

THE STUDY OF IDEALIZED INFLUENCE (CHARISMA) OF A SALESPERSON IN SRI LANKAN BANKING SECTOR

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INTRODUCTION

Selling is possibly the most critical element of the marketing process. It is the life-blood of an organization that gets in critical revenue. Hence the role of a salesperson is paramount important. The charisma or idealized influence can be considered as important since the concept discuss about how the leader is communicating important values and a shared sense of purpose to the follower. In this study the attribute of charisma has been taken to explain the behavior of salesperson.

Banking sector has been selected due to few reasons. Despite the global and local macro economic problems financial sector still maintain 8.9% as a share of GDP in 2010(Central Bank Report, 2010). In the financial sector Licensed Commercial Banks (LCB) always play a significant role as in 2010,44.4% of the total assets of the financial sector(2969 billion out of 6690 billion total assets) owned by them. The economic expansion and structural transformation were highly facilitated by the rapid growth of banking and other financial services (Economic independence of independent Sri Lanka, 1998).

RESEARCH PROBLEM

Hence following research problem has been advanced in this study.

“what is the Idealized influence (Charisma) behavior of salesperson on the banking sector in Sri Lanka?”

This research attempted to identify the way that which the concept of idealized influence (charisma) behavior has adopted by salesperson in Sri Lankan Banking Sector.

LITERATURE REVIEW

Bass (1985) defined a transformational leader as one who motivates followers to do more than they originally expected to do. As literature suggests transformational leadership consists of four factors – charismatic leadership or idealized influence, inspirational leadership or motivation, intellectual stimulation, and individualized consideration. Bass (1997) outlined, with transformational leadership,

selling will be more effective when salespersons are both emotionally and intellectually appealing as well as considerate of their customers' needs. In that study Bass(1997) highlighted the area of transformational selling of a salesperson.

Idealized influence exercised by such leaders being role models for their followers. They show great persistence and determination in the pursuit of objectives, show high standards of ethical and moral conduct, sacrifice self-gain for the gain of others, and share the success and the limelight. As a result, the leaders are admired, respected and trusted, and followers identify with them and want to emulate (Avolio and Bass, 1991).Interestingly Abeysekera(2011) identified the positive relationship between idealized influence behavior of salesperson and customer trust.

METHODOLOGY

According to the industrial experts around 700 CROs (Customer relationship officers) work in corporate banking departments of 23 commercial banks operating in Sri Lanka. It was decided to restrict the study to local banks. Thus two state banks and six private banks were selected. It was

decided to select both state banks because the largest proportion of CROs (will be called salespersons hereafter) are attached to these two banks. According to the economic and social statistics of Sri Lanka (2007) out of 1,345 branches of commercial banks operated, 57% represented by two state banks. Six major private banks were selected to make the sample representative and also because of the growing competition in the sector. From these eight banks a random sample of 170 corporate customers were selected. Customers' names and contacts were obtained from the salespersons of that specific banks and researcher personally administer the survey. A total of 100 customers returned the questionnaire and all were suitable for the analysis.

Idealized influence refers to follower reactions to the leader as well as leaders' behavior. Followers identify with and emulate these leaders: the leaders are trusted and viewed as having articulated an attainable mission and vision (Avolio and Bass, 1991). *Idealized influence* operationalized by using the items of multifactor leadership questionnaire developed by Bass and Avolio (1990).

FINDINGS AND CONCLUSION

Following table depicts the Mean and standard deviation of Idealized Influence behavior of salesperson across the banks.

	State banks		Private banks	
	Mean	Std. Dev.*	Mean	Std. Dev.*
CRO talks about most important values	3.50	0.852	3.69	0.748
CRO emphasizes the importance of being committed to own beliefs.	3.52	0.727	3.77	0.722
CRO specifies the importance of having a strong sense of purpose.	3.56	0.725	3.83	0.630
CRO displays conviction in his/her ideals, beliefs, and values.	3.75	0.764	3.92	0.647
CRO clarifies the central purpose underlying actions.	3.63	0.817	3.98	0.668
CRO talks about how trusting each other can help to overcome difficulties.	3.60	0.693	3.88	0.866
CRO emphasizes the importance of having a collective sense of mission.	3.67	0.857	3.88	0.703
CRO considers the moral and ethical consequences of actions.	3.54	0.779	3.83	0.724
CRO takes a stand on difficult issues.	3.52	0.754	3.75	0.758
CRO behaves in ways that are consistent with expressed values.	3.56	0.752	3.85	0.684

Std. Dev.* - Standard deviation

Source: Survey data

Table 1. Comparison of Idealized Influence behavior of salesperson across the banks at the level of items in the scale

Findings show that all the mean values of private banks are higher than the mean values of state banks. According to the table 2, overall standard deviation is less in private banks. (0.644 for state banks and 0.535 for private banks). Hence it shows that Idealized Influence behavior of salesperson is higher in private banks and most of the respondents opinion fall in the category of "Agreed" in the "likert" scale.

	State banks		Private banks		Independent Sample T-Test
	Mean	Std. Dev.*	Mean	Std. Dev.*	
Idealized Influence	3.58	0.644	3.84	0.535	2.125**

Source: Survey data

Table 2. Comparison of variables of Transformational Leadership across the banks

MANAGERIAL IMPLICATIONS

There is an immense competition in the banking sector because of the growing nature of the industry. The validity of bank-corporate client partnership strategy depends on how effectively it is implemented. For that training of salesperson is a must. For that it can use the idealized influence dimension of transformational leadership to train salesperson. Even the literature suggested the desirable usage of charisma in organizations (Conger and Kanungo, 1987). Especially the state banking sector should understand this as a main area of concern for their future activities. It can be used as one of the core competency factor of the firm. Thus findings of this research will be helpful to prepare training manuals, training guidance as well as training programs.

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