



## **Investigation the role of leadership in marketing of Iranian companies**

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### **Abstract**

The aim of the study is Investigation the role of leadership in marketing of Iranian companies. This study was a descriptive survey and the survey instrument was a researcher-made questionnaire. Statistical society was all of marketers in private industrial companies of Tehran. Sample size (248 persons) determination is based on the Coochran formula and cluster random sampling method was used. After data collection, data analysis was performed using SPSS. Results showed that leadership has significant effect on success of marketing. Also findings revealed that leadership has significant effect on customer satisfaction in marketing and market share.

Key Words: leadership, Marketing, Iranian Companies

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## Introduction

The background of the study lies on the facts that there are several research gaps, among others, the differences of the research results regarding the effect of leadership on organization performance as stated by Kazt and Kahn (1978) and Peters and Waterman (1982) in Yukl (2009) shows that leadership gives positive significant effect on organization performance. Meanwhile, Meindl et al. (1985) and Pfefer (1977) in Yukl (2009) state that leadership does not give positive significant effect on organization performance. The next gap is the contradictive research results relating to the effect of market orientation on organization performance. Researchers such as Castro et al. (2005), Kirca et al. (2005) and Jain and Bhutia (2007) conclude that market orientation has a positive significant effect on organization performance. On the other hand, some researchers suggest different result that market orientation does not give positive significant effect on organization performance (Jaworski and kohli, 1993; Selnes et al., 1996; Pelham, 1997; Deshpande et al., 2000; and Harris, 2001).

Regarding the definition of leadership, Yukl (2009) cites from some definitions proposed by experts in leadership and eventually concludes that leadership involves the process of social influence deliberately performed by a person towards another person to structure activities and relationship within an organization. The differences over those definitions lie on—who use the influence, how to use the influence, what target is going to be achieved from such influence and the result of the efforts in using such influence. Contemporary leadership concept assumes that leadership is a reciprocal process of disseminating influence to achieve a common goal (Lussier and Achua, 2001). One of the theories that emphasize the most comprehensive change in leadership is the theory of transactional and transformational leadership (Bass and Avolio, 1993). The initial idea of transactional and transformational leadership style was developed by James MacGregor Burns who applied it in political context. Further, the idea was complemented and introduced in the organizational context by Bernard Bass (Bass and Avolio, 1993).

The leader of marketing primarily refers to what the leader brings as an individual to the synergistic process. This includes his or her personal attributes, competencies and expertise. Of the three qualities, personal attributes are paramount because they define a leader as a person and spell out his or her value systems, whereas the other two qualities refer to what he or she is capable of doing. For example, you can be a very intelligent marketer with an appropriate marketing education, but if your character is flawed, you may end up taking bribes from clients who want to avoid paying the right price. A marketer must possess integrity and adhere to an ethical value system.

A burgeoning literature on market orientation (MO) has rendered it a central issue in the discourse on marketing strategy (Gray & Hooley 2002). MO is an intangible management culture that is related to the organisation's responses to consumers' needs and wants (Narver



& Slater, 1990; Ruekert 1992) and is posited to be a source of competitive advantage (Varela & Del Rio 2003), and ultimately enhanced performance (Day & Wensley 1988). Research on market orientation, however, has emphasised the consequences of market-orientation rather than its antecedents (e.g., Morgan & Strong 1998; Pulendran, Speed & Widing 2000). If, as the literature suggests, MO plays a key role in organisational profitability, then practitioners require a clear understanding of its antecedents in order to implement this philosophy.

## Methodology

The present study is a descriptive one. Theoretical bases of the study were collected by reputable sites, books and related articles. The information and data for hypothesis testing were gathered by a researcher-made questionnaire. Statistical society was all of marketers in private industrial companies of Tehran. Sample size (248 persons) determination is based on the Cochran formula and cluster random sampling method was used. In this study, Validity and reliability of the questionnaire was approved. Validity of the questionnaire was accepted by expert opinion of university and reliability of that was calculated by Cronbach's alpha and the value of that was 0.79.

Before completing the questionnaire by the participants, basic description of the study and its objectives as well as additional details about the questions presented to them. Enough time to complete the questionnaire was provided to participants. Write the name and characteristics of participants for the questionnaire was not compulsory, so they can fully express their opinions. After gathering information from the questionnaires, the data were analyzed and results are discussed with the findings of previous studies. All of data were analyzed by SPSS software.

## Results

Table 1 indicated descriptive statistics of participants. As demonstrated by the table bachelor participants with 50.4% make the most and participants with job experience higher than 15 years are highest in the group of job experience. Also higher than 40 years participants with 56.1% are the maximum range of age.

Table 1: Descriptive statistics of participants

Statistics						
Education	Diploma		Bachelor		Master and Higher	
	98	%39.5	125	%50.4	25	%10.1
Job Experience	Less than 10 years		Between 10-15 years		Higher than 15 years	
	90	%36.3	21	%8.4	137	%55.3



Age	Less than 30 years		30-40 years		Higher than 40 years	
		42	%16.9	67	%27	139

**- Leadership has significant effect on success of marketing.**

Since the test statistics is lower than table critical value at 95 percent and corresponding confidence interval shows positive, this means leadership has significant effect on success of marketing.

Table 2: The mean comparison based on the one-sample t test.

Variables	Average	SD	t	sig	Confidence intervals 95%	
					Lower bound	higher bound
<b>success of marketing</b>	2.01	0.178	3.14	0.001	0.078	0.145

**- Leadership has significant effect on customer satisfaction in marketing.**

Since the test statistics is lower than table critical value at 95 percent and corresponding confidence interval shows positive, this means leadership has significant effect on customer satisfaction in marketing.

Table 3: The mean comparison based on the one-sample t test.

Variables	Average	SD	t	sig	Confidence intervals 95%	
					Lower bound	higher bound
<b>customer satisfaction in marketing</b>	2.78	0.189	3.78	0.001	0.172	0.315

**- Leadership has significant effect on market share.**



Since the test statistics is lower than table critical value at 95 percent and corresponding confidence interval shows positive, this means leadership has significant effect on market share.

Table 4: The mean comparison based on the one-sample t test.

Variables	Average	SD	t	sig	Confidence intervals 95%	
					Lower bound	higher bound
<b>market share</b>	2.95	0.122	2.25	0.001	0.155	0.245

## Discussion

Results showed that leadership has significant effect on success of marketing. Also findings revealed that leadership has significant effect on customer satisfaction in marketing and market share. The role of senior management has been recognised as a vital prerequisite for both IM and MO (Jaworski & Kohli 1993; Lukas & Maignan 1996). Senior management is responsible for developing an organisational culture that allows for effective MO (Gronroos 1998) and encouraging behaviours that are market oriented. Additionally, senior management act as role models for employees and thus they need to empower employees by not only being receptive to employees' suggestions (Lux, Jex & Hanasen 1996) but also by implementing their ideas (Gronroos 1990; Lukas & Maignan 1996). Such leadership plays a key role in developing and implementing internal cultural issues such as IM activities. Therefore, understanding specifically how different leadership styles influence IM appears to be a significant issue. The latest and most influential leadership paradigm is that of transactional-transformational leadership (Bass 1985; House 1995).

Transactional leadership (TA) essentially involves cost benefit economic exchange with followers (Bass 1985) and consists of two dimensions: contingent rewards, where the leader rewards employees materially and psychologically for their efforts; and management by exception, where the leader only intervenes when things go wrong or in anticipation of problems. However, transactional leaders do not inspire workers to go beyond what is necessary and maintain the status quo. On the other hand, transformational leaders attempt to elevate the consciousness of the employees by appealing to visions based on higher ideals and values such as liberty, justice, excellence and equality (Bass & Avolio 1989).

George (1990) argues that management support is the most important component of effective IM, as this implies that employees' jobs are considered important. Supportive and participate leadership provide an environment where market-oriented culture is possible (Harris & Ogbonna 2001). Consequently, empowering employees impacts their attitudes and



behaviours and hence, the level of service they provide to the external customers (Morgan & Piercey 1998, Morrison 1996). One of the key characteristics of transformational leaders is they empower, provide autonomy and encourage employees to be creative. This provides employees with decision latitude to solve problems without any fear of being blamed when things go wrong. Consequently, employees are not constrained in their ability to develop their professional as well as personal selves.

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