees through, what is also often called, "internal communication". Thomson & Hecker (2000) introduce "buy-in" concepts in internal communication. They explain that the future of the relationship between organisations and their people depends on the way

they communicate with each other; and not as employees, but as internal customers. According to them, employees have buying decisions to make on business objectives, initiatives, ownership, company vision, organisational values. The decision to buy-in or not depends on the intellectual and the emotional buy-in. Internal communication plays a more significant contribution than combined-market share, capital intensity, firm size and sales growth rate in predicting the profitability of an organisation (Hanson, 1986 ; Paul, et., al. 2005). Quality communication impacts on productivity, reduction in absenteeism, increases in innovation, reduction in the number of strikes, improvements in service quality and cost reductions (Paul, et., al. 2005).

Francis (1989) and Elving (2005) state that organisation communication commonly has two goals. First, the goal of organisational communication should be to inform employees about their tasks and about policy and other issues of the organisation. The second goal is using communication as a means to create a community within the organisation. It is shown that emphasising IM will increase communication flows and, when they are well informed, increase employees' sense of ownership. Communication creates the conditions for commitment among employees. Postmes, Tanis, & DeWit (2001) state that employees are strongly committed, if they obtain adequate information to perform their tasks; and this information is presented to them via formal bureaucratic channels rather than informal channels. Normally the degree of trust on certain information is influent by the source of the information. Interpersonal communication with peers and direct superiors predicted commitment less than communication with more senior management did, and communication with a socio-emotional content was less predictive of commitment than formal communication is. The internal communication tool is to lessen the communication gap between high ranking leaders and their employees. Employees will appreciate it,

if they receive first hand information on internal affairs from the HODs rather than team leaders or colleagues. The higher the rank of the source of the information the higher the possibility that employees will trust the news.

3.7.6 Human Resources Strategy

According to Ewing & Caruana (1999), irrespective of whether a firm markets physical or service products, it seems important that they practice both external and internal marketing in collaboration with others functional areas, in particular human resources management. Human resource strategy is one of the important components with regard to IM. Human resource strategy and can be defined as: "a co-ordinated set of actions aimed at integrating an organisation's culture, organisation, people and systems" (Thomas 1986). (Dunmore 2002) further argues that HR strategy should be focused upon creating a high performance culture through recruiting, developing and retaining the people with the right skills, attitudes, competencies and communication abilities to work effectively in teams. Sergeant and Asia (1998) surmise that most the definitions of IM deal with the organisation's ability to deliver its internal customers a product: namely a job to which exhibits the highest degree of fitness to need. In respect of this, the HR strategy should be an aligned with the business strategy to in order to achieve the organisation's purpose. Cobb, Samuels, & Sexton (1998) state "a central and strategic function of a company's HRM systems is to ensure alignment".

3.7.7 Integrating the internal and the external marketing

The key reason for integrating internal and external communications is to provide a platform for the delivery of a consistent, integrated brand image and experience to different stakeholders. This coordination enables the integration of the key components of internal marketing strategy, providing a link between high-level

considerations of corporate vision and purpose, and individual action in support of business strategy (Dunmore 2002). It is important that everyone in the organisation can see the linkage between what he/she does and its impact on the "next customer"; therefore, creating and aligning internal relationships between departments, functions and employees. Inside the organisation it is necessary to improve the performance of the company (Ahmed & Rafiq 2003). IM is used as philosophy for managing the organisation's human resources based on a marketing perspective, to build internal competencies for external success(Gronroos 1990). It shows there is a strong relationship between internal and external marketing concepts.

3.8   The roles of job satisfaction in the current study

The area of job satisfaction has been widely researched (Snipers et al., 2004). It is has been reported that more than 5000 articles have appeared in academic journals and numerous contributions published in books on this topic (Spinelli & Canavos 2000) p.33). Numerous attempts have been made by scholars to define the concept of satisfaction; and they all acknowledge that the satisfaction is the final state of psychological process (Garcia-Bernal et al., 2005). Previous studies on job satisfaction normally relate to other areas of studies such as job performance, human resource management, rewards and benefits, work environment, safety and health, staff training and development and leadership. This section examines the relations of job satisfaction, leadership and IM. It also tries to relate HOD performance and leadership style. All relationships will be discussed in Subsections 3.8.1-3.8.4.

Job satisfaction has considerable implications for an employee's psychological and physical well-being (Ilardi et al. 1993; Bartolo & Furlonger 2000). Empirical findings also suggest job satisfaction is related to employee work performance and

workplace accidents (Bartolo & Furlonger 2000;Ferris & Porac 1984;Vroom 1964). Locke (1976) acknowledges the positive effect on employees toward their jobs or job situations. Job satisfaction is critical to retaining and attracting well-qualified personnel(Mosadegh-Rad & Yarmohammadian 2006). Testa, Skaruppa, & Pietrzak (1998) acknowledge that job satisfaction of Cruise Line customer contact employees accounted for 30 per cent of variance in customer satisfaction. In view of this evidence, the investigation of job satisfaction in this study is warranted.

3.9   Job satisfaction & the HOD performance

Most of the previous job satisfaction studies investigated the relationship between employee job satisfaction and employee job performance. Investigations on the relationship between HOD performance and employee job satisfaction have been limited. The literature review shows that the findings of the relationship between these variables are varied. For example, Iaffaldano & Muchinsky (1985) conclude that the relationship between job satisfaction and performance is weak. Other scholars like Crossman & About-Zaki (2003) find there is no significant relationship between job satisfaction and performance. Contrary to this, Petty et al. (1984) and Bhagat (1982) established a positive relationship between employee job satisfaction and employee performance. This finding has been supported by Michael et al., (2006), the HODs who are able to cater their leadership styles toward individual employees preferred leadership style are likely to see better performance from employees.

The current literature review on job satisfaction is unable to find any previous research that investigates the relationship between the employee job satisfaction and HOD performance. Thus the carrying out of research to investigate these variables is essential for understanding the relationship between them.

3.10 Job satisfaction & Leadership

Evidently, job satisfaction and leadership behaviour have been extensively researched within the hospital, military and education sectors as well as business organisations (Cook et al., 1989;Bass 1990). Several researches in these industries show that the leadership style of the supervisor is related to the job satisfaction of the staff (Bass 1985). Mosadegh-Rad & Yarmohammadian (2006) share the same view of Bass (1985); they find that there is a statistically significant correlation between job satisfaction of employees and the leadership style of managers in the health industry. Chiok 2001 elaborates that leadership behaviour has a great impact on employees' outcomes. Managers should not just use leadership behaviour, however, but must use it appropriately to influence employees to produce better organisational outcomes. If the learning function of establishing 'the vision', personal mastery and systematic cooperation (leadership) can positively and significantly enhance both internal and external job satisfaction of employee, the leadership have significant effect on job satisfaction. The most similar study to relate job satisfaction with leadership is done by Gazioglu & Tansel (2006).

Although most of the studies have shown the significance of the relationship between these variable, the current literature review reveals that some studies have shown no significant relationship between these variables. Chang & Lee (2005) establish that both leadership and organisational have no significance on job satisfaction.

3.11 Job satisfaction & IM

Most of the previous studies in internal marketing show that the IM has a significant effect on job satisfaction (Sasser and Arbeit, 1976; William, 1977; Tansuhaj, 1987;

Tansuhaj, 1988; Varey, 1995; Naude, Desai & Murphy, 2003; Lings, 2004; Lings & Greenley, 2005). According to Gounaris (2006) job satisfaction is an important objective of IM programs and thus a key performance indicator regarding the company's performance in the internal market. Additionally, some scholars believe that job satisfaction through the implementation of IM will breed a pool of customer/service-minded workforce (William, 1977; George, 1990; Gronroos, 1997; Varey 1995; Ahmed & Rafiq, 2000). Specifically, the importance of job satisfaction in the service sector has been explored by Brown & McIntosh (2003). Satisfied staff produce excellent service quality and it is significant for encouraging customer loyalty. According to Evans (2001) a "good staff" is one of the identified key factors influencing customer loyalty. Based on the information above, the investigation of the relationship between job satisfaction and IM is warranted.

3.12 The HOD performance and leadership style

The influence of leadership style on job performance, satisfaction, stress, and turnover intention has well established (Chen & Silverstone, 2005). The relationship between leadership style and performance has received considerable scholarly attention (Vigoda-Gadot, 2007). The literature review shows a lack of study on the relationship between HOD performance and leadership style. Most of the researches are focused on the organisational, team and employee performances rather than HOD performance. In previous studies the HOD performance has not been linked directly to leadership style, however, HOD performance has contributed to overall organisational and team performances. In previous studies, there is no unity on the findings on the relationship between leadership style and HOD performance. Oshagbemi (2004) discovered that leadership behaviours and the leadership styles have a significant effect on improving organisation work performance. Contrary to this, Vigoda-Gadot

(2007) ascertained that leadership style and gender are not found to be the predictors of performance. The researcher believes that the exploration of this relationship - between the HOD performance and the leadership style - is under researched. It is expected that further investigations on the relationship could provide a greater contribution to this area of study.

3.13   Conclusion

This chapter has thirteen sections. Every section is important in explaining the internal marketing concept. This section summarises all sections in Chapter 3. As discussed in literature review, the researcher believes that the internal marketing approach is important in organisations in many aspects. First, the internal marketing concept treats the employee as an internal customer. This concept is practical in terms of promoting staff's business mentality. By implementing the IM concept, the staff will be aware that their roles are not limited to external customers only but internal customers as well. Second, the internal marketing concept develops employee customer oriented behaviour. The IM concept is accelerating customer focused attitudes among employees in order to create a customer-focused organisation where they will serve customers better. The task of creating a customer-focused organisation is impossible if the IM concept is not introduced to staff. Third, IM is one of a business' strategies. The introduction and implementation of IM must be properly planned. IM is combination of business strategies such as vision, mission, culture and values; corporate; SOP; knowledge management; internal communication; human resources strategy and integration internal and external marketing strategy. Well planned, strong internal marketing generates a few important advantages to the company such as better market share, establishing a strong company brand, strengthening the corporate culture and creating competitive advantage over

competitors. Fourth, the establishment of IM is critical in strengthening the marketing culture in the organisation. The IM approach focuses on human resources and marketing strategies. A well-planned IM concept creates a pool of human resources with high marketing skills.

In this study, the IM category to be implemented is adopted from the work of Hwang & Chi (2005) and Rafiq & Ahmed (2000). According to them, the IM category is the combination of (1) employee satisfaction; (2) customer-orientation; (3) HRM orientation; and (4) strategy implementation and change management. The discussion on IM will be considering these categories. This has triggered the researcher to look into current practices in IM when dealing with employee satisfaction, the creation of customer-oriented employees, the functions of HRM in IM and the IM as one of the business strategies and change agents.

The researcher realises the importance of the impact of functional marketing on IM concepts. The 7ps marketing mix will be incorporated in the current study. This marketing mix will be a point of reference in designing the survey questions. The IM components introduced by Dunmore (2002) will be the key features for developing survey questions in Section 5-The HOD Performance in IM. The details will be discussed in Chapter 5- Research Methodology. Apparently, too little study has been incorporated into the marketing mix concept in IM. As outlined in subdivision 3.3, it shows that potential benefits can be gained if more studies on this area are carried out.

The current literature review shows various definitions of IM which keep evolving. For the purpose of this study, the IM definition initiated by Parasuraman, Berry, & Zeithaml (1991) will be adopted. They define IM as attracting, developing, motivating and retaining qualified employees (strategy implementation and change management) through job-products that satisfy their needs (employee satisfaction).

Internal marketing is the philosophy of treating employees as customers (customer orientation) and it is the strategy of shaping job-products to fit the human needs (HRM orientation). This definition is in line with the IM category concepts introduced by Hwang & Chi (2005) and Rafiq & Ahmed (2000).

This chapter reveals the key IM objectives in the organisations. This information will be used to relate the findings of this study with the following objectives of the IM: 1) to identify the internal weaknesses and strengths; 2) to tackle weakness areas in an organisation; 3) to utilise inner strengths; 4) to establish a unique organisational culture; 5) to form distinctive business strategies to gain market share and 6) to advance a positive corporate image.

In Chapters 2 and 3, the literature revisions are on leadership and IM. These are important in the identification of the past, current and future interests of leadership and IM studies. As a result, the information gathered will benefit the study directly in terms of providing guidelines in determining research direction. The next chapter focuses on research problems.

CHAPTER 4

RESEARCH PROBLEMS

4.1   Introduction

The concepts of leadership and internal marketing (IM) in general and in specific terms in private and public organisations have been discussed in the previous two chapters. In the leadership chapter, aspects such as the definition of leadership, the leadership discourse, the differences between manager and leader, leadership antecedents and the instruments used in the leadership studies have been investigated. Discussions on IM (that is, the beginning of IM; IM and functional level marketing; the significance of internal marketing in creating a marketing culture organisation; the objectives of IM; and IM components) are in Chapter 3. Understanding leadership and internal marketing concepts in general is useful before taking the discussion further into a specific industry (retailing). The researcher should now have a clear picture of the areas of leadership and internal marketing generally. The approaches used and the findings discovered from various industries could be adopted or enriched in the retailing context. The knowledge gained could then be used to conceptualise the study and to determine the study direction.

This chapter identifies the gaps between previous literature reviews in leadership and IM studies and the industry to be investigated in this study, which is the retail sector. It also aims to discover the empirical evidence for leadership and IM in retailing. The findings of this chapter provide an overview to the researcher in designing a suitable research methodology in order to answer the research's objectives. The sections in this chapter are: retail sector in the UK as a setting for the study; leadership and internal marketing; leadership in retailing; internal marketing in

retailing; combination of leadership and internal marketing in retailing; and the research gaps. This chapter has been designed in such a way as to give a clear understanding of the relationship between leadership and internal marketing in retailing.

4.2 The significance of retail sector for the study

Retailing is evolving into a global, high-tech business. Wal-Mart is now the world's largest corporate company and has become the largest food retailer in the US (Levy & Weitz 2004).In terms of economic significance, the retail sector makes a major contribution to the Gross Domestic Product (GDP) of countries and employs a large number of people (Fernie, Fernie & Moore 2003). Retailing, which is responsible for marketing the individual demands of consumers for high quality products and services with the supplies of manufacturers, has made a significant contribution to the economic prosperity. The nations that have enjoyed the greatest economic and social progress have been those with a strong retail sector. Retailers have become valued and necessary members of society (Dunne, Lusch & Griffith 2002). Newman & Cullen (2002) highlight the importance of what the behind the scene operations the retailer needs to manage effectively. There has to be appropriate administration and personnel management procedures to ensure that supporting activities are carried out efficiently. Besides that, success in retailing, as in business generally, is built on the success of a number of principles:

- retailers must establish a market position to serve the needs of a well defined group or groups of consumers;

- retailers must support their market position;

- retailers must effectively manage store operations; and

- retailers must maintain their business and community standing.

The purpose of conducting this study on the retail sector is so that the study findings can enhance the understanding of the elements of leadership and internal marketing that have contributed to the success of a particular retailer. Retailing is one of the biggest service sectors and therefore is important in determining the size of GDP. The findings of the study are useful and can be utilised to maintain and strengthen the retail industry, especially in the area of staff leadership. The retail sector has a high proportion of employment opportunities in the economy. It is important; therefore, as it is a staff intensive industry, to ensure that its personnel management practices are effective and reach exceptional leadership skill in order to maintain total staff productivity. Leadership has been identified as one of the factors motivating the staff to reach a high performance. Exploring the right leadership style in retailing to be used by the HOD in the retailing sector is critical for maintenance increasing of staff motivation and satisfaction levels. In addition, exploring IM practices in retailing could rise to give a better understanding by management and staff, specially enabling management to identify the right practices and to avoid unwanted practices in promoting IM a cross the board.

Retailing is not only an integral part of our economic structure but it also shapes, and is shaped by, our way of life (Gilbert, 2003). In the last two decades of the twentieth century, the UK and many other developed nations have seen their economies change from being manufacturing-led to being service-led, in terms of wealth creation, employment and investment. Around one-third of consumer expenditure takes places through retail outlets (Verdict 2001) and the retail industry employs one in nine workers (BRC 2001).

The retail sector provides a great diversity in the 2.5 millions jobs (BRC 2001) that it provides to the UK workforce. Although the wide variety of employment opportunities in retailing allows for a diverse application, the sector has found it hard to attract the best young people, and so, in recent years, new initiatives have been launched in order to build a stronger relationship between education and retailing (Varley & Rafiq 2004).

4.3   Retail sector in the UK as a setting for study

The retail sector comprises the largest sector of the private economy in the UK (Hart, et al., 2006). The sector is identified as one of the most important sectors contributing to local economies (Finn and Louviere, 1996; Warnaby et al., 2004). This sector is clearly divided into 2 major groups: large multiple retailers and small businesses. The sector makes a significant contribution to the UK economy. Sales in retail sector amounted to £265 billion in 2007, 11% of all VAT-registered businesses in the UK are retailers with the total number currently at 180,875. Retail sales represent 1/5 of the UK economy and generate almost 8 per cent of the Gross Domestic Product (GDP) of the UK (Hynard 2008). In 2005, 2.869 million people were employed and over 3.0 million people by the end of December 2007. Over the last five years, employment in retailing has grown by 50,402 (Hynard 2008).

According to Hart et al., (2007) retailers, regardless of size, face considerable challenges in that the sector employs the highest proportion of part-time workers, suffers a higher than average staff turnover, and has a poor image as a career destination, particularly for well-qualified employees. Moreover, retailing has traditionally been "trapped in a low skills, low pay equilibrium" (Skillsmart Retail, 2004). If this sector is mismanaged, it not only jeopardised one of huge employment

sectors but the UK economy as a whole. If these problems are ignored the consequences on the retail industry are enormous. Without undermining research and suggested approaches to tackle the performance and productivity problems of the staff such as Skills Strategy Survey 2003, the sector has to create its own leaders in order to lead the teams.

Shittu (2008) has recently noticed many significant changes in the UK retail industry with increased levels of service being provided by various retailers. To support implement the changes, these retailers required intelligent, motivated and capable individuals with a range of skills to manage their businesses effectively (Broadbridge, 2003; Omar, 1999). The retailers relied on their HODs to lead, motivate and manage their businesses professionally.

Part of this has involved the retail sector working closely with Government to help tackle unemployment issue. The Government has promoted Local Employment Partnerships (LEPs) which deal the with long term unemployed(Kilgallen 2008). Before, retailers were reluctant to consider this group for employment as they lacked confidence and skills. But realising their responsibility to the local community, leading retailers pledged to help the UK Government get 100,000 long-term benefit claimants back to work by 2012 (Clements 2008). This is one of the great challenges leaders in retailing are facing. Retail recruitment and retention will never be trouble-free. As Fran Minogue of Heidrick & Struggles says; "Good people are always hard to find, at any level. And good people will always be hard to keep because competitors will try to poach them (Kilgallen 2008b). Retailers have to review and audit the strengths of the retail HODs to minimise human resources issues.

This study is focusing on 2 of the large multiple retailers in the UK: TESCO and ASDA. The reasons are: 1) No research has been conducted on TESCO and ASDA studying leadership in style and internal marketing; 2) TESCO and ASDA are (the?) two leading supermarkets in terms of size and are established in urban and rural areas throughout the UK; the whole population therefore will be well represented in the study; 3) Both of them are important in the employment market and therefore they provide the basis for a case study in the relationship between their evident success and their practices in leadership and internal marketing. TESCO plc is a British-based international grocery and general merchandising retail chain. It is the largest British retailer in terms of global sales and domestic market share with profits exceeding £2 billion. In 2008, the company took over the German retail giant Metro AG to become the world's fourth largest retailer; the first movement among the top five since 2003(Deloitte).TESCO is the largest retail giant in the UK. It has cornered 30 percent of the UK grocery market, a figure which is almost double the combined share of its nearest rivals ASDA and Sainsbury's (Strategic Direction, 2008). TESCO has a 31% share of UK supermarket sales and TESCO is now ahead of its rivals in 81 of 121 UK postcode areas, up from 68 last year (BBC News).

However, with a workforce that totals 360,000 in the UK alone, finding out what makes people tick is no easy task. In maintaining high quality leaders and management practices at a unified standard, TESCO has created a program to develop its own pool of leaders. The apprenticeship programme is important at TESCO, because it relates to one of our core principles: if the management looks after the staff, the staff will look after the customers; TESCO's business will be successful if it follows this. (Leahy 2008). TESCO is a workplace in which everyone matters. It introduces ongoing projects to equip managers with the skills and confidence needed

to manage the difference aspects of a diverse workforce such as age, disability, gender and ethnicity; and the option for managers to focus on specific aspects is most relevant because of the make up or location of their particular store (Strategic Direction, 2008).

ASDA is a chain of supermarkets in the United Kingdom offering food, clothing and general merchandise products. It became a subsidiary of the American retail giant Wal-Mart in 1999, and is currently the second largest chain in the UK after TESCO, having overtaken Sainsbury's in 2003 (Wikipedia). ASDA is Wal-Mart's largest non-U.S. subsidiary, accounting for almost half of the company's international sales. As of January 2006, there were 21 ASDA/Wal-Mart Supercentres, 243 ASDA superstores, 37 ASDA supermarkets (including town centres), 5 ASDA Living stores, 10 George clothing stores and 24 depots (distribution centres) - 340 in total. ASDA has 150,000 employees, who it refers to as "colleagues", of which 90,000 are part-time and 60,000 full-time (Wikipedia). ASDA has a diverse workforce ("colleagues") and treats every member equally regardless of their gender, sexual orientation, nationality, ethnic origin, age, beliefs or whether they have a disability. Moreover, ASDA is the UK's largest employer of over-50s, employing almost 23,000 in its stores. ASDA has long been recognized for its commitment to flexible working and seeks to be the UK's most enjoyable place to work.

As the business strategies of TESCO and ASDA place the workforce as one of their priorities, it is imperative to identify suitable leadership style(s) that could provide effective leadership for such a diverse workforce. The leaders face huge challenges to maintain the staff productivity, efficiency, motivation and satisfaction.

The role of the HOD in retailing is very demanding. Harris, Church, & Paddey (2005) suggest some of leadership qualities that retail managers should consider and be aware of while performing their jobs. First, the leadership qualities of HODs are central to organisational effectiveness and excellence in customer service delivery. Second, the job of retail manager has shifted from policing to innovation, creativity, productivity, business performance, mentoring, and change management. Third, the retail manager must understand that if skills are lacking at the top, they will be lacking at the bottom because on-the-job learning will not be achieved successfully. Today's managers need to identify business needs and associated skills needs and develop those they manage to align with strategic business demands. Fourth, the skills demanded from managers have changed accordingly and they now need to be:

- dedicated;

- able to adapt, and able to learn and develop themselves;

- customer focussed with business acumen with a passion for the business;

- be result oriented, strategic and equally hands on;

- be able to communicate across the organisation; and innovative.

Even though the prospects for the retail industry are positive, some negative internal practices and forces affecting the industry need to be taken into account. The lack of HOD skills in leading people, activities and processes may suggest caution in predicting the future of one of the core industries that offers a high level of employment opportunities. As the retail industry is characterised by a high level of customer service, thus demanding high leadership qualities, the investigation of internal marketing and how leaders lead staff and execute all internal activities and

processes is very relevant. In the following sections, the researcher is interested in investigating and analysing leadership, internal marketing, job satisfaction and HOD performance in the retailing context.

4.4   Leadership and Internal Marketing

This section investigates and explains the existence of the links between these two concepts in previous studies. One of the main objectives of this section is to establish what empirical reviews there have been which connect these two concepts in previous researches. Any evidence of them would be useful as a point of reference in streamlining the research.

After thorough review of the previous literatures on these concepts (leadership and IM), there is a very limited evidence that shows a direct link between them. The review reveals that the links connecting these two concepts have been discussed indirectly in literature reviews under total quality management and change (Broady-Preston & Steel 2002) ; management (Davis 2001;Naude, Desai, & Murphy 2003), human resources (Cobb, Samuels, & Sexton 1998;Naude, Desai, & Murphy 2003) and marketing (Ahmed & Rafiq 1993;Harris & Ogbonna 2001).

In total quality management (TQM) and change contexts, (Broady-Preston & Steel 2002) have suggested that in order for internal marketing to be implemented successfully, managers need to overcome resistance to change and any staff apprehension as to the role and purpose of marketing within a service organisation. The tendency of managers to view their interaction style and internal marketing components separately is common. Internal marketing is an extension of how a manager communicates and relates with employees.

In a management context, managerial interaction strategies define expectations between organisational level and departments. Internal marketing and managerial influence strategies (leadership) must be aligned, if internal marketing is to become an effective part of management (Davis 2001).Managers use internal marketing when they try to sell an idea 'up the line', to try to convince someone in another department to do something, or convince a subordinate to take on a difficult task. This is evident in the style of senior management and the tactics that managers use to get things done (Davis 2001). Naude, Desai, & Murphy (2003), establish that the perception that employees have on the level of marketing orientation of their management and direct managers is positively correlated with their IMO scores; which means that the leadership style of managers provides implications for staff performance. This study has incorporated the element of leadership in the evaluation of local management and direct manager variables.

In an HRM context, managers can enhance the effect of IM variables on organisational competencies through the application of a marketing-like philosophy to human resources issues and the use of marketing-like tools in the implementation of human resources strategies Naude, Desai, & Murphy (2003), and Gorchels, Jambulingam, & Aurand, 1999, suggest what a cogent and important discussion of the value of internal marketing and the role that human resources management (HRM) might play in such activity. Their argument starts and finishes with the "… importance of a coordinated internal and external branding program and the inherent benefits of marketing efforts that address not only the needs and wants of the target market but the proper hiring, training and motivation of those who must define the brand's promise". Aurand, Gorchels, & Bishop (2005), view that issue as part of internal brand building. HR managers may be adept at working with employees, but

not necessarily in the context of fostering brand values. Furthermore, marketing and brand managers may be adept at communicating the message externally, but not in projecting it internally. At the heart of the problem is a lack of adequate models for the coordinated marketing-HR involvement in internal brand building. Cobb, Samuels, & Sexton (1998) state that the two functional areas that can make contributions to change programs are marketing and human resources. Creating leadership which understands can make an important contribution to company success.

In the marketing context, elements of leadership have been used as variables in determining internal marketing orientation (IMO) (Ahmed, Rafiq, & Saad 2003;Naude, Desai, & Murphy 2003) . Naude, Desai, & Murphy, 2003, conduct research on "Identifying the determinants of internal marketing orientation (IMO). They tested fourteen (14) variables which have been divided into three (3) variables types namely: Person, Situation and Person X situation. Table 4.1 outlines the different categories of variables used in their study. The literature review has shown that the most significant study investigating the link between leadership and IM has been conducted by Ahmed, Rafiq, & Saad (2003); and Harris & Ogbonna (2001).

Table 4. 1: IMO variables

Variables		
Person	**Situation**	**Person X Situation**
Age	Location	Original socialisation
Gender	Tenure	Involvement
Level of Education	Location	Commitment
		Organisation satisfaction
		Communication
		Evaluation of local management
		Evaluation of direct manager
		Evaluation of colleague

Source:(Naude, Desai, & Murphy 2003), "Identifying the determinants of internal marketing orientation (IMO)

There are some empirical studies which have been conducted to explore the relationship between leadership and internal marketing. Rafiq & Ahmed, 2003, consider senior leadership to be one of the important IM elements and one of the influential elements in developing the requisite organisational competencies. The senior leadership factor has been categorised under Top Management Support Mix factor (and) under IM Mix in this study. The results show that the top management support mix has significant effect on IM Mix.

Harris & Ogbonna, 2001, have considered and investigated leadership style and market orientation variables in their research. This Path-Goal measure of leadership behaviour/style (participative, supportive and instrumental/direction leadership styles) has been adapted from (House 1971). The achievement oriented leadership style has not been considered due to the insignificant effect of it on the study. The regression analysis of three measures of leadership style against market orientation found that over 27 per cent of the variation of market orientation can be explained by analysing leadership style. The findings that participative and supportive styles are pivotal facilitating factors are important for two linked reasons (Harris & Ogbonna 2001).

The main variables for the current study are leadership style, and IM competency level. It is hoped that at the end of the study, the researcher is able to identify the ideal leadership style (s) that influence internal marketing. The research gaps between the current study and previous studies are:

This research has been unable to find evidence in previous studies of the existence of an appropriate tool to gauge internal marketing competency levels. In most of the cases scholars have used internal market orientation mix in their study, but this keeps changing to suit their research needs.

The researcher is unable to find a single and unified IMO tool to measure internal marketing. The current study is designed to establish what the IM competency level in retailing is. The measure introduced by Berry & Parasuraman (1992) seems to be more appropriate for the current study. The IM measure introduced by Berry & Parasuraman (1992) is simple and easy to understand by retail staff. In fact the questions asked in the measure introduced by Berry & Parasuraman (1992) is well incorporated with one or more IM definition themes used in this study.

The measures suggested in assessing internal marketing orientation mix that have been introduced by (Ahmed, Rafiq, & Saad 2003;Harris & Ogbonna 2001) are not compatible with the definition of IM used in this study.

The instrument applied in determining leadership style in previous studies has given some concerns to the researcher. Ahmed, Rafiq, & Saad,2003, have included the leadership element in their study, but were unable to identify a desired leadership style. On the other hand, Harris & Ogbonna, 2001, have applied the path-goal leadership questionnaire, but only three styles (participative, supportive and instrumental styles) have been considered in their study. House & Mitchell, 1974, have introduced four leadership styles (participative, supportive, achievement oriented and instrumental/directive styles) in path-goal theory. Incorporating the achievement oriented style of leadership in the study enriches the findings.

`The literature review showing the limitations of research has been done to explore the relationship of the two areas; leadership and internal marketing. It shows that empirically exploring these two important areas leads to an enhanced understanding of leadership and internal marketing. Further studies in these areas would enrich knowledge and strengthen the empirical data of these areas of study (i.e.

leadership and IM); and discover the underlying connections between leadership and IM.

4.5   Leadership in Retailing/Service Industry

This section endeavours to investigate the existence of leadership practices in retailing and other industries that are customer-oriented business organisations such as marketing channel; health sector and call centres. It is noted that there are limited studies of leadership in retailing. Thus a discussion of leadership in other industries is needed. The discussion covers all leadership approaches (traits, behaviours, contingencies etc.) in retailing.

In an effort to determine the importance of leadership in retailing, Woodard & Geissler (1999) have initiated a study and discovered that the skill of leadership is one the most important skills, besides goal setting and time management, that the retail HOD must possess.. The concern about leadership skills is not limited only to retail HODs, but relates also to the prospective retail HODs, such as graduates who wish to work in retailing as well. Nicholson & Cushman, 2000, discover what important for a student to be successful in the retailing field. The study ascertains that leadership and decision making qualities are most desirable for future executives in the retail sector. Subsequently, a number of studies have focused on the effect of leadership in influencing the attitudes and behaviour of the staff.

Leadership in retailing has been associated with other HRM themes such as Emotional Intelligence(EQ) (Duckett & Macfarlane 2003); motivation and change (Levy 2004); strategic management (Rafiq and Varley 2004); and management (Newman and Cullen 2004).

In relating leadership and EQ in retailing, Duckett and Macfarlane (2003) examine the relationship between emotional intelligence (EQ) and transformational leadership in the context of UK-based retailing. The result shows a strong connection between the EQ theory and transformational leadership.

In describing the relationship between leadership and motivation and change in retailing and the service industry sector, Levy (2004) believes that store managers are leaders in their employment group. Hence HODs use a variety of motivational techniques to increase productivity by helping employees achieve personal goals consistent with their firm's objectives. HODs are accountable for motivating a team of colleagues and reducing any resistance to change in working methods that may be required when strategic directions are set. They may be involved in setting targets and will be responsible for reviewing and appraising team members' activities in accordance with the strategic objectives of the organisation (Rafiq and Varley, 2004).

In unfolding the relationship between leadership and management, Newman and Cullen (2002) define leadership in retailing as an important part of management. Leadership should embody the norms of quality management and customer-orientation that are increasingly required in the retailing today. They have identified seven (7) leadership characteristics in retailing: the leader must clearly identify the company's aims and task requirements; communicate these clearly to the staff; choose appropriate team members and delegate effectively, involve the team in decision making and support the work team in doing the job.

The literature review has revealed that there is a recent leadership study in retailing that attempts to construct a leadership style profile (Shim, Lusch, & Goldsberry 2002) and a leadership model (Boak & Coolican 2001) specifically for retailing to ensure that retail HODs have a set of guidelines when dealing with staff.

In trying to establish a leadership profile, Shim, Lusch, & Goldsberry (2002) use survey data obtained from the retail HODs of national retail chains to identify and test three leadership styles (internal-focused, team builder/goal-oriented and conceptual producer/external focused). This empirical data establishes that leadership is influenced by various factors such as personal values, job characteristics, job satisfaction, organisational commitment, career progression and personal demographic characteristics.

Boak & Coolican (2001) have developed a Retail Leadership Model. The model consists of six key leadership competencies for large UK fashion retail companies. They use the critical incident interviews method and the Leadership Competence Model Questionnaire. The study describes how the model has been used in the company for training and development and evaluates the model against a critical view of management competencies. This model is believed to have increased the HODs' effectiveness in performing jobs and duties in retailing. Table 4.2 outlines the details of the Retail Leadership Model. This model is very useful in assessing the effectiveness of an HOD in performing IM activities in an organisation. One of the drawbacks of this study is that the researchers are unable to establish a profile of leadership styles in retailing. Table 4.2 shows the existence of the elements of communication, recruitment and delegation, decision making and teamwork in this model.

Table 4. 2 : Retail Leadership Model

Acting strategically	Understanding the bigger picture, thinking ahead about the future demands of the business, enabling others to do the same and consistently referring to a longer term vision.
Influencing and inspiring others	Having the self-confidence, drive and energy to share a vision of the future business in an inspirational and motivational way which harnesses the commitment of others
Taking action	Pro-actively identifying what needs to happen and taking responsibility for getting things done.
Developing a high performing team	a. Recruiting, coaching and motivating branch managers to achieve outstanding results, b providing the freedom within a framework for everyone to contribute to the business on an individual and team basis.
Making decisions	Understanding the context in which decisions are made, quickly identifying, absorbing and analysing the information required, while thinking both broadly and creatively about potential solutions.
Evaluating and learning	Re-inventing personal and team performance on an ongoing basis, identifying areas of potential development and opportunities to change behaviour and processes.

Source: Boak and Coolican, (2001) Leadership and Organisation Development Journal, 22/5 (2001) 212-220

As described in the previous leadership review in retailing, it shows there is a limited investigation on leadership, especially the instruments used to measure leadership style. In addition, the instruments used are not suitable for application in the current context of this study. The current study is focusing on leadership style which is based on contingency approach. Thus investigating industries adopting customer-oriented approaches that are similar to retailing is necessary.

There are some empirical studies that have been conducted. Price (1991) describes that much of this effort has focused either on the use of influence strategies or on the effects of different leadership styles. Price (1991) uses Path-Goal Theory to investigate leadership styles in marketing channel**s;** and also states that the effects of different leadership behaviours, exhibited by the source, depend on the type of channel. Mehta, Larsen, & Rosenbloom (1996) suggest that the various styles of leadership behaviour exhibited by the channel leader may influence the degree of co-operation in marketing channels. Channel leadership can be defined as the activities undertaken by channel leaders to influence the marketing policies and strategies of

channel partners (Mehta, Dubinsky, & Anderson 2003;Robicheaux & Elansary 1977;Schul, Pride, & Little 1983).

The recent attempt to investigate leadership is conducted by Mehta, Dubinsky, & Anderson (2003) . They use a Path-Goal Leadership style instrument to assess the leadership styles of channel marketing. This instrument has been developed by House & Mitchell (1974) and improvised by House & Mitchell (1974); and Schul, Pride, & Little (1983) to suit marketing channel needs. The Path-Goal Leadership consists of Participative leadership, Supportive, Directive and Achievement-oriented leadership styles (House & Mitchell 1974). But in the channel marketing industry, the achievement-oriented leadership style has been abandoned since it has been perceived as irrelevant to Channel marketing. Collectively, these leadership styles explain 68.07 per cent of the variation in motivation. The findings reveal that a participative style is mostly associated with motivation, followed by a supportive leadership style and then a directive leadership style.

The next industry to be discussed is the health industry. Chiok (2001) conducts an empirical leadership behavioural study in health industry in Singapore. He uses LPI method (Posner & Kouzes 1994) to investigate leadership behaviours. The regression analysis results indicate that 29 per cent of job satisfaction, 22 per cent of organisational commitment and 9 per cent of productivity are explained by the use of leadership behaviours. A similar study also has been conducted by Mosadegh-Rad & Yarmohammadian (2006) . They have conducted an empirical research in the health industry investigating the influence of leadership with others areas of knowledge. They used the Rensis-Likert model of leadership and even though the

leadership measure used is different, the findings on the correlation of leadership style and job satisfaction are the same and are thus positively correlated.

The call-centre industry is the last to be discussed in this section. Bartram & Casimir (2007) investigated the mediating effects of empowerment and trust on leaders and on the relationship between transformational leadership and two outcomes:

1. The in-role performance of followers, as related by the leader; and

2. The satisfaction with the leader in an Australian call-centre.

The findings reveal that the effects of transformational leadership on the in-role performance of followers are mediated by empowerment and trust in the leader, whereas the effects of transformational leadership on satisfaction are partially mediated by trust in the leader.

There is little evidence that leadership studies in retailing have employed a Path Goal approach and instruments to determine the leadership styles of the HOD; there is only some evidence in Channel marketing. Leadership style has been measured by a few leadership instruments such as LPI (Posner & Kouzes 1994), the Rensis-Likert model, the Leadership Competence Model Questionnaire and the Retail Leadership model. The limited study of leadership research in retailing causes a shortage of leadership measurement instruments to gauge HODs' leadership style. In this section, the literature review indicates that the leadership style of leaders has a significant effect on interdepartmental cooperation (Price 1991); employee motivation (Mehta, Dubinsky, & Anderson 2003); job satisfaction (Bartram & Casimir

2007;Chiok 2001;Mosadegh-Rad & Yarmohammadian 2006); organisational commitment and productivity (Chiok 2001).

The most significant study that uses the Path-Goal approach in studying leadership is the market channel study by (Mehta et al. 2001); and (Mehta, Dubinsky, & Anderson 2003). But one of its limitations is that the achievement oriented approach of leadership style has not being considered as one of the leadership styles. It has been perceived as unimportant for the market channels businesses.

In retailing, achievement oriented leadership style is essential. It highlights behaviour such as defining sales goals and standards, assigning roles and tasks within the retail force, specifying selling procedures to be followed, clarifying expectations, and evaluating the performance of retail people. This concerns the degree to which a leader gives structure to sales force member's work, individually and as a group.

The current literature review has revealed that there is a limited study on leadership concept in retailing. Further effort in studying this concept would, therefore, enrich knowledge in this area. And it also showed the practicality of the path-goal approach and instruments in measuring leadership style in retailing. Thus employing the Path-Goal approach in measuring leadership style in retailing is warranted.

4.6   Internal marketing in Retailing/Service Industry

Literature review has revealed the limitation of research on IM in retailing. In order to overcome this insufficiency, the researcher has decided to venture into customer-oriented sectors with similar orientation to retailing. The industries are: the international marketing(Conduit & Mavondo 2001); the financial services (Kelly &

Quester 1999); the medical trade (Barnes & Morris 2000); the supply chain (Keller 2002); the services(Ahmed, Rafiq, & Saad 2003;Gounaris 2006;Naude, Desai, & Murphy 2003) and hotel (Gounaris 2008;Hwang & Chi 2005). (Greene, Walls, & Schrest 1994) have emphasised that internal marketing is important to all industries, but it is extremely important to the service and retailing sectors.

The investigation of the existence of internal marketing in services and retail sectors is led by (Piercy & Morgan 1991). This empirical study's findings show that only 15 per cent of respondents have heard of internal marketing in UK in 1991. As an approach to investigate this issue further, (Kelly & Quester 1999) have conducted a study in Australia. It is an exploratory study on internal marketing practices and along with the manager's perceptions of the concept and 48.9 per cent of the respondents indicating they are aware of the internal marketing concept. The definition of IM has been related to: communication; about goals of the organisation; changing attitudes and behaviours; the products and services of other departments; selling, internal products and services and marketing the organisation; and the strategies and vision of the organisation. Majority of the respondents believe IM is about internal communication; involve in selling of internal products; and services. The respondents also believe that combination levels of management are responsible for the implementation of internal marketing. Both studies provide an initial benchmark for the internal marketing practice in the service organisation.

The interest to investigate the IM concept in service industry has shown a rapid progress since 1990. The scholars have investigated IM concepts introduced by (Piercy & Morgan 1991) and (Kelly & Quester 1999) such as product and service quality (Barnes, Fox, & Morris 2004;Barnes & Morris 2000;Keller 2002;Lings 1999)

;communication (Conduit & Mavondo 2001;Naude, Desai, & Murphy 2003;Rafiq & Ahmed 2003) and these elements have significant relationship with IM.

Rapid growth of the interest in IM concept study has resulted in the extension of the study horizon to other areas of knowledge. The IM concept has been related to other concept such as employee's motivation; productivity; integration between departments; the dissemination of market intelligence; management (Conduit & Mavondo 2001;Davis 2001) ; socialisation (Naude, Desai, & Murphy 2003) ; workforce/job satisfaction (Gounaris 2008;Hwang & Chi 2005;Naude, Desai, & Murphy 2003); organisational performance (Ahmed, Rafiq, & Saad 2003;Hwang & Chi 2005) ; culture (Barnes & Morris 2000;Hogg, Carter, & Dunne 1998); HRM (Conduit & Mavondo 2001)and external customer satisfaction (Gremler, Bitner, & Evans 1994).

Naude, Desai, & Murphy (2003) have investigated the relationship between socialisation construct and IM. There are four factors under the definition of socialisation: identification; values and policies; coping with work; and feel-at-ease. All factors have positive correlation except one "coping with work" with negative correlation with IM.

The influence of IM on culture has been studied by(Hogg, Carter, & Dunne 1998). They have conducted a qualitative study by using Investing in People (IIP) initiative as a framework for IM. The findings explain that IIP suggests that the organisational culture is resistant to short-term measures and only be changed by a long term commitment from the organisation itself.

Hwang & Chi (2005) have studied relationship among IM, employee satisfaction and organisational performance. This shows that internal marketing has

positive impacts on employee job satisfaction; and employee job satisfaction and internal marketing both have positive impacts on performance of an organisation.

In marketing context, Gremler, Bitner, & Evans (1994) establish findings that indicate the internal customers are similar to external customers in that the same general events and behaviours of service providers are associated with satisfaction or dissatisfaction in both types of service encounter. Conduit & Mavondo (2001) investigate the relationship between internal customer orientation and market orientation in Australian based companies involved in international marketing. The findings show the human resources policies as one of the internal marketing processes to have a direct influence on an internal marketing orientation. Ahmed, Rafiq, & Saad (2003) have investigated IM mix in manufacturing/ services companies and find that the IM Mix is shown to be a reliable measure and strongly related to the business performance. The effects of the dissemination of market intelligence, interdepartmental integration, internal communication, personnel management and management support on market orientation (external customer) are enhanced by their indirect effects through internal customer orientation/internal marketing (Conduit & Mavondo 2001).

Hwang & Chi (2005) establish that IM has positive impacts on the employee job satisfaction; and employee job satisfaction and internal marketing both have positive impacts on the performance of the organization. Management should be aggressively engaged in internal marketing to arrive at a synergy of satisfied employees and upgraded organisational performance. The findings are also supported by the study conducted by Gounaris (2006). Naude, Desai, & Murphy (2003) describe that the most important determinants impacted on the internal marketing orientation are perceived market orientation of managers, communication, socialisation, and

workforce performance. Some of determinants (communication, job satisfaction and organisational performance) are also aligned in the findings by Hwang & Chi (2005) and Ahmed, Rafiq, & Saad (2003).

The interest of exploring internal marketing context in organisations does not only attract academicians but the retail management teams and the retail consultants as well. They have shown some development of interest in IM. In academic sector, (Peltier, Schibrowsky, & Schultz 2002) state " our goal will be research, teaching and training, helping organisations understand why and how employees can and should be motivated, how investments in internal marketing and management can be quantified and measure and how a focus on internal activities can provide major returns from external customers and consumers(pages 9, Oct 14,2002, Marketing News). On the other hand, Johnson (1993) states that the President of Global Retail Consulting quoted that the degree of success that a company has with internal marketing goes directly to the bottom line in hard numbers. Wal-Mart is very good at this.

The discussions above show the significance of IM in service industry. This progress has not been noted in retailing. Venturing the IM study in retailing will definitely give benefits to this industry. Based on recent attitudes showed by academician, managements in retailing and retail consultants, the IM concept would reach a rapid progress in the near future and would be considering one of the importance concepts in retailing.

4.7　Leadership and IM in Retailing/Service Industry

The literature review shows a remarkable growth of leadership and IM studies in the private and public sectors, but this movement has not been noted in retailing. Previous literature reviews have revealed that the focus has been on IM or leadership. The

leadership aspect in retailing/service industry has been discussed by Duckett & Macfarlane (2003); Bartram & Casimir (2007);Boak & Coolican (2001);Mehta, Dubinsky, & Anderson (2003);Mosadegh-Rad & Yarmohammadian (2006);Schul, Pride, & Little (1983);Shim, Lusch, & Goldsberry (2002) and Price (2001). On the other hand, internal marketing in retailing has been researched by Bell, Menguc, & Stefani (2004); Berry & Parasuraman (1992); Hwang & Chi (2005);Kelemen & Papasolomou-Doukakis (2004);Lings (1999);Papasolomou & Vrontis 2006; and Pitt & Foreman 1999.

Chapters 2 and 3 explain the importance of leadership and IM in retailing. Investigating leadership and IM concurrently in retailing is expected to contribute to the body of knowledge. It is also set up as a benchmark for future studies. As this study has adopted a quantitative methodology, it is a hope to establish the empirical evidence for the connections between these two elements.

4.8   Research Problems

The research problems for this study have been identified by comparing the previous literature in leadership, internal marketing and retailing. The comparison between this study with previous studies in the retails sector on: current leadership, internal marketing, job satisfaction, HOD's performance has revealed the gaps. The main objectives of this study are to research the leadership and IM contexts which have not been explored by previous researchers. All empirical data or information from this study would contribute to the enhancement of leadership and internal marketing knowledge in retailing. After thorough considerations of all aspects of knowledge and evident established in literature review, the researcher has recognised that the following areas must be measured in this study. The rest of the discussions in this

section will be based on the Table 4.3. The numbers in Table 4.3 represent the research problems in this study. The research problems have been clustered into 3 areas: leadership,IM and job satisfaction/HOD's performance.

Figure 4. 1: Research problems flow chart.
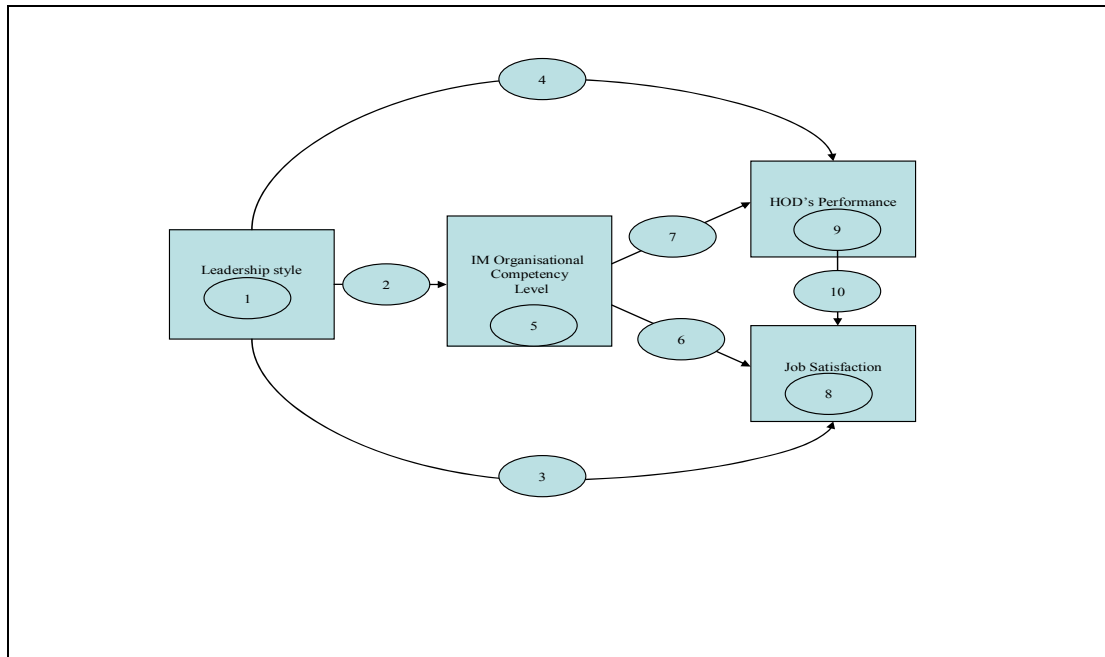
4.8.1 Leadership

Based on the previous discussion of the key characteristics of the four leadership styles (presented in Chapter 2) , it would seem likely that a leader affiliated with different styles of leadership would have quite a different way in achieving internal marketing competency levels. If there are wide variations in the leadership style of the leader affiliated with internal marketing competency, then the leadership style should be an important factor in the study of internal marketing competency. The researcher is unable to obtain any evidence on the link between leadership styles and internal marketing in retailing. Any establishment of a correlation in these areas of study

would benefit other industries as well. To advance the understanding of the impact of leadership styles on internal marketing some of questions have to be answered.

The questions that are related to this study are as below:

- What is the leadership style profile in retailing?

- Does leadership style have a significant effect on internal marketing organisational competency levels?

- What is the effect of leadership style on job satisfaction?

- What is the effect of leadership style on HOD's performance in internal marketing components?

4.8.2 Internal Marketing

Similarly, based on the results of previous studies, it is expected that the internal marketing competency level of an organisation appears to influence staff satisfaction and performance. There is no evidence of IM Competency Level in retailing. Such information could be used to bench-mark the IM level in retailing as well as other industries that similar to retailing. The questions that are related to IM in retailing are:

- What is the IM competency level in retailing?

- What is the effect of IM on job satisfaction?

- What is the effect of IM on HOD's performance?

4.8.3 Job Satisfaction/ the HOD performance

Finally, it is expected that the HOD performance in internal marketing components would be shown to be an important predictor of staff's job satisfaction. Employee's job satisfaction impacts on productivity. The previous studies have shown there is no

study that links HOD performance in internal marketing with staff job satisfaction. Leaders in retailing face optimum challenges in upholding the staff's job satisfaction and in ensuring staff productivity is maintained, thus maximising profits and minimising risks. The questions that are related to job satisfaction and HOD's performance in retailing are:

- What is the HOD's Performance level in internal marketing components in retailing?

- What is the employee job satisfaction level in retailing?

- What is the relationship between job satisfaction and HOD's performance in internal marketing in retailing?

4.9 Conclusion

This chapter is an imperative part of the study before moving to discuss the research methodology. In this chapter the researcher has established the areas that need to be focused on and the areas that have not been researched before in leadership, IM and retailing. As detailed in previous sections in this chapter, leadership and IM contexts are new in the retailing industry. The evidence shows that there is a limited resource of references on leadership and IM. Most of the evidence is in the service industries. The gaps between the previous and the current situation have been established. This shows that the proposed research is viable and that the pursuing of the research will contribute to the establishment of new knowledge.

Clarity on the areas to be studied will contribute to a high quality of research methodology and design. There are 10 research questions to be incorporated in the research instrument. The research questions are the issues to be considered in the research methodology and design. They will act as the foundation of the study. The

reasons for conducting the study will be answered if the research questions have been accurately identified.

All research problems that have been identified in this chapter will be incorporated in the designing of the research instrument for this study. The details of the research instrument to be employed in this study will be discussed further in Chapter 5: Research Methodology.

CHAPTER 5

RESEARCH METHODOLOGY

5.1   Introduction

The two main research areas (leadership and internal marketing) have been examined in Chapters 2 and 3. The research gaps have been mentioned in Chapter 4. This chapter details and explains the link between the theoretical review and the fieldwork. This chapter explains the methodology as well as to select the suitable research methodology to be employed in the study

The terminologies of method and methodology are widely used in academic research. Even though the words look alike, they have a different definition. Scholars disagree on the correct usage of the terms, but method refers to the tools and techniques used to obtain and analyse data, whereas methodology refers to the theory of how research is be undertaken (Saunders, Lewis, & Thornhill 2003a). Gill & Johnson (1997) describe methodology as the study of methods or procedures used in a discipline as to gain warranted knowledge. Johns & Lee-Ross (1998) define method and methodology as two distinct but related considerations. Method refers to the methods and techniques which are to be used in a given research study. Methodology is a wider term indicating the whole approach that is to be used and includes the underlying philosophy or rationale.

Research is a multi-step process, a systematic and an organised effort to investigate a specific problem that needs a solution (Sekaran 1992). The importance of research and methodology knowledge in the research process has been emphasised by Nunamaker, Chen and Purdin (1991) in their framework for research. Exhibit 5.1 explains the relationship between the body of knowledge and the research process. A

research methodology is a combination of processes, methods and tools used in undertaking research in a research domain. The process involves understanding research domains, asking significant research questions and applying valid research methodologies to the questions. Subsequently, the outcome gained from the research project contribute**s** to the body of knowledge by promoting clear understanding and enhancing the knowledge in a given research domain (Nunamaker, Chen and Purdin 1991)

Figure 5. 1: The framework of knowledge
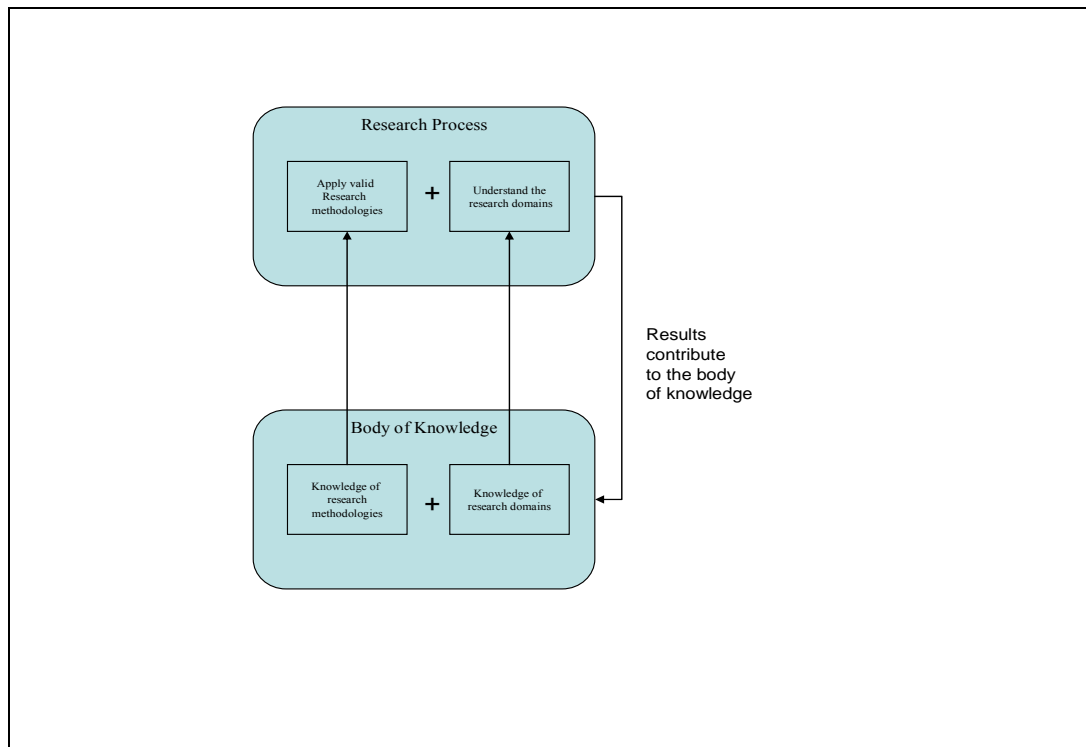
This chapter explains the research design in detail and explains how it can be obtained. In order to achieve highly reliable results, a systematic research process must be in place. Given the importance of this issue, this chapter first explains the research paradigms and discusses the chosen paradigm for the study.

Second, this chapter discusses the selection process for the research methodology which has been applied. Research methodology refers to the scientific procedures utilised in answering a wide ranging of research questions (Adams & Richards 1985). The review of recent leadership concepts is a must before deciding the suitable research methodology for the study.

Third, this chapter explores the definition of research design. Research design refers to a plan, blueprint and guide for data collection and interpretation. It is a set of rules that enables the investigator to conceptualise and observe the problem under study (Adams & Richards 1985).

Lastly, this chapter gives explanation for the survey instrument used; that is, the justification of the measurement format, the context of questionnaire, and the composition of questionnaire and the evaluation of the measurements.

5.2   Research Paradigms

It is essential to acquire a good understanding of primary issues in research paradigms before pursuing a specific research method. The early part of this section explains the research paradigm concept. Before choosing the ideal research approach to be used for the study, it is crucial to understand the research paradigm concept. This part explains why individual scholars have their own preferred research methodology and approach even though they explore the same area. The paradigm concept is central to the research process in all areas of study (Mangan, Lalwani, & Gadner 2004).

According to Gummesson (2000) "the paradigm concept was introduced by Thomas Kuhn, in the early 1960s and can be used to represent people's value judgements, norms, standards, frames of reference, perspectives, ideologies, myths, theories and approved procedures that govern their thinking and action."

Easterby-Smith et al. (1991) explain the three main reasons for understanding why the philosophical issues which underpin the research are essential for the researchers. Foremost, it helps the researcher to understand the overall components and procedures of the research to be undertaken. Second, it helps the researcher to recognise which design will work well in solving research problems. Third, the knowledge of research philosophy can help the researcher identify and create designs that may be beyond his or her past experience.

Conducting any type of research should be governed by well-defined research based on scientific principles (Eldabi et al. 2002). Scientific research paradigms are overall conceptual frameworks within which some researchers work; that is, a paradigm is a world view or "a set of linked assumptions about the world which is shared by a community of scientist**s** investigating the world" (Deshpande, 1993; Healy & Perry, 2000).

Generally, each and every researchers views situations differently. This has a critical impact on the research process to be used. The paradigmatic preferences of the researcher play a significant role in determining the methodology and approach to be employed in the research.

Guba and Lincoln (1994) synthesise scientific paradigms into four categories: positivism; realism; critical theory; and constructivism. Positivism seeks to solve major practical problems – the search for law-like generalisations - and discover precise causal relationships through statistical analysis (Candy 1991; Crotty 1998; Kim 2003). In realism, the quantitative and the qualitative methods are complementary. Realism has elements of both positivism and constructivism (Krauss 2005). Realism is also known as critical realism (Hunt 1991), postpositivism (Denzin and Lincoln 1994; Guba and Lincoln 1994) or neopositivism (Maniacs and Secord

1982). Critical theory looks beyond the perceptions, including the underlying assumptions, of the power dynamics which shape individual and social consciousness(Plack 2005).Constructivism seeks to understand the intentions, values, attitudes, and beliefs behind that behaviour (Candy 1991) and also looks at implicit and tacit knowledge as well (Guba and Lincoln 1994).

Perry et al. (1997) and Healy & Perry (2000) have explained in detail the four paradigms and the elements in them. Table 5.1 explains the details of paradigms by Perry et al. (1997) and based on Guba and Lincoln (1994). The elements in the research paradigms refer to ontology, epistemology and common methodologies. Perry et al. (1997) explain the differences between positivism and the phenomenological in three elements: ontology, epistemology and methodologies used. In positivism, reality is real and apprehensible via the senses and reason; findings are true and it is possible to verify hypotheses through observation and testing. By contrast, in phenomenological research, ontologies are multiple with local and specific "constructed' realities; and findings derive from these differently constructed realities. Research involves a "passionate participant" within the situation being investigated as opposed to positivism which posits a dispassionate neutral observer.

Commonly, ontology is defined as the "reality", element that researchers study. Ontology is the study of the essence of phenomena and the nature of their existence (Gill & Johnson 1997). Epistemology is the link connecting that reality and the researcher. Gill & Johnson, 1997, state that epistemology is defined as the branch of philosophy concerned with the study of the criteria by which we determine what does and does not constitute warranted or valid knowledge. Lastly, methodology is described as the technique employed to study that reality. Saunders, Lewis, & Thornhill, 2003a, have explained that methodologies are the tools and techniques used

to obtain and analyse data. But Gill & Johnson, 1997, and Johns & Lee-Ross, 1998a, explain that methodology is a wider term indicating the whole approach that is to be used and including the underlying philosophy or rationale.

Table 5. 1: Elements in Paradigms

	Paradigm	
Element	Positivism	Phenomenological
Ontology	Reality is real and apprehensible	Multiple local and specific "constructed" realities
Epistemology	Objectivist: findings true	Subjectivist: created findings
Methodologies	Experiments/surveys: verification of hypotheses, chiefly quantitative methods	Hermeneutical/dialectical: research is a "passionate participant" within the world being investigate

Source: Perry et al. (1997) based on Guba and Lincoln (1994)

According to Amaratunga et al., (2002), there are two main schools of science: positivism and phenomenological. The details are as outlined in Table 5.1. Amaratunga et al., (2002) describe positivism as being focused on social structure in social investigation; social facts are derived from quantitative methods and are confirmed through being able to test hypotheses. Phenomenological research focuses on the social construction of meaning. Normally the preferred method is qualitative, but it also generates hypotheses.

Table 5. 2 : Two schools of science

Approach	Concepts	Methods
Positivism	Social structure	Quantitative
	Social facts	Hypothesis testing
Interpretivism /	Social construction	Qualitative
Phenomenological	Meanings	Hypothesis generation

Source: Amaratunga et al., (2002).

The two main principles: Positivism and Phenomenological (Table 5.2) refer to the way of the researchers think in relation to the enrichment of knowledge. They are different, if not mutually exclusive, views about the way in which knowledge is developed and judged as being acceptable (Saunders, Lewis, & Thornhill 2003b). Positivist research adopts an approach that emphasizes the use of methods in the social sciences presumed to be those of the natural sciences (Gill & Johnson 1997). The positivist point of view recognises only the existence of facts or causes of social phenomena and attempts to explain causal relationships between them. (Carson 2001). Carson, 2001, clarifies what the main differences between positivist and phenomenological approaches are: first, in the positivist approach, the researcher is independent but in the phenomenological approach, the researcher is involved; second, a large sample may be used in positivist approach, whereas not in phenomenological; third, in positivism, testing theories pervade while phenomenological approach focuses on creating theories or constructing theories.

5.3   Research Method

The second part of this section explores and discusses the research methodology from different scholars' points of view. (Buckley et al. 1976) argue that the operational definition of research requires the satisfaction of the conditions that: 1) it be an orderly investigation of a defined problem; 2) appropriate scientific methods be used; 3) adequate and representative evidence be gathered; 4) logical reasoning, uncoloured bias, be employed in drawing conclusions on the basis of the evidence; 5) the researcher be able to demonstrate or prove the validity or reasonableness of their conclusions; and 6) the cumulative result of research in a given area yields general principles or laws that may be applied with confidence under similar conditions in the future.

Traditionally, the main difference between research styles and methods is between quantitative and the qualitative (Davison, 1995). These two research methods are firmly used in scientific researches and combinations of these methods have become a trend. So far, there is no "perfect" research methodology as there is no an universally agreed methodology (Eldabi et al. 2002). Although a position is normally taken on the use of one approach or the other, it has been recognised that these two paradigms are complementary rather than contradictory (Preece 1994; Newman & Benz 1998). The ideal stance to be used in the research depends on the type of the study.

There are three key features that distinguish positivism and phenomenological paradigms: basic belief, researcher's preferences or focus and method used. Buchanan et al. (1988), highlights that the "needs, interests and preferences (of the researcher)… are typically overlooked but are central to the progress of fieldwork". It is equally important that topic choice involves methods and techniques which take into account the researcher's skills and aptitudes (Johns & Lee-Ross 1998b). The explanations on quantitative and qualitative studies will be highlighted in the next subsections.

5.3.1 Quantitative research

Quantitative research is also known as the "positivist" approach. Positivist epistemology explains the social setting by identifying individual components of a phenomenon then explaining the phenomena in terms of constructs plus the relationships between constructs (Eldabi et al. 2002). Horna, (1994) explains that "quantitative research designs are characterised by the assumption that human behaviour can be explained by what may be termed "social facts" which can be investigated by methodologies that utilise "the deductive logic of the natural

sciences". What distinguishes quantitative methods from other analytic methods is the use of systematic scientific methods in exploring quantitative properties and phenomena and the link between them. The applications of mathematical approaches (model, theories and hypotheses) are widely used in this method. Quantitative method uses mathematical approaches in developing models, theories and hypotheses in social sciences. The measurement process is the primary concern; it supplies the fundamental connection between empirical observation and mathematical expression.

Johns & Lee-Ross, 1998b, and Slattery (1986) argue that quantitative methods present a manageable selection of statistical material relating to social policies which provides a picture of some of the ways a society is changing. The service industry HOD should be able to interpret published information of this kind.

In quantitative study; three areas are being obviously emphasised which are: methodology, procedure and statistical measures of validity. Eldabi, Irani, Paul, & Love, 2002, explain further that quantitative research typically has a logical and linear structure, whose hypotheses take the form of expectations about likely links between the constituent concepts identified in the hypotheses. The relationship between one set of variables to other sets is measured by measuring and analysing statistical data. Quantitative study widely uses mathematical approaches in testing causal links specified by the hypotheses. This will eventually cause the rejection or acceptance of the theoretical proposition.

Johns and Lee-Ross (1998) believe that quantitative methods provide information about the consumer behaviour, market trends, quality control, and employee work attitudes and so on. A large amount of data can be collected and analysed more efficiently than the qualitative approaches allow.

Hussey & Hooley (1995) investigate the use of quantitative methods in the marketing research and have put forward the most significant, but perhaps the least surprising, finding is the extent to which, over the last ten years, the personal computer revolution has served to fuel an increase in both the volume and complexity of quantitative methods applied to the solution of marketing problems. At a time when marketing academics are questioning the importance of quantitative skills relative to qualitative skills, and when traditional paradigms are coming under increasing attack by postmodernist perspectives, practitioners (both researchers and HODs) are embracing quantitative methods to a far greater extent than previously. (Hanson & Grimmer 2007) have investigated this phenomenon and conclude that academic research in marketing reveals the continuing dominance of quantitative research. In each of the three journals analysed, the proportion of research articles that are quantitative is more than 70 per cent. Further, even an apparent rise in qualitative research over the earlier part of the sample period (to 1999) is noticed to have reversed in the most recent years. Academic marketing thus remains dominated by the goal of making generalised statements from an objectivist framework. As is seen below, the review of research on leadership by different scholars, as outlined in Table 5.3, shows that the quantitative method is the outstanding and popular method in conducting the leadership studies. And Table 5.4 shows that quantitative methods have been widely used in previous internal marketing studies.

Table 5. 3: Summary of Authors of Leadership studies

Year	Author	Topic	Industry	Country	Paradigm	Instrument(s)	Analysis
2006	Marta,S; Leritz,L.E.; Mumford,M.D.	Leadership skills and the group performance: situational demands, behavioural requirements, and planning	Education	USA	Inductive	Experimental questionnaire	Consequences test
2006	Cha,S.E; Edmondson,A.C	When values backfire: Leadership, attribution, and disenchantment in a values-driven organization	Advertising	USA	Inductive	Interview & observation	Manuscript
2006	Schriesheim,C.A; Castro,S.L;Zhou,X.; Dechurch,L.A	An investigation of path-goal and transformational leadership theory predictions at the individual level of analysis	Education	USA	Deductive	Questionnaire	Descriptive statistic, CFA,Raw-score regression, WABA
2005	Hoogh et al.	Leader motives, charismatic leadership, and staff' work attitude in the profit and voluntary sector	Variety Background	Holland	Inductive	Interview	ICC (2)
2005	Sosik,J.J	The role of personal values in he charismatic leadership of corporate managers: A model and preliminary field study.	Variety Background	USA	Deductive	Questionnaire	PLS
2004	Tjosvold,D; Yu,Z ; Liu,H	Traditional value for applying abilities and Leader effectiveness in China	Manufacturing, transportation, construction, wholesale, retail and catering, banking ,insurance and others	China	Deductive	Survey	LISREL 8.30 and Correlation
2004	Ehigie, B.O; Akpan,R.C	Roles of perceived leadership styles and rewards in the practice of total quality management	Courier	Nigeria	Deductive	Survey-Questionnaires	?
2004	Pechlivanidis, P. ; Katsimpra, A.	Supervisory leadership and implementation phase	Service, trade and manufacturing	Greece	?	Interview	Discriminant and Kruskal-Wallis
2004	Mastrangelo,A. ; Eddy, E.R. ; Lorenzet, S.J	The importance of personal and professional leadership	Variety Background	USA	Deductive	Questionnaire	?
2004	Viitala, R.	Towards knowledge leadership	Variety Background	Finland	Inductive	Interview	Delphi-technique
2004	Brain, K. ; Lewis, D.	Exploring leadership preferences in multicultural workgroups	State Government Department	Australia	Inductive	Case-study	Textual analysis

2004	Peterson,D.	Perceived leader integrity and ethical intentions of staff.	Variety Background	USA	Deductive	Questionnaire	Regression
2004	Oshagbemi, T.; Gill,R	Differences in leadership styles and behaviour across hierarchical levels in UK organization	Variety background	UK	Deductive	Questionnaire	t-test
2004	Yousef, D.A	Correlates of perceived leadership style in a cultural mixed environment	Variety Background	UAE	Deductive	Questionnaire	Descriptive and Regression
2003	Holt,D.T.; Self,D.R; Thal,A.E.; Lo,S.W	Facilitating organizational change: a test of leadership strategies	Army	Australia	Deductive	Questionnaire	Multiple Regression
2003	Politis, J.D	QFD: the role of various leadership styles	Variety Background	UEA	Deductive	Interview	AMOS 4.0 and Regression
2003	Block, L	The Leadership-culture connection : an exploratory	Sales and Service	North America	Deductive	Questionnaire	Multiple Regression
2003	Pech, R.	Developing a leadership knowledge architecture : a cognitive approach	Army	New Zealand	Deductive	Questionnaire	Kruskal-Wallis and ANOVA
2001	Lyoyd,H.C.; Ogbonna, E.	Leadership style and market orientation: an empirical study	Variety Background	UK	Deductive	Questionnaire	Pearson
2001	Adeyemi-Bello, T.	The impact of leadership style on organization growth	Non-profit organization	USA	Deductive	Questionnaire	Moderated Regression Analysis (MRA)
1997	Covin, T.J.; Kolento,T.A;Sighter,K.W; Tudor, K.R.	Leadership style and post-merger satisfaction		USA	Deductive	Questionnaire	Correlation
1995	Marcoulides,G.A.; Larsen,T.J;Heck, R.H.	Examining the generalizability of leadership model: issues for assessing administrator performance	Education	USA	Deductive	Questionnaire	LISREL

Table 5. 4: Summary of Authors of Internal Marketing Studies

Year	Author	Topic	Industry	Country	Paradigm	Instrument(s)	Analysis
2008	Gouris,S	The notion of internal markeitn orientation and employee job satisfaction: some preliminary evidence	Hotel	USA	Deductive	Survey	SPSS
2005	Hwang, I and Chi, D	Relationships among Internal Marketing, Employee Job Satisfaction and Internal Hotel Performance: An Empirical Study	Hotel	Taiwan	Deductive	Survey	SPSS
2004	Lings, I	Internal Marketing orientation construct and consequences	-	-	Inductive	-	-
2004	Brady, N	In search of market orientation: An experiment in key account management	Distribution channel	UK	Inductive	Inteview	NVivo
2003	Ahmed,P; Rafiq, M and Saad,S	Internal marketing and the mediating role of organisation competencies	Manufacturing	Malaysia	Deductive	Survey	SPSS
2001	Conduit,J and Mavondo F	How critical is internal customer orientation to market orientation	International marketing	Australia	Deductive	Survey	SPSS
1999	Kelly, A and Quester, P	Internal Marketing Practices in the Australian Financial Sector	Financial	Australia	Deductive	Survey	SPSS
1999	Pitt,L and Foreman, S	Internal marketing role in organisations: A transaction cost perspective	-	-	Inductive	-	-
1998	Hogg,G ; Carter,S and Dunne,A	Investing in people: Internal Marketing and corporate culture	Manufacturing	UK	Deductive	Survey	SPSS
1993	Gremler, D and Bitner, M	The internal service encounter	Financial	USA	Inductive	Critical Incident Technique (CIT)	?

5.3.2 Qualitative research

The alternative method to the quantitative method in research is the qualitative. Qualitative research is not concerned with the measurement and quantification of phenomena but with acquiring an understanding of the natural setting of the phenomenon through observation (Weick, 1984; Irani et al., 1999; (Eldabi, Irani, Paul, & Love 2002).

Researchers using a qualitative approach enthusiastically describe the context and try to understand the position of the people who influence the phenomenon and those that are affected by the phenomenon. Qualitative research stresses the "understanding"; that is, the ways in which, say, HODs create and evaluate meanings when they manage teams in organisations, and how this understanding can be revealed through research (Hannabus, 1996). Hammersley, 1990, describes qualitative research as an investigation using unstructured forms of data collection, both interviewing and observation, and employing verbal descriptions and explanations rather than quantitative measurement and statistical analysis.

Qualitative research can be summarised as one of the research methods, widely used in marketing and social sciences as well. Commonly, the information is collected from a small group of respondents and the analysing of information does not require statistical approach. Qualitative research has the potential to probe deeply, uncovering subtle and complex issues, but this takes time; and, therefore, small sample sizes are generally used (Johns & Lee-Ross 1998a)

Eldabi, Irani, Paul, & Love, 2002, describe qualitative research as emphasising getting close to the subject(s) of study, and that experience is a good way to understand social behaviour. Qualitative methods mainly use the direct approach. The researchers' involvement is visibly made known as is the purpose of the study and the business entity that involved in the research.

The strengths of the qualitative methods are well defined by Bryman, 2002, Bryman, 1992b, and Eldabi, Irani, Paul, & Love, 2002. They explain that qualitative strengths are involved:

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- a commitment to viewing actions and values from the perspective of the people being studied;

- providing a detailed description of the social setting they investigate;

- understanding the events and their behaviour in their context;

- viewing social life as a process rather than as being static ;

- avoiding the imposition of "inappropriate" frames of reference" on the subjects being studied;

- the use of a relatively flexible research approach;

- an appreciation of the impact of biases on the research findings; and

- the formulation and testing of theories in tandem with data collection.

According to Amaratunga, Baldry, Sarshar, & Newton, 2002, the qualitative method is the best strategy for discovery, exploring a new area and developing hypotheses. They detail how and when qualitative data are useful when a researcher needs to supplement, validate, explain, illuminate, or reinterpret data gathered from the same setting.

Despite these strengths the qualitative method possesses the drawbacks that hold back its use in research. This statement is agreed by Richards (1994).They outline four major perceived constraints which have traditionally militated against the use of qualitative approaches in practice. The four constraints are: volume of data; complexity of analysis; details of classification record; and flexibility and momentum of analysis.

In addition, Bryman, 1992b, has acknowledged the weaknesses of the qualitative approach. There are three major issues which surface when using it. They are:

1. the inability of researchers to interpret events from the subject's point of view without biases;

2. the relationship between theory and research can be weak, as qualitative approaches can be criticised for not instilling theoretical elements; and

3. the extent, to which qualitative research can be generalised beyond the confines of a particular case, can be questioned.

In the past two sections, both research methods: quantitative and qualitative have been discussed. The explorations of these methods give some guidelines and confidence to the researcher to choose an ideal method for this research. In the next section, some facts about quantitative and qualitative will be used to challenge why a particular research method is more favourable for this research than others.

5.4   Determination of the suitability of Paradigm and Approach

The disagreement between scholars on the best method to be applied in a research has sparked arguments between two groups: those that support quantitative approaches and those that support a qualitative one. This 'back and forth' between qualitative and quantitative researchers is "essentially unproductive," according to Miles and Huberman (1994). They and many other researchers agree that these two research methods are complementary rather than being rivals. The attempt to combine these two research methods has received a divided response. Some objections, based on the assumptions underlying each tradition, are immensely divergent. Other researchers believe that an alternative method should be applied if one of the methods is unable to

measure some of the areas of study such as the quantitative is unable to measure the subjectivity of the research area.

The previous discussion has shown the two most used research paradigms to be quantitative and qualitative. These two paradigms are different in principle and philosophically in the way they apply to research. Maxwell, 1996, Patton, 2002b, and Creswell, 2007, recommend six factors that normally influence the selection of research paradigm : 1) the researcher's own belief about the appropriate way to study human behaviour; 2) the research questions; 3) the rigour of the research which includes both the universality and verifiability of results; 4) the degree of understanding of the problem provided by the method; 5) the extent to which the results will generalise to other settings or persons; and (6) the usefulness of the findings.

In deciding the right research paradigm to be applied for this study, it is crucial to deal with some criticisms of the selected paradigm. The following explanation will support the selected paradigm for the current study. The suitability of a positivist paradigm to be employed in the current study has been discussed in Section 5.3.1. The decisions about which kind of research method to use may also be based on the researcher's own experience and preference, the population being researched, the proposed audience for the findings, time, money and other resources available (Hathaway, 1995).The critics on the selected paradigm are: the researcher's own belief; the research questions; the universality and verifiability of results; the degree of understanding the research method problems; the usefulness and generalisation of the findings.

The researcher's own belief

The researcher personally believes the positivist paradigm to be the suitable research paradigm to understand the relationship between variables and the causal impact of the leadership variable on dependent variables. The researcher finds the objectivity of the positivist approach more reliable than the subjectivity of cross sectional study. The positivist paradigm is more appropriate and reliable in assessing the nature of the relationship among variables. The interpretations and findings deriving from the positivist paradigm are solely dependent on measured quantities rather than impressions (Denscombe 1998). In Section 4.1, there is evidence of IM studies using a positivist paradigm to research the leadership element. Thus, by adopting a positivist paradigm, this study follows the same practice as in the previous studies. There is a precedent then for using a positivist paradigm to investigate the relationship between leadership and IM.

The research questions

The main issue is whether the data collected answers the primary research questions. The issue of whether the method should be inductive or deductive will depend on the research type (exploratory, etc). The research questions have been discussed in Sections 4.8.1-4.8.3. All research questions require quantifiable answers. In order to precisely answer all research questions, quantitative data has been collected. The differences between qualitative and quantitative are reflected in the processes the individual methods involve and the type of data collected. Qualitative data typically involves words; quantitative data involves numbers. Qualitative research begins without an hypothesis, whereas quantitative research develops an hypothesis as one of the first steps.

The universality and verifiability of results

The researcher believes that the credibility and reliability of data collected are two of the most importance criteria for research. Perry et al. (1999) suggest that the data should be collected in a structured manner, without researcher intervention, leaving the way open for value-testing where, in essence, the data does not change. Positivistic investigation ascertains such environments through a framework of "regulatory ideals". Guba and Lincoln (1994 p.110) have introduced a "regulatory ideals" framework which is supported by a quantifiable method which validates or falsifies hypothetical propositions. One of the main methodological characteristics of positivism is that they are predictive in nature, thus enabling the establishment of verifiable truths. According to Balsley (1970) in order to achieve a high level of reliability of gathered data it is important the data from in controlled settings survey , laboratory experiments, mass surveys, or other form of research manipulations. The structure of the research instrument guides the respondents to be more objective when answering the questionnaire, thus ensuring the high reliability of the data collected.

The degree of understanding the research method problems

The most important rule is that the researcher must aware that all research methods have their own constraints or weaknesses. Each approach has its drawbacks. Quantitative research often "forces" responses or places people in categories that might not "fit" in order to produce results. Qualitative research, on the other hand, sometimes focuses too closely on individual results and fails to make connections to larger situations or possible causes of the results. The degree of involvement of the researcher in a piece of research is dependent on the role of the researcher. Qualitative research requires the researcher to be actively involved. In quantitative research, the researcher is, ideally, an observer who neither participates in nor influences what is

being studied. In qualitative research, however, it is thought that the researcher can learn the most by participating and/or being immersed in the research. These basic underlying assumptions of both methodologies guide and sequence the types of data collection methods employed.

Rather than discounting either approach for its drawbacks, researchers should find the most effective way of incorporating the elements of both to ensure that their studies are as accurate and thorough as possible. It is important for researchers to realise that qualitative and quantitative methods can be used in conjunction with each other. The decision to adopt a quantitative research approach here is derived by the use of positivist paradigm in the current study, the purpose of the study, the nature of the research and the concept to be investigated influencing the decision. As outlined in the introduction chapter, the purpose of the current study is to investigate the causal relationship between leadership and IM in retailing. This shows that a quantitative approach is the appropriate research approach to ensure that the research goals are attained. The advantages of a qualitative approach are that provides detailed descriptions of the phenomenon under investigation cannot be utilised in this context. It is less practical for generalising and difficult to test. In this context, the quantitative approach is the more dominant and reliable for testing hypothesis and generalisations; and thus eliminating or minimising the subjectivity of judgement (Kealey & Protheroe, 1996). Since the research aim is to establish a set of objective findings, then using positivism is more suitable in minimising subjectivity issues. Thus, stating the research problem in a very specific manner and setting a set of terms to be used in research are essential(Frankfort-Nachmias & Nachmias 1996). The specific research problems have been identified and set out in Chapter 4. There are ten research problems to be answered. The main purpose of the research is to investigate the cause

and effect of leadership style on internal marketing in retailing. If the purpose was an exploratory study, then a qualitative paradigm is the more appropriate to be used. But since the research aims to study the causal relationship between independent variables and dependent variables, the quantitative approach is more appropriate to use. The main concerns of the quantitative paradigm are that measurement is reliable, valid, and generalisable in its clear prediction of cause and effect (Cassell & Symon 1994).

The usefulness and generalisation of the findings

Although there are clear differences between qualitative and quantitative approaches, some researchers maintain that the choice between using qualitative or quantitative approaches actually has less to do with methodologies than it does with positioning oneself within a particular discipline or research tradition. The difficulty in deciding a method is compounded by the fact that research is often associated with some constraints such as: budget, research stakeholders, time, urgency and etc. The findings of the research projects normally influence the preference about specific practices and policies in a particular organisation. The choice of the research approach is controlled by the party that is interested to conduct the research and those who will benefit from the findings.

Two of the advantages of positivist paradigm are the introduction of testability and building of the context into the research. Congregating a large number of data from a structured questionnaire survey is like representing an actual scenario of the entities and phenomena under study. Cooper & Schindler, 2008, state that the researcher determines the data collection approach largely by identifying the types of the information needed and the desired data type.

The selection of research paradigm for the current study is based on the research's objectives, approaches and the suitability of a particular paradigm to the research needs. In this study the research objective is to investigate organisational facts in terms of leadership style, internal marketing competency level, staff job satisfaction and HOD performance. The research aims are to identify the relationship between these variables and not the causes of the phenomenon. The researcher does not intend to be involved directly with the respondents. The researcher believes that in order to obtain high quality data, the existence of researcher during the data collection session should be minimal. Investigating causal relationships between variables requires a proper system to test hypotheses. Thus the most suitable paradigm to be considered for the current research is positivism. After taking into consideration the 5 factors in evaluating the suitability of research paradigm introduced by Maxwell, 1996, Patton, (2002),Creswell, 2007, the researcher is convinced that the positivist paradigm is more appropriate for the current study.

5.5   Choice of Research Method

This section will be the concluding part in determining the methodology to be applied. The ultimate objective of this research is to solve problems relating to the leadership style of managers in UK retailing that influence internal marketing competency. Before conducting data collection there are critical areas to be considered.

The foremost critical area is the decision on the ideal research method to be applied that suits the nature of research area. The choices are between quantitative and qualitative. The clarification of the following problems will help in making the right choice.

Firstly, the size of the retail industry in UK is a large industry which is well established in both urban and suburban areas. This provides for an advantage on data collection. There is no fear of insufficient data and the quantitative method, clearly, has the advantage in handling large quantities of data.

Secondly, the reliability of data collected depends on its quantity and quality. Pre-set variables will definitely guide the respondents in making their survey choices. Since the target group of respondents is non managerial staff, it is anticipated that some of the respondents will be having difficulty in expressing their views. Having a pre-determined set of questions would help them to answer the questions. The bigger the group respondents captured the better for the data collection coverage. When dealing with huge data to analyse, the quantitative method is the most competent.

Based on the arguments above, the ideal research paradigm for this study is the quantitative method. It is objective; its findings will be based on figures. Nowadays, most organizations prefer to evaluate the situation based on the facts. The quantitative method can produce reliable facts enabling management to make decisions. Table 5.5 shows the principal differences in research styles. The summary of quantitative and qualitative characteristics introduced by Davison (1995) will be used as a guide to design the research method.

Table 5. 5: Principal differences in research styles

	Quantitative	Qualitative
Relationship between research and informant	Usually distant, rarely interactive	Usually close, nearly always interactive
Research instruments	Replicable, standardised	Individual, flexible
Scale of research	Many informants	Few informants
Nature of data	Figures	Text
Styles of analysis	Statistical, deductive	Thematic, inductive
Findings yield information about	Structure	Process

Source: Davison, C. (1995) - Social research into cream "tool kit" approach

As explained in Table 5.4 it shows that researchers, with regard to leadership, favour a deductive approach to an inductive one. The table shows that 16 out of 22 researches that have been conducted used deductive paradigms. Sharing the same pattern, Table 5.5 shows that 6 out 10 researches used deductive paradigms in previous IM studies. Hence, the deductive approach is more established compared to inductive approach in leadership studies. This provides some advantages to the researcher in making comparisons between: the research methods used , the findings and the discussions in previous studies of leadership and internal marketing. The decision to employ a quantitative method in the current study is in-line with previous studies in leadership as well as internal marketing.

5.6 Quantitative research strategies

As outlined and discussed in the last section, a quantitative approach is the most appropriate approach to be adopted for this study. This section intends to discuss this further and selects an appropriate research method for the data collection. In most literature reviews on research design (Cooper & Schindler, 2008;Kent, 2007;Malhotra

& Birks, 2000), the quantitative approach can be classified into three major methods: communication approach (survey), experiment and observation.

5.6.1 The Communication Approach (Survey)

The first method in quantitative research strategies is the communication approach. The communication approach involves surveying people and recording their responses for analysis (Cooper & Schindler, 2003). Surveys and questionnaires are the most popular data collection method in business studies, and the major types of questionnaire are descriptive and/or analytical (Ghauri, Grnhaug, & Kristianslund 1995). This approach can be used to investigate various topics such as participant's attitudes, motivations, intentions and expectations. Most of the researchers have classified the communication approach into 3 main techniques. Malhotra & Birks, 2000, have introduced 3 techniques: telephone, personal face-to-face and mail. Cooper & Schindler, 2008, have established 3 different techniques, 2 similar to (Malhotra & Birks 2000) : the telephone and the personal interviews but the mail technique has been replaced by the self-administered survey technique. In marketing research, Kent (2007), has introduced the same techniques, but with an additional technique: the online survey. In this study, the techniques introduced by Cooper & Schindler, 2008, will be discussed further. Using a self-administered survey as a research instrument, or employing the medium (traditional mail, electronic mail, mail panel, web-based) varies depending on the suitability of the technique to the research population. Cooper & Schindler, 2008, have described the techniques as follows:

1. The personal interview technique: respondents are selected to be part of the sample and will be interviewed in person by a trained interviewer.

2. The telephone interview technique: respondents are selected to be part of the sample and will be interviewed on the telephone by trained interviewer.

3. The self-administered technique: the surveys-questionnaires are mailed, faxed, emailed via internet, intranet or on-line services to the respondents.

The researchers have several views on the advantages and disadvantages of a communication approach. In marketing research, Malhotra & Peterson, 2006, have highlighted the advantages of survey instrument as being: 1) the survey is simple to administer; 2) the data obtained is consistent and 3) the coding, analysis and interpretation of data are relatively simple. Meanwhile Malhotra & Peterson, 2006, have described the constraints on using survey methods in marketing research. The constraints are: 1) the respondents may unable to provide the desired information; 2) the respondents may be unwilling to respond on sensitive questions; and 3) it may results in loss of validity for certain types of data such as beliefs and feeling.

Cooper & Schindler, 2008, argue that the communication approach gives several advantages to the researcher such as: 1) it is more efficient and economical than observation; 2) data can be collected that is exclusively internal to the respondents; and 3) the data's versatility. Cooper & Schindler, 2008, also have some concerns about this approach such as: the respondents being able to take part due to daily commitments; 2) the interview topic causing embarrassment to the respondents; 3) the respondents disliking the questions' content; and 4) the respondents scepticisms on the consequences they might face if participating.

Some of the above arguments have received support from other researchers. (Alreck & Settle 1995) share the same view and describe the survey method as having a very high flexibility and versatility. They state: "surveys can be designed to measure things as simple as the respondents' physical attributes and characteristics and as complex as their attitudes, preferences, or life style patterns". Surveys provide a good way of summarising the status of large group of individuals, companies etc. (Johns

and Lee-Ross, 1998). The volume of data collected and the degree of complexity are a matter of choice, depending on information required and resource availability.

5.6.2 Experiment

Experiments are studies involving intervention by the researcher beyond that which is required for measurement. The usual intervention is to manipulate some variable in a setting and observe how it affects the subject being studied (Cooper & Schindler 2008). In this strategy, the way in which data is gathered is not a critical step. In the experimental approach, the researcher is allowed to do systematic modification on the variables of the study and observe what the consequences are. Ary, Jacobs, & Razavieh, 2002, have described the experimental method in the following way:

"An experimenter deliberately and systematically introduces changes and then observes the consequences of those changes. Because the experiment involves control and careful observation and measurement, this research method provides the most convincing evidence of the effect that one variable has on another".

Cooper & Schindler (2003) have discussed the experimental approach and its advantages and disadvantages. They found five advantages and disadvantages. The advantages are: 1) the researcher's ability to manipulate the independent variable; 2) the contamination from extraneous variables can be controlled more effectively than in other designs; 3) the convenience and cost of the experimental are superior to other methods; 4) repeating an experiment leads to the discovery of an average effect of the independent variable across people, situation, and times; 5) the researchers can use naturally occurring events. In addition, Cooper & Schindler, 2008, have outlined the limitations of the experimental approach and they are: 1) the artificiality of the laboratory; 2) generalization from non-probability samples can pose problems; 3)

many applications of experimentation far outrun the budgets by comparison to other primary data collection methods; 4) the experimental studies of the past are not feasible, and the studies about intentions or predictions are difficult; and 5) there are ethical limits to the manipulation of controls.

Cooper & Schindler, 2008, have divided experimental designs into three groups. First is Pre-experiment; second is True Experimental Design which the way to achieve equivalence is through matching and random assignment; third is Quasi or Semi-Experiments which control the extraneous variables to use in a true experimental design. Malhotra & Birks, 2000, have introduced the same experimental design group as Cooper & Schindler, 2008, but have an additional statistical design group.

5.6.3 Observation

Observation qualifies as a scientific inquiry when it is conducted specifically to answer a research question, is systematically planned and executed, uses proper controls, and provides a reliable and valid account of what happened (Cooper & Schindler 2008). The observer who interacts with subjects enough to establish a rapport but does not really become involved in the behaviour or activities of the group. The person's role as an observer/researcher is known to the group (Ary, Jacobs, & Razavieh 2002). Patton, 2002a, recommends that observational data should enable the researcher to enter and understand the situation that is being described. Denzen (1970) suggests three central assumptions of observation: first, the researcher shares an intimate relationship with the subjects; second, the investigator will learn the language, symbolism, social conventions and non-verbal communication of the individuals under observation; finally, the researcher must establish a role within the

context of the observation setting. Realisation of these involvements could create an observation effect for the research.

Ary, Jacobs, & Razavieh, 2002, have highlighted one of the concerns which is that participants when knowing they are being observed may behave differently from the way they usually do, or they may not be truthful when answering questions. One of the most powerful threats to the validity and reliability of data collected through observation is that of the observer effect (Mark et al., 2002).

5.7 Justifications for the survey method

The survey method is a widely used method of research in sociology, business, political science, and government, as well as education (Ary, Jacobs, & Razavieh 2002). Cohen, Manion, & Morrison, 2000b, state that a survey has several characteristics and several claimed attractions; typically it is used to scan a wide field of issues, populations, programmes etc. in order to measure or describe any generalised features. In marketing research, (Kent 2007b) has emphasised that the surveys are by far the most widely used, certainly in client-based marketing research.

Despite the limitations of survey method highlighted by Alreck & Settle, 1995, such as threatening and sensitive questions; cost; expertise; error and the range of topics covered by surveys, the techniques used have increased significantly in the past several years (Ary, Jacobs, & Razavieh 2002).

Surveys are relatively inexpensive (especially self-administered surveys). Surveying is more efficient and economical than observation (Malhotra & Birks 2000). The survey method gathers data on a one-shot basis and thus it is economical and efficient. This argument is supported by Kent ,2007b. He has stated that surveys

allow the collection of statistical amounts of data in an economical and efficient manner.

Surveys are useful in describing the characteristics of a large population. No other method of observation can provide this general capability. It attempts to be representative to some known universe and represents a wide target population. Consequently, very large samples are feasible, making the results statistically significant even when analysing multiple variables. The survey method seems to be suitable to be employed in the current study, since retailing is an established industry in UK and provides a huge survey population.

Many questions can be asked about a given topic giving a considerable flexibility/ versatility to the analysis. The great strength of surveys as a primary data collecting approach is its versatility (Malhotra & Birks 2000). The researcher manipulates the key factors and variables to derive frequencies. There is flexibility at the creation phase in deciding how the questions will be administered: face-to-face interviews, by telephone, as group administered written or oral survey, or by electronic means.

The data obtained is consistent because the responses are limited to the alternatives stated. The use of fixed-response questions reduces variability (Malhotra & Birks 2000). Standardized questions make measurement more precise by enforcing uniform definitions upon the participants. The standardisation of the questions asked leads to the enhancement of research reliability. The survey method captures data from multiple choices, closed questions and it is suitable for the respondents' groups (retail staff) for this study. Standardization ensures that similar data can be collected from groups then interpreted comparatively (between-group study).

Usually, high reliability is easy to obtain by presenting all subjects with a standardized stimulus, greatly eliminating observer subjectivity. The survey method presents materials which are uncluttered by specific contextual factors, since it is a structured method. The reliability of the data gathered can be assured before collecting real data through piloting and subsequent revision of the questions. The information gathered can be transformed into numerical data and analysed statistically, thus ascertaining correlations between variables. Nowadays, management is more interested in figures. It is easy to justify the situation by using numerical data. The effect caused by the independent variable(s) on the dependent variable(s) can be determined using this method.

In addition, the survey method is able to make generalisations of the entire survey population based on the sample. This will boost the confidence levels of the researcher to generalise the findings, since the findings are derived from statistical tests. By using the sample, the researcher is able to measure the differences between results from the sample and the expected result if he were able to investigate the entire target population.Based on the above justification, it is proven that the survey method is a suitable instrument for this study. All justifications are made to meet the requirement that the objectives of the study be fulfilled.

5.8   Research Validity and Reliability

In this section, the issues that relate to validity and reliability are reviewed. This emphasises the importance of assessing the validity and reliability of a report and the development and use of measurement devices in the research. Researchers should review the most common types of techniques used in establishing valid and reliable assessment behaviours (Adams & Richards 1985). Both terms, validity and

reliability, can be relevant to both research methods: quantitative and qualitative, but principally the way these terms are addressed in these research methods are varied. It is suggested that reliability is a necessary but insufficient condition for validity in research: reliability is a necessary precondition of validity (Brock-Utne, 1996; (Cohen, Manion, & Morrison 2000b).

5.8.1 Validity

Validity is analogous to accuracy, reflecting a research technique's ability to give a true picture of the study subject (Johns & Lee-Ross 1998a). Previously, validity was defined as the extent to which an instrument measures what it claims to measure. The focus of recent views of validity is not on the instrument itself, but on the interpretation and meaning of the scores derived from instrument (Ary, Jacobs, & Razavieh 2002).

It is impossible to achieve a perfect or 100 % validity in research. Validity then should be seen as a matter of degree rather than as an absolute state (Grouldlund, 1981; (Cohen, Manion, & Morrison 2000b). In this research, the aim is to minimise invalidity and maximise validity. The terms for determining validity have grown over time. Cohen et al.,(2001) listed eighteen terms of validity such content, criterion-related, construct, internal, external, concurrent, face, jury, predictive consequential, systematic, catalytic, ecological, cultural, descriptive, interpretive, theoretical and evaluation. In the context of this study, the two most applicable terms of validity will be used: Content validity and Construct validity.

5.8.2 Content Validity

Content validity is a measuring instrument (the composite of measurement) which gauges whether there has been adequate coverage of the investigative questions

guiding the study (Cooper et al. 2003). It indicates that the technique assesses or measures what it is suppose to measure (Johns and Lee-Ross, 2001). It is a judgemental assessment on how the content of a scale represents the measures.

According to Cooper et al. (2001), there are two ways of determining e content validity: firstly, the designer may determine it through a careful definition of the topic of concern, the items to be scaled, and the scale to be used; secondly, the researcher may use a panel of persons to judge how well the instrument meets the standard. Initially, the researcher should ask an expert or group of experts to comment on the representativeness and suitability of the questions. As well as allowing suggestions to be made on the structure of the questionnaire, this will help establish content validity (Mitchell, 1996; Mark, 2003.). It will be useful in order to give an idea to the researcher on whether the questionnaire appears to make sense.

In this study context, the definition of the topic, the items to be scaled and the scale to be used are some of the ideas adopted from previous studies in the area of leadership, staff motivation and marketing and HR, which have been tested on its content validity. A part of it also has been assessed by researchers active in this area of knowledge.

5.8.3 Construct Validity

One may also wish to measure or infer the presence of abstract characteristics for which no empirical validation seems possible (Cooper & Schindler 2008). It is non-figurative and separate from content validity which deals in actualities. Cohen, Manion, & Morrison, 2000a, have stated that in this type of validity, agreement is sought on the 'operationalised' forms of a construct, clarifying what we mean when we use this construct. Hence, what is important in this form of construct is my

understanding of it and that this understanding is similar to that which is generally accepted to be the construct?

This validity is divided into two main categories: convergent and discriminant. Convergent validity is described as the level to which the scale correlates with other measures of the same construct. On the other hand, discriminant validity defines the degree to which a measure is distinct from other measures. Convergent validity shows the homogeneity of measures in the same constructs and discriminant explains heterogeneity between different constructs.

The relationship between test scores and other measures intended to assess similar constructs provide convergent evidence, whereas relationships between test scores and measures, purportedly of different constructs, provide discriminant evidence (Ary, et al., 2002). Convergent validity implies that different methods for researching the same construct should produce a relatively high inter-correlation, whilst discriminant validity that use similar methods for researching different constructs should yield relatively low inter-correlations (Cohen, et al.,2001).

In this study context, the researcher intends to maximise the relationships between measures in same construct (convergent validity); and also to distinguish one construct from other constructs (discriminant validity). In order to examine these validities, established statistical tools such as factor analysis and multitrait - multimethod analysis help determine the construct adequacy of a measuring device (Cooper et al., 2003). In this study factor analysis will be employed.

5.8.4 Reliability

Reliability refers to the degree to which data collection method or methods will yield consistent findings; or that similar observations would be made or conclusions

reached by other researchers, or there is transparency in how sense was made from raw materials (Mark, et al., 2002). Reliability is a necessary contributor to validity, but is not a sufficient condition for validity. Reliability refers to the consistency or dependability of the fact itself (Adams, 1985). As a way of distinguishing the reliability concept from the validity concept, it is useful to identify random errors of measurement and systematic errors of measurement (Ary et al. 2001). Random errors of measurement refer to reliability and systematic errors of measurement refer to validity.

5.9 Research Instruments

The aim of this section is to provide some overview on the survey instruments used in this study. Survey techniques are based upon the use of structured questionnaires given to a sample population. The respondents may be asked a variety of questions regarding their behaviour, intentions, awareness, motivations, and demographic and lifestyle characteristics (Malhotra & Birks 2000). It relies on a sample of elements from the population of interest that are measured at a single point in time (Churchill 1995); the capture of data based on addressing the questions to respondents in formal manner, and taking a systematic record of their responses (Kent 2007b). Cooper & Schindler, 2008;Malhotra & Peterson, 2006, have discussed three survey techniques: personal interview, telephone interview and self-administered surveys.

The personal interview survey method involves selecting people to be part of the sample with the interview being conducted by a trained interviewer. The personal interview technique is divided into 4 main categories: in-home, in-office, street, and computer-assisted techniques (Cooper & Schindler 2008) but Kent ,2007b, has introduced 5 categories : the street, the home, a hall, a shop and a business

organisation. The main advantage of this technique is it receives a good cooperation from respondents. But the main drawback is that the cost of conducting this survey is high; and in the recent years, the use of the personal interview has declined for this reason. (Malhotra & Peterson 2006).

In the telephone interview technique, the respondents selected to be part of the sample are interviewed on the telephone by a trained interviewer (Cooper & Schindler 2008). The main advantage of telephone interview technique is its cost. A telephone survey can be 45% to 64% lower in cost than comparable personal interviews (Cooper & Schindler 2008). Other advantages have been outlined by Kent, 2007b, such as: it produces faster results; offers anonymity; is easily controlled and supervised; and is not necessary to cluster the interviewing in sampling points, thereby reducing sampling error.

The self–administered survey is the third major form of survey administration. It can be conducted via traditional mail, mail panel or electronic mail (Malhotra & Peterson 2006). Kent, 2007b, has stated that the main advantage of the self-administrated survey is that it's extremely cost effective and perhaps one-third of the cost of telephone survey and one-eighth of interview survey. This argument is supported by Malhotra & Peterson, 2006, and Cooper & Schindler, 2008, as well. The other advantages are: central control of the survey is facilitated; unclustered sampling is possible without cost penalties; more time can be devoted to the completion of the questionnaires; respondents can fill them in when it is convenient to them; and there is no interview bias (Kent 2007b). The disadvantages of using self-administered surveys have been highlighted by Cooper & Schindler, 2008. They are : low response rate in some modes; no interviewer intervention available for probing or explanation; cannot be long or complex; accurate mailing lists needed; often respondents returning

represent extremes of the population; anxiety among some respondents; and the need for low distraction for survey completion.

Table 5. 6: The comparisons of personal, telephone and mail/self-administered surveys

Mode of Delivery	Personal	Telephone	Mail / self-administered
Response rates			
General samples	Good	Good	Good
Specialised samples	Good	Good	Good
Representative samples			
Avoidance of refusal bias	Good	Good	Poor
Control over who completes questionnaires	Good	Satisfactory	Satisfactory
Gaining access of selected person	Satisfactory	Good	Good
Locating selected person	Satisfactory	Good	Good
Effects on questionnaire design			
Ability to handle:			
Long questionnaire	Good	Satisfactory	Satisfactory
Complex questionnaire	Satisfactory	Good	Poor
Boring questionnaire	Good	Satisfactory	Poor
Item non-response	Good	Good	Poor
Filter questions	Good	Good	Satisfactory
Question sequence control	Good	Good	Poor
Open-ended questions	Good	Good	Poor
Quality of answers			
Minimise social desirability	Poor	Satisfactory	Good
Make question order random	Poor	Good	Poor
Ability to minimise distortion due to:			
Interviewer characteristics	Poor	Satisfactory	Good
Interviewer opinions	Poor	Satisfactory	Good
Influence of other people	Satisfactory	Good	Poor
Allows opportunities to consult	Satisfactory	Poor	Good
Avoids interviewer subversion	Poor	Good	Good
Implementing the survey			
Ease of obtaining suitable staff	Poor	Satisfactory	Good
Speed	Poor	Good	Poor
Cost	Poor	Satisfactory	Good

Source : de Vaus (2002, p.132)

The discussion above has shown the advantages and disadvantages of the individual survey techniques. In supporting the above arguments, de Vaus (2002) has introduced a comparison table to discuss the difference between personal interview, telephone and self-administered techniques in surveys (Table 5.6). The next question is: which is the best technique to be employed in this study? Van der Zouwen and de Leeuw

(1990) have explained that the selection of a survey technique is more likely to depend on the nature of the survey; the sample; time and cost constraints; the importance of response rates and the types of questions asked. In addition de Vaus (2002) has emphasised 5 concerns in assessing the relative merits of survey techniques; which are: responses rates; obtaining representatives samples; effects on questionnaire design; quality of the answer and survey implementation.

As discussed above and in the evidence from Table 5.6, none of the techniques is superior for all research circumstances or best meets all the criteria. Thus the selection of the best suited survey technique to be employed must be based on the needs of the specific survey as well as time, cost and the resources constraints (Forza 2002).

After taking into consideration the various aspects, the telephone interview technique has to be eliminated due to:

1. This survey consists of 5 sections and with 99 questions. It seems to be excessively long to use the telephone technique;

2. The use of Likert scales in telephone interview is ineffective when the respondents will have tendency to mix-up the scale;

3. Some of the questions such as gender, education level might be too personal to ask through the phone

4. Some of the employees prefer not to have interruption after work hours

5. To make a phone call to the respondents during their work time is definitely less favourable, since it will cause the employees to concentrate less on their jobs and may lead to innacurate answers; and

6. It is impossible for the employers to disclose personal particulars to an outside party.

Personal interview techniques are considered less favourable due to the following factors:

1. The questionnaire is too long and is therefore interviews are impractical.

2. The researcher intends to limit his involvement to minimise bias;

3. Some employees find it hard to open up to an outsider and they want to be anonymous when giving out comments or opinions about the company;

4. To interview a large number of employees requires extra manpower and it is hard to recruit a pool of trained interviewers ; and

5. The cost of conducting personal interviews is considerably high.

After doing the elimination process, the only technique that seems to be feasible for this study is the self-administered survey option. The observable advantages of the self-administered survey over the other two techniques will be elaborated further in the next paragraphs.

The data collected using the self-administered survey is more reliable, since there is a limited involvement of the researcher. The researcher does not have direct influence on respondents' answers. In the other two techniques, the tendency of the researcher to guide the respondents to answer the questions is unavoidable. Telephone and personal interviews allow the researcher to explain the objectives of the research and motivate the respondents, but this is not the case in a self-administered survey. In tackling this issue, the researcher will properly design the cover letter to be attached with the questionnaire and together with the research process flow. The explanation of the research rationale should enhance the respondents' understanding. The argument

that the keeping of a distance between researcher and respondents will result in poor quality of data in the self-administered survey technique is questionable.

Naturally, the employees are wary if they are required to rate or comment on the management or their immediate manager. If the process is openly conducted, the employees might hold back some of the sensitive issues that they believe could jeopardise their relationship with their immediate manager. With the personal and telephone interview techniques, the employees cannot remain anonymous, whereas in the self-administered survey they can. This factor could boost the respondents' confidence to answer the questions as honestly as they can. In addition, the respondents have ample time to think about the questions and can choose the most appropriate time to answer the questions. Thus the quality of the data collected is assured.

The self–administered survey has become ubiquitous in modern living (Cooper and Schindler, 2002). The delivering tools can be easily adjusted in accordance to the requirement of the researchers. The flexibility of this technique is one of its best advantages. The researcher is able to choose the delivery tools to be used. There are 3 delivery tools in a self-administered survey: postal, web-based/electronic mail and mixed techniques. This flexibility gives advantage to the researcher to reach the respondents regardless of the location and the time. Cooper & Schindler (2008) have been concerned about low response rates in some modes of self-administered surveys but Kent (2007b) has explained that if they (self-administered surveys) are used in appropriate situations and properly executed with good covering letters, reminders, incentives and so on, the response rate can be equal to that of telephone surveys and may, on occasion, approach that of interview surveys.

5.10　The Survey Instrument

Although much progress has been made, designing the questionnaires is still an art not a science (Churchill 1995). In designing a structured survey instrument, Cooper & Schindler, (2008) have suggested that the order, type, and wording of the measurement questions, the introduction, the instructions, the transitions, and the closure in a quality communication instrument should accomplish the following:

1. encourage each participant to provide accurate responses;

2. encourage each participant to provide an adequate amount of information;

3. discourage each participant from refusing to answer specific questions;

4. discourage participants from early discontinuation of participation ; and

5. leave the participant with a positive attitude about the survey participation (pp. 364).

The main function of the research instrument is to measure the independent and dependent variables of interest. The survey questionnaire is fundamentally designed to meet the research objectives and answer the research questions. Thus it is an important facet of the research process, because it affects the quality of the data collected directly (Sommer and Sommer 1991; de Vaus 2001). The questions used in this research are adapted from the similar previous studies.

According to de Vaus (2001), it is ideal for researchers to evaluate available measures developed in previous studies. The usage and enrichment of previous measures used in similar studies could accelerate to building up a cumulative body of knowledge; thus minimising the numbers of researchers carrying out their own idiosyncratic research with idiosyncratic measures (de Vaus 2001). In the current survey questionnaire consists of five (5) sections (Appendix I). It represents a

combination of well-established measuring instruments and a new developed instrument. The sections are:-

1. Demographic

2. Path-goal Leadership Questionnaire (Indvik, 1985) – on the current situation to measure the HOD leadership profile

3. Internal Marketing competency (Berry & Parasuraman ,1991)

4. Job Satisfaction (Cook et al. ,1981)

5. The HOD effectiveness (performance) in IM based on Dunmore (2002)

5.10.1 Section 1: Demographic

Section 1 describes the demographic data of the participants taking part in the survey. This section consists of seven variables –gender, competency, department attached, age range, years of service in retailing, education level and company. These variables are important in establishing profile correlations with other sections of the survey questionnaire.

5.10.2 Section 2: Path-goal Leadership Questionnaire

In section 2, this survey questionnaire will be used to determine the current leadership style of the HOD as perceived by the staff. The survey questions are adopted from Indvik (1985). The staff will rate the HOD leadership style. Some modifications have been done in the original questionnaire to suit the study. The path-goal leadership contains questions about four different styles of path-goal leadership style. It contains twenty questions and evenly distributed according to leadership style (Appendix I). There are four leadership styles represented: Directive, Supportive, Participative and

Achievement-oriented. In section 3, the staff will be invited to rate the survey questionnaire about their preferred leadership style for their effective performance.

These four styles will be the independent variables for Section 2. This section attempts to answer the following research questions.

- What is the leadership style profile in retailing? The demographic factor (Section 1) will be incorporated with the tests.

- Does leadership style have a significant effect on internal marketing and organisational competency levels? This section will be tested against Section 3.

- What is the effect of leadership style on job satisfaction? This section will be tested against Section 4.

- What is the effect of leadership style on HOD performance in internal marketing components? This section will be tested against Section 5.

Directive Style

The directive leadership concept describes the characteristics of a leader who frequently gives instructions to subordinates on how the task should be performed, what is expected of them and sets the timeframe for the tasks to be completed. Directive leadership style is determined by the sum of the scores on items 1, 5,9,14 and 18. A common score for the directive style is 23, scores above 28 are considered high and scores below 18 are considered low.

Supportive Style

Supportive leadership described a leader as being friendly and approachable. The main areas of focus when dealing with staff are upholding the well-being and human

needs of the staff. Supportive leaders focuses on creating a pleasant work climate, respect for staff status, and treating them equally and individually. Supportive style is determined by the scores on items 2, 8, 11, 15 and 20. A supportive style common score is 28, scores above 33 are considered high and scores below 23 are considered low.

Participative style

A Participative leadership style describes a leader who encourages the participation of staff in solving problems and decision making in daily operational matters. The roles of staff are important. The leader will gather opinions, suggestions and feedback from staff before making decision or giving directions to the team. The direction of the team is influenced by the staff's involvement. The participative style is determined by the sum of scores on items 3, 4,7,12 and 17. A participative style common score is 21; scores above 26 are considered high and scores below 16 are considered low.

Achievement-oriented style

The achievement-oriented Leader stretches staff's ability to perform at the highest possible level. Normally the leader sets up a high standard of goal setting for the staff. This is to ensure continuous achievement. The leader creates a high challenging environment and staff will be fully occupied in order to ensure the goals are met. The leader believes in staff capability and ability to attain the challenging goals. The achievement-oriented style is determined by the sum of scores on items 6,10,13,16 and 19. The common score is 19; scores above 24 are considered high and score below 14 are considered low. In sections 2 and 3, the Likert scales 1 to 7 will be used.

5.10.3   Section 3- Internal Marketing Competency

This 20-question survey was introduced by Berry & Parasuraman (1991) to measure the internal marketing competency or effectiveness. The staff will be asked to rate the company's internal marketing effectiveness by ticking Yes or No. Yes represents 1 point and No represents 0. The total scores represent the individual employees' perception of internal marketing effectiveness in the company. Total scores 19-20 points is considered excellent, 17-18 is perceived good, 15-16 is fair and less than 15 points is poor. This section aims to answer the following research questions.

- What is the IM competency level in retailing?

- What is the effect of IM on job satisfaction? This section to be tested against Section 3.

- What is the effect of IM on the HOD performance? This section to be tested against Section 5.

5.10.4   Section 4- Job satisfaction

In this section, the survey questionnaire is adopted from the Job Satisfaction Index by Cook et al. (1981a). There are sixteen questions about how satisfied the staff are with their current job. The questions will be categorised according to IM components. Staff will be asked to rate their job satisfaction by using the Likert scales 1 to 5. Scale 1 represents very dissatisfied and scale 5 represents very satisfied.

- What is the employee job satisfaction level in retailing?

5.10.5   Section 5- The HOD performance in IM

This section contains self developed questionnaire. Staff will be asked to rate the effectiveness level of the manager when performing IM components. The variables

are the components in IM: Vision, Mission, Culture and Value; Corporate strategy; Knowledge Management; Standard Operating Procedures; Internal Communication and Human Resource Strategy. Each section consists of 4 questions. The Likert scale will be adopted in this section as well.

- What is the HOD performance level in the internal marketing components in retailing?

- What is the relationship between the HOD performance and job satisfaction in internal marketing in retailing?

5.11 Recruitment of respondent

Originally, this survey focused on three major supermarkets in the UK: TESCO, Sainsbury's and ASDA. The consumer catchments areas for these three "retail giants" represent all areas in Scotland. This gives more accurate findings. The establishment of the leadership style profile of the HOD is the main focus. The survey has been conducted at retail outlets. The staff of the retail outlets will be the respondents. The invitation letters have been sent out to all TESCO, Sainsbury's and ASDAs in UK (Appendix II). Some TESCO and ASDA stores have shown an interest in this survey, but after a few discussions only 2 stores located in Cumbernauld have agreed to participate.

The web-based printed survey forms have been distributed to the HR departments and they have been distributed via email with printed forms to all staff. The participation of the staff is voluntary. The survey has received 258 respondents. The survey used is a web-based/printed survey forms methods and the hassle for the management of the participating companies is very minimal. The administering of the survey by the HR department will be for distributing the survey via e-mail and

printing the survey forms for staff. The success of recruiting participants also relies on the role played by the Human Resources Departments of participating companies at the store level. Hence the full details of the objectives of the survey have been given to the HR department in order for them to carry out the promotion internally.

5.12   Administering the questionnaire

The HR representative at the store level will administer the survey. The survey questionnaire and letter of invitation have been channelled directly to the HR department at the store level of the participating retailers. The survey information and details have been cascaded down to the all departments at the store level. All sections (1 to 5) will be rated by the staff on web-based survey or on the printed forms. The confidentiality of the data has been emphasised in the invitation letter and has also been repeated again in the survey questionnaire. The participants are expected to spend 20 minutes completing the survey.

5.13   Sampling

Prior to the actual survey, a set of 30 sample questionnaires were sent to TESCO and ASDA for sampling. The questionnaires have been distributed according to the survey plan. This is to test and ensure the reliability of the system used in the survey. The data collected has been analysed using the analysis methods as outlined in the data analysis section. All shortfalls in distributing survey forms, analysing data and capturing/storing data collected or setbacks along the process have been noted and corrected.

5.14   Data collection

The monitoring of the data collection progress is online. The mail survey data has been entered into the web-based system manually. It gives a lot of advantages, since the progress of the data collection can be viewed at anytime. Any shortfall will be triggered immediately. The strategy for data collection is to ensure the senior management team at the store level such as the General Store Manager of the participating retailers supporting the study. In order to make the data collection effective there are issues to be concerned about. The sensitive issues are the nature of information being collected, organizational dynamics, economic circumstances, time of administration and the length of the survey questionnaire. These concerns have been emphasised again in both methods: web-based survey and printed forms.

5.15   Summary

This chapter reviews all important contributions related to the methodological approach of the study. It is streamlining the study direction in order to accomplish the research's objectives. A wide range of issues/considerations have been brought out and debated to give a crystal clear direction for the study; the process includes searching for a suitable research paradigm and searching for an ideal research instrument for the study.

After giving thorough thoughts and consideration of all facts on the advantages and disadvantages of every research paradigm, the positivistic approach is considered to be the more suitable for this study compared to the other paradigms. Important facts like precision, reliability and testability make the quantitative method stand-out more than other research methods. The value of the study is likely to be

influence by the suitability of the research method adopted and the objectives the study wishes to accomplish.

The quantitative method is considered an established method for research. An established method, such as the quantitative method, normally provides a wide range of materials for the study. Therefore, quantitative data can be assessed and computed easily, providing a clear way for creating of analysable patterns. Any patterns which are discovered could be generalised precisely, given that the quantitative method provides a huge quantity of data. A wide range of theories and hypotheses existed in leadership research and some internal marketing research. One of the criteria of quantitative method is that the research must be able to test a number of hypotheses using the existing hypotheses.

The self-administered survey method will be used for data collection. The data will be gathered by using survey questionnaire via web-based system/ mail survey. This approach will be used since the findings can be quantified; additionally, , the scientific characteristics of the approach such as parsimony, specificity along with its deterministic features will enrich the study.

This chapter concludes the research methodology for this study. Next will be data analysis chapter. Chapter 6 focuses on the analytical procedures, the justification of using particular analytical procedures, the technical approach and the assumptions of the techniques applied.

CHAPTER 6

DATA ANALYSIS APPROACH

6.1   Introduction

In the preceding chapter, the research methodology to be applied in this research was identified. The next phase is to identify and select the statistical techniques to be employed in the analysis. This chapter evaluates statistical techniques used by other researchers and the importance of different types of data analysis to different sets of data. Data analysis is not just about performing statistical calculations on numerical variables; it is also about making sense of a dataset as a whole, and thinking about a range of alternative ways of approaching the analysis of the dataset (Kent, 2007). Churchill & Iacobucci (2005) suggest that the appropriate technique depends on the type of data, the research design, and assumptions underlying the statistical test and its related consideration, and the power of the test. This chapter is structured as follows. First, this chapter starts with a discussion on the selection of statistical software to be applied and the presentation of the factors that influence the selection of statistical techniques. Subsequently, the procedures of statistical techniques applied to analyse the survey data are considered and organised under univariate (descriptive statistics), bivariate (ANOVA) and multivariate (exploratory factor analysis, multivariate ANOVA and multiple linear regression) analyses. This chapter emphasises the assumptions of each technique applied in this research data analysis.

6.2   Selection of a Statistical System Package

Rapid growth in information technology (IT) and computerisation have played a significant role in the development of statistical data analysis systems. Nowadays, researchers are have available a range of statistical computer software packages to suit

the study.   Statistical analysis software comes in two forms: one kind consists of individual programs designed to do one or a few specific types of analysis- correlation and regression programs, analysis of variance programs, cluster analysis programs, and the like. The other form of statistical software is a package composed of many integrated routines that allows the analyst to simultaneously or sequentially perform a wide array of analyses using the same basic format and set of instructions (Alreck & Settle 1995, p.45).   A number of packages are available for performing statistical analysis on data. These include Minitab, the Statistical Package for the Social Science (SPSS), Genstat, BMDP, the Statistical Analysis System (SAS) and Systat.   Three packages that have proven most commonly used: BMDP, SPSS and SAS (Luck & Rubin, 1987).

Statistical analysis programs offered by existing software packages are varied and the suitability of the software package to be applied depends on the needs and the objectives of the research.   These packages do not totally overlap in terms of the functions, but some of the analysis may be analysed better in one package than another.

In this research, Statistical Package for the Social Science (SPSS) version 15.0 for Windows (2003) is used for data analysis. SPSS offers an integrated system of computer programs that are extremely easy and flexible to use, because of simple syntax control and procedure commands. It is by far the most widely used one in social science research, including marketing (Luck & Rubin, 1987). It is the most popular, comprehensive "off the shelf" package being widely used by marketing researchers (Malhotra & Birks, 1999, Zikmund, 2000).

6.3 Selection of Appropriate Analytical Techniques

The researcher needs to understand the appropriate analytical techniques available which will bring out the quantitative meaning in the data (Luck & Rubin, 1987). The good data analysis technique is about transforming the numerical dataset to information sets that make sense and can be easily interpreted. The selection of a set of analytical techniques to be applied in this study depends on five (5) criteria: the objectives of the analysis; its focus; sample type and size; parametric versus non-parametric tests; and the level of measurement (Burns 2000; de Vaus 2002).

6.3.1 Objectives of the analysis

Analysis objectives are defined as "what are the results that the researcher intends to acquire from the data analysis?" or "what is the analytical technique intended to show?" Having precise and clear analysis objectives direct and guide analytical processes and are key factors in the success of a research project. A question that regularly arises in the analysis of research data is: "Are the results statistically significant?" – or as can be alternatively expressed: the determination of whether there are significant differences amongst groups of data (Luck & Rubin, 1987). Analysis objectives guide researchers to: (i) ensure that only relevant analysis is undertaken; (ii) check on the comprehensiveness of the analysis; and (iii) avoid redundancy in the analysis (Diamantopoulus and Schlegelmilch 1997).

The analysis objectives must be in line with the overall research objectives. The outputs from the data analysis process shape the overall findings of the research. Having specified research objectives leads to having a clear set of analysis objectives. Diamantopoulus and Schlegelmilch (1997) say that the better-specified the research objectives, the easier it is to derive appropriate analysis objectives. The key research objective of this study is to investigate the influence of leadership style on internal

marketing components. Suitable statistical techniques will be chosen in order to identify the existence of causal relationships between these variables.

6.3.2 Focus of the Analysis

In data analysis, the analytical stance can be categorised into three basic forms: description; estimation; and hypothesis testing. An analysis can be performed **on** one of these analytical types. Descriptive orientation focuses on summarising the sample according to the variables of interest; whereas the estimation orientation highlights the use of information in the sample in estimating whether the situation exists in the whole population. On the other hand, hypothesis testing is employed to test specific propositions regarding the variables and employs the evidence to derive conclusions for the whole population.

In this research context, the key purpose of the statistical analysis is to test the generated hypotheses in relation to the influence of leadership style on internal marketing components. It is predicted that two types of hypotheses will be used: (1) difference hypotheses between samples; and (2) hypotheses of association between variables. The details of the hypotheses testing will be highlighted in the next chapter.

6.3.3 Sample size and type

Determining the sample size that is needed for a particular piece of research is a complex issue that needs to take into account a large number of factors (Kent, 2007). Cooper and Schindler (p.190, 2003) outline some principles that influence the sample size:

1. The greater the dispersion or variance with the population, the larger the sample must be to provide estimation precision.

2. The greater the desired precision of the estimate, the larger the sample must be.

3. The narrower the interval range, the larger the sample must be.

4. The higher the confidence level in the estimate, the larger the sample must be.

5. The greater the number of subgroups of interest within a sample, the greater the sample size must be.

6. If the calculated sample size exceeds 5 percent of the population, sample size may be reduced without sacrificing precision.

But these suggestions have received divided responses from other scholars. It has been recommended, for instance by Diamantopoulos and Schlegelmilch (1997) and McGoldrick et al. (2001) that for a simple analysis applying non-parametric statistics, a sample size of at least thirty is suggested, whereas in applying parametric statistics, a minimum sample of 100 is requisite. Sample sizes are sometimes based on a kind of rule-of-thumb (Kent, 2007). Some experts have raised arguments on the sample size in determining the accuracy of the analysis. Ary et al. (2002) quote that size alone will not guarantee accuracy, thus representativeness must remain the prime goal in sample selection.

`In the current research, 258 respondents have been gathered and will be used in data analysis. This size of sample satisfies the prerequisite size for parametric statistics. In addition to that, the sample well represents the participating companies.

6.3.4 The Level of Measurement

A fundamental step in the conduct of research is measurement: the process through which observations are translated into numbers (Ary et al.2002). Johns and Lee-Ross (p.59, 1998) state that in order to be useful, any measurement must have two criteria:

accuracy and precision. Accuracy refers to measurement's ability to reflect the 'real world'. Precision, on the other hand, refers to the readiness with which a measurement can be duplicated. The most widely quoted taxonomy of measurement procedures is Stevens's Scales of Measurement, in which he classifies measurement as nominal, ordinal, interval, and ratio (Ary et al. 2002).

These measurements can be classified into two analytical statistics: parametric and non-parametric. Parametric statistics can be applied to metric data (interval and ratio), whereas non-parametric statistics are for both metric data and non-metric data (nominal and ordinal). In this research, four out of five sections of data collection can be categorised into metric data. Thus data collected in this research is mainly in the form of metric measurements. It is most appropriate therefore to employ parametric procedures in analysing data.

6.3.5 Data Distribution Pattern

The kind of statistical tests to be employed in research data analysis are also dependent on the distribution pattern of data collected. In order to decide the relevant statistical tests to be used, the researcher must identify the type of data and whether the data can be categorised into parametric or nonparametric. Kent (2007) cites parametric statistics as statistics that assume metric data, and states that the calculation of a mean or standard deviation is a legitimate operation. Parametric tests are more powerful because their data is derived from interval and ratio measurement. On the other hand, nonparametric tests are used to test hypotheses with nominal and ordinal data (Cooper and Schindler 2003). The main aspects that differentiate these two statistical tests (parametric and nonparametric) are the assumptions. Cooper and Schindler (2003) observe four main assumptions for parametric tests: (1) The observations must be independent – that is, the selection of any one case should not

affect the chances for any other case to be included in the sample; (2) The observations should be drawn from normally distributed populations; (3) These populations should have equal variances; and (4) The measurement scales should be interval so that arithmetic operations can be used with them.

Dallal (2000) delineates the advantages of non-parametric tests as : (1) Nonparametric tests make less stringent demands of the data; (2) Nonparametric procedures can sometimes be used to get a quick answer with little calculation ;(3) Nonparametric methods provide an air of objectivity when there is no reliable underlying scale for the original data and there is some concern that the results of standard parametric techniques would be criticised for their dependence on an artificial metric; and (4) Sometimes the data does not constitute a random sample from a larger population. Nonparametric procedures can be applied to such data by using randomisation models.

In this study, three out of five sections in data collection used Likert Scales to measure leadership styles, job satisfaction and Head of Department's performance. Thorough considerations in choosing appropriate statistical tests have been made. Views have been gathered from experts in order to decide upon the statistical tests to be employed. Data analysis texts (Pett, 1997; Blaikie; 2003; Hansen, 2003) are clear that Likert scales fall within the ordinal level of measurement. Thus nonparametric tests should employ the median or mode in measuring "central tendency" instead of the mean and standard deviation which are used in parametric tests.

In the current study, 7 Likert Scales were combined to measure leadership styles and 5 Likert Scales were combined to measure job satisfaction and HOD's performance variables. In the leadership style variable, twenty interrelated questions are combined as a composite score, sixteen for the job satisfaction variable and twenty

eight for HOD's variable. By using a composite score, some social scientists believe that the ordinal-scaled data based upon a Likert Scale could be converted into a form of pseudo-interval-scaled data (Yu, 2003).

The use of ordinal-scaled data in parametric data has sparked a debate which is far from resolved. "As a matter of fact, most of the scales used widely and effectively by psychologists are ordinal scales…there can be involved a kind of pragmatic sanction: in numerous instances it leads to fruitful results" (Stevens, 1951). Based on the central limit theorem and Monte Carlo simulations, Baker, Hardyck, and Petrinovich (1966); Borgatta and Bohrnstedt (1980) and Yu (2003) argued that for typical data, worrying about whether scales are ordinal or interval does not matter. Tukey (1986) views this as a historically unfounded overreaction. The researchers have painted themselves into a corner on such matters because they were too obsessed with " sanctification" by precision and certainty. Tukey (1986) argues further, if p-values or confidence intervals are to be sacred, they must be exact. In the practical world, when data values are transformed, the p-values resulting from different expressions of data would change. Thus, ordinal-scaled data should not be banned from entering the realm of parametric tests.

Adams, Fagot and Robinson (1965) state "nothing is wrong per se in applying any statistical operation to measurements of given scale, but what may be wrong, depending on what is said about the results of these applications, is that the statement about them will not be empirically meaningful or else that it is not scientifically significant (p. 100)". Statistical procedures that meaningfully answer the research questions, maintain the richness of the data, and are not subject to scaling debates should be the methods of choice in analysing Likert-type items (Clason and Dormody, 1994)

6.3.6 Statistical Tests Employed

The aim applying the varieties of statistical tests in this study is to maximise output from the data collected to meet the research's objectives. The most applicable statistical tests identified were univariate analysis of descriptive statistics; bivariate analysis of variance (ANOVA); and multivariate analysis in the form of factor analysis; multivariate analysis of variance (MANOVA); and multiple linear regression analysis.

The selection of the techniques is influenced by the research aims and objectives, data characteristics and properties of the statistical techniques. The research method aims are to have objectivity, rigour and logical reasoning in assessing the research problems. The procedural issues and assumptions of individual techniques will be discussed in the following sections.

6.4 Univariate Analysis

Univariate analysis refers to statistical tests employed on single variable only and it contains only one dependent variable. Churchill et al. (1995) describe it as a single measurement on each n sample object or as several measurements on each n observation, but each variable is to be analysed in isolation. The statistical analysis aims to: (a) provide preliminary tests for transcription errors and distribution patterns; (b) to analyse the demographic characteristics of data collected; (c) to provide a descriptive analysis of responses. The demographic characteristics of the respondents will be discussed in the next chapter.

6.5 Bivariate Analysis

Bivariate analysis is a kind of data analysis that explores the association between two variables. Bivariate analysis tests hypotheses of "association" and causality. In its

simplest form, association simply refers to the extent to which it becomes easier to know a value for the dependent variable if a value on the independent variable is given. This relationship can be determined by measuring the association of two variables (dependent-DV and independent-IV). These measures of association relate to how much better this prediction becomes with knowledge of the IV or how well an independent variable relates to the dependent variable. A measure of association often ranges between −1 and 1, where the sign of the integer represents the "direction" of correlation (negative or positive relationships) and the distance away from 0 represents the degree or extent of correlation; the farther the number away from 0, the higher or "more perfect" the relationship is between the IV and DV.

Bivariate hypotheses are used to determine the statistical significance of two variables. Statistical significance refers to the relationship between two variables which are unlikely to have arisen by chance with a specified probability (Kent, 2007). Measures of association and statistical significance that are engaged vary by the level of measurement of the variables analysed. The most common used analysis in bivariate technique is analysis of variance. The details will be discussed in section 6.5.1.

6.5.1 ANOVA

Generally, the rationale for the analysis of variance (ANOVA) is to test for significant differences between means. In evaluating two means, the ANOVA test gives the same results as the t-test for independent samples or the t-test for dependent samples. Thus ANOVA is a statistical test comparing variances among groups.

Analysis of variance (ANOVA) is applied to ascertain the key and interface effects of categorical independent variables on an interval dependent variable (Rutherford 2001). A key effect is the direct influence of an independent variable on

the dependent variable. An interface effect is the shared influence of two or more independent variables on the dependent variable.

The essential statistic in ANOVA is the F-test of difference of group means; ie testing to determine whether the means of the groups instituted by values of the independent variable (or a group of independent variables) are significantly different and not incidental occurrences (Rutherford 2001). If the group means are not significantly different, then it has incidentally occurred. This means that the independent variable has no influence on the dependent variable. If the F test illustrates that, overall, the independent variable is associated with the dependent variable, then multiple comparison tests of significance are suggested to be employed to investigate the values of the independent variable which have significant relationship.

ANOVA is a test to examine null hypotheses among groups that predict that the means among the groups is not different (Why not say, the same?. It is not a test of differences in variances, but one that predicts the relative homogeneity of variances. Consequently, a key ANOVA assumption is that the groups formed by the independent variables are relatively equal in size and have similar variances on the dependent variable. ANOVA is a parametric method which assumes multivariate normality.

ANOVA recognises that there will be variations in individual scores within groups as well as differences between groups (Kent, 2007). Alreck and Settle (1995) establish the guidelines for conducting ANOVA. Before performing ANOVA the following assumptions must be fulfilled.

1. The objective is to determine if the mean values of the dependent variable for each category of the independent variable are significantly different from one another.

2. The independent variable must be categorical and the dependent variable must be continuous.

3. The dependent variable must be derived from either an interval or ratio scale, but not an ordinal scale.

4. The values of the dependent variable must be obtained from different respondents, so they're completely independent of one another

5. The variance in the dependent variable must be about the same within each category of the independent variable.

6. The distributions should be normally distributed or nearly so, with neither substantial skewness nor kurtosis.

7. The independent variable may have two or more categories for analysis of variance, but only two for a t-test, which is a special case of ANOVA.

8. The groups need not be of the same size, providing the smallest is of adequate size and are no less than about 4 or 5 percent of the largest group.

9. When two values of a continuous, dependent are obtained from the same respondents and their means are to be compared for significant differences, a paired t-test should be used in place of ANOVA.

In this study one-way ANOVA tests are employed to determine a simple effect of an independent variable on a dependent variable. In testing the interface effects of

multiple independents variables on the dependent variables, **a** two-way ANOVA was engaged.

6.5.2 One-way ANOVA

A one-way ANOVA tests differences in a single interval dependent variable between two, three, or more groups instituted by the category of a single categorical independent variable. It is normally referred to as one-factor ANOVA, single classification ANOVA, simple ANOVA, or, univariate ANOVA. This procedure deals with one independent variable and one dependent variable. It assesses if the groups formed by the categories of the independent variable look similar i.e. they have the same shape of dispersion as evaluated by comparing estimates of group variances. If the groups' variances seem different, then, in that case, it is concluded that the independent variable has an effect on the dependent.

In study Section 1 (Appendix 6.1) of the questionnaire, which describes respondents' demographics and was categorized into independent variables, there were seven independent variables: Respondents Gender, Age, Length of service, Core skills, Education level, Company attached, HODs' Gender. Dependent variables for ANOVA tests were in sections 2, 3, 4 and 5. The variables were leadership styles, IM competency level, Job satisfaction and HODs' performance in IM.

As stated earlier, before conducting one-way ANOVA tests it is suggested to run Levene's test of homogeneity of variance. This test, available on SPSS, was applied in this study. Levene's test does not seriously depend on the assumption of normality like other similar tests (Tabachnick and Fidell 2000). The variances for the groups are the same and justifiable, provided that the significance value of Levene's test is greater than 0.05. Should the Levene's test significance value be recorded

below 0.05 (p<0.05), the Brown-Forsythe's F ratio test is highly recommended to be engaged. This test does not assume equal variance between groups.

Previous studies indicated that the probability levels used by researchers were varied. There are three levels of probabilities that are acceptable: p<0.01; p<0.05 and p<0.10. If the probability level set at p<0.01, this means there was a 1% probability that the result occurred by chance. If the probability level set at p<0.05, this means there was a 5% probability that the result occurred by chance. In the case of a probability level set at p<0.10, this means there was 10% probability that the result occurred by chance. The lower p-value, the better the significance level between groups. In ensuring the research reaches certain standards of quality and to answer all research objectives accurately, the probability level was set at p<0.01. This means the research tries to minimise the probability that the result occurred by chance which will increase the study's creditability.

6.6   Multivariate Analysis

One applies multivariate analysis to perform a statistical investigation concerning complex datasets which engage many independent variables and/or many dependent variables.   This analysis is engaged concurrently to discover the degree of the correlations of the variables studied. Multiple Analysis of Variance (MANOVA), factor analysis and multiple regression analysis are three predetermined multivariate analyses employed in this study. It is believed that by conducting these analyses, the researcher will find a set of appropriate explanations for the research's objectives. Multivariate analysis is categorised into two broad groups: dependence and independence techniques. Dependence techniques refer to those procedures where one or more variables are identified as dependent and which are predicted or explained by

one or more independent variables. By contrast, independence techniques involve the simultaneous analysis of all the variables in the set; none being identified as either dependent or independent (Kent, 2007, page 402)

6.6.1 Factor Analysis

Factor analysis is engaged to unearth the underlying structure of a set of variables. It can be categorised as independence descriptive technique. It tries to lessen the attribute gap, by moving from a large number of variables to a smaller number of factors and it is a "non-dependent" process per se. Factor analysis could be carried out for any of the following reasons (Widaman, 1993, pages 263-311):

1. Decrease a large number of variables to a smaller number of factors for modelling purposes.

2. To choose a subset of variables from a larger set of variables depended on which original variables have the most degree of correlations with the main component factors.

3. To construct a set of factors to be considered as uncorrelated variables, as one measure to conduct multicollinearity in such procedures as multiple regression

4. To certify a scale or index by representing its constituent items' load on the same factor, and to drop predictable scale items which cross-load on other (more) than one factor.

5. To ensure that numerous tests measure the same factor, thereby giving justification for administering fewer tests.

6. To discover groups of cases and/or outliers.

7. To verify network groups by determining which sets of people group together

The uses of factor analysis can broadly be classified as exploratory or confirmatory (Kent 2007). Exploratory factor analysis (EFA) attempts to reveal the essential structure of a comparatively large set of variables. The researcher's *à priori* assumption is that any indicator may be correlated with any factor. This is the most familiar type of factor analysis. There is no preceding theory and one employs factor loadings to perceive the factor structure of the data (Kim and Mueller, 1978b: 55).

Confirmatory factor analysis (CFA) tries to establish if the number of factors and the loadings of measured (indicator) variables on them match to what is anticipated on the basis of pre-established theory. The selection of indicator variables depend on prior theory and factor analysis is engaged to verify if they load as predicted on the expected number of factors. The researcher's *à priori* assumption is that every factor is connected with a specified subset of indicator variables (Kim and Mueller, 1978b: 55).

Three out of four variables in this study were adopted from preceding studies. Consequently, CFA factor analysis is more suitable to be employed since the objective of carrying out factor analysis is to reconfirm the loadings of the measured variables in the current study. In Section 5 (the fourth variable), the variable is HOD performance in IM. All factors were pre-determined and CFA is used to check the loadings of measured variables.

6.6.2 Two-way ANOVA

Two-way ANOVA estimates the variance of a single interval dependent in terms of the categories (groups) instituted by two independent variables, one of which may be deemed as a control variable. It can be categorised into dependence technique. This means, that it can be considered as a multivariate technique since a total of three variables is involved (Kent 2007). Two-way ANOVA tests whether the groups

formed by the categories of the independent variables have similar "centroids". Two-way ANOVA is less responsive than one-way ANOVA to stabilise violations of the assumption of homogeneity of variances across the groups.

6.6.3 Post-hoc Procedure

The advantage of using ANOVA is: it provides a technique of discarding or rejecting the null hypothesis and accepting the alternative hypothesis providing the groups' means are different. To ascertain whether the means of the different groups that integrate each of the variables are significantly different, use was made of pairwise multiple comparison post hoc tests. Generally, post hoc tests use all possible combinations of groups to explore the differences among the groups. A pool of post hoc tests has been identified, but there is no single universal agreement on a particular post hoc test that can be engaged in all situations. Cramer and Howitt (2004) state that there are a number of post hoc tests, but that there is no clear consensus about which tests are the most appropriate to use. Scheffe, Tukey's LSD approach, Bonferroni, Newman-Kuels, Duncan Multiple Range and Tukey's HSD method are frequently employed to identify the significant differences among groups.

The role of post hoc tests (multi comparison tests) in this research is to conclude which combinations of groups produce significant differences among groups after the null hypothesis have been discarded in the ANOVA test. There were two tests of post hoc test suggested for this study. First, the Bonferroni test was engaged once the equal assumption was met and the determination of the differences among groups' means were present. This test assumes equal variance and it was preferred as it adjusts the observed significance level for the fact that multiple comparisons are being made. Tamhane's T2 test will be adopted if equal variances were not assumed.

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Tamhane's T2 is acknowledged to be comparatively robust against the violation of homogeneity of variance assumption.

6.7   Multivariate Analysis of Variance (MANOVA)

Multiple analysis of variance (MANOVA) is adopted to determine the key and relational effects of categorical variables on multiple dependent interval/continuous variables. It can be categorised into dependence technique.   MANOVA is an extension of ANOVA to accommodate more than one dependent variable. It measures the differences for two or more metric dependent variables on a set of categorical variables acting as independent variables (Kent 2007, page 417). In this study, MANOVA is used if there are two or more categorical independents as predictors and also there are two or more dependent variables. Where ANOVA tests the variation in means of the interval dependent variable for various categories of the independent variables, MANOVA tests the differences in the centroid (vector)(by) means of the multiple interval dependent variables, for a variety of categories of the independent variables. One may also execute designed comparisons or post hoc comparisons to distinguish which values of a factor provide most to the explanation of the dependents. There are numerous possible reasons for MANOVA. These include:

1. To compare groups formed by categorical independent variables on group differences in a set of interval dependent variables.

2. To use lack of difference for a set of dependent variables as a criterion for reducing a set of independent variables to a smaller, more easily modelled number of variables.

3. To identify the independent variables which differentiate a set of dependent variables the most.

In MANOVA, the null hypothesis is the vector of the means of multiple dependent variables is equal across groups. Multiple analysis of variance is appropriate when there are two or more dependent variables that are correlated. If there are multiple dependent variables which are uncorrelated or orthogonal, ANOVA on each of the dependent variables is more appropriate than MANOVA.

6.8   Criteria for Significance Testing

In MANOVA, there are four highly recommended tests to be used for measuring multivariate differences across groups: Wilks' lambda (U statistics); Pillai's criterion (Pillai-Bartlett trace, V); Hotelling's trace; and Roy's greatest characteristic root (ger).

In deciding the appropriate tests to be employed, Hair et al. (1998) recommend " that the measure to use is one most immune to violations of the assumptions underlying MANOVA that yet maintains the greatest power" (p.351) . Pillai's criterion is the most powerful and should be used if sample size decreases, unequal cell sizes appear or if the homogeneity of covariance assumption is violated (Hair et al. 1998).

In line with previous recommendations (Hair et al. 1998; Essoo and Dibb, 2004), the Pillai's trace and Wilks' lambda were found to be the most appropriate tests for significance testing to be adopted in this study. The significance level was set up at 0.01.

6.9   Follow up Analysis

The follow up analysis will be executed if the MANOVA tests produce significant effects among independent and dependent variables. It is essential to employ univariate analysis of variance tests in identifying which dependent variables are accountable for the statistically significant MANOVA results.

6.10   Multiple Linear Regression Analysis

The main objectives of the study were to establish in an organisation: (1) whether HOD leadership styles have an influence on Internal Marketing competency levels; (2) whether HOD leadership styles have an influence on staff job satisfaction levels; and (3) whether HOD leadership styles have an influence on HOD's performance in Internal Marketing component levels. The significant differences in IM level among respondents from different groups of leadership styles; the significant differences in staff job satisfaction among respondents from different groups of leadership styles; and the significant differences in HOD's performance in IM among respondents from different groups of leadership styles were tested with an analysis of variance as explained in previous section, and the results are in the next chapter.

The analysis of variance tests were conducted in order to determine the occurrence of significant differences of dependent and independent variables, but were unable to assess the direction and the magnitude of the linear relationship between:

- IM variable (dependent) and leadership styles variable (independent);
- Job Satisfaction variable (dependent) and leadership styles variable (independent); and
- HOD's performance variable (dependent) and leadership styles variable (independent).

In order to satisfy research objectives, the multiple linear regression analysis (also known as Ordinary Least Square (OLS) regression) was employed in identifying the direction and magnitude of the relationship between independent and dependent variables.

Regression analysis has been shown to be one of the most appropriate analyses "when one continuous or ratio variable can be identified as an independent variable and a similar variable as the dependent variable," in that case "regression analysis is the appropriate technique to measure the relationship between them and assess its significance" (Alreck and Settle 1995).More particularly, the greater the number of data points in the scales, the more possible it is that the data will meet the required assumption of a normal distribution when using linear regression.

Regression analysis is capable of depicting the relationship vector (direction and degree) involving a single dependent variable (criterion) and a set of independent (predictor) variables. Regression is different to Pearson's correlation coefficients. In Pearson's correlation, the influence of each item will be measured independently from other items. In regression analysis, the relationships' results are formed by a combination of influences of the independent variables on a dependent variable. The degree and direction of influence by independent variables on dependent variables is likely to be established in regression analysis. In regression analysis, each and every variable is assumed to be visible and free from measurement error. Hair et al. (1998) categorise multiple regression into two categories based on its usage: prediction and explanation.

One of the main purposes of regression analysis is to predict the changes on a dependent variable when changes occur in independent variables. As such, multiple regressions meet one of the two objectives suggested by Hair et al. (1998). The first objective of this analysis is to get the most out of the overall predictive power of the independent variables. It is intended to minimise prediction errors by using the least squares criterion for overall efficiency. The second objective is to make assessment on

two or more sets of independent variables to determine the strength of the predictive power of each and every variable.

The other purpose of multiple regression analysis is to indicate the degree and direction (positive or negative) of the linear relationship involving independent and dependent variables by establishing the variance of independent variables.

Multiple linear regression analysis is universally recognized to be a potent procedure for controlling variance. By applying an analysis of the variable inter-correlations, the different sources of influence from sets of independent variables are able to be identified and the estimation of the magnitudes can be determined. This explains the strength of influence of independent variables on the dependent variable. One of the advantages of multiple regressions is that it is competent to provide tests relating to the combined effects of independent variables on the dependent variable.

Statistical predictions in multiple regression analysis can be calculated by establishing a rectilinear relationship between the independent and dependent variables concerned. A simple straight line equation *Y=bX+a* can be established when involving an independent variable and a dependent variable. *Y* is referred to **as** predicted score; b is the equation line slope; *X* is the value for *X* intercept; and *Y* is the value for *Y* intercept. Multiple regression analysis is a statistical method to explore the influence of sets of independent variables on a dependent variable. Thus the subsequent equation is explained when a set of predictor variables are engaged to predict a criterion variable in multiple regression analysis.

$$Y=a+b1X1+b2X2+…bkXk+e$$

Y is the predicted value on dependent variable; *a* is the value at *Y* intercept (the value of *Y* when it is assumed that all the *X* values are 0); *X* represents the numbers of the

various independent variables; and **b** is the coefficients assigned to each of the independent variables during the regression tests.

6.11 Summary

A broad knowledge on statistical analysis procedures is vital in ensuring high quality findings can be obtained out of data analysis. This assists in selecting the appropriate analysing tools to produce results. Selecting suitable analysing tools is a prerequisite to answering all research objectives. The researcher must decide from a pool of statistical analyses which of them would give the most relevant findings to the research questions.

The main beneficial aspect of this chapter is being able to identify sets of appropriate statistical techniques to be engaged in assessing the collected survey data. At the beginning of this chapter, the highlight was on the selection of a statistical package for the current study. After a thorough consideration on the suitability of the statistical packages, the Statistical Package for the Social Science (SPSS) version 15.00 for Windows XP 2003 has been identified to be the most appropriate software programme for the statistical techniques to be utilised in this study. Subsequently, the statistical techniques available in SPSS were reviewed to establish a pool of techniques for statistical tests. Factors such as objectives of the analysis, focus of the analysis, sample and size, the level of measurement and the distribution pattern of data were considered. Once a set of statistical techniques had been formed, the argument moved to the method of statistical analyses. In the present study the statistical methods to be engaged were divided into three main methods: univariate analysis of descriptive statistics, bivariate analysis such as analysis of variance (ANOVA) and multivariate analysis such as exploratory analysis, multivariate

analysis of variance (MANOVA) and multiple linear regression analysis. The findings of these data analyses will be discussed in the next chapter (7).

CHAPTER 7

DATA ANALYSIS FINDINGS

7.1   Introduction

In the previous chapter, the analytical procedures employed in analysing research data, the assumptions for the statistical techniques used have been presented and discussed. This chapter covers the results of data analysis tests and hypothesis tests. An analysis of data is undertaken using the statistical package for the Social Science (SPSS) version 15.0 for XP Windows operating system. In this study, six statistical analysis tests identified in the previous chapter will be used. They are: demographic profile; validity and reliability tests; factor analysis; ANOVA; correlations and regression.

First, in obtaining the respondents' profile from the demographic section of the questionnaire (Section 1), a descriptive analysis is conducted. Second, the validity and reliability tests are used to measure the validity and reliability of variables namely leadership style; internal marketing; job satisfaction; and HOD's performance in IM. Third, factor analysis is performed for data reduction and summarisation. All variables in Sections 2, 3, 4 and 5 have been tested to measure the validity and reliability of the data collected. Fourth, after carrying out simple statistical analyses, the next stage is to test the research hypotheses. In this study, an analysis of variance (ANOVA) is applied in order to understand and to determine overall group differences across dependent variables. ANOVA tests are carried out to observe if constructs of interest demonstrate variations across different response categories of the independent measures. Post-hoc tests are performed to observe paired mean comparisons of the categorical means consequence from the variance analyses. Each

and every variable will be tested for paired mean comparisons at p<0.01 for the significance effect. Fifth, correlation analysis is employed to examine the correlation of two or more metric variables. Sixth, regression analyses are performed to examine the associative relationships between a metric-dependent variable and one or more independent variables. The details of the findings will be discussed in the following sections.

7.2   Descriptive Statistics: Frequency Distributions

Frequency distributions are generated from all classification variables in Section 1 of the survey. The classification variables are: gender; core skill; department; age; length of service; education level; company and HOD gender. The frequencies for the number of respondents in various classification variables for this sample are indicated in Table 7.1. The primary stage of data analysis is to gain an understanding about the respondents' characteristics. The details have been discussed in Chapter 6, Section 6.4.2. The results of the descriptive analyses are presented in the next paragraphs.

Retail non-managerial employees constitute the population for this study. The UK's two retail giants are the target populations. Responses from each organisation's employees are combined to avoid the statistical problems inherent in analysing small samples. There are methodological problems in cross validating samples using small individual organisational samples. In total, the research has obtained 258 respondents from two supermarkets (TESCO: 31.4%, ASDA: 68.6%) in Cumbernauld. The survey was entirely voluntary. The invitation was forwarded by the HR Departments in each company to the respondents via internal communication mediums (notice board, e-mail, meetings); and the responses were collected on printed forms and web-based surveys.

In the survey 68.6% were female and 31.4% were male. The proportion of female to male respondents is 70:30 which is more than double the number of female to male. It is slightly higher than is typical in the UK retail employment sector which is 60% Females to 40 males (GLAeconomics 2006).

Table 7. 1: Frequencies distribution – Classification variables

	Frequency	%
Gender		
Female	177	68.6
Male	81	31.4
Skill		
Fin	12	4.7
Mgt	9	3.5
Bus	9	3.5
Eng	9	3.5
Ret	156	60.5
Cat	3	1.2
Sales	9	3.5
Others	45	17.4
Department		
HR/Cost control/Sales/purchasing/Marketing/	15	6
Clothing	24	9.3
Fresh/produce/dairy	15	5.8
Café/bakery/ Food processing/	24	9.3
Customer service/ Petrol station	75	29
Grocery/Wine	27	10.5
Eng/Internal Security/Warehouse	15	5.8
Pharmacy /Photo/home/Optical	21	9.3
Provisions	15	5.8
Merchandise	24	9.3
Age		
16-24	87	33.7
25-29	33	12.8
30-34	45	17.4
35-39	42	16.3
40-44	27	10.5
45-49	3	1.2
above 50	18	7.0
Length of service		
<1yr	12	4.6
1-2yr	69	26.7
3-5yr	87	33.7
6-10yr	39	15.1
11-15yr	30	11.6
16-and above	18	7.0
Education level		
secondary	165	64.0
college	60	23.3
University	33	12.8
Company		
TESCO	81	31.4
ASDA	177	68.6
HOD Gender		
Female	135	52.3
Male	123	47.7

A large number of respondents (60.5%) reported having retailing as the core skill; 20.2% collectively for finance, management, business studies, engineering, catering and sales with other skills at (17.9%). The statistics reflect the current recruitment practice in the UK in which the retail industry (48%) is less responsive to offering staff training compared to other industries (58%). The retail sector prefers to hire employees that possess retail skill.

More than a quarter (26.7%) of total respondents represents Customer Service and Check-out departments. The figure is consistent with the UK retail occupational group in which sales and customer service is the biggest group (48%).Three departments (Clothing, Grocery and Merchandise) recorded participation percentages of between 7-9%.

The largest age group of the respondees is the 16-24 years' group (33.7%) which comprises more than one third of the responses. The next largest is 30-34 years (17.4%); 35-39 years (16.3%); 25-29 years (12.8%); 40-44 years (10.5%) and above 50 (7.0%); the smallest response rate is from the of 45-49 years age group (1.2%). Looking at the age distribution of the employees in the participating organisations compared to the UK, the retail sector shows that the age distribution in the participating organisation is fairly consistent with UK retail employment trends. The workforce in the retail sector is relatively young.

In this research, respondents were also required to provide information concerning their length of experience in retailing. The analysis indicates that more than 60% of the respondents have retailing experience of between 1-5 years (3-5 years 33.7% and 1-2 years 26.7%). The years of experience in retailing of between 6-15 years forms the second largest group in the analysis (26.7%). It indicates that the workforce in the retail sector possesses a "fair" experience in retailing. The 60%

figure is affected by the age group of respondents the majority of whom are in age range of 16-24. There is a current trend of students taking up part-time employment to finance their studies. This phenomenon is also believed to contribute to this statistic. It is fairly consistent with Table 7.1 the UK level where the retail sector depends, even more, on part-time employees (almost 50%) compared to other industries.

The education level of respondents can be divided into 3 significant groups which are: respondents with secondary level of education which formed the largest group (64.0%) and those with college (23.3%) and university level of education (12.8%). The percentage of employees with a university qualification is higher than the UK retail sector level (7%) (GLAeconomics 2006).

In the last question in the demographic section, the respondents were asked to indicate the gender of their head of department. The analysis shows that 52.3% of the respondents have a female head of department as against 47.7% of respondents who have a male head of department. Statistically, the retail industry is dominated by females and therefore it is to be anticipated that there will be more female HODs compared to males.

In summary, the sample included in this study appears to be young, less educated, have fair retail experience and is dominated by female. It also shows that the sample is dominated by three major departments: customer service, check-outs and sales.

7.3   Validity and Reliability Tests

This section discusses the findings of the validity and reliability tests. It has been divided into two sections: Section 7.3.1 explains the validity and reliability tests for

leadership styles which are directive, supportive, participative, and achievement oriented; and Section 7.3.2 presents the findings for the validity and reliability tests on internal marketing, job satisfaction and HOD's performance.

7.3.1 Leadership Section

The leadership variable (Section 2) consists of twenty questions. It has been clustered into four groups of leadership styles (directive, supportive, participative and achievement oriented) and has been tested before. The Path-Goal Leadership questionnaire is adapted from Indvik (1985, 1988); House and Dessler (1974); House (1976); and Fulk and Wendler (1982). The directive style consisted of question numbers 1, 5,9,14 and 18. The supportive style contains question numbers 2, 8, 11, 15 and 20. The participative style comprises questions numbers 3, 4, 7, 12 and 17. The achievement-oriented style includes question numbers 6, 10, 13, 16 and 19. Reverse the scores for question numbers 7, 11, 16, and 18.

Table 7. 2: Reliability and Validity Tests: Leadership

Leadership style	Factor Loading Min	Max	KMO	Cronbach's Alpha	Bartlett's Test Sig. at
Directive	-0.421	0.892	0.851	0.843	0.01
Supportive	-0.519	0.869	0.733	0.813	0.01
Participative	-0.663	0.990	0.793	0.884	0.01
Achievement Oriented	-0.628	0.829	0.740	0.832	0.01

Table 7.2 depicts that each variable (directive, supportive, participative and achievement oriented) correlates highly with itself (r=0.01). Between the four styles, directive has recorded the highest sampling adequacy (0.851) compared to participative (0.793), achievement oriented (0.740) and the lowest is supportive (0.733). The Kaiser-Meyer-Olkin (KMO index) measures the sample adequacy; that is, whether the partial correlations among variables are small. The KMO measurement

of sampling adequacy is an index used to examine the appropriateness of factor analysis. High values (0.5-1.0) indicate that factor analysis is appropriate (Malholtra & Birks, 2006).

Another test to ensure the appropriateness of the factor analysis to be employed is Cronbach's alpha; which is a measure of internal consistency reliability. It measures the average of all possible split-half coefficients resulting from different splitting of scale items. This coefficient varies from 0-1, and a value of 0.6, or less, generally indicates unsatisfactory internal consistency reliability (Malholtra & Birks, 2006). The overall Cronbach's alpha for leadership style is 0.878 which consists of twenty questions for all leadership styles (directive, supportive, participative and achievement oriented). Further tests are required for individual leadership style and the scores are: directive (0.843), supportive (0.813), participative (0.884) and achievement oriented (0.832). These indicate high internal consistency reliability for all variables when compared with previous studies by Ogbeide (2005): directive (0.807), supportive (0.753), participative (0.752), and achievement oriented (0.680). In conclusion, it is appropriate to use factor analysis in this study as both the KMO and Cronbach's alpha tests recorded higher than 0.5.

7.3.2 Internal Marketing, Job Satisfaction and HOD's Performance Sections

This section summarises and explains the reliability and validity statistical tests for Sections 3, 4, 5 and subsections. In Section 5, Section 3 is adapted from previous study to establish the internal marketing competency level in the participating retail companies. This variable consists of twenty questions relating to IM. Section 4 is adapted from previous study to establish staff job satisfaction levels in retailing. This variable consists of questions relating to staff's job satisfaction.

Section 5 is designed to establish the HOD performance level in performing IM. This variable consists of twenty eight questions relating to IM and has been divided into seven subsections.

Table 7. 3: Reliability and Validity Tests

	Factor Loadings		KMO	Cronbach's Alpha	Bartlett's Test Sig. at
	Min	Max			
Internal Marketing	0.493	0.767	0.810	0.932	0.01
Job Satisfaction	0.426	0.774	0.873	0.933	0.01
HOD's Performance (Overall)	0.684	0.864	0.920	0.977	0.01
Vision, Mission, Culture and Values	0.779	0.940	0.889	0.901	0.01
Corporate strategy	0.829	0.865	0.889	0.901	0.01
Knowledge Management	0.853	0.913	0.857	0.913	0.01
Standard Operating Procedures	0.870	0.918	0.729	0.867	0.01
Internal Communication	0.830	0.919	0.807	0.895	0.01
Human Resources Strategy	0.793	0.914	0.808	0.888	0.01
Integrating Internal and External Marketing Activities	0.863	0.881	0.727	0.840	0.01

Table 7.3 summarises all validity, reliability and factor analysis tests for Sections 3, 4, 5 and subsections in Section 5 as well. All sections and subsections recorded above 0.70 on KMO test. Since KMO measures research sampling adequacy, it indicates that factor analysis is appropriate for all Sections 3, 4, 5 and subsections in Section 5 as well. Bartlett's test hypothesises that the variables are uncorrelated in the population. Table 7.3 shows that Bartlett's tests recorded the significance level at 0.01 for all sections and subsections. Thus all variables are correlated in the population.

All sections and subsections have recorded 0.84 and above for Cronbach's tests. This indicates that a set of items forming the scale in internal marketing, job satisfaction and HOD performance variables possesses a high internal consistency level.

All sections and subsections have recorded above 0.4 on factor loadings even though these sections consist of pre-determined questions. Therefore, all questions asked in a particular section have been well clustered as a factor. Factor loadings

refer to the correlations between variables and the factors. Thus, none of the questions have been eliminated as all questions have reached 0.4 and above on factor loadings.

The above findings indicate that all variables in Sections 3, 4 and 5 meet standard survey requirements in terms of validity and reliability of the data. All sections are appropriate for factor analysis. The key purposes of factor analytic techniques are: (1) to reduce the number of variables and (2) to detect structure in the relationships between variables, that is, to classify variables. It indicates that all variables have been well classified in terms of the relationships between variables.

7.4   Descriptive Statistics: Variables Profiles

As discussed in the Chapter 4, four research problems are derived from the current practices on variables being studied: leadership style; IM competency level; HOD performance and employee job satisfaction. This section is divided into four subsections accordingly and the discussions are derived from descriptive statistic tests. The discussions of the findings will be based on the research questions listed below.

1. The leadership style profile: What is the leadership style profile in retailing?

2. The IM profile: What is the IM competency level in retailing?

3. The HOD performance profile: What is the HOD performance level in retailing?

4. The staff job Satisfaction profile: What is the employee job satisfaction in retailing?

In addition, ANOVA tests are employed to investigate the extent and the significance of a relationship between categorical independent variables and continuous numeric dependent variables. The discussions on ANOVA are undertaken in Sections 7.4.1.1,

7.4.2.1, 7.4.3.1 and 7.4.4.1. The categorical variables are presented in Section 1 (Demographic) and the dependent variables in Leadership Style, Section 2; Internal Marketing (3), Job Satisfaction (4) and HOD Performance. Table 7.4 depicts the variables categories to be used in ANOVA tests. There are seven (7) independent and four (4) dependent variables that have been identified for the hypothesis tests.

Table 7. 4: Variables Categories for MANOVA tests

Independent Variables	Dependent Variables
Staff Gender	Leadership Styles
Length of Service	Internal Marketing
Age Groups	Job Satisfaction
Staff Education Level	HOD's performance Level
Staff Core Skills	
Organisation	
Head of Department Gender	

7.4.1 Leadership style profile

Table 7.5 shows the HODs' leadership style profile rated by the respondents. The PS contributes to a large proportion (52.3 %) of the HODs' leadership styles; DS (15.5%); PS/AOS (11.2%); AOS (10.5%); and SS/PS (3.9%).

In Path-Goal Theory, the main four leadership styles are: directive, supportive, participative and achievement-oriented styles. About 21% of the responses combine two and more leadership styles. This happens when two or more leadership styles share the same strengths.

Table 7. 5: Leadership styles by percentage

Frequency	*n*	Percent
Directive Style (DS)	40	15.5
Supportive Style (SS)	1	.4
Participative Style (PS)	135	52.3
Achievement Oriented Style (AOS)	27	10.5
Directive Style & Supportive Style (DS/SS)	1	.4
Directive Style & Participative Style (DS/PS)	9	3.5
Directive Style & Achievement Oriented Style (DS/AOS)	3	1.2
Supportive Style & Participative Style (SS/PS)	10	3.9
Participative Style & Achievement Oriented Style (PS/AOS)	29	11.2
Directive Style & Participative Style & Achievement Oriented Style (DS/PS/AOS)	3	1.2
Total	258	100.0

7.4.1.1   Demographic Variables and Total Leadership style

Section 6.4.1 and 6.5.2 discuss the details of ANOVA used. The ANOVA test is used to test the hypothesis. The suitability of each test depends on the number of independent and dependent variables. The test on Hypotheses H1a –H1g is performed to predict the difference in staff gender ; length of service in retailing; age group; education level; core skill; organisation attached and the HOD gender; all have significant effects on staff perceptions of leadership style

One-way ANOVA tests are performed on leadership as a dependent variable. Before construing the findings, the data has been examined for the homogeneity of variance assumption by Levene's F test. Table 7.6 illustrates the Levene test findings. Levene's test (Levene 1960) is employed to test whether the samples have equal variances. Equal variances across samples are called homogeneity of variance. Some statistical tests, for example, the analysis of variance, assume that variances are equal across groups or samples. The Levene test can be used to verify that assumption. If the Levene test is significant; ie., the significant value (p) is less than 0.05, then the assumption is that the variances are significantly different. This test is designed to test

the null hypothesis that the variances of the groups are the same. In this study Levene's test is testing whether the variances of the groups in the independent variable are significantly different.

It shows that 2 of demographic variables which are: the staff length of service and the age group, are significant at $p<0.05$, signifying that the assumption for these variables are not met. Consequently, these two independent variables will be tested using the Brown-Forsythe one-way ANOVA, which does not assume equal variance in comparing the difference between groups.

Table 7. 6: Levene's tests results for Demographic vs. Leadership

Independent Variable	Hypothesis	Levene Statistic	Df	Df2	Sig
Gender	H1a	0.596	1	256	0.441
Length of service	H1b	5.621	5	249	0.000
Age	H1c	4.649	6	248	0.000
Education	H1d	0.025	2	255	0.975
Core Skill	H1e	0.841	5	246	0.540
Organisation	H1f	3.794	1	256	0.053
HOD Gender	H1g	0.126	1	256	0.723

Table 7. 7: Levene's tests results for Demographic vs. Leadership

Hypothesis	Description	Sum of SQ	df	Mean SQ	F	Sig.	Accept/ Reject Ho	Findings
H1a	Gender vs. Leadership	2133.248	1	2133.248	5.470	0.020	Reject Ho and accept H1	The difference in staff gender level in retailing has an effect on leadership
H1d	Education vs. Leadership	4062.704	2	2031.352	5.291	0.006	Reject Ho and accept H1	The difference in staff education level in retailing has an effect on leadership
H1e	Staff Core Skill vs. Leadership	15224.058	5	3044.812	8.816	0.000	Reject Ho and accept H1	The difference in staff core skill in retailing has an effect on leadership
H2g	HOD Gender vs. Leadership	6567.878	1	6567.878	17.624	0.000	Reject Ho and accept H1	The difference in HOD gender has an effect on leadership

Table: 7.7 shows that four independent variables have a significant effect on the leadership style variable (dependent variable). The four independent variables that have an effect on leadership style are identified; as staff gender ($P<0.05$), education level ($P<0.01$), staff core skill ($P<0.001$) and HOD gender ($P<0.001$).

The findings reveal that four demographic factors have significant different means among groups tested against the leadership variable in the ANOVA tests. They are: staff gender, $F_{(1,256)} = 5.470$, $p<0.05$; staff core skill, $F_{(5,246)} = 8.816$, $p<0.001$; education level, $F_{(2,255)} = 5.291$, $p <0.01$; and HOD gender, $F_{(1, 256)} = 17.624$, $p<0.001$.

The findings can be summarised as: that differences in gender, core skills and education levels of the staff have significant effects upon their (staff's) perceptions of the leadership style of the HOD. In addition, the staff also perceive that the HOD's gender has a significant effect on his/her leadership style. It is also noted that the F-

ratio for the HOD gender attribute is large, indicating that staff perceive that there is considerable difference in leadership style between male and female HOD.

The findings that the staff's gender and the HOD's gender have significant effects on leadership style are supported by previous studies. The literature review reveals that a few studies have explicated the gender differences in leadership style (Helgesen, 1990; Hennig & Jardim, 1977; Rosner, 1990). One of the studies revealed that females preferred to use a participative supervisory style more than men, but males used more masculine leadership styles (Rozier & Hersh-Cochran, 1996). The findings are also supported by other studies conducted by Ely (1994); Gilligan (1982) and Heilbrun (1976) which indicate that gender is a significant "differentiator" of how men and women operate in the workplace. Other studies, on the contrary, Korac-Kakabadse et al. (1998) argue that gender is a non-significant demographic factor in determining leadership perspective. Similarly, in a recent study, leadership style did not differ in accordance with the leader's gender (Powell et al. 2008). It shows the influences of the demographic factors on leadership are various and will depend on the population of the study. This has triggered some caution in generalising about the effect of demographic factors on leadership style.

7.4.2 Internal Marketing Profile

The method used to investigate IM levels is discussed in Chapter 5. The competency levels are divided into four groups: excellent, good, fair and poor. Table 7.8 indicates the internal marketing levels in retailing. As shown, the respondents have two major perceptions on internal marketing levels in retailing: excellent and poor. About 41 % of respondents believed that internal marketing practice is excellent in retailing. In

contrast, 37 % respondents considered the IM level to be poor. Good and fair contributed to 10.5% and 9.3 % respectively.

Table 7. 8: Internal Marketing Levels by percentage

	n	Percent
Poor Internal Marketer	96	37.2
Fair Internal Marketer	24	9.3
Good Internal Marketer	27	10.5
Excellent Internal Marketer	105	40.7
Total	252	97.7

7.4.2.1 Demographic Variables and Internal Marketing

Hypotheses H2a –H2g are carried out to predict the difference in staff gender ; length of service in retailing; age group; education level; core skill; organisation attached and HOD's gender and whether the have effects on IM competency levels among the staff.

The ANOVA test is used to measure the significance effects between staff gender (male, female); length of service in retailing; age group; education level; core skill; organisation attached and HOD gender as independent variables and IM competency level as the dependent variable.

Table 7. 9: Levene's tests results for Demographic vs. Internal Marketing ANOVA

Independent Variable	Hypothesis	Levene Statistic	Df	Df2	Sig
Gender	H2a	1.556	1	250	0.213
Length of service	H2b	12.133	7	241	0.000
Age	H2c	2.495	6	242	0.023
Education	H2d	2.614	2	249	0.075
Core Skill	H2e	27.740	7	238	0.000
Organisation	H2f	1.30.	1	250	0.255
HOD Gender	H2g	2.282	1	250	0.132

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Table 7.9 illustrates the Levene test results. The test that has the *p* value less than 0.05 indicates that the assumption of homogeneity of variance is violated. Therefore, it must have to go through the robust tests of equality of means. In this study, the researcher will use the Brown-Forsythe and Welch tests. From the results above, only length of service, and core skill have recorded p values less than 0.05. Therefore these variables will go through the Brown-Forsythe and Welch tests.

Table 7. 10: The Welch test results

Independent Variable	Hypothesis	Welch Statistic	Df	Df2	Sig
Length of service	H2b	4.200	6	23.193	0.005
Age	H2c	2.045	6	24.544	0.098
Core Skill	H2e	11.226	5	34.926	0.000

Table 7. 11: The Brown-Forsythe test results

Independent Variable	Hypothesis	Brown-Forsythe Statistic	Df	Df2	Sig
Length of service	H2b	3.355	6	98.795	0.005
Age	H2c	1.839	6	28.877	0.126
Core Skill	H2e	7.764	5	95.375	0.000

Table: 7.12 shows that four independent variables have significant effects on IM competency levels: length of service, education level, staff core skill and HOD gender. The details of the ANOVA are as described below. All hypotheses are supported.

- H2b: The assumption of homogeneity of variance is violated; therefore, the Brown-Forsythe F-ratio is reported. There is a significant effect of the staff's

length of service on the internal marketing competency in retailing; F (6 ,98.795)=3.355, p<0.05

- H2d:The staff's level of education has a significant effect on the internal marketing level; F (2,249)=7.485, p<0.05

- H2e: The assumption of homogeneity of variance is violated; therefore, the Welch F-ratio is reported. There is a significant effect of the staff's core skill on the internal marketing competency in retailing; F (5,34.926)=11.226, p<0.05

- H2g:The HOD's gender has a significant effect on the internal marketing level; F (1,250)=11.723, p<0.05

Table 7. 12: ANOVA Results: Demographic vs. IM Competency Level

Hypothesis	Description	Sum of SQ	df	Mean SQ	F	Sig.	Accept/ Reject Ho	Findings
H2b	Length of service vs. IM	41.595	7	5.942	3.441	0.002	Reject Ho and accept H1	The difference in staff length of service in retailing has an effect on IM competency.
H2d	Education vs. IM	26.320	2	13.160	7.485	0.001	Reject Ho and accept H1	The difference in education has an effect on IM competency in retailing
H2e	Staff Core Skill vs. IM	55.885	7	7.984	4.814	0.000	Reject Ho and accept H1	The difference in core skill has an effect on IM competency in retailing.
H2g	HOD Gender vs. IM	20.788	1	20.788	11.723	0.001	Reject Ho and accept H1	The difference in HOD gender has an effect on IM competency in retailing.

The Post-hoc tests are conducted on the significant findings to investigate further the differences. Two of the Post-hoc tests are employed in this study are Bonferroni and Tamhane's T2 methods. The Bonferroni method is employed if the Levene tests

confirmed that the error variance of this dependent variable is relatively equal across groups. On the other hand, the Tamhane's T2 is used if the Levene's F test for homogeneity of variance is violated (i.e. the error variance of the variable is unequal across groups).

Table 7. 13: The means difference

Core Skill	Business	Engineering	Retail	Sales
Engineering	1.833**			
Retail	1.000*			
Sales		2.000**	1.167***	
Others	1.200*			1.417***

*=p<0.05; **= p<0.01; ***= p<0.001

Table 7.13 illustrates the means difference between core skill groups. For internal marketing competency, the significance differences are observed in staff's core skill group between business and engineering; business and retail; business and others; engineering and sales; and sales and others. The findings also reveal that significance differences are also observed in length of service groups between 6mth-1year and 3-5year of service (means difference=1.211, p<0.05) as well as between 6mth-1year and 11-15 years of service group(means difference=1.556, p<0.01). Significant differences are also established in staff's education levels between university and secondary (means difference=0.952, p<0.05); and between university and college (means difference=0.973, p<0.05). It is not required to test the HOD's gender using the Post-hoc test, since it consists of less than 3 groups.

The findings of the ANOVA tests show that significant differences among groups' mean are established in four demographic factors. Three of the factors are similar to the findings in the leadership variables: core skill, education level and the

HOD gender. But staff gender does not show any significant difference in the mean in IM. On the other hand, staff length of service shows a significant difference in the mean between the groups in IM. Thus it indicates the effects of these factors on internal marketing competency levels in retailing. The ANOVA F values are: staff length of service, Brown-Forsythe's $F_{(6, 98.795)} = 3.355$, $p < 0.05$; staff level of education, $F_{(2, 249)} = 7.485$, $p < 0.01$; staff core skill, Welch's $F_{(5, 34.926)} = 11.226$, $p < 0.001$; and the HOD gender, $F_{(1, 250)} = 11.723$, $p < 0.01$.

In conclusion, staff perceptions on internal marketing competency levels are affected by the length of service, education level and the core skills of the staff. The staff also perceive that HOD gender plays a significant role in determining internal marketing competency. Two of the demographic attributes, the staff's core skill and HOD gender have recorded considerably larger F-ratios; this indicates that the groups in core skills and HOD gender are clearly different from one another.

7.4.3 Job Satisfaction Profile

In measuring employees' job satisfaction, the researcher has clustered it into five levels: very dissatisfied, moderately dissatisfied, not sure, moderately satisfied and very satisfied. Table 7.14 shows that the respondents have noted their job satisfaction levels in their current jobs. It may be seen that 64.2% of the respondents have moderate satisfaction in their jobs, 18.5 % have stated that they are very satisfied, 14.8% of respondents are not sure about their job satisfaction level and only 2.5% of respondents have admitted they are moderately dissatisfied with their current jobs.

Table 7. 14: Job Satisfaction by percentage

Job Satisfaction	n	Percent
Moderately Dissatisfied	6	2.5
I am Not Sure	36	14.8
Moderately Satisfied	156	64.2
Very Satisfied	45	18.5
Total	243	100.0

This enables the conclusion that the employees in retailing are satisfied with their current jobs as more than 82% are moderately and very satisfied. Only 18% of employees are not sure and moderately dissatisfied. None of the employees is very dissatisfied.

7.4.3.1   Demographic Variables and Job Satisfaction

Hypotheses H3a –H3g tests are performed to predict the difference in staff gender ; length of service in retailing; age group; education level; core skill; organisation attached and the HOD**'s** gender effect on staff**'s** job satisfaction.

Table 7. 15: Levene test results for Demographic vs. Job Satisfaction ANOVA

Independent Variable	Hypothesis	Levene Statistic	Df	Df2	Sig
Gender	H3a	0.444	1	241	0.506
Length of service	H3b	2.135	5	233	0.062
Age	H3c	4.494	6	233	0.000
Education	H3d	4.446	2	240	0.013
Core Skill	H3e	1.005	5	231	0.416
Organisation	H3f	0.027	1	241	0.870
HOD Gender	H3g	0.758	1	241	0.385

The results in Table 7.15 show that only one independent variable, age group, requires a further test (p<0.05). Table 7.16 shows that age group has significant effect on job satisfaction.

Table 7. 16: Robust Tests of Equality of Means

	Statistic	df1	df2	Sig.
Welch	6.534	6	23.884	.000
Brown-Forsythe	6.345	6	65.930	.000

After further testing, Table: 7.17 depicts that only four independent variables have significant effects on job satisfaction (dependent variable). The four independent variables are staff gender, $F(1,241) = 5.399$, $p<0.05$, length of service, $F(5,233) = 2.792$, $p<0.05$; age group, Welch's $F(6, 23.884) = 6.618$, $p<0.001$; and core skill, $F(5,240) = 8.197$, $p<0.001$.

Table 7. 17: ANOVA Results: Demographic vs. Job satisfaction

Hypothesis	Description	Sum of SQ	df	Mean SQ	F	Sig.	Accept/ Reject Ho	Findings
H3a	Gender vs. Job satisfaction	2.300	1	2.300	5.399	0.021	Reject Ho and accept H1	The difference in staff gender in retailing has an effect on job satisfaction.
H3b	Length of service vs. Job Satisfaction	1.039	6	1.173	2.792	0.012	Reject Ho and accept H1	The difference in staff length of service in retailing has an effect on job satisfaction.
H3c	Age vs. Job Satisfaction	15.283	6	2.547	6.618	0.000	Reject Ho and accept H1	The difference in age groups has an effect on job satisfaction.
H3e	Core skill vs. Job Satisfaction	15.348	5	3.070	8.197	0.000	Accept Ho	The difference in core skill has no effect on job satisfaction.

The findings reveal significant differences in the staff length of service groups between 1-2 year and 6-10 year with mean difference of 0.367, p<0.1.

For age groups, significant differences are found between the age groups 16-24 and 35-39 with a mean difference of 0.116 , p<0.01; 25-29 and 30-34 with a mean

difference 0.144, p <0.05; 25-29 and 35-39 with a mean difference of 0.749, p<0.001 and above 50 and 35-39 with a mean difference 0.801, p<0.01.

For core skill, significant differences are found between finance and retail with a mean difference of 0.750, p<0.05; business and finance with a mean difference of 1.5, p<0.001; business and retail with a mean difference of 0.542, p<0.01; engineering and retail with a mean difference of 0.958, p<0.001, engineering and sales with a mean difference of 1.333, p<0.001; and engineering and others with a mean difference of 1.00, p<0.01. No further test for gender was necessary, since it consists of less than 3 groups.

In summary, statistically, the significant differences in job satisfaction were recorded in four demographic attributes: staff gender; length of service; age and the staff core skills. Two of the factors that affect job satisfaction are similar to the factors (length of service and core skills) in internal marketing and one (staff gender) is similar to leadership style.

The previous studies on the effect of demographic factors on job satisfaction produced divided findings, such as on the gender factor. Burke & McKeen (1996) established that gender proposition has a significant influence on job satisfaction which is consistent and supports the current study's finding. On the other hand, Kavanaugh; Duffy & Lilly (2006) suggest that gender has no significant effect on satisfaction facet scales and this has received support from other studies like Oshagbemi, (2000) ; Gaertner & Rude (1983), Senatra (1988), and Larkin (1990).

The same phenomenon is noted for the age factor. Two of the previous studies confirm that the age factor is significantly associated with job satisfaction (Kavanaugh; Duffy & Lilly 2006) and has a significant effect on job satisfaction

(Smith & Hoy, 1992). But this finding is not shared by Davis (2004), who is therefore inconsistent with the current study's finding.

7.4.4 HOD Performance Profile

The assessment of HOD performance is based on the achievements on seven internal marketing components: vision, mission, culture and value; corporate strategy; knowledge management; standard operating procedures; internal communication; human resources strategy and integrating internal and external marketing. The scales used are outstanding, good, acceptable fair and poor. Table 7.18 shows that 48.6% of respondents believed that the HOD had performed acceptably, followed by good performance (31.1%), fair performance (14.9%) and outstanding performance (5.4%). None of the respondents rated poor for overall HOD performance.

Table 7. 18: HOD performance by percentage

	n	Percent
Fair	33	14.9
Acceptable	108	48.6
Good	69	31.1
Outstanding	12	5.4
Total	222	100.0

The combination of fair and acceptable performance level percentages is 64% and greater than the combination of good and outstanding performance level percentage which is 36%.

7.4.4.1   Demographic Variables and HOD Performance

Hypotheses H4a –H4g are performed to predict the difference in staff gender; length of service in retailing; age group; education level; core skill; organisation attached and the effect HOD gender has on HOD performance.

Table 7. 19: Levene test results for Demographic vs. HOD Performance ANOVA

Independent Variable	Hypothesis	Levene Statistic	Df	Df2	Sig
Gender	H4a	2.593	1	220	0.109
Length of service	H4b	4.099	5	213	0.001
Age	H4c	3.314	6	212	0.004
Education	H4d	1.201	2	219	0.303
Core Skill	H4e	1.898	4	211	0.112
Organisation	H4f	3.540	1	220	0.061
HOD Gender	H4g	2.795	1	220	0.096

Table 7. 20: ANOVA Results: Demographic vs. HOD's Performance

Hypothesis	Description	Sum of SQ	df	Mean SQ	F	Sig.	Accept/ Reject Ho	Findings
H4e	Staff Core Skill vs. HOD performance	7.330	4	1.833	3.103	0.017	Reject Ho and accept H1	The difference in core skill has an effect on staff perception on HOD's performance in IM.
H4f	Organisation vs. HOD performance	5.829	1	5.829	10.022	0.002	Reject Ho and accept H1	The difference in organisation attached has an effect on staff perception on HOD's performance in IM.
H4g	HOD gender vs. HOD performance	6.380	1	6.380	11.017	0.001	Reject Ho and accept H1	The difference in HOD gender has an effect on staff perception on HOD's performance in IM.

Two independent variables have identified that the variances are significantly different: staff length of service and staff age with p<0.05 indicating that the assumption for these variables have not been met. Thus the Brown-Forsythe test one-way ANOVA is used for comparisons between groups. Table: 7.20 depicts the three independent variables that have a significant effect on HOD performance (dependent variable).

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The findings of the ANOVA tests indicate that statistical differences among groups exist in the staff core skill, $F_{(4,211)} = 3.103$, $p<0.05$; the organisation, $F_{(1,220)} = 10.022$, $p<0.01$; and the HOD gender, $F_{(1,220)} = 11.017$, $p<0.01$ once tested against the HOD performance. Thus it shows that the demographic factor has a significant effect on HOD performance. One of the findings, the staff gender, is found to be the same as the findings in both the leadership style and job satisfaction variables. The core skill is found to be similar within all the variables tested before. The finding that the staff gender has a significant effect on the performance contradicts the findings of Kakabadse et al. (1996), in which staff gender does not affect performance.

7.4.5 Summary

Figure 7.1 shows that all dependent variables are significantly affected by 4 of the independent variables except HOD performance which recorded 3. Staff perception on leadership style is significantly affected by staff gender, education level, core skill and the HOD gender as well. Staff perception on internal marketing is statistically affected by staff length of service, education, core skill and HOD gender. Job satisfaction is affected by staff gender, length of service, age and core skill. HOD performance is affected by staff core skill, organisation attached and HOD gender. The findings found in this section are important and will be discussed with other findings in Chapter 8: Discussion and conclusion.

Figure 7.1 : Summary results of Section 7.4
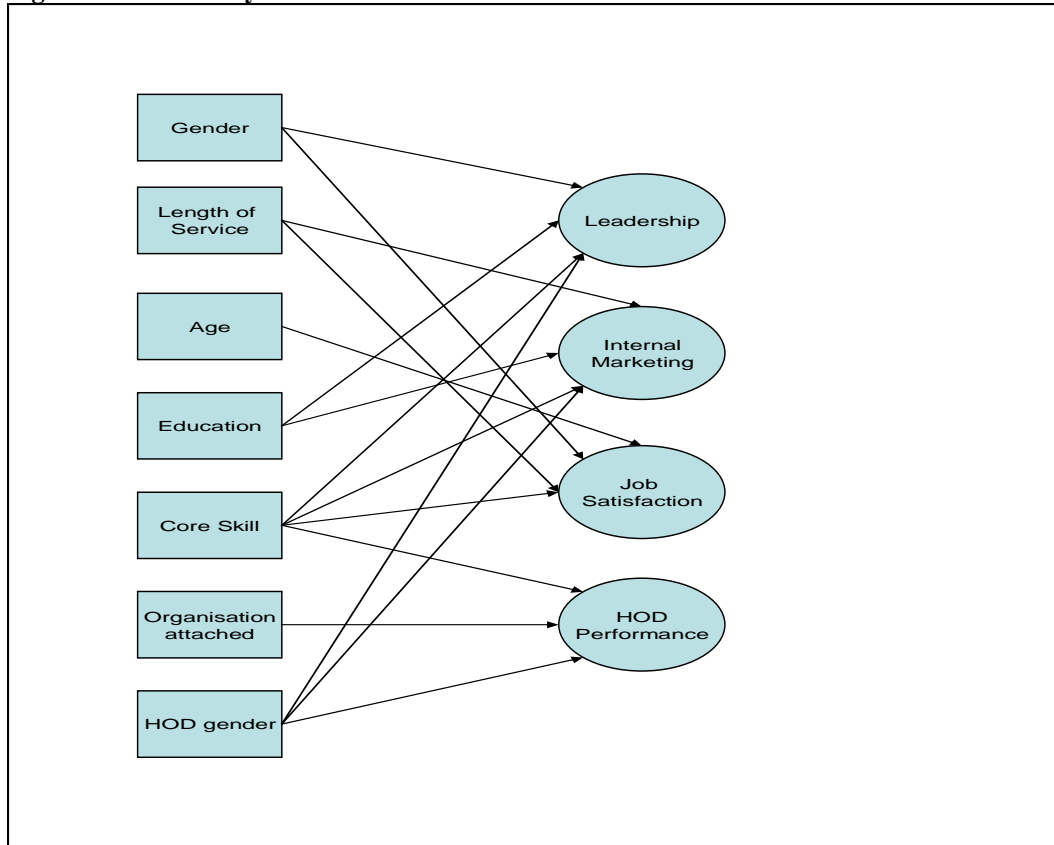
7.5   Correlation Analysis

Correlation analysis is conducted to study the level at which two variables move or diverge together from one case to the next, and to assess the significance of the connection. This analysis generates a correlation coefficient which explains the extent to which the two variables move together. The correlation coefficient is coded as "r". The "r" value range is between 0 to ±1. The value of zero (0) indicating that there is no relationship between the two variables. The value of ±1 showing that there is a perfect linear relationship between the two variables. A positive value shows that the two variables move together in the same trend, and when the "r" is a negative value, it shows that the variables move in opposite direction or trend.   In this research, correlation tests are employed to examine the correlation or relationship of continuous variables. Variables for Sections 2, 3, 4, 5 have been categorised as continuous

variables. In performing the correlation analysis it is not needed to classify dependent or independent variables. Thus correlation tests have been performed among these variables (leadership style, IM competency level, Job satisfaction and the HOD performance) in order to establish their relationship levels.

Table 7.21 depicts the findings of the correlations between these variables. Besides determining the correlation between variables, the correlation table indicates the statistical significance of the relationship. If a relationship between variables is statistically significant, this signals a good chance of these two variables being related to one another in the population. This section attempts to identify the following correlations.

1. Leadership style and Internal Marketing variables.

2. Leadership style and Job Satisfaction variables.

3. Leadership style and the HOD performance variables.

4. Internal Marketing and Job Satisfaction variables.

5. Internal Marketing and the HOD performance variables.

6. Job Satisfaction and the HOD performance variables.

Table 7. 21: Correlations Results

		Leadership	Internal Marketing	Job Satisfaction	HOD Performance
Leadership	Pearson Correlation	1	.422(**)	.464(**)	.449(**)
	Sig. (2-tailed)		.000	.000	.000
	N	258	252	243	222
Internal Marketing	Pearson Correlation	.422(**)	1	.440(**)	.432(**)
	Sig. (2-tailed)	.000		.000	.000
	N	252	252	240	219
Job Satisfaction	Pearson Correlation	.464(**)	.440(**)	1	.551(**)
	Sig. (2-tailed)	.000	.000		.000
	N	243	240	243	210
Head of Department Performance Level	Pearson Correlation	.449(**)	.432(**)	.551(**)	1
	Sig. (2-tailed)	.000	.000	.000	
	N	222	219	210	222

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

7.5.1 Correlation Test Results

Some guidelines have been introduced by previous researchers for the interpretation of a correlation coefficient. Based on a guideline developed by Cohen (1988), the correlation interpretations have been divided into 3 groups (i.e. small, medium, and large) as per Table 7.22.

Table 7. 22: Correlation Categories by Cohen (1988)

Correlation	Negative	Positive
Small	−0.29 to −0.10	0.10 to 0.29
Medium	−0.49 to −0.30	0.30 to 0.49
Large	−1.00 to −0.50	0.50 to 1.00

Cohen (1988) observes that all such criteria are in some way arbitrary and should not be observed too strictly. This is because the interpretation of a correlation coefficient depends on the context and purposes. A correlation of 0.9 may be very low if one is

verifying a physical law using high-quality instruments, but may be regarded as very high in the social sciences where there may be a greater contribution from complicating factors. These interpretations are applied in this study.

Table 7.21 provides the correlation results of the leadership style variable and internal marketing, job satisfaction, and HOD performance. These results indicate that the leadership style is correlated to all variables (internal marketing, job satisfaction, and HOD performance) but with varying degrees of correlations. Based on Cohen's (1988) guideline that the leadership style has medium correlations with all variables, since the Pearson's correlation tests recorded 0.30 to 0.49 results and the correlations are positive. Similar correlation results are also found between internal marketing and job satisfaction; and internal marketing and HOD performance. But the correlation between job satisfaction and HOD performance is considerably higher. All relationships between variables are statistically significant, $p < 0.001$.

7.6   Regression analyses

In the correlation test, the Pearson correlation is a measure for discovering the correlations involving sets of IVs and DVs. As discussed in Chapter 6, the Pearson correlation is unable to determine the causal relationship between variables. Multiple regressions ascertain accurately the statistical significance of the predictor variables on individuals DVs. The significance testing is achievable by multiple regressions to single variable and IV is when contributing to the R^2. This allows precise hypotheses to be analysed about the variance, attributable to some of the IVs in the equation, to answer the questions below. Chapter 6 explains the importance of regression analysis in examining the data. The main rationale of regression analysis is to discover more about the causal relationship between several independent variables

and a dependent variable. This section focuses on the study on the causal relationship between independent variables and a dependent variable. It also attempts to find the answers for the following research questions.

- Is leadership style having a significant effect on internal marketing organisational competency levels?

- What is the effect of leadership style on job satisfaction?

- What is the effect of leadership style on HOD performance in internal marketing components?

- What is the effect of IM on job satisfaction?

- What is the effect of IM on HOD performance?

- What is the relationship between HOD performance and job satisfaction in internal marketing in retailing?

The Listwise regression is conducted concurrently on a set of the predictor variables against each criterion variable. These analyses are divided into six: Leadership Styles and IM Competency Level (Section7.6.1); Leadership Styles and Job Satisfaction (Section 7.6.2); Leadership Styles and HOD Performance in IM; (Section 7.6.3) Job satisfaction vs. IM competency level (Section 7.6.4); HOD performance vs. IM competency level (Section 7.6.5) and Job Satisfaction vs. HOD Performance (7.6.6).

7.6.1 Multiple Regression analysis: Leadership styles vs. IM competency level

In analysing directly a relationship between IVs and a DV, the multiple regression analysis is employed in this study. In this subsection, regression analysis is employed to measure the relationship between independent variables, leadership styles and IM competency as a dependent variable. Regression analysis is conducted to test the degree and the direction of the influence of the independent variables, leadership styles on the dependent variables, IM competency levels; and a part of it is to gauge the statistical significance of the relationship. Another reason is to produce an equation to describe the value of dependent variables, IM competency level are influenced by independent variables, Leadership styles.

This section endeavours to answer the research question: Is the leadership style a having significant effect on internal marketing competency levels in retailing? The multiple regressions equation is presented below. H5a predicts that there is linear relationship between leadership styles as the independent variables and IM competency level as a dependent variable.

$$Y1= a+ß1X1+ ß2X2+ ß3X3+ ß4X4 + e$$

Where:

Y1=   **IM competency Level**

X1=   **Directive style**

X2=   **Supportive style**

X3=   **Participative style**

X4=   **Achievement oriented style**

ß1, ß2, ß 3, ß 4, = coefficients; and e= error term

Table 7. 23: Summary Model: Leadership Styles vs. IM competency

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.460	0.211	0.198	5.048

Table 7.23 shows that 19.8 per cent of the observed variability in IM competency levels is explained by leadership styles. In addition, the value of the F ratio $(4,244)$ $=16.335$ ($p<0.001$) in Table 7.24, indicates that it is safe to accept H5a, that there is significant linear relationship between leadership styles and IM competency levels. Thus, the significance (*p*) value for leadership style variables shows that leadership styles have statistically significant predictive capability on IM competency.

Table 7. 24:: ANOVA: Leadership Styles vs. IM competency

	Sum of Squares	df	Mean Square	F	Sig.
Regression	1664.735	4	416.184	16.335	.000
Residual	6216.807	244	25.479		
Total	7881.542	248			

Table 7. 25: Regression: Leadership Styles vs. IM competency

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	4.708	1.980		2.377	.018
Achievement Oriented Style	0.509	.138	.394	3.699	.000
Participative Style	0.396	.137	.275	2.881	.004
Directive Style	-.489	137	-.379	-3.584	.000

Table 7.25 depicts that it is safe to reject null hypotheses for directive, participative and achievement oriented styles of leadership. In contrast, we have to accept the null hypothesis for a supportive style of leadership. The beta weights show that achievement oriented is absolutely stronger than the directive and participative styles in explaining IM changes. In addition, Table 7.25 explains that the directive style has a negative effect on IM competency levels. The increment in directive styles of

leadership causes a reduction in IM competency levels. The findings in Table 7.25 generate the following regression equation:

Y1= 4.708-0.489X1+ 0.396X3+ 0.509X4 + e

Where:

Y1=   **IM competency Level**

X1=   **Directive style**

X2=   **Supportive style**

X3=   **Participative style**

X4=   **Achievement oriented style**

ß1, ß 3, ß 4, = coefficients; and e= error term

In summary, two of leadership styles: participative and achievement oriented, have positive significant effects on internal marketing competency level**s** in retailing. Any changes in participative and achievement oriented styles of leadership will affect the increments of internal marketing competency level**s**. In contrast, any changes in the directive style of HOD resulting in the diminution of internal marketing competency in retailing. If the leadership styles and internal marketing competency level can be measured, the above equation can estimate the changes in IM when leadership styles changed. If directive, participative and achievement oriented styles change by one unit each, the internal marketing level will change by 5.124 units.

7.6.2 Multiple Regression Analysis: Leadership Styles vs. Job Satisfaction

H5b predicts that there is linear relationship between leadership styles and staff job satisfaction. As leadership styles consists of four styles (directive, participative, supportive and achievement oriented), we can add the sub-hypotheses that all

leadership styles have a significant positive effect on staff job satisfaction. This regression analysis attempts to answer the following question: What is the statistical effect of leadership style on job satisfaction? The hypotheses can be expressed in a multiple linear regression equation as:

$$Y2 = a + ß1X1 + ß2X2 + ß3X3 + ß4X4 + e$$

Where:

Y2=   **Job satisfaction**

X1=   **Directive**

X2=   **Supportive**

X3=   **Participative**

X4=   **Achievement oriented**

ß1, ß2, ß 3, ß 4 = coefficients; and e= error term

Table 7. 26: Summary Model: Leadership Styles vs. Job Satisfaction

R	R Square	Adjusted R Square	Std. Error of the Estimate
.538	.290	.278	8.945

The findings in the Table 7.26 for this regression summary model shows that 27.8 per cent of the observed variance in staff job satisfaction is explained by leadership styles (R^2=0.290, Adjusted R^2=0.278). Table 7.27 shows the value of the F ratio $(4,235) = 23.978$ ($p<0.001$) .It indicates that it is safe to accept H5b, that there is significant linear relationship between leadership styles and staff job satisfaction. Leadership styles are found to be predictors for staff job satisfaction.

Table 7. 27: ANOVA: Leadership Styles vs. Job Satisfaction

	Sum of Squares	df	Mean Square	F	Sig.
Regression	7674.630	4	1918.657	23.978	.000
Residual	18803.970	235	80.017		
Total	26478.600	239			

Table 7. 28: Regression: Leadership Styles vs. Job Satisfaction

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	27.553	3.480		7.917	.000
Achievement Oriented Style Scores	.611	.229	.251	2.667	.008
Participative Style Total Scores	.642	.246	.242	2.605	.010

To test the null hypotheses that the population partial regression coefficient for variables is zero, t-statistic and its observed significance level are used. Results from Table 7.28 also indicates that we can safely reject null hypotheses that the coefficients for achievement oriented style ($\beta4=0.611$, t=2.667, p<0.01) and participative style ($\beta3=0.642$, t=2.605, p<0.05). However, we have to accept the null hypotheses for directive and supportive styles. The beta weights show that the achievement oriented style of leadership (0.251) is relatively stronger than the participative style (0.242) in explaining the changes in the staff job satisfaction. The regression equation for this subsection as stated below.

$$Y2= 27.553 +0.642X3+ 0.611X4 +e$$

Where:

Y2=   Job satisfaction

X3=   Participative

X4=   Achievement oriented

ß 3, ß 4 = coefficients; and

e= error term

In summary, two of leadership styles: participative and achievement oriented have positive significant effects on job satisfaction in retailing. Any changes in

participative and achievement oriented styles of leadership will affect staff job satisfaction level**s**. If leadership styles and job satisfaction can be measured, the above equation can estimate the changes in job satisfaction when the leadership styles change. If the participative and achievement oriented styles change by one unit each, the internal marketing level will change by 28.806units.

7.6.3 Multiple Regression Analysis: Leadership styles vs. HOD Performance

H5c predicts that there is linear relationship between leadership styles and the HOD performance level. Leadership styles have four components (i.e. directive, participative, supportive and achievement-oriented) and have a significant positive effect on IM competency levels. The hypotheses can be expressed in multiple linear regression equation as:

$$Y3= a+ß1X1+ ß2X2+ ß3X3+ ß4X4 + e$$

Where:

Y3=   **HOD performance**

X1=   **Directive**

X2=   **Supportive**

X3=   **Participative**

X4=   **Achievement oriented**

ß1, ß2, ß 3, ß 4 = coefficients; and e= error term

Table 7. 29: Summary Model: Leadership Styles vs. HOD Performance

R	R Square	Adjusted R Square	Std. Error of the Estimate
.579	.336	.323	16.559

The results in Table 7.29 for this regression model shows that 32.3 per cent of the observed variance in the HOD performance level is explained by two independent

variables (R^2=0.336, Adjusted R^2=0.323). Table 7.30 shows that the value of the F ratio (4,217) = 27.397 (p<0.001) and indicates that it is safe to accept H5c, that there is significant linear relationship between the HOD performance and the leadership styles.

Table 7. 30: ANOVA: Leadership Styles vs. HOD Performance

	Sum of Squares	df	Mean Square	F	Sig.
Regression	30048.657	4	7512.164	27.397	.000
Residual	59499.884	217	274.193		
Total	89548.541	221			

Table 7. 31: Regression: Leadership Styles vs. HOD Performance

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	34.024	6.413		5.305	0.000
Achievement Oriented Style Scores	2.410	.482	.516	5.000	0.000
Participative Style Total Scores	1.889	.476	.387	3.972	0.000
Directive Style	-2.059	.463	-.464	-4.445	0.000

To test the null hypotheses that the population partial regression coefficient for a variable is zero, t-statistic and its observed significance level are used. Results from Table 7.31 also ensure that we can safely accept the null hypotheses as the coefficient for supportive style. However, we have to reject the null hypotheses for achievement oriented style (ß4= 2.410, t=5.000, p<0.001) ; participative style (ß3= 1.889, t=3.972, p<0.001) and directive style(ß1= -2.059, t=-4.445, p<0.001) .The beta weights show that achievement oriented style (ß4=2.410) is greater than participative (ß3=1.889) and directive (ß1=-2.059) styles in explaining the changes in HOD performance.

$$Y3= 34.024-2.059X1+1.889X3+ 2.410X4+ e$$

Where:

Y3=   HOD performance

X1=   Directive

X3=   Participative

X4=   Achievement oriented

ß1, ß 3, ß 4 = coefficients; and e= error term

In summary, two of the leadership styles: participative and achievement oriented have positive significant effects on HOD Performance in retailing. Any changes in the participative and achievement oriented styles of leadership will affect the increments of HOD performance. In contrast, any changes in the directive style of the HOD will result in a diminution of the HOD performance in retailing. If the leadership styles and the internal marketing competency levels can be measured the above equation can estimate the changes in the HOD performance when the leadership styles are changed. If the directive, participative and achievement oriented styles change by one unit each, the internal marketing level will change by 36.264 units.

7.6.4 Regression Analysis: IM competency vs. level Job Satisfaction

H5d predicts that there is linear relationship between IM competency levels and job satisfaction. Thus the assumption is that the IM competency level has a significant positive effect on job satisfaction. The hypothesis can be expressed in a linear regression equation as:

$$Y4= a+ß1X1 + e$$

Where:

Y4=   IM competency level

X1=   Job satisfaction

ß1 = coefficients; and e= error term

The results in Table 7.32 for this regression summary model explains that 48.7 per cent of the observed variance in job satisfaction is explained by the IM competency (R^2=0.489 adjusted R^2=0.487). Table 7.33 shows that the value of the F ratio (1,238) = 228.093, (p<0.001) and indicates that it is safe to accept H5d, that there is significant linear relationship between IM competency and job satisfaction.

Table 7. 32: Summary Model: Job Satisfaction vs. IM Competency

R	R Square	Adjusted R Square	Std. Error of the Estimate
.700	.489	.487	7.621

Table 7. 33: ANOVA: Job Satisfaction vs. IM Competency

	Sum of Squares	df	Mean Square	F	Sig.
Regression	13248.867	1	13248.867	228.093	.000
Residual	13824.295	238	58.085		
Total	27073.163	239			

Table 7. 34: Regression: Job Satisfaction vs. IM Competency

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	37.798	1.431		26.420	.000
Internal Marketing Indicator	1.324	.088	.700	15.103	.000

To test the null hypotheses that the population partial regression coefficient for a variable is zero, t-statistic and its observed significance level are used. Results from Table 7.34 also signifies that it is safe to reject the null hypothesis for IM competency (ß1= 0.700, t=15.103, p<0.001). The value for the IM competency variable indicates

that the IM variable has statistically significant predictive capability on job satisfaction.

$$Y5= 37.798+1.324X1 + e$$

Where:

Y5= **Job satisfaction**

X1= **IM competency level, ß1 = coefficients; and e= error term**

In summary, the IM variable has a positive significant effect on staff job satisfaction in retailing. Any changes in IM will affect the increments of job satisfaction. If the internal marketing competency levels and job satisfaction can be measured, the above equation can estimate the changes in staff job satisfaction when IM changes. If the IM changes by one unit each, the staff's job satisfaction will change by 39.122 units.

7.6.5 Regression Analysis: IM competency vs. HOD performance

H5e predicts that there is linear relationship between IM competency and HOD performance. The hypothesis can be expressed in linear regression equation as:

$$Y5= a+ß1X1 + e$$

Where:

Y5= **HOD performance**

X1= **IM competency level**

ß1= coefficients; and

e= error term

Table 7. 35: Summary Model: IM Competency vs. HOD performance

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.527	0.278	0.274	17.097

The findings in Table 7.35 for this regression model shows that 27.4 per cent of observed variance in HOD performance is explained by the IM competency (R^2=0.278, Adjusted R^2=0.274). Table 7.36 shows the value of the F ratio (1,217) = 83.407(p<0.01). And it is safe, therefore, to reject the null hypothesis.

Table 7. 36: ANOVA: IM Competency vs. HOD performance

	Sum of Squares	df	Mean Square	F	Sig.
Regression	24379.748	1	24379.848	83.407	.000
Residual	63428.836	217	292.299		
Total	87808.685	218			

Table 7. 37: Regression: IM Competency vs. HOD's performance

		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
(Constant)		52.994	3.200		16.562	.000
Internal Indicator	Marketing	1.817	.199	.527	9.133	.000

To test the null hypotheses that the population partial regression coefficient for variables is zero, t-statistic and its observed significance level are used. Results from Table 7.37 also confirms that we can safely reject null hypotheses that the coefficients for IM competency (ß1=1.817, t=9.133, p<0.001).The beta weight indicates that IM competency level is relatively good in explaining the changes in HOD performance.

$$Y5=52.994+1.817X1 + e$$

Where:

Y5=   HOD performance

X1=   IM competency level

ß1= coefficients; and

e= error term

In summary, the IM variable has positive significant effects on HOD performance in retailing. Any changes IM will affect the increments of HOD performance. If the internal marketing competency level and HOD performance can be measured the above equation can estimate the changes in HOD performance when IM is changed. If IM changes by one unit each, the HOD performance will change by 54.811 units.

7.6.7 Regression Analysis: HOD Performance vs. Job Satisfaction

H5e predicts that there is linear relationship between the IM competency and the HOD performance. The hypothesis can be expressed in a multiple linear regression equation as:

$$Y6= a+\text{ß}1X1 + e$$

Where:

Y6= **HOD performance**

X1= **IM competency level**

ß1= coefficients; and

e= error term

Table 7. 38: Summary Model: HOD performance vs. Job Satisfaction

R	R Square	Adjusted R Square	Std. Error of the Estimate
.551	.304	.301	.549

The findings in the Table 7.38 for this regression model shows that 30.1 per cent of observed variance in job satisfaction is explained by HOD performance (R^2=0.304, Adjusted R^2=0.301). Table 7.39 indicates that the value of the F ratio (1,208) =90.901, p<0.001.

Table 7. 39: ANOVA: HOD Performance vs. Job Satisfaction

	Sum of Squares	df	Mean Square	F	Sig.
Regression	27.370	1	27.370	90.901	.000
Residual	62.630	208	.301		
Total	90.000	209			

Table 7. 40: Regression: HOD performance vs. Job Satisfaction

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.508	.161		15.572	.000
Head of Department Performance Level	.456	.048	.551	9.534	.000

To test the null hypotheses that the population partial regression coefficient for variables is zero, t-statistic and its observed significance level are used. Results from Table 7.40 also confirms that it is safe to reject null hypothesis for HOD performance ($ß1=0.456$, $t=9.534$, $p<0.01$).

$$Y6= 2.508+0.456X1 + e$$

Where:

Y6=   HOD performance

X1=   IM competency level

ß1= coefficients; and

e= error term

In summary, the HOD performance variable has positive significant effects on staff job satisfaction in retailing. Any changes in HOD performance will affect the increments of the staff job satisfaction. If the HOD performance and job satisfaction can be measured the above equation can estimate the changes in job satisfaction when HOD performance changes. If HOD performance changes by one unit each, the HOD performance will change by 2.964units.

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7.6.8 Summary

In summary, the results from the multiple linear regressions are given in Table 7.41. This section explores the impacts of IVs on DV. The findings of this study lead to a number of interesting implications for current and future studies. The key findings for the direct impact of IVs on DV are:

Table 7. 41: The summary of Regressions Results

IV	DV	Unique Variance
Leadership styles (DS/PS/AOS)	Internal Marketing	19.8%
Leadership styles (PS/AOS)	Job Satisfaction	27.8%
Leadership styles (DS/PS/AOS)	HOD Performance	32.3%
Internal Marketing	Job Satisfaction	48.7%
Internal Marketing	HOD Performance	27.4%
HOD Performance	Job Satisfaction	30.1%

Table 7.41 indicates that overall leadership styles contributed approximately 20 per cent of unique variance for IM. The variation of IM competency level is explained by leadership styles. The results presented here demonstrate that overall leadership style has a statistical effect on IM competency level. The findings from this study have also supported that the directive, achievement oriented and participative styles are the three styles of leadership that have significant effects on IM. In addition, the findings also show that directive leadership style is a key barrier to IM competency. This is supported by the negative relationship between the directive style and the internal marketing. The increment of directive style of leadership causes reduction in internal marketing competency levels.

In addition, this study also attempts to establish the statistical effect of the leadership styles on HOD performance and job satisfaction which is explained in

Table 7.41. The findings explain that approximately 32.3 per cent of the variation of job satisfaction can be explained by analysing leadership style. As such, this study empirically verifies leadership style as a critical antecedent of job satisfaction. The findings show that supportive, achievement oriented and directive leadership styles are pivotal facilitating factors for two linked reasons. In addition, the directive style has a negative causal relationship with job satisfaction.

Another interesting finding of the study is the establishment of the statistical effect of leadership style on HOD performance. Leadership style contributes about 32.3% of the unique variance of HOD performance. The three leadership styles: participative and achievement oriented have significant effects on HOD performance.

Figure 7. 1: Regression summary results
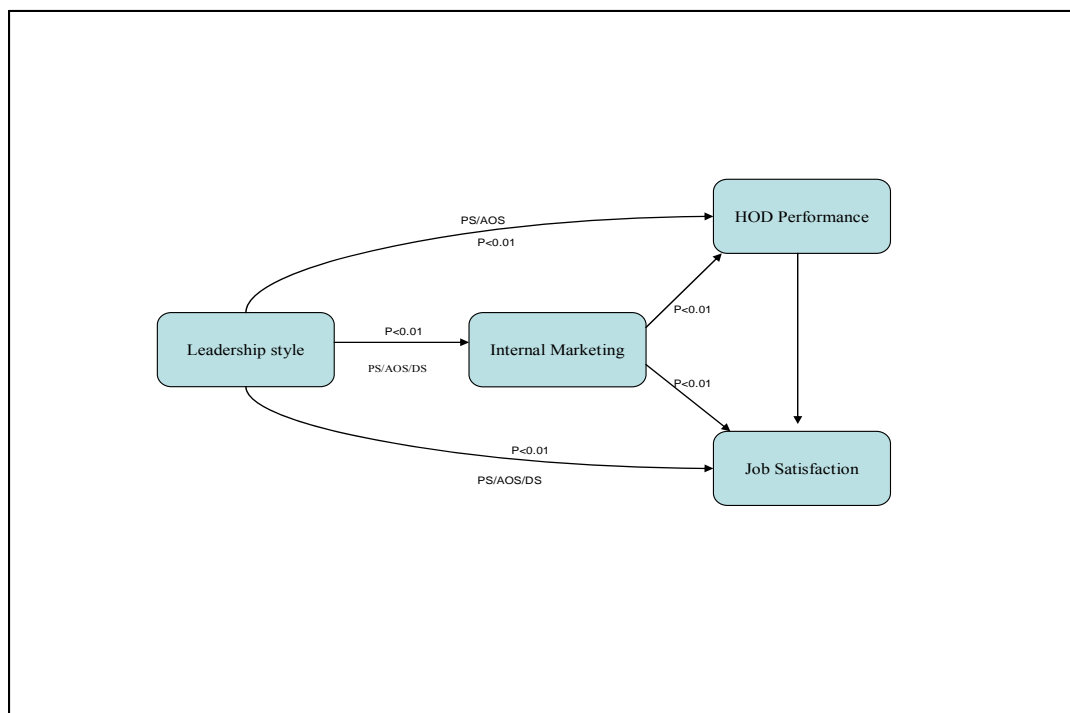
Additionally, the study has explored the causal relationship between: IM vs. job satisfaction; IM vs. HOD performance and HOD performance vs. job satisfaction. IM has a significant effect on job satisfaction and HOD performance. Approximately

50% of the observed variance in job satisfaction is explained by the IM variable. The IM variable also has a positive significant effect on HOD performance. About 27.4% of observed variability in HOD Performance is explained by the IM variable.

The last analysis for the regression is between the HOD performance and job satisfaction. It shows that 30% of the observed variance in job satisfaction is explained by HOD performance. All test are highly significant ($p < 0.01$).

7.7   Conclusion

This chapter outlines the findings established from the data analysis. The main objective of this chapter is to excavate the underlying factors that have significant effects in this research. It is divided into six major sections. They are: demographic profile; validity and reliability tests; factor analysis; ANOVA; correlations and regression.

Prior to exploring and describing the relationship between leadership style, job satisfaction, and HOD's performance against IM competency, the scales were examined and assessed to gauge reliability and validity. Kaiser-Meyer-Olkin (KMO) and Barlett's tests were employed for data validity tests. The Cronbach's alpha tests were engaged for data reliability. These tests resulted in the calculation of KMO which were above 0.727 and coefficients which were above 0.867 for all variables (details in section7.3.1 and 7.3.2). All variables recorded values more than 0.40 for KMO tests and 0.60 for Cronbach's alpha. Thus the high coefficient scores led to the conclusion that the scales were acceptably reliable.

The initial exploration of data was undertaken via the calculation and examination of descriptive statistics. In testing hypotheses, demographic data section 1 (gender, age group, education level, length of service, core skills, organisation and

HOD gender) was set as the independent variable; and leadership style, internal marketing , job satisfaction and the HOD performance were set as the dependent variables. Table 7.7 describes that differences in gender, core skills and education levels of the staff have significant effects upon their (staff's) perceptions of the leadership style of the HOD. In addition, the staff also perceive that the HOD's gender has a significant effect on his/her leadership style. Table 7.21 presents the results of the Pearson-product moment correlation analysis between leadership styles, IM competency, job satisfaction and HOD performance. These results indicate that the leadership style is correlated to all variables (internal marketing, job satisfaction, and HOD performance) but with varying degrees of correlations. Based on Cohen's (1988) guideline that the leadership style has medium correlations with all variables, since the Pearson's correlation tests recorded 0.30 to 0.49 results and the correlations are positive. Similar correlation results are also found between internal marketing and job satisfaction; and internal marketing and HOD performance. But the correlation between job satisfaction and HOD performance is considerably higher. All relationships between variables are statistically significant, $p<0.001$.

Whilst the analysis presented in Table 7.21 provides a strong indication of associations, it should be noted that zero-order correlation analysis may over estimate the strength and direction of association. Consequently, some form of multivariate analysis is deemed necessary. In this study regression analysis is potentially appropriate. The main focus in this study is to identify the impact of leadership style on IM competency in an organisation. In making the study more interesting and to widen the scope of the study area, the element of job satisfaction and HOD performance were included and tested against leadership style and IM competency.

In summary, this section highlights that two leadership styles: participative and achievement oriented have statistical effects on IM, job satisfaction and HOD's performance. However, the directive style has a negative effect on IM and job satisfaction but not on HOD performance. The IM has a significant effect on HOD performance and job satisfaction. The last finding is that HOD performance has a significant effect on job satisfaction. The supportive style is the only leadership style that does not have a significant effect upon all the DVs (IM, job satisfaction and HOD performance).

In the next chapter, the discussions and conclusions of findings of this study will be presented. It also establishes the linkages between the theoretical and actual implications of the findings, considers the limitations of the study and put together recommendations for areas needing to be explored in future research.

CHAPTER 8

DISCUSSION AND CONCLUSIONS

8.1   Introduction

This empirical research aspires to establish the relationship between leadership style, internal marketing, job satisfaction and HOD performance with an intention to contribute to the body of knowledge in these particular fields. As stated in Chapter 7, at the causality level, the findings confirm that leadership style is the significant factor determining internal marketing competency levels, job satisfaction and HOD performance in retailing.

This section recapitulates and concludes the key findings of the research and discusses the implications on leadership style; internal marketing competency levels, job satisfaction and HOD performance. The objectives, the methods engaged, and the results have been examined in the preceding chapters. This chapter brings the results and information from the previous chapters together and builds up the associations between them to present the overall summary, discussion and conclusion.

This chapter is divided into 8 sections. Section 8.2 commences by summarising the study. This section provides an overview of the processes involved in this study. The conclusions concerning the key research questions and distinctive contribution to HOD leadership style, internal marketing competency levels, employees' job satisfaction and HOD effectiveness are highlighted in Section 8.3. This section consolidates all the findings of the key research questions and makes a comparison with previous studies. Section 8.4 details the revised theoretical model based on the findings. The discussion is based on the Path-Goal Theory of leadership.

The key contributions of the current research findings on the current literature are discussed in Section 8.5 and followed by the implications of the findings on internal marketing; job satisfaction and HOD performance are explained in the Section 8.6 and followed by the recommendations for future studies which are in Section 8.7. The last Section 8.8 presents the overall study conclusions.

8.2   Synopsis of the studies

This study aims to establish the relationship between the leadership style of the HOD and the dimensions of internal marketing competency, staff job satisfaction and HOD performance in retailing. The main purpose of this study is to determine which style of leadership has a significant effect on internal marketing competency levels, staff job satisfaction and HOD performance. The study desires to discover the mediating affects of IM on the relationship between leadership and staff job satisfaction and leadership and HOD performance. The initiative to roll out the study starts when the researcher has realised that, despite the impact of employee characteristics on leadership style, job satisfaction and HOD performance, IM has received considerably less attention in those related studies. This study aims to provide a significant contribution for future research in these areas of knowledge.

In arguing to support the viability of the study, an extensive relevant literature review on leadership, internal marketing, job satisfaction and performance has been made to determine whether the current state of knowledge represents the key facets of the study. A wide dimension of material has been reviewed: literatures on leadership, internal marketing, job satisfaction and performance. These have been compiled and reviewed. The materials have been filtered and evaluated for their relevance to the

study. This is to ensure that the literature review process is extensive and accurate. The relevant literature review is presented in three chapters: Chapter 2-4.

Chapter 2 provides an overview of the leadership study. It set out (1) to present and review some common models and ideas related to the leadership study; and (2) to indicate the implications of leadership in organisations. The results of the literature review indicate that the leadership style element is found in most of the leadership approaches, theories and models. Based on the literature review, the researcher found the Path-Goal Theory to be one of the most established theories in investigating leadership style. The advantages of Path-Goal Theory are: 1) it provides a useful and powerful theoretical framework to understand leadership style, staff job satisfaction and job performance; 2) it provides a model that is considerably practical and suits the retail sector; and 3) it addresses issues on staff motivation which is incorporated in the questions concerning staff motivation. The results will have implications for increasing performance and job satisfaction.

Chapter 3 presents discussions on various internal marketing concepts and the importance of the internal marketing role in an organisation. Furthermore, this chapter attempts to elaborate the key concepts and areas in internal marketing and therefore contributing to a better understanding of this area of study. The literature review reveals that the IM category is composed of employee satisfaction; customer-orientation; HRM orientation and strategy implementation and change elements. This IM category has been introduced by Rafiq & Ahmed (2000) and it has been adopted with some modifications by Hwang & Chi (2005). The most suitable definition of IM for this study is that introduced by Parasuraman, Berry & Zeithaml (1991). The 7Ps marketing mix is used in developing the survey questions.

Chapter 4 attempts to identify the gaps between the previous literature review in leadership, the IM studies and the industry being investigated in this study, which is the retail sector. It discovers some empirical evidence on leadership style and IM studies in retailing. Based on the research gaps, the researcher has developed 10 research questions which have been incorporated in the survey questions.

Chapter 5 details and explains the link between the theoretical review and the fieldwork. This chapter explains various thoughts on the methodology of the study and investigates and selects the most suitable research methodology to be employed. The researcher found that the positivist approach; the quantitative method and the survey research instrument, is the most suitable research paradigm, method and instrument, to be used in this study.

Chapter 6 evaluates the statistical techniques used by other researchers and the importance of different types of data analysis to different sets of data. Data analysis is not just about performing statistical calculations on numerical variables; it is also about making sense of a dataset as a whole, and thinking about a range of alternative ways of approaching the analysis of the dataset. The most appropriate statistical package to analyse data is the SPSS package. In addition, three main statistical methods have been applied: univariate, ANOVA/MANOVA and regression analysis.

Chapter 7 outlines the results of data analysis and hypotheses tests. Analysis of data is undertaken using the Statistical Package for the Social Science (SPSS) version 15.0 for XP Windows operating system. In this study six statistical analyses have been used: descriptive analysis; validity and reliability tests; factor analysis; ANOVA/MANOVA; correlations and regression. The main findings are: 1) leadership style has a significant effect on IM; 2) leadership style has a significant

effect on job satisfaction; 3) leadership style has a significant effect on HOD performance; 4) IM mediates the relationship between leadership style and job satisfaction; 5) IM mediates the relationship between leadership style and HOD performance; and HOD performance is mediated by the relationship between leadership and job satisfaction.

For the rest of the chapter the discussions are drawn into the study's findings. The findings will be compared with the various findings from the preceding relevant studies to ascertain their credential. The study's contribution to academic knowledge and industry will depend on the strength of the findings. The study's implications on leadership and internal marketing practices in retailing will be discussed concurrently. It is impossible to produce research, however good, which is without weaknesses and limitations, especially in cross-sectional research. The last section of this chapter highlights the unexpected limitations encountered while conducting the research. The knowledge of the limitations is useful for future research.

8.3   Discussion of Key Research Findings

The discussion in this section focuses on the findings deriving from the analysis of variance tests (ANOVA), the correlation analysis and the research questions. It has two key areas: Overview of ANOVA and correlation analysis and discussion on the relationship between the key variables: leadership, internal marketing, job satisfaction and the HOD performance.

Before venturing deeper into a discussion on the relationship between leadership, internal marketing, job satisfaction and HOD performance, Section 8.3.1 overviews and discusses the demographic factor effects on each of the key variables and presents the correlation analysis tests.

The following sections intend to relate and compare the findings with the preceding studies having a similar orientation. The key objectives of the study are to understand the influence of HOD leadership style on internal marketing competency, staff job satisfaction and HOD performance in retailing. Sections 8.3.2-8.3.5 discuss the direct effects of leadership style on internal marketing, job satisfaction and the HOD performance. Section 8.3.5 also discusses: (1) the direct effects of internal marketing on job satisfaction and HOD performance; and (2) the mediating effects of internal marketing on the relationship between leadership style and job satisfaction as well as leadership style and HOD performance; and the mediating effect of HOD performance on the relationship between the leadership style and job satisfaction.

8.3.1 The Overview of Demographic factors and the correlations between key variables.

Using the analysis of variance (ANOVA) technique, the researcher has developed an in-depth understanding of the populations that have different means. In general, the purpose of analysing variance (ANOVA) is to test for significantly different means between groups. This section outlines the discussions on the ANOVA tests that produce a significant ($p)$ value. ANOVA reveals how leadership, internal marketing, job satisfaction and HOD performance are affected by the demographic factor.

Demographic vs. Leadership style

Firstly, this section starts with a discussion on the influence of demographic factors on leadership style. The findings reveal that four demographic factors have significantly different means among the groups tested against leadership in the ANOVA tests. They are staff gender; staff core skill, education level and HOD gender.

The findings can be summarised as follows: differences in gender, core skill and education level have significant effects on their (staff's) perception of the

leadership style of the HOD. In addition, staff also perceive that HOD gender has a significant effect on leadership style. It is also noted that the *F* value for the HOD gender attribute is considerable, indicating that staff perceive a considerable difference in leadership style between male and female HODs.

These findings are supported by previous studies. The literature review, for example, reveals that a few studies have evidenced gender differences in leadership style (Helgesen, 1990; Hennig & Jardim, 1977; Rosner, 1990). One of the studies reveals that female prefer to use a participative supervisory style more than male, but that male use a more masculine leadership approach. (Rozier & Hersh-Cochran, 1996). The findings are also supported by other studies conducted by Ely (1994); Gilligan (1982) and Heilbrun (1976) which indicate that gender **is** a significant "differentiator" of how men and women operate in the workplace. Other studies, on the contrary, Korac-Kakabadse et al. (1998) provide evidence that gender is a non-significant demographic factor in determining leadership perspectives. Similarly, in a recent study, leadership did not differ according to the leader's gender (Powell et al. 2008). All of which shows that the influence of the demographic factor on leadership style is various and depends on the population of the study. This has triggered some caution in generalising the findings on the effect of demographic factors on leadership style.

Demographic vs. Internal Marketing

Secondly, the discussion focuses on the internal marketing variable. The findings of the ANOVA tests show that the significant differences among the groups' means are established in four demographic factors. Three of the factors are similar to the findings in the leadership variable: core skill, education level and HOD gender. But staff gender does not show any significant difference in mean. On the other hand,

staff length of service shows a significant difference in mean between the groups. Thus, it indicates the effects of these factors on internal marketing competency levels in retailing.

Staff perceptions on internal marketing competency levels are affected by length of service, education level and core skill of the staff. Staff also perceive that HOD gender plays a significant role in determining internal marketing competency. Two of the demographic attributes, staff core skill and HOD gender record very large F values, thus indicating that the groups in core skill and the HOD gender categories are clearly different from each other.

Demographic vs. Job Satisfaction

Thirdly, as explained in Chapter 7, Section 7.4.3, the statistically significant differences in job satisfaction were attached to four demographic attributes: staff gender; length of service; age; and core skill. Two of the factors that affect job satisfaction are similar to the factors (length of service and core skill) in internal marketing and one (staff gender) is similar to leadership style. Staff age is the only factor not found in leadership style and internal marketing.

The findings reveal that job satisfaction is statistically affected by gender, length of service, age and core skill. The previous studies on the effect of the demographic factor on job satisfaction produce divided findings. Burke & McKeen (1996) state gender has a significant influence on job satisfaction, which is consistent with the current study findings. On the other hand, Kavanaugh; Duffy & Lilly (2006) suggest that gender has no significant effect on any satisfaction facet scales and this has received support from other studies like Oshagbemi, (2000) ; Gaertner & Rude (1983), Senatra (1988), Larkin (1990). Clearly, all these findings are inconsistent with

the current study's findings. This study's findings show that the demographic factor has an empirically proven effect on job satisfaction level in retailing. Since there have been limited studies in this area of the retail sector, future research could use these findings as points of reference.

The same phenomena is noted for the age factor. Two of the previous studies confirm that the age factor is significantly associated with job satisfaction and has a significant effect (Kavanaugh; Duffy & Lilly 2006) (Smith & Hoy, 1992). But this finding is not shared by Davis (2004), whose findings are therefore inconsistent with those of the current study.

Demographic vs.The HOD performance

The last discussion focuses on HOD performance. The findings of the ANOVA tests indicate that there are statistical differences among groups in the following: staff core skill; the organisation; and HOD gender, when tested against HOD performance. Thus it shows that the demographic factor has a significant effect on HOD performance. One of the findings (staff gender) is found to be the same as the leadership style and job satisfaction variables. The core skill finding is similar in all variables tested previously. The finding that gender has a significant effect on performance contradicts the findings of Kakabadse et al. (1996), in which gender does not affect performance.

Unlike other demographic factors, although the core skill has a significant effect on all key variables, the finding is unable to gain support from previous studies. It is hoped that the establishment of this finding will be a state of reference for future research.

8.3.2 Leadership Style Relates to Internal Marketing in Retailing

Leadership is categorised into four main styles: directive, supportive, participative and achievement oriented. The leadership style profile has been established in Section 7.4.1. In retailing, the most rated leadership style by employees is the participative style which scored 52.3% or more than half of the respondents, followed by the directive style (15.5%), the combinations of participative and achievement oriented (11.2%), the achievement oriented (10.5%) and the combinations of supportive and participative styles (3.9%). As explained in Section 4.5, leadership studies are notably limited in retailing. This consequence has forced the researcher to venture into other industries that emphasise customer orientation.

This study hypothesises that leaders with different styles of leadership have a significant effect on internal marketing (Section 7.6.1), job satisfaction (Section 7.6.2) and HOD performance (Section 7.6.3). The findings are supported by the hypotheses' results in Chapter 7. The results confirm the existence of an overall significant difference of styles of leadership in three hypothetical tests: internal marketing, job satisfaction and HOD performance.

The leadership style of the leaders influence about 20% of the variation in the internal marketing competency levels in retailing. The regression of the four leadership styles when tested against internal marketing competency is consistent with the finding by (Harris & Ogbonna 2001) which is 27%. As such, this indicates that the leadership style has an effect on internal marketing. The results also reveal that the achievement oriented style is the most influential style of leadership on internal marketing competency levels, followed by the directive, then the participative style. Moreover, the directive leadership style has exhibited a significant negative effect on

internal marketing. The leader with a directive style of leadership is perceived as not contributing to the increment of competitiveness levels in internal marketing practices. The directive style is apparently believed to be a barrier to the fostering of internal marketing practices in retailing. Only the supportive style is found not to be pertinent to internal marketing practices in retailing. As explained in Section 3.4, the IM category consists of employee satisfaction, customer-orientation, HR strategy and strategy implementation and change management (Hwang & Chi 2005;Rafiq & Ahmed 2000). The following paragraphs discuss the significance of the findings and the internal marketing categories.

Firstly, the discussion starts with employee satisfaction. Retailing involves selling products and services to consumers for their personal or family use. All business activities involved have one concern in mind which is "the customer is always right". In keeping and maintaining a high level of customer satisfaction, retailers may provide many extra services that increase the value of products and services to consumers, e.g from personal shopping to gift wrapping to delivery. Jobs are becoming more difficult and challenging. New performance levels, in respect to retailing jobs, cannot be achieved if retail employees are not satisfied with their jobs. Gwinner, Gremler, & Bitner 1998a argues that the needs of internal customers must be fulfilled before the needs of the external customer can be met. The findings show that employees in the retail industry perceive that it offers good internal marketing activities and shows a high level of competency when dealing with internal marketing issues. As presented, more than 50% of the employees in retailing perceive that the retail industry has reached good and excellent internal marketing competency levels. Retail employees are unable to perform their jobs at the highest possible performance level without proper guidance from the HODs. The HODs' leadership style must be

encouraging in terms of promoting the performance. Hence, HOD behaviour should not be perceived as a barrier in internal marketing activities. The HOD leadership style must promote internal marketing activities. The two leadership styles that the employees perceive could promote the internal marketing competency are the achievement oriented and the participative. In the achievement-oriented leadership style, the leader emphasises the achievement of difficult tasks and the importance of excellent performance and, simultaneously, displays confidence that the staff will perform well. In the participative leadership style, the leader consults staff about work, task goals, and the paths to resolve goals. This leadership style involves sharing information as well as consulting with staff before making decisions.

Secondly, one of the internal marketing categories is treating the employee as an internal customer. As described previously, the achievement oriented and the participative styles of leadership have the characteristics to foster the philosophy of IM in retailing. According to Parasuraman, Berry, & Zeithaml 1991, internal marketing is about attracting, developing, motivating and retaining qualified employees through job-products that satisfy their needs. Internal marketing is the philosophy of treating the employees as customers and it is a strategy for shaping the job-products to fit human needs. Since the achievement oriented and the participative styles fit the internal marketing approach, it is very likely that respondents will relate them together. Therefore the results indicate that achievement oriented and participative styles explain the variation in internal marketing practices.

On the other hand, the directive style of leadership shows low tolerance for ambiguity and low cognitive complexity. The focus is on technical decisions, and this style is generally autocratic. The decision-maker may adopt this style due to the need

for power. Because little information and few alternatives are used, speed and satisfactory solutions are typical. Decision-makers tend to be focused and are frequently aggressive. Generally, they prefer structured and specific information, which is given verbally. They tend to operate with tight controls. The leaders have a high need for security and status. They have the drive required to achieve results, but they also want to dominate others. The respondents believe this type of leadership is not suitable in promoting internal marketing practices in retailing. Thus, the findings show that the directive style negatively affects internal marketing approaches in retailing.

Another possibility is that the retail industry offers a very challenging jobs environment for employees. In order to perform well, the employees have to set high performance goals and must have a clear direction on how to achieve it. The assistance of a leader that suits the needs of the employees in their job environment is vital. As explained previously, in the achievement-oriented leadership style, the leader places emphasis on the achievement of difficult tasks and the importance of excellent performance and, simultaneously, displays confidence that staff will perform well. Thus, employees perceive that the achievement oriented style of leadership is significant to internal marketing competency, since the leader who has an achievement oriented style of leadership (Broady-Preston & Steel 2002) is able to set high goals, jobs or tasks in order for them to achieve high competency levels in internal marketing. The employees perceive that the directive style of leadership is not significant in promoting internal marketing practices in retailing. Any implementing of this type of leadership style would give rise to a negative implication for internal marketing competency levels. No significant differences were found in supportive style of leadership with respect to internal marketing competency levels.

Thirdly, the discussion will focus on strategy implementation and change management. As explained in Chapters 2-4, there are limited studies on leadership style and internal marketing in the retailing context. In Total Quality Management (TQM) Broady-Preston & Steel, 2002, have suggested that in order for internal marketing to be implemented successfully, managers need to overcome the resistance to change. In this study, the internal marketing competency survey has four categories: employee satisfaction, customer orientation, HR strategy and strategy implementation and change. Evidently, the participative and the achievement oriented styles of leadership have significant positive effects on internal marketing. It is safe to suggest that the participative and the achievement oriented styles are supporting the findings by Broady-Preston & Steel (2002). The directive style of leadership is perceived to increase the resistance to change in TQM. The increment of directive style result implies negative effects on internal marketing competency levels.

Davis (2001) recommends that, in order for internal marketing to become an effective part of management, managerial interaction strategies must be aligned within internal marketing practices. In this study, the managerial interaction strategies can be classified under strategy implementation and change in internal marketing. The findings show that the participative and the achievement oriented style of leadership can enhance managerial interaction strategies between organisational and departmental levels. On the other hand, the directive style is perceived to be the barrier between the organisational level and the departmental level. The more the directive style is adopted in the company, the bigger the distance between the organisational and the departmental is.

Fourthly the last internal marketing category to be discussed is the human resource strategy. In HRM strategy, Naude, Desai, & Murphy (2003) have emphasised the importance of the role of HODs in enhancing and maintaining organisational competencies through internal marketing practices. In this context, what are the appropriate leadership styles of the HOD that can increase the implementation of the marketing-like tools in human resources strategies? The HR strategy is one of the IM categories in this study. The findings show that the participative and the achievement oriented styles have significant positive effects on IM. As the HR strategy is one of the categories in IM, the links between the participative and the achievement oriented styles; and the HR strategy are assumed to be positively significant. As a result, the HODs with participative and achievement oriented leadership styles are perceived to have a significant contribution in development and maintenance of internal marketing practices. In contrast, HODs with a directive style of leadership are assumed to be the obstacles in strengthening HRM strategies.

The centre of the discussion in this section is the comparison between the findings in this study and the previous study conducted by Harris & Ogbonna (2001). The focus of the discussion will be on the overall findings rather than the individual categories in internal marketing. The internal marketing categories in the current study are different from those used in the study conducted by Harris & Ogbonna (2001). They have suggested that IM is formed by 3 main categories which are: customer orientation, competitor orientation and inter-functional co-ordination; but the questions asked in the current study relate to employee satisfaction; customer oriented; HR strategy; and strategy implementation and change. The differences have been anticipated and supported by Rafiq & Ahmed (2000). They have stated that there is no single unified concept of internal marketing.

The findings of this study support some of the results discovered by Harris & Ogbonna (2001). The current study shows that the regression of the four measures of leadership style against internal marketing is about 20% of the variation of internal marketing and can be explained by analysing leadership style. It is slightly lower compared to the study by Harris & Ogbonna (2001) which is 27%. It shows that both of the studies contribute to the empirical confirmation that leadership style is a significant antecedent in internal marketing studies. The main findings are that the directive style is negatively linked to internal marketing, whilst the participative and the achievement oriented styles are positively linked to internal marketing. As such, the findings of the directive and participative styles in the current study support the results that have been established by Harris & Ogbonna (2001). The findings indicate that the directive style of leadership constitutes a key barrier to the development of internal marketing practices. The participative and the achievement oriented styles are perceived as the process for accelerating or fostering factors in the development of internal marketing practices. In contrast, the supportive style of leadership has no significant effect in the current study, but it has a pivotal effect in the study by Harris & Ogbonna (2001). There are two possible explanations for this discrepancy. Firstly, the study conducted by Harris & Ogbonna has abandoned the achievement oriented style as one of the leadership style measures. The achievement oriented style is critical, especially as the skills demanded of managers (HODs) has changed accordingly and one of challenges in retailing is that HODs now need to be results driven players (Harris, Church, & Paddey 2005). Secondly, the difference in sample population used in this study is in the retail sector, whereas the previous study used a multi-industry sample (public and private sectors). The business philosophies in public and private sectors are different in terms of prioritising business objectives.

This reason might have some impact in the way HODs behave in undertaking their responsibilities. Rainey (1982) concludes that public sector managers care less about monetary rewards by comparison to private sector managers. Monetary rewards in the private sector are granted if the company has secured huge profits from business activities. In securing the rewards, HODs in retailing consciously or unconsciously project the achievement oriented attitudes or behaviour when performing business activities.

The findings are similar to the study by Kasper (2002) which describes the market-orientation organisation as needing leaders who act as employee-oriented leaders with a concern for empowering people. Achievement oriented leaders, democratic or laissez-faires leaders, and leaders with a delegating, participative style are also required. Autocratic and instrumental leaders may be typical for non-market-oriented organisations.

As stated previously, the retail industry is dominated by females. Thus it is safe to assume the retail industry is a favourite sector for female than male. Betters-Reed & Moore (1995) have explained that the inclination towards the participative style in organisations is more pronounced in feminine and women-centred approach environments. Fairhurst (1993) and Fennell (1997) have suggested that the concern for relationships has traditionally been ascribed to women in a leadership context. This has reportedly influenced women to develop their human relations skills and participative leadership style. This argument has been supported by Eagly and Johnson (1990). They reported that the sex difference has influenced a tendency for women to adopt a more democratic or participative style and for men to adopt a more autocratic or directive style. Thus, from the contingency standpoint, the prominence

of participative leadership as compared to directive leadership styles might be explained by gender dominance within an organisation (Somech & Wenderow 2006).

8.3.3 Leadership Style Relates to Job Satisfaction

The previous section has explained the relationship between the leadership style and internal marketing variables. One of the main aims of the study is to establish the empirical evidence for the relationship between leadership style and job satisfaction in retailing. Some studies have shown the existence of the link between the leadership style and job satisfaction in various industries (Halpin,1954; Patchen, 1962; Nealy & Blood, 1968; Greene & Schriesheim, 1977; Katerberg & Horn, 1981; Wycoff & Skogan, 1994; (Bartolo & Furlonger 2000); (Griffith 2003), but they have not done so for retailing. Prior to the exploration of the causal relationship between these two variables the researcher has been able to establish the job satisfaction profile of the employees in retailing. Based on a self assessment, the employees have rated their job satisfaction. The profile of the employees' job satisfaction is indicated in Chapter 7. It shows that approximately 2/3rds or 65% of employees are moderately satisfied in their current job, followed by 19% very satisfied. Only 16% of the employees are not sure and 16% are moderately dissatisfied with their current job. This percentage is relatively low. This profile can be summarised as follows: that retail employees are highly satisfied in their employment. These findings (84%) are very high compared to the job satisfaction profile in Britain established by (Gazioglu & Tansel 2006). The profile shows that over 55% of the employees in 3000 establishments in various industries are satisfied and very satisfied in relation to their job, and also 55% with regard to the achievement and respect received from supervisors or managers.

The results from Table 7.26-7.28 reveal the impact of leadership style on the employees' job satisfaction. The linear regression equation revealed that there is a significant linear relationship between leadership style and job satisfaction. The rejection of *Ho* is an interesting finding, because it contradicts the earlier study by Chang and Lee (2007) and Savery (1991) in which leadership style has no significant effect on job satisfaction. However, the findings are comparable to the findings established by Seashore and Taber (1975);Mosadegh-Rad & Yarmohammadian (2006) and Bartram & Casimir (2007) , in which leadership types (styles) can affect job satisfaction. Chen & Silverthorne (2005) found a positive correlation between leadership style and job satisfaction.

The leadership style variables have been regressed on the job satisfaction variable in order to understand the causal relationship between them. The results show that 22% (R^2) of observed variability in staff job satisfaction is explained by leadership style variables. The R^2 is recorded lower than the study conducted by (Bartram & Casimir 2007) which is 44% and (Chiok 2001) in which leadership behaviour explained 30% of variation in job satisfaction. The achievement oriented and the participative styles have positive significant effects on job satisfaction. But the achievement oriented; t (3.216) = 0.266, p<0.01; is relatively stronger than the participative; t (2.996) = 0.248, p<0.01; in explaining the variability in job satisfaction.

Moreover, the findings demonstrate that the relationship between leadership style and the job satisfaction is positive and significant; they also indicate that the employees who perceive their HODs adopting the participative leadership style are more satisfied with their jobs. These findings are consistent with the results in a

number of studies. Employees perception of managers who use a participative style is significantly associated with employee job satisfaction; t (13.03) = 0.36, p<0.01, (Kim 2002). Other studies that have similar findings are Dawson, Meese & Phillips, (1972); Swanson & Johnson, (1975); Cheng & Yang (1977); Euske & Jackson, (1980); Euske et al. (1982); Gilson & Durick (1988); Savery (1994); Wilson (1995); Darwish (1998);Aspegren (1963) ; Baumgartel (1957); French et al.(1966);Mann et al.(1963) Mann & Baumgartel (1952); and Storey (1954).

8.3.4 Leadership Style Relates to HOD's Performance

The literature review divulges that, commonly, the study of leadership style or behaviour focuses on the interaction with the follower performance (Dumdum, Lowe, & Avolio 2002; Dvir et al. 2002) and their studies have established that there is a positive and significant effect of leadership style on follower performance. The role of the leader is clearly very important and thus organisations should endeavour to recruit and nurture leadership qualities among their leaders for increasing staff performance (McColl-Kennedy et al. 2002). Generally, the staff satisfaction, directly or indirectly, affects the unit or the department's performance (Howell, Neufeld, & Avolio 2005) and, further, the performance of the organisation (Hwang & Chi 2005). But this finding contradicts the study conducted by Chen & Silverthorne (2005), where it found no evidence of a correlation between leadership and job performance. However, the investigation of the impact of leadership style on leader performance has not received as fair an attention as the follower or staff performance has.

This study has also attempted to improve the knowledge of the relationship between leadership style and HOD performance. The leader's performance can be gathered via self appraisal and 360º appraisal in which staff evaluates the performance

of a leader. The importance of leader performance in leadership studies has been suggested by Dulewicz & Higgs (2005). In light of the above study, the data has been tested, directly and indirectly, to determine whether there is significant relationship between the leadership style and HOD performance.

The findings show that the leadership style of the HOD is a significant predictor of HOD performance in retailing. The achievement oriented and the participative styles positively affect HOD performance and, in contrast, the directive style negatively affects HOD performance. House (1971b) describes the participative style as the way the leader involves staff in decision making, consults them on the situation, asks them for suggestions, considers the suggestions and sometime allows them to make decisions. In this study, staff have appraised HOD performance on the areas of the internal marketing: vision, mission, culture and value (VMCV); corporate strategy; knowledge management; standard operating procedures, internal communication; human resources strategy; and the way the HOD integrates internal and external marketing activities. The potential explanation of this is possibly that the HOD with a participative style would have involved the staff directly in doing the tasks in internal marketing components. The more involvement of staff, the higher the performance of the HOD will be. In real situations, it is impossible for the HOD to perform tasks effectively without the support of staff. Active contributions from staff create a momentum in a particular department, thus creating a productive workforce leads to higher performance levels. HOD performance is measured individually and together with overall departmental performance. Therefore staff participation is crucial in determining departmental performance.

On the other hand, (House 1971b) clarifies the achievement oriented as the way the leader helps staff set goals and rewards their accomplishment, as well as encouraging staff to assume responsibility for their achievement. The possible reason for the findings would be the performance of the individual, team and department is assessed by the goals achievement. The departmental achievements relate to individual achievements. The departmental goals are combinations of individual members' goals. The higher the achievements of the individual goals the better the performance of the department. As mentioned in the previous paragraph, the performance of the HOD depends directly on the overall performance of a particular department. It is noteworthy therefore that staff perception that the achievement oriented style of leadership has a positive and significant effect on HOD performance is supported by the evidence.

In contrast, House (1971b) describes the directive style as the way the leader tells employees what he/she expects of staff, gives them guidance as to what they should do, and shows them how to do it. The findings reveal that staff perceive that the HOD with this type of leadership style would have problems in performing their tasks. The staff perceive the HOD to be less flexible in terms of sharing, delegating and trusting the staff. This type of behaviour distances the staff from the HOD and will create a gap between staff and the HOD. The wider the gap, the higher the resistance of the staff to perform the tasks. Lack of staff co-operation is likely to result in low departmental performance as a whole. As a result, this directly influences HOD performance. The study conducted by (Somech & Wenderow 2006) shows a similar result; namely, that participative; $t(72.37) = 3.02$, $p < 0.01$; and directive; $t(24.33)$ $= 2.48$, $p < 0.05$; leadership styles were positively associated with job performance.

8.3.5 Internal Marketing and HOD Performance as the Mediator Variables

Two mediator variables have been identified in this study: internal marketing and HOD performance. The findings indicate that internal marketing mediates the relationship between leadership style and job satisfaction and leadership and HOD performance. These results accentuate the importance of internal marketing as a mediator variable between leadership style and job satisfaction; and leadership style and HOD performance relationships. The achievement oriented and participative styles have positive significant effects both direct and indirect on job satisfaction. However, the directive style of leadership negatively affects job satisfaction only if mediated by internal marketing. On the other hand, the achievement oriented, participative and directive styles of leadership have significant effects directly and indirectly on HOD performance. The directive style negatively affects HOD performance. (Ahmed, Rafiq, & Saad 2003) have suggested for a further study to be conducted in order to explore the relationship between IM, business performance and job satisfaction. In that research, they are unable to establish any mediating effect of job satisfaction on the relationship between IM and business performance. Therefore, this finding confirms that internal marketing is a mediator variable for job satisfaction in relation to leadership style which could lead to the improvement of business performance.

The findings also reveal that HOD performance also mediates the relationship between leadership style and job satisfaction. The achievement and participative styles positively affects job satisfaction and the directive style negatively affects job satisfaction, with HOD performance acting as a mediator variable.

Keller et al. (2006) indicate that internal marketing has a positive significant statistical association between internal marketing and job satisfaction ($\gamma=0.70$, t=11.85) and the findings show a direct linkage between the elements of internal marketing efforts and higher performance of the internal customer (employee) ($\gamma=0.0.31$, t=3.98). Other studies that have the same findings are: Gounaris (2008) who identifies that IM has a significant impact on employee job satisfaction (claims to be the first that conducted such study) and Hwang & Chi (2005) who explain that IM has a positive impact on employee job satisfaction.

8.4 Key Contributions

This section is divided into two sections: 1) Theoretical Model Revisited and 2) Contribution to the body of knowledge. The discussions are based on the findings that have been detailed in Chapter 7.

8.4.1 Theoretical Model Revisited

Figure 8.1 explains the Path-Goal Theory introduced by Indvik (1974). Leadership style has significant effects on staff performance and satisfaction, but is moderated by environmental contingency and staff contingency factors. This study has assumed the moderator variables to be constant throughout the tests. This section presents the revised theoretical model in conjunction with the findings. The most significant modification is the insertion of internal marketing as a mediator variable. The analysis is divided into 2 tests:

1. The leadership style variable as an independent variable has been regressed on internal marketing, HOD performance and job satisfaction to observe the direct significant effects on the independent variable and dependent variables;

2. The internal marketing as a mediator variable (independent variable) and has been regressed on job satisfaction and HOD performance to observe the effects of the mediator variable on dependent variables.

The details are discussed in Section 8.3.4. The revised theoretical model is diagrammed in Figure 8.1. Throughout the analysis, it has been observed that the leadership variable has a direct and significant effect on all dependent variables. First, the linear regression results show that leadership style has a direct and significant effect on the internal marketing variable. Looking at the results, the achievement oriented and participative styles are positively associated with internal marketing. The achievement oriented is somewhat a better predictor than participative style in predicting variability in internal marketing. Conversely, the directive style is negatively associated with the internal marketing variable. The only leadership style that has no significant effect on internal marketing is the supportive style.

Second, the results show that the HOD Performance are positively predicted by leadership style. Further analysis shows that only 2 out of 4 leadership styles have positive significant effects on the HOD Performance; these are: achievement oriented and participative styles. The other two are not significant in predicting the variability in the HOD Performance.

Third, the regression results show that leadership style has a significant effect on the Job Satisfaction variable. All leadership styles, except supportive style, have significant effects on Job Satisfaction. The achievement oriented and participative styles have positive significant effects, but the directive style has a negative effect on Job Satisfaction.

Next, the internal marketing variable has been regressed on job satisfaction and HOD performance to investigate the mediating effects on both of the dependent variables. The results indicate that the internal marketing variable has significant effects on both dependent variables. The effect (β) of the mediator variable (IM) and dependent variable (job satisfaction); and mediator variable (IM) and HOD (performance) are higher than the effect (β) of the independent variable (leadership style) on both dependent variables (job satisfaction and HOD performance). It is safe to accept that internal marketing acts as mediator variable in this study.

The overall results show that achievement oriented and participative styles have positive significant effects directly and are mediated by internal marketing effects on job satisfaction and HOD performance. But the directive style of leadership has a significant direct negative effect and is mediated by internal marketing on HOD performance only and not on job satisfaction.

Figure 8. 1: Revisited Path Goal Theory
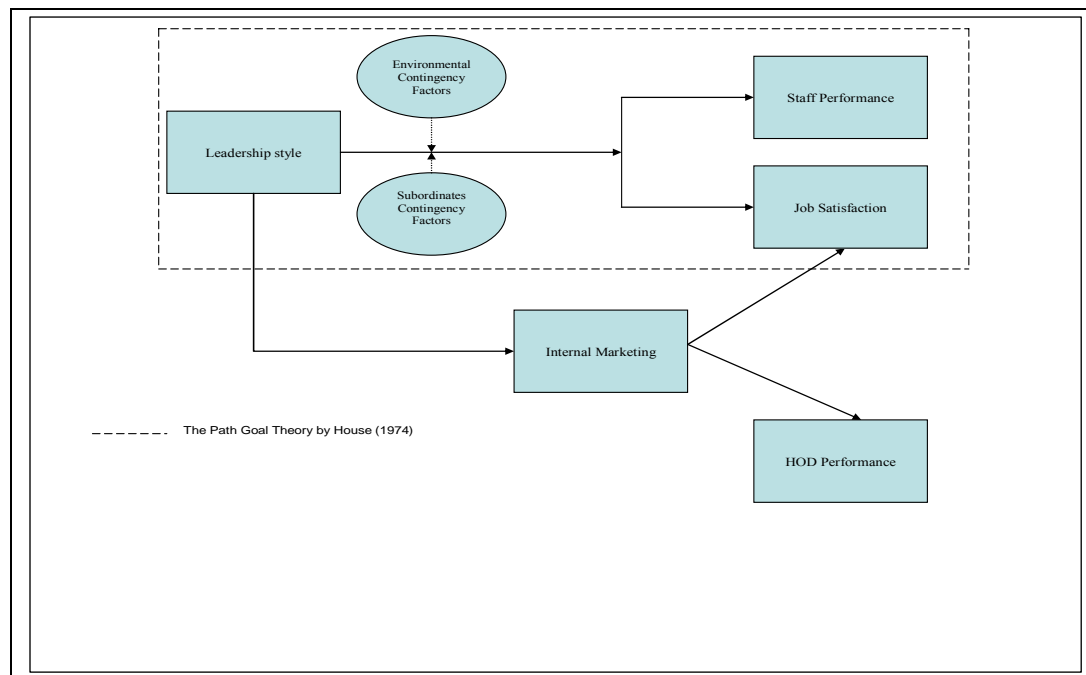
8.4.2 Key Contributions

The discussions in this section are based on the key findings in Chapter 7.   As explained in Section 7.7 there are five key findings that have been established. They are: 1) leadership style has a significant effect on IM; 2) leadership style has a significant effect on job satisfaction; 3) leadership style has a significant effect on HOD performance; 4) IM is mediated by the relationship between leadership style and job satisfaction; 5) IM is mediated by the relationship between leadership style and HOD performance; and HOD performance is mediated by the relationship between leadership and job satisfaction.

8.4.2.1 The affirmation of the existence of a relationship between leadership and internal marketing

In an assessment of the previous literature, it emerged that the elements of leadership are repeatedly cited in the studies relating to job satisfaction and organisational

performance. Frequently, job satisfaction and performance are identified as the main objectives of the leadership studies conducted. Furthermore, an examination of literature shows that the leader's behaviour is tailored to the situation in achieving job satisfaction and performance (Yulk, 1998). Specifically, in the Path-Goal Theory all four behaviours (directive, supportive, participative and achievement oriented styles) are tailored to the situations and the outcome (job satisfaction and performance), thus fitting leadership behaviour to the situation produces greater employee effort by either clarifying how staff can receive rewards or changing the rewards to fit their needs (Daft 1999b).

On the other hand, notwithstanding the limitation of the existence of the literature, internal marketing is repeatedly indicated as a pivotal causal antecedent that influences job satisfaction and the performance of employees (Sasser & Arbeit, 1976; William, 1977; Tansuhaj, 1987; Tansuhaj, 1988; Varey, 1995; Naude, Desai & Murphy, 2003; Lings, 2004; Lings & Greenley, 2005).The fundamental tool for achieving employee satisfaction in IM is the treatment of employees as customers (Ahmed & Rafiq 2004).

Despite sharing similar objectives to improve job satisfaction and performance, the literature in investigating the relationship between leadership and internal marketing is notably limited. So far, only two significant studies have emerged that have been conducted to investigate the link. Ahmed, Rafiq, & Saad (2003) consider leadership as one of the constructs needed in any study that explores internal marketing and its mediating role in creating organisational competencies. The most significant study to investigate the link of these two contexts has been conducted by Harris & Ogbonna (2001). The limited nature of current theory is, apparently, due

to the lack of research activities investigating the relationship between leadership style and internal marketing. The current study has confirmed the existence of a relationship between leadership and internal marketing. In this study, the relationship between the leadership and internal marketing is very strong; this gives confidence to those wishing to make this study a point of reference for their study.

8.4.2.2 Internal Marketing as a Mediator

This study simultaneously investigates the effects of leadership style on internal marketing competency levels and also establishes the existence of the mediating effects of internal marketing on the relationship between leadership style and job satisfaction, leadership style and HOD performance. The internal marketing construct is statistically verified as a mediator variable in the leadership study in relation to job satisfaction and performance. The revised Path-Goal model as diagrammed in Figure 8.1. This model acts as an initial empirical model, hopefully to spark more initiatives to investigate the causal relationship between leadership and internal marketing from a difference perspective. It also works as a possible point of reference from which to comprehend the conceptual background of leadership and internal marketing. Internal marketing is shown to be a partial mediator of job satisfaction and HOD performance. Further evidence shows that the influence of achievement oriented, participative and directive styles of leadership on job satisfaction are mediated by internal marketing. In addition, the result shows the influence of achievement oriented and participative styles on HOD performance are mediated by internal marketing also.

8.4.2.3   Retail Employment Environment

As described by Yulk, (1998) in the contingency approach, leaders change behaviour to match the situation, intentionally, to satisfy employees. The details are explained in Table 2.1. As a result, changes in retailing can be predicted if the leadership style of the leaders and outcomes arising from it can be identified. In order to satisfy staff, Yulk (1998) suggests that in employment environments perceived as lacking in job challenge, the most appropriate leadership style to be adopted is the achievement oriented style. The participative best at tackling the employment environment when staff perceive they have received incorrect rewards. The directive style is recommended when the staff feel their jobs to be too ambiguous. The supportive style if the staff lack of the self confidence to perform their jobs. As explained in Section 7.4.3, more than 83% of the staff admitted they are satisfied or very satisfied in their jobs. Therefore, it is safe to assume that, based on the current findings, employment environments or situations in retailing now are that: (1) staff are satisfied with their current rewards; (2) staff feel their jobs to be challenging; and (3) their jobs are not ambiguous.

8.4.2.4 Leader's leadership style has effect on leader's performance

The path-goal theory suggests a fourfold classification of leader behaviours in order to improve staff satisfaction and performance. In this study, the respondents (staff) are given the opportunity to evaluate their HOD performance instead of their performance. An interesting finding shows that 32% of the variation in HOD performance is explained by the leadership style of the leader. The staff believed that the way the HOD behaves can impact on the HOD's performance. By adopting the achievement oriented and participative styles, it is believed they can increase HOD

performance. However staff perceive that the directive style is considered a barrier to HOD performance.

8.5   The implications of the Study

This empirical study has drawn some managerial implications for the retail sector. Management teams can benefits in terms of dealing with the issues related to leadership, internal marketing, job satisfaction and HOD performance. This study reveals the current practices in retailing. Management teams will be able to utilise the study in order to plan, sustain or take further measures to improve the situation.

Management teams are provided with evidences as to which leadership style has significant effects, directly or indirectly, (through mediators) on job satisfaction. It reveals that the achievement oriented and the participative styles have positive, significant effects on job satisfaction, internal marketing and HOD performance. Therefore this information is useful for the management in planning and designing human resources strategies. For example, in the recruitment process for the appointment of HODs (managers) it is advisable to consider having a leadership style test. The reason is to ensure that the HODs (managers) employed match the leadership style with the current pool of leadership styles of the existing HODs. It is empirically proven that the most suitable leadership styles in retailing are the achievement oriented and the participative styles. Potentially, hiring more leaders with the required leadership styles could increase employees' job satisfaction. However, the findings show that the directive style of leadership has no direct significant effect on job satisfaction and has negative effect on job satisfaction when mediated by internal marketing and HOD performance. By reducing the number of directive style HODs (managers), it would be possible to affect significantly job satisfaction.

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Management, based on the findings, is highly advised to take into consideration internal marketing concepts in developing business strategies. The concepts of internal marketing such as treating the employee as an internal customer are a powerful business strategy to infuse customer-oriented behaviour among the employees. This strategy need to be actioned, especially in staff training and development programs. Promoting internal marketing concepts in all business aspects could create everlasting customer-oriented employees. Thus, employees would serve both internal and external customers better. The internal effects are satisfied employees; and the external effects are the satisfied customers.

HODs (managers) have to realise now that staff perceptions on their performance has a significant effect on their staff's job satisfaction. Employees perceive the HOD as a role model. They perceive that the leadership style of the HOD will affect their job performance. The two styles that staff believe have positively affected HOD performance are the achievement oriented and the participative styles. HOD performance explains about 50% of the variation in staff job satisfaction. By adopting a proper leadership style, managers are perceived as being capable of improving their performance in the areas of upholding the company's vision, mission, culture and value; corporate strategy; knowledge management; standard operating procedures; internal communication, human resources strategy; and efficient integration of internal and external marketing. All activities in the areas mentioned involve the staff directly or indirectly. In conclusion staff job satisfaction is not only influenced by the leadership style of the HOD, but other factors, such as internal marketing and HOD performance, are very important.

8.6 The Limitations of the Study

Despite the fact that the present study has supplied much information about leadership, internal marketing, job satisfaction and HOD performance from the staff's perspective, it has several limitations that must be acknowledged. The researcher has made considerable effort to ensure that the conceptual and the methodological aspects of this study meet the research standards and are as precise as possible. The probable causes of the limitations are highlighted below to help explain their effects on the current study. It is not the intention to thwart the findings of the study by these disclosures, but to provide a clearer platform for the future studies.

First, it is necessary to acknowledge the limitation relating to the ability to generalise the findings when they are based on small data samples drawn from one geographical area only. The data was gathered from two retail stores (ASDA and TESCO) located in Cumbernauld, Glasgow. Thus, the generalisation of the findings is debatable. The data represents two retail companies and one geographical area in the UK. The distribution of the sample most likely does not represent the overall characteristic of retail sector and the general geographical population characteristics of the UK. The possibility of the other findings differing from the current study cannot be denied if an identical survey was conducted in a different economic-social-political set-up.

This study adopts a cross-sectional survey, which provides a snapshot of the leadership, the internal marketing, the job satisfaction and the HOD performance variables at a single point of time. This is an exploratory study to investigate the relationships of these variables. It is not appropriate to accept the findings as the total results for these areas of study. Further investigations, such as experimental research, have to take place first to reconfirm the causality relationship in the results before any

definite conclusions can be drawn. Self-evidently, this research's emphasis is on the calculation of statistics that capably summarises the wide variety of data collected, yet the very process of generating summary statistics to describe the phenomenon might not accurately describe any individual entity making up the aggregate (Churchill & Iacobucci 2005).

In addition, the survey data is self-reported, and, although the survey instrument demonstrated good validity and reliability, self-reported surveys may be less valid than surveys based on data obtained from other sources. The data for leadership style, internal marketing, job satisfaction and the HOD performance are obtained by the use of a common method from a single source (i.e. employees) and this method may affect the relationships between these variables. Moreover, self-reported practices may be more positive among respondents than among non-respondents.

Even though the 360 degree performance evaluation method is proven to be a good system - the performance of the HOD is rated by their employees to evade the effects of common method bias - it would be better if HOD performance had been measured using objective data such as performance evaluation. Sometimes the halo effect could lead to a common bias when the performance of the HOD is summed up and based on the recent events and not on a period of time.

As with any cross-sectional study, the data presented are useful in falsifying relationships in the model. However, cross-sectional data analysis cannot confirm the direction of the causality implied in the research model, so it is necessary to be cautious in conclusions regarding causality. In addition, any survey-based method, including that in this survey, involves measurement error. For example, the elicitation

of the scale measurement depends on the respondents' ability to accurately report their level of agreement with the survey statements. Nonetheless, the good scale reliability coefficients reported indicate that the errors terms in this study are minimised and thus can be considered a reasonable construct for research purposes.

The survey sample has been taken from two of the busiest stores in Cumbernauld. Due to the time constraints and staff being busy with their daily routines, the sample size in this study is relatively small compared to previous similar studies. Thus a weakness inherent in a small sample size, such as instability of measures and the consequent reduction in the power of statistical tests in the data analysis, may have attenuated the results of this study. However, if statistical tests are significant, one can consider the sample size as adequate. Despite the shortcomings in sample size, this study has been able to demonstrate that the sampled HODs' leadership style has impacted upon internal marketing competency, job satisfaction as well the HODs' performance to some extent, though the latter is likely to be influenced by other relevant factors as well. Furthermore, given the exploratory nature of the study, the sample size included is thought to be reasonably acceptable for drawing preliminary conclusions about the impact of leadership style on internal marketing, job satisfaction and the HOD performance in the UK retail sector.

This study has assumed that environmental and staff factors are constant. Unmeasured aspects of the participating companies' environment may also explain relations among leadership style, internal marketing, job satisfaction and the HOD performance. In the Path-Goal approach these two variables are considered as moderator variables in determining the relationships between leadership style and job satisfaction as well as job performance. Without taking into consideration these

moderators in the current study, one cannot assume the model produced in this study is totally replaced by the path-goal model introduced by House (1971). The researcher hopes this study will be a starting point for future studies to consider the internal marketing construct in leadership, job satisfaction and HOD performance.

The questionnaire uses the Likert Scale to gather the employees' perceptions on their HOD's leadership style, organisational internal marketing competency levels and to determine job satisfaction. This scale tends to condone their (the staff's) flexibility to answer the research questionnaire as honestly as they can. Sometimes, the questions asked are too general and are not related to particular individuals, but they are still highly advised to answer it. The difficulty of the respondents in putting a rating on the subjective matters such as the leadership style of the HOD, internal marketing, job satisfaction and performance might have some implications for the study. However, the Likert Scale is one the frequently used scales in leadership studies.

8.7   The recommendations for the future studies

Having described previously, unquestionably e leadership is a catalyst in the process of directing the behaviour of staff toward the achievement of organisational objectives. However in organisational situations, the leaders are expected to interact actively and this is not limited to staff, but applies beyond that to peers, directors, and others; those who support the leaders' need in order to accomplish the company's objectives. It is a big challenge to buy-in their support, thus the leader must cleverly be able to understand and motivate them. To understand, satisfy and motivate staff, leaders must be knowledgeable in all aspects of human nature. Staff behave according to certain principles of human nature. Internal marketing is the organisational habitat

that flourishes business activity that leads to the obtaining of the business goals such as profit, productivity, high satisfied and motivated employees, etc. Albeit some limitations emerged and required further attention and undoubtedly this study is a catalyst to roll out new investigations on leadership and internal marketing. The identified limitations are used to suggest future research which it is hoped will expand as well as enrich the current study's finding concerning leadership style and internal marketing.

This section suggests several recommendations for future studies to be undertaken which may contribute significantly to the findings. The Path-Goal theory includes: the situation's context, the environmental and staff characteristics as the moderating variables in investigating the relationship between leadership style and job satisfaction; leadership style and employees' performance. In this study, these two moderators are assumed to be constant. The demographic variables are tested as moderators, but none of them are significant. The moderators have a proven effect on job satisfaction and employee performance in previous studies. By considering these moderators in the future, research may enhance the findings on the relationship of leadership style and internal marketing.

In the current study, all data gathered is based on the employees' perceptions. The employee role in this study is considerably dominant. The data is considered one-sided information and the HODs' views were not considered. This sometimes led to an increase in the bias of the information gathered. In future studies, the involvement of the HOD in data collection could minimise the bias and could increase the reliability and validity of the data. Greater variety in sources of the information is suggested so as not to concentrate only on perceptions. Also it would be very useful if actual performance information of the HOD from yearly performance appraisal

system could be accessed. This would give rise to more meaningful findings, since it is real data.

This is an exploratory study to investigate the relationship between leadership and internal marketing. The researcher is aware of the limitations of the quantitative study, but is unable to determine the cause of the situation. Employing established instruments in the survey might not completely explore some aspects of internal marketing and the potential absence of the key variables may have attenuated the results. The respondents were guided with the pre-designed questions and the ability for them to explain more on a particular issue was rather limited. Evidently, all coefficients of determination are close to 20% and the regression models therefore used in the hypotheses tests are acceptable. But this shows that it is not a sole predictor in explaining the variation in the dependent variable. In the current research, the relationship between leadership style and internal marketing has been established and the leadership style has a significant effect on internal marketing. In future research, it would be beneficial to determine the underlying issues between these two contexts. Therefore a qualitative study is warranted. The strength of qualitative studies is the ability to identify the additional predictors which might influence the dependent variable. The data obtained could then be used to produce items to develop scales for the following quantitative phase of the study.

As explained, this study is categorised as a cross sectional study. Undoubted and proven the method the research employed for testing the proposed model is certifiably and technically sound. But it may not be the ultimate method that is suitable to test the model. It is recommended in the future studies to employ other research and statistical methods. Some of the statistical techniques, such as Structural Equation Model (SEM), is a very powerful and comprehensive analysing tool in

explaining the complexity of causal sequence in the model. SEM seems to be very functional for cross-sectional studies. SEM is an extension of several multivariate techniques and is especially useful when a dependent variable shifts to an independent variable in a subsequent dependence relationship. It would be very valuable if, in the future, studies might consider this technique in analyzing data, enabling the findings to be compared with those of the current study.

The evolution of leadership studies is advancing and many approaches have been introduced to explain leadership behaviour. The current study uses the contingency approach and the Path-Goal theory in explaining leadership styles. Even though the previous studies Table 2. 6: Leadership style measurement explain the approach used and the theory selected by the researcher does not depended on when the particular approach and theory has been introduced, but exploring a similar study with another leadership approach might enhance the findings of the study. A conclusion could be drawn on the relationship between leadership and internal marketing if other leadership approaches and theories were considered.

8.8   Overall Conclusions

Leadership is viewed as one of the most important elements of leaders in the business environment. Leaders' behaviour has a significant effect upon staff satisfaction and performance. The level of satisfaction and performance of the staff is believed to have implications on overall organisational performance. The role of leaders is crucial in promoting a productive environment in the business entity. One of the strategies is to promote internal marketing in a way which leads to success with external customers. The characteristics of internal customers and external customers are similar, in term of the way they want to satisfy their needs. Leaders have a huge role to plan, design,

execute and evaluate the internal marketing strategy in order to satisfy internal customer needs. The findings recommend not ignoring the influence of the leadership style, but to recognise the potential of leadership as an explanatory construct in predicting internal marketing and internal marketing as mediators in predicting staff job satisfaction and HOD performance.

Although the role of internal marketing is vital in explaining the relationship between the leadership style and the job satisfaction; leadership style and the HOD performance, the exploration of this concept is somewhat limited. Consequently, this shows a lack of leadership studies on the internal marketing concept. The study on leadership-internal marketing theory and practices is badly underdeveloped. This study endeavours to establish some preliminary indications of a relationship between leadership and internal marketing concepts. These two fundamentals concepts are important and omnipresent influences on staff job satisfaction and HOD performance. The study is concluded at remarkable, notwithstanding tentative, conclusions concerning the effects of the leadership style on internal marketing, job satisfaction and HOD performance. As explained, this study involves respondents from two of the UK retail giants (TESCO and ASDA). Further, leadership and internal marketing concepts and practices can be significantly related directly and indirectly to both job satisfaction and performance in retailing. Despite some limitations, the researcher is optimistic that this research will contribute to the body of knowledge in the areas of leadership and internal marketing studies. The researcher also anticipates this is not the end of the road for this area of study. This study could provide a reference and a motivation for the future studies. Albeit the findings show leadership and internal marketing are not the only factors that have the only influence on job satisfaction and HOD performance, advanced studies are welcomed to expand the understanding of

the underlying causal factors among leadership, internal marketing, job satisfaction and HOD performance.