Impact of transformational leadership on followers’ influence strategies

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Abstract Effects of leader-member exchange, transformational leadership, and perceived value system congruence between leader and follower on follower’s six upward influence strategies—assertiveness, bargaining, coalition, friendliness, higher authority, and reasoning were studied using a sample of 281 managers working in various organizations in India. Results show that transformational leadership mediates the relationship between LMX and congruence. Both LMX and transformational leadership are related positively to friendliness and reasoning, and negatively to higher authority. Congruence is not related to influence strategies. Transformational leadership is the best predictor of friendliness, and neither LMX nor congruence explains significant additional variance in friendliness. Similarly, LMX is the best predictor of reasoning, and neither transformational leadership nor congruence explains significant additional variance in reasoning. Controlling for transformational leadership makes the relationship between LMX and higher authority non-significant and controlling for LMX makes the relationship between transformational leadership and higher authority non-significant.

The essence of managerial work is influencing. Studies have looked at influence strategies that managers use to get things done from their bosses, peers, and subordinates. Choice of influence strategies would depend on a variety of factors, the foremost among which would be the nature of target of influence and the quality of relationship the influencing agent has with the target. The role of target in choice of influence strategy would be particularly important when managers attempt to get things done from their bosses. Choice of upward influence strategy would be primarily affected by the leadership characteristics of the boss. Rapid technological advancements and the resulting constant change that has become a part of life for many organizations highlight the increasing importance of transformational leadership. However, not much attention has been given to studying the impact of target’s transformational leadership on agent’s upward influence strategies. Even the few studies that have looked at the relationship between transformational leadership and follower’s influence strategies did not simultaneously measure constructs closely related to transformational leadership. This study aims at understanding the unique impact of transformational leadership on followers’ upward influence strategies by including the quality of leader-member exchange and perceived value system congruence between leader and follower as additional variables.
Theory and hypotheses
Burns (1978) defined leadership as a relationship that induces followers to pursue joint purposes that represent the motivations of both leaders and followers. Addressing the motivations of both leaders and followers could be handled in two ways-transactional and transformational. Transactional leadership, involves an exchange of benefits, and it is based on current values and motivations of both leaders and followers. Transformational leadership, on the other hand, does not take the current values and motivations to be fixed, but rather seeks to change them.

Transformational leadership
Transformational leadership occurs when leaders and followers raise one another to higher levels of values and motivations (Burns, 1978, p. 4). According to Burns, “the result of transforming leadership is a relationship of mutual stimulation and elevation that converts followers into leaders and may convert leaders into moral agents”, thus resulting in a transforming effect on both leaders and followers. Bass (1985) defined a transformational leader as one who motivates followers to do more than they originally expected to do. Transformational leaders broaden and change the interests of their followers, and generate awareness and acceptance of the purposes and mission of the group. They stir their followers to look beyond their self-interest for the good of the group. Transformational leadership consists of four factors-charisma or idealized influence, inspirational leadership or motivation, intellectual stimulation, and individualized consideration. Though Bass considered charisma to be a factor of transformational leadership, authors have generally used the terms transformational leadership and charismatic leadership interchangeably.

Superior performance is possible only by transforming followers’ values, attitudes, and motives from a lower to a higher plane of arousal and maturity. Boehnke et al. (2003) even found support for the claim that the main dimensions of leadership for extraordinary performance are universal. Studies have found significant and positive relationships between transformational leadership and the amount of effort followers are willing to exert, satisfaction with the leader, ratings of job performance, and perceived effectiveness of leader (Bass, 1985). Leader’s vision and vision implementation through task cues affects performance and many attitudes of subordinates (Kirkpatrick and Locke, 1996). Shamir et al. (1998) found that a leader’s emphasis on collective identity was related to subordinate’s level of identification with the leader. Cremer and Knippenberg (2002) showed that the interactive effect of leader charisma and procedural fairness on cooperation was mediated by their interactive effect on the sense of group belongingness. Transformational leadership could be potentially effective across a variety of situations, though certain contextual
factors like structure of the organization could facilitate the emergence and impact of transformational leadership (Shamir and Howell, 1999).

**Leader-member exchange (LMX)**

Gerstner and Day (1997) argued that transformational leadership seems conceptually similar to the process of developing a unique exchange relationship that is central to leader-member exchange (LMX). According to LMX theory, leaders and followers develop dyadic relationships and leaders treat individual followers differently, resulting in two groups of followers—an in-group and an out-group. The in-group consists of a small number of trusted followers with whom the leader usually establishes a special higher quality exchange relationship. The out-group includes the remaining followers with whom the relationship of the leader remains more formal. These varying social exchange relationships are relatively enduring and they develop owing to the leader’s limited time and energy, and inability to give equal attention to all followers (Gerstner and Day, 1997).

Quality of leader-member exchange has been found to be positively related to follower’s satisfaction, organizational commitment, role clarity, performance ratings given by leaders, and objective performance, and negatively related to role conflict and turnover intentions (Gerstner and Day, 1997; Schriesheim et al., 1999). Overall, results of studies suggest that having a high-quality relationship with one’s leader can affect the entire work experience in a positive manner, including performance and affective outcomes. The development of relationships in a leader-follower dyad can also be looked at in terms of a life-cycle model with three possible stages (Graen and Uhl-Bien, 1991). The relationship begins with an initial testing phase and remains at the out-group level if it does not proceed to the next stage. If the relationship proceeds to the second stage, mutual trust, loyalty, and respect are developed. Some relationships proceed to a third stage, wherein self-interest gives way to mutual commitment to the mission. According to Graen and Uhl-Bien (1991), this final stage corresponds to transformational leadership.

**LMX and transformational leadership.** LMX is conceptually described as an exchange process, making it appear to be a transactional leadership model, but it is not usually measured this way. Members of the in-group are not told what is expected in return for the rewards they are given as part of a high-quality exchange. Since leaders do not make explicit demands on in-group members in the form of harder work for these rewards, the relationship might be better characterized as transformational. Palmer et al. (2001) found that transformational leadership was positively related to the ability to monitor and manage emotions in oneself and others. To the extent that LMX measures tap mutual respect, trust, and the overall quality of the working relationship, LMX is oriented toward transformational leadership. There is emerging support for the claim that LMX may be transformational, at least at certain
times and under certain conditions (Gerstner and Day, 1997). Therefore, LMX is likely to be positively related to transformational leadership.

**Value system congruence**

Rokeach (1973, p. 5) defined a value as “an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence”. Values can be conceptualized in two distinct ways – ipsative in which values are rank-ordered, and non-ipsative – in which various values are measured independent of one another. A set of rank-ordered values is called a value system. Only the ipsative (rank-ordering) measurement model can capture the unique value configuration of an individual.

Schwartz (1992) identified ten common value types that form the underlying dimensions of various values. The ten value types are: Achievement (personal success, capable, ambitious, intelligent); benevolence (helpful, honest, forgiving, loyal, responsible, true friendship); conformity (polite, obedient, self-discipline, honoring parents and elders); hedonism (pleasure, enjoying life); power (authority, wealth, preserving public image, social recognition or status); security (safety, family or national security, social order, clean, healthy); self-direction (freedom, independent thought and action, choosing own goals); stimulation (daring, challenging life, novelty, varied life, exciting life); tradition (respect for the customs that traditional culture or religion provides); and universalism (broadminded, social justice, equality, protecting the environment). These ten value types have been found to be distinct from one another, universal in content, recognized across cultures and used to express value priorities (Schwartz and Bilsky, 1990; Schwartz and Sagiv, 1995). This ten-value framework was used in this study.

Value system congruence between leader and follower could be defined as the extent of agreement between the leader’s value system and the follower’s value system. Value congruence between employees and their supervisors has been found to be significantly related to employee satisfaction and commitment (Meglino et al., 1989). Posner (1992) found that perceived value congruence was directly related to positive work attitudes.

**Transformational leadership and value system congruence.** Burns (1978) held that transformational leadership is based on the role of conscious purpose drawn from values. Transformational leadership involves the uncovering of contradictions among values and between values and practice, and the realigning of values in followers. Transformational leadership is a relationship wherein leaders’ and followers’ purposes, which might have started out as separate but related, become fused, leading to greater leader-follower congruence in value hierarchies. Congruence in values between leader and follower forms the strategic and moral foundation of authentic transformational leadership (Bass and Steidlmeier, 1999). The vision that a
transformational leader has serves as a unifying force that facilitates the convergence of leader’s and follower’s thoughts, beliefs and values (Kirkpatrick and Locke, 1996; Shamir et al., 1998). Krishnan (2002) found that transformational leadership was positively related to leader-follower value system congruence in the case of terminal values. Jung and Avolio (2000) found that transformational leadership was positively related to value congruence between leader and follower. They measured value congruence as the extent to which followers agreed with leaders’ values. Therefore, transformational leadership is likely to be positively related to value system congruence between leader and follower.

**LMX, transformational leadership, and value system congruence.** Erdogan et al. (2002) demonstrated the complementary nature of LMX and person-organization fit in explaining job and career satisfaction. An important difference between LMX and transformational leadership is the fusion of goals of leader and follower. Burns (1978) considered the fusion of goals between leader and follower to be an essential component of transformational leadership. LMX, on the other hand, even when it is a high quality exchange relationship or has reached the final stage of mature relationship, does not address the question of changing the goals or value systems of followers. A high quality relationship is not necessarily an engaging relationship that would result in a transforming effect on both leader and follower. High quality exchange relationship simply presupposes a clear mutual understanding of one another’s value systems and goals, and does not imply similarity in value systems. LMX would therefore have no direct relationship with value system congruence, and any relationship between the two could only be because of the mediating effect of transformational leadership. Hence, I hypothesized:

**H1.** Transformational leadership would mediate the relationship between LMX and leader-follower value system congruence.

**Upward influence strategies**
Influence is the effect, either intended or unintended, of one party (the agent) on another person’s (the target’s) attitudes, perceptions, behavior, or some combination of these outcomes (Yukl, 2001). Most people however, do not influence for the sheer joy of changing other peoples’ behavior. They do so with specific reasons in mind. Influence could be used for such personal reasons as securing better work assignments, or for such organizational reasons as introducing new work procedures, the latter being more common (Yukl and Tracey, 1992). Attempts have been made to classify influence tactics into categories like rational persuasion and ingratiation (Kipnis and Schmidt, 1988; Yukl et al., 1996). Kipnis et al. (1980) identified and classified examples of behavioral tactics used to influence superiors, peers, and subordinates. An
The inductive method was used based on responses from organization members, and the tactics used to influence superiors were grouped into the six categories of assertiveness, bargaining, coalition, friendliness, higher authority, and reasoning. Schriesheim and Hinkin (1990) examined the Kipnis et al. upward influence subscales in four studies and found support for the dimensionality of the subscales.

Choice of influence strategies could be affected by several variables. Kipnis et al. (1984) showed that people vary their influence strategies in relation to their objectives. People tend to use different influence strategies depending on whether their goals are personal or organizational, and depending on the organizational climate (Schmidt and Kipnis, 1984). Blickle (2000) found that work values predicted the frequency of use of influence strategies measured one year later. Similarly, the characteristics of the target person also affect the choice of influence strategies. Transactional leadership is more strongly related to subordinate upward influencing behavior than transformational leadership (Deluga, 1988a). Followers use reasoning strategy more frequently to influence transformational rather than transactional leaders (Deluga and Souza, 1991), and participative rather than autocratic leaders (Ansari and Kapoor, 1987); they also use less of bargaining and higher authority to influence people-centered leaders rather than task-centered leaders (Deluga, 1988b). Deluga and Perry (1991) found that higher quality LMX was negatively related to the use of higher authority, coalition, and assertiveness upward influence strategies. Fu et al. (2001), in a study of managers from India, New Zealand, Taiwan, Thailand, USA, and Hong Kong, found that rational persuasion, collaboration, and consultation were universally effective influence tactics, while gifts, preliminary socializing, and pressure were least effective in all cultures.

Influence strategy and transformational leadership. The distinguishing feature of transformational leaders is that they are held in high regard and respected by their followers. Dvir et al. (2002) found that transformational leadership enhanced direct followers’ development and indirect followers’ performance. The shared perspective of the transformational leader’s idealized vision and its potential for satisfying followers’ needs make the leader likable. The personalized relationship between transformational leader and followers creates an environment in which the followers would feel comfortable to reason and argue with the leader. The transformational leader is an ideal or a role model for the follower, and hence the follower would not be inclined to take any issue to those in the hierarchy who are at a higher level than the transformational leader. Yukl et al. (1996) found that referent power, which is based on personal attraction, was negatively related to pressure tactics. Followers will not be inclined to appeal to higher authority, because they have a personal relationship with their leader and they trust their leader. Therefore:
**H2.** Transformational leadership would be positively related to frequency of use of friendliness and reasoning, and negatively related to higher authority strategy.

**H3.** Transformational leadership would be a better predictor of friendliness, reasoning, and higher authority strategies, than LMX and value system congruence.

**Method**
I collected data for this study from 281 managers working at different levels in various organizations in India. Of those 281 managers, 66 were junior and middle level managers from two public sector (government owned) banks in southern and eastern India, 48 were senior officers from a government department in charge of natural resources in western India, and 48 were junior managers from a large private sector engineering and locomotive firm in eastern India. The rest of the sample consisted of junior and middle level fulltime managers attending evening MBA, executive MBA, and executive development programs at a prominent business school in eastern India. Of the 229 who reported their gender, 222 were males and seven were females. Respondents were not asked to give any form of identification. All responses were thus anonymous, and this was made clear to every respondent. The questionnaires measured LMX, respondents’ value systems, transformational leadership of their immediate supervisors, the value systems of their supervisors as perceived by them, and the frequency of their usage of different upward influence strategies. A majority of respondents surveyed were at least 39 years old, and they had been working with the supervisor they were rating, for at least three years.

**LMX and transformational leadership**
The Multifactor Leadership Questionnaire (MLQ) was developed to measure the factors in transactional and transformational leadership (Bass, 1985). Several studies have revealed high validity for the MLQ (Bass, 1998). I used MLQ Form 6S of Bass and Avolio (1992) to measure transformational leadership of respondent’s supervisor. It had 12 items to measure the four factors of transformational leadership – three items each for idealized influence, inspirational motivation, intellectual stimulation and individualized consideration. Respondents were requested to answer the MLQ by rating how frequently their current immediate supervisor had displayed the behaviors described, using a five-point scale (1 = Not at all; 2 = Once in a while; 3 = sometimes; 4 = Fairly often; 5 = Frequently, if not always). The mean rating on the three items comprising a factor was taken as the score for that factor. The mean of the scores for the four factors was taken as the score for transformational leadership. The seven-item scale developed by Graen et al.
(1982) was used for measuring LMX. This scale appears to provide the soundest psychometric properties of all available LMX measures (Gerstner and Day, 1997). A five-point Likert scale was used for this study.

**Value system congruence**
I used the ten value types identified by Schwartz (1992) to measure value systems of leaders and followers. Respondents were provided a list of the ten value types, with the individual values associated with each value type being mentioned within parenthesis. Respondents were first requested to rank the ten value types in order of importance to themselves in their life, thus measuring value systems of followers. They were then requested to rank the same ten value types in order of importance to their immediate supervisor, thus measuring value systems of leaders. Similarity between two profiles can be calculated by treating the two sets of observations as two vectors. The index of similarity would then be given by the cosine of the angle between the two vectors, which is the same as the Pearson product-moment correlation between the vectors. The correlation between perceived rank ordering of leader and follower’s rank ordering was calculated for each leader-follower pair. The correlation coefficient was increased by one unit and the sum then divided by two to get the index of congruence between the value systems of leader and follower. This adjustment was done to get rid of the negative correlation coefficients. It was perceived value system congruence that was measured, since followers (respondents) ranked the ten value types on behalf of both themselves and their leader. Perceived congruence is more relevant than latent congruence for power and influence (Enz, 1988).

**Influence strategies**
I used profiles of organizational influence strategies (POIS) Form M (Kipnis and Schmidt, 1982) consisting of 27 items, to measure the frequency with which subordinates (respondents) used the six strategies-assertiveness (six items), bargaining (five items), coalition (two items), friendliness (six items), higher authority (four items), and reasoning (four items) – to influence their immediate supervisors. Each item represented an influence tactic, and respondents were asked to indicate on a five-point scale (1 = never; 2 = seldom; 3 = occasionally; 4 = frequently; 5 = almost always), how often they generally use each of the 27 tactics. The mean score on the tactics comprising a particular strategy was taken as the measure of that strategy.

**Results**
Table I presents the means, standard deviations, Cronbach alphas, and correlations between all variables in the study. LMX was significantly positively related to transformational leadership and perceived value system congruence, and transformational leadership was significantly positively
Table I. Means, standard deviations, Cronbach alphas, and correlations among variables studied.

(N varies from 251 to 281)  M   SD   1   2   3   4   5   6   7   8   9

1. LMX  3.79 0.59 (0.77)
2. Transformational leadership  3.49 0.72 **0.62 (0.88)
3. Value system congruence  0.70 0.20 *0.14 **0.29
4. Assertiveness  2.30 0.68 −0.08 −0.07 −0.01 (0.65)
5. Bargaining  2.42 0.88 −0.01 0.05 0.10 **0.46 (0.72)
6. Coalition  2.98 1.05 0.03 0.06 0.09 **0.35 ***0.35 (0.59)
7. Friendliness  3.26 0.64 ***0.16 ***0.19 −0.01 *0.12 ***0.30 ***0.22 (0.53)
8. Higher authority  2.01 0.67 *−0.15 *−0.12 −0.04 ***0.51 ***0.41 ***0.30 ***0.19 (0.56)
9. Reasoning  3.99 0.67 ***0.31 ***0.21 0.01 ***0.28 0.11 ***0.19 ***0.24 0.06 (0.59)

Notes: * Cronbach alpha is in parentheses along diagonal.

* = p < 0.10. ** = p < 0.05. *** = p < 0.01. **** = p < 0.001
related to perceived value system congruence. I followed the procedure suggested by Baron and Kenny (1986) to test my Hypothesis 1 that transformational leadership would mediate the relationship between LMX and leader-follower value system congruence. Transformational leadership was first regressed on LMX; the model was significant at 0.001 level (R-Square = 0.38) and the parameter estimate of LMX was 0.75 (t = 13.13, p < 0.001). Perceived value system congruence was then regressed on LMX; the model was significant at 0.05 level (R-Square = 0.02) and the parameter estimate of LMX was 0.05 (t = 2.28, p < 0.05). Finally, congruence was regressed on both LMX and transformational leadership; the model was significant at 0.001 level (R-Square = 0.09) and the parameter estimate of transformational leadership was 0.09 (t = 4.28, p < 0.001). Thus, all the three conditions of mediation were satisfied. The parameter estimate of LMX in the third regression equation was -0.02 (t = -0.90, non-significant). The effect of LMX on congruence was less in the third regression equation than in the second. In addition, LMX had a significant effect on congruence in the second model, while it had no significant effect on congruence in the third model that included transformational leadership as another independent variable. Therefore, transformational leadership fully mediated the effect of LMX on congruence, thus supporting Hypothesis 1.

Coming to influence strategies, transformational leadership was significantly positively related to frequency of use of friendliness and reasoning, and significantly negatively related to higher authority. Hypothesis 2 was thus supported. Like in the case of transformational leadership, LMX was also significantly positively related to friendliness and reasoning, and significantly negatively related to higher authority. Neither transformational leadership nor LMX was significantly related to the remaining three strategies-assertiveness, bargaining, and coalition. Perceived value system congruence was not significantly related to any of the six strategies.

I tested Hypothesis 3 by using regression analysis with the forward-selection technique (Judge et al., 1985). The forward-selection technique begins with no variables in the model. For each independent variable, it calculates F-statistics that reflect the variable's contribution to the model if it is included. The variable that would produce the largest F statistic is added to the model. The evaluation process is repeated with the variables remaining outside the model. Once a variable is entered into the model, it stays. Thus, variables are added one by one to the model until no remaining variable produces a significant F-statistic. I modeled each influence strategy against transformational leadership, LMX, and value system congruence, using the forward option. The results are given in Table II.

Hypothesis 3 was supported only in the case of friendliness and not in the case of reasoning and higher authority. Transformational leadership was the best predictor of friendliness and therefore entered the model in step one.
Neither LMX nor perceived value system congruence explained significant amount of additional variance in friendliness. A partial correlation analysis also revealed that the significant and positive correlation between LMX and friendliness (zero order $r = 0.16, p < 0.01$ from Table I) became non-existent (partial $r = 0.01$, non-significant) after controlling for transformational leadership.

LMX, and not transformational leadership as hypothesized, was the best predictor in the case of reasoning and higher authority. Neither transformational leadership nor congruence added significant amount of additional variance in reasoning and higher authority. A partial correlation analysis also revealed that the positive correlation between transformational leadership and reasoning (zero order $r = 0.21, p < 0.001$ from Table I) became non-significant (partial $r = 0.06$, non-significant) after controlling for LMX. Controlling for transformational leadership resulted in the relationship between LMX and higher authority becoming non-significant (partial $r = -0.05$), and controlling for LMX resulted in the relationship between transformational leadership and higher authority becoming non-significant (partial $r = -0.07$).

**Discussion**

A significant finding of this study is that perceived value system congruence is affected by transformational leadership but not by LMX directly. Congruence of value systems between follower and leader could be the uniqueness of the construct of transformational leadership. This study supports the claim of

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**Notes:** a Parameter estimates are reported only if overall model was significant at 0.05 level. *= $p < 0.05$. **= $p < 0.01$. ***= $p < 0.001$. 

**Table II.** Regression analysis for predicting influence strategies
Burns (1978) that fusion of goals between leader and follower is the ultimate yardstick of transformational leadership. Since transformational leadership fully mediates the relationship between LMX and value system congruence, a high quality exchange relationship cannot result directly in a fusion of value hierarchies. LMX, even when it reaches the third and final mature stage (Graen and Uhl-Bien, 1991), cannot probably lead to alignment of goals and values of followers directly.

Transformational leadership has a unique and significant impact on friendliness. Burns (1978) claimed that transformational leadership is leading people upward, to some higher values, purpose, or form of self-fulfillment. The relationship between leader and follower binds them together in a mutual and continuing pursuit of a higher purpose. The followers of transformational leaders experience a total and unqualified belief in and identification with the leaders and their mission. Thus, transformational leaders are seen as helpful and friendly, and therefore followers would use friendliness strategy more frequently.

Among the three independent variables, LMX has the strongest and unique effect on reasoning strategy. This is probably because followers would want to reason out and convince their leaders only if they have a high quality exchange relationship with their leader, or in other words, only if they are a part of their leader’s in-group. Higher quality LMX with in-group members involves mutually supportive leader-follower relationships. These transactions exhibit considerable interpersonal attraction, mutual trust, strong loyalty, comfortable communication, and bi-directional influence, which make it conducive for the followers to reason with their leaders.

Limitations and suggestions for future research
Both transformational leadership and influence strategies were measured by surveying the subordinate. The same source being used for measuring both the variables could have caused some measurement error. In addition, the Cronbach alpha for four influence strategies is less than 0.60, which makes their relationship with other variables less reliable. The scales need to be expanded or reconstructed to enhance reliability.

Future research might benefit from extending this study to include measures of influence outcomes. Outcomes could capture success of influence strategies, and the impact the strategies have on the transformational leader. The use of correlation design does not answer the question of causality. Longitudinal research is also needed to assess the extent to which transformational leaders themselves are actually transformed because of the influence attempts made by followers. More studies are needed that look at both LMX and transformational leadership and not just one of them, since part of the effects attributed to transformational leadership could actually be on account of LMX.
Conclusion
The multiple changes occurring in society and the business world have created a greater need for transformational leadership. This study addresses the relationship between transformational leadership, LMX, and value system congruence of subordinates with leader, and the impact of all the three on subordinates’ upward influence strategies. Transformational leadership is not only positively related to value system congruence, but also mediates the relationship between LMX and value system congruence. The results of the study make it possible to conclude that some behavioral tactics are more likely to be used to influence transformational leaders. Transformational leadership enhances the use of friendliness, while LMX enhances the use of reasoning and reduces the use of higher authority. As further research provides greater support, our understanding of transformational leadership as a reciprocal influence process will be enriched.

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