Full-range Leadership and Motivation in Franchising: Multiple Case Study of Franchisees within O2

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By

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Dedication

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Keywords: Full-range Leadership, Motivation, Franchising, O2, Qualitative Research, Case Study and NVivo

Abstract

Although the relationship between leadership and follower attitudes such as organisational commitment and job satisfaction has been well documented in previous research, no prior research has explored the relationship between Full-range Leadership of franchisees and their followers' motivation. By exploring the relationship between Full-range Leadership and the motivation of employees in the under-researched area of telecommunication franchising, the study fills a gap in the literature. Additionally, this research discovered the factors affecting the application of a particular leadership style (transformational, transactional or laissez faire). A multiple case study research of twenty franchisees of O2, located in the north of England was conducted. A qualitative research methodology utilised data from secondary sources and semi structured interviews with franchisees and their subordinates. The Multifactor Leadership Questionnaire (MLQ 6s) was used alongside semi structured interviews; this led to a more in depth consideration of the seven Full-range Leadership factors. This study selected 180-degree format by interviewing franchisees and their subordinates. Data was analysed with the use of NVivo8 to identify the most important themes and patterns from the data collected.

The research showed that transformational leadership has a stronger relationship with motivation than transactional leadership. The laissez faire leadership style was absent amongst the franchisees under study. The research also illustrated that franchisees who exhibited a transformational style, empowered their staff more and made their followers less dependent on the leader. A practical application and observable behaviour of transformational leadership can be found in behaviours such as delegating significant authority to individuals, developing follower skills and self confidence, creating self-managed teams, providing direct access to sensitive information, eliminating unnecessary controls, and building a strong culture to support empowerment. In transactional leadership, leader follower relationships were based on a series of exchanges or bargains between leaders and followers. Franchisees that had a transactional leadership style used contingent reward to motivate followers. Transformational franchisees and their followers indicated that idealised influence had the strongest impact on motivation. Empirical evidence suggested that transformational leadership factors (idealised influence, inspirational motivation, intellectual stimulation and individualised consideration) had a stronger relationship with motivation than transactional leadership factors (contingent reward and management-by-exception).

This study identified that several factors influenced the application of a particular leadership style: individual followers, situations, organisational performance and targets, organisational culture and franchisor's policies and procedures. Other motivational factors, besides the leader's leadership style, have been taken into consideration in this research. This study found that, in particular, monetary motivators were used in the sales driven environment of O2-franchise business to motivate followers. The findings supported the literature review in confirming that transformational franchisees used non-monetary rewards in addition to monetary rewards: giving a sense of achievement by appreciating and praising people's efforts, recognition by giving vouchers and awards, social events and competitions.

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Chapter 1

Introduction

Leadership has played a vital role in the history of human development (Stogdill, 1974). The importance of leadership has grown due to the changing structure of organisations, the recognition of the efficient use of human resources, coupled with advances in social democracy (Bass, 1990). The importance of leadership in organisations continues to be a very popular area of interest for many scholars (Yukl, 2009; Ilies et al., 2006; Sternberg, 2008). Over the years many aspects of leadership have been studied but since the 1980's research in this area has primarily focused on leadership behaviours and styles (Judge and Bono, 2000; Judge et al., 2002).

Recently, the popularity of studying Full-range leadership, which consists of three different styles: transformational, transactional and laissez faire has increased (Jung et al., 2009, Harms and Crede, 2010; Pounder, 2008; Kanste et al., 2009). The Full-range leadership model, a research-based and validated leadership paradigm can help develop more proactive leaders in organisations who motivate employees to perform beyond their expectations (Sosik and Jung, 2010). The full-range leadership theory focuses strongly on the behaviours leaders' exhibit to motivate their followers. The theory includes a two way process between leaders and followers and it is evident that it can be taught (Yukl, 2009).

Burns (1978) studied the leadership behaviours of politicians and was the first to define their attempts to motivate followers as 'transactional' or 'transformational'. Although transformational leadership was first introduced by Downton (1973) its emergence as an important approach to leadership began with Burn's classic work. More empirical research by Bass (1985) developed the theory further. Bass (1985) demonstrated through data obtained with the Multifactor Leadership Questionnaire (MLQ) that transactional and transformational leaders are separate and independent dimensions. In 1997 Bass described the universality of his full-range (transformational-transactional-laissez faire) leadership notion. Subsequently, numerous researchers (Yukl 2009; Antonakis et al, 2004; Bass, 1990) have studied transformational leadership in and it occupies a central place in leadership research.

Similarly, motivation is a leading topic of interest in business literature today. Several theories around motivation have clearly postulated that follower's motivation is highly influenced by their leaders' behaviour (Herzberg, 1971; Mayo, 1945; Forest, 2008). Leadership and motivation are two important constructs that have been individually studied (Yukl, 2009) but the relationship between the two has had little empirical analysis (Ilies et al., 2009). Therefore, given the popularity of these two concepts, combining the two seems a natural and logical step.

Although the relationship between leadership and follower attitudes such as organisational commitment and job satisfaction has been well documented, little prior research has specifically explored the relationship between Full-range Leadership (transformational, transactional and laissez faire) and their followers' motivation. Linking these two concepts contributes to the knowledge base in this area of research and will provide practitioners with useful knowledge about how to use leadership style to motivate employees. It also discovered the impact of Full-range Leadership factors (idealised influence, inspirational motivation, intellectual stimulation, individualised consideration, contingent reward, management-by-exception and laissez faire) on motivation of followers by going deeper in the research topic.

This study explored the relationship between Full-range Leadership and motivation in the franchising context. Franchising provides a valuable context and interesting setting for studying Full-range Leadership of independent business owners. Franchising around the world is rapidly growing (Alon, 2010). Franchising substantially affects the economy and is taking up a large percentage of the retail trade daily. Over and above the apparent economic benefits of employment, output, and tax, franchising development injects expertise and training in various industries and increases the entrepreneurial and managerial capabilities and skills of the labour force (Alon, 2004, 2010). Researchers have been studying franchisors in an attempt to help entrepreneurs successfully build their franchised chains (Alon, 2010). Franchisees consider themselves as independent business owners as opposed to employees and this sense of autonomy gives them flexibility in terms of business operations (Morrison, 1996; Avon, 2005; Birkeland, 2002; Ketchen et al., 2011). Franchisees are independent business owners, which classify them as a particular type of entrepreneur that entails: innovativeness, risk taking and proactiveness (DiPietro et al., 2008). It provides franchisees with the freedom to reward and motivate in an independent manner; set performance targets that are relevant and important to them and they do not have to conform to a 'corporate leadership style'. A franchise organisation therefore provides a context in which researching personal leadership styles and motivation will lead to a more insightful interpretation.

Leadership and its different styles has been a popular subject of academic interest within fashion retail franchising in the UK (Avon, 2005), however, the telecom sector has received little attention. Franchising is a new and unique concept in the world of Telecom. For the purpose of this study, the researcher therefore selected the only Telecom franchising in the UK, O2. What is unique about O2 is that unlike other franchisors who leave little freedom in the operation of individual franchised outlets, O2 provides a high level of flexibility in marketing, finance, human resource and other day-to-day operations to the franchisees (McGregor, 2009). Franchisees do not undertake any structured leadership training within O2 and follow minimal rules and requirements of the franchise system.

The study is therefore unique as it assesses the leadership style of independent entrepreneurs within a franchise framework and explores which of the full-range leadership styles the franchisees adopt.

The researcher utilised a multi case study method, focusing on twenty franchisees of O2 (Bryman and Bell, 2007; Miles and Huberman, 2002; Llwellyn and Northcott, 2007). For the purpose of this research, semi structured interviews were conducted of twenty franchisees, three franchise consultants and twenty franchise employees (subordinates). The semi structured interviews included the Multifactor Leadership Questionnaire (Form 6s) to determine Full-range Leadership styles amongst the franchisees.

1.1. Statement of problem

The relationship between Full-range Leadership -which consist of transformational, transactional and laissez faire leadership styles- of franchisees and motivation levels of their subordinates has not been explored in academic literature. Strong assertions have been made in leadership literature regarding the benefits of Full-range Leadership (Pounder, 2008). Most recently, studies on transformational leadership have begun to shift focus towards identifying and understanding contextual variables that may influence or moderate the relationship of transformational leadership with the followers' level of motivation, with a majority of these studies examining organisational-level characteristics (Zhu et al., 2009).

Although there have been several studies in leadership and follower attitudes such as organisational commitment and satisfaction, studies on Full-range Leadership and motivation have been minimal. Ilies et al., (2006) suggested that neither leadership nor motivation research provides an adequate account on how leadership styles and motivation are specifically linked. According to Alon (2010), franchising around the world is quickly increasing. Recently, researchers have been systematically studying franchisors in an attempt to help entrepreneurs and managers successfully build their business (Alon, 2010). By exploring the relationship between Full-range Leadership and the motivation of employees in the under-researched area of telecommunication franchising, the study fills a gap in the literature. Telecommunication franchising is a new and unique concept. This qualitative study has been designed to fill the gap in literature with an understudied group or population (telecommunication franchising). The study attempted to determine factors affecting the leadership styles adopted by franchisees. It has also explored some of the factors and processes used by franchisees to motivate followers.

Recently, the popularity of studying Full-range leadership (Transformational, Transactional and Laissez Faire) has increased (Jung et al., 2009, Harms and Crede, 2010; Pounder, 2008). According to O'Shea et al., (2009), with the exception of a few cases, the transactional leadership style correlates positively with both attitude and organisational effectiveness and such behaviours may be particularly effective in business settings. Most studies in relation to transactional leadership have focused on performance and effectiveness. How the transactional leadership style impacts on a follower's motivation has not been studied in these research projects.

Transformational leadership on the other hand has been linked to motivation. Several researchers have identified important attitudinal constructs through which transformational leaders motivate followers and increase their performance (Jung, 2009). Lowe et al., (1996) conducted a meta-analysis and found that transformational leadership was significantly related to measures of leadership effectiveness. Similarly, a meta-analysis reported by Judge and Piccolo (2004), derived correlations among transformational behaviours and various indicators of leadership effectiveness that ranged from group and organisational performance to follower satisfaction and motivation with the leader. Yukl (2009) also reported that in studies that used a Multifactor Leadership Questionnaire (MLQ) to evaluate leaders, transformational leadership was positively associated with subordinate motivation, satisfaction and performance. There is substantial evidence that transformational leadership is positively related to indicators of leadership effectiveness – such as job satisfaction, motivation, and performance of followers (Barling et al., 1996; Lowe et al., 1996; DeGroot et al., 2000; Lowe and Avolio 2002; McCann et al., 2006). However, researchers have not attempted to study the relationship between Full-range Leadership and motivation. This research explored the relationship between Full-range Leadership (transformational, transactional and laissez faire) of franchisees and motivation of their employees. It also discovered the impact of Full-range Leadership factors (idealised influence, inspirational motivation, intellectual stimulation, individualised consideration, contingent reward, management-by-exception and laissez faire) on motivation of followers.

Exploring the relationship between leadership styles and motivation cannot be researched in isolation. Authors have suggested that there are several factors impacting on a person's leadership style. Pounder (2008); Pawar (2003) and Popper and Zakkai (1994) for instance suggest that leadership styles may need to vary according to organisational situations and types. Martin (2000) on the other hand argues that leaders adopt their style (transformational or transactional) according to individual followers over time. He states that the skilled leader directs his or her transformational behaviours to those he or she believes are most worthy and/or receptive to them. Bass and his colleagues argue that leaders can be both transformational and transactional and suggest that most effective leaders utilise both behavioural styles (Bass, 1985; Avolio et al., 1999; Bass and O'Shea, 2009). It is apparent from the research that there are several factors that impact on leadership styles which will need to be explored in this case study on franchising.

Additionally, motivation of employees in franchising is not solely related to the franchisees' leadership style. Other factors play their part. Work motivation is a topic of enduring interest in the field of organisational behaviour and, in general terms, motivation theories seek to explain how hard people strive to undertake their work tasks (Rollinson, 2008; Forest, 2008). Steer and Porter (1991) suggest that employees at the lower end of the hierarchy will be motivated by financial rewards, whilst the employees' higher up the hierarchy will be motivated by growth. Taylor (1947) puts much emphasis on money as a primary motivator and disregards other motivational factors. On the contrary, the human relations approach advocated that employees want to feel useful, employees have strong social needs and that the social needs are more important than money in motivating an employee (Rollinson, 2008). Herzberg (1966) suggested that in order to motivate one had to focus on deemphasising the extrinsic (dissatisfiers) and emphasising the intrinsic (satisfiers) of the job. Motivators or satisfiers include a sense of responsibility, recognition, responsibility, nature of work and personal growth.

Besides the factors that motivate employees, some authors focus on the processes of motivating employees. Content theories encourage managers to think about how far they can satisfy people's innate needs though employment, while process theories relate more to employees as conscious individuals gauging how to maximise benefits through their jobs (Naylor, 2003). Vroom (1964) suggests that motivation (M) is a function of the expectancy (E) of reaching a certain outcome, multiply by value (V) of the outcome for that person. Vroom assumes that outcomes with high expectancy and highly values rewards will direct people to exert much greater efforts. Adams (1965) advises that an individual's motivation to put effort into a task will be influenced by perceptions of whether the rewards obtained are fair in comparison to those received by other people. Locke's (1968) goal theory of work motivation relied on the basic assumption that people would perform better if goals were defined, difficult, specific and attractive. It is clear from the literature that several factors and processes affect the motivation of followers. This study therefore explored some of the factors and processes used by franchisees to motivate their employees.

A case study strategy was selected for this study after considering the research questions and objectives; the extent of existing knowledge; the extent of control the researcher had and the degree of focus on contemporary as opposed to historical events and philosophical underpinnings (Saunders et al., 2009; Bryman and Bell, 2007; Yin, 2003). For the purpose of this qualitative study, the researcher utilised a multi case study method, focusing on twenty franchisees of O2 (Bryman and Bell, 2007; Miles and Huberman, 2002; Llwellyn and Northcott, 2007). Case study strategy was selected to gain a rich understanding of the context of the research topic (leadership styles and motivation in franchising) and process being enacted; the ability to generate answers to the question 'why', 'what' and 'how' and compatibility with qualitative and exploratory research (Morris and wood, 1991; Sunders et al., 2009, Yin, 1994).

1.2. Purpose of study

The main purpose of this research study was to explore the relationship between Full-range leadership (transformational, transactional and laissez faire) of O2 franchisees and motivation of employees using a qualitative approach. It also discovers the impact of Full-range Leadership factors (idealised influence, inspirational motivation, intellectual stimulation, individualised consideration, contingent reward, management-by-exception and laissez faire) on motivation of followers. The qualitative research employed a 180 degree format focusing on twenty franchisees (unit of analysis) of O2 in the UK and their subordinates.

1.3. Research Questions

For this study, the overarching question that was addressed was how Full-range Leadership (transformational, transactional and laissez faire) of franchisees affect the level of motivation of employees. The research questions are:

1) Which of the Full-range Leadership styles (transformational, transactional and laissez faire) were employed by the franchisees?

2) How did the individual Full-range Leadership styles (transformational, transactional and laissez faire) of franchisees affect the level of motivation of subordinates? How did the Full-range Leadership factors (idealised influence, inspirational motivation, intellectual stimulation, individualised consideration, contingent reward, management-by-exception and laissez faire) affect the level of motivation?

3) What were the main factors affecting the application of a particular leadership style (transformational, transactional and laissez faire) of franchisees?

4) What were some of the factors and processes used by the franchisees to motivate employees?

1.4. Definitions

Following are terms defined as they are used for the purpose of this study.

Leadership - "Leadership over human beings is exercised when persons with certain motives and purposes mobilise, in competition or conflict with others, institutional, political, psychological, and other resources so as to arouse, engage, and satisfy the motives of the followers" (Burns, 1978: 18).

Motivation - "Work motivation is a set of energetic forces that originates both within as well as beyond an individual's being, to initiate work-related behaviour, and to determine its form, direction, intensity and duration" (Pinder, 2008: 11).

Franchisee – An independent entrepreneur who has obtained a business format franchise from O2.

Franchise Consultant – A person who represents the franchisor and consults the franchisees on business aspects.

Subordinate – A staff member working under the franchisee who is led by the franchisee.

Franchisor – A business that grants licence to another person (franchisee) to use their business ideas in a specific geographical area.

Full-range Leadership – The full-range leadership notion covers the whole spectrum of transformational, transaction and laissez faire developed by Bass (1997).

Full-range Leadership Factors – Bass (1985, 1990) distinguishes factors of Full-range Leadership, namely, idealised influence, inspirational motivation, intellectual stimulation, individualised consideration, contingent reward, management-by-exception and laissez faire.

1.5. Research Process

Maykut and Morehouse (2000) stated that if the underlying philosophy of a research topic is not understood then qualitative research is seen as a less rigorous and less valued way of doing inquiry. Creswell (2007) contradicts this and claims that good qualitative research requires making assumptions, paradigms and frameworks explicit in the writing of a study. Firstly, Ontological (what reality is like and the basic elements it contains) assumptions are that the reality is the product of individual consciousness. Secondly, there are assumptions of an epistemological (nature and status of knowledge) nature which entail knowledge of a softer, subjective, experience base and insight of a unique and personal nature (Burrell and Morgan, 1979; Silverman, 2005; Creswell, 1998). The third set of assumptions concerning human nature entails human beings as creators of their own environment in which free will predominates (Burrell and Morgan, 1979). The three sets of assumptions outlined above had direct implications of a methodological nature; the principal concern of the researcher was to understand the way in which the individual creates, modifies and interprets the world (Burrell and Morgan, 1979).

This research is based on interpretive philosophical position which tends to be nominalist (Ontological Position), interpretive (Epistemological Position), voluntarist (Human Nature) and ideographic (Methodological Position) in its approach (Burrell and Morgan, 1979; Creswell, 1998). Wachterhouser (2002: 71) argues, "Interpretive research can develop, apply, and retest the criteria of knowledge that give us enough reliable evidence or rational assurance to claim in multiple cases that we in fact know something and do not just surmise or opine that it is the case".

Patton (2002) postulates that case studies are appropriate when the researcher seeks to understand a particular situation, process or set of behaviours in significant depth. Case study strategy was employed to gain rich understanding of the context of research (leadership styles and motivation in franchising) and process being enacted; ability to generate answers to the question 'why', 'what' and 'how' and compatibility with qualitative and exploratory research (Morris and wood, 1991; Sunders et al., 2009, Yin, 1994).

The research was carried out with a subjectivist approach to social science. It used multiple methods of data collection (secondary data and semi structured interviews) to achieve better understanding of the franchisees and to increase the creditability of the findings (Lincoln and Guba, 1985, Yin, 2009, Creswell, 2007). In selecting the sample group of franchisees, the criterion was to "increase the likelihood that variability common in any social phenomenon will be presented in the data" (Maykut and Morehouse, 2000:45). Maximum variation purposive sampling helped in fully describing multiple perspectives about the cases. For this study, the units of analysis were twenty franchisee of O2.

To begin, each franchisee and their subordinates were interviewed. Semi structure interviews were conducted, which included the Multifactor Leadership Questionnaire Form 6s (MLQ). Documents reviewed included minutes of team meeting, daily briefs, mystery shop results, store standard results, success index score and disciplinary actions (Hussey and Hussey, 1997; Kelliher, 2005; Merriam, 1998). NVivo8 software assisted in the coding process and inductive analysis was used as a tool to explore linkages, relationships and socially constructed explanations that naturally occur within narrative accounts (Saunders et al., 2009; Yin, 2009). In summary, a qualitative case study that incorporated an interpretive position, and exploratory approach, applying purposive sampling, using semi-structured interviews and inductive analysis was undertaken (Creswell, 2003; Kelliher, 2005; Alvesson and Deetz, 2000; Miles and Huberman, 2002; Dickson-Swift, 2007).

1.6. Delimitation and limitation

The research goal in qualitative terms is to offer a case description that would allow the reader to repeat the research process in another case (Kelliher, 2005). Although generalisation is not the strength of case study research, it can establish the existence of phenomenon that is adequate for the purpose of exploratory research (Van Maanen, 1988; Remenyi et al., 1998). The purposive sampling procedure decreased the generalisability of findings. According to Denzin (1983: 133), "the interpretivist rejects generalisation as a goal and never aims to draw randomly selected samples of human experience. For the interpretivist every instance of social interaction, if thickly described, represents a slice of life from the world that is the proper subject matter for interpretive inquiry".

Delimitation and limitation establishes boundaries, exceptions, reservations and qualifications inherent in every study (Castetter and Heisler, 1977). In a qualitative study, the findings could be subject to other interpretations (Creswell, 1998). According to Merriam (1998: 20), "the investigator as human instrument is limited by being human-that is, mistakes are made, opportunities are missed, and personal biases interfere. Human instruments are as fallible as any other research instrument". The biases, values and judgement of the researcher become stated explicitly in the research report; such openness is considered to be useful and positive (Locke et al., 1987). In order to minimise bias, the following steps were taken:

a) Relied on literature to define the indicators by which variables in this study were identified
b) Used multiple sources of evidence (semi structured interviews, documents, notes and transcripts)
c) Established a chain of evidence based on data gathered
d) Asked participants to review final report (Yin, 2003).

Additionally, this study used multiple data collection methods (secondary data and semi structured interviews), built an audit trail and employed member checks to gain trustworthiness (Lincoln and Guba, 1985).

In order to ensure **external validity**, the study applied both cross-case examination and within-case examination (e.g. answers of participants to the semi structured interview questions were analysed and compared for consistency) along with the literature review (Yin, 2003). To tackle reliability issues, the study applied a case study protocol (overview of case study project, field procedure, research questions and guide for the case study report), developed a case study database (raw data that led to the case study conclusions, case study notes and case study documents), and maintained a chain of evidence (to follow the derivation of any evidence from initial research questions to ultimate case study conclusions) (Yin, 2009).

1.7. Significance of study

This study is unique in that it is the first to explore relationship between individual Full-range Leadership (transformational, transactional and laissez faire) of franchisees and motivation of subordinates in the understudied area of telecommunication franchising. It also discovers the impact of Full-range Leadership factors (idealised influence, inspirational motivation, intellectual stimulation, individualised consideration, contingent reward, management-by-exception and laissez faire) on motivation of followers. Telecommunication franchising is a new and unique concept. Researcher could not find any previous study on the concept. The results of this study have implications for practitioners who recognise the significance of different leadership styles and their impact on motivation. This research rendered additional insight concerning factors affecting leadership styles. Furthermore, it offered practitioners motivating factors and processes that can be employed to motivate followers.

The research examined factors and processes affecting the level of motivation used by franchisees. Understanding the leadership styles, motivating factors and the relationship between leadership and motivation, generated a greater perspective on how to motivate sub-ordinates.

Findings from this study may provide information that may assist enhance employee motivation, improve franchise leaders, and produce a more productive work place for franchisees and employees. This study could help franchisee business prepare franchisees effectively and provide professional development to those franchisees looking for ways to motivate their employees effectively. The findings of this study can be used in future professional development programs that educate leaders on how to motivate followers.

Organisations invest much money and time to increase employee motivation. Transformational leadership appeals to individual goals of their followers and this stimulates higher levels of motivation (Maslow, 1954) and it does not require constant supervision of followers as they are included in the process. The positive relationship between leaders and followers saves cost and time of constant monitoring.

1.8. Organisation of the study

This study comprises seven chapters: Chapter 1, The Problem and Scope of the study; Chapter 2, Review of Related Leadership Literature; Chapter 3, Review of Related Motivation Literature; Chapter 4, Review of Franchising Literature; Chapter 5, Research, Design and Methodology; Chapter 6, Findings and Discussion; Chapter 7, Summary, Conclusions and Recommendations.

In Chapter 1, the introduction and background of the study, problem statement, purpose of study, research questions, definition of terms, research process, limitation and delimitations, and significance of study.

In Chapter 2, 3, and 4, a review of related literature and research on leadership, motivation and franchising that emphasised the need for the study is presented.

In Chapter 5, research, design and methodology chapter included assumptions, paradigms, research designs, methodology and methods.

The analysis of data, finding and discussion are presented in Chapter 6.

In Chapter 7, the findings are restated, the methodology evaluated, research contribution and the Summary and Conclusions are presented.

Chapter 2
Leadership

The review identifies the theoretical, conceptual and empirical underpinnings of the present study as well as establishing insight into factors relating to the purpose of study which is to explore the relationship between Full-range Leadership of franchisees and motivation of employees in franchise businesses of O2. The literature review therefore focuses on three research areas: leadership, motivation and franchising.

Chapter 2 focuses on leadership and is divided into five sections: leadership in organisations; an exploration of the meaning of leadership; a critical analysis of different perspectives of leadership; transformational leadership; a description of the empirical research on transformational leadership.

2.1. Importance of Leadership in Organisations

According to Avolio et al., (2009), looking back over the past 100 years, we cannot imagine a more opportune moment for the field of leadership studies. Gill (2006) argues that the field of leadership research is vibrant and fertile. The Excellence Model promoted by the European Foundation for Quality Management underpins leadership as an enabler in attaining key performance results (Gill, 2006). Leadership is statistically linked to organisational performance (Hart and Quinn, 1993; Katz and Kahn, 1978). Additionally, empirical analysis of businesses' financial performance has found that CEO's influence 15 percent of the total variation in financial performance (Nohria, Joyce and Roberson, 2003). The importance of leadership in an organisation has been a very popular area of interest (Yukl, 2009; Ilies et al., 2006; Sternberg, 2008). Meindl et al., (1987) analyses the importance of leadership by stating that leadership is an attribute that is highly prized in most organisations and, as a result, is an extensively studied and debated topic in organisational behaviour. Bass (1990) supports this view by stating that leaders make a difference in their subordinates' satisfaction and performance; leaders can make a difference in success and failure of organisations. Good leadership helps to develop teamwork and it aids intrinsic motivation by emphasising the importance of the work that people do (Gill, 2006; Bass, 1990; Mullins, 2009; Sternberg, 2008). Bass (1990) also suggests that the changing structure of organisations, recognition of the efficient use of human resources, coupled with advances in social democracy, have combined to place growing importance on leadership".

In a work situation, it has become increasingly clear that managers can no longer rely solely on the use of their position in the hierarchical structure as a means of exercising the functions of leadership (Bass, 1990; Zhu et al., 2009; Sternberg, 2008). At a supervisory level, leadership is required to support organisational systems (Katz and Kahn, 1978) and to enhance subordinate motivation, effectiveness and satisfaction (Bass, 1990). At a strategic level, leadership is necessary to ensure the coordinated functioning of the organisation (Katz and Kahn, 1978). This makes leadership management's most important role, which involves influencing individuals and groups towards accomplishing shared goals.

However, Vecchio (2000) critically raises the question whether leadership makes a difference and suggests that work unit achievements result more from the efforts of the unit's members contribution than of one individual. The development and success of self-managed teams may have reduced the need for traditional leadership (Hannagan, 2007; Antonakis et al., 2004).

2.2 Meaning of leadership

Many theories of leadership have emerged in the last fifty years. Due to the complex and variable nature of leadership, there are different ways of analysing leadership. Different approaches to leadership study are the qualities and traits approach, functional or group approach, behavioural category, style of leadership, situational approach, contingency models, transitional/transformational leadership, shared/distributed, inspirational approach and toxic leadership (Bass, 1990; Gill, 2006; Yukl, 2009).

Defining Leadership

There are numerous ways of looking at leadership and many interpretations of its meaning (Mullins, 2009; Zhu et al., 2009). Prominent authors on leadership, Bennis and Nanus (1985), pointed out that there are over 350 definitions of leadership. Gill (2006) suggested that authors have defined leadership from different perspectives such as group dynamics, people's personality, the power relationship between the leader and his/her follower and as an instrument of goal achievement and skills. Yukl (2009) also cited that leadership has been defined in terms of traits, behaviours, influence, interaction patterns, role relationships, and occupation of an administrative position.

Antonakis et al., (2004:5) defines leadership as "the nature of influencing process- and its resultants outcomes-that occurs between a leader and follower and how this influencing process is explained by the leaders' dispositional characteristics and behaviours, follower perceptions and attributions of the leader, and the context in which the influencing process occurs." The definition contains three key features-goals, people and influence. Hannagan (2007:37) defines leadership differently, "the process of motivating other people to act in particular way in order to achieve specific goals". Defining leadership as a process emphasises on the transaction that occurs between the leaders and their followers, not on traits and behaviours (Northouse, 2010). According to Yukl (2009: 3), "leadership is the behaviour of an individual, directing the activities of a group toward a shared goal." This definition focuses on behaviour or style of leadership instead of process. The various definitions of leadership appear to have little in common apart from process, influence and group. Some academics doubt the usefulness of leadership as a scientific construct as leadership can have many different meanings (Alvesson and Sveningsson, 2003).

According to Kotter (1990), the terms leader and manager have been used interchangeably. In the next segment, this study considers the difference between being a manager and being a leader, leading strategic change and gender differences in leadership.

Leaders Vs Managers

There is ongoing controversy about the difference between leaders and managers. The terms leader and manager are often used interchangeably. Many authors have pointed out the nuances in these terms; Yukl (2009) for instance argues that managers value stability, order and efficiency; they are concerned about how things are achieved whereas leaders uphold flexibility, innovation, adaptation and willingness of followers. Kotter (1990) distinguishes between leadership and management in terms of their core processes and intended outcomes:

Table 2.1 Kotter's distinction between leadership and management

Managers (Predictability)	Leaders (Change)
Setting operational goals, establishing action plans with time tables and allocation of resources	Developing vision and strategy
Organising and staffing	Communicating and explaining the vision
Monitoring results and solving problems	Motivating and inspiring

Leading change has been identified as one of the key responsibilities of strategic leaders (Quong and Walker, 2010). Strategic leadership is defined as a process of determining where an organisation is heading and how to get there (Quong and Walker, 2010). Leadership theory has increasingly focused on strategic leadership (Flamholtz and Randle, 2008; Storey, 2005). According to Yukl (2009), there is an increased interest in understanding how top management transform their companies to respond to highly competitive environments.

Strategic leadership theory has focused mainly on the style and skills that leaders use to influence the strategic direction of the organisations (Ireland and Hitt, 2005).

Strategic leadership is to establish a strategy by properly analysing the interior and exterior environment in which the organisation exists, implementing the right strategy at the right time, evaluating and acting the appropriate behaviour suitable for the current environment (Tutar et al., 2011). Strategic leadership ability has become a necessity under dynamic and volatile environmental circumstances. The most distinguishing aspect of it is its ability to manage the uncertainty imposed by rapid change. Storey (2005) advocates that strategic leadership plays a critical role in developing an organisation's capabilities for expanding its competitive advantage and performance. Leading change is one of the most important and difficult leadership responsibilities (Yukl, 2009; Kotter, 1990).

Aslan et al. (2011) suggests different approaches for strategic leadership. According to him, strategic leaders have three basic functions. The first is "to guide"; it is all about organisation's vision, mission and environment. Second, the "streamline", it covers the organisation's structure and the system. Last dimension is "to strengthen" it means to increase the ability of the human potential and productivity.

There is a great deal of literature on leading strategic change. Change is defined as any irreversible alteration to any part of the organisation (Naylor, 2004). Organisations are currently confronted with countless changes that take place at a more rapid pace than ever before. There is a popular belief that leaders of change are people with bold vision, and that there is a set of leadership characteristics that are important determinants of leadership effectiveness. One can introduce change in an organisation by changing either attitudes or roles (Yukl, 2009). According to Stichler (2011), the leader must guide staff and others through the process of disrupting their current practice patterns, encourage them to let go of current realities, introduce new patterns, encourage them to adopt new standards and stabilise the equilibrium as quickly and painlessly as possible.

Kotter (1996) proposes an 8-step framework for leading transformational change. The framework views change as a process that includes three groupings of steps: defrosting the status quo, introducing new practices and grounding change in corporate culture.

1. Establishing a sense of urgency, scanning the environmental landscape to identify market and competitive realities and identifying major opportunities as well as potential crisis.

2. Creating the guiding coalition and assembling a powerful team capable of leading change.

3. Developing a vision and strategy, creating a compelling vision and crafting strategies to make the vision a reality.

4. Communicating the change vision, crafting effective messages to initially and on an ongoing basis communicate new vision with related strategies and tactics and role modelling the desired change.

5. Empowering broad-based action, eliminating obstacles that interfere with advancing the desired vision and encouraging and supporting taking calculated risks.

6. Generating short-term wins, planning for quick gains or picking low-hanging fruit and recognising short-term milestones.

7. Consolidating gains and producing more change, changing structures, processes, and systems that are not consistent with the desired vision and cultivating talented individuals capable of implementing new ideas and sustaining the desired vision.

8. Anchoring new approaches in the culture, enhancing performance through new behaviours and more effective leadership and management and ongoing messaging of the connections between new behaviours and organizational success.

Similarly, Flamholtz and Randle (2008) formulated a four-factor model of the key tools or drivers of organisational change. The basic belief is that these four factors are critical to helping organisations, teams and individuals move through the change process. Flamholtz and Randle (2008: 51) describe the four key drivers of organisational change as per below:

Vision

- Creating a "picture" of what the future state will be like (that is, results to be achieved).
- Clearly communicating the vision to all involved.
- Continually reinforcing the vision through words and actions.

Culture

- Identifying what the current culture is with respect to innovation, risk taking, change, etc.
- Defining the "desired" culture with respect to change.
- Managing the culture so that it promotes valuing and embracing change (as opposed to resisting change).

Systems

- Identifying targets of change within existing systems.
- Evaluating the costs and benefits of changing existing systems.
- Developing new systems (operational and management) to support vision and culture changes.
- Helping others "let go" of the old ways of doing things.

Operations

- Using day-to-day operations of a business, business unit, or administrative unit to support change.
- Influencing the behaviour of people on a day-to-day basis to operate in ways consistent with changes to the vision, culture, and/or systems.

Leading change effectively is simple in concept, but quite difficult in practice; despite a leader's efforts to think strategically and manage or control the change process, the path and destination of change is unknowable (Russell and Russell, 2006). Stichler (2011) also suggests that change in organisation is rarely easy; it's complex, chaotic and convoluted. Leadership literature has over the years, included affirmations about differences between female and male leadership.

Leadership and Gender

Researchers have shown growing interest in the issue of whether men and women behave differently in leadership roles (Burke and Collins, 2001; Pounder and Coleman, 2002). The literature indicates that females are more caring, collaborative and cooperative, while males are more aggressive, competitive and controlling (Agezo and Hope, 2011; Antonakis et al., 2004). Eagly and Johnson (1990) illustrates that their findings provided reliable evidence that gender differences exist in leadership style, whereby women leaders, more than men, emphasise on both interpersonal relations and task accomplishments. Similarly, Bass (1998) and White and Ozkanli (2011) believe that there is some evidence that suggests that women, more than men, tend to adopt more of a transformational leadership style. Bass and Avolio (1994) analysed the leadership style of 150 male and 79 female managers at top management level in 6 Fortune 500 companies using the Multifactor Leadership Questionnaire and found women managers being more effective and satisfying to work with and were considered as better role models who showed greater concerns for the individual needs of their followers.

However, Pounder and Coleman (2002) found a lack of support for the notion that women and men utilise different leadership styles. Oshagbemi and Gill (2003) studied leadership style of managers in the UK and discovered that women delegate less than their men counterparts, but there were no statistical differences in their directives, consultative and participative leadership styles. Agezo and Hope (2011) also suggests that no definitive conclusion has been reached concerning one gender being more effective at leadership than another, female and male leadership characteristics have been proffered.

Researchers have studied leadership from a variety of perspectives such as traits (Stogdill, 1948), behaviours (Lewin et al., 1939), contingency theory (Fiedler, 1967), situational theory (Hersey and Blanchard, 1967), path-goal theory (House, 1971), transformational approach (Downton, 1973), distributed leadership (Ross et al., 2005) and toxic leadership (Olsen, 2010). This study critically analyses different leadership perspectives in the next section.

2.3. Critical Analysis of Different Leadership Perspectives

It is helpful to have a framework to consider different approaches to study leadership. Over the years, a number of theoretical perspectives of leadership have emerged. Most leadership studies can be classified in the following approaches: trait approach, functional or group approach, behavioural category, style of leadership, situational approach, contingency models, transformational leadership, shared/distributed, toxic leadership and inspirational approach (Mullins, 2009; Bass, 1990; Gill, 2006; Ilies et al., 2006). Many of the theories originate in North America and focus on leadership in organisational settings while none actually state that being a leader and being a manager are the same thing; they all focus on the manager and treat this person as someone who occupies a position of leadership (Rollinson, 2008; Yukl, 2009). The theories have been analysed in order of their inception as well as in light of the purpose of his study. The reason for conducting this study is to provide independent entrepreneurs with insight into the relationship between leadership styles and the motivation of their followers. With this purpose in mind the following three key elements were used in the critical analysis of the literature 1) can the leadership style be taught? 2) Are followers included in the leadership process described? 3) Does evidence suggest that the leadership style impacts on motivation of the followers?

2.3.1 Trait Theory

The trait era existed from the late 1800s to the mid 1940s. The Trait approach has origins in work that pre-dates the development of leadership theories (Rollinson, 2008; Bass, 1990; Adair, 2006). Trait approach was the first systematic approach to study leadership; the theories that were developed were called "great man" theories because they focused on innate qualities and characteristics possessed by great social, political and military leaders (Yukl, 2009; Bass, 1990). The trait theory suggests that leaders are born and not made; leaders' personal attributes are the key indicators for leadership success (Northouse, 2010). There is an assumption that leaders can be born or inherit qualities that allow them to demonstrate exceptional leadership skills (Rollinson, 2008; Yukl, 2009; Antonakis et al., 2004). Leadership researchers were swayed by the belief in the power of personality and additional intrinsic characteristics. These beliefs led them to a search for leadership traits. This approach looks to determine attributes and characteristics of effective leaders.

Stogdill (1974) noted five traits that differentiate leaders from non-leaders: dominance, intelligence, self-confidence, high energy levels and task related knowledge. Personal characteristics that distinguish leaders and followers include: (1) physical characteristics- height and personal appearance; (2) Personality characteristics- dominance, self-confidence, emotional stability and independence; (3) Social characteristics- interpersonal skills, stability, tactfulness and diplomacy; and (4) Personal ability and skills- intelligence, knowledge and fluency of speech (Bass, 1990).

Stogdill (1948, 1974) has provided a good overview of the trait approach in two surveys which analysed more than 124 trait studies that were conducted between 1904 and 1947; in his second study he analysed another 163 studies which were completed between 1948 and 1970. Stogdill (1948), in his first survey, noted that an individual does not become a leader solely because he or she possesses certain traits but the traits of a leader must be relevant to situations in which leader is functioning; thus indicating that leaders in one situation may not necessarily be leaders in differing environments. However, the second survey of Stogdill (1974) validated the original trait idea that the leader's traits are part of leadership. The second survey took a more moderate approach and focused on both personality and situational factors (Stogdill, 1974). Mann (1959) conducted a similar study that analysed more than 1400 studies from 1900 to 1957 which classified leadership personalities into seven traits. These were intelligence, adjustment, extroversion-introversion, dominance, masculinity-femininity, conservatism and interpersonal sensitivity. There was less emphasis on how situational factors influence somebody's leadership style. Mann argued that personality traits could be used to differentiate leaders from non-leaders and his results identified that leaders were strong in the following traits: intelligence, masculinity, adjustment, dominance, extroversion and conservatism.

Similarly, Kirkpatrick and Locke (1991) suggested that fundamental traits are a necessary precondition for effective leadership. The fundamental traits they identified are:

- Drive, including motivation and energy
- Desire and motivation to lead
- Honesty and integrity
- Self- confidence
- Intelligence
- Knowledge of the business

However, Kirkpatrick and Locke (1991) argued that effective leaders are not born with fundamental traits. Traits like knowledge and confidence can be learnt with time and experience.

Hundreds of trait studies conducted during 1930s and 1940s tried to discover these elusive qualities, but this extensive research effort failed to find any traits that would guarantee leadership success (Yukl, 2009; Shackleton, 1995; Nahavandi, 2000). Critics argued that there was no consistent set of traits that could be used to differentiate leaders from non-leaders in different situations; even if it were possible to establish consensus about the most important traits, defining successful leader still tends to be a matter of subjective judgement; success and failure can be due to many factors other than leadership (Stogdill, 1948; Rollinson, 2008; Mullins, 2009). Wootton and Horne (2010) discovered that one does not need to be a born leader; you only need to do what born leaders do. When you think strategically and act with empathy, others see you as a 'born leader'. Despite the above-mentioned weaknesses, it would be inexpedient to dismiss trait theory completely. In recent years there has been resurgence in interest in the trait approach (Bryman, 1992). Kirkpatrick and Locke (1991) argue that effective leaders are different from other people and some traits are likely to be critically important in selected range of situations.

What is evident from the literature review is that the trait theory is a one dimensional process, not taking followers into account. The assumption of the theory is that leadership traits are an inborn trait and can therefore not be taught. Additionally there is inconclusive evidence that the trait theory impacts on the motivation of followers.

2.3.2 Behaviour/Style approach

The research (first survey) of Stogdill marked the beginnings of a new approach to leadership research that focused on leadership behaviours/styles and leadership situations as discussed below. The shift from trait research to behavioural attribute research was thought to hold the promise of an added benefit for practitioners; after the behaviours of effective leaders were defined, leaders could be trained in these behaviours and the overall effectiveness of many leaders would be enhanced (Bryman, 1992).

The behaviour era occurred from the mid 1940s to the early 1970s. In order to determine effective leadership, researchers and authors turned to behaviours rather than traits. The style/behaviour approach focuses on behaviour which distinguishes it from the trait approach as it emphasises the personality characteristics of the leader (Yukl, 2009). Unlike the trait era, the behaviour/style approach focuses on what an effective leader does (Yukl, 2009; Vroom and Jago, 2009). Focus on manager's style of leadership has developed because of a need for greater understanding of needs and expectations of people in the workplace. In order to get optimum results from subordinates, the manager must encourage high morale, a spirit of involvement, co-operation and willingness to work; this gives rise to consideration of the style of leadership (Bass, 1990).

According to Mullins (2009:291), "Leadership style is the way in which the functions of leadership are carried out, the way in which the manager typically behaves towards members of the group." Goleman (2000) favours the style approach to leadership by arguing that the leadership research clearly suggests that leaders who used appropriate leadership styles that positively affected the climate in an organisation had decidedly better financial results than those who did not. Antonakis et al., (2004) also supports the style/behaviour approach to leadership by arguing that a wide range of studies on leadership style validate and offer credibility to the basic tenets of the approach; the style approach is heuristics providing a broad conceptual map that is worthwhile to use in our attempts to understand the complexities of leadership. Organisational leaders show wide variations in the styles and behaviours that they exhibit at work (Bass, 1990).

Lewin et al. (1939) laid the foundation for the behaviour/style approach by identifying three styles of leadership: autocratic, democratic and laissez-faire. Autocratic leaders make their own decisions, democratic leaders consult their followers and allow them to take part in decision making and laissez faire leaders provide no direction and not become involved with their followers (Lewin et al., 1939). Although three leadership behaviours were identified, the research failed to determine which leadership style was most effective. Lewin and his colleagues inspired researchers to identify leader behaviours/styles.

According to Nahavandi (2000), focusing on behaviours/styles rather than traits were beneficial for following reasons:

- Behaviours can be observed more impartially than traits
- Behaviours can be measured more correctly than traits
- Behaviours can be taught, unlike traits

Hence essentially the style/behaviour approach helps managers to determine how they present themselves to others and how they could modify their behaviours to be more effective. This approach is used as a model by many training and development companies to teach managers how to improve their effectiveness and organisational productivity (Northouse, 2010).

Ohio State Studies

The dominant studies on the behavioural approach have been carried out by Ohio State University and Michigan University. Ohio State University and Michigan University research groups classified leadership styles into initiating structure/consideration and job centred/ employee centred respectively (Dubrin, 2001). A group of researchers at Ohio State began to analyse how individuals acted when they were leading a group or organisation. The Ohio research group classified leadership style into two major categories: initiating structure versus consideration (Stogdill, 1974; Vroom and Jago, 2007). The focus was on the effects of leadership styles on group performance (Mullins, 2009; Adair, 2006). Initiating structure leaders refer to leaders whom structure the work for their subordinates and provide clear instructions on how to perform the tasks, whilst leaders high on consideration demonstrate friendliness and concern for the well-being of their subordinates (Stogdill, 1974; Vroom and Jago, 2007). Initiating structure indicated task behaviours such as organising work, giving structure to the work, defining roles and responsibilities and scheduling work activities; whilst consideration leaders are fundamentally concerned with respect, trust and liking between leaders and followers (Bass, 1990). Judge et al., (2004) carried out a meta-analysis of the relationship between initiating structure and consideration in relation to leadership and found moderately strong correlations between them and leadership, with consideration more strongly related to follower satisfaction, motivation and leader effectiveness, and initiating structure slightly more strongly related to leader job performance and organisational performance (Northouse, 2010).

The University of Michigan Studies

The Michigan Group aimed to uncover the patterns of leadership behaviour that result in effective group performance (Likert, 1961). The researchers collected and analysed descriptions of leadership behaviours to determine how effective leaders differed from non-effective. The study identified two forms of leadership behaviours, namely job centred and employee-centred, which are similar to the Ohio's initiating structure and consideration respectively. Employee centred leadership describes the behaviour of leaders who approach subordinates with strong human relations emphasis with interest in their workers, valuing their individuality and who give special attention to their personal needs. The production centre approach refers to leadership behaviours that stress the technical and production aspects of job (Bowers and Seashore, 1966).

The Ohio and Michigan approaches classify leadership behaviours into two distinct categories: people concern and task concerns. The Ohio State University and University of Michigan Studies were concerned with the consequences of leadership behaviour opposed to its antecedents (Vroom and Jago, 2007). The distinguishing feature of both approaches is the dimensionality of leadership styles.

Three generalisations can be determined from the combined Ohio State and Michigan studies:

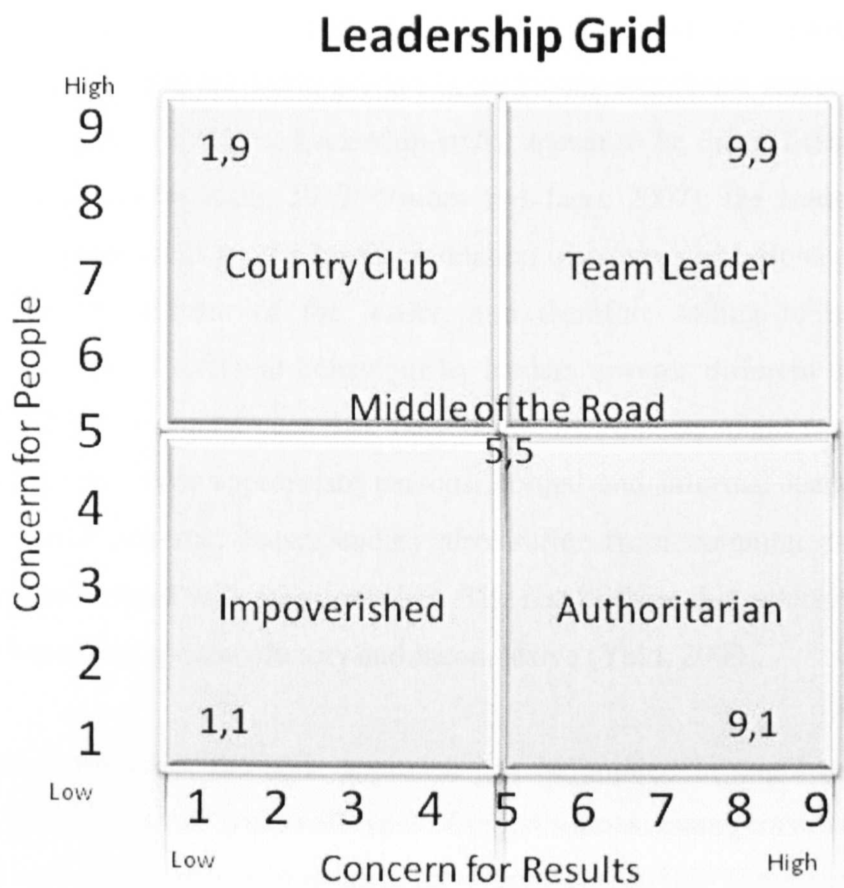
- More effective leaders tend to have relationships with their subordinates that are supportive and enhance the followers' sense of self esteem.
- More effective leaders use groups rather than person-to-person methods of supervision and decision making.
- More effective leaders tend to set higher performance goals (Vroom, 1976).

The findings from both studies suggest that effective leadership focuses on performance as well as the employment of other behaviours. Closely related to the ideas and findings that evolved in the Ohio Stated and University of Michigan studies is the leadership grid as discussed in the following paragraph.

Managerial (Leadership) Grid

Blake and Mouton (1964) have provided perhaps the most well known model of managerial behaviour. The model has been used extensively in organisational training and development (Northouse, 2010). The purpose of a managerial grid, which has been renamed the leadership grid, was designed to explain how leaders help organisations to reach their purposes through two factors: concern for production and concern for people (Bass, 1990; Rollinson, 2008). According to Blake and Mouton (1964), concern for production denotes to how a leader is concerned with achieving organisational goals; it involves attention to policy decisions, new product development, process issues, workload and sales volume. Concern for people involves building organisational commitment and trust, promoting the personal worth of an employee, providing good working conditions, maintaining a fair salary structure and promoting good social relations (Black and Mouton, 1964).

2.2 Leadership Grid (Northouse, 2010)



The leadership grid **2.2** depicts five major leadership styles: authority-compliance (9, 1), country club management (1, 9), impoverished management (1, 1), middle of the road management (5, 5) and team management/leader (9, 9) [Bass, 1990]. In addition to five major styles mentioned in the leadership grid, Blake and Mouton have identified two other styles, paternalism and opportunism. Paternalism pertains to a leader who uses both authority compliance and country club styles but does not integrate the two; Opportunism refers to a leader who uses any combination of the basic five styles for the purpose of personal advancement (Blake and Mouton, 1985).

Northouse (2010) argues that the style approach marked a major shift in the general focus of leadership research; the studies discussed so far Ohio State, University of Michigan and Leadership Grid; validate and gives credibility to basic tenets of the approach; the style approach is heuristic. Many training and development programmes are structured along the lines of the style approach for leadership (Northhouse, 2010).

The style approach can be criticised on the following grounds: the leadership style theories fails to consider the contingencies in leadership situations; research findings on the effectiveness of different leadership styles appear to be inconsistent (Korman, 1966; Kerr et al., 1974; Katz, 1977; Vroom and Jago, 2007); the leadership style studies also "mostly focus on the leader in relation to a group of follower, involving averaging their assessment of the leader, and therefore failing to account for differences that reflect different behaviour by leaders towards different individuals" (Bryman, 1992:8). Bryman argues that the research instruments might not have been administered to the most appropriate persons; formal and informal leaders vary in their behavioural patterns; these studies also suffer from common problems of measurement associated with questionnaires. The results from this extensive research effort have been mostly contradictory and inconclusive (Yukl, 2009).

Despite many criticisms, the style approach can be applied in ongoing leadership settings; at inclusive levels within all types of organisations, managers are continually engaged in task and relationship behaviours (Northouse, 2010). The leadership style approach is distinct in how it provides a framework for assessing leadership in a broad way, as behaviour is assessed with a task and relationship dimension; it works by describing the major components of leader behaviour. The style approach makes significant contribution to our understanding of the leadership process.

In conclusion, the behaviour/style approach is a concept that does not include individual followers in its process nor does the evidence suggest a relationship between this leadership style and the motivation of the followers. What is evident is that the behaviour/style approach can be taught. Researchers shifted to study the style approach to understanding how leadership was used within an organisation in specific situations (Yukl, 2009).

2.3.3 Contingency approach

The contingency era, spearheaded by Fred Fielder, began in the early 1960s and broke the constraint of a one-style approach and still continues. The underlying assumption of the contingency view is that the personality, style or behaviour of an effective leader depends on the situation the leader is in. Nahavandi (2000) provides five assumptions included in the contingency approach: 1) there is no one best way to lead, 2) the style or behaviour most effective will depend on the situation, 3) one can learn to become a good leader, 4) leadership makes a difference in the effectiveness of groups and organisations, and 5) personal and situational characteristics affect leadership effectiveness. The contingency approach; a major group of leadership theories that deals with the circumstances that are likely to make one leadership style more appropriate than another, is divided in three sections. These three theories were identified as Fiedler's contingency theory, situational theory and path-goal theory and received the greatest consideration from authors.

Fiedler's Contingency Theory

The most widely recognised Contingency theory is Fiedler's (1967). He developed the contingency theory by studying the styles of many different leaders who worked in different contexts. The theory focuses on understanding situations in which leaders work. He assessed leadership styles, the situations in which leaders work and their effectiveness in particular situations. In short, the contingency theory is concerned with leadership styles and situations. Fiedler (1967) classifies **leadership styles** into two categories: "task- oriented" and "relationship-oriented". Task-motivated leaders are primarily concerned with reaching a goal, whereas relationship-motivated leaders are concerned with developing close interpersonal relationships (Fiedler, 1967; Northouse, 2010; Vroom and Jago, 2007). Fiedler (1967) developed a 'least preferred co-workers' (LPC) scale that measures the rating given by leaders about the person with whom they could work least well. The questionnaire asks leaders to think of every colleague from their entire career and to select the least preferred co-worker. This is achieved with a rating on a set of bipolar adjective scales such as friendly-unfriendly, cooperative-uncooperative, and efficient-inefficient (Yukl, 2009). The numbers on the scales are associated with a positive evaluation of the least preferred co-worker. The higher scale numbers are associated with the more positive term. Leaders who describe their preferred co-worker in consistently positive terms receive a high LPC score, whilst those using consistently negative terms receive a low LPC score. Fiedler (1967) assumes that high LPC leaders are basically more concerned with interpersonal relations and low LPC leaders are more concerned with task completion.

In addition, Fiedler classified the situation in term of its favourableness for the leader, ranging from highly favourable to highly unfavourable. A situation is highly favourable when work is clearly structured and the leader has great position of power and good relationship with the group. An unfavourable situation is one that is characterised by poor relationships with the group, little position of power and unstructured work. Fiedler's model (1967) also includes three situational factors:

1) **Leader-Member relation-** the extent to which subordinates are loyal, and relations with subordinates are friendly and cooperative.
2) **Positive Power-** the extent to which the leader has authority to evaluate subordinate performance and administer rewards and punishments.
3) **Task Structure-** the extent to which standard operating procedures are in place to accomplish the task, along with a detailed description of the finished product or service and objective indicators of how well the task is being performed.

Fiedler identified the leadership approach that is supposed to achieve high group performance in each of the eight situations. The theory argues that a person-oriented leader will be most likely to get high performance in cases of intermediate favourableness. A task-oriented leader is appropriate for both very favourable and very unfavourable situations. For example, if leader-member relationships are poor, the task is unstructured and leader position power is low, the model predicts that a task-oriented leader will be effective. Similarly, if leader-member relationship is good, the task is structured and leader position of power is high, task oriented leaders will be effective. Fiedler (1967) believes that the personality of the leader is innate, thus resolute. Fiedler deems a mismatch when a person-oriented leader faces a very favourable or very unfavourable situation or when task-oriented leader faces a situation of intermediate favourableness. According to Fiedler (1967) conflict between the task-oriented leader and situations can be resolved by changing the situation through job engineering. If a person-oriented leader ends up in a situation that is very unfavourable, the leader should attempt to improve matters by increasing time with subordinates to improve the relationship and to clarify rules and procedures to provide more task structure (Fiedler, 1967).

Fiedler (1995) does provide rationale to why leaders who are working in the "mismatched" situation are ineffective. A leader whose LPC style does not match a particular situation experiences stress and anxiety; as a result under stress, the leader reverts to less mature ways of coping that were learned in early development; and therefore the leader's less mature coping style results in poor decision making, which results in negative work outcomes. However, it is not entirely clear why leaders with high LPC scores are effective in moderately favourable situations or why leaders with low LPC scores are effective in both very favourable and very unfavourable situations (Northouse, 2010; Antonakis et al., 2004). The contingency theory stresses that leaders will not be effective in all situations. If a leader's style is a good match for the situation in which he/she works, he/she will be effective at the job.

The contingency theory has several major strengths. Firstly, researchers have tested the validity of the model's predictions in three separate meta-analyses; the theory is supported by great deal of research (Peters el al., 1985; Strube and Garcia, 1981; Vroom and Yago, 2007). Secondly, the contingency theory is predictive and therefore provides useful information regarding the type of leadership that will most likely be effective in certain contexts (Antonakis et al., 2004). Thirdly, the internal validity of the instrument is sound, with an alpha of about .90; the LPC's test-retest reliability also is acceptable (Ayman, 2002).

Yet, the LPC contingency theory also possesses some weaknesses. The LPC contingency theory has some serious conceptual weaknesses. Some critics have voiced concerns regarding contingency theory and the validity of LPC scale. LPC scores may not be stable over time and may be more complex than assumed; the model is not really a theory, as it does not explain how a leader's LPC score affects group performance (Yukl, 2009). The model neglects medium LPC leaders, who probably outnumber the high and low LPC leaders. Research suggests that medium LPC leaders are more effective than either high or low LPC leaders in majority of situations, presumably because they balance affiliation and achievement concerns more successfully (Kennedy, 1992).

Clearly, Fiedler was a pioneer in taking leadership research beyond the purely trait or purely situational perspectives that preceded his contribution. Fiedler's work is a significant contribution to the development of leadership theory in recognising that contextual circumstances can have a strong impact on the appropriateness of a leader's behaviour. His work prompted research on other potentially influential variables that helped in better understanding leadership. The LPC contingency model was one of the earliest contingency theories of leadership, and its major contribution may have been to encourage greater interest in situational factors around leadership. A more in depth analysis about situational leadership can be found in the next section.

Situational Leadership

Heresy and Blanchard (1969) have developed one of the more widely recognised approaches to leadership named **situational approach**, which bases its key concepts on the main findings of the style approaches of the Ohio State and Michigan Studies. Situational leadership has prescriptive value. The situational approach to leadership assumes that situational factors determine the effectiveness of leadership styles. It focuses on leadership in situations. Heresy used two leadership dimensions, namely, task behaviour and relationship behaviour. Hersey (1984: 31) defines task behaviour as "the extent to which the leader engages in spelling out the duties and responsibilities of an individual or group". Relationship behaviour is defined as "the extent to which the leader engages in two- way or multi-way communication" (Hersey, 1984: 32).

Relationship behaviour incorporates listening, encouraging, facilitating, providing clarification and giving socio-emotional support (Hersey, 1984). Heresy and Blanchard (1969) proposed that the effectiveness of four leadership behaviours - telling, selling, participating, and delegating- depends on whether they complement the subordinates' task maturity (e.g., ability, education, and experience) and psychological maturity (e.g., willingness, self-esteem, and motivation).

The Situational Leadership Model explains that the leader needs to change his or her behaviour depending on the ability and willingness of subordinates to successfully complete the task. Leaders need to use the 'telling' behaviour when subordinates are unable and unwilling to complete tasks and provide direction to subordinates (Rollinson, 2008). Leaders should use the 'selling' behaviour with subordinates who are willing but unable (Rollinson, 2008). When subordinates are able but unwilling, leader should use the 'participating' behaviour (Rollinson, 2008). This particular behaviour would help to increase motivation and leaders should share ideas and participate in discussions. Leaders should implement the 'delegating' behaviour when subordinates are both willing and able. The leader does not need to get involved and give his or her input (Rollinson, 2008).

The situational approach to leadership has several strengths, particularly for practitioners. Firstly, Situational leadership is well known and frequently used for training leaders within organisations; it has been a factor in training programs of more than 400 of the fortune 500 companies (Northouse, 2010). This model is a well-known model as a training approach in many public and private organisations. It is widely used on management development courses, because it resonates with the audience, it is prescriptive and has an almost intuitive appeal (Shackleton, 1995). Secondly, Situational leadership emphasises the concept of leader flexibility (Yukl, 2009). Thirdly, Situational leadership theory has intuitive appeal and is practical (Antonakis et al., 2004).

Despite extensive use in organisations, situational leadership does have some limitations. Questions have been raised with regards to the theoretical basis of the approach due to the lack of a strong body of research on situational leadership (Vecchio and Boatwright, 2002). Additionally, the model does not make it clear how commitment is combined with competence to form four distinct levels of development; there is little evidence that using the contingent pattern of task and relations behaviour prescribed by the theory will make leaders more effective (Yukl, 2009).

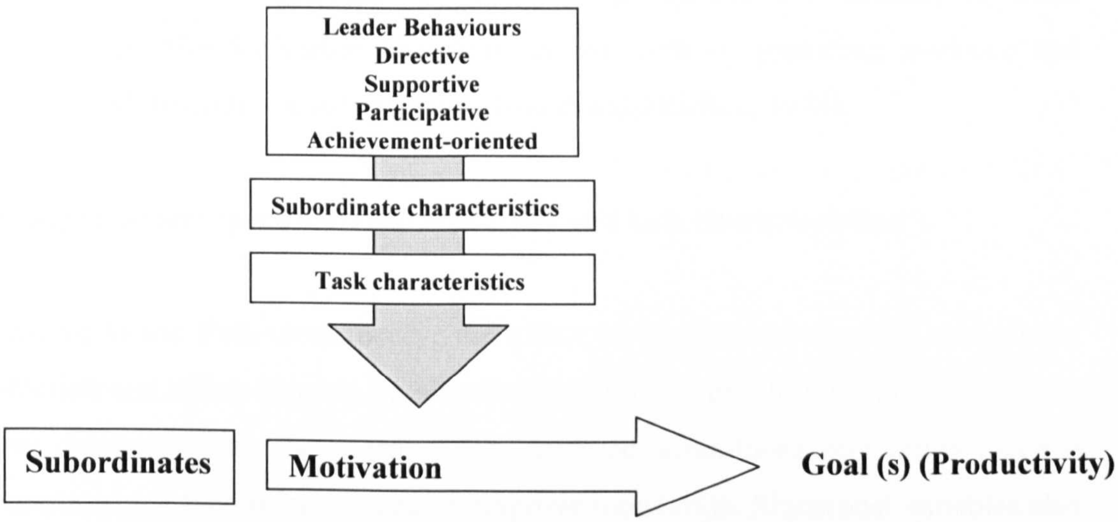
Path Goal Theory

Shortly after the publication of Fiedler's theory, a group of psychologists advanced the contingency theory and attempted to resolve some of the inconsistent and contradictory results that had emerged in research on consideration and initiation structure after the original Ohio State University Studies (Vroom and Jago, 2007). Evans (1996) originally developed the Path-Goal Theory in 1970. House (1971) illustrates that the Path-Goal Theory contains three main components: leadership behaviour, situational factors and leadership effectiveness. In contrast to the contingency approach that emphasises the match between a leader's style and specific situational variables and unlike the situational approach that suggests that a leader must adapt to the development level of subordinates, the path goal theory emphasises the relationship between the leader's style and the characteristics of the subordinates and the work setting (House, 1971). The goal of this leadership theory is to enhance employee performance and employee satisfaction by focusing on employee motivation.

According to House (1971: 324), "The motivational function of the leader consists of increasing personal payoffs to subordinates for work-goal attainment and making the path to these payoffs easier to travel by clarifying it, reducing roadblocks and pitfalls and increasing the opportunities for personal satisfaction en route." Gill (2006) argues that the Path-goal theory is primarily involved with transactional leadership in which the leader offers rewards to others for successful achievement of the leader's goals. The underlying assumption of path goal theory is derived from the expectancy theory that suggests that subordinates will be motivated if they believe they are capable of performing their work, they believe their efforts will result in a certain outcome and believe their work is worthwhile. The theory also assumes that the leader motivates subordinates to the extent that the leader's behaviour influences their expectations. The leader affects the performance of subordinates by clarifying the behaviour (path) that leads to desired rewards (goals).

Figure 2.3 illustrates the different components of the path-goal theory, including leader behaviours, subordinate characteristics, task characteristics and motivation.

Figure 2.3 Major components of Path-Goal Theory



Adopted from Northouse (2010: 125)

Leader Behaviours

House and Mitchell (1974) defined four types of leader behaviours, namely supportive, directive, participative and achievement oriented. The supportive leader is friendly and shows concern for status, well-being and the needs of subordinates; the directive leader lets subordinates know what is expected of them, gives specific guidance as to how to do tasks, maintain work schedules and maintains definite standards of performance; the participative leader consults with subordinates about issues and takes their suggestions into account before making a decision; finally the achievement- oriented leader sets challenging goals, expects subordinates to perform at their highest level and shows strong confidence that the subordinates will put in effort and accomplish goals (House and Mitchell, 1974).

House and Mitchell (1974) suggested that leaders may exhibit any or all of these four styles with various subordinates and in different situations. The Path-Goal theory is not a trait approach that confines leaders to only one kind of leadership; leaders should adapt their style to the situation or to the motivational needs of their subordinates. The theory envisages that a directive style of leadership is best in situations in which subordinates are dogmatic and authoritarian, the task demands are ambiguous and the organizational rules and procedures are unclear; in these situations, directive leadership complements the work by providing guidance and psychological structure for subordinates (House and Mitchell, 1974).

Situational factors (personal characteristics and task characteristics)

According to the Path-Goal theory, the effect of leader behaviour on subordinate satisfaction and effort depends on situational factors (Yukl, 2009). These situational factors determine both the potential for increased subordinate motivation and the manner in which the leader must act to improve motivation. Situational variables also influence subordinate preferences for a particular leadership style, thereby influencing the impact of the leader on subordinate satisfaction. The situational factors that moderate subordinate performance and satisfaction are the **personal characteristics of the subordinates** and **task characteristics** (Gill, 2006).

Two important characteristics of subordinates are locus of control and perceived ability. **Locus of control** refers to the extent to which individuals think that what happens to them, results from their own behaviour or from external causes (Rollinson, 2008). The research evidence indicates that individuals who attribute outcomes to their own behaviour may be more satisfied with participative leader, whereas individuals who attribute outcomes to external causes may respond more favourably to a directive leader (Mitchell, 1973). For example, if individuals believe that fate and power play a large part in determining what happens to them, they are likely to feel comfortable allowing the leader to take control. On the contrary, if they believe that what happens to them is mainly their own responsibility, then they are more likely to respond to a leader who gives them an opportunity to shape their own actions. **Perceived ability** refers to followers' own views of their abilities. Those who evaluate themselves highly and feel confident about performing tasks are unlikely to feel a need for directive leadership, while those with less confidence might prefer a directive leader (Rollinson, 2008). In effect, directive leadership becomes outmoded and excessively controlling in situations where subordinates feel competent in performing tasks.

Over and above subordinate characteristics, **task characteristics** also have a major influence on the way a leader's behaviour influences the motivation of subordinates. According to this theory, task characteristics include the design of the subordinate's task, the formal authority system of the organisation and the primary work group of subordinates (Mitchell, 1973; Rollinson, 2008). These characteristics collectively can provide motivation for subordinates. When a situation provides a clearly structured task, strong group norms and an established authority system, subordinates will find the paths to desired goals apparent and will not have a need for a leader to clarify goals or to coach subordinates in how to reach these goals; on the other hand, tasks that are unclear and ambiguous call for leadership input that provides structure (Northouse, 2010). For example, when task structure is high, directive leadership is less desired and less effective, because the subordinates know how to do their jobs.

According to the Path-Goal theory, therefore, the leader must take into account both the characteristics of subordinates and also task characteristics. On the basis of these factors, the leader needs to choose an appropriate style so as to influence the subordinates' motivation to perform work.

Research conducted to test the path-goal theory has yielded mixed results. In terms of supporting evidence for the model, House's original aim was to stimulate discussion and research. In this respect the model has largely been successful and research has resulted in some support for its basic ideas (Schriesheim and DeNisi, 1981). On the other hand, there are issues with the model, for example, House argues that if a leader changes his or her behaviour most appropriate for the circumstances, then this will lead to subordinate satisfaction. However Green (1979) argues that the link between behaviour and satisfaction probably operates in the reverse direction. Leaders tend to change their behaviour when they perceive the subordinates to be dissatisfied.

The path-goal theory also has some conceptual deficiencies that limit its practical utility. The greatest weakness is reliance on expectancy theory as the primary basis for explaining leadership influences (Yukl, 2009). The path-goal theory suffers from many of the same deficiencies as leadership-style theory, for example, inconsistent findings, group averaging of ratings, lack of consideration of informal leadership, dubious causality and measurement problems (Bryman, 1992; Gill, 2006). The theory is questionable in situations in which goals are constantly changing and in which leaders cannot offer task direction owing to the highly specialised nature of task (Gill, 2006). Another limitation of path-goal theory is that likely interactions among the behaviours or interactions with more than one type of situational variable are not considered (Yukl, 2009).

Empirical research on the path-goal theory generally concentrates on directive and supportive leadership behaviours, yet not enough studies were available to provide an adequate test of hypotheses about situational moderators of participative and achievement-oriented leadership. Valenzi (1977) discovered that among workers performing structured tasks in a manufacturing company, they were satisfied with their jobs under both directive and participative leadership styles. This is inconsistent with the path-goal theory which predicts that those doing unstructured tasks will prefer directive leadership whilst those doing structured and routine tasks will not. Similarly, Wofford and Liska (1993) reviewed 120 survey studies on the theory and conducted a meta-analysis of the results for task and relations behaviours. Despite a number of studies that have tested the theory, the results were inconclusive.

These studies of contingency theories point out that we have still confusion about how to lead. The research has found inconclusive evidence. In some studies, it was discovered that situational factors temperate the relationship between the leadership style and satisfaction, while in other cases they do not. The empirical research indicate that there are identified factors affecting the leadership process, however there are many other factors affecting it that have not been explored.

Situational leadership, path goal theory and contingency theory in essence can be taught (Northouse 2010). All three theories take follower's characteristics into consideration. None of the theories have supporting evidence that the leadership style impacts on follower's motivation and the research is inconclusive with conceptual weaknesses. The limited support for the contingency theory prompted researchers to focus on the emotional aspects of leadership.

2.3.4. Transformational/Emotional Approach

The transformational era started in the early 1980s. The focus on leadership theory has moved from the attempt to identify the inborn traits of leaders, through study of roles and behaviours of leaders, to the analysis of leadership in certain situations. Management researchers became very interested in the emotional and symbolic aspects of leadership.

Charisma

Since the 1980's, most leadership researchers have focused upon the emotional aspect of leadership with focus on charisma. Weber (1968) described charisma as the power of inspiration; more specifically charisma derives from the "New Testament", it refers to "gift of grace", that is evident of having the Holy spirit, as manifested in the capacity of prophesy (Weber, 1968). He defined the term "charisma" as follows: "The term "charisma" will be applied to a certain quality of an individual' personality by virtue of which he is considered extraordinary and treated as endowed with supernatural, superhuman, or at least specifically exceptional power or qualities. Such of these are not to be accessible to the ordinary person, but are regarded as of divine origin or as exemplary, and on the basis of them the individual concerned is treated as a leader (Weber, 1968: 241)".

Notwithstanding Weber's emphasis on charisma as a personality characteristic, he also recognised the important role played by followers in validating charisma (Bryman, 1992). According to Weber (1968) charismatic leaders emerge in social crisis with visions which offer a solution to the crisis; the leader transforms all values and breaks pre-existing norms to achieve some benefit from the mission. Drucker (1992: 67) challenged the concept of 'charisma' by arguing that "leadership is not by itself good or desirable; leadership is a means. Leadership to a definite end is the crucial question. History knows no more charismatic leaders than this century's triad of Stalin, Hitler and Mao- the misleaders who inflicted as much evil and suffering on humanity as have ever been recorded." Since latter part of the 21^{st} century, increasing business competitiveness and the need for the most effective use of human resource has resulted in researchers on management focusing their attention on how leaders revitalise or transform organisations.

The impact of charismatic leaders on followers has perhaps been the inspiration for leadership researchers to investigate charisma in organisations. Leadership is believed to be an important aspect for existence of complex organisations. Consequently, looking for charismatic leaders who have extraordinary influence upon the organisation's members will increase effectiveness of the organisation. Contrary to the popular opinion that charismatic leadership is more likely to appear in political and religious movements, Bass (1985), suggested that charismatic leaders are found in complex organisations, such as business executives, educational administrators, military officers, and industrial managers. Besides, Bass argues that charisma is widely distributed as an interpersonal attribute in complex organisations and is not solely limited to world class leaders. In the next part of research Transformational leadership will be critically analysed.

Transformational Leadership

Bryman (1992) suggest that transformational leadership is part of the "New Leadership" paradigm. Numerous researchers have studied transformational leadership and it occupies a central place in leadership research. It is concerned with emotions, values, ethics, standards, long term goals and includes assessing followers' motives, satisfying their needs and treating them as full human beings (Northouse, 2010). Transformational leadership was first invented by Downton (1973); nevertheless its emergence as an important approach to leadership began with a classic work by Burns (1978). The theories of transformational leadership were strongly influenced by James MacGregor Burns (1978), but there has been more empirical research on the version of the theory formulated by Bass (1985). The term transformational and charismatic are used interchangeably by many authors, but despite the similarities there are some important distinction (Judge and Piccolo, 2004; Yukl, 2009).

Charismatic vs. Transformational Leadership

Yukl (2009) suggests that one of the most important issues for leadership scholars is the extent to which transformational leadership and charismatic leadership are similar and compatible. Researchers treat the two types of leadership as being equivalent, whereas others view them as distinct yet overlapping processes. The theories have many differences due to conceptual ambiguity and a lack of consistency in definitions. Firstly, both theories emphasises on attributed charisma and identification. Bass (1985) suggests that charisma is a necessary component of transformational leadership, but he also notes that a leader can be charismatic but not transformational. Secondly, transformational leaders probably do more things that will empower followers and make them less dependent on the leader, such as delegating significant authority to individuals, developing follower skills and self confidence, creating self-managed teams, providing direct access to sensitive information, eliminating unnecessary controls, and building a strong culture to support empowerment, whilst, charismatic leaders probably do more things that foster an image of extraordinary competence for the leader, such as impression management, information restriction, unconventional behaviour and personal risk taking (Bass, 1985; Bass, 1990; Yukl, 2009; Avolio et al., 2009). Thirdly, in contrast to charismatic leaders which are rare and their emergence appears to be more dependent on favourable conditions, transformational leaders can be found in any organisation at any level and it is universally relevant for all types of situations (Bass, 1985).

Popper and Zakkai (1994) suggested conditions conducive to transformational, transactional and charismatic leadership styles.

Table 2.3 Popper and Zakkai (1994)

Leadership Styles	Conditions conducive to the predominance of the leadership styles
Transformational	Situations where the basic level of anxiety is low and attention is given to the developmental needs of the led. In general, this leadership pattern depends more on the leader's view of him/her as transformational and less on the organizational context than do transactional leadership.
Transactional	Routine situations where the basic level of anxiety is not high, there is no acute sense of impending crisis or major changes.
Charismatic	Situation where there is a high anxiety level, conditions of crisis and change that intensify processes of projection, transference and attribution.

Strengths and Weaknesses of Transformational Approach

The transformational leadership approach has several strengths. It has been a widely researched topic. Transformational leadership has an intuitive appeal which describes how the leader is out front advocating change for others, and this concept is consistent with the notion of what leadership means (Yukl, 2009; Antonakis et al., 2004; Avolio et al., 2009). What is very important is that transformational leadership takes into account followers unlike most of the other leadership approaches; is not a one-way process. Leadership emerges from interaction between leaders and followers. The inclusion of followers in its approach is therefore essential. Bryman (1992) suggested that followers gain a more prominent position in the leadership process because the attributions of followers are instrumental in the evolving transformational process. Transformational leadership also presents a wider picture of leadership that includes both the exchange of rewards and leaders' attention to the needs and growth of followers (Bass, 1985). According to Burns (1978), transformational leadership incorporates attempts by leaders to move individuals to higher standards of moral responsibility and motivation. Finally, there is sizeable evidence that transformational leadership is an effective form of leadership. Yukl (2009) reported that in studies that used the Multifactor Leadership Questionnaire (MLQ) to evaluate leadership styles, transformational leadership was positively associated to subordinate motivation, satisfaction and performance. Similarly, Lowe et al., (1996) also provided support to the theory by conducting a meta-analysis of 22 published and 17 unpublished studies that used the MLQ (Multifactor Leadership Questionnaire).

To further expand and clarify transformational leadership approach Yukl (2009) suggested some tentative guidelines for leaders who seek to inspire followers and enhance their self confidence and commitment to the mission on the basis of findings from different types of research on transformational leadership. The guidelines are based on the theories and research findings reviewed by Yukl (2009) as follows:

- Articulate a clear and appealing vision.
- Explain how the vision can be attained.
- Act confident and optimistic.
- Express confidence in followers.
- Use dramatic, symbolic actions to emphasise key value.
- Lead by example.

Transformational leadership also has been criticised. Firstly, it lacks conceptual clarity. Transformational leadership factors (idealised influence, inspirational motivation, intellectual stimulation and individualised consideration) are not clearly delimited which requires theoretical clarity (Yukl, 1999). According to Bryman (1992), transformational leadership and charismatic leadership are often treated synonymously. Secondly, transformational leadership has been criticised on measurement grounds. In some versions of Multifactor Leadership Questionnaire (MLQ) the four factors of transformational leadership (idealised influence, inspirational motivation, intellectual stimulation and individualised consideration) correlate highly with each other which means they are not distinct factors and some of the transformational factors correlate with transactional and laissez-faire factors which means they are not unique to the transformational leadership (Tejeda et al., 2001). Thirdly, transformational leadership is elitist and non-democratic (Bass and Avolio, 1993). This gives the impression that the leader is acting independently of followers or considering his own needs before that of his followers.

Unlike other leadership theories discussed earlier (situational theory, contingency theory and path-goal theory), transformational leadership does not describe how leaders should act in a particular situation to be successful. On the contrary it provides a broad set of generalisations (ideals, inspiration, innovations and individual concern) of what is typical of transforming leaders. Bass and Avolio (1990) advocates that transformational leadership can be taught at all levels within organisation and that it can positively affect the organisation's performance. Transformational leadership is very relevant in today's research literature.

Recent leadership research distinguishes between leading as a quality of one person, the leader, and leadership as a collective phenomenon, usually referred to as distributed leadership.

2.3.5. Distributed Leadership

Ross et al., (2005) suggest that from early formulations of traits theories through behaviour studies that provide various formulations of styles and variations of styles according to context and situation, to developments that seek to define and operationalise the notion of the transformational leader with emotional intelligence, the field of leadership seems beguiled with the centrality of those individuals appointed as leaders. However, there has been a challenge to the dominance of individualised conceptions of leadership (Rodgers et al., 2003; Avolio et al., 2009). For example, there is evidence of leadership couples or co-leaders; leadership is further distributed across teams and one version sees leadership as "the professional work of everyone" (Ross et al., 2005).

Spillane (2006) defines the concept stating that leadership is stretched over a number of individuals and tasks are accomplished through the interaction of multiple leaders. The idea of distributed leadership overlaps substantially with shared, collaborative, democratic and participative leadership concepts (Harris, 2008). In this approach leadership is seen as a group-level phenomenon where leadership is distributed among the team. Although a number of researchers and authors have discussed the idea of shared leadership, it has only gained popularity in the academic leadership literature (Avolio et al., 2009). Additionally, no clear operationalisation of the concept exists (Hulpia and Devos, 2010).

2.3.6 Toxic Leadership

Recently, researchers have also focused their attention on toxic leadership. Reed and Olsen (2010) defined toxic leadership as an apparent lack of concern for the well-being of subordinates, a personality or interpersonal technique that negatively affects organisational climate, and a conviction by subordinates that the leader is motivated primarily by self-interest. Toxic leadership may be a product of a broad array of factors- ranging from numerous acts of incivility, personality and behavioural disorders, emotional turbulence and narcissism to troubled company policies, corporate and marketplace instability and the difficult demands of systemic upheavals in the form of restructurings, mergers, acquisitions, rightsizing and downsizings (Goldman, 2011).

This destructive behaviour in leaders negatively impacts the loyalty, productivity, motivation, health and happiness of employees (Goldman, 2011). According to Lipman-Blumen (2005), followers actually enable toxic leaders and that organisations often not only tolerate them, but also produce and sustain them. Questions have been raised with regards to the theoretical basis of the approach due to the lack of a strong body of research on toxic leadership (Hulpia and Devos, 2010).

One of the reasons for undertaking this study was providing managers and entrepreneurs with insight into how to motivate employees. Evidence that a particular leadership style impacts on motivation is therefore essential in order to provide this insight as well as the notion whether a particular style can be taught. Lastly motivation is a two way process which implies that a leadership style needs to adopt an inclusive approach which focuses on both leaders and followers, not just the behaviours of the leader.

The trait approach has no supportive evidence to suggest it has an impact on motivation neither does it include followers in its approach nor as the distinction between a leader and non-leader is unclear it will be difficult to teach. In contrary the behavioural and situational approach do allow for development of this leadership style, despite the fact there is no evidence that neither style has an impact on employee's motivation nor does it include followers in its approach.

The distributed and toxic leadership approaches are comparatively too new concepts to allow for a proper analysis of their application in the workplace and no evidence is available to draw valid conclusions. The distributed leadership approach does not include the concept of leaders and followers.

The transformational approach can be considered too broad a concept as it does not illustrate how leaders should behave in particular situations to motivate employees. In contrast to the previous leadership styles transformational leadership has supporting evidence that is impacts on follower's motivation. It includes a two way process between leaders and followers and focuses on motivating followers and the effectiveness of transformational leadership within organisations (Yukl, 2009). It is evident that it can be taught.

Recently, the transformational leadership theory has garnered important support in the literature (Judge and Piccolo, 2004; Yukl, 2009; Pounder, 2008). Transformational theory of leadership is taking organisations by storm and is also a widely researched topic. According to Lowe and Gardner (2001), a content analysis of all the articles published in the Leadership Quarterly over the past decade showed that 34% of the articles were about transformational/charismatic leadership.

For the purpose of this study transformational leadership appears to be the most appropriate leadership approach in order to answer the research questions. A more in-depth analysis of the transformational leadership approach will assist in answering the research question.

2.4 Transformational Leadership

The eminent study of charisma in complex organisations is based on the notion of transformational leadership. Bass (1985) defines transformational leadership as the process of influencing the organisation's members to change their attitude, assumptions, building commitment for organisation's mission, strategies and objectives. Transformational leaders empower followers to participate in the process of transforming the organisation e.g. by enriching intrinsic values of the job (Yukl, 2009; Avolio et al., 2009). Transformational leadership focuses on changing followers and organisations. Transformational leadership research considers charisma as a main component of their approach (Burns, 1978; Bass, 1985, 1990; Ilies et al., 2006).

2.4.1 Burns' conception of transformational leadership

Burns (1978) distinguishes between two types of leadership, namely, transactional and transformational. He describes this leadership style as transformational leadership and distinguishes it from transactional leadership that relies on contingent rewards. He generally characterises transformational and transactional leadership styles as descriptive of different types of leaders.

Transactional leadership focuses on the exchanges that occur between a leader and his/her follower. It is based on a legitimate authority within the bureaucratic structure of the organisation. The emphasis is on the clarification of goals and objectives, work task and outcomes, and organisational rewards and punishments; transactional leadership appeals to the self-interest of followers and it is based on a relationship of mutual dependence (Bass, 1990; Antonakis et al., 2004; Avolio et al., 2009). For example, managers who offer a pay rise and/or promotion to an employee who achieves his/her goals are exhibiting transactional leadership. Transactional leadership is said to be the most appropriate in stable conditions (Rollinson, 2008).

By contrast, **Transformational leadership** is a process of engendering higher levels of motivation and commitment among followers by emphasising on generating a vision for the organisation and the leader's ability to appeal to higher ideals and values of his/her followers, creating a feeling of justice, loyalty and trust (Burns, 1978). Transformational leaders apprehend the future, see and articulate a compelling vision for what is possible, and ignite in others the enthusiasm and energy to make that vision a reality (Burns, 1978). According to Rollinson (2008) this approach is more suitable in organisations with rapid changes. Burns argues that a transformational leader adopts a development orientation towards followers and encourages them to focus not only on their own needs, but also on the needs of collective group, society and nation. He also suggests that transformational leaders rely heavily on intrinsic values of the job. Bass (1985) points out Mohandas Gandhi as classic example of transformational leadership; Gandhi was able to convince his followers to sacrifice their own safety and interests for the greater good of an Independent Republic of India. What Napoleon, Churchill, Hitler and Gandhi had in common was their vision and their ability to persuade people to follow it. Transformational leadership is concerned with transforming the performance or fortunes of the business.

Burns (1978) illustrates both the leadership styles, namely, transformational and transactional as existing on single a continuum. He puts transactional leadership at one extreme and transformational leadership at the other extreme of the continuum. This means that the extreme transformational leader tends to rely more on emotional and normative approaches of motivating followers, whilst the extreme transactional leader tends to rely solely on contingent rewards for motivating followers.

2.4.2 Bass's conception of transformational leadership (Full-range Leadership)

One of the most important recent models of leadership that includes and extends the idea of Burns' is the model by Bass (1985). He was the first to initiate major research around Burns' ideas by developing an assessment tool, the Multifactor Leadership Questionnaire. Similar to Burns model, Bass also draws a distinction between transformational leadership and transactional leadership. Bass (1985) demonstrated through data obtained with the Multifactor Leadership Questionnaire (MLQ) that transactional and transformational leaders are separate and independent dimensions. Bass (1997) suggested the universality of his full-range (transformational-transactional) leadership notion. A number of studies supported, Bass' concept of full range leadership, indicating that the transformational-transactional leadership construct holds good across organisational types and national cultures (Neumann, 1992; Howell and Avolio, 1993; Pounder, 2008). Strong assertions have been made in leadership literature regarding the benefits of the Full-range Leadership model (Pounder, 2008). Full-range Leadership has supporting evidence that is impacts on follower's motivation. It includes a two way process between leaders and followers and focuses on motivating followers and the effectiveness of transformational leadership within organisations (Yukl, 2009).

With transformational leadership, followers feel trust, admiration, loyalty and respect towards their leader and they are motivated to go the extra mile for their leader. Bass (1985: 20) suggests that transformation can be achieved in any one of three interrelated ways:

- By raising followers' level of awareness, level of consciousness about the importance and value of designated outcomes and ways of reaching them
- By getting followers to transcend their own self-interests for the sake of the team, organisation, or larger polity
- By altering followers' needs levels on Maslow's hierarchy or expanding followers' portfolio of needs and wants

In contrast, Bass (1985: 11) illustrates that a transactional leader relies on:

- Recognition of what his or her follower wants to get from their work and tries to see that followers get what they desire if their performance warrants it
- Exchange rewards and promise rewards for appropriate levels of effort
- Responding to self interest of followers in line with completion of tasks.

Characteristics of transformational leadership

Transformational leadership occurs when leaders "broaden and elevate the interests of their employees, when they generate awareness and acceptance of the purposes and the mission of the group and when they steer their employees to look beyond their own self-interest for the good of the group" Bass (1990: 20). According to Gill (2006) transformational leadership occurs when both leader and follower raise each other's motivation and sense of higher purpose. Kuhnert (1994) advocates that transformational leaders often have a strong set of internal values and ideals, and they are effective at motivating followers to act in ways the support the greater good rather than their own self-interests. Transformational leaders carry out more than 'transact' with subordinates or followers which makes a significant difference to people's motivation and development (Gill, 2006). Transformational leaders are therefore suitable for changing organisations. Bass (1985) argues that transformational leaders can be found in any organisation at any level, and this type of leadership is universally relevant for all types of situations. An explanation of the dynamics of the transformational process is provided in "model of transformational and transactional leadership" (Bass, 1985, 1990). Transformational leaders search for new ways of working, seek opportunities in the face of risk, prefer effectiveness over efficiency, and are more likely to introduce change. Transformational leaders try to create and shape environmental circumstances (Bass, 1985; Gill, 2006; Antonakis et al., 2004). Transformational leaders tend to use both transforming and transactional strategies when appropriate (Bass, 1985). Bass' Full-range Leadership characters have been described as follows:

Transformational Leadership Factors

Transformational leadership is concerned with performance of followers and also with developing followers to their fullest potential (Avolio, 1999). Bass (1985, 1990) distinguishes four factors of transformational leadership, namely, idealised influence (charismatic leadership), inspirational motivation, intellectual stimulation and individualised consideration.

Idealised Influence

The first component, idealised influence, describes leaders as behaving in ways which result in them being role models for their followers. Idealised influence is also known as charisma. Charisma is one of the four main factors of transformational leadership (Bass and Avolio, 1993; Judge and Piccolo, 2004). Transformational leaders express confidence in the vision; they take personal responsibility for actions; they display a sense of purpose, determination, persistence and trust in other people; and they emphasise accomplishments rather than failures (Judge and Piccolo, 2004; Gill, 2006; Pounder, 2008). Idealised influence is behaviour that arouses strong followers' emotions and identification with the leader. Bass (1985) suggests that a charismatic leader emphasises the importance of having a collective sense of mission which goes beyond self interest. Charismatic leaders demonstrate a high standard of ethical and moral conduct of their behaviours. Such leaders also gain the admiration, respect, trust and confidence of others by personally demonstrating an extraordinary ability of one kind of another; they put the need of other people before their own (Antonakis et al., 2004; Gill, 2006). Essentially, the charismatic people are special; they are individuals whom strive to recruit others to follow their own vision. An example of a person with charisma is Mohandas Gandhi who raised the hopes and demands of millions of his fellow citizens in India and as a result changed himself.

According Shamir and Howell (1999), a charismatic leader is more likely to be found in situations of acute crisis. Charisma arises when conventional ways fail to solve problems. Bass (1985) suggest that charismatic leadership occurs in old organisations that are failing or in new ones that are struggling to survive rather than in the already old, highly structured and successful organisations. Bass argues that charismatic personality contributes to the success of a leader; however, it is not the only factor for success. He notes that charisma combined with other transformational factors such as inspirational motivation, intellectual stimulation and individualised consideration helps in successfully transforming the organisation.

Inspirational Motivation

Closely linked to charisma, transformational leaders are known to practice inspirational motivation. Inspirational motivation, the second behavioural component, describes how transformational leaders motivate and inspire followers. Leaders, who engage in inspirational motivation of their employees, encourage them to achieve levels of performance beyond their own expectations by enriching the meanings of their followers' work (Bass, 1998; Judge and Piccolo, 2004; Pounder, 2008). They do so by using analogy, stories and symbols to communicate their vision and message. Inspirational motivation includes communicating an appealing vision, using symbols to focus subordinate effort, and modelling appropriate behaviours (Bass and Avolio, 1997; Pounder, 2008). Transformational leaders inspire group members to exceed their initial expectations by giving emotional support and making emotional appeals (Dubrin, 2001). An example of this factor would be a sales manager who motivates his or her sales force to excel in their work through encouraging words and pep-talks that clearly communicate the integral role they play in future growth of the organisation (Northouse, 2010).

Intellectual stimulation

Intellectual stimulation, the third behavioural component, describes how transformational leaders stimulate their followers' efforts to be innovative and creative by questioning assumptions, reframing problems and approaching old situations in new ways. They present new ideas to followers and challenge them to think by questioning the status quo. Bass (1985: 99) defines intellectual stimulation as "the arousal and change in followers of problem awareness and problem solving, of thought and imagination, and of beliefs and values, rather than arousal and change in immediate action." Intellectual stimulation comes from the personal ability of the leader such as intelligence, personal relations and expertise which encourage followers to use imagination and creativity in rethinking assumptions and old ways of thinking. Such leaders use and encourage intuition as well as logic which is a recipe for personal growth of followers. Bass (1985: 212) suggest that followers of intellectually stimulating leader might say "His ideas have forced me to rethink some of my own ideas which I had never questioned before" or "He provides me with new ways of looking at things which used to be a puzzle for me". According to Nahavandi (2000) the charismatic relationship provides the support that the followers will need when involved in the challenge of solving problems in new ways. Northouse (2010) provides an example of this type of leadership; a plant manager who promotes workers' individual efforts to develop unique ways to solve problems that have previously caused production to slow down. Intellectual stimulation with individualised consideration is the basis for an effective coaching and mentoring role (Gill, 2006).

Individualised consideration

Individualised consideration, the fourth behavioural component of transformational leadership, is representative of leaders who give personal attention to all his or her followers, making each individual feel valued to the organisation and provide a supportive climate in which they listen carefully to individual needs (Bass, 1985; Judge and Piccolo, 2004). Leaders try to help followers in becoming fully actualised by acting as a coach and advisor and delegating work. In this approach, leaders focus on knowing their followers, mapping their needs and capabilities and giving personal attention to each individual follower in a different manner. The leader develops a different relationship with each follower. Transformational leaders practise Management by Wandering Around. Consideration may be directed towards individual follower or a group of followers by analysing their needs and capabilities. The outcome is an organisation with followers that feel special, supported and motivated (Nahavandi, 2000). Two-way communication is encouraged and interactions with followers are personalised (Bass, 1998; Bass and Avolio, 1994).

Characteristics of Transactional Leadership

Transactional leaders practise management by exception and contingent rewards. Transactional leaders appear to be strongly directive and they tend not to use the consultative, participative or delegative styles to any significant extent; they set objectives and performance standards by being directive rather than participative (Gill, 2006). Transactional leaders also tend to use rewards for performance on the basis of objectives. Transactional leadership occurs when there is a transaction between the leader and the follower. Bryman (1992) argues that the transactional process between leaders and followers is more management than leadership. Transactional leadership can result in achievements in the short term; however, in the long term it runs the risk of stifling human development with consequential loss of competitive advantage (Gill, 2006). According to Bass (1985) the effectiveness of transactional leadership depends on whether the leader has control over rewards and penalties and whether employees are motivated by the promise of rewards and desire to avoid penalties. Transactional leadership factors are discussed below.

Transactional Leadership Factors

Bass (1985) divides transactional leadership in two factors, namely contingent reward and management-by-exception. Transactional leadership deviates from transformational leadership in that the transactional leader does not individualise the needs and capabilities of subordinates nor focuses on their personal development (Antonakis et al., 2004; Northouse, 2010). Transactional leaders are influential and followers of transactional leader do what the leader wants as it is in the best interest of both (Kuhnert, 1994).

Management-by-exception

Transactional leadership is practised in two ways: active and passive (Bass, 1985, 1990). Management-by-exception is the first of two transactional leadership factors. Passive management-by-exception is displayed when a leader sets work objectives and performance standards but then waits for problems to arise and only reacts to mistake and intervenes reluctantly. The active leader monitors for deviations and errors and then corrects them. He/she enforces the rules and procedures of the organisation (Gill, 2006; Yukl, 2009; Pounder, 2008). A leader practising the active form of management-by-exception observes followers closely for deviations from set objectives and then takes corrective action. For example, a sales manager who observes team members approaching customers on a daily basis will correct them if they are slow in approaching customers in a prescribed manner. The passive sales manager who employs management-by-exception gives an employee a poor performance review without ever communicating with the employee about her or his prior work performance. Bass (1985) describes management-by-exception by the popular motto "If it isn't broken, don't fix it".

Contingent Rewards

The second component of transactional leadership is contingent rewards. Contingent reward behaviour includes clarification of the work required to obtain rewards and the use of incentives and contingent rewards to influence motivation (Bass, 1985; Yukl, 2009; Pounder, 2008). Contingent reward refers to an exchange of agreed rewards for an employee's effort beyond a certain level of performance. When displaying transactional leadership, leaders try to obtain agreement from followers on task and rewards. An example often occurs in the academic setting- a supervisor negotiates with a student the number of pages he or she needs in order to upgrade his/her status from MPhil to PhD.

Laissez Faire

The final form of Full-range leadership, non leadership, is laissez faire leadership. This study has treated laissez faire leadership as separate from transformational and transactional leadership (Judge and Piccolo, 2004). This factor represents the absence of leadership. This type of leadership shows passive indifference about the task and subordinates by ignoring problems and ignoring subordinate needs (Bass, 1990). The laissez faire leader abdicates responsibility, delays decisions, gives no feedback, and makes little effort to help followers satisfying their needs (Yukl, 2009). An example of a laissez faire leader is the president of a medium manufacturing company who calls no meetings with plant managers, has no long range plan for her or his business, and makes little contact with employees within the organisation. There are similarities and differences between Burns and Bass approach; they have been compared in the next section.

2.4.3 Comparing and contrasting Burn's and Bass's conception of transformational leadership

Bass (1985) was one of the first authors to modify Burns' views who postulated that transformational and transactional leadership were not opposite ends of bipolar dimensions as Burns suggested. On the contrary to Burns opinion, Bass argues that they are independent aspects of leadership, much as task orientation and relationship orientation are independent behavioural dimensions (Antonakis et al., 2004). Thus, Bass and his colleagues argue that leaders can be both transformational and transactional and suggest that most effective leaders utilise both behaviour styles (Bass, 1985; Avolio et al., 1999; Bass and O'Shea, 2009). Erkutlu (2008) supports Bass' view by suggesting that managers use different leadership styles in different work environments. Their styles will have direct effects on employee outcomes.

Adequate use of their styles will result in higher employee satisfaction, commitment, productivity and motivation. Bass and Burns both suggest that a transformational leader relies more on aspects of motivating followers, whereas transactional leadership relies more on exchanging rewards.

Where Burns (1978) generally characterised transformational and transactional styles descriptive of different types of leaders, Bass portrays them as different classes of leadership behaviour. For example a leader may have illustrated transactional leadership before, but he or she is exhibiting transformational leadership now. Burns (1978) did not attempt to explain what types of action or general strategies transformational leaders use. He focused neither on specific traits of leaders nor the specific aspects of the socio-organisational context that leaders attempt to transform (Antonakis et al., 2004). What Burns did provide was a platform for other researchers to explore these factors.

Bass and Burns have different orientations towards the area to which they undertook their research. Burns concentrated on political leadership whilst Bass opted for military, education and business organisation. Besides, Bass argued that transformational leadership does not necessarily benefit organisation, whereas, Burns suggested that society would benefit from transformational leadership (Bass, 1985). For example, Bryman (1992) noticed that although an organisation was led by as transformational leader, the leader failed to develop the organisation into a success because of other constrains, whilst another similar organisation led by a transactional leader successfully controlled the business and this organisation survived. The transformational leadership approach has attracted a great deal of empirical research. Closely related to the topic of leadership, organisational culture plays a significant role in shaping leadership behaviour- transactional or transformational (Griffin, 2007). The recent surge in research on how culture impacts on leadership indicates the significance of the relationship. The study discusses culture in organisational form.

2.4.4 Transformational Leadership and Organisational Culture

The link between transformational leadership and organisational culture is supported by research which shows that leadership is affected by environmental factors as illustrated by Fiedler (1964). There is no agreement on a precise definition of organisational culture. Frontiera (2010: 71) defines organisational culture, in laymen's terms, as "the way we do things around here". Organisational culture is the set of values, beliefs, behaviours, customs and attitudes that helps the members of the organisation understand what it stands for, how it does things, and what it considers important (Griffin, 2007). Organisational culture may be displayed at three levels; artefacts such as dress codes and standard reports, values such as norms and ideologies, and assumptions that guide perceptions, feelings, and behaviours (Sims, 2000).

Organisational culture and peer expectation can often put pressure on one to adopt particular leadership style. Organisational culture is relevant to organisational leadership because leaders need to motivate individuals and groups whose behaviours are also influenced by organisational culture. According to Bass and Avolio (1994), there is a constant interplay between culture and leadership; leaders create the mechanism for cultural development and the reinforcement of norms and behaviours expressed within the boundaries of the culture. Likewise, Antonakis et al., (2004) suggest that one of the most decisive functions of leadership is the creation, the management, and sometimes even the destruction of organisational culture. Conversely, several authors and researchers find the idea that leaders create culture outrageous. Meek (1988) strongly argues that leaders do not create culture; it emerges from the collective social interaction of groups and communities. Mullins (2009) also illustrates that organisational culture can be the key to effective leadership.

According to Bass and Avolio (1994: 542), "the organization's culture develops in large part from its leadership while the culture of an organization can also affect the development of its leadership. For example, transactional leaders work within their organizational cultures following existing rules, procedures and norms; transformational leaders change their culture by first understanding it and then realigning the organisation's culture with a new vision and a revision of its shared assumptions values and norms". It is clear that organizations are likely to have cultures that are characterized by both styles (transformational and transactional) of leadership (Bass and Avolio, 1994).

Bass and Avolio (1994) discovered transformational and transactional cultures. Transactional culture displays characterises such as:

- Everyone has a price for his/her motivation
- Commitment is short term
- Self interest is stressed
- The organisation is a marketplace comprised of individual's reward is contingent on his or her performance.
- Management-by-exception is often actively practiced.
- People's commitment is as deep as the organisation's ability to reward members for successful performance.

On the other hand, a transformational culture exhibits following characteristics:

- Commitments are long-term.
- Leaders and followers share mutual interests and a sense of shared fates and interdependence
- Leaders and follower go beyond their self-interests or expected rewards for the good of the team (Bass and Avolio, 1994)

Similarly, Deal and Kennedy (1982, 2000) examined hundreds of companies to identify different cultures. They identified four cultures. The **'macho culture'** exists when an organisation is composed of individuals who are frequently called upon to take high risks and receive rapid feedback on the quality of their actions and decisions. The **'work hard/play hard'** culture is a low-risk quick feedback culture which has a focal point of fun and action; these types of organisations are often customer-focused sales organisations or companies. For example, the fast-food chain McDonald's encourages competition and utilises a structure of acknowledging good performance in order to maintain morale (Deal and Kennedy, 2000). Individual sales do not affect a member of staff and production systems have many checks and balances to neutralise the occurrence of big risks with rapid feedback on staff. The **'bet-your-own-company'** culture exists in environments where the risks are high and the feedback on actions and decisions are lengthy. On the other hand, the **process** culture is relatively a low- risk and slow-feedback approach (Deal and Kennedy, 2000). For example, a company which invests in long term projects is having 'bet-your-own-company' culture. Both of the bet-your-own-company and the process cultures are slow to respond to change.

To reiterate, the culture affects leadership as much as leadership affects culture. The literature indicates that there are other factors, than culture which influence the type of leadership style used in organisation. According to authors, the following factors also influence the choice of leadership style:

- The geographic, cultural and socio-economic background of leaders (Yousef, 1998)
- Organisational cultures, education and ownership of the organisation (Yukl, 2009)
- The level of technology, type of industry and size of the business unit (Yousef, 1998; Yukl, 2009)
- Organisation's life cycle, the competencies of leaders and followers and the leader's personal attributes (Yukl, 2009)

2.5. Empirical Studies of Transformational Leadership

Over the past decade, transformational and transactional leadership have been studied in many research projects. Many organisational research studies on transformational leadership have investigated the effects of transformational and transactional leadership on the individual as well as the group. To date, empirical work conducted around transformational leadership using Multiple Leadership Questionnaire has focused on the relationships between leadership styles (transformational, transactional and laissez) and variables such as faire, justice perception, trust, subordinate effort, commitment, performance and satisfaction (Yukl, 2009; Gill, 2006; O'Shea et al., 2009; Antonakis et al., 2004). The positive relationship between transformational leadership behaviours and a variety of job-attitudinal variables has been replicated extensively (Bass, 1985; O'Shea et al., 2009). According to O'Shea and his colleagues, save for a few exceptions, the transactional trait contingent reward correlates positively with both attitude and organisational effectiveness measures and such behaviours are particularly effective in business settings (Judge and Piccolo, 2004). Laissez-faire leadership is almost uniformly negatively correlated with business outcomes (Bass, 1999).

Bass (1990) pointed out that leaders and followers similarly rated high-performance managers as more transformational than transactional and their organization tended to do better financially. Although researchers agree that transformational leaders create a higher correlation between performance and motivation than transactional leadership, the same researchers assert that the best leaders are both transformational and transactional in their leadership style (Howell & Avolio, 1993 and Yammarino & Bass, 1990). Other researchers support the concept of using both leadership styles. Hart and Quinn (1993) suggested that leaders are more effective when they apply multiple styles and their leadership style is multi-dimensional. Bass (1990) suggested that Laissez-faire leadership is strongly associated with subordinate dissatisfaction, conflict, and leadership ineffectiveness. Current research did not indicate that a strong laissez-faire style correlates with subordinate satisfaction or with organizational success (Avolio & Bass, 2004; Bass, 1999).

A meta-analysis reported by, Judge and Piccolo (2004), derived correlations among transformational behaviours and various indicators of leadership effectiveness that ranged from group and organisational performance to follower satisfaction with the leader. Similarly, Lowe et al., (1996) conducted a Meta analysis and found that transformational leadership was significantly related to measures of leadership effectiveness. Barling et al., (1996) analysed the influence of transformational leadership training on a business units' performance. The performance was measured by the number of personal loan and credit card sales. They observed that business units under managers who had been trained in transformational leadership showed higher performance than business units under manager who did not participate in the training programme.

Jung (2001) also attempted to determine the effectiveness of transformational and transactional leadership. His study revealed that transformational leadership helps in fostering creativity more than transactional leadership. Transformational leaders empower and help develop a strong sense of cohesion in a team setting.

There is some evidence that suggests that women, more than men, tend to adopt more of a transformational leadership style (Bass, 1998). Bass and Avolio (1994) analysed the leadership style of 150 male and 79 female managers at top management level in 6 Fortune 500 companies using the MLQ and found women managers being more effective and satisfying to work with and were considered as better role models who showed greater concerns for the individual needs of their followers.

Contrary to Bass' suggestion that transformational leadership may be applied in many different organisations, evidence suggests that transformational leadership is more likely to exist in certain organisations (Antonakis et al., 2004; Shamir, 1999; Keller, 1992). Keller (1992) conducted a longitudinal study of transformational leadership in industrial research and development organisations where a department of research and development was divided into two sub-departments: research project and development project. The research project was directed mainly at technological innovations that required scientists and engineers to go far beyond existing scientific and technological knowledge, whilst the development project generally focused on incremental technological improvements involving modification of existing technologies. The results of the study suggested that the level of transformational leadership experienced was higher in the research project than in development project which meant that employees in the research project required more transformational leadership than employees in the development project. This may be because the attitudes of professionals tend to be positive to the job's value that is consistent with transformational leadership that relies on intrinsic job value for motivating the followers (Keller, 1992).

Similarly, Bryman et al., (1996) conducted a case study of three community transport organisations in the UK to explore the effectiveness of transformational leadership. Out of three community transport organisations, one was led by a transactional leader and two were led by transformational leaders. The transactional leader managed the organisation successfully, whilst the transformational leaders faced several constrains in developing visions for their organisations. Bryman (1996) argued that the effectiveness of transformational leaders was constrained by several factors, such as the level of trust in management, the availability of resources and time. The finding of the study, contradicted Bass's suggestion that transformational leadership correlates with better organisational performance than transactional leadership in all circumstances.

Universally, we are likely to see more determination in the personality of transformational leaders regardless of the situation (Bass, 1996). Changes in the marketplace and workforce over the two decades have resulted in the need for leaders to become more transformational and less transactional if they are to remain effective (Bass, 1999). Researchers have ongoing disagreement regarding the effectiveness of transformational leadership throughout different levels of organisations. It was suggested that transformational leadership is more likely to be found at senior level than at the lower level (Katz and Kahn, 1978; Sharmir and Howell, 1999). They argue that a job at senior level require a wider horizon for the occupant and is strategically oriented and therefore more focused on the behavioural elements of transformational leadership. On the contrary, Bass (1985) argued that transformational leadership can be found at all levels of the organisations.

Most recently, studies on transformational leadership have begun to shift their focus towards identifying and understanding contextual variables that may influence or moderate the relationship between transformational leadership and followers' level of motivation, with a majority of these studies examining organisational-level characteristics (Zhu et al., 2009). According to writers, followers of transformational leaders feel trust, admiration, loyalty, and respect toward leaders, and are motivated to perform extra role behaviours (Bass, 1985; Katz and Kahn, 1978).

Bass's Full-range Leadership approach has guided extensive research, with evidence supporting the model (Antonakis et al., 2004). His position is supported by a number of studies indicating that the transformational-transactional leadership construct holds good across organisational types and national cultures (Howell and Avolio, 1999; Gellis, 2001; Neumann, 1992). On the contrary writers have suggested that leadership styles may need to vary with organisational situation and organisational type (Pounder, 2008). Overall, Bass and his colleagues provide a sound initial groundwork for the scientific study of transformational leadership.

2.6. Summary

Despite leadership having been researched for many decades with different approaches, none of the theories have been able to capture the full spectrum of elements influencing somebody's leadership style.

Researchers and authors have studied leadership from a variety of perspectives such as traits (Stogdill, 1948), behaviours (Lewin et al., 1939) contingency theory (Fiedler, 1967), situational theory (Hersey and Blanchard, 1967), path-goal theory (House, 1971), transformational approach (Downton, 1973), distributed leadership (Ross et al, 2005) and toxic leadership (Olsen, 2010).

The trait approach identifies a list of characteristics of leaders, but it lacks conclusive results concerning effective leadership. The trait approach has no supportive evidence to suggest it has an impact on motivation neither does it include followers in its approach and as the distinction between a leader and non-leader is unclear it will be difficult to teach as a concept to others.

In contrary the behavioural and situational approach do allow for development of this leadership style, despite the fact there is no evidence that either style has an impact on employee's motivation. This is partly due to the fact that it does not include followers in its leadership process. Behavioural and situational approaches of leadership focus on two leadership styles and its application in certain situations, however empirical studies are inconsistent.

The distributed and toxic leadership approaches are comparatively too new concepts to allow for a proper analysis of their application in the workplace and no evidence is available to draw valid conclusions. The distributed leadership approach and toxic leadership do not include the concept of leaders and followers.

The transformational leadership approach is a widely researched topic and has several strengths. Authors and researchers on leadership, most recently, suggested that studies on Full-range Leadership have begun to shift their focus towards identifying and understanding contextual variables that may influence or moderate the relationship between transformational leadership and followers' level of motivation, with a majority of these studies examining organisational-level characteristics.

A number of studies support Bass' concept of full range leadership, indicating that the transformational-transactional leadership construct holds good across organisational types and national cultures. Strong assertions have been made in leadership literature regarding the benefits of the Full-range Leadership (Transformational, Transactional and Laissez Faire) approach. Save for a few exceptions, the transactional scale contingent reward correlates positively with both attitude and organisational effectiveness measures and such behaviours may be particularly effective in business settings. Laissez-faire leadership is almost uniformly negatively correlated with outcomes.

Most studies in relation to transactional leadership have focused on performance and effectiveness. How the transactional leadership style impacts on a follower's motivation has not been studied in these research projects. Transformational leadership on the other hand has been linked to motivation. Several theories around motivation have clearly postulated that follower's motivation is highly influenced by their leaders' behaviour (Herzberg, 1971; Mayo, 1945; Forest, 2008). To study how Full-range Leadership influences follower's motivation requires an in-depth analysis of motivation in the work place, this can be found in the next chapter.

In today's constantly changing business world, in which flexibility as well as productivity are essential, a transformational approach to leadership in which personal development, vision and adaptability are key, becomes more important. Empirical evidence suggests a relationship between transformational leadership and business results. One could presume that follower's motivation has a role to play in the achievement of business results. But the research conducted to date is not conclusive in this area.

The nature of a franchise environment with a quick reward and feedback culture and constantly changing circumstances will create a certain environment for specific leadership styles to flourish. The relationship between the application of certain leadership styles and the motivation of its follower's in this environment is the central question of this study.

This study selected Full-range leadership, due to its flexibility, empirical evidence and transformational approach to explore the relationship between leadership styles and motivation in order to answer the research question: How did individual full-range leadership styles and factors of franchisees affect the level of motivation of subordinates?

Chapter 3
Motivation

The purpose of this study was to contribute to our understanding of the relationship between Full-range Leadership and Motivation. The study also aimed to understand the motivation of people in work situations, especially in a franchise environment. Several theories around motivation have clearly postulated that follower's motivation is highly influenced by their leaders' behaviour (Herzberg, 1971; Mayo, 1945; Forest, 2008). A good leader, no matter their leadership style, needs to be able to motivate employees. Bass's (1990) comprehensive treatment of leadership mentions the term 'motivation' hundreds of times. Yet, Ilies et al., (2006) suggested that neither leadership nor motivation research provides an adequate account on how leadership styles and motivation are specifically linked. Despite the high quantity of research on the topic of leadership, there still remains considerable work to be done in understanding motivational effects of leadership (Ilies et al., 2006; Kark and Dijk, 2007).

Besides the definitions, eminent theories of motivation are discussed. This chapter is divided in three sections. The first section describes the importance and meaning of work motivation in organisations. The second section explores the definition of work motivation. The third section critically analyses theories of work motivation, namely, content and process. The chapter starts with an exploration of the 'importance' and 'meaning' of motivation.

3.1 Importance and Meaning

Work motivation is a topic of enduring interest in the field of organisational behaviour and, in general terms, motivation theories seek to explain how hard people strive to undertake their work tasks (Rollinson, 2008; Forest, 2008). The study of motivation is concerned with why people act in certain ways. Although motivation is fascinating to researchers, it has much stronger practical implication to managers; by understanding what motivates people, managers hope to be able to control their work performances so that they work harder and more willingly (Moynihan and Pandey, 2007; Rollinson, 2008; Mullins, 2009; Griffin, 2007). It is clearly evident that if the manger is to improve the work; consideration must be given to the level of motivation of staff. Some researchers assume that humans are driven more by needs and instincts than by reasoned actions. Other researchers focus on the process by which people are motivated. Content theories (what motivates employees) and process theories (how to motivate employees) of motivation will be discussed later. Firstly, a definition of motivation will be explored.

3.2 Definition

What is motivation? Motivation has been a difficult concept to properly define due to many philosophical orientations towards the nature of human beings and about what can be known about people (Pinder, 2008; Moynihan and Pandey, 2007). Pinder provided a definition that aptly accommodates the different theoretical perspectives that have been brought to stand in the explanation of work motivation. "Work motivation is a set of energetic forces that originates both within as well as beyond an individual's being, to initiate work-related behaviour, and to determine its form, direction, intensity and duration" (Pinder, 2008: 11). Similarly, Locke and Latham's (2004: 388) definition reflects a broad scope of work motivation "the concept of motivation refers to internal factors than impel action and to external factors than can act as inducements to action". Bloisi et al., (2006) define work motivation as a process, which involves a conscious decision to perform one or more activities with greater effort than one performs other activities competing for attention. Mitchell (1982) described four common characteristics underlying definitions of motivation.

- Motivation is typified as an individual phenomenon
- Motivation is described as intentional
- Motivation is multifaceted
- The purpose of motivational theories is to predict behaviour

There are two major sources of work motivation, namely, intrinsic and extrinsic (Atkinson, 1958; Herzberg, 1971; McGregor, 1960; Vroom, 1964; Mullins, 2009). Intrinsic motivation comes from an internal source, such as being engaged in an activity because of deep interest or enjoyment; whilst extrinsic motivation is derived from external sources, such as receiving rewards.

3.3 Critical analysis of motivation theories

Motivation theory helps us understand what motivates workers (motivating factors), and to what extent and how to increase motivation (Gordon, 2002; Stecher and Rosse, 2007). Content theories encourage managers to think about how far they can satisfy people's innate needs though employment, while process theories relate more to employees as conscious individuals gauging how to maximise benefits through their jobs (Naylor, 2003). Content theories recognise what motivates employees in the workplace, while process theories identify how motivation occurs in workplace.

3.3.1 Money as a motivator – The Traditional Approach

The beginning of motivation theory can most easily be traced back to the work of Taylor (1911). His scientific management approach is still highly influential and contains assumptions that have strong implications for work motivation (Rollinson, 2008). Taylor (1947) suggested that managers knew more than workers; the work is inherently unpleasant for most people; and money is more important to employees than the nature of the job they are performing. Taylor put a lot of emphasis on money as a primary motivator and disregarded other motivational factors. He argued that workers can be motivated by providing the highest possible wages through working in the most efficient and productive way. Critics of scientific management describe his approach as being too narrow with regards to the role of monetary compensation and lack of consideration for other motivational factors. The Hawthorne studies pinpointed shortcoming of scientific management and became a major turning point in thinking about employees. Mayo (1933) conducted several experiments that helped them in drawing significant conclusions. The most important conclusion is that people have social needs to be satisfied at work that can be equally as important as monetary needs (Rollinson, 2008). Mayo and his colleagues advocate that employees want to feel useful, employees have strong social needs and that the social needs are more important than money in motivating employee.

3.3.2 Content theories of motivation

Content theories assume that all individuals possess the same set of needs. The content approach to motivation stresses the assumption that individuals are motivated by inner needs. Content theories concentrate on the intrinsic needs that motivate people. Content theories include:

- Maslow's hierarchy of needs model
- Alderfer's modified need hierarchy model
- Herzberg's two factor theory

Maslow's Hierarchy of Needs Model

Maslow's Hierarchy of Needs (1954) and Herzberg's Two Factor Theory (1966) are the two most influential categories of motivational theory. The 'need' theory has been among the most important models of work motivation. One of the most famous concepts in the area of work motivation is that of human needs. Maslow (1954) provided the most well know of content theories. He based his theory on two fundamental postulates: individuals are "wanting" creatures motivated to satisfy certain needs and the needs they pursue are universal and in hierarchical order where lower-level needs must be satisfied before individuals pursue higher level needs. Maslow (1954) described five levels of needs as: physiological, safety and security, social, esteem and self-actualisation.

- **Physiological Needs**- These include food, water, air, shelter, exercise, rest, sleep and sex. When not satisfied, life itself is threatened (Mayo, 1945; Sergiovanni and Carver, 1980).

- **Safety Needs**- These include security, stability, dependency, law and order and protection from fear. Failure to satisfy these needs may cause major problems (Mayo, 1945; Sergiovanni and Carver, 1980).

- **Social Needs**- These include belonging, association, acceptance by friends and giving and receiving love and friendship. Social needs can be psychologically powerful (Mayo, 1945; Sergiovanni and Carver, 1980).

- **Esteem Needs**- These include self-respect (the desire for independence, confidence, strength and freedom) and esteem of others (reputation/prestige, status, recognition, attention and appreciation). People tend to base their self-esteem on personal achievements and being told that they are worthwhile (Mayo, 1945; Sergiovanni and Carver, 1980).

- **Self-actualisation Needs**- These include desire for self-fulfilment that varies widely from one individual to another. Self actualisation tends to be highest and most creative need (Mayo, 1945; Sergiovanni and Carver, 1980).

Maslow argued that individuals are usually satisfied in the first three levels of human needs such as psychological, safety and social needs. These three levels do not tend to motivate, contrary to Taylor who aims at lowest level of motivation hierarchy. The human needs of esteem and self-actualisation are rarely satisfied, consequently, they are the source of motivation behind human behaviour. Herzberg (1966) opined that self-esteem was far more significant as a positive factor than Maslow's other needs.

Lower order needs are called **deficiency needs** that must be satisfied to ensure an individual's very existence and security; whilst higher order needs, **growth needs**, are concerned with personal development and realisation of one's potential (Maslow, 1954). He believed that people are motivated to satisfy those needs that are important to them at that point in their life. Maslow's theory of work motivation suggests that when a lower need is satisfied, the next higher need becomes a dominant motivator and an individual strives to achieve it (Adair, 2006). For example, an employee who receives a substantial salary, and thus adequately satisfies his/her lower needs, regards status symbols like a luxury car as important, but an employee that has been unemployed for a long time will regard financial rewards as being very important.

Hall and Williams (1980) stated that physiological needs would be evident in concerns for better working conditions, time off, increased salary and avoidance of discomfort. They pointed out that once physiological needs are satisfied, then safety needs would tend to become important to the worker (Bryant, 1996). Authors believed that once safety needs were met, the worker concentrated on the love and belongingness needs (Maslow, 1954; Hall and Williams, 1980; Bryant, 1996).

McGregor one of the fathers of management theory based his work on Maslow's hierarchy of needs. He segregated Maslow's hierarchy into 'lower order' needs (Theory X) and 'higher order' needs (Theory Y). Leaders applying Theory X assumed that followers are lazy, uncooperative and motivated by money. While leaders in Theory Y, believed that subordinates work hard and exhibit a positive attitude towards their job. Theory X focuses on control techniques and telling the followers what they can do, determining whether they are doing it, and administrating rewards and punishment. Theory Y integrates individual and organisational goals are integrated (McGregor, 1960). The leader encourages integration to create a situation in which a follower can achieve his or her goals best by directing his or her efforts toward the objectives of the organisation (McGregor, 1960).

Beardewell et al. (2004:507) supports the theory by arguing "the theory, especially in relation to reward and performance management, has an uncomplicated appeal because its message is clear- find out what motivates your employees at each of the levels and at which level an employee is operating, and develop a reward strategy accordingly". The theory has led organisations around the world to change their practices for motivating employees in ways that is beneficial (Pugh, 1991). The model lends a useful base for the evaluation of motivation at work. Steers and Porter (1991: 35) provided a list of general rewards and organisational factors used to satisfy different needs as described below. The list suggests that employees at the lower end of hierarchy will be motivated by financial rewards, whilst, employees at the higher level of the hierarch will be motivated by growth.

Table 3.1 Applying Maslow's need hierarchy

Needs Levels	General Rewards	Organisational Factors
1. Physiological	Food, water, sex, sleep	A Pay B Pleasant working condition C Cafeteria
2. Safety	Safety, security, stability, protection	A Safe working condition B Company Benefits C Job security
3. Social	Love, affection, belongingness	A Cohesive work group B Friendly supervision C Professional association
4. Esteem	Self-esteem, self respect, prestige, status	A Social recognition B Job title C High status job D Feedback from the job
5. Self Actualisation	Growth, advancement and creativity	A Challenging job B Opportunities for creativity C Achievement in work D Advancement in organisation

Pinder (2008) criticised Maslow's need hierarchy theory suggesting that there is lack of research evidence supporting the theory. A number of studies did not support the fundamental assumptions of the theory (Steers and Porter, 1991). A leading motivation researcher, Lawler (1973), noted that it is difficult to predict which higher-order needs come into play after the lower order ones are satisfied. The idea that some needs are primitive and some advanced, that some are higher order and some are lower order is patronising and elitist in terms of values it expresses (Lazarus, 1971). Shamir (1991) also criticised the theory due to individualistic and instrumental bias. The theory suggests that an individual aims to maximise personal gain, which reflects cultural bias. In Japanese culture, the importance is given to collective efforts rather than individual perceptions. Although Maslow's theory has not stood up well under actual testing, it provides managers important message: a fulfilled need does not motivate an individual. Nevertheless, the theory gives a general framework for categorising needs of different types and makes valuable contribution as a descriptive tool. Closely related to Maslow's theory of work motivation was Alderfer's modified need hierarchy model.

Alderfer's Modified Need Hierarchy Model

Alderfer (1972) modified Maslow's theory using the idea of hierarchical ordering and came up with three levels: Existence (E), Relatedness (R) and Growth (G).

- Existence needs- These are necessary for human survival and are roughly the same as Maslow's bottom two levels
- Relatedness Needs- These are concerned with needs to interact with others and similar to Maslow's social category with some of the esteem needs.
- Growth Needs- These are the highest level needs that incorporate some of the esteem needs and self actualisation in the Maslow's scheme.

Alderfer (1972) argues that the theory could be more powerful and a simpler explanation of the effects of needs of Maslow's theory. He believed that a person can seek growth needs when relatedness and existence needs have not been met adequately. Alderfer (1972) suggested that humankind is complex and several needs may be operating at a time. However, Alderfer's theory has received little empirical testing (Rollinson, 2008).

Herzberg's Two Factors Theory

Another popular content perspective on motivation is the 'two-factor theory'. Herzberg (1966) argued that motivation was two dimensional each including distinct factors. The first dimension was formulated by the presence and/or influence of hygiene, maintenance, or dissatisfiers. Lack of them led to job dissatisfaction. On the other hand, when they were present, they did not necessarily contribute to job satisfaction. The second dimension included motivators or satisfiers which contributed to motivation of staff and job satisfaction.

Herzberg (1966) investigated what motivated employees. The theory assumes that people are motivated by things that make them feel good about work; however dislike things that make them feel bad. He revealed two different factors affecting motivation and work:

- Job satisfaction and job dissatisfaction derive from different sources
- Simply removing the sources of dissatisfaction will not cause a person to be motivated to produce better results

Herzberg (1966) identified two categories of motivation, namely, satisfiers and dissatisfiers. The first category contained factors that stimulated job satisfaction. These were intrinsic and were called "motivators" or "satisfiers":

- Sense of achievement
- Recognition
- Responsibility
- Nature of work
- Personal growth and advancement

The second category was extrinsic and they were labelled "hygienes" or "dissatisfiers". Hygiene factors are part of work environment rather than the work itself. These factors were identified as:

- Salary
- Job security
- Working conditions
- Quality of supervision
- Company policy and administration
- Interpersonal relations

Herzberg (1966) suggested that in order to motivate one had to focus on deemphasising the extrinsic (dissatisfiers) and emphasising the intrinsic (satisfiers) of the job. He argued that all human beings had two basic types of needs at work and other settings, namely, the need to avoid pain and the need for psychological growth. He noted that certain factors of the job fulfilled psychological growth needs and generated satisfaction and motivation in work. On the contrary, other factors of the job carried out pain avoidance needs however, did not generate feelings of satisfaction or motivation. Herzberg (1966) suggested that if management is to motivate employees then attention must be given to both, hygiene and motivating factors.

Bloisi et al. (2006) questioned the appropriateness of Herzberg's theory for its original reliance on engineers and accountants as subjects, as they are not subject to lower-level needs as are people working in low skilled jobs. Wernimont (1966) conducted a replication study, which revealed that both motivators and hygiene factors are capable of giving feelings of satisfaction and dissatisfaction. Like Maslow's theory, Herzberg's work can be criticised for its assumption of universal applicability; what are the hygiene factors in one culture could be motivators in another (Rollinson, 2008; Kreitner, 2006). Both, Maslow's hierarchy theory and Herzberg's two factor theory, fail to consider the significance of money as a motivator (Ellis, 2004). Even so, Herzberg's theory has been very popular with managers and researchers.

3.3.3 Process Theories of Motivation

Contrary to content theories, process theories acknowledge the difference in people's needs and focus on the cognitive process that create these differences- extrinsic motivation theories make up this category (Bassett-Jones and Lloyd, 2005). The theories attempt to identify the relationships among the dynamic variables which make up motivation. The process perspectives focus on why people choose an action to satisfy their needs and how they evaluate their satisfaction after they have attained these goals. Four well know process perspectives on work motivation are the expectancy, equity, goal and attribution theories.

Expectancy Theory

The expectancy theory is one of the prominent process theories of motivation. Just as researchers choose needs satisfaction as their base, another group of researchers identified the concept of expectancy. According to Stecher and Rosse (2007) and Johnson (2009), expectancy theory is one of the central motivation theories and expectancy theory can predict efforts and performance. Vroom (1964) suggested that expectancy theory assumes that people are capable of calculating costs and benefits in choosing among alternative courses of action. Vroom explained expectancy theory of work motivation as a combined function of the individual's perception that effort will lead to performance and of the perceived desirability of outcomes that may result for performance. Vroom (1964) explained the theory through three fundamental concepts: expectancy, valence and instrumentality. Expectancy denotes to an individual's belief about how successful he or she will be at a certain task. Valence refers to desirability of an outcome. Instrumentality pertains to an individual's perceived likelihood that a reward will be earned following a specific behaviour. Vroom's model says that motivation (M) is a function of the expectancy (E) of reaching a certain outcome, multiply by value (V) of the outcome for that person.

The expectancy Theory is based on the expectations that employees bring with them to the work place, and the context and the way in which these expectations are satisfied. It also suggests that employees look at the various alternatives and choose the alternative that they believe is most likely to lead to those rewards that they desire the most. Vroom assumes that outcomes with high expectancy and high value rewards, will direct people to exert much greater efforts. Heckhausen (1989) suggested two conditions to explain the underlying mechanism of the theory: a) it must be possible to anticipate the occurrence of the goal state- there must be expectation; and b) the goal state must have some intrinsic value (valence) for the subject in order to serve as motive. The unique feature of expectancy theory is the attempt to relate action to the perceived attractiveness of expected consequences (Hsu et al., 2009). It is possible to influence motivation by manipulating cues that define an individual's expectation concerning the consequences of his or her action and/or the incentive value of the consequences produced by the action (Hsu et al., 2009).

Vroom's original ideas were expanded to include four major elements: effort performance expectancy, instrumentality of performance, performance reward expectancy, and reward cost balance (Porter and Lawler, 1968). Mitchell (1974) and Porter and Lawler (1968) explained these four elements of expectancy theory as:

a) Effort Performance Expectancy- workers will accomplish tasks in which they have the capability or opportunity to perform
b) Instrumentality of Performance- workers must know specifically what performance is desired by their employer and know that this performance is linked to receiving rewards
c) Performance Rewards Expectancy- workers must understand how much effort is expected in order to achieve each this level of reward
d) Reward Cost Balance- workers must place value on the rewards being offered by the employer before they will exert the effort necessary to earn them

Johnson (2009) argues that if all of the above elements are appropriately addressed, the employee will likely be motivated to perform for the organisation. He explains the elements of expectancy theory in simple terms; an employee will likely perform a desired task if all four conditions are met. First, the employee must perceive that the performance of the task is expected by employer. Second, employee must have capability to perform the task. Third, employee must have the opportunity to perform the task. Forth, the employee must perceive that performing the task will bring a reward worth putting efforts in for.

According to Vroom (1964: 18), "People's satisfaction with their jobs are directly related to the extent to which their jobs provide them with such rewarding outcomes as pay, variety in stimulation, consideration from their supervisor, a high probability of promotion, close interaction with co workers, an opportunity to influence decisions and control over their place of work." Here, the attention is put on the use of financial and non financial rewards in recognising performance.

Several researchers have reviewed the research based literature on the expectancy work motivation model. One of the prominent authors, Mitchell (1974), discovered that the force of motivation in an expectancy model has been demonstrated to be positively correlated with both job satisfaction and performance across a variety of settings. Expectancy motivation theory has been used to explain levels of work outputs in many areas such as medical care, the manufacturing industry, the military and schools (Johnson, 2009). The expectancy theory can be very useful for managers who are trying to motivate their subordinates by implementing the basic idea of the theory (Griffin, 2007). Firstly, identify the outcome each individual employee is likely to want. Secondly, decide what kinds of performance are needed. Thirdly, make sure that the desired levels of performance are achievable and that desired outcomes and desired performance are linked. Fourthly, analyse the complete situation for conflicting expectancies and rewards. Finally, make sure the system is equitable to employees.

Although the theory makes sense, Gordon (2003) criticised the theory arguing that it oversimplifies what motivates employees by ignoring individual needs, values, personalities and cross-cultural differences. He also suggested that the theory lacked empirical support. Expectancy theory is more difficult to understand than other work motivation theories (Pugh, 1991). The limitations to expectancy theory contain the interpretation and operationalisation of the key elements (Gordon, 2002). Despite the questions of validity and empirical support, expectancy theory provides popular framework for explaining work motivation. Like expectancy theory, equity theory, is a cognitive process model of work motivation based on the assumption that people are capable of calculating costs and benefits in choosing among alterative courses of actions.

Equity Theory

As process theories of motivation, expectancy and equity theories offer compatible frameworks for understanding work motivation (Stecher and Rosse, 2007). The theory argues that employees use social comparison to evaluate equity or fairness. Adams (1965) advises that an individual's motivation to put effort into a task will be influenced by perceptions of whether the rewards obtained are fair in comparison to those received by other people. Equity is achieved when the ration of employee outcomes-over-input is equal to other employee outcome-over-inputs. The theory is driven by concern for fairness and equity (Adams, 1965). An example of this is when employees compare salaries. He states that there are several mechanisms available to individuals to reduce the psychological discomfort associated with perception of inequity. The equity theory does not predict which mechanisms will be selected. Beardwell et al., (2004) has given three major implications of the theory. Firstly, it is important to be aware that employees will make comparisons, further, because comparisons are subjective, care must be taken to relate similar jobs in terms of the wage/effort bargain. Finally, it is necessary to be open concerning the basis on which the rewards are made.

The equity theory is concerned with the fairness of outcomes distributed by the organisation; such outcomes can involve pay and promotions as well as intangible outcomes such as respect and courtesy (Adams, 1965; Stecher and Rosse, 2007). Kreitner et al. (2007) provide practical implications of the equity theory as discussed below:

- It suggests managers relationship between beliefs/attitude and job performance
- It emphasises the need for managers to pay attention to employees' perceptions of what is fair and equitable.
- Managers benefit by asking employees to participate in taking important decisions
- Employees should be given rights to question decisions affecting their welfare
- Employees are more likely to support organisational change when they believe it is implemented fairly.

Miner (2006) supports the equity theory of work motivation on the basis of comprehensive reviews. Research on the theory in many of its aspects continues to be robust (Konovsky, 2000). However, the theory has been subject to a lot of criticism due to lack of precision (Miner, 2006). Adam (1965) and others could not become more precise on the theory. Research indicates that people make a wide range of comparisons that include self evaluations, others in the company, those in the same job outside, and those with same educational level and age (Scholl, et al., 1987). After considerable research on expectancy and equity, it was reasonable and logical for researchers to focus on goals as motivators.

Goal Setting Theory

The goal setting theory has incorporated the notion of the expectancy theory. Locke's (1968) goal theory of wok motivation relies on the basic assumption that people would perform better if goals were defined, difficult, specific and attractive. He claimed that the model is more a motivational technique than a theory of motivation. Latham and Locke (1991) state that setting goals is the best way to motivate people, as long as they are committed to the goals, and have reasonable expectancy of being able to achieve the goal. A goal is merely what the individual is deliberately trying to do. Goal then motivate people to develop strategies that will enable them to perform at the level necessary to meet that goal, thus suggesting that goal-setting improves performance (Locke and Latham, 1991). Locke et al. (1981) described two basic features of goals, considered highly important, as:

- **Goal difficulty**- the extent to which a goal is challenging and demanding for the individual. A very modest or too difficult goal will not motivate people. A modest goal will not challenge the individual enough and too difficult a goal can cease the motivational factor.

- **Goal specificity**- the clarity and explicitness of the performance target. Locke suggested that the best way to be specific is to express the goal in quantitative terms because this allows individual to assess their performance. His quantifiable goals have produced stronger influence than other approaches like 'do the best you can'.

- **Goal acceptance**- the extent to which individuals consider a goal as a legitimate and appropriate.

- **Goal commitment**- individual's interest in achieving the goal.

- **Goal-directed effort**- the direction and persistent of behaviour.

- **Performance**- whether and to what extent, the goal is actually achieved.

- **Organisational support**- the extent to which adequate resources are available to an individual such as staffing, budget, physical resources etc.

- **Individual ability and training**- need to be commensurate with achieving goal.

- **Intrinsic and extrinsic reward**- individual should be rewarded where goals are achieved.

- **Satisfaction**- depends upon whether the rewards are seen as equitable for what has been achieved.

According to Locke (1968) and Locke et al., (1981), acceptance and commitment should not be taken for granted. To influence acceptance and commitment of an individual, it is important to recognise other factors. The individual must be able to see that achieving the goal will lead to the receipt of valued reward (Locke, 1968). Evidence suggests that if an individual participates in selecting the goals, he or she will have higher commitment to achieving them (Arnold et al., 1991; Erez et al., 1985; Gordon, 2002). According to Latham and Yukl (1975), other factors can affect the degree to which a person commits to a goal depending on the scenario. They found that if an assigned goal came from someone who was supportive and encouraging with position of legitimate authority, higher goals would be set and/or higher performance would result (Latham and Yukl, 1975).

Locke's goal setting theory of work motivation has been extensively researched and most studies strongly support the model (Miner, 2006; Griffin, 2007). Goal setting theory has exhibited more scientific validity to date than any other theory or approach to motivation (Pinder, 2008). The principles embodied in the theory have been widely used in performance management and schemes of management by objectives (Rollinson, 2008). Locke et al., (1981) have suggested that approximately 90 per cent of all goal-setting studies have shown a beneficial effect of goal-setting on performance. However, the model has also attracted several criticisms from researchers and authors. Firstly, the model is not theory of work motivation; it is a motivational technique (Rollinson, 2008). Secondly, Arnold et al., (1991) and Latham and Yukl (1975) criticised the theory arguing that its greatest deficiency is that it simply accepts that goals are motivators, but does not explain why they should have such an enounced effect. Thirdly, goal setting may not be feasible in very complex jobs where job requires setting too many goals (Gordon, 2002). The researcher has discussed attribution theory of work motivation in next section.

Attribution Theory

Attribution is the process by which people interpret the perceive cause of behaviour. Heider (1958) explained that behaviour is determined by perceived internal and external forces. Internal forces relate to personal attributes such as ability, skill, amount of efforts or fatigue; whilst, external forces relate to environmental factors such as organisational rules and policies, the manner of supervisors, or the weather (Heider, 1958). Kelly (1973) suggested there basic criteria in making attributions and determining whether internal or external attribution is chosen, namely, distinctiveness, consensus and consistency. He argued that people attribute behaviour to internal forces whey they perceive low distinctiveness, low consensus and high consistency; on the other hand, behaviour is attributed to external forces when people perceived high distinctiveness, high consensus and low consistency.

3.4 Summary

An analysis of the motivation theories (which includes Maslow's Needs Theory, Alderfer's ERG Theory, Herzberg's Two Factor Theory, Expectancy Theory, Equity Theory, Goal Setting Theory and Attribution Theory) reveals that there is not a singular factor that can be identified as motivating employees. This can partly be explained by the lack of consideration for cultural and individual differences.

It has become apparent that managers/supervisors influence the factors identified as motivating employees such as pay, conditions, the work itself, progression etc. This implies a strong relationship between leadership and motivation.

Both intrinsic and extrinsic motivators require investigation by managers to understand what will make them and their employees successful. Situational factors also need to be taken into consideration although none of the motivation theories give guidance on which motivational factors are pertinent in which situations. It is evident that motivation impacts on organisational performance.

Monetary rewards are important in most theories although Hertzberg's two factor theory and Maslow's hierarchy of need theory fail to consider money as a significant motivator.

The study tries to fill the gap in literature by discussing the link between Full-range Leadership and Motivation in the following segment.

3.5 Full-range Leadership and Motivation

According to Evans (1998) leadership was the most potent influence on motivation. Adair (2006) suggests that leadership and motivation are like brother and sister. It is difficult to think of a leader who does not motivate others. Bass's (1990) comprehensive treatment of leadership mentions the term 'motivation' hundreds of times. Yet, Ilies et al., (2006) suggested that neither leadership nor motivation research provides an adequate account on how leadership styles and motivation are specifically linked. Despite the high quantity of research on the topic of leadership, there still remains considerable work to be done in understanding motivational effects of leadership styles (Ilies et al., 2006; Kark and Dijk, 2007). A good leader, no matter the leadership style, needs to be able to motivate the staff. By exploring the relationship between Full-range Leadership and the motivation, the study fills a gap in the literature.

Burns (1978) significantly studied the leadership behaviours and was the first to explain their attempts to motivate followers as transactional or transformational. Transformational leaders create a vision that inspires and motivates the followers (Burns, 1978). One of the most important recent models of leadership that includes and extends the idea of Burns is the model by Bass (1985). He was the first to initiate major research around Burns' ideas by developing an assessment tool, the Multifactor Leadership Questionnaire. Bass (1985) demonstrated through data obtained with the Multifactor Leadership Questionnaire (MLQ) that transactional and transformational leaders are separate and independent dimensions. Bass (1997) suggested the universality of his full-range leadership (transformational, transactional and laissez faire) notion. Bass's model illustrated three types of leadership, "transactional, transformational and laissez faire."

Shamir et al. (1993) suggested that transformational leadership foster intrinsic motivations related to self-concept. They argued that transformational leaders promote followers' intrinsic motivation to act beyond their job description by elevating their self-esteem, self-value and social identification. On the contrary, transactional leaders would focus on external expectations and obligations (Eyal and Roth, 2010).

Transformational leaders move followers to a higher level on Maslow's Hierarchy of Needs as concerns are shifted from lower order (physiological and safety) to higher order needs (esteem and self-actualisation) (Bass, 1985, 1996). Leaders who exhibited transformational leadership style encouraged followers to aspire higher order needs (challenging job, opportunities for creativity, achievement in work and advancement in organisation) in an attempt to motivate them to work to achieve those needs (Steers and Porter, 1991). Transformational leaders may have enduring and comprehensive positive effects on the organisation and on its performance when compared to transactional leaders whose influence is limited by the terms of the contract with their followers (Yukl, 1999). They motivate followers and other constituencies to do more than they originally expected to do as they strive for higher order outcomes (Bass, 1996). Individual approach, when dealing with positive and negative rewards, is similar to the transactional leadership component of contingent rewards.

When analysing Herzberg's Two Factor theory in light of Full-range Leadership, it becomes apparent that a transactional leader will focus on the hygiene factors in order to motivate his/her employees whereas a transformational leaders will put emphasis on motivators. The theory assumes that followers are motivated by things that make them feel good about work; however dislike things that make them feel bad. Transformational leaders will focus on deemphasising the extrinsic (dissatisfiers) and emphasising intrinsic (satisfiers) of the job.

When studying Full-range leadership in the light of Expectancy theory, it becomes clear that transactional leaders will rely on the fact that employees bring expectations with them. They will create outcomes with high expectancy and high value rewards; will direct followers to exert much great efforts. Followers are more likely to endeavour in their work if there is an anticipated reward that they value, such as a bonus/commission or a promotion. Johnson (2009) argues that if all of the above elements are appropriately addressed, the followers will likely be motivated to perform for the organisation. Conversely, transformational leadership is concerned with emotions, values, ethics, standards, long term goals and includes assessing followers' motives, satisfying their needs and treating them as full human beings (Northouse, 2010).

Similarly, Equity theory is more relevant to transactional leadership. The theory argues that followers use social comparison to evaluate equity or fairness. Followers are de-motivated if they are not justly compensated for their efforts and accomplishments. Transactional leaders believe that an individual's motivation to put effort into a task will be influenced by perceptions of whether the rewards obtained are fair in comparison to those received by other people. They try to achieve equity by making sure that the ration of employee outcomes-over-input is equal to other employee outcome-over-inputs. Leaders with transactional leadership style use merit pay as primary source of motivation. On the contrary, transformational leaders will use intangible outcomes such as respect and courtesy (Adams, 1965; Stecher and Rosse, 2007).

The two theories (expectancy and equity) are justification for merit pay and career ladders.

Each style of leadership, transformational, transactional and laissez faire has its own distinct type of link to motivation. Avolio and Bass (1999) argue that effective leaders employ a blend of transactional and transformational leadership. Transformational leadership includes idealised influence, inspirational motivation, intellectual stimulation and individualised consideration. Transactional leadership is identified as "contingent reward" and "management-by-exception". Laissez faire is the most passive style within the Full-range Leadership framework. Transformational leadership has been defined by characteristics referred to as the 4 I's:

- Idealised Influence- when followers idealise and emulate their leaders.
- Inspiration Motivation- where workers are motivated to achieve common goal.
- Intellectual Stimulation- encourages followers to break away from old ways of thinking.
- Individualised Consideration- followers' needs are individually and equitably met (Bass, 1985 and Bass and Avolio, 1993).

Research has shown **idealised influence/charisma** to be the most important of the four components of transformational leadership (Avolio, Bass and Jung, 1999). Leaders with charisma espouse confidence in themselves and their decision which results in high self-esteem and motivation amongst the followers to strive for success. This positive change in members leads to increased performance and output.

Bass (1985) used **inspiration motivation** to describe the techniques used for communicating the leader's vision to the organisational members. According to Bass (1985), leaders use symbols to focus the subordinates, communicate the vision clearly, and to impress the urgency of the situation on the members. Followers may be motivated by a vision of the future and put the needs of the group above their own self interest. This sense of higher purpose and challenging tasks motivates workers to exceed normal performance levels (Avolio, Bass and Jung, 1999).

Leaders employ **intellectual stimulation** to teach followers to challenge present assumptions, values and expectations and to try new techniques to improve results; this engagement of transformational leaders motivated followers towards better performance (Bass, 1985). Followers are aware of the organisation's issues and are motivated and determined to solve them.

Transformational leaders exercise **individualised consideration** by acknowledging followers' differences and treating them according to those differences (Bass, 1985). Leaders manage followers on the basis of skills and motivation. Less skilled followers are given close supervision while more experienced members are given an appropriate level of autonomy and responsibility (Bass, Avolio, Jung and Bearson, 2003).

In contrast to transformational leadership that inspires and motivate followers, transactional leaders are those that motivate their followers with rewards in an exchanged based relationship. **Contingent reward** behaviour includes clarification of the work required to obtain rewards and the use of incentives and contingent rewards to influence motivation (Bass, 1985; Yukl, 2009; Pounder, 2008). Rewards are essential element of the leader-member exchange. These rewards can be positive or negative and may not be money. Every action of follower has a price (Howell and Avolio, 1993). Team activities focus on negotiations and not problem solving (Howell and Avolio, 1993). Transactional relationships are quick and easy to form but limited in duration and scope (Burns, 1978). Followers play a vital role in the transactional relationships. They may negotiate or reject the rewards offered by the leader.

Transactional leaders have to understand the motivations of the followers and offer suitable rewards. Transactional leaders choose rewards on the basis of followers' motivators.

Leaders who exhibit **management-by-exception** monitor and actively seek out deviations from desired performance on the part of subordinates with a view to taking corrective actions (Pounder, 2008). On the contrary, transformational leaders carry out more actions to empower followers by giving them more responsibility and make them less dependent on the leader, such as delegating significant authority to individuals, developing follower by coaching skills and self confidence, creating self-managed teams, providing direct access to sensitive information, eliminating unnecessary controls by making decisions without checking with the manager, and building a strong culture to support empowerment (Bass, 1985; Pounder, 2008; Jung, 2009).

In their meta-analysis, Lowe, Kroek, and Sivasubramaniam (1996) argue that transformational leadership is actually an extension of transactional leadership. Leaders are able to manage and motivate people to perform the routine tasks of their jobs through some transactional style, but they are charismatic enough to motivate people to work toward higher goals. Additionally, Pounder (2008) suggests that leaders may take time to mature and may move from more transactional to more transformational approaches as they develop as leaders.

Laissez faire leadership style is inactive and referred to as absence of leadership (Avolio and Bass, 1995). This leadership style does not include the inspiration of transformational leadership or the reward based leader-member relation of transactional leadership. Directions, decisions, and motivators are lacking. Rewards given by laissez faire managers do not motivate followers as they are not contingent on performance. Out of three leadership styles, laissez faire leadership has been found least effective (Avolio and Bass, 1995). These leaders do not provide additional support or management. Laissez faire leadership is the absence of a transaction (Pounder, 2008). Bass (1990) suggests that laissez-faire leadership is strongly associated with subordinate dissatisfaction, de-motivation, conflict, and leadership ineffectiveness.

The purpose of the research was to investigate the relationship between Full-range Leadership (styles and factors) of franchisees and motivation of employees. It was the desire of the researcher to contribute to the body of knowledge for future investigation into Full-range Leadership and motivation in under-researched area of franchising. Franchising provided a valuable context for studying Full-range Leadership and the relationship with follower's motivation.

Chapter 4
Franchising

The previous chapters clearly illustrate a strong relationship between somebody's leadership style and the motivation of his/her followers. Full-range leadership captures the full spectrum of transactional, transformation and laissez faire leadership with its different influences on the motivation of others. It has also become clear that situational factors have a role to play in the relationship between leadership styles and motivation. It is therefore important to carefully consider the context in which the relationship between full range leadership and motivation takes place within the scope of this study.

The type of business in which a person operates as well as the amount of freedom to reward and motivate people, outside of set organisational policies and procedures will in-directly influence somebody's leadership style. Additionally organisational culture as well as the freedom to set performance targets has been found to shape a person's leadership style. These factors have been taken into consideration when choosing the context for this study.

4.1. Why franchising?

Franchising provides a valuable context and an interesting setting for studying Full-range Leadership and the relationship with follower's motivation. Franchisees are independent business owners, which classify them as a particular type of entrepreneur that entails: innovativeness, risk taking and proactiveness (DiPietro et al., 2008). Franchisees consider themselves as independent business owners as opposed to employees and this sense of autonomy gives them flexibility in terms of business operations (Morrison, 1996; Avon, 2005; Birkeland, 2002; Ketchen et al., 2011). It provides franchisees with the freedom to reward and motivate in an independent manner; set performance targets that are relevant and important to them and they do not have to conform to a 'corporate leadership style'. A franchise organisation therefore provides a context in which researching personal leadership styles and motivation will lead to a more insightful interpretation.

Prior research has examined franchise systems as reasonable economic alternatives to other organisational forms, identified reasons for franchisor ownership of outlets, listed reasons entrepreneurs may seek for franchising as an alternative to starting their own business and considered how incentives and controls can align the disparate objectives of franchisors and franchisee (Grewal et al., 2011).

According to Alon (2010), franchising around the world is quickly increasing. There has been an urgent call from both the franchise industry and academic community for research on franchising. Recently, researchers have been systematically studying franchisors in an attempt to help entrepreneurs and managers successfully build their business (Alon, 2010). However, no prior research has specifically explored the relationship between Full-range Leadership and their followers' motivation in franchising environment.

4.2. Definition of franchising

Franchising has developed into one of the world's fastest growing methods of conducting business since the UK brewery industry introduced the concept of the franchise business in the eighteenth century (Euromonitor, 1985). Franchising is a contractual business arrangement in which a firm grants an individual or company the rights to conduct business in a prescribed manner within a specified territory during an agreed time period in return for royalty contributions or other fee payments (Justis and Judd, 2004). Grant (1985:4) defines franchising as, "the granting of a license for a predetermined financial return by a franchising company (franchisor) to its franchisees, entitling them to make use of a complete business package, including training, support and corporate name, thus enabling them to operate their own businesses to exactly the same standards and format as the other units in the franchise chain".

Two characteristics differentiate franchising from other organisational forms such as joint ventures and strategic alliances (Combs et al, 2004). Firstly, franchising typically occurs in businesses where there is notable service component that must be performed near customers; Secondly, franchising typically shows a unique allocation of responsibilities, decision rights, and profits between the franchisor and the franchisee (Combs et al., 2004). Businesslink (2011) suggests that franchising is the most common business format in the UK. Franchising takes place when the franchisor grants licence to another person (franchisee) to use their business idea in a specific geographical area (Businesslink, 2011).

Garg et al., (2005) classifies franchising in two distinct categories: traditional (the franchisee functions as a distributor or retailer for the products manufactured by the franchisor) and as a business format (the franchisor provides 'a way of doing business' to its franchisees). Sherman (2003) illustrated types of franchisees as:

- Buy A Job (Home based, Low Investment)
- Sales and Distributorships (Product Driven)
- Retail Store (Business Format Emphasise)
- Management Driven (Multi Unit)
- Financial Investment (Large-Scale Projects- Hotels etc.)

Business format franchising can be defined as a situation where one party (the principal) grants exclusive rights for the local sale of some type of service or trademarked product in exchange for an upfront fee and continuous royalties paid by an agent (the franchisee) who must conform to quality standards, price controls, and other practices predetermined by the franchisor (Matthewson and Winter, 1985). The distinguishing feature of business format franchises is that the franchisor is expected to provide the franchisee with all of the elements necessary to run the business, that is to provide franchisees with the necessary know-how to operate the business, and provide continual support (Watson et al., 2005). Business Format Franchising created 7.8 million jobs, $460 billion in output and over $162 billion in payroll (PriceWaterhouseCoopers, 2004).

4.3. Importance of Franchising

Research has proved that operation efficiency of franchise systems is relatively higher than that of conventional non-franchise distribution systems (Yoo et al., 1998). The economic importance of franchising in service provision, job creation and self-employment opportunities is widely recognised (PricewaterhouseCoopers, 2004). A franchise system is an economic as well as a social system in which the franchisor and the franchisees have a close working relationship (Strutton et al., 1995; Ketchen et al., 2011). Over and above the apparent economic benefits of employment, output, and tax, franchising development injects expertise and training in various industries and increases the entrepreneurial and managerial capabilities and skills of the labour force (Alon, 2004, 2010). Businesslink (2011) notes advantages of franchising such as: proven idea, brand name, support, exclusive rights, financing and suppliers. However, franchising can be costly, restrictive and difficult to sell (Businesslink, 2011).

In the UK, according to the latest NatWest/BFA survey (2010), the number of franchise systems has increased from 170 in 1984 to 838 in 2010, with turnaround increasing from £0.9 billion to £11.4 billion. The statistics clearly show that franchising has grown considerably in UK over two decades. The NatWest/BFA annual survey (2010) also suggests that franchising is the fastest growing form of business in the global economic system with one third of all retail sales taking place through franchised units in the UK and the USA. Recent studies have started to question the theoretical benefits franchising provides. Researchers have critically questioned benefits such as lower failure rates of franchising, reduced risk and efficiency in raising capital to fund expansion (Watson and Kirby, 2004).

There are three major modes of franchising: UK model, USA model and Australia model (Weaven and Frazer, 2007). Research suggests that Australian franchising closely follows the 'American Model' (Pizanti and Lerner, 2003). However, franchising in Australia and the USA differ on two important aspects. Firstly, Australia has a larger penetration of franchise system per capita; Secondly, Australian franchisors have tended to recruit single unit franchisee operators with multiple unit franchisees gaining momentum like their UK counterparts (Giles, 2004). The main difference between the American/ Australian models vs. the UK model is number of units per franchisee. In the UK, franchisees often operate with multiple units.

According to Gomez et al. (2010), there are different ways franchisors can expand their business: a) Single-Unit Franchising (a franchisor may grant a new outlet to a new franchisee) or b) Multi-unit Franchising (a new outlet to an existing franchisee).

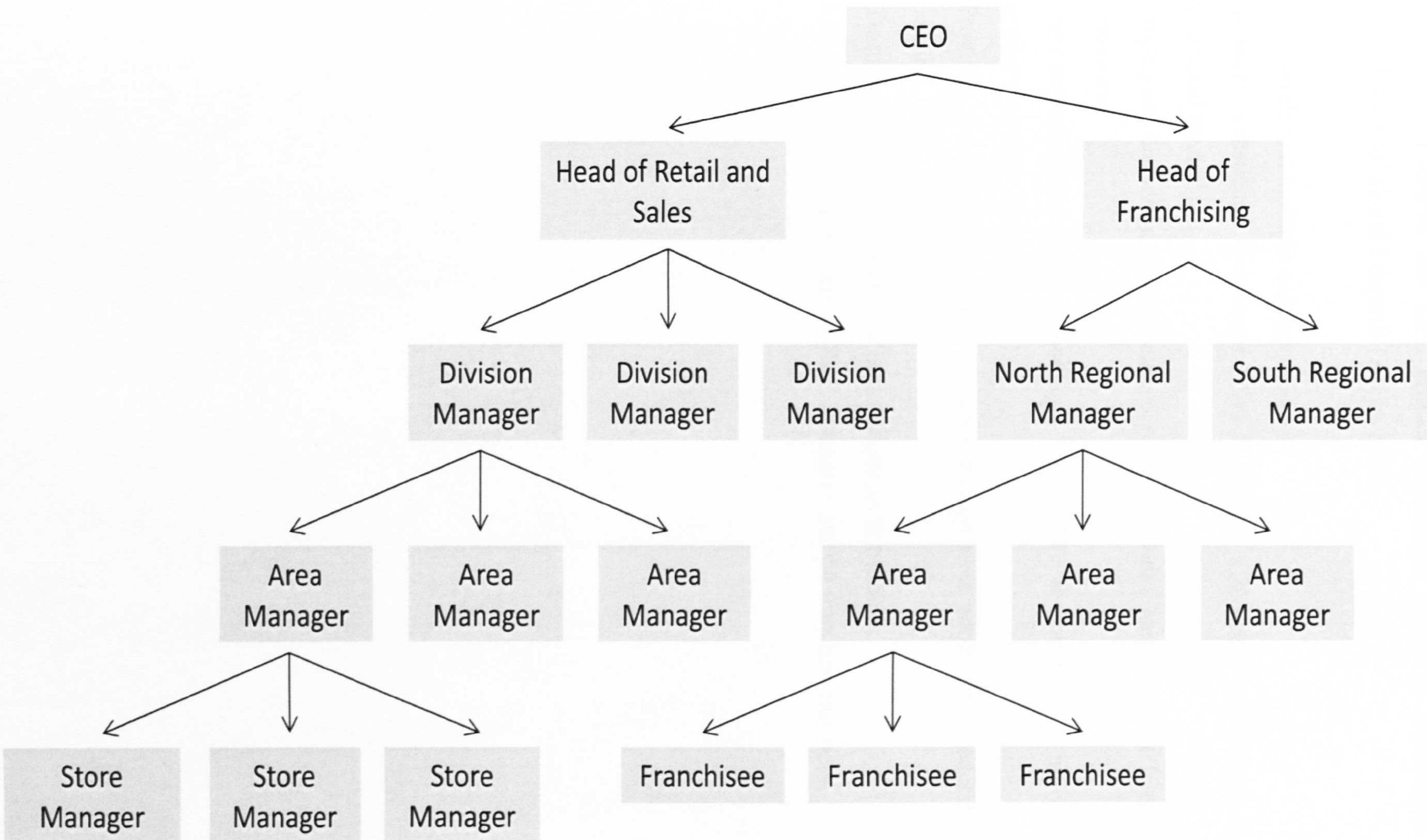
MUF can be of two types: Incremental (franchisees are granted additional units one by one on the basis of the good results obtained by operating other units) and Master franchising (entrance mode used by franchisors in their internationalisation processes) (Gomez et al., 2010).

4.4. O2: the context

Telecommunication franchising is a new and unique concept. O2 is the first and only telecommunication operator to have utilised the franchising system in the UK. O2 uses a different model of franchising than America and Australia: it uses a qualitative model, not a quantitative approach (the emphasis is not on having identical units and a robotic approach to management). "The O2 franchise is based on O2's brand, its proven business systems and the O2 'can do' attitude. The franchisee is expected to bring their sales and management skills, commitment to the O2 customer experience, motivation, resources and local knowledge. Due to this qualitative model the franchisee has much influence over target setting, reward structures and will not tremendously be affected by the overriding organisational culture.

Contrary to other franchise outlets such as KFC, O2 operates an organisational structure in which the franchisees operate independently from the rest of the organisation. O2 is a totally new and unique franchising concept in the UK.

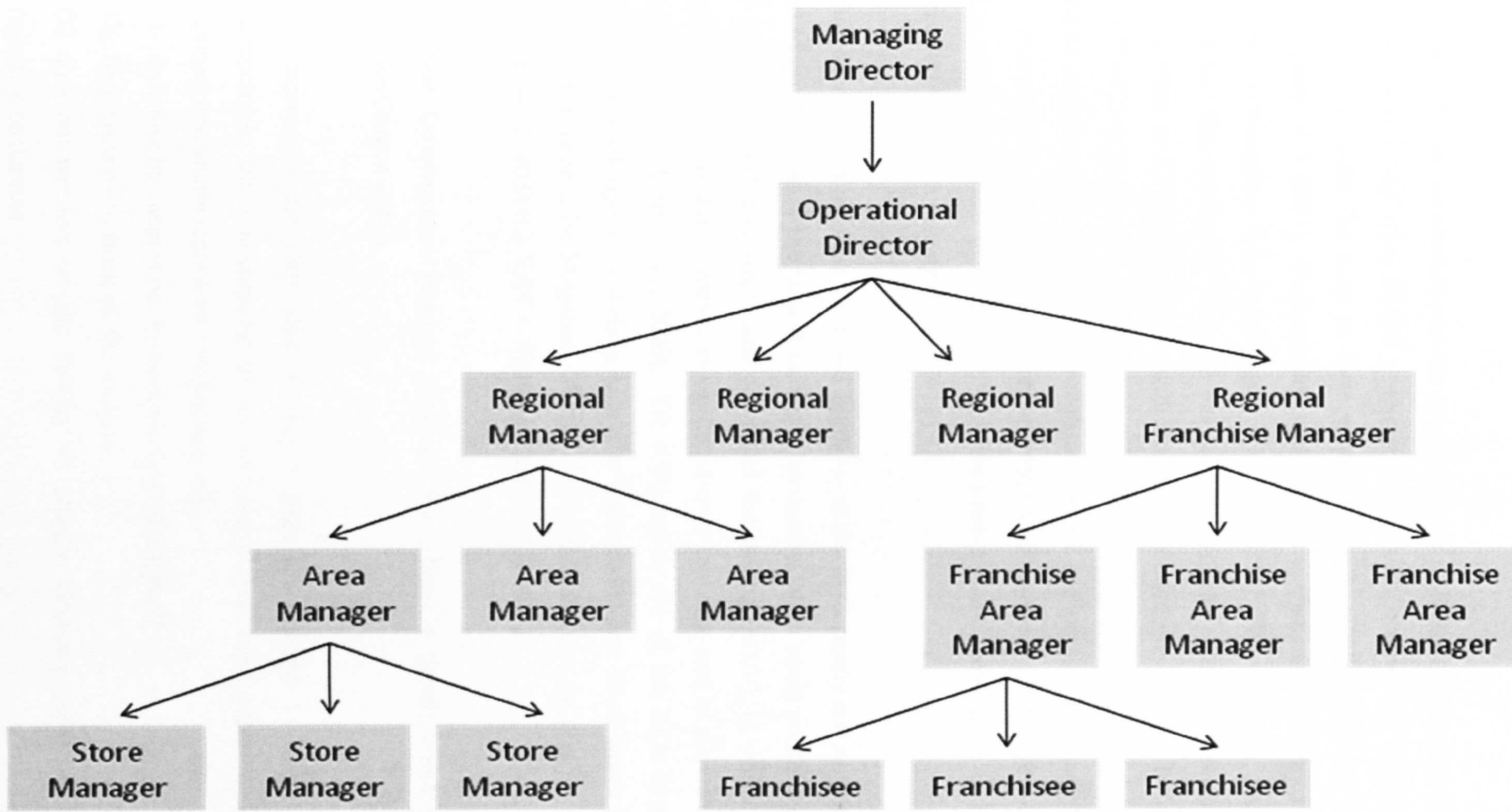
4.1 Organizational Structure (O2)



On the contrary, businesses like KFC utilises quantitative model of franchising. According to KFC (2011) and Edwards (2011), KFC:

- Uses single and multiple unit franchising.
- Requires substantial investment (£5m if you are a business with access to additional funds).
- Emphasises on having identical units (operations, outlet, marketing and human resource).
- Does not consider candidates running a McDonald's, Burger King, Wimpy or similar venture.
- Provides training programme, business management tools and leadership training.
- Does not follow set recruitment policy to select franchisees.
- Lets franchisees or experienced KFC managers run the franchise business.

4.2 Organizational Structure (KFC)



4.4.1 02: the organization

O2 is market leader in communications for consumers and businesses in the UK with 490 retail stores and employing 12,000 people (O2, 2011). O2's **vision** is "to enable their customers to make the most of their world and its possibilities through the services we offer" (O2, 2011). Their **mission statement** is to "put customers' needs at the heart of everything we do". According to O2 UK (2011), "The Company's total mobile customer base (excluding Tesco Mobile) at the end of December 2009 reached 21.3 million lines, up 5.1% year-on-year, with net customer additions of 1.0 million in the year (338,455 in the fourth quarter), sustaining its leadership in the UK market. The contract segment continued driving growth, adding 1.1 million customers in 2009 (+18.6% year-on-year), and 235,486 customers in the fourth quarter (+5.6% year-on-year). The contract segment made up 44.9% of the total customer base at the end of December 2009 (41.5% a year ago)."

O2 already successfully manages over 300 franchise stores in Germany and now it is expected to become one of the largest mobile telecommunication retail portfolios in the UK (O2, 2011). O2 uses single and multi-unit franchising (MUF), in which an individual franchisee is not restricted to operating only one unit and is allowed to operate several units (Garg et al., 2005). "O2 (UK) Ltd is one of the UK's largest mobile phone network operators with in excess of 450 stores (over 50 of which are franchisee-owned) (Franchise Magazine, 2011)." Estimated total start up cost for O2 franchise store is £1, 40,000 + VAT + Working Capital (O2, 2011).

O2's Franchise Development Manager provided the following details about O2 franchising (McGregor, 2009).

- O2 encourages the view that owning a franchise equates to being an entrepreneur when attempting to recruit new franchisees, implying that business ownership represents entrepreneurship.
- The franchise business is run by franchisee himself/herself
- The franchisee owns stock of the business
- O2 does not interfere or take liability for Human Resource aspects of the franchise businesses

- The franchisee has freedom in marketing, human resource, finance and day to day operations within company guidelines
- Some of the reasons for having franchising are: expanding retail foot print, cover more area/people, increasing brand awareness and focusing on small towns/cities.
- O2 uses a different model of franchising than America and Australia; using a qualitative model, not a quantitative (The emphasis is not on having identical units and robotic approach)
- The franchise model has evolved with the increase in number of franchisees
- The majority of franchise units are multi unit franchising
- The franchising support team consist of: Franchise Training, Franchise Marketing, Franchise Finance, Commission Analyst, Franchise Development Manager and Franchise Support Manager
- Franchisees use facilities provided by O2 such as: customer service, repair centre (Anovo) and retail support as part of the franchise package
- O2 follows a set recruitment policy for franchisees which includes a telephone interview, psychometric test and in depth interviewing with the franchise development manager
- O2 does not render formal leadership training to franchisees

4.5 Summary

For the purpose of this research, O2 was chosen as a suitable context for a variety of reasons. Firstly, O2 is a multinational and well-respected system-using single and multi unit franchising. Secondly, leadership within fashion retail franchising in UK has been a popular subject of academic interest; however, the mobile phone communication sector has received little attention. Thirdly, mobile phone communication sector franchising is a new and unique concept. Fourthly, unlike other franchisors that leave little say in the operation of individual franchised outlets, due to O2's qualitative model it provides flexibility in marketing, finance, human resource and other day-to-day operations to the franchisees (McGregor, 2009). Due to O2 operating a single and multi unit franchise model, unique in its industry and providing franchisees with a lot of freedom, O2 provided an ideal setting to explore the relationship between full-range leadership and the motivation of followers.

Chapter 5

Research Design, Methodology and Methods

Chapter 5 describes research assumptions, research design (objectives, sample, research procedure, sources of data collection, constrains and ethical issues), methodology and methods used to explore the relationship between Full-range Leadership (transformational, transactional and laissez faire) and motivation in franchising. The chapter commences with a brief explanation of the researcher's philosophical perspective and research assumptions. The next section focuses on research design. Through qualitative research, the study considered leadership styles of franchisees who lead franchise businesses in UK. Guba and Lincoln (1994:105) argue, "Questions of method are secondary to questions of paradigm, which we define as the basic belief system or world view that guides the investigation, not only in choices of methods but in ontologically and epistemologically fundamental ways".

5.1. Assumptions

All social research takes place based on a background set of ontological, epistemological, human nature and methodological assumptions (Alvesson and Deetz, 2000; Morgan and Smircich, 1990; Burrell and Morgan, 1979). Creswell (2007) suggests that good research requires making assumptions, paradigms and frameworks explicit in the writing of a study. Firstly, Ontological assumptions (what reality is like and basic elements it contains) imply that the reality is the product of individual consciousness; secondly, there are assumptions of epistemological nature (nature and status of knowledge) which entail knowledge of a softer, subjective, experience base and insight of a unique and personal nature (Burrell and Morgan, 1979; Silverman, 2005; Creswell, 1998). The third set of assumptions concerning human nature entails human beings as creators of the environment where free will occupies (Burrell and Morgan, 1979).

The first three sets of assumption outlined above had direct implications for this study of a methodological nature; the principal concern of the researcher was to understand the way in which the individual creates, modifies and interprets the world (Burrell and

Morgan, 1979). Every researcher brings some set of epistemological assumptions into the research process and these influence how the understanding and interpretation of qualitative data (Travers, 2001; Creswell, 2007). Assumptions of this study have been summarised in the following **table 5.1:**

5.1 Research Assumptions

Four Sets of Assumptions	Stance Selected
Ontology	Nominalism
Epistemology	Interpretive
Human Nature	Voluntarism
Methodology	Ideographic

5.2. Paradigms

Paradigm is a term frequently used in social science, which can mean different things to different people. Saunders et al., (2009) define a paradigm as a way of examining social phenomena from which particular understanding of these phenomena can be gained and explanations attempted. Guba (1990: 17) describes paradigms "a basic set of beliefs that guide actions". Burrell and Morgan (1979) provided four paradigms (Radical Humanist, Radical Structuralist, Interpretive and Functionalist) using subjective-objective and regulation-radical change paradigms. They suggest that the purposes of the four paradigms are to help researchers clarify their assumptions about their view of nature of science and society; to offer a useful way of understanding the way in which other researchers approach their work and to help researchers plot their own route through their research. They were quite specific in suggesting that a synthesis between paradigms cannot be achieved (Bryman and Bell, 2007). That means each paradigm develops independently of others. According to Jackson and Carter (1991), paradigm incommensurability is important because it protects the diversity of scientific thought, resisting the domination of functionalist approaches, which have tended to rule business research. However, Reed (1995) critically argues that the boundaries between paradigms are not as clear as Burrell and Morgan suggest and overstatement of the differences between them leads to isolationism and reduces the potential for creative theoretical development. Regardless of the different views about paradigms, it is clear that this model by Burrell and Morgan has significantly influenced business researchers by encouraging them to explore the assumptions that they make about the nature of the social world (Bryman and Bell, 2007; Hesse-Biber and Leavy, 2004).

According to Maykut and Morehouse (2000), if the underlying philosophy is not understood, then qualitative research is seen as a less rigorous and less valued way of doing inquiry. An interpretive paradigm is significant for the study of organisations; it helps to understand and explain what is going on (Burrell and Morgan, 1979; Saunders et al., 2009). The philosophical position to which the interpretive research refers to is the way we as humans attempt to make sense of the world around us (Saunders et al., 2009).

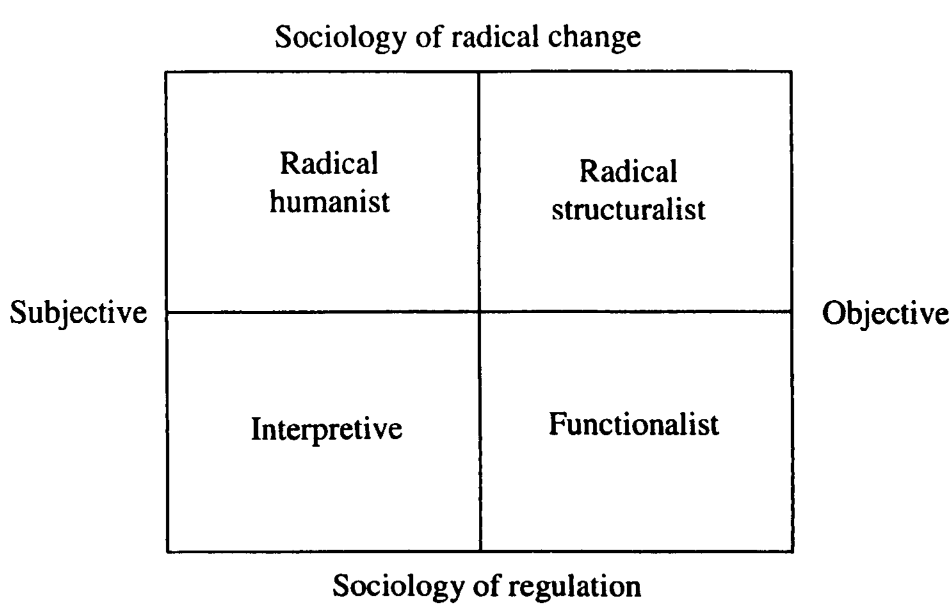


Figure 5.2: Burrell and Morgan (1979:22): Two dimensions, four paradigms for organisational analysis of social theory

The interpretive paradigm depicted characteristics that fit with qualitative research design. The paradigm is informed by a concern to understand the world as it is, to understand the fundamental nature of the social world at the level of subjective experience (Burrell and Morgan, 1979; Alvesson and Deetz, 2000). It views the world as an emergent social process which is created by individuals concerned with the assumption that the world of human affair is cohesive, ordered and integrated. The underlying assumption in the interpretive position is that by putting people in their social context, there is a greater chance to understand the perceptions they have of their own activities (Hussey and Hussey, 1997; Bryman and Bell, 2007; Sandberg, 2005). The position believes that reality is socially construed, not objectively (Husserl, 1965). For interpretive researchers the organisation is a social site, a special type of community which shares important characteristics with other types of communities (Alvesson and Deetz, 2000). The interpretive position tends to be nominalist (Ontological Position), interpretive (Epistemological Position), voluntarist (Human Nature) and ideographic (Methodological Position) in its approach (Burrell and Morgan, 1979; Creswell, 1998).

The concept of leadership and motivation can be understood only through understanding the meaning of the concept for those involved in this form of social action (Grint, 2002; Yukl, 2009). Grint also suggests that leadership is primarily a social phenomenon that relies on the subjective interpretation of followers, more than the specific actions of individual leaders. Here, Grint (2002) has taken an interpretive epistemology position to describe social reality. Interest in qualitative approaches based on interpretive research tradition has steadily increased in management and organisations as well as within social sciences more generally (Prasad and Prasad, 2002; Sandberg, 2005). The interpretive approach empowered previously unexplored questions, enabling management researchers to conduct research that has led to new knowledge (Sandberg, 2005). However, researchers have questioned the extent to which knowledge produced within interpretive approach has been justified as adequate (Jones, 1998; Giorgi, 1994). Wachterhouser (2002: 71) answered critics by saying, "interpretive research can develop, apply, and retest criteria of knowledge that give us enough reliable evidence or rational assurance to claim in multiple cases that we in fact know something and do not just surmise or opine that it is the case". The bottom line is that knowledge produced from an interpretive approach can be justified as true in relation to the ontological and epistemological assumptions underlying this research tradition (Sandberg, 2005). An interpretive position was adopted for this study, as the purpose of the research was to understand and explain what was going on. Eisenhardt (1989) recommends starting with a broad research question, establishing systematic data collection and ensuring case access.

5.3. Combining Research Approaches

After selecting assumptions and paradigm, the next step was to clarify the research approach. Saunders et al., (2009) and Yin (2003) suggest that combining research approaches (deductive and inductive) is perfectly possible and often advantageous to do so. Therefore a theoretical or descriptive framework was created to generate research questions and objectives and data was analysed using an inductive approach to sufficiently answer the research questions and objectives with the help of data collected. This approach exhibited a preference for commencing with and utilising theory in qualitative research and has definite advantages of linking the research into the existing body of knowledge in this subject area (Saunders et al., 2009; Yin, 2009; Kelle, 1997; Bazeley, 2007).

5.4. Qualitative Research

Quantitative research is grounded in the assumption that features in social reality which constitutes an independent reality and is relatively constant (Gall et al., 2003). These phenomena are measured through numerical representations of observations and statistical analysis (Gall et al., 2003). Quantitative research analyses social reality using variables, and generating numerical data to present the social environment (Gall et al., 2003). However, in recent years strong counter pressures against quantitative research have emerged. Several problems with quantitative research are described below:

- Context stripping.
- Exclusion of meaning and purpose.
- Disjunction of grand theories with local contexts.
- Inapplicability of general data to individual cases.
- Exclusion of discovery dimension in inquiry (Hesse-Biber and Leavy, 2004).

Qualitative research would be used in this study because it can provide better understanding of social phenomena in a rich, descriptive and flexible manner (Silverman, 2005; Gall et al., 2003).

The interpretive paradigm describes characteristics that fit with qualitative research, theory and design. Smith (1987) categorised qualitative research into interpretive approaches, artistic approaches, systematic approaches and theory driven approaches. Denzin and Lincoln (2000:2) define qualitative research as, "multimethod in focus, involving an interpretive naturalistic approach to its subject matter". This means qualitative researchers study topics in their natural settings, attempting to make sense of or interpret phenomena in terms of the meaning people bring to them." The main characteristics of qualitative research shared by leading authors are natural setting as the source for data collection; different assumptions than quantitative research; the researcher as the key instrument in the data collection; data collected as words; outcome as process (not product); analysis of data inductively and focus on participants' perspectives (Creswell, 1998, 2007; Merriam, 1988; Marshall and Roseman, 1989; Lincoln and Guba, 1985). Similarly Maykut and Morehouse (2000) have suggested eight characteristics of qualitative research that were important to consider for the purpose of this study:

- An exploratory and descriptive focus
- Emergent design
- A purposive sampling
- Data collection in the natural setting.
- Emphasise on 'human as instrument.
- Qualitative methods of data collection.
- Early and ongoing data analysis.
- A case study approach to reporting research outcomes.

Qualitative methodologies have a long history within organisation and management research (Cassell and Symon, 2006). Authors have argued that qualitative research can provide powerful tools for management and organisational research (Cassell and Symon, 2006; Creswell, 2003; Boje, 2001; Lincoln and Guba, 2000). The qualitative approach was appropriate for the research problem as it can provide better understanding of social phenomena in a rich, descriptive and flexible manner (Silverman, 2005; Gall et al., 2003). The researcher was concerned primarily with process and meaning rather than outcomes (Merriam, 1988). A qualitative approach was therefore chosen to answer 'how' and 'what' questions, to explore the topic, to have a detailed view of the topic, to study individuals in their natural setting and to focus on participants perspectives. In recent times, leadership researchers have increasingly suggested the use of qualitative methods when researching leadership styles (Bryman, 1992; Avolio, 1999; Parry, 1998; Alvesson and Deetz, 2000).

This study explored the relationship between Full-range Leadership and motivation through qualitative research. Several authors have recommended qualitative research that incorporates an interpretive paradigm, uses a case study, which adopts an exploratory approach, with purposive sampling, semi-structured interviews and inductive analysis (Creswell, 2003; Kelliher, 2005; Alvesson and Deetz, 2000; Miles and Huberman, 2002; Dickson-Swift, 2007). Researchers on retail franchising have advocated a qualitative approach as well (Sparks, 1995; Doherty and Alexander, 2004). According to Hill and McGowan (1999), organisational research may be best done using a qualitative approach that includes case study, semi structured/in depth interviews and documentary analysis.

5.5. Research Design

In simple terms, the research design is a blueprint for the research. Yin (1994) and Saunders et al., (2009) describe research design as a general plan of how researchers go about answering research question (s). It is concerned with the overall plan for the research and contains clear objectives, sample, research procedure, sources of data collection, constrains and ethical issues (Saunders et al., 2009; Gall et al., 2003). The research design for this study is described in the following paragraphs.

Research Objectives

- The study explored the Full-range Leadership (transformational, transactional and laissez faire) employed by franchisees.

- The study aimed to explore the relationship between individual Full-range Leadership (transformational, transactional and laissez faire) of franchisees and motivation of subordinates. It also discovered the impact of Full-range Leadership factors (idealised influence, inspirational motivation, intellectual stimulation, individualised consideration, contingent reward, management-by-exception and laissez faire) on motivation of followers.

- It also aimed to find the main factors affecting the application of a particular leadership style (transformational, transactional and laissez faire) of franchisees.

- The research investigated some of the factors and processes used by the franchises to motivate employees.

Exploratory Research – Research Purpose

The classification of research purpose most often used in the research methods' literature is threefold 1) descriptive, 2) explanatory and 3) exploratory (Saunders et al., 2009). The objective of descriptive research is to portray an accurate profile of persons, events or situations (Robson, 2002). On the other hand, explanatory studies establish causal relationships between variables (Saunders et al., 2009). "Exploratory study is a valuable means of finding out 'what' is happening; to seek new insights; to ask questions and to assess phenomena in a new light" (Robson, 2002:59). The aim of exploratory study is to seek for patterns, ideas or hypotheses rather than testing or conforming hypothesis (Hussey and Hussey, 1997, Yin, 2003). The focus of research being Full-range Leadership and motivation in under researched area of franchise management, exploratory research provides flexibility and is adaptable to change options and therefore adopted in the research around Full-range Leadership and

Motivation. Hussey and Hussey (1997) suggest that typical techniques used in exploratory research involve case studies as explained below.

Research Strategy: Case Study

The choice of research strategy was guided by the research questions and objectives, the extent of existing knowledge, the extent of control the researcher had, the degree of focus on contemporary as opposed to historical events and philosophical underpinnings (Saunders et al., 2009; Bryman and Bell, 2007; Yin, 2003). The case study research method is used in many situations (group, organisational, social, political and related phenomena) and areas (psychology, sociology, political science, anthropology, social work, business education, nursing and community planning) to contribute to our knowledge (Yin, 2009). Robson (2002:178) defines a case study as "a strategy for doing research which involves an empirical investigation of particular contemporary phenomenon within its real life context using multiple sources of evidence". Case study strategy was employed to gain a rich understanding of the context of research (leadership styles and motivation in franchising) and the process being enacted; the ability to generate answers to the question 'why', 'what' and 'how' and compatibility with qualitative and exploratory research (Morris and wood, 1991; Sunders et al., 2009, Yin, 1994).

Yin (2009: 18) provided twofold technical definitions of case studies:

1) A case study is an empirical inquiry that

- Investigates a contemporary phenomenon in depth and within its real life context, especially when
- the boundaries between phenomenon and context are not clearly evident.

2) The case study inquiry

- copes with the technically distinctive situation in which there will be many more variables of interest than data points, and as one result

- relies on multiple sources of evidence, with data needing to converge in a triangulating fashion and as another result
- benefits from the prior development of theoretical propositions to guide data collection and analysis.

The twofold definition shows how a case study research constitutes an all-encompassing method- covering the logic of design, data collection techniques, and specific approaches to data analysis (Yin, 2009). The procedure selected for conducting a case study has been illustrated by Stake (1998):

- determine if case study research is appropriate
- identify case or cases using purposive sampling
- draw on multiple sources of information such as observation, interviews and documents
- holistic or embedded data analysis
- interpretive face

Advantages of case study research are: a) provides the opportunity to conduct a detailed description of the setting or the individuals under study; b) allows employment of varied data collection methods; and c) permits the researcher to draw from personal experience as it relates to the phenomenon under scrutiny (Creswell, 2003). On the other hand, Creswell (2003) and Yin (2009) suggest that limitations of case study research include: a) The possibility of personal interpretation brought to the qualitative data analysis; b) A possibility of developing personal bias; c) Inaccurate translation and misrepresentation of data; d) difficulty in replicating the study; and e) lack of rigor. In order to avoid bias, the researcher took the following steps: a) relied on literature to define the indicators by which variables in this study were identified; b) used multiple sources of evidence (semi structured interviews, documents, notes and transcripts); c) established a chain of evidence based on data gathered; and d) asked participants to review the final report (Yin, 2003).

Case studies, with their disadvantages and limitations, are appropriate when presenting a unique or new phenomenon (Yin, 2003), which the mobile telecommunication franchising is. Stake (1998) favours case studies as an effective way of gaining rich in depth information about the dynamics of organisational activity affording the ability to generate theory. Patton (2002) also supports case study research by noting that case studies are appropriate when the researcher seeks to understand a particular situation, process or set of behaviours in significant depth.

Yin (2009) advocates multi case study design by suggesting that the evidence from multiple cases is often considered more compelling and the overall study is therefore regarded as being more robust. A multi-case was implemented for this study to discover if themes and pattern emerged (Gall et al., 2003; Maykut and Morehouse, 2000; Yin, 2009). Qualitative data has to dominate in the case research strategy (Kelliher, 2005). For the purpose of this qualitative study, a multi case study method, was used focusing on twenty franchisees of O2 (Bryman and Bell, 2007; Miles and Huberman, 2002; Llwellyn and Northcott, 2007). The methods used to collect data in this case study included documentary analysis and interviews (Hussey and Hussey, 1997; Merriam, 1988; Saunders et al., 2009). Data gathered were coded, analysed and interpreted through the aid of qualitative software NVivo8. The sample selection for this case study research has been described below.

Sample

Using case study research with a qualitative approach, 'sampleable' units are often seen as theoretically defined (Creswell, 2003). Similarly, Mason (1996) suggests that researchers select a sample of particular processes, types, categories or examples which are relevant to or appear within the wider universe. He explains that examples of these would include units such as an organisation, a location and documents. Robson (2002: 260) states that "population refers to all case", whereas "a sample is a selection from the population". Merriam (1998:61) argues, "Purposeful sampling is based on the assumption that the investigator wants to discover, understand, and gain insight and therefore must select a sample from which the most can be learnt". Purposive sampling enables the selection of case(s) that will best enable to answer research question(s). Purposive sampling offers a set of procedures where the researcher manipulates their analysis, theory and sampling activities interactively during the research process (Silverman, 2005).

Neuman (2000) suggests that purposive sampling method is often used in case study research. Using Case study strategy in one large organisation and collecting data using interviews, the researcher needed to select the case study organisation and a group of employees and managers to interview (Saunders et al, 2009). Qualitative researchers employ purposive sampling methods to seek out groups, settings and individuals where the processes being studied are most likely to occur (Denzin and Lincoln, 2000; Maykut and Morehouse, 2000). The researcher focus of exploring the relationship between Full-range Leadership of franchisees and motivation of employees in under researched area of franchising, using purposive sampling allowed the researcher to choose a case because it illustrated feature or process in which researcher was interested (Silverman, 2002; Merriam, 1998; Miles and Huberman, 2002; Johnson et al., 2007).

In order to successfully perform the case study, the researcher gained full and complete access to organisation. Unconditional access to participants was acquired after a formal meeting with Head of Retail and Sales at O2. Participants were selected after consultation and negotiation with the franchise development manager of this chain, who suggested a selection of franchisees based on their experience, profile, performance and geographic location to accommodate variability. Yin (2009) suggests that the larger the number of samples you can study, the better it is for multiple case study. The researcher continued to jointly collect and analyse data in an ongoing process until he discovered no new information; this means the study continued to gather information until saturation point, when newly collected data was redundant with previously collected data (Maykut and Morehouse, 2000; Lincoln and Guba, 1985). The purposeful selection of franchisees from O2 was done to "increase the likelihood that variability common in any social phenomenon will be presented in the data" (Maykut and Morehouse, 2000:45). Other authors also have suggested that the most prominent and useful purposive strategy is maximum variation purposive sampling, where the researcher attempts to understand social phenomenon by seeking out persons or settings that represent the greatest differences in that phenomenon (Lincoln and Guba, 1985; Maykut and Morehouse, 2000; Patton, 2002). Table **5.3** and **5.4** show the population and purposive samples selected. Twenty franchisees were sampled, which was also saturation point and allowed presentation of variability. Lincoln and Guba (1985) support the sampling size by arguing that carefully conducted case study research can reach saturation point with as few as twelve and no more than twenty participant (unit of analysis). For the purpose of this research, semi structured interviews were conducted of twenty franchisees, three franchise consultants and twenty franchise employees (subordinates) at a predefined time and place.

Table 5.3 O2 (2011)

Type of Business	Retail	Franchise
Braches (Population)	490	100 **(Appendix 6)**
Sample	NA	20

Table 5.4 Sample Franchise Stores

Particulars	Franchise Stores
1	Aintree
2	Bolton
3	Bootle
4	Bridlington
5	Dewsbury
6	Ellesmere Port
7	Kirby
8	Leeds-Crossgates
9	Leeds-Marion Centre
10	Leigh
11	Maghull

12	Middleton
13	Ormskirk
14	Sale
15	Hyde
16	Leigh
17	Oswestry
18	Liverpool
19	Wilmslow
20	Wrexham

The researcher uncovers the range of data collection methods that were employed in the case study research in the following paragraph.

Data Collection

The purpose of data collection through qualitative research is to "understand people's experience in context" (Maykut and Morehouse, 2000:45). According to Saunders et al., (2009), there are three main data gathering techniques that dominate qualitative research, namely, observation, interviewing and document collection. The method for data collection for this study focused on documentations and semi structured interviews. The semi structured interviews were taped using an audio tape and transcribed for data collection (Saunders et al., 2009; Creswell, 2003).

Secondary Data

Documents obtained from O2 were reviewed and included minutes of team meeting, daily briefs, mystery shop results, store standard results, success index score and disciplinary actions (Hussey and Hussey, 1997; Kelliher, 2005; Merriam, 1998). Additionally the franchise policy and procedure document were looked into. Each document provided valuable data relating to performance, franchising, performance management, daily communication and motivating factors used, which complemented the semi structured interviews (Kelliher, 2005; Maykut and Morehouse, 2000). The use of documents along with semi structured interviews aided to ensure that a bias was avoided by the researcher (Yin, 2003, 2009). The strengths of using documents in case study research include:

- Stable- can be viewed repeatedly
- Unobtrusive- not created as a result of the case study
- Exact- contains exact names, references and details of event
- Broad coverage- long span of time, many events and many settings (Yin, 2009)

Interviews

Saunders et al., (2009) explains that the use of interviews can help you to gather valid and reliable data that are relevant to research question(s) and objectives. In the simplest terms, interviews are defined as a purposeful discussion between two or more people (Kahn and Cannel, 1957; Merriam, 1998). Hussey and Hussey (1997) define interviews as a method of collecting data in which selected participants are asked questions in order to find out what they do, think or feel. Saunders et al., (2009) illustrate three types of Interviews: 1) structured, 2) semi-structured or 3) unstructured/in-depth. Structured interviews may be used in relation to an explanatory study, in a statistical sense and descriptive study (Robson, 2002; Saunders et al., 2009; Bryman and Bell, 2003).

For this study forty three semi structured interviews were used. Semi structured interview questions were exploratory so "the outcomes are not the generalisation of results but a deeper understanding of experience from the perspectives of the participants selected for study" (Maykut and Morehouse, 2000:44). Semi structured one-on-one personal interviews hold several advantages over other data collection procedures such as a) high response rate; b) relaxed conversation that provides an excellent opportunity for the researcher to find out what people really think and believe; c) the interviewer also has the advantage of being able to read the body language of the interviewee (Simon and Francis, 2001). In the case of exploratory study, in-depth and semi structured interviews can be very useful in finding out what is happening. Interviews were particularly important as the researcher was interested in gaining participant perspectives and meaning constructed by individuals (Maykut and Morehouse, 2000). The interviews served as an interpretive emergent design, relying on the words and meanings as the data for analysis.

Authors have advocated a 180- degree approach in data collection in order to explore leadership behaviours (Tornow, 1998; Yukl, 2006; Bazeley, 2007). The researcher used 180-degree format by interviewing franchisees and their subordinates. The 180 degree approach is where an individual and his or her follower are interviewed (Drew, 2009). For the purpose of this research, interviews were conducted with twenty franchisees, three franchise consultants and twenty franchise employees (subordinates) at predefined times and places. All semi-structured interviews were carried out with a set of standard questions and allowed flexibility for relevant open questions. Face to face interviews were pre arranged with participants. This technique of data collection allowed the researcher control over the line of questioning (Creswell, 1998).

The semi structured interviews **(Appendix 2, 3)** included the Multifactor Leadership Questionnaire (Form 6s) **(Appendix 4)** to determine Full-range Leadership styles amongst the franchisees (Bass and Avolio, 1992). Originally developed for application in military and industrial settings the questionnaire (MLQ) has been extensively used to study leadership styles and has undergone continued development and refinement (Avolio, 1999). The MLQ measuring instrument has been empirically supported by other researchers and is adequate in its validity and reliability for the purpose of which it was used in this research (Hoffman, 2002; Howell and Avolio, 1993; Tejeda et al., 2001; Pounder, 2008; Judge and Piccolo, 2004; Ilies et al., 2006). The Multifactor Leadership Questionnaire (MLQ Form 6s) measures Full-range Leadership styles, namely, transformational, transactional and laissez faire. Transformational leadership is broken down into the following scales: idealised influence (formerly known as charisma), individualised consideration, intellectual simulation and inspirational motivation. The Multifactor Leadership Questionnaire (MLQ Form 6s) also measures several dimensions of transactional leadership, namely, contingent reward and management-by-exception. It also assesses the dimension of laissez-faire leadership. Followers reported leaders' full range of leadership behaviours using the same Multifactor Leadership Questionnaire (MLQ

Form 6s). Each participant was given time to read and sign the consent (Saunders et al., 2009; Creswell, 2003). Interviews were tape recorded and directly transcribed with the permission of O2 and participants.

Extensive notes were taken during the meeting and written up immediately to ensure optimum recall regarding the interview contents (Kelliher, 2005; Patton, 2002). According to Patton (2002: 382): a) notes can help the interviewer in formulating new questions, b) notes help make sure the inquiry is unfolding in the hoped-for direction, c) notes will later facilitate analysis, d) notes serve as backup in the event that the recorder malfunctioned. The duration of these interviews ranged between 30 minutes and an hour.

Pilot Testing Procedure

A pilot testing procedure was conducted with three franchisees and three followers to refine the semi structured interview questions and to confirm reliability of the electronic equipment. The selection of pilot cases was based on convenience, access and geographic proximity. It also helped in refining data collection plans with respect to both the content of the data and procedures to be followed (Yin, 2009). The researcher also consulted experts to comment on the representativeness and suitability of the research questions. The pilot test was a small scale study to test the semi structured interview checklist and to minimise the likelihood of respondents having problems in answering the questions and of data recording problems (Saunders et al., 2009). It provided an assessment of the validity and the likely reliability of the data collected. Seidman (2006) states that pilot tests help the study by providing information that may assist or sidetrack the process of research. According to Creswell (1998: 19), "Our questions changed during the process of the research to further reflect an increased understanding of the problem".

Based on the pilot testing, the semi structure interview questions were revised to clarify rather than change general content and direction of the study. The researcher also kept manual pilot reports for lessons learned for both research design and field procedure. NVivo8 was used simultaneously to better assist data analysis procedure.

Data from the pilot study were transcribed and imported to NVivo8. Data from the pilot study were collected and collated to determine process issues and challenges.

Data Analysis

A combination of deductive and inductive approaches to answer research questions and objectives were employed (Saunders et al., 2009). It was recognised that "one of the defining characteristics of qualitative research is an inductive approach to data analysis (Maykut and Morehouse, 2000: 127). An inductive approach to data analysis was incorporated, commencing work from a theoretical perspective to generate research questions and objectives (Saunders et al., 2009; Yin, 2003; Bazeley, 2007; Maykut and Morehouse, 2000). This approach exhibited a preference for commencing with and utilising theory in qualitative research and has a definite advantage of linking the research into the existing body of knowledge in the subject area (Saunders et al., 2009; Bazeley, 2007; Boote and Beile, 2005).

The philosophical links remain at the data analysis stage of the research process. The interpretive stance was taken which means the ultimate goal is to describe the context in which the event occurred (Kelliher, 2005; Marshall and Rossman, 1989). The interpretive approach advocates that the researcher should retain integrity of the data collected; this approach to qualitative research is based on individuals' accounts of their experiences and the ways in which they explain these through their subjective interpretations and relate them to constructions of the social world in which they live (Saunders et al., 2009). Narratives, consistent with the assumptions of the interpretive paradigm, employ various ways of analysing the stories people tell in order to understand the meanings of their experiences (Merriam, 1998). Narratives have an important relationship with the interpretive paradigm, because narratives aim at making sense of experience and uncovering constructed and communicated meanings and perceptions (Crotty, 1998; Chase, 1995).

The researcher engaged in several simultaneous activities such as conducting semi structured interviews, taking notes, transcribing interviews, sorting the information into categories, formatting information in to stories or pictures (narrative), and actually writing the qualitative text (Creswell, 1998). Data collection and data analysis were a simultaneous process in this qualitative research design (Merriam, 1988; Creswell, 1998; Maykut and Morehouse, 2000). In case study research dominant modes of data analysis are: 1) the search for 'patterns' by comparing results with patterns predicted from theory or the literature; 2) 'explanation building' in which the researcher looks for casual links and/or explores plausible or rival explanations and attempts to build an explanation about the case; 3) time series analysis (Yin, 1994). To configure a theoretical or descriptive framework, the study identified main themes, components and issues from existing theory (Yin, 2003). Data analysis and a representation process were implemented as suggested by Creswell (2007: 156) in conducting a qualitative analysis:

- Create and organise files for data
- Read through all the data until familiar with the material, make notes and form initial codes
- Describe the cases and its context
- Use categorical aggregation to establish themes or patterns
- Use direct interpretation
- Develop naturalistic generalisation
- Present in-depth picture of the cases using narratives, tables and figures

During data analysis it is essential that the researcher is comfortable with developing categories and making comparisons and contrasts (Creswell, 1998). The analytical goal is to make sense of the whole situation and the relationship between people and the organisation (Myers and Avison, 2002). For the purpose of this study, narrative outcomes were compared and contrasted to theories and the general literature on leadership, motivation and franchising. To make data analysis robust, all the evidence as attended and detail description of the cases, addressed all major rival interpretations. It covered the most significant aspect of the study, cross case synthesis and utilised prior knowledge (previous research and publications on the topic) in the case study research (Yin, 2009).

NVivo

One of the most remarkable developments in qualitative research in recent history has been the introduction of computer software that facilitates the analysis of qualitative data (Bryman and Bell, 2007; Yin, 2009). Bazeley (2007) argues that NVivo ensures a more complete set of data for interpretation than might occur when working manually; perhaps using it ensures the researcher is working more methodically, more thoroughly, more attentively. The Nvivo8 software helped in speeding up the analysis process, making it easier to experiment with different codes and testing relationships. The software also helped in making use of multiple strategies concurrently, namely, reading, reflecting, coding, annotating, memoing, discussing, linking and visualising.

The NVivo software supported analysis of qualitative data by managing data, managing ideas, querying data, graphically modelling and reporting from the data (Bazeley, 2007). Each transcript was word processed and imported into the NVivo8. The researcher also recorded assumptions, notes, audit trail and identity memo to recognise research assumptions and experiential knowledge as a way of developing the kind of 'subjectivity' in which we do not suppress primary experience (Bazeley, 2007). In qualitative analysis, coding is seen as a way of linking data to ideas and from ideas back to supporting data (Richards and Morse, 2007). As well as linking data, codes link with each other to provide patterns of association with each other (Bazeley, 2007). At a first level of interpretation, coding allowed to view each component independently, giving a recontextualized perspective on each topic and concept as all text relating to it was brought together. At a second level of interpretation, slicing data into its component parts opened up analytical possibilities through the recombination of coded passages. Finally, slicing data into its component parts in this way avoided repetitive nodes.

A combination of deductive (theoretical perspective to generate research objectives and questions) and inductive (analyse data) approaches were applied. A provisional set of categories from research questions and objectives (a priori codes) were developed and data from transcript copies (in vivo codes) analysed to identify additional categories (Saunders et al., 2009; Bazeley, 2007). Free Nodes were applied to provisional set of categories as well as additional categories that allowed researcher to capture ideas without imposing any structure on those ideas. Then, free nodes were merged in tree nodes to gather related concepts in a set. Having classified nodes into trees, the researcher focused on theoretical kinds of connection termed pattern coding. Pattern codes are generally of four types: themes, causes or explanation, relationship and emerging constructs (Miles and Huberman, 1994). The themes that emerged from this process were then grouped into categories and were matched with the literature in relation to leadership and motivation to explore the relationship. NVivo8 software assisted in the entire coding process identifying major themes without the need to read responses word for word. This research selected a question-and-answer format for the written case study report avoiding writer's cramps (Yin, 2009). Each answer contained all the relevant evidence, citations, narratives, pictures and tabular presentation.

Unit of analysis

Gall et al., (2003) define unit of analysis as "the aspect of phenomenon that will be studied across sample of cases". For this study, the units of analysis were twenty franchisees (leaders) of O2 who were considered the "level of inquiry on which the study will focus" (Marshall and Rossman, 1989: 34). The study focused on individuals (franchisees) as primary units of measurement and analysis (Bryman and Bell, 2007). For this study, there were twenty units of analysis. Each franchisee was a part of the larger case that focused on leadership styles of franchisees (Gall et al., 2003). The unit of analysis was franchisees (leaders) around whom there is a constellation of people, namely, subordinates (subordinates) and franchise consultants (Bazeley, 2007; Yin, 2009).

Reliability

Reliability refers to the consistency or stability of a measure (Kelliher, 2005). According to Robson (2002), there may be four threats to reliability, namely, subject or participant error, subject or participant bias, observer error and observer bias. The uniqueness of a study within a specific context mitigates against replicating it exactly in another context (Creswell, 2003). Yin (1994) strongly argued that providing a detailed protocol for data collection might help in replicating a qualitative case study in another setting. To tackle reliability issues, the study applied a case study protocol (overview of case study project, field procedure, research questions and guide for the case study report), developed a case study database (raw data that led to the case study conclusions, case study notes and case study documents), and maintained a chain of evidence (to follow the derivation of any evidence from initial research questions to ultimate case study conclusions) (Yin, 2009).

Validity

Validity is concerned with whether the findings are really about what they appear to be about (Saunders et al., 2009). Qualitative research relies on the presentation of solid descriptive data in order to understand the meaning of the experience under study (Stake, 1998). Consideration was given to what objects, events and behaviours meant to the people engaged in and with them (Miles and Huberman, 2002). Interpretive approach is grounded in the language of the people studied and relies on their own words and concepts; the issue is not appropriateness of these concepts, but their accuracy as applied to the perspectives of the participants included (Miles and Huberman, 2002). The goal of purposive sampling in this study was twofold: to make sure one has adequately understood the variations in the phenomena of interest in the setting and to test developing ideas about that setting by selecting phenomena that are crucial to the validity of those ideas (Miles and Huberman, 2002). This study used multiple data collection methods (documents and semi structured interviews), built an audit trail and employed member checks to gain trustworthiness and increase validity (Lincoln and Guba, 1985).

The study addressed the issue of **construct validity**, by keeping an 'audit' trail, discussing categories or themes with participants, using multiple sources of evidence (semi structure interviews and documentation) and involving participants in all phases of the research (Merriam, 1988; Guba and Lincoln, 1988; Creswell, 2003; Yin, 2009). **Internal validity** is mainly a concern for explanatory case studies; it is inapplicable to descriptive or exploratory studies (Yin, 2009). To gain **external validity**, the study applied both cross-case examination and within-case examination (e.g. answers of participants to the semi structured interview questions were analysed and compared for consistency) along with the literature review (Yin, 2003). In order to check accuracy and creditability of the findings of this study, the following steps suggested by Creswell (2003) were taken:

- Let participants confirm accuracy of qualitative findings through checking the final report or specific descriptions or themes and determining whether they are accurate
- Use rich description to convey the findings
- Mention the bias the researcher brings to study
- Disclose information that runs counter to the themes

Generalisability

Robson (2002) suggests that generalisation refers to the extent to which findings of the enquiry are more generally acceptable outside the specifics of the situation studied. Generalization means research findings may be equally applicable to other research settings, such as other organisations. The research goal in qualitative terms is to offer a case description that would allow the reader to repeat the research process in another case (Kelliher, 2005). Although generalisation is not the strength of case study research, it can establish the existence of phenomenon that is adequate for the purpose of exploratory research (Van Maanen, 1988; Remenyi et al., 1998). Silverman (2005) provided ways to obtain generalisability such as: combining qualitative research with quantitative measures of populations, purposive sampling guided by time and resources, theoretical sampling and using analytical model which assumes that generalisability is present in the existence of any case. The purpose of this interpretive research was not to produce a theory that is generalisable to all populations. "Rather it is to produce a coherent and illuminating description of and perspective of a situation that is based on and consistent with detailed study of that situation" (Miles and Huberman, 2002: 174). According to Denzin (1983: 133), "the interpretivist rejects generalisation as a goal and never aims to draw randomly selected samples of human experience. For the interpretivist every instance of social interaction, if thickly described, represents a slice from the life world that is the proper subject matter for interpretive inquiry". The aim of this research is to explain what was going on in this particular research setting and form a unique interpretation of events (Merriam, 1988; Llewellyn and Northcott, 2007).

Ethical Issues

Research ethics related to research topic, research design, gaining access, collecting data, storing data, processing data, analysing data and writing up narrative research findings in a normal and responsible way (Saunders et al., 2009; Merriam, 1988; Locke et al., 1987; Yin, 2009). At different stages of the research one needs to be careful about the ethics such as: gaining access, data collection, data processing and data analyses and reporting (Saunders et al., 2009; Marshall and Rossman, 1989). Robson (2002) argues that there should not be any pressure on intended participants to grant access during the stage of gaining access in an organisation; during data collection utmost care should be taken regarding harm to participants and intrusion on privacy of participants. For this study consent forms **(appendix 1)** were used which included: the right to participate voluntarily, right to withdraw at any time, the purpose of the study, procedure of the study, the right to ask questions, the benefits of the study and signature of both researcher and participant (Creswell, 1998).

Confidentiality and anonymity are crucial at all the stages of research (Saunders et al., 2009). The anonymity of individuals was taken care of while analysing and interpreting data, providing an accurate account of information and storing data securely after analysis (Creswell, 2003; Miles and Huberman, 1994). The data protection act, 1998, requires total confidentiality of personal data; Personal data should be handled fairly and lawfully (Saunders et al., 2009). Jankowicz (2002) suggests that the researcher should not disclose any information gathered without the prior permission of the company. The contents of interviews, questionnaires and documents need to be preserved properly.

The maintenance of objectivity and clear representation of data are essential ethical consideration in data analyses and reporting (Saunders et al., 2009). The research was conducted in line with the guidelines of Liverpool Hope University on research ethics. Participants were assured that their answers would be kept confidential and no personal information would be disclosed. Participants rights, needs, values and desires were respected (Creswell, 1998).

This chapter has discussed research design, methodology and methods that were used to answer the research questions. This study explored the relationship between Full-range Leadership and motivation through qualitative research. A qualitative approach was selected to capture perspectives in a rich, descriptive, and flexible manner (Silverman, 2005; Gall et al., 2003). Several authors have recommended qualitative research that incorporates an interpretive paradigm, uses a case study, which adopts an exploratory approach, with purposive sampling, semi-structured interviews and inductive analysis (Creswell, 2003; Kelliher, 2005; Alvesson and Deetz, 2000; Miles and Huberman, 2002; Dickson-Swift, 2007). The qualitative research design used semi structured interviews to collect data from participants. The sample and analysis were described as well as limitation of the study. Data were analysed using NVivo8 software which assisted in the entire coding process identifying major themes without the need to read responses word for word.

Chapter 6

Findings and Discussion

The study aimed to explore, by means of qualitative research, the relationship between Full-range leadership style (transformational, transactional and laissez faire) of franchisees and the motivation of their subordinates. It also discovered the impact of Full-range Leadership factors (idealised influence, inspirational motivation, intellectual stimulation, individualised consideration, contingent reward, management-by-exception and laissez faire) on motivation of followers by going deeper in the research topic. This research utilised a 180 degree methodology by collecting data from franchisees and their subordinates. Within the study twenty franchisees and an equal number of their subordinates were involved. Through semi structured interviews, the participants were able to voice their views and perspectives. This study was designed to answer: a) Which of the Full-range Leadership (transformational, transactional and laissez faire) styles were employed by the franchisees? b) How did the individual Full-range Leadership of franchisees affect the level of motivation of subordinates? c) What were the main factors affecting the application of a particular leadership style (transformational, transactional and laissez faire) of franchisees? d) What were some of the factors and processes used by the franchisees to motivate subordinates? Semi structure interviews and secondary data were used to answer each question.

The procedural process of coding the text, examining the codes, developing interpretation from the data, defining themes, pattern coding and connecting and interrelating themes was aided by the use of the qualitative research software program NVivo8. A provisional set of categories from research questions and objectives (a priori codes) were developed and data from transcript copies (in vivo codes) were analysed to identify additional categories (Saunders et al., 2009; Bazeley, 2007). Free Nodes were applied to a provisional set of categories as well as additional categories that allowed for ideas to be captured without imposing any structure on those ideas.

Table 6.1 Free Nodes

Nodes	Description	Nodes	Description
LE	Lead by Example/ Idealised Influence	FP	Franchisor's Policy
IM	Inspirational Motivation	IF	Individual Followers
IC	Individualised Consideration	P	Performance
IS	Intellectual Stimulation	S	Situation
CR	Contingent Reward	T	Targets
ME	Management-by-Exception	OC	Organisational Culture
LF	Laissez Faire	EE	Equity and Expectations
B	Both Styles	GT	Goals
MF	Motivated Followers	MC	Money- Primary Motivator
BP	Better Performance	P	Praise
FB	Feedback	SI	Social Events
OA	Opportunity of Advancement	EL	Employee Leader Relationship
PT	Paid Time Off	SA	Sense of Achievement
PM	Performance- Motivator	F	Franchising
G	Gender	FP	Franchisees' Profile
FM	Full-range Leadership and Maslow's Hierarchy of Needs	FH	Full-range Leadership and Herzberg Two Factor Theory
FE	Full-range Leadership and Expectancy Theory	FEQ	Full-range Leadership and Equity Theory

Then, free nodes were merged in tree nodes to gather related concepts in a set.

Table 6.2 Tree Nodes

Node	Description	Nodes	Description
TF	Transformational Franchisees	MF	Motivating Factors Employed
TR	Transactional Franchisees	MP	Motivating Processes Used
LF	Laissez Faire	FM	Financial Motivators
FM	Full-range Leadership Styles- Motivation	CS	Combinational of Styles
FF	Full-range Leadership Factors and Motivation	NFM	Non Financial Motivators
FL	Factors affecting Leadership Styles	F	Franchising
LE	Lead by Example/ Idealised Influence	CR	Contingent Reward

IM	Inspirational Motivation	ME	Management-by-Exception
IC	Individualised Consideration	LF	Laissez Faire
IS	Intellectual Stimulation		

This chapter includes information relating to the following: a) description of the cases, b) research questions and findings, and c) a summary. The first section includes a description of the participants, their background and the reasons why they were chosen to participate in this study.

6.1 Description of the Cases

The maximum variation purposive sample of twenty franchisees for this study was derived from hundred franchise businesses of O2 in the UK to increase the likelihood that variability common in any social phenomenon would be presented in the data. The field visits for this study were conducted at twenty franchise businesses of O2. The qualitative study consisted of semi structured interviews with twenty franchisees, twenty subordinates and three franchise consultants. To protect the identity of participants, the researcher allocated codes L (franchisees), F (subordinates) and C (franchise consultants) for them respectively. The sample of twenty franchisees consisted of sixteen males and four female. The franchisees ranged in age from 20 to 45. Within the twenty franchisees, none possessed any variation on leadership training. The franchisees ranged in experience as a leader from 1 to 10 years. The average number of followers per franchisee was six, ranging from 3-10 followers. Franchisees' performance ranged from 85% to 150% of their agreed targets. **Table 6.3** illustrates the characteristics and performance figures of each franchisee.

Table 6.3 Franchisees' Profile

Franchisees	Age	Gender	Training	Experience (Years)	Followers	Performance (%)
L1	45	Male	No	8	4	125
L2	36	Male	Yes	10	4	103
L3	25	Female	No	2.5	3	125
L4	32	Male	Yes	9	5	85
L5	22	Male	No	2	5	150
L6	21	Male	No	3	5	125
L7	43	Female	No	4	6	110
L8	23	Male	Yes	2	8	110
L9	21	Male	No	1	7	130
L10	24	Male	No	4	10	125
L11	23	Male	No	3	9	120
L12	20	Male	No	1	6	125
L13	22	Male	Yes	1	7	108
L14	42	Female	No	3	5	112
L15	20	Male	No	2	4	125
L16	21	Male	No	1	4	145
L17	31	Male	Yes	8	4	90
L18	24	Female	No	1.5	2	125
L19	35	Male	Yes	9	3	102
L20	44	Male	No	7	3	125

Table 6.4 depicts sample franchise stores.

Table 6.4 Sample Franchise Stores

Particulars	Franchise Stores
1	Aintree
2	Bolton
3	Bootle
4	Bridlington
5	Dewsbury

6	Ellesmere Port
7	Kirby
8	Leeds-Crossgates
9	Leeds-Marion Centre
10	Leigh
11	Maghull
12	Middleton
13	Ormskirk
14	Sale
15	Hyde
16	Leigh
17	Oswestry
18	Liverpool
19	Wilmslow
20	Wrexham

6.2 Research Questions and Findings

a) Which of the Full-range Leadership (transformational, transactional and laissez faire) were employed by the franchisees?

The study used semi structured interviews using the Multifactor Leadership Questionnaire (MLQ 6s) to answer this question. According to franchisees, ten of the twenty franchisees based on Multifactor Leadership Questionnaire (MLQ 6) were transformational leaders, eight of them considered themselves transactional leaders and two demonstrated both styles on the basis of the questionnaire. Interestingly differing opinions were obtained from the followers. Followers suggested that eight of the twenty franchisees demonstrated a transformational style, ten of them were transactional leaders and two exhibited both of the styles. On two occasions, leaders and followers had different views on the leadership style of franchisees **(L9 and L12)**. The MLQ 6 showed that the leaders' perception of their leadership style was 90% accurate. The study supported the development of a full range of leadership behaviours, particularly transformational and transactional behaviours (Avolio and Bass, 2004; Sosik and Jung, 2010). **Table 6.5** illustrates the leadership styles of franchisees derived with the help of Multiple Leadership Questionnaire (Form 6s). Underneath one can see, both, franchisees' and followers' perception.

6.5 Full-range Leadership of franchisees

Franchisees	Franchisees' perception of leadership style	Followers	Followers' perception of leadership style
L1	Transformational	F1	Transformational
L2	Transformational and Transactional	F2	Transformational and Transactional
L3	Transformational	F3	Transformational
L4	Transactional	F4	Transactional
L5	Transactional	F5	Transactional
L6	Transformational	F6	Transformational
L7	Transactional	F7	Transactional
L8	Transformational	F8	Transformational
L9	Transformational	F9	Transactional
L10	Transactional	F10	Transactional
L11	Transactional	F11	Transactional
L12	Transformational	F12	Transactional
L13	Transformational	F13	Transformational
L14	Transactional	F14	Transactional
L15	Transformational	F15	Transformational
L16	Transactional	F16	Transactional
L17	Transactional	F17	Transactional
L18	Transformational	F18	Transformational
L19	Transformational and Transactional	F19	Transformational and Transactional
L20	Transformational	F20	Transformational

Different perceptions of Leadership Styles

Styles	Leader's perception of leadership style	Follower's perception of leadership style
Transformational	10	8
Transactional	8	10
Both	2	2

Burns (1978) argued that leaders are either transformational or transactional in their leadership style and rarely possess both quantities. On the contrary, Bass (1985) viewed leadership styles as a continuum and theorised that effective leaders could use both transformational and transactional leadership styles depending on the situation.

In support of Burn's view, this study found that (90%) of the franchisees and (90%) of the followers described their or their leaders' leadership styles as transformational or transactional. The remaining franchisees (10%) and (10%) followers suggested that franchisees used both transformational and transactional leadership styles while performing day to day activities.

Burns (1978) conceived leadership as a continuum from transformational to transactional. However, Bass (1985, 1999) states that rather than being two ends of a continuum, they are conceptually independent. Thus, Bass and his colleagues argue that leaders can be both transformational and transactional and suggest most effective leaders utilise both behaviour styles (Bass, 1985, Avolio et al., 1999 Bass and O'Shea, 2009). Although researchers agree that transformational leaders create a higher correlation between performance and motivation than transactional leadership, the same researchers assert that the best leaders are both transformational and transactional in their leadership style (Howell & Avolio, 1993 and Yammarino & Bass, 1990). Other researchers also support the concept of using both leadership styles. Hart and Quinn (1993) suggested that leaders are more effective when they applied multiple styles and their leadership is multi-dimensional. Lowe, Kroek, and Sivasubramaniam (1996) argue that transformational leadership is actually an extension of transactional leadership. Leaders are able to manage and motivate people to perform the routine tasks of their jobs through a transactional style (rewards), but they are charismatic enough to motivate people to work towards higher goals. Based on Bass's theory, one would have expected the majority of franchisees to display transformational and transactional leadership styles while performing daily activities. However, this study found only two Franchisees, **Leader 2 (103%)** and **Leader 19 (102%),** who exhibited both transformational and transactional styles of leadership on a daily basis and performed above target contradicting Bass and his colleagues' argument.

One leader shared the following statement.

> "My assistant manager and I work well with each other. We reward people, when they perform well. We don't take turns but work well together in moulding the team. I think I am in between transformational and transactional.

There are two ways of doing things. I lead by example and motivate the team. This year we have been doing extremely well. Sometimes team members make silly mistakes. They get strong talking. E.g. URU, everyone knows to follow procedure and check documentation. As a franchisee, you get hit very hard if you don't follow the policies of franchisor." (**Leader 2**)

A similar view was held by the other leader (**Leader 19**) who exhibited both styles of leadership. The leader used both transformational and transactional factors to motivate team members such as leading by example, inspirational motivation, participation in decision making, monetary incentives, paid days off etc.

Idealised influence, one of the factors of transformational leadership, describes leaders as behaving in ways which result in them being role models for their followers. Idealised influence is also known as charisma. Charisma is one of the four main factors of transformational leadership (Bass and Avolio, 1993; Judge and Piccolo, 2004). Analysing the qualitative data of transformational leaders in this study showed that leading by example was important to all ten leaders.

> **Leader 8** stated (verbatim) that "I am an active leader rather than being reactive. I like sorting out things before they go wrong. I try to be an effective leader. You try to prevent wrong from happening. I try to lead by example. Specially, in franchise it's all about sales. Being on the shop floor and keeping an eye on everything. Tell them what they have done right and wrong. It's a hands on approach. I like them to emulate me and copy me on the shop floor. We have a meeting from time to time and I will give a brief and try to motivate. You need to be on the ball all the time and keep motivating them".
>
> This view of leading by example which means (being visible in the business and behaviours they like their staff to display) was shared by all other transformational leaders.

On the other hand, the transactional leaders possessed a different approach towards leadership. Every transactional leader demonstrated a very active management-by-exception rather than passive management-by-exception style. A leader practising the active form of management-by-exception observes followers closely for deviations from set objectives and then takes corrective action (Yukl, 2009). Active management-by-exception for example a sales manager who observes team members approaching customers on daily basis and corrects them if they are slow in approaching customers in a prescribed manner (Northouse, 2010). One leader described his leadership style as

> "I feel like I know them and I am hands on. I am available when they need me. I have my say if I need to. I give them feedback and take corrective action whenever they deviated from set standards." **(Leader 7)**

The comments from all of the transactional leaders mirrored the same theme throughout.

> **Leader 4**: "I work on an individual basis and tell them what their target is. If staff is not performing, I want to know why. I will do weekly reviews with them. I try pushing them and have incentives for them. I try to drive them to get the most out of them."

> **Leader 16**: "They get strong talking to if they don't follow the procedure. E.g. URU, everyone knows to follow the procedure and how to check the documentation. As a franchisee, you get hit very hard if you don't follow the policies of the franchisor. I am usually nice and reward them but when they make a mistake it's not good."

The second factor of transactional leadership is contingent reward. Contingent reward behaviour includes clarification of the work required to obtain rewards and the use of incentives and contingent rewards to influence motivation (Bass, 1985; Yukl, 2009; Pounder, 2008). Contingent reward refers to an exchange of agreed rewards for employee's effort beyond a certain level of performance. Transactional leaders try to procure agreement from followers on tasks and rewards. All eight transactional leaders suggested that they used contingent reward to influence the motivation of their employees.

"If staff is not performing, I want to know why. I will do weekly reviews with them. I try pushing them and have incentives for them. I try to drive them to get the most out of them." **(Leader 4)**

"I use monetary incentives to make sure they hit the targets. That always works. It has worked for me for years." **(Leader 17)**

Changes which occurred in the marketplace and workforce over the previous two decades have resulted in the need for leaders to become more transformational and less transactional if they were to remain effective (Bass, 1999). According to Barling et al., (1996), business units under transformational leadership displayed higher performance in comparison with business run by managers who were transactional. Similarly, Pounder (2008) and Judge and Piccolo (2004) claimed that there is a common theme present in leadership literature which explains effective leaders are felt to be those that display more of the active (largely transformational) and less of the passive (mainly transactional) full-range leadership behaviours. This study was not focusing on the relationship between a person's leadership style and their performance. However, empirical data illustrated in Table 6.1 did not support the theoretical argument which suggests that transformational leaders outperform transactional leaders.

Bass (1998) described that women, more so than men, tend to lean towards the transformational leadership style. He suggested that women are supportive of enhancement of self-worth whereas men use primarily transactional methods. Bass and Avolio (1994) analysed the leadership styles of 150 male and 79 female managers at top management level in 6 Fortune 500 companies using the Multifactor Leadership Questionnaire and found women managers as more effective and satisfying to work with and were considered as better role models who showed greater concern for individual needs of followers. However, this study discovered that out of the four female **(L3, L7, L14 and L18)** franchisees, only two **(L3 and L13)** adopted a transformational style. The results did not justify or contradict Bass's view that more females employ transformational leadership style. Although this is a small sample, it might help in future research on the topic.

In summary, from analysis of the qualitative data and MLQ 6- findings it was evident that leaders employed all styles of Full-range leadership with the exception of laissez faire. The outcomes supported the notion of full-range leadership encompassing an array of styles and recognizing that, in practice, most leaders are likely to range over both transformational and transactional styles (Pounder, 2008).

Evidence was lacking to display that more females were found to be transformational than their male counterparts. Charisma/idealised influence was one of the main elements of a transformational leader. In transactional leadership, leaders try to obtain agreement from followers on task and rewards. All eight transactional leaders suggested that they used contingent reward to influence the motivation of employees.

b) How did the individual Full-range Leadership (transformational, transactional and laissez faire) of franchisees affect the level of motivation of subordinates? The study also explored the relationship between Full-range Leadership factors (idealised influence, inspirational motivation, intellectual stimulation, individualised consideration, contingent reward, management-by-exception and laissez faire) and motivation of employees.

The key intention of this study was to examine the aspects of Full-range Leadership (transformational, transactional and laissez faire) of franchisees and its relationship with motivation of employees. The study also discovered the impact of Full-range Leadership factors (idealised influence, inspirational motivation, intellectual stimulation, contingent reward, management-by-exception and laissez faire) of franchisees on motivation of subordinates. According to Evans (1998) leadership is the most potent influence on motivation. Adair (2006) suggests that leadership and motivation are like brother and sister. It is difficult to think of a leader who does not motivate others. Bass's (1990) comprehensive treatment of leadership mentioned the term 'motivation' hundreds of times. Several theories around motivation have clearly postulated that follower's motivation is highly influenced by their leaders' style (Herzberg, 1971; Mayo, 1945; Forest, 2008). The findings of this study support the arguments. The majority of franchisees (90%) suggested that their leadership style influenced the motivation of followers. 80% of the followers agreed that their motivation was influenced by the leadership style of their leader.

Each style of leadership, transformational, transactional and laissez faire is distinctly linked to motivation. All transformational leaders illustrated that their leadership style was positively related to motivation of the followers. Six of the eight transactional leaders argued that there was a positive relationship between their leadership styles and motivation. Two transactional leaders **(Leader 4 and Leader 16)** suggested that there was no relationship between their leadership style and the motivation of their followers. The research discovered that there was a positive relationship between transformational leadership and motivation, as well as between transactional leadership and motivation. However, transformational leadership had a stronger relationship with motivation than transactional leadership.

Laissez faire leadership style is inactive and referred to as absence of leadership (Avolio and Bass, 1995). This leadership style does not include the inspiration of transformational leadership or the reward based leader-member relation of transactional leadership. Directions, decisions, and motivators are lacking. Rewards given by laissez faire managers do not motivate followers as they are not contingent on performance. Bass (1990) suggests that Laissez-faire leadership is strongly associated with subordinate dissatisfaction, conflict, and leadership ineffectiveness. None of the available research indicates that a strong laissez-faire style correlates with subordinate satisfaction or with organizational success (Avolio & Bass, 1999; Bass, 1999). None of the franchisees exhibited the laissez faire style of leadership. Consequently, the study could not verify the claim that Laissez-faire leadership is almost uniformly negatively correlated with outcomes such as motivation (Bass, 1999).

Research has shown **idealised influence/charisma** to be the most important of the four components of transformational leadership (Avolio, Bass and Jung, 1999). All transformational franchisees (10) suggested that idealised influence/charisma was the most important component of their leadership style. While interpreting data, this study found Franchisees, who exhibited transformational leadership style, espoused confidence in themselves and their decision which resulted in high self-esteem and motivation amongst the followers to strive for success.

> "I keep staff happy and motivated. We work in small team and live like family. We work together to achieve the targets. I am hand on within business. I like to know what happens on shop floor. I like to observe and find solutions before problems occur. I make sure they take opportunities to sell." (Leader 8)

> "You try to prevent wrong things happening. I try to lead by example. Specially, in franchise it's all about sales. Being on the shop floor and keeping an eye on everything." (Leader 18)

> "He acts as a role model and leads by example by exhibiting certain personal characteristics." (Follower 1)

"She displays extraordinary competence, celebrates success, acts hand on and uses power for positive gain of the team. " (Follower 3)

Bass (1985) used **inspirational motivation** to describe the techniques used for communicating the leader's vision to the organisational members. According to Bass (1985), leaders use symbols to focus the subordinates, communicate the vision clearly, and to impress the urgency of the situation on the members. This study found that transformational franchisees employed clear communication (targets, performance and expectations) to influence the motivation of followers. Followers were motivated by a vision of the future and put the needs of the group above their own self interest.

Transformational franchisees employed **intellectual stimulation** to teach followers to challenge present assumptions, values and expectations and to try new techniques to improve results; this engagement of transformational leaders motivated followers (Bass, 1985). Followers were aware of the organisation's issues and were motivated and determined to solve them.

Franchisees who exhibited transformational leadership exercised **individualised consideration** by acknowledging followers' differences and treating them according to those differences (Bass, 1985). This case study revealed that an essential component of individualised consideration was ensuring that the right people were placed in jobs with opportunities to ignite their passion. Franchisees managed followers on the basis of skills and motivation. Less skilled followers were given close supervision while more experienced members were given an appropriate level of autonomy and responsibility (Bass, Avolio, Jung and Bearson, 2003).

Transformational leadership is a process of engendering high levels of motivation and commitment among followers by emphasising on generating a vision for the organisation and leader's ability to appeal to higher ideals and values of followers, creating an atmosphere of justice, loyalty and trust (Burns, 1978). Transformational leadership incorporated motivating and inspiring supporters (Smith and Piele, 1997). Transformational leaders move followers to a higher level on Maslow's Hierarchy of

Needs as concerns are shifted from lower order (physiological and safety) to higher order needs (esteem and self-actualisation) (Bass, 1985). Franchisees who exhibited a transformational leadership style encouraged followers to aspire higher order needs (a challenging job, opportunities for creativity, achievement in work and advancement in the organisation) in an attempt to motivate them to work to achieve those needs. According to franchisees and their followers, transformational leaders carried out more actions to empower followers by giving them more responsibility and made them less dependent on the leader, such as delegating significant authority to individuals, developing follower by coaching skills and self confidence, creating self-managed teams, providing direct access to sensitive information, eliminating unnecessary controls by making decisions without checking with the manager, and building a strong culture to support empowerment (Bass, 1985; Pounder, 2008; Jung, 2009). Transformational franchisees also communicated vision of the future which defined the activities of the followers. The followers were inspired and motivated by vision and focused on group's goals (Bass, 1985). This inclusive approach of transformational franchisees assisted them in motivating followers immensely.

On the contrary, transactional franchisees had a different approach. Transactional leaders based their leader-follower relationships on a series of exchanges or bargains. Franchisees with a transactional leadership style employed contingent reward to motivate followers. They negotiated an agreement regarding what rewards or recognition the follower would receive for a specific level of performance. Franchisees who displayed a transactional style provided rewards and recognition when their followers attained the contracted level of performance. Transactional franchisees understood the motivation of the followers and offered suitable rewards. Their measures to increase motivation were based on expectations and equity. Franchisees with a transactional leadership style used merit pay as their primary source of motivation.

When using Herzberg's Two Factor theory in light analysing full-range leadership, it becomes apparent that transactional franchisees focused on the hygiene factors in order to motivate his/her employees whereas transformational leaders put emphasis on motivators. The theory assumes that followers are motivated by things that make them feel good about work; however dislike things that make them feel bad. Franchisees who exhibited transformational leadership focused on deemphasising the extrinsic (dissatisfiers) and emphasising intrinsic (satisfiers) of the job such as sense of achievement, recognition, responsibility, nature of work and personal growth and advancement.

When studying Full-range leadership in light of Expectancy theory, it became clear that transactional franchisees relied on the fact that employees bring expectations with them. They created outcomes with high expectancy and high value rewards, which directed followers to exert much greater efforts. Conversely, transformational franchisees were concerned with emotions, values, ethics, standards, long term goals and include assessing followers' motives, satisfying their needs and treating them as full human beings (Northouse, 2010).

Similarly, Equity theory is more relevant to transactional leadership. The theory argues that followers use social comparison to evaluate equity or fairness. Followers are de-motivated if they are not justly compensated for their efforts and accomplishments. Transactional franchisees tried to achieve equity by making sure that the ration of employee outcomes-over-input is equal to other employee outcome-over-inputs. Franchisees with transactional leadership style used merit pay as primary source of motivation. On the contrary, transformational franchisees used intangible outcomes such as respect and courtesy (Adams, 1965; Stecher and Rosse, 2007).

The above mentioned outcomes confirmed what Yukl (2009) and many other authors and researchers (Barling et al., 1996; Lowe et al., 1996; DeGroot et al., 2000; Lowe and Avolio, 2002; McCann et al., 2006) suggested: there is substantial evidence that transformational leadership is positively related to indicators of leadership effectiveness – such as the satisfaction, motivation, and performance of followers. One transformational leader shared the following statement.

> "Leadership style has a direct co-relationship with motivation of team members. I think my leadership style is very inclusive. If we have got problem, I talk to them. I usually say this is the problem and what can we do. I will have an idea of what to do but I want to include them in deciding. I am very open and tell them what is on my mind. I let them come to me to discuss

any problems. I have got a good relationship with my team outside work as well. Some people like to be mentioned on conference calls, emails or letters. I give them financial as well as non financial rewards such as going home early and praise. I think leadership and motivation are related and concerned with vision and taking the business forward. There is a definite relationship between leadership and motivation. It is positive most of the time. The majority of the time leadership style motivates employees. You need to be clear in your direction as a leader. I try to convince my guys of my direction." **(Leader 1)**

This view was held by other leaders as well.

Leader 3: "Definitely, leadership style affects motivation positively. The sort of relaxed approach gives them a positive outlook. If I argue with them, that will have a negative impact. A lot of people come from a background where there are not many targets. Some of them are wary about targets and immediately they get suspicious about what you are doing. A leadership style affects motivation both ways positively and sometime negatively. I tend to explain my actions in a basic ways. Any change is perceived negatively as it brings people out of their comfort zones. I don't ask people to do what I would not do and always lead by example."

Leader 20: "Yes it does. My leadership style affects their motivation. I individually motivate my team members by communicating and leading by example."

Leader 17: "It does. We all work as a team and are motivated. I am the leader of the team but we work together towards the same goal."

Leader 6: "Yes it definitely affects the motivation positively. They are two related aspects of management."

Followers shared following views:

Follower 2: "Yes. His leadership style affects my motivation. Definitely, it affects in a positive way. He will brief us on things we need to achieve. The points we are good or weak at. Everyone feels loyalty for him. He leads by example."

Follower 6: "He is an inspirational leader. He leads by example. His leadership is different. He comes from a telecommunication background. I have worked in a lot of different working environment. However, franchising is totally different proposition. Leadership in franchising is more active than passive. Communication is the key. He motivates me to do well. It affects me positively. I would rather work for him than any of my previous managers."

To summarise, most of the franchisees (90%) suggested that leadership styles and motivation were related. All ten transformational leaders agreed that their leadership style affected the motivation of followers. All ten followers of transformational leaders agreed with their leaders. The empirical findings corresponded with theoretical arguments that transformational leadership is positively related to motivation. Six out of the eight transactional franchisees agreed that there was a positive relationship between their leadership style and motivation of their followers. The followers of transactional franchisees agreed with their leaders suggesting that their motivation was influenced by their franchisees' leadership style. The study could not verify the claim that Laissez-faire leadership is almost uniformly negatively correlated with outcomes such as motivation as none of the franchisees exhibited laissez faire style of leadership. Transformational leaders empowered followers and made them less dependent as part of their motivational mix. On the contrary transactional leaders used contingent rewards to motivate followers which made them more dependent on their leader.

c) What were the main factors affecting the application of a particular leadership style (transformational, transactional and laissez faire) of franchisees?

Bass's approach has guided extensive research, with evidence supporting the Full-range leadership model (Antonakis et al., 2004). His position is supported by a number of studies indicating that the transformational-transactional leadership construct holds good across organisational types and national cultures (Howell and Avolio, 1999; Gellis, 2001; Neumann, 1992). However, some authors have suggested that leadership styles may need to vary with individual followers, organisational situations and types (Pounder, 2008; Pawar, 2003; Popper and Zakkai, 1994). All twenty franchisees supported this view and suggested that there were other factors affecting their leadership styles (Transformational and Transactional). Literature indicated the following factors that may influence the choice of leadership style:

- Geographic, culture and socio-economic background of leaders (Yousef, 1998)
- Organisational culture, education and ownership of organisation (Yukl, 2009)
- The level of technology, type of industry and size of the business unit (Yousef, 1998; Yukl, 2009)
- Organisation's life cycle, the competencies of leaders and followers and the leader's personal attributes (Yukl, 2009)

According to franchisees and their employees, the main factors that affected leadership styles included:

1) Individual Follower
2) Different Situations and Types of Business
3) Organisational Culture
4) Performance and Targets of the Business
5) Policy and Procedure of Franchisor

Table 6.6 summarises factors affecting leadership styles of franchisees.

Table 6.6 Franchisees' perception of factors affecting leadership styles

Franchisee	Factors affecting leadership styles (Transformational, Transactional and Laissez Faire)
L1	Performance and Organisational Culture
L2	Franchisor's Policy and Procedure, Team Members (Individual Followers)
L3	Process and procedure, Situation, Team Members (Individual Followers) and Organisational Culture
L4	Team Members (Individual Followers), Situation and Organisational Culture
L5	Targets, Performance, Team Members (Individual Followers) and Organisational Culture
L6	Situation, Team Members (Individual Followers) and Organisational Culture
L7	Policy and Procedure of Franchisor and Organisational Culture
L8	Team Members (Individual Followers) and Organisational Culture
L9	Targets, Performance, Team Members (Individual Followers) and Organisational Culture
L10	Performance, Situation and Team Members (Individual Followers) and Organisational Culture
L11	Performance, Situation and Team Members (Individual Followers)
L12	Targets, Performance, Team Members (Individual Followers) and Organisational Culture
L13	Team Members (Individual Followers) and Organisational Culture
L14	Policy and Procedure of Franchisor and Organisational Culture
L15	Situation, Team Members (Individual Followers) and Organisational Culture
L16	Targets, Performance, Team Members (Individual Followers) and Organisational Culture
L17	Team Members (Individual Followers), Situation and Organisational Culture
L18	Process and procedure, Situation, Team Members (Individual Followers) and Organisational Culture
L19	Franchisor's Policy and Procedure, Team Members (Individual Followers)
L20	Performance, Team Members (Individual Followers) and Organisational Culture

1) Individual Followers

Sixteen of the twenty franchisees proposed that they change their leadership styles according to individual followers. The empirical data emphasises the suggestion that leaders change their leadership styles according to the individual follower which supports Martin's argument. Martin (2000) argues that the skilled leader directs his or her transformational behaviours to those he or she believes are most worthy and/or receptive to them. Leadership emerges from interaction between leaders and followers. Bryman (1992) suggests that followers gain a more prominent position in the leadership process because the attributions of followers are instrumental in the evolving transformational process.

A leader shared the following statement.

> "Followers affect my leadership style." **(Leader 18)**

This view was held by other leaders as well

> "People change your leadership style. You need to manage individually by finding out what works with different people. I talk to my assistant in a different way as she is older (46). I would not talk to my sales advisors in the same way." **(Leader 2)**

Similar views were shared by followers:

> "On an individual basis, she changes her leadership style. If things are not going right performance wise, she will make some changes." **(Follower 7)**

> "He changes his leadership style on an individual basis. If team members do something wrong, he makes sure he is firm. With me, he will be bit more jolly. We are more down to earth then them lot are. We had fewer customers coming in who were aggressive, he will put his foot down and change the way he talks and acts. Obviously he makes changes to his leadership style." **(Follower 5)**

2) Different Situations and Types of Business

Bass (1985) states that transformational leaders can be found in any organisation at any level and it is universally relevant for all types of situations. However, authors have suggested that leadership styles may need to vary with organisational situations and types (Pounder, 2008; Pawar, 2003; Popper and Zakkai, 1994). The situational approach to leadership assumes that situational factors determine the effectiveness of leadership styles (Hersey, 1984). The context of "the leader and the led" in organizations is not monolithic but composed of varying levels of relationships, contact and situations (Popper and Zakkai, 1994). In essence, the suggestion contends that leadership effectiveness (measured typically by subordinate or group performance) is not merely a function of leadership behaviour, but rather a joint function of leadership behaviour and situational requirements (Vecchio et al., 2006). Avolio and Bass (1995) agree that though transformational leaders may be preferred; there are situations when transactional leadership is effective. Stable environments with routine activities are often managed adequately by transactional techniques. Furthermore, followers requiring in depth direction and structure may need to be lead in a transactional manner. In these situations, transformational leaders may frequently display transactional behaviours (Howell and Avolio, 1993). Eight out of the twenty franchisees confirmed the theoretical argument that situations affect the leadership style they employ. One leader expressed the following opinion:

> **Leader 3:** "Depending on the situation I change my leadership style. The franchise business is fast moving and requires a lot of changes quickly. Especially for us as we work in telecommunication as well. Things change on a daily basis. There are different situations and you react accordingly. For example, when O2 decided to launch home broadband all the franchisees got instructions from them asking for particular shop floor behaviours from employees. I immediately started monitoring their behaviours and gave feedback in case they deviated from standards. That is very unusual for me."

Several leaders' comments reflected the same theme.

> **Leader 17**: "Different situations affect my leadership style; I become more aggressive, if I am not performing, I want to fact find. If the incentives are not working, I want to communicate with the team on an individual basis. I try to gather ideas from them and other team members to avoid situation where we do not perform. At this moment in time, it's just rewards. I tell them that I want more money in their pocket and drive towards it."

> **Leader 1:** "The only thing that affects me, is the situation when we are short staffed. I might not have time to show them things. When we are short staffed, I don't have time to motivate and inspire team members. If the situation changes, I change my leadership style."

> **Leader 6:** "Some people change with situations. Sometimes you have to make sure you change your style according to situations and followers."

> **Leader 20:** "Mystery shop performance. I think different situations affect your leadership style. You have to change according to different situations. You can't be same all the time. If I keep on telling, it's not going to work. If you change it and coach differently. Individual followers affect your leadership style. You need to give individuals different approach to leadership."

However, this view was not held by every leader.

> **Leader 14:** "I keep my leadership style the same, no matter what. I do not change. Some people change their style according to situations; however, I prefer to keep it the same."

> **Leader 16:** "My leadership style does not change due to external factors. I try to keep it the same".

Popper and Zakkai (1994) suggest the following conditions conducive to transformational and transactional leadership styles.

Leadership Styles	Conditions conducive to the predominance of the leadership styles
Transformational	Situations where the basic level of anxiety is low and attention is given to the developmental needs of the led. In general, this leadership pattern depends more on the leader's view of him/her as transformational and less on the organizational context than do transactional leadership.
Transactional	Routine situations where the basic level of anxiety is not high, there is no acute sense of impending crisis or major changes.

This was consistent with the research findings. Transformational franchisees and their followers suggested that the anxiety level in their businesses was low and attention was given to individual followers. On the other hand transactional franchisees and their followers stated that they operated in a routine business situation which did not require major changes.

3) Organisational Culture

The link between leadership and organisational culture is supported by research which shows that leadership is affected by environmental factors as illustrated by Fiedler (1964). Most of the franchisees argued that franchising has a different organisational culture than other businesses. The view obtained from the franchisees was that franchising was very focused and business driven, in essence, a 'black and white business'. The culture of franchising adhered to a 'work hard/play hard' ethic. The **'Work hard/play hard'** culture is a low-risk quick feedback culture which has a focal point of fun and action; these types of organisations are often customer-focused sales organisations or companies like O2 (Kennedy, 1999).

According to Bass and Avolio (1994: 542), "the organization's culture develops in large part from its leadership while the culture of an organization can also affect the development of its leadership. For example, transactional leaders work within their organizational cultures following existing rules, procedures and norms; transformational leaders change their culture by first understanding it and then realigning the organization's culture with a new vision and a revision of its shared assumptions values and norms". The franchisees who exhibited transformational style supported the theoretical position of Bass and Avolio (1994). They led by example, created a vision, inspired team members and changed the culture of the business. Transformational franchisees tried to create a culture where they focused on individual followers.

It is clear that organizations are likely to have cultures that are characterized by both styles (transformational and transactional) of leadership (Bass and Avolio, 1994). Bass and Avolio uncovered transformational and transactional cultures. Transactional franchising culture display characteristics such as:

- Everyone has a price for his/her motivation
- Commitment is short term
- Self interest is stressed
- Organisation is a marketplace comprised of individual's reward is contingent on his or her performance.
- Management-by-exception is often actively practiced.
- Commitment is as deep as the organisation's ability to reward members for successful performance.

On the other hand, transformational franchising culture exhibited following characteristics:

- Commitment is long-term.
- Leaders and followers share a mutual interests and a sense of shared fates and interdependence
- Leaders and followers go beyond their self-interest or expected rewards for the good of the team (Bass and Avolio, 1994)

Leaders shared the following statements:

> **Leader 2:** "In franchise, it's more black and white. We are driven by profit and loss. It's more focused. There is an obvious difference in franchise and non franchise businesses. The things here are more competitive. The work environment in franchising made me change my leadership style."

> **Leader 19:** "My leadership style is different now as I am a franchisee. I have learnt a lot more in franchising. I have evolved a lot. In franchising, it's all about profit and loss and how much money you make. It's more complex in the franchise business. It's different than other businesses where everything is structured. The franchisor helps us with figures, administrative work and coaching. They will come down and go through training with team members and me. He trained me from nothing with any previous experience. I don't think you can get that support in other businesses. Staffing is different as well as you cannot afford more people than required. With franchise, you cannot be overstaffed."

Transformational franchisees led by example, created a vision, inspired team members and changed the culture of the business. Franchisees who exhibited a transformational leadership style changed their culture by first understanding it and then realigning the organization's culture with a new vision and a revision of its shared assumptions values and norms. On the contrary, Transactional franchisees worked within their organizational cultures following existing rules, procedures and norms.

4) Performance and Targets

Both styles of leadership, transformational and transactional, are supported as determinants of organisational success (Ulrich, Zenger and Smallwood, 1999). Transactional leadership behaviours include focus on results, clear and specific performance targets to determine plan of action to improve results. In contrast, Transformational leadership focuses on setting direction, mobilising individual commitment and demonstrating personal character (Ulrich, Zenger and Smallwood, 1999). Eight out of the twenty franchisees stated that their leadership style changes due to performance and targets.

> **Leader 1:** The only thing that changes it is if we are behind targets. I still try to be relaxed. I don't want staff overly concerned about targets. I think staff we have got now knows where they up to and pull the weight. Yes, it might change my style and I may stress out to some degree but try not to. If it needs to be passed down (stress), I do it. Its time where you need to be harsh, you need to be tough. If performance is an issue, the style changes accordingly.

> **Leader 16:** I think performance affects my leadership style. Targets have great impact on how you deal with people. I would rather achieve all success parameters than excel in some. Throughout the week, footfall in this business is higher on Fridays and Saturdays. I have always motivated them to succeed. Consistency and targets affect the leadership style. Individual followers affect the leadership style.

For 40% of the franchisees, performance and targets were factors impacting on their leadership styles.

5) Policy and Procedure of Franchisor

Six of the twenty franchisees pointed out that they vary their leadership style due to policies and procedures of O2 (Franchisor).

> **Leader 2:** External things from O2 influence heavily. If they want something in a specific way then I will have to change and follow. And sometimes things have to change quickly which affects my leadership style.

> **Leader 7:** I think when we are doing really well and then we have a blip. Usually, I am quite up and running. Policies and procedure of franchisor change my leadership style.

> **Leader 14:** O2's policies do affect the way we do things here. If they want us to do things in a particular way, I need to adopt this. For example, if O2 has special promotions on a particular product, we put incentives to push that product. I usually do not rely on incentives to get work done.

The policy and procedure of O2 (franchisor) influenced the application of a particular leadership style of franchisee.

d) What were some of the factors and processes used by franchisees to motivate subordinates?

Surprisingly, the study discovered that all of the twenty franchisees used money as means of motivation. The franchisees employed other non-financial motivators as well. However, money was the vital motivator which supports Taylor (1947) who puts a lot of emphasis on money as a primary motivator and disregarded other motivational factors. Contrary to Taylor's argument the human relations approach advocates that employees want to feel useful, employees have strong social needs and that the social needs were more important than money in motivating an employee (Rollinson, 2008). Eight of the twenty transactional franchisees primarily used monetary factors to motivate employees. On the contrary, transformational leaders used both monetary and non monetary incentives. Leaders shared the following views:

> **Leader 2**: "The commission structure is a huge motivator. We have staffs which are driven by commission. Extra commission on products drive them to achieve more. I buy them drinks when they perform exceptionally well. They are motivated by the fact that we are in the top of the success index score. Once they perform 100%, they get 125% of bonus. There is a lot of pride in winning. Normally I put promotion and working through the ladder but it's very difficult as I have got one business only."

> **Leader 5:** "I use rewards, incentives and money. We get games for them, lunch to push them to the max. I think rewards and incentives are the best."

Herzberg (1966) suggests that in order to motivate one has to focus on deemphasising the extrinsic (dissatisfiers) and emphasising the intrinsic (satisfiers) of the job. Motivators or Satisfiers include a sense of responsibility, recognition, responsibility, nature of work and personal growth. All transformational franchisees employed the following non monetary motivational factors:

- Sense of Achievement by appreciating the efforts
- Recognition by giving vouchers and rewards
- Social Events
- Competition by encouraging healthy rivalry among the team members
- Praise
- Clear communication of targets, expectations and performance

Steer and Porter (1991) suggest that employees at the lower end of the hierarchy will be motivated by financial rewards, whilst the employees' higher level of hierarchy will be motivated by growth. The findings of this study supported the view expressed by Steer and Porter. Franchisees who exhibited transformational leadership style encouraged followers to aspire higher order needs in an attempt to motivate them to work to achieve those needs. According to franchisees, they carried out more actions to empower followers by giving them more responsibility and made them less dependent on the leader, such as delegating significant authority to individuals, developing followers by coaching skills and self confidence, creating self-managed teams, providing direct access to sensitive information, eliminating unnecessary controls by making decisions without checking with the manager, and building a strong culture to support empowerment.

Transactional franchisees relied on the fact that employees bring expectations with them. They created outcomes with high expectancy and high value rewards, which directed followers to exert much great efforts. Conversely, transformational franchisees were concerned with emotions, values, ethics, standards, long term goals and include assessing followers' motives, satisfying their needs and treating them as full human beings. Transactional franchisees tried to achieve equity by making sure that the ration of employee outcomes-over-input was equal to other employee outcome-over-inputs. Franchisees with a transactional leadership style used merit pay as a primary source of motivation. On the contrary, transformational franchisees used intangible outcomes such as respect and sense of achievement.

Locke's (1968) goal theory of work motivation relied on the basic assumption that people would perform better if goals were defined, difficult, specific and attractive. Six out of the twenty franchisees confirmed that they used SMART (Specific, Measurable, Achievable, Realistic and Time Bound) goals. They made sure that goals were defined, agreed, difficult but realistic and attractive in order to motivate employees. One leader expressed the following opinion:

> **Leader 10:** "I have made sure that I divide targets in manageable chunks for team members. I give them examples of successful people in the business. I tend to communicate targets on a daily basis and set up incentives for achieving them. Incentives, daily briefs and targets for them to help them. Incentives, communication, briefs and praise are the factors we use."

The outcomes suggested that money was a significant motivator used by franchisees to motivate team members.

6.3 Summary

Chapter 6 included description of the cases, research questions and findings, and a summary. To conclude this section of the study that has focused mainly on semi structured interviews of twenty franchisees, the researcher summarises the themes that emerged from the leader interviews, question by question.

<u>Question 1</u>. The first research question explored which of the Full-range Leadership styles (transformational, transactional and laissez faire) were employed by the franchisees. This question asked for the Full-range Leadership (transformational, transactional and laissez faire) employed by the franchisees with the help of MLQ (Multifactor Leadership Questionnaire 6s). With the exception of laissez faire, both transformational and transactional leadership styles as part of Full-range leadership were employed by franchisees. Burns (1978) argued that leaders are either transformational or transactional in their leadership style and rarely possess both quantities. In support of Burn's view, this study found that the majority of the franchisees and the followers described their or their leaders' leadership styles as transformational or transactional. The results did not justify Bass's view that more females employ transformational leadership style. Data analysis confirmed that charisma is the main factor identifying a transformational leader. In transactional leadership, leaders try to obtain agreement from followers on task and rewards. All eight transactional franchisees suggested that they used contingent reward to improve the performance of employees. Franchisees who exhibited transactional leadership style demonstrated a very active management-by-exception rather than passive management-by-exception style.

Question 2. The second research question explored the relationship between Full-range leadership and motivation. Majority of franchisees (90%) suggested that their leadership style has a strong relationship with the motivation of followers. All franchisees who exhibited transformational leadership illustrated that their leadership style was clearly related to the motivation of their followers. According to franchisees who exhibited a transformational style, they did more things to empower followers and made them less dependent on the leader, such as delegating significant authority to individuals, developing follower skills and self confidence, creating self-managed teams, providing direct access to sensitive information, eliminating unnecessary controls, and building a strong culture to support empowerment. In transactional leadership, leader-follower relationships were based on a series of exchanges or bargains between leaders and followers. Franchisees who have a transactional leadership style use contingent reward to motivate followers. None of the franchisees displayed the laissez faire style of leadership. Consequently, the study could not verify the claim that Laissez-faire leadership is almost uniformly negatively correlated with outcomes such as motivation

Question 3. Franchisees suggested the following factors affected their leadership styles:

- Individual Follower
- Different Situations and Types of Business
- Organisational Culture

- Performance and Targets of the Business
- Policy and Procedure of Franchisor

Question 4. In response to the question as to what factors and processes franchisees used to motivate employees, they were able to describe factors and processes they employed. The study discovered that all the twenty franchisees used money as a motivator. The franchisees employed other non financial motivators such as:

- Give a sense of achievement by appreciating the efforts
- Recognition by giving vouchers and awards
- Social Events
- Competition by encouraging healthy rivalry among the team members
- Praise
- Communication

Franchisees who exhibited a transformational leadership style encouraged followers to aspire higher order needs in an attempt to motivate them to work to achieve those needs. Franchisees with a transactional leadership style used merit pay as primary source of motivation.

The franchisees ensured that goals they initiated were defined and agreed and also challenging yet realistic and attractive. If the goals were without a sense of realistic obtainment a lack of motivation within staff may occur.

Chapter 7

Summary and Conclusions

This chapter presents the summary and conclusions of the study. It also includes the assumptions and contribution of the study.

The research question addressed by this study was to explore the relationship between Full-range Leadership (transformational, transactional and laissez faire) and motivation of franchisees. The study clearly revealed that there is a stronger relation between transformational leadership and motivation of franchisees than transactional leadership and motivation. The laissez faire leadership style was absent amongst the franchisees under study which confirms Northouse's (2010) judgment that laissez faire leadership style will rarely be found in a sales driven environment. Although each interview was individually interesting, the patterns that emerged from the combined data of the twenty franchisees were even more revealing.

7.1. Research Questions

1) Which of the Full-range Leadership styles (transformational, transactional and laissez faire) were employed by the franchisees?

2) How did the individual Full-range Leadership styles and factors of franchisees affect the level of motivation of subordinates?

3) What were the main factors affecting the application of a particular leadership style (transformational, transactional and laissez faire) of franchisees?

4) What were some of the factors and processes used by the franchisees to motivate employees?

This study drew upon the theories of Bass' Full-range Leadership (transformational, transactional and laissez faire) (Burns, 1978; Bass, 1985; Bass, 1997), employee motivation and franchising. In order to establish the relationship between leadership and motivation, Full range leadership is the only appropriate leadership theory as it has an intuitive appeal, is a two way process between leaders and followers and focuses on motivating followers (Yukl, 2009). Several theories around motivation have clearly postulated that follower's motivation is highly influenced by their leaders' behaviour (Herzberg, 1971; Mayo, 1945; Forest, 2008). Whether this is true in a franchising environment has not been researched in the past. A gap in the literature has therefore been filled with this research. The O2 franchising model allows for the most reliable research outcomes as it has the least interferences from the franchisor of all franchise models which ensures a high level of reliability of results. It was therefore eminent to use O2 franchisees for this study.

7.2. Research Process

In order to answer the research questions, a qualitative research methodology was identified focusing on twenty franchisees of O2 and an equal number of subordinates. The literature review clearly indicated, the Multifactor Leadership Questionnaire 6s instrument (Bass and Avolio, 1992) as the most tried and tested and therefore most effective instrument to explore the different leadership styles (transformational, transactional and laissez faire) amongst franchisees. Data from semi structured interviews with franchisees and their subordinates and secondary data were analysed with the use of NVivo8. The data from the semi structured interviews allowed for important themes and patterns to be identified. The research process has been summarised in the **graph 7.1** below:

7.1 Research Process

Study Purpose

The study explored the relationship between Full-range leadership of O2 franchisees and motivation of their subordinates. It explored which of the Full-Range leadership styles were employed by the franchisees; which factors impacted on the application of their leadership style and it identified some of the factors and processes used to motivate subordinates.

Ontology → Nominalism
Epistemology → Interpretive
Human Nature → Voluntarism
Methodology → Ideographic

Combination of Approaches

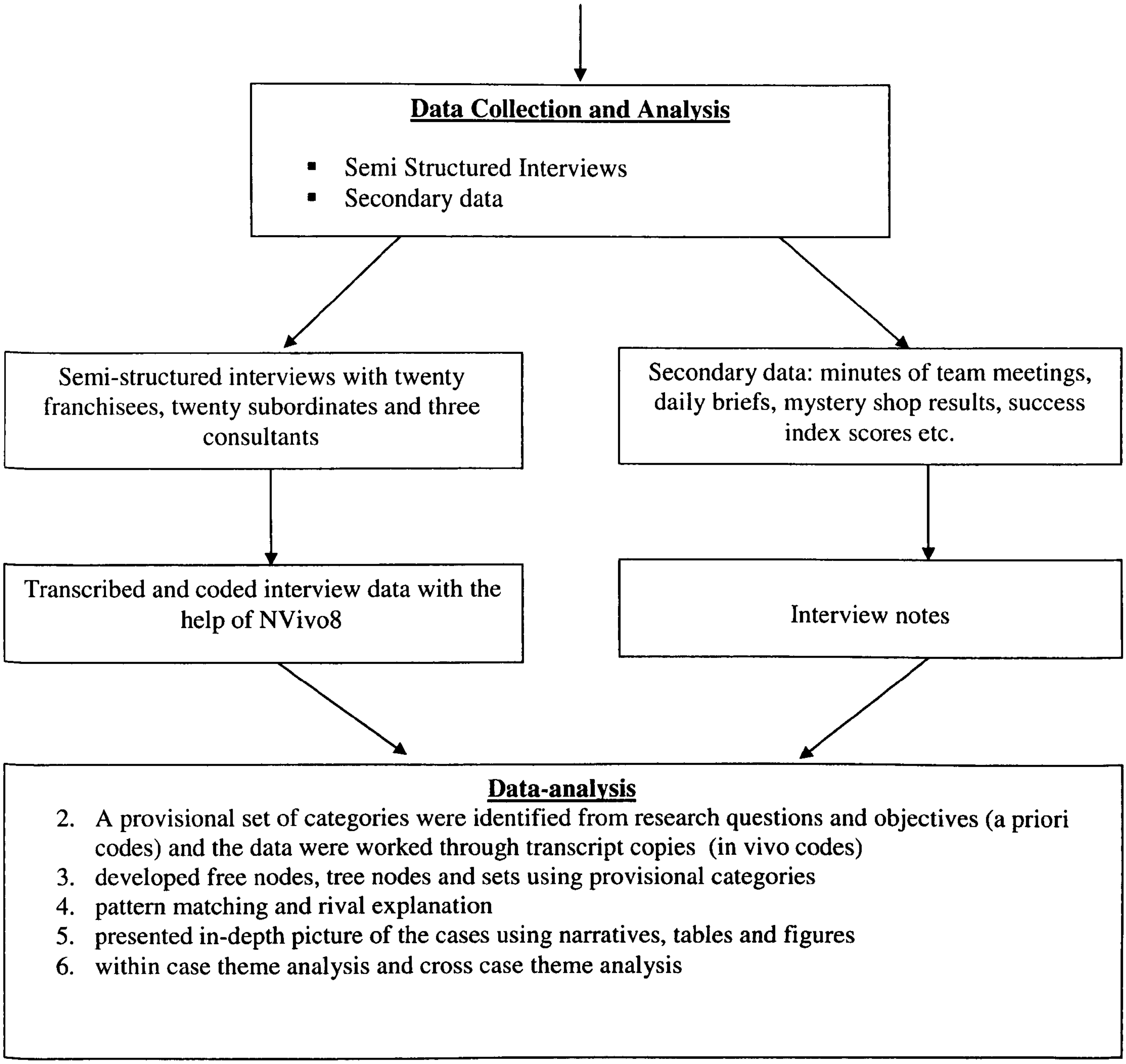
Deductive → Theoretical/ Descriptive framework to generate research questions and objectives
Inductive → Data Analysis

Conditions for using case study strategy

- The type of research questions on the basis of through literature review
- The extend of control the investigator has over actual behavioural events
- The degree of focus on contemporary as opposed to historic events
- Contextual study of phenomenon
- Based on goal: insight and data interpretation vs. hypothesis testing

Advantages	**Disadvantages**
Opportunity to conduct a detailed description of the setting/individuals under study	The possibility of personal interpretation brought to the qualitative data analysis
Employment of varied data collection methods	A possibility of personal bias
Permitted researcher to draw from personal experience as it related to phenomenon under scrutiny	Difficulty in replicating study
	Lack of rigour

Sample: Maximum variation purposive sampling and multiple case study of Of twenty franchisees


Data Collection and Analysis
Semi Structured Interviews
Secondary data
Semi-structured interviews with twenty franchisees, twenty subordinates and three consultants
Secondary data: minutes of team meetings, daily briefs, mystery shop results, success index scores etc.
Transcribed and coded interview data with the help of NVivo8
Interview notes
Data-analysis
2. A provisional set of categories were identified from research questions and objectives (a priori codes) and the data were worked through transcript copies (in vivo codes)
3. developed free nodes, tree nodes and sets using provisional categories
4. pattern matching and rival explanation
5. presented in-depth picture of the cases using narratives, tables and figures
6. within case theme analysis and cross case theme analysis

7.3. Research Conclusion

The first research question explored which of the Full-range Leadership styles (transformational, transactional and laissez faire) were employed by O2 franchisees. The majority of leaders (50%) displayed transformational leadership whereas, 40% displayed transactional leadership and 10% displayed both transformational and transactional leadership style components. This finding contradicts Bass' (1997) and Pounder's (2008) notion of full-range leaders stating that, in practice, most leaders are likely to range over both transformational and transactional styles. Within this case-study a small minority ranged over both styles.

Additionally none of the franchisees exhibited the laissez faire leadership style which confirms Northouse's (2010) judgment that a laissez faire leadership style will rarely be found in sales driven environment.

Bass (1985) suggests that charisma/idealised influence is a necessary component of transformational leadership, which this study confirms through idealised influence/charisma being identified as the core factor of a transformational leader. Additionally, this study verified that transactional leaders employ active-management-by-exception rather than passive-management-by- exception. Franchisees, who exhibited a transactional leadership style, indicated that they employed contingent reward to get the best out of employees which is in line with the literature review (Yukl, 2009, Antonakis et al., 2004, Northouse, 2010).

The results did not justify nor contradict Bass's (1998) view that more females employ a transformational leadership style than their male counterparts. The small sample size (4 franchisees) did not provide enough evidence to justify this claim. The leadership styles were equally distributed over the sample size. Further research in this area is recommended.

The second research question explored how the individual Full-range Leadership styles of franchisees affected the level of motivation of their subordinates. It also discovered the impact of Full-range Leadership factors (idealised influence, inspirational motivation, intellectual stimulation, individualised consideration, contingent reward, management-by-exception and laissez faire) on motivation of followers by going deeper in the research topic. The most significant revelation of this study was that there is a clear relationship between Full-range Leadership and motivation. 90% franchisees indicated that there was a relationship between their leadership style and the level of motivation of employees. 80% of the followers agreed that their motivation was influenced by the leadership style of their leader. Specifically, for all transformational leaders there was a positive relationship between their leadership style and the motivation of their employees. The outcome supported what Yukl (2009), Barling, et al., (1996); Lowe et al., (1996) DeGroot et al., (2000); Lowe and Avolio (2002); McCann et al., (2006) have claimed that transformational leadership is positively associated with subordinate motivation. Franchisees who exhibited a transformational leadership style, carried out more actions in order to empower followers and make them less dependent on the leader, such as delegating significant authority to individuals, developing follower skills and self confidence, creating self-managed teams, providing direct access to sensitive information, eliminating unnecessary controls, and building a strong culture to support empowerment (Bass, 1985; Pounder, 2008; Jung, 2009) which all impact on their motivation.

The relationship between a transactional leadership style and motivation is less distinct. For six of the eight transactional leaders there was a positive relationship between his/her leadership style and motivation. The study could not verify the claim by Bass (1999) that Laissez-faire leadership is almost uniformly negatively correlated with outcomes such as motivation as none of the franchisees exhibited laissez faire style of leadership.

Table 7.2 summarises the relationship of the individual Full-range Leadership styles of franchisees on motivation of subordinates.

Table 7.2 How did the individual Full-range Leadership styles of franchisees affect the level of motivation of subordinates?

Leadership Styles (Franchisees)	How did they motivate subordinates?
Transformational	Franchisees who exhibited transformational leadership style moved followers to a higher level on Maslow's Hierarchy of Needs as concerns are shifted from lower order (physiological and safety) to higher order needs (esteem and self-actualisation). Encouraged followers to aspire higher order needs (challenging job, opportunities for creativity, achievement in work and advancement in organisation) in an attempt to motivate them to work to achieve those needs. Carried out more actions to empower followers by giving them more responsibility and made them less dependent, such as delegating significant authority to individuals, developing follower by coaching skills and self confidence, creating self-managed teams, providing direct access to sensitive information and eliminating unnecessary controls by making decisions without checking with the manager. Built a strong culture to support empowerment. Communicated clear targets and performance expectations which defined the day to day activities of the followers. Focused on deemphasising the extrinsic (dissatisfiers) and emphasising intrinsic (satisfiers) of the job such as sense of achievement, recognition, responsibility, nature of work and personal growth and advancement. Provided a sense of achievement by appreciating and praising people's efforts, recognition by giving vouchers and awards, social events and competitions.
Transactional	Transactional franchisees employed contingent reward to motivate followers. Leader-follower relationships were based on a series of exchanges or bargains between leaders and followers. Negotiated an agreement regarding what rewards or recognition

	the follower would receive for a specific level of performance (sales targets). Provided rewards and recognition when their followers attained the contracted level of performance. Their measures to increase motivation were based on expectations and equity. Franchisees with transactional leadership style used merit pay (bonus and commission) as primary source of motivation.
Laissez Faire	None of the franchisees exhibited the laissez faire style of leadership. Consequently, the study could not explore the relationship between laissez faire style and motivation.

Table 7.3 describes the relationship between Full-range Leadership factors (idealised influence, inspirational motivation, intellectual stimulation, individualised consideration, contingent reward, management-by-exception and laissez faire) and motivation.

Table 7.3 How did the Full-range Leadership factors affect the level of motivation?

Leadership Factors (Franchisees)	How did they motivate subordinates?
Idealised Influence	Espoused confidence in themselves and their decision which resulted in high self-esteem and motivation amongst the followers to strive for success. Lead by example.
Inspirational Motivation	Used symbols to focus the subordinates, communicate the vision clearly, and to impress the urgency of the situation on the members. Employed Clear communication (targets, performance and expectations) to achieve better performance from followers. Created vision of the future and put the needs of the group above their own self interest. Provided the sense of higher purpose and challenging tasks

	motivated workers to exceed normal performance levels
Intellectual Stimulation	Taught followers to challenge present assumptions, values and expectations and to try new techniques to improve results; this engagement of transformational leaders motivated followers towards better performance. Made followers aware of the organisation's issues and were motivated and determined to solve them.
Individual Consideration	Acknowledged followers' differences and treating them according to those differences. Ensured that the right people were placed in jobs with opportunities to ignite their passion. Managed followers on the basis of skills and motivation. Less skilled followers were given close supervision while more experienced members were given an appropriate level of autonomy and responsibility.
Contingent Reward	Leader-follower relationships were based on a series of exchanges or bargains between leaders and followers. Negotiated an agreement regarding what rewards or recognition the follower would receive for a specific level of performance. Provided rewards and recognition when their followers attained the contracted level of performance. Procure agreement from followers on tasks and rewards.
Management-by-exception	Demonstrated a very active management-by-exception rather than passive management-by-exception style. Observed followers closely for deviations from set objectives and then takes corrective action. Clarified the work required to obtain rewards and the use of incentives and contingent rewards to influence motivation.
Laissez Faire	None of the franchisees exhibited the laissez faire style of leadership.

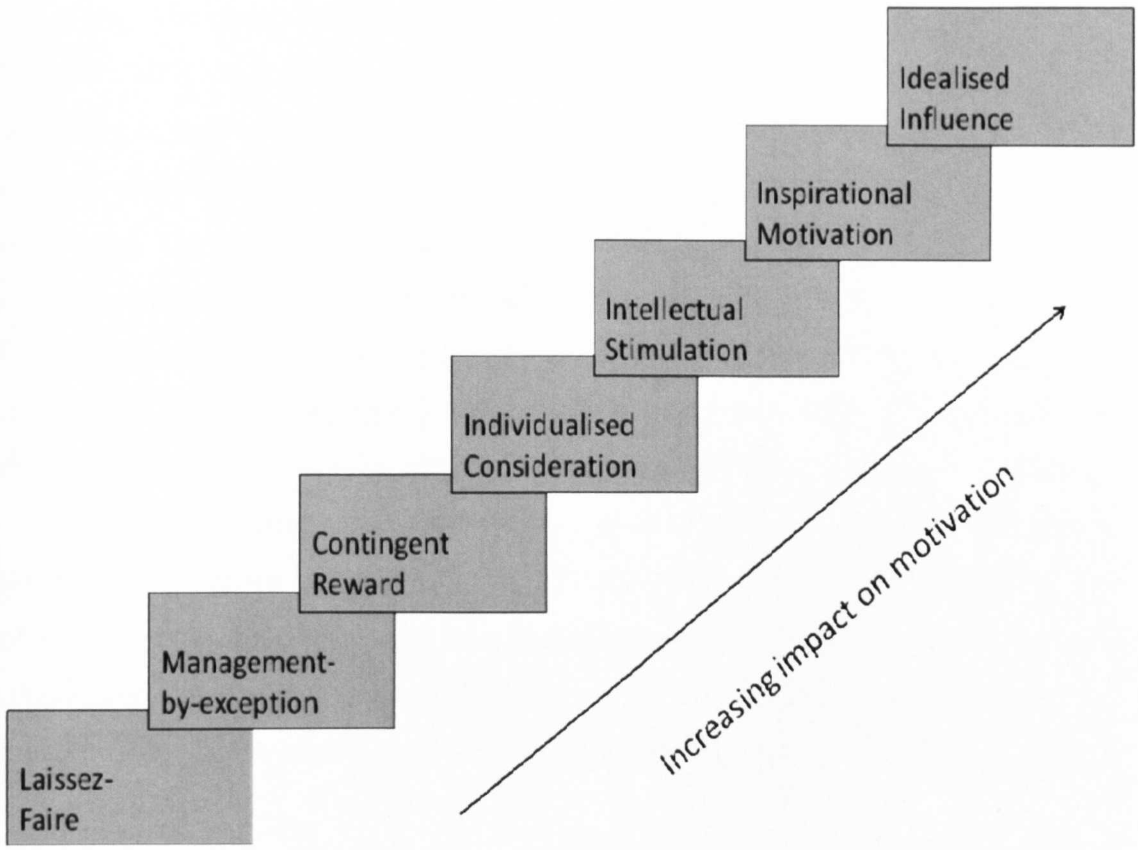
Empirical evidence suggested that transformational leadership factors (idealised influence, inspirational motivation, intellectual stimulation and individualised consideration) had a stronger relationship with motivation than transactional leadership factors (contingent reward and management-by-exception).

The laissez faire leadership style was absent amongst the franchisees under study. The study could not verify the claim that Laissez-faire leadership is almost uniformly negatively correlated with outcomes such as motivation.

All transformational franchisees suggested that idealised influence/charisma was the most important factor of their leadership style. Transformational franchisees and their followers indicated that idealised influence had the strongest impact on motivation. In transactional leadership, leader-follower relationships were based on a series of exchanges or bargains between leaders and followers. Franchisees with a transactional leadership style employed contingent reward to motivate followers. Every transactional leader demonstrated a very active management-by-exception rather than passive management-by-exception style. A franchisee practising the active form of management-by-exception observes followers closely for deviations from set objectives and then takes corrective action.

Figure 7.4 shows the impact of Full-range Leadership factors (idealised influence, inspirational motivation, intellectual stimulation, individualised consideration, contingent reward, management-by-exception and laissez faire) of franchisees on motivation of subordinates. **Figure 7.4** illustrates the impact of particular leadership factors on the level of motivation of followers. This implies that laissez-faire has no impact on follower's motivation, contingent reward and management by exception have medium impact on motivation and idealised influence affects motivation the most.

Figure 7.4 Full-range Leadership Factors and Motivation



The third question concentrated on the factors affecting the application of a particular leadership style (transformational, transactional and laissez faire) of franchisees. Bass' opinion that transformational leadership is universally relevant for all types of situations has been contradicted in this study as all twenty franchisees suggested that there were situational factors affecting their leadership styles (Transformational and Transactional). The following factors were identified as influencing the application of a particular leadership style:

1) Individual Follower;
2) Different Situations and Types of Business;
3) Organisational Culture;
4) Performance and Targets of the Business;
5) Policy and Procedure of Franchisor.

This supports the view of many authors (Pounder, 2008; Pawar, 2003; Popper and Zakkai, 1994) that leadership styles may need to vary with organisational situations and types. The main factor identified was the relationship between the leader and the follower. 80% of franchisees illustrated that they changed their leadership styles according to individual followers, which supports Martin (2000)'s view. Most of the franchisees indicated that franchising has a different organisational culture than other businesses. The view obtained from the franchisees was that franchising was much focused and business driven, in essence, a 'black and white business'. The culture of franchising adhered to a 'work hard/play hard' ethic. The franchisees who exhibited a transformational style supported the theoretical position of Bass and Avolio (1994) that the organization's culture develops mainly through its leadership while the culture of an organization can also affect the development of its leadership. Transformational leaders tried to create a culture in which they focus on individual followers. Eight out of the twenty franchisees stated that their leadership style changes due to pressure around performance and targets. Similarly, six of the twenty franchisees pointed out that they vary their leadership style due to policies and procedures of O2 (Franchisor).

The fourth question uncovered some of the factors and processes used by franchisees to motivate employees. The study discovered that all twenty franchisees used money as a motivator including the transformational leaders. This is contrary to the common belief that only transactional leaders use monetary incentives (Antonakis et al., 2004; Gill, 2006; Pounder, 2008). The distinct difference between transformational and transactional franchisees lied in the fact that transformational leaders used other incentives to motivate staff as well such as giving a sense of achievement by appreciating and praising people's efforts, recognition by giving vouchers and awards, social events and competitions.

Transformational franchisees moved followers to a higher level on Maslow's Hierarchy of Needs as concerns are shifted from lower order (physiological and safety) to higher order needs (esteem and self-actualisation). They encouraged followers to aspire higher order needs in an attempt to motivate them to work to achieve those needs. They focused on deemphasising the extrinsic (dissatisfiers) and emphasising intrinsic (satisfiers) of the job such as sense of achievement, recognition, responsibility, nature of work and personal growth and advancement. Franchisees who exhibited transformational leadership style provided a sense of achievement by appreciating and praising people's efforts, recognition by giving vouchers and awards, social events and competitions.

On the other hand, transactional franchisees relied on the fact that employees bring expectations with them. They created outcomes with high expectancy and high value rewards, which directed followers to exert much great efforts. They tried to achieve equity by making sure that the ration of employee outcomes-over-input was equal to other employee outcome-over-inputs. Franchisees with transactional leadership style used merit pay as primary source of motivation. None of the franchisees demonstrated the laissez faire style of leadership.

The results of this study confirmed the validity of Locke's goal theory of work motivation. 30% of franchisees described that they used goals as motivators. They ensured that goals were defined and agreed and also challenging yet realistic and attractive.

7.4. Assumptions and Limitations

It is assumed that the Multifactor leadership questionnaire 6s (Bass and Avolio, 1992) accurately measures the perimeters of transformational and transactional leadership. The Bass and Avolio Multifactor Leadership Questionnaire has been tested for validity and reliability. It is assumed that semi structured interviews can assess the impact of someone's leadership style on followers motivation. This study also assumed that all participants responded honestly and truthfully to the semi structured interview questions due to complete confidentiality and anonymity.

Franchisees considered themselves independent entrepreneurs. This study is limited due to the fact that twenty franchisees from one organisation were studied. Hence, specific factors that are particular to the O2 business may have influenced the results. Therefore, the findings of this research cannot be used to make generalised statements about the relationship between Full-range Leadership (transformational, transactional and laissez faire) and motivation. However, similar research using the same research process in other franchise organisations will most likely lead to similar outcomes.

7.5. Original contribution

The research question addressed by this study was to explore the relationship between Full-range Leadership and motivation of franchisees in under-researched area of telecommunication franchising. This study is unique in that it is the first to research the relationship between Full-range leadership of franchisees and motivation of subordinates in telecommunication franchising. A gap in the literature has therefore been filled with this research. In addition, the relationship between a particular leadership style and follower's motivation cannot be researched in complete isolation. Other motivational factors, besides the leader's leadership style, have been taken into consideration in this research. This study also found several factors impacting on a person's leadership style.

Results from this new study will add to what researchers know about franchisees' leadership styles and employee motivation. The information obtained in this original study provides present and future leaders with information necessary to motivate employees. Using a transformational style of leadership will enable franchisees to break through slowdowns in productivity and/or attain a competitive advantage by leveraging its most important resource- its people.

This qualitative study has provided data that depicts the effect of Full-range Leadership (transformational, transactional and laissez faire) of franchisees on employees' motivation. It is therefore very valuable information for:

- Franchisees
- Organisations that would like to increase employee motivation
- Employees
- Researchers in the field of Full-range Leadership and motivation
- Professionals delivering leadership training programmes on leadership

The outcomes of this study suggest that transformational leadership styles increase followers' motivation. On the basis of these findings, organisations should review their approach towards developing transformational leadership amongst managers. Training programmes should be used to emphasise the positive impact of a person's leadership style on staff motivation. Previously, leadership training has been heavily centred on situational leadership (Northouse, 2010). However, leadership training should amend its focus, to involve transformational leadership. This will translate into increased employee motivation and consequently, has the potential to greatly impact on performance. Furthermore, this research can assist in the growth of aspiring and current franchisees in their abilities to motivate subordinates.

Organisations invest much money and time to increase employee motivation. Transformational leadership appeals to individual goals of their followers and this stimulates higher levels of motivation (Maslow, 1954) and it does not require constant supervision of followers as they are included in the process. The positive relationship between leaders and followers saves cost and time of constant monitoring.

7.6. Recommendation for Future Research

Despite its limitations, the researcher believes that the results of this study are of interest to scholars in the field of management to stimulate further research. As the positive relationship between transformational leadership and motivation has been established a logical next line of research would include the relationship between Full-range leadership and follower's performance. The Full-range leadership theory should be further tested empirically to see whether the structure of the theory can be confirmed within and between varying contextual conditions and within different national and cultural settings. Other suggested future research would include researching the underlying psychological processes, mechanisms and conditions through which transformational and transactional leaders motivate followers. The following recommendations are based upon the results collected in this research study. Researchers should:

1. Conduct a study to explore the relationship between Full-range Leadership and performance.

2. Carry out a similar study utilising different instruments to examine the relationship between leadership styles of franchisees and motivation of subordinates.
3. Investigate a study that may examine impact of gender on the leadership styles.
4. Explore a study with a representative sample from a larger population to provide more diversity and wider perspective of the research.
5. Replicate this study in non franchise businesses.
6. Conduct a study using quantitative measures to determine if similar results would be obtained.
7. Conduct a study using observation of franchisees and subordinates.
8. Conduct a study including the maturity levels of the subordinates when examining the relationship between franchisee's leadership style and subordinate motivation.
9. Conduct a study to examine the subordinate's preferred leadership style of a franchisee in certain situations.

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Appendices

1) Consent form

Liverpool Hope University EST. 1844

Title of Research:
Full-range Leadership and Motivation in franchising: Multiple Case Study of franchisees within O2

Researcher: Rajesh Patel

1. I confirm that I have read and have understood the information sheet dated [/ /] for the above study. I have had the opportunity to consider the information, ask questions and have had these answers satisfactorily. [ ]

2. I understand that my participation is voluntary and that I am free to withdraw at any time without giving any reason, without my right being affected. [ ]

3. I understand that, under Data Protection Act, I can at any time ask for access to the information I provide and I can also request the destruction of the information if I wish. [ ]

4. I agree to take part in above study. [ ]

Participant Name	**Date**	**Sign**
Name of person taking consent	**Date**	**Sign**
Researcher	**Date**	**Sign**

Lead Researchers

Dr John Brinkman
Dean
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2) Semi structured interview questions for franchisees

Name

Age

Gender

Organisation Type

Position (Role in Organisation)

Success Index Score

Mystery Shop Results

Experience

Have you had any leadership training in the last 3 years?

Describe your leadership style on daily basis? (Administered Multifactor Leadership Questionnaire 6s)

What factors affect the application of particular Full range Leadership style in the business?

Does your leadership style affect motivation of your team?

How does your leadership style affect motivation of your team members?

What motivates your team members?

What motivating factors and processes you use to motivate your team members?

Have you worked in any other organisation in management/ leadership position?

What is the difference in leadership and motivation in franchising?

3) Semi structured interview questions for the followers

Name

Age

Gender

Organisation Type

Position (Role in Organisation)

Experience

Describe your Leader's leadership style on daily basis? (Administered Multifactor Leadership Questionnaire 6s- follower's perspective)

What factors affect the application of particular full range leadership style in the business?

Does your leader's leadership style affect motivation of your team?

On the scale of 1 to 5, how motivated do you feel?

How does your leader's leadership style affect motivation of your team members?

What motivates you?

What motivating factors and processes your leader use to motivate your team members?

Have you worked in any other organisation?

What is the difference in leadership and motivation in franchising?

4) Multifactor Leadership Questionnaire 6s

Multifactor Leadership Questionnaire (MLQ) Form 6S

Instructions: This questionnaire provides a description of your leadership style. Twenty-one descriptive statements are listed below. Judge how frequently each statement fits you. The word *others* may mean your followers, clients, or group members.

Key: 0 = Not at all 1 = Once in a while 2 = Sometimes 3 = Fairly often
4 = Frequently, if not always

1.	I make others feel good to be around me.	1 2 3 4
2.	I express with a few simple words what we could and should do.	1 2 3 4
3.	I enable others to think about old problems in new ways.	1 2 3 4
4.	I help others develop themselves.	1 2 3 4
5.	I tell others what to do if they want to be rewarded for their work.	1 2 3 4
6.	I am satisfied when others meet agreed-upon standards.	1 2 3 4
7.	I am content to let others continue working in the same way as always.	1 2 3 4
8.	Others have complete faith in me.	1 2 3 4
9.	I provide appealing images about what we can do.	1 2 3 4
10.	I provide others with new ways of looking at puzzling things.	1 2 3 4
11.	I let others know how I think they are doing.	1 2 3 4
12.	I provide recognition/rewards when others reach their goals.	1 2 3 4
13.	As long as things are working, I do not try to change anything.	1 2 3 4
14.	Whatever others want to do is OK with me.	1 2 3 4
15.	Others are proud to be associated with me.	1 2 3 4
16.	I help others find meaning in their work.	1 2 3 4
17.	I get others to rethink ideas that they had never questioned before.	1 2 3 4
18.	I give personal attention to others who seem rejected.	1 2 3 4
19.	I call attention to what others can get for what they accomplish.	1 2 3 4
20.	I tell others the standards they have to know to carry out their work.	1 2 3 4
21.	I ask no more of others than what is absolutely essential.	1 2 3 4

Bass and Avolio (1992)
MLQ 6s forms purchased from Mind Garden by Liverpool Hope University.

5) Interview with franchisee (L1)

Name

NA

Age

45

Gender

Male

Organisation Type

Franchise

Position (Role in Organisation)

Franchisee

Numbers of employee you line manage?

4 team members

What did you achieve on SIS?

125% of target

What were your mystery shop results?

Mystery shop-2nd in company with 98%

Experience (as a leader in current sector)

I have been franchisee for 8 years. I like the independence of having my own business. O2 provides full flexibility in terms of day to day operations, human resource, marketing and other operations.

Have you had any leadership training in the last 3 years?

I have worked in retail for 20 years. I have worked in different industries like gaming, retail, pharmaceutical and other. I have no formal training in leadership. I have got long term experience in managing people. It feels like ages. I have been in public facing role for so many years. I tend to lead by example. I tend to be on sales floor than anything else. In franchise world, we tend to lead by example. Retail sector wants their manager in administrative role.

Describe your leadership style on daily basis? (Administered Multifactor Leadership Questionnaire)

I lead by example and my leadership style is all about being relaxed. As long as targets are being achieved, I am relaxed and don't worry much. Specially, in franchise it's all about sales. Being on the shop floor and keeping an eye on everything. I monitor performance every week. The team gets £10 if they sell handset on or above £35 tariff. Staffs are fully aware how profit and losses work. I tend to be more in advisory or consultancy role than anything. One of the new team members is selling 45 handsets a week and likes praise. He thrives on praise rather than anything else. I will always give praise where it is due and give feedback. He basically comes looking for praise. I monitor new starters and see how they are feeling. I listen to everything and observe. There is phrase in retail called touch the deal, I don't know whether you know or not. Manger, deputy or senior sales will add to gaze the situation and try to add something to close the deal if they can. In February, we had to do 9 connections in a day to get full bonus and staff was de motivated. On Saturdays, we keep feel good sessions. We use the countdown board to track what we are doing on daily and weekly basis. We mark the targets off as we go along. They knew exactly our position on Success Index Score.

We are really close friends. If you respect them, they will respect you as well. I find a lot of respect from staff. Team always knows where they stand as I tell them what I feel. I don't come in work in mood. I tell them what is bothering me and things they can do to improve it. You have to be open. I like sorting out things before they go wrong.

What factors affect your leadership style in the business?

The only thing changes it is if we are behind targets. I still try to be relaxed. I don't want staff overly concerned about targets. I think staff we have got now knows where they up to and pull the weight. Yes, it might change my style and I may stress out to some degree but try not to. If it needs to be passed down (stress), I do it. Its time where you need to be harsh, you need to be tough. If performance is an issue, the style changes accordingly.

Does your leadership style affect motivation of your team?

The sort of relax approach gives them positive outlook. If I argue with them, that will have negative feedback. A lot of people come from background where there are not many targets. Some of them are vary about targets and immediately they get suspicious about what you doing. A leadership style affects both way positively and sometime negatively. I tend to explain my actions in basic way. Any change is perceived negatively as it brings out people out of their comfort zones. I don't ask people what I would not do and always lead by example. One of the issues with retail is you get asked to do things which they can't do it or they don't want to do it.

How does your leadership style affect motivation of your team members?

It affects motivation positively. I try to make sure that they get opportunity to show their creativity. I encourage them to excel in their career. Provide a sense of achievement by appreciating and praising their efforts, recognition by giving vouchers and awards, social events and competitions. Use clear communication regarding targets, performance and expectations to achieve better performance and motivation.

What motivates your team members?

Financial gain. That's the only way of looking at it. Financial as well as performance. One of the team members is driven by being number one. He constantly looks at retail eye to check where he and store stands. His performance motivates him not more than financial rewards. I think nothing motivates more than financial rewards in work.

Financial rewards, performance, praise and feedback help in motivating team members.

What motivating factors you use for your team members?

Money, performance and being number one. It is always nice to be top of the pile. Team likes to achieve the targets on weekly basis. Commission is one of the biggest motivator in franchise business. As a franchisee, I can decide how much commission team gets. I try to inspire them to achieve more.

Have you worked in any other organisation in management/ leadership position?

Worked for 24 years in different environment in management roles. I have been store manager for long time. I was in top performer there as well. I have extensive experience of working in different sectors. I have worked for international businesses as well.

What is the difference in leadership styles and motivation?

Retail is far more structured and red tape, you got to fill out a lot of paper work. Leadership style should not be much different. It's just we get more freedom. In retail you got to do all your catch ups to do one in week, annual performance reviews and quarterly reviews. We decide what to do or not under guidelines. Our administrative jobs are not as tough as retail. Processes are water downed to make it easier. It's not much difference in terms of leadership style and motivation. We try to work as close to retail environment as possible. A lot of franchise staff like working as they are more motivated by financial rewards franchise stores offer.

6) List of O2 Franchise Stores

Region	Franchise F01
Franchise Development Manager	Paul McGregor
Franchise Development Manager Email	Paul.McGregor@O2.com
Area	Franchise F01
Franchise Support Manager	David Black
Franchise Support Manager Email	david.black@O2.com
Franchise Support Manager Mobile	07885 390955

Torex Branch No.	Torex Branch Name	VoicePhone	FaxPhone
0669	ANTRIM	02894 469900	02894 487174
0699	ANTRIM - JUNCTION ONE	02894 429292	02894 465064
0649	ARMAGH	02837 517666	02837 517614
0603	BANGOR - UPPER MAIN ST - NI	02891 454261	02891 455159
0675	BATLEY	01924 444302	01924 472156
0655	BEESTON	0115 922 2242	0115 922 2970
0635	BRADFORD - FOSTER SQUARE	01274 733332	01274 733963
0672	CHRISTCHURCH	01202 475002	01202 470164
0608	COOKSTOWN	02886 767714	02886 766236
0650	DOWNPATRICK	02844 839770	02844 619150
0612	DUNGANNON	02887 729633	02887 727817
0658	EDINBURGH - MORNINGSIDE	0131 452 9022	0131 447 4165
0606	ENNISKILLEN	02866 340412	02866 346848
0651	GLASGOW - GREAT WESTERN ROAD	0141 339 7773	0141 339 3258
0665	GREENOCK	01475 729002	01475 728918
0671	HAVANT	02392 478882	02392 478554
0604	IRVINE	01294 311937	01294 313794
0664	LARNE	02828 270202	02828 277668
0629	LIMAVADY	02877 722242	02877 768353
0627	LONDONDERRY - SPENCER ROAD	02871 343309	02871 346432
0625	MAGHERAFELT	02879 633851	02879 301593
0641	MARKET HARBOROUGH	01858 433311	01858 463015
0702	NEWTOWNABBEY	TBC	TBC
0677	PENRITH	01768 868899	01768 840975
0692	SELBY	01757 705888	01757 700157
0685	SHIRLEY	02380 878889	02380 774762
0674	SOUTHSEA	02392 732228	02392 753713
0615	STRABANE	02871 886640	02871 885366
0645	STROUD	01453 750222	01453 762463
0656	WATERLOOVILLE	02392 262525	02392 262155
0686	WINTON	01202 515010	01202 524255
0654	YORK - DESIGNER OUTLET	01904 637771	01904 634980

Gateway SOS Code	Current OUC	Trading Status	Address 1
RF71A669	OCBCB	TRADING	UNIT 40 CASTLE CENTRE
RI04A699	OCBY	TRADING	JUNCTION ONE
RF50A649	OCBBG	TRADING	UNIT 3 LENNOX HOUSE
RF05B603	OCBA6	TRADING	102a UPPER MAIN STREET
RF78B675	OCBCS	TRADING	69 COMMERCIAL STREET
RF56B655	OCBBQ	TRADING	67 HIGH ROAD
RF36B635	OCBB2	TRADING	UNIT 19D
RF74C672	OCBCD	TRADING	76 HIGH STREET
RF10C608	OCBAA	TRADING	30 JAMES STREET
RF51D650	OCBBH	TRADING	UNIT 1
RF13D612	OCBAD	TRADING	48 PERRY STREET
RF59E658	OCBBS	TRADING	147 MORNINGSIDE ROAD
RF08E606	OCBA8	TRADING	13 BELMORE STREET
RF52G651	OCBBJ	TRADING	711 GREAT WESTERN ROAD
RF67G665	OCBBV	TRADING	UNIT 46 HAMILTON WAY
RF73H671	OCBCF	TRADING	UNIT 16 MERIDIAN CENTRE
RF06I604	OCBA7	TRADING	8 BRIDGEGATE
RF66L664	OCBBW	TRADING	UNITS 1&4 LAHARNA RETAIL PARK
RF30L629	OCBAV	TRADING	19 MARKET STREET
RF28L627	OCBB3	TRADING	61A SPENCER ROAD
RF26M625	OCB8R	TRADING	UNIT E MEADOW LANE CENTRE
RF46M645	OCBBB	TRADING	UNIT 24
RI07N702	OCB1Y	TRADING	UNIT 30 ABBEYCENTRE
RF80P677	OCBS	TRADING	40 MIDDLEGATE
RF95S692	OCB1R	TRADING	3-5 GOWTHORPE
RF88S685	OCBDC	TRADING	111 HIGH STREET
RF96S674	OCB1S	TRADING	12 PALMERSTON ROAD
RF16S615	OCBAI	TRADING	7 CASTLE STREET
RF45S644	OCBBA	TRADING	UNIT 35
RF57W656	OCBBP	TRADING	9 THE PRECINCT
RF89W686	OCBDB	TRADING	339 WIMBORNE ROAD
RF55Y654	OCBBO	TRADING	UNIT 56 DESIGNER OUTLET

Address 2	Address 3	County	PostCode
MARKET SQUARE	ANTRIM	NORTHERN IRELAND	BT41 4DN
111 BALLYMENA ROAD	ANTRIM	NORTHERN IRELAND	BT41 4LL
19 MARKET STREET	ARMAGH	NORTHERN IRELAND	BT61 7EZ
	BANGOR	NORTHERN IRELAND	BT20 4AG
	BATLEY	WEST YORKSHIRE	WF17 5EF
	BEESTON	NOTTINGHAMSHIRE	NG9 2LE
FOSTER SQUARE RETAIL PARK	BRADFORD	WEST YORKSHIRE	BD1 4AG
	CHRISTCHURCH	DORSET	BH23 1BN
	COOKSTOWN	NORTHERN IRELAND	BT80 8LW
3-7 ST PATRICKS AVENUE	DOWNPATRICK	NORTHERN IRELAND	BT30 6DW
	DUNGANNON	NORTHERN IRELAND	BT71 6AJ
	EDINBURGH	SCOTLAND	EH10 4AX
	ENNISKILLEN	NORTHERN IRELAND	BT74 6AA
	GLASGOW	SCOTLAND	G12 8QX
OAK MALL	GREENOCK	SCOTLAND	PA15 1RH
WEST STREET	HAVANT	HAMPSHIRE	PO9 1UN
	IRVINE	SCOTLAND	KA12 8BQ
CIRCULAR ROAD	LARNE	NORTHERN IRELAND	BT40 1HR
	LIMAVADY	NORTHERN IRELAND	BT49 0AB
	LONDONDERRY	NORTHERN IRELAND	BT47 6AA
MONEY MERE ROAD	MAGHERAFELT	NORTHERN IRELAND	BT45 6EQ
ST MARY'S PLACE	MARKET HARBOROUGH	LEICESTERSHIRE	LE16 7DR
LONGWOOD ROAD	NEWTOWNABBEY	NORTHERN IRELAND	BT37 9UH
	PENRITH	CUMBRIA	CA11 7PT
	SELBY	NORTH YORKSHIRE	YO8 4HE
	SHIRLEY	HAMPSHIRE	SO16 4EY
	SOUTHSEA	HAMPSHIRE	PO5 3QH
	STRABANE	NORTHERN IRELAND	BT82 8AF
MERRY WALKS SHOPPING CENTRE	STROUD	GLOUCESTERSHIRE	GL5 1RR
LONDON ROAD	WATERLOOVILLE	HAMPSHIRE	PO7 7DT
WINTON	BOURNEMOUTH	DORSET	BH9 2AD
ST NICOLAS AVENUE FULFORD	YORK	NORTH YORKSHIRE	YO19 4TA

Consolidated Address
Unit 40 Castle Centre, Market Square, ANTRIM, Northern Ireland, BT41 4DN
Junction One, 111 Ballymena Road, ANTRIM, Northern Ireland, BT41 4LL
Unit 3 Lennox House, 19 Market Street, ARMAGH, Northern Ireland, BT61 7EZ
102A Upper Main Street, BANGOR, Northern Ireland, BT20 4AG
69 Commercial Street, BATLEY, West Yorkshire, WF17 5EF
67 High Road, BEESTON, Nottinghamshire, NG9 2LE
Unit 19D, Foster Square Retail Park, BRADFORD, West Yorkshire, BD1 4AG
76 High Street, CHRISTCHURCH, Dorset, BH23 1BN
30 James Street, COOKSTOWN, Northern Ireland, BT80 8LW
Unit 1, 3-7 St Patricks Avenue, DOWNPATRICK, Northern Ireland, BT30 6DW
48 Perry Street, DUNGANNON, Northern Ireland, BT71 6AJ
147 Morningside Road, EDINBURGH, Scotland, EH10 4AX
13 Belmore Street, ENNISKILLEN, Northern Ireland, BT74 6AA
711 Great Western Road, GLASGOW, Scotland, G12 8QX
Unit 46 Hamilton Way, Oak Mall, GREENOCK, Scotland, PA15 1RH
Unit 16 Meridian Centre, West Street, HAVANT, Hampshire, PO9 1UN
8 Bridgegate, IRVINE, Scotland, KA12 8BQ
Units 1&4 Laharna Retail Park, Circular Road, LARNE, Northern Ireland, BT40 1HR
19 Market Street, LIMAVADY, Northern Ireland, BT49 0AB
61A Spencer Road, LONDONDERRY, Northern Ireland, BT47 6AA
Unit E Meadow Lane Centre, Money Mere Road, MAGHERAFELT, Northern Ireland, BT45 6EQ
Unit 24, St Mary'S Place, MARKET HARBOROUGH, Leicestershire, LE16 7DR
Unit 30 Abbeycentre, Longwood Road, NEWTOWNABBEY, Northern Ireland, BT37 9UH
40 Middlegate, PENRITH, Cumbria, CA11 7PT
3-5 Gowthorpe, SELBY, North Yorkshire, YO8 4HE
111 High Street, SHIRLEY, Hampshire, SO16 4EY
12 Palmerston Road, SOUTHSEA, Hampshire, PO5 3QH
7 Castle Street, STRABANE, Northern Ireland, BT82 8AF
Unit 35, Merry Walks Shopping Centre, STROUD, Gloucestershire, GL5 1RR
9 The Precinct, London Road, WATERLOOVILLE, Hampshire, PO7 7DT
339 Wimborne Road, Winton, BOURNEMOUTH, Dorset, BH9 2AD
Unit 56 Designer Outlet, St Nicolas Avenue Fulford, YORK, North Yorkshire, YO19 4TA

Region	Franchise F01
Franchise Development Manager	Paul McGregor
Franchise Development Manager Email	Paul.McGregor@O2.com
Area	Franchise F02
Franchise Support Manager	Simon Thorpe
Franchise Support Manager Email	simon.thorpe@O2.com
Franchise Support Manager Mobile	07739 196547

Torex Branch No.	Torex Branch Name	VoicePhone	FaxPhone
0679	AINTREE	0151 523 0022	TBC
0690	ASHINGTON	01670 855055	01670 857339
0647	BLYTH	01670 355502	01670 356103
0621	BOLTON - MIDDLEBROOK	01204 668006	01204 668092
0659	BOOTLE	0151 922 0171	0151 933 0976
0644	BRIDLINGTON	01262 677776	01262 673231
0681	BUXTON	01298 73778	01298 767561
0609	DEWSBURY	01924 460962	01924 460922
0657	ELLESMERE PORT	0151 355 8858	0151 355 8054
0623	HYDE	0161 366 7665	0161 351 7948
0691	KIRKBY	0151 548 1555	0151 548 4724
0643	LEEDS - CROSSGATES	0113 264 9999	0113 264 7311
0602	LEEDS - MERRION CENTRE	0113 242 7406	0113 242 7582
0639	LEIGH	01942 261110	01942 674236
0683	LYTHAM ST ANNES	01253 640666	01253 721983
0700	MAGHULL	0151 526 0204	0151 526 0907
0610	MIDDLETON	0161 653 3523	0161 653 3468
0698	MORPETH	01670 511002	01670 516645
0616	ORMSKIRK	01695 581195	01695 581753
0633	OSWESTRY	01691 671177	01691 676436
0622	SALE	0161 973 9163	0161 962 9472
0662	SEAHAM	0191 581 8880	0191 581 3152
0642	SOUTH SHIELDS	0191 455 3133	0191 455 3975
0619	STRETFORD	0161 865 1514	0161 865 1739
0605	THORNTON CLEVELEYS	01253 829619	01253 829792
0673	WALLSEND	0191 2637877	0191 2629810
0618	WASHINGTON	0191 415 7933	0191 417 7284
0680	WILMSLOW	01625 538882	01625 539820
0695	WREXHAM - EAGLES MEADOW	01978 266660	01978 265627

Consolidated Address
Unit 9A, Racecourse Retail Park, AINTREE, Merseyside, L9 5AY
18-20 Station Road, ASHINGTON, Northumberland, NE63 9UJ
17 Keel Row Shopping Centre, BLYTH, Tyne And Wear, NE24 1AH
Unit 8A, Middlebrook Retail Park, MIDDLEBROOK, Lancashire, BL6 6JA
135 Mons Square, The Strand Shopping Centre, BOOTLE, Merseyside, L20 4SX
Unit 29A The Promenade, BRIDLINGTON, East Yorkshire, YO15 2DX
25 Spring Gardens, BUXTON, Derbyshire, SK17 6BJ
Unit 1 Yorkshire House, South Street, DEWSBURY, West Yorkshire, WF13 1JT
Unit F Sub Unit B, The Coliseum Retail Park, ELLESMERE PORT, Cheshire, CH65 9HD
Unit 23 The Mall, Clarendon Square, HYDE, Greater Manchester, SK14 2QT
Unit 5 St Chads Parade, KIRKBY, Merseyside, L32 8RD
Unit 53A Crossgates, LEEDS, West Yorkshire, LS15 8ET
Unit 55 The Merrion Centre, LEEDS, West Yorkshire, LS2 8NG
Unit 2, Spinning Gate Shopping Centre, LEIGH, Lancashire, WN7 4PG
Unit 40, St Annes Road, LYTHAM ST ANNES, Lancashire, FY8 1RF
14/14A, Westway, MAGHULL, Merseyside, L31 0DQ
Unit G31 Arndale Centre, MIDDLETON, Greater Manchester, M24 4EL
Unit 19 Sanderson Arcade, MORPETH, Northumberland, NE61 1NS
10 Church Walks, ORMSKIRK, Lancashire, L39 3QS
2 Smithfield Street, OSWESTRY, Shropshire, SY11 2EG
Unit 5 The Mall, The Square Shopping Centre, SALE, Cheshire, M33 7WZ
Unit 8, Byron Place Shopping Centre, SEAHAM, County Durham, SR7 7DR
31-33 King Street, SOUTH SHIELDS, Tyne And Wear, NE33 1DA
Unit 52 Stretford Mall, STRETFORD, Greater Manchester, M32 9BB
48 Victoria Road West, THORNTON CLEVELEYS, Lancashire, FY5 1BU
11A The Forum Shopping Centre, WALLSEND, Tyne And Wear, NE28 8JP
Unit 44, The Galleries, WASHINGTON, Tyne And Wear, NE38 7SB
58 Grove Street, WILMSLOW, Cheshire, SK9 1DS
Unit 2A, Eagles Meadow Shopping Centre, WREXHAM, Wales, LL13 8DB

Region	Franchise F02
Franchise Development Manager	Nigel Mainwood
Franchise Development Manager Email	Nigel.Mainwood@O2.com
Area	Franchise F03
Franchise Support Manager	Simon Hazell
Franchise Support Manager Email	simon.hazell@O2.com
Franchise Support Manager Mobile	07739 087841

Torex Branch No.	Torex Branch Name	VoicePhone	FaxPhone
0694	BRADLEY STOKE	01454 201112	01454 619046
0631	BRENTWOOD	01277 229471	01277 849807
0640	BRIDGEND - DESIGNER OUTLET	01656 662224	01656 647479
0676	BRIDGWATER	01278 421102	01278 427060
0678	CASTLEFORD	01977 520700	01977 550247
0682	CLIFTON	0117 973 9996	0117 923 7460
0661	CORBY	01536 263000	01536 269841
0697	GREAT YARMOUTH	01493 844402	01493 852309
0666	HACKNEY	020 8533 6666	020 8986 9130
0696	HAYES	020 8813 7777	020 8561 1041
0617	HEADINGLEY	0113 275 4561	0113 230 5216
0632	HEMPSTEAD VALLEY	01634 260770	01634 379181
0652	HITCHIN	01462 422200	01462 437148
0611	HOVE	01273 734139	01273 734283
0653	LEICESTER - BEAUMONT	0116 234 0999	0116 235 5094
0693	LLANELLI - PARC TROSTRE	01554 780202	01554 780125
0687	LONDON - WALWORTH ROAD	020 7701 0555	020 7252 6823
0607	NEATH	01639 632136	01639 630493
0637	NORTH FINCHLEY	020 8446 6727	020 8446 8635
0613	NORTHFIELD	0121 478 1937	0121 477 9815
0668	ORPINGTON	01689 835566	01689 871985
0600	ROTHERHAM	01709 839742	01709 839707
0663	SHEFFIELD - CRYSTAL PEAKS	0114 248 9888	0114 248 2819
0626	SHEFFIELD - DIVISION STREET	0114 275 2333	0114 275 9618
0636	SKIPTON	01756 795197	01756 793756
0624	SOUTHALL	020 8813 8621	020 8813 8799
0701	ST AUSTELL	01726 67702	01726 67285
0614	STAMFORD	01780 763281	01780 767578
0638	STRATFORD	020 8519 5141	020 8534 8129
0646	STRATFORD UPON AVON	01789 266002	01789 267806
0667	STREET	01458 448848	01458 441419
0634	TONBRIDGE	01732 369555	01732 367918
0684	TOTTENHAM HALE	020 8801 3133	020 8808 2879
0660	TROWBRIDGE	01225 760000	01225 766333
0628	WELLINGBOROUGH	01933 278902	01933 279035
0648	WELWYN GARDEN CITY	01707 373580	01707 372626
0689	WEST EALING	020 8579 0777	020 8567 8667
0670	WISBECH	01945 475502	01945 475454
0630	WORKSOP	01909 530562	01909 501896

Address 2	Address 3	County	PostCode
WILLOW BROOK CENTRE	BRADLEY STOKE	GLOUCESTERSHIRE	BS32 8EF
	BRENTWOOD	ESSEX	CM14 4AJ
THE DERWEN	BRIDGEND	WALES	CF32 9SU
	BRIDGWATER	SOMERSET	TA6 3NQ
CARLTON LANES SHOPPING CENTRE	CASTLEFORD	WEST YORKSHIRE	WF10 1AD
CLIFTON DOWN SHOPPING CENTRE	CLIFTON	BRISTOL	BS8 2NN
	CORBY	NORTHAMPTONSHIRE	NN17 1NU
MARKET GATES	GREAT YARMOUTH	NORFOLK	NR30 2BG
	HACKNEY	GREATER LONDON	E8 1HY
LOMBARDY RETAIL PARK	HAYES	MIDDLESEX	UB3 3EX
	HEADINGLEY	WEST YORKSHIRE	LS6 2UE
HEMPSTEAD VALLEY SHOPPING CTR	HEMPSTEAD VALLEY	KENT	ME7 3PB
	HITCHIN	HERTFORDSHIRE	SG5 1DY
	HOVE	EAST SUSSEX	BN3 3YB
BEAUMONT SHOPPING CENTRE	LEICESTER	LEICESTERSHIRE	LE4 1DG
PARC TROSTRE	LLANELLI	WALES	SA14 9UY
	LONDON	GREATER LONDON	SE17 2AL
	NEATH	WEST GLAMORGAN	SA11 1DR
	NORTH FINCHLEY	GREATER LONDON	N12 9QU
BRISTOL ROAD SOUTH	NORTHFIELD	WEST MIDLANDS	B31 2JU
	ORPINGTON	KENT	BR6 0TW
	ROTHERHAM	SOUTH YORKSHIRE	S65 1AG
CRYSTAL PEAKS SHOPPING CENTRE	SHEFFIELD	SOUTH YORKSHIRE	S20 7PJ
	SHEFFIELD	SOUTH YORKSHIRE	S1 4GF
	SKIPTON	NORTH YORKSHIRE	BD23 1HX
	SOUTHALL	MIDDLESEX	UB1 1NN
WHITE RIVER PLACE	ST AUSTELL	CORNWALL	PL25 5AZ
	STAMFORD	LINCOLNSHIRE	PE9 2BE
THE STRATFORD CENTRE	STRATFORD	GREATER LONDON	E15 1XD
	STRATFORD UPON AVON	WARWICKSHIRE	CV37 6JG
	STREET	SOMERSET	BA16 0EZ
	TONBRIDGE	KENT	TN9 1EH
TOTTENHAM HALE RETAIL PARK	TOTTENHAM HALE	GREATER LONDON	N15 4QD
THE SHIRES SHOPPING CENTRE	TROWBRIDGE	WILTSHIRE	BA14 8AT
	WELLINGBOROUGH	NORTHAMPTONSHIRE	NN8 1BQ
HOWARDSGATE	WELWYN GARDEN CITY	HERTFORDSHIRE	AL8 6HA
	WEST EALING	GREATER LONDON	W13 9DA
HORSEFAIR SHOPPING CENTRE	WISBECH	CAMBRIDGESHIRE	PE13 1AR
	WORKSOP	NOTTINGHAMSHIRE	S80 1JN