

# Transformational Leadership as Mediating Variable for Innovation Practices and Sales Performance in Toyota Automotive Dealerships Towards the Development of Transformational Leadership Program

Mylyn M. Canton

Doctoral Candidate, Graduate School, Adamson University

## ABSTRACT

This study investigates the connection between innovative practices and transformational leadership and their effects on sales performance at Toyota automotive dealerships in Metro Manila, specifically at Toyota Manila Bay and Toyota Abad Santos. The research investigates the current performance difference between sales managers by studying how effective leaders reach their sales targets through innovative methods and data-based choices, and customer-oriented strategies. The research shows that innovative practices have a direct impact on sales performance, and this effect is stronger when transformational leadership traits such as inspirational motivation, intellectual stimulation, individualized consideration, and idealized influence are consistently demonstrated. A Transformational Leadership Program provides a leadership development framework that other customer-focused industries can use as a model. The research provides valuable insights about how innovation and transformational leadership work together to achieve organizational success in today's competitive business environment.

**Keywords:** Transformational leadership; Innovative practices; Sales performance; Automotive dealerships; Leadership development; Toyota; Creative sales strategies; Data-driven decision making; Customer-centric approaches

## Chapter 1

### 1.1 Background of the Study

The automobile industry is a fast-changing and dynamic landscape where the convergence of technological breakthroughs, economic volatility and shifting consumer preferences creates an environment that is fast-paced and challenging. The automotive industry is facing rapid technological changes. Due to the changing needs of the consumers and growing competition in the market, automobile firms need to be adaptive and innovative enough to survive the situation. Thus, under these circumstances, the effective management of a Toyota dealership depends on leadership, responsive to change and open to innovation, too. It is where the significance of Transformational leadership during inspiration by the motivational process of sales managers and that by their teams comes into account. This type of management is crucial in enabling growth and winning potential within automotive dealerships.

The leadership approach employed by sales managers is important in driving team performance in achieving the desired result. The disparity in the performance of sales managers raises concern about the factors that might contribute to the inconsistency of their performances. Within Toyota dealerships, some sales managers are consistently achieving their target quotas while others are not, this observation emerges consistently.

Toyota dealerships need the right kind of leadership to succeed in the changing environmental leadership that embraces innovation as well as adaptability to respond to change. The leadership that concentrates on inspiring and motivating sales managers and their teams becomes essential. The researcher will be focusing on the Sales Manager, group sales managers of Toyota dealerships. How do their leadership practices affect the dealerships' ability to maintain their market share and drive business success.

At Toyota dealerships, it has been widely recognized that some sales managers fall short of their intended quotas. This performance gap raises concern regarding the root causes of the performance gap. Some leadership studies focus on immediate benefits like reduced job stress and enhanced collaboration; it contrasts with many studies that have been done on larger organizational effects (Gautam and Enslin 2019). The Gautam and Enslin (2019) study about transformational leadership is confined to the automotive retail sector in South Africa, focusing on one listed retailer. This narrow focus suggests a gap in understanding leadership styles and work engagement in Philippine automotive Toyota dealerships. Expanding the research in the Philippine Toyota automotive dealerships could provide a more comprehensive view and understanding on how transformational leadership directly inspires innovation and creativity that is important in addressing the rapidly changing automotive industry landscape. This study tried to close this research gap, with the objective of this study to develop a culture of innovation and adaptability that fosters high sales performance and customer satisfaction.

This study aims to have a better understanding of the complex relationships that exist between innovative actions, achieving sales targets at Toyota dealerships, and transformational leadership behaviors. The study seeks to identify the specific styles of leadership adopted by successful Sales Manager who consistently meets and exceeds their sales target. This study aims to identify the leadership traits that create innovative and collaborative work environments to improve sales performance. The study investigates the outcome of dealerships managed by the outstanding Sales Manager is an attempt to find out the factors that contributed to their success in achieving their sales target.

The importance of the study is to address the gap in understanding the leadership style within the context of Toyota dealerships. By focusing on the important role of leadership that drives innovations, this study will give valuable insights to Toyota and other dealerships to stay ahead of the curve. The study assesses the best practices of sales managers that can be disseminated across Toyota dealerships by investigating how these innovative practices relate to achieving sales targets. The goal of the researcher is to tailor a transformational leadership program that ensures continuous success in sales target achievement and to aid the less performing Sales Manager to achieve their sales target constantly.

The study is important since it will tackle the gap in understanding of the leadership style within the context of Toyota dealerships. Analyzing the innovative outcomes of selected Sales Manager, it will uncover the secret behind their success. Although an increasing number of studies have demonstrated a favorable relationship between transformational leadership and organizational innovation in various contexts (Hussain et al., 2022; Muchtar & Qamariah, 2019), there is still a gap regarding the role it plays in the specific context of Toyota dealerships. The study also offers practical recommendations for Toyota dealership leaders to enhance their leadership styles that create an environment conducive to innovation.

The aim of the study is to better understand the complex relationship that exists between innovative practices, achieving sales targets, and transformational leadership behaviors. The researcher will determine the specific innovative practices adopted by successful Sales Managers who consistently achieve and exceed their targets by digging deeper into the connections involving these elements. Additionally, the study identifies innovative practices of selected Sales Manager in relation to the transformational leadership traits that create an innovative and collaborative work environment in addition to improving individual performance. More importantly, this study intends to provide some practical contributions toward initiating a transformational leadership program that will improve performance and encourage innovation in the context of Toyota dealerships.

The study finds the best practices that can be disseminated across the organization by investigating how these practices relate to achieving sales targets. Generally, the focus of the study is on the issue of how leadership approaches could be adapted to meet the specific needs of another Sales Manager. The outcome of the study would provide useful guidelines for effective leadership programs constructed for dealerships that overcome challenges and seize opportunities that exist within the dynamic automotive landscape. Since the study offers practical recommendations for dealership leaders to enhance their leadership styles and create an environment conducive to innovation, this study will serve as a roadmap for developing tailored transformational leadership programs.

The study emphasizes performance discrepancies among Sales Managers at Toyota dealerships; some Sales Managers are consistently achieving their target, while others fail to do so. The failure to consist in uniformity suggests that there was not a proper understanding of the specific nature of the leadership style and innovative practices responsible for successful sales performance. Based on previous studies, transformational leadership is very noticeable in that it has positive impacts on innovation and organizational performance in most industries. However, there remains a gap in understanding its application within the context of Toyota dealerships in the Philippines. This study focuses on the Sales Manager, for which it is an attempt to explore the inter-relationships between innovative practices, transformational leadership qualities, and sales performance. More importantly, it brings out the necessity for specially crafted training programs and developing leadership to deal with the situational-specific issues and challenges that arise under conditions of a particular kind within the dealerships of Toyota.

## 1.2 Statement of the Problem

The study determines the innovative practices of selected Sales Managers at Toyota dealerships regarding the transformational leadership qualities aimed at enhancing performance in sales. Specifically, it will solve the following problems:

1. What is the sales performance of the selected respondents?
2. What innovative practices are employed by Sales Managers, in terms of the following:
  - 2.1. Creative Sales Strategies;
  - 2.2. Data-driven decision-making; and
  - 2.3. Customer-focused approaches?
3. How innovative practices affect the sales performance of selected Marketing Professionals in terms of:
  - 3.1. Creative sales strategies;
  - 3.2. Data-driven decision-making; and
  - 3.3. Customer-focused approaches?

4. What transformational leadership qualities are present among Sales Managers with regard to:

4.1 Inspirational Motivation.

4.2 Intellectual Stimulation.

4.3 Individual Consideration; and

4.4 Idealized Influence?

5. How do the innovative practices and sales performance mediate transformational leadership qualities?

6. From the results of the study, how innovative practices and transformational leadership qualities can be used to develop a proposed transformational leadership program at Toyota dealerships?

### 1.3 Hypotheses

The following null hypothesis is to be tested in the study:

1. There is no significant relationship between the sales performance of selected Marketing Professionals and their use of innovative practices.
2. Innovative practices and sales performance do not significantly mediate the transformational leadership qualities.

### 1.4 Scope and Limitations

The study seeks to identify how innovative practices and transformational leadership qualities affect the sales performance of Toyota dealerships in Metro Manila. Specifically, Toyota Manila Bay and Toyota Abad Santos. The variables are innovative practices (independent variable), transformational leadership qualities (mediator), and sales performance (dependent variable). The study seeks to assess the relationship between these independent variables and the dependent variables along with the sales performance and will propose a potential leadership development program as the outcome of the study.

The study employs a quantitative research methodology. The quantitative data will be collected through researcher-made survey questionnaires to be distributed to the Sales Manager and their sales team to analyze and assess the innovative practices and transformational leadership qualities. All high-performing Sales Manager and low-performing Sales Manager will be given a survey questionnaire including their sales team. The study employs a quantitative research design that offers robust framework for data collection and analysis. Such confines the capability of the study to capture the depth and complexity of human experiences as qualitative methods do. Despite this limitation, using a quantitative research design ensures the validity and reliability of research findings that can be generalized to a larger population.

The study is limited to a timeframe of six months from September 2024 to April 2025, such confines the capability to witness the long-term impacts of innovative practices and leadership development on sales performance that can be experienced over a long-term period. Given that the specific objective of this research is to measure the relationship between leadership and innovation in sales performance, measurements of performance will include both sales volume and the target rate achievement in dealerships.

The study is limited only to two major dealerships, and the study prioritizes a thorough focus on the analysis of these two specific Toyota dealerships - Manila Bay and Abad Santos, over multiple dealerships. This type of investigation permits the researcher to deeply explore their comprehensive contexts, leadership styles, and creative practices that are also feasible and sustainable. By only focusing on Toyota Manila Bay and Toyota Abad Santos, comparing how their approaches or innovative methods between different car dealers. Despite this narrow frame of reference, comparing these dealerships will shed light on the relationship between leadership development, innovation, and sales.

### 1.5 Significance of Study

The findings of the study have significant implications for Toyota dealerships in the Philippines, as well as similar automotive industries, particularly regarding sales management practices. Insights that can be used from the analysis would inform sound tailoring and design training programs and leadership development initiatives that emphasize the key components of transformational leadership such as idealized influence, inspirational motivation, individualized consideration, and intellectual stimulation. This transformational leadership program, therefore, can increase the prospects of Sales Managers not only in Toyota dealerships but also in the overall car dealerships across the country. This, in turn, would help develop stronger sales performance, high customer satisfaction, and greater profitability. This research forms a framework for dealerships to navigate the dynamics of change facing the automotive market locally.

The study aimed at incorporating leadership abilities that exhibit creativity and flexibility - two of the characteristics most highly valued in the highly dynamic world of the automobile industry and it is expected to bridge the gap between the existing practices in leading and innovative requirements in the market. As the Sales Manager hones and develops transformational leadership skills, the Toyota dealerships stand to gain sales far better, much-improve customer satisfaction, and improved sales performance.

The alignment of leadership and innovation will help position the Toyota dealerships as leaders in the respective fields, tailored for timely changes in market conditions and set high-performance standards.

In coordination with organizations such as the Chamber of Automotive Manufacturers of the Philippines, Inc. (CAMPI) and the Philippine Automotive Dealers Association (PADA), this paper presents the importance of innovative leadership in helping to enhance overall performance in the Philippine car dealership industry. Applying empirical information on transformational leadership, the paper helps lead these organizations to appropriate management and leadership practices. These can be valuable insights in promoting closer cooperation between dealerships, thus shared good practices and development within the industry.

Department of Trade and Industry (DTI) that plays an important role in supporting car dealership can be aspired to have more information that may result from this research in transformational leadership and innovation drivers of success in sales management. Thus, the study benefits dealerships under the Toyota brand and contributes to the overall growth and competitiveness of the Philippine automotive industry. The study may advocate effective policies and initiatives that propel leadership development programs and innovative practices for the greater automotive business.

Aside from the automotive industry, there are business sectors that will also benefit from this study such as hospitality and tourism, wherein transformational leadership can inspire employees in this sector to provide exceptional service, adapt to market trends and respond to fluctuating tourism demands. Business process outsourcing (BPO), retail and e-commerce, manufacturing and electronics, financial services, and healthcare sectors. These industries can enhance productivity, employee satisfaction, and adaptability to fast-changing market conditions through transformational leadership programs. Industries that face rapid technological developments, dynamic market conditions, or customer-centered approaches will benefit from this study.

This study contributes to the growing body of research on transformative leadership, innovation, and organizational performance. It offers empirical data in support of generally accepted opinions and suggests new directions for future research in this area of study.



### **1.6 Definition of Terms**

The following terms used in the study are defined operationally to ensure clarity and better understanding. Adaptability and Vision. Adaptability refers to the extent to which a sales manager can be sensitive to changes in markets and customer demand. Similar to vision, it points out the ability of the sales manager to set clear long-term direction wherein every effort of the team is aligned with the dealership's goals that secure sustainable success in the competitive market.

Creative Sales Strategy. It is an innovative approach by sales managers to maximize sales performance. Innovations include new approaches to interacting with customers, unique sales pitches, and solutions tailored to specific customer needs for optimal sales growth.

Customer-orientation. The customer-oriented sales manager focuses on the needs of his customers and gives importance to satisfying their demands. It translates into satisfying the desires of customers through tailoring services and products according to their tastes, which leads to customer loyalty and eventually to sales performance improvement.

Data-Driven Decision-Making. This paper reports on using statistical and other quantitative data in guiding the strategy of sales and leadership decisions. The sales management conducts further analyses of customer feedback, market trends, and performance metrics to make informed decisions that will improve outcomes from the sales operations as well as operational efficiency in managing these operations.

Idealized Influence. This practice means that the role models are the sales managers, holding the ethical and performance standards for their team members, who command respect and trust because these team members look upon them as such.

Inspirational Motivation. Inspirational motivation constitutes transformational leadership as the ability of sales managers to inspire and energize their teams by communicating a cogent vision of success that inspires their employees to think further than being adequately performing.

Intellectual Stimulation. Intellectual stimulation is one leadership quality that encourages team members to think critically and inventively, promotes an attitude for innovation, and devises new solutions for every set of constant sales challenges.

Individual Consideration. In this research, individual consideration is defined as the support and mentorship given by the sales managers to the employees, focusing on the needs, aspirations, and development of the individuals.

Sales Managers. Includes high-performing and low-performing sales managers of Toyota Automotive dealers. They take charge of sales operations, leading their team into innovation and customer satisfaction via their management and leadership styles. High-Performing Sales Managers at Toyota Dealerships can be defined as those sales managers who can achieve or even go beyond the set targets of sales. Implementing various best practices like creative sales strategies, decision-making based on data, and customer-focused strategies. These are managerial behaviors that align with the transformational leadership framework that includes Inspirational Motivation, Intellectual Stimulation, Individual Consideration, and Idealized Influence, which means that these behaviors can be a force that drives employees and therefore increase overall sales. Low-performing Sales Managers who continually fail to meet sales targets because of limited implementation of innovative practices and deficiencies in transformational leadership traits. Their underperformance is reflected in weak leadership influence, minimal team engagement, and low scores in key performance indicators (KPIs) such as sales quota achievement.

Transformational Leadership. As it applied in this research, it means the way of leading sales managers where sales managers inspire and energize their employees to deliver superior performance through innovation, creativity, and individual development. This kind of leadership engages inspirational motivation, intellectual stimulation, individual consideration, and idealized influence qualities in bringing about changes within the dealership environment.

Transformational Leadership Program. The transformational leadership program of this research is a formal development activity aimed at building the sales managers' competencies in Toyota's dealerships. It targeted the core traits or elements of transformational leadership, such as adaptability, vision, and motivation, and inspiring teams toward higher sales performance and customer satisfaction.

## 1.7 Related Literature

### 1.7.1 Relationship between Innovative Practices of High-Performing Sales Managers and Transformational Leadership

In the automotive industry setting, transformational leadership promotes innovation. Transformational leaders motivate their teams through methods that foster creative thinking. Research indicates that leaders who employ innovative leadership techniques are better able to influence their employees' innovative actions, which is crucial in an industry, like automotive retail industry where technological progress happens swiftly. Studies have indicated that, within the automotive sales industry, leaders increased the morale of the salespeople and thereby improved their overall performance and align company's objectives and fostering new methods (Karimi, 2023).

In the realm of Toyota Automotive Dealerships, practices of leadership can greatly impact innovation results by inspiring leaders to create a culture that encourages enhancements, flexibility, and employee involvement. This review of existing literature delves into the innovation results linked to leadership in Toyota dealerships. Transformational leadership is always regarded as a driver of innovation and the achievement of a company's goals and objectives. Relating leadership development with innovation strategies has been proven to increase performance and boost sales and customer satisfaction level (Kim, 2022). Gaining these leadership styles plays a big role in determining success and staying competitive in the automotive industry.

The automotive sector is currently undergoing digital transformation, with a focus on transformational leadership. Leaders, such as those at Toyota, can promote a culture that fosters growth among their teams in car dealership sales management. The role of leadership in effectively managing these changes is important. Using information gathered from research studies, a thorough analysis of leadership characteristics will be carried out in every aspect to find out how they influence sales outcomes. Understanding elements or increasing sales performance using creativity. These findings guide initiatives aimed at helping sales representatives adapt to business models and offer services resulting in significant implications for digital transformation (Zheng et al., 2023). Authentic leadership enhances team sales performance by utilizing a memory system and fostering work behavior among salespeople to engage in customer-focused Organizational Citizenship Behaviors (OCBs) leading to increased effectiveness, in promoting products (Shazad et al., 2022).

Leadership that inspires change serves as the foundation of leadership by fostering a culture of trust and employee dedication. Leaders who exhibit integrity by transparency and moral behavior can create enduring success stories and produce superior research results. This method works best when combined with leadership exercises. Motivates sales teams to exceed their pre-established targets (Pasupuleti, 2024).

As a motivating concept, transformational leadership holds those certain behaviors—like inspirational motivation and idealized influence—have a favorable effect on employees' performance at work. It pushes group members to take risks and participate in activities that are necessary to produce profitable sales results (Zacca et al. 2022).

Developing work behaviors by empowering individuals and teams is intimately linked to shared leadership in sales teams. Different leadership philosophies, such as participative leadership (PL) and empowering leadership (IEL), have shown that improvement in the sales performance of the industry is really determined by them. These styles encourage team spirit and innovation; result in better sales outcomes (Ayodele et al., 2020). Furthermore, a causal relationship is seen between leadership, innovative work behavior, and employee performance. This also signifies the need for developing an information-sharing and teamwork-oriented culture (Akhan et al., 2020). Improvement between sales performance and goal-oriented bridges the gap when it comes to creativity (Akhan et al., 2020).

Findings stated that creativity has been cultivated within the sales teams, which is followed by the sales results as it can empower salespeople to present unique solutions to customers. Similarly, collaborative innovative leadership mindset highly enhances performance through the encouragement of innovation, and this entails getting a competitive edge in the market, which positively influences the sales performance (Naizn et al., 2019).

### **1.7.2 Innovative Leadership and Sales Performance**

Exploring advancements in the industry with a focus on innovation, within car dealerships, there are studies that show that the leadership of dealership managers affect the adaptation of innovation, in car dealerships and discovered that certain leadership qualities, like encouraging creativity and focusing on individuals positively affect the use of sales and marketing approaches leading to better dealership performance.

Post-purchase services and part accessibility are getting a particular focus since these revenue streams are essential for maintaining both market leadership and client retention (Kutsyn 2024). Utilizing design aesthetics to innovate, Design-focused innovation (DDI) has been utilized by various automotive dealers to enhance business efficiency by updating their offerings and facilities while offering customers unique experiences in the market. Car dealerships are under pressure to complete upgrades faster. Furthermore, dealerships can offer customers an online buying experience while enhancing customer service through integrating creativity and modern technologies. Dealerships can provide customers with an online buying experience by combining creativity and advanced technology.

Through the creative integration of innovative technology, dealerships are now able to offer their consumers an online shopping experience like a digital showroom that is provided by other dealerships from the pandemic era up to the present. This change not only complies with the growing need for services but also creates new revenue opportunities. To improve dealerships' ability to communicate with consumers effectively and efficiently, state-of-the-art systems have been used, such as the Comunicom Direct Active Communication System. To make the process of marketing communications easier, these systems integrate storage options, data analysis tools, and flexible administration techniques. Exploration of innovation and performance, within the sales team, innovation influences the performance, and found that teams, under leaders who promote experimentation and creativity while fostering knowledge sharing, show innovation and achieve sales results.

### **1.7.3 Transformational Leadership and Sales Performance**

In sales teams, the development of ideas is a procedure influenced by different aspects that greatly affect



the overall productivity levels of the team members involved in selling products or services to customers. Among the factors are organizational knowledge acquisition and application of sales techniques, the broad range of perspectives, collaboration, in exchanging information and guidance from management. These components all play roles in encouraging an atmosphere among sales team members, leading to improved sales outcomes in the end.

Creative thinking and leadership are focused on achieving goals. Creativity plays a role in bridging the gap between leadership focused on goals and sales results improvement. Building a work environment that fosters creativity can lead to sales performance as it empowers sales professionals to provide solutions to clients (Akhan et al., 2020). Effective leadership that promotes innovation and an entrepreneurial drive is necessary to enhance efficiency and directly influencing sales outcomes (Naizn et al., 2019). When placing leadership concepts into action to increase sales, it is essential to take the organizational environment into account (Pasupuleti, 2024). Handle team diversity and incorporate technological resources for optimal effectiveness.

Furthermore, it is imperative to tackle any disadvantages associated with the implementation of innovative project-based incentive schemes to avoid discouraging involvement in undertakings that involve a degree of ambiguity (Zacca et al., 2022). The comprehensive plan that integrates strategic objectives with the changing demands of salespeople is essential for the successful execution of leadership.

#### **1.7.4 Exploring the Impact of Innovation in the Industry**

Car dealerships utilize an idea to stay up on trends in a constantly changing market environment. To stand out in an increasingly crowded market, for example, better financing options, advanced communication systems, design enhancements, and digital innovations all display an increased emphasis on evolving customer needs. Car auto shops are embracing creative ways to appeal to and keep customers interested, in buying cars from them by offering payment schedules and leasing programs as well, as personalized financial services that meet the varied needs of customers. To be able to stay ahead of competitors while retaining client loyalty, car dealerships are placing a high priority on the availability of replacement parts and accessories as well as after-sale service (Kutsyn, 2024).

To keep their status as the market leader while achieving stability in their finances, industries are adapting their approaches. The Covid pandemic has sped up the movement of industries towards changes. Digital showrooms and online selling platforms have become super important for dealerships now. By using creativity and new digital tools, dealerships can make their offerings better. Automotive dealerships provide customers with an easy way of buying online. This change does not meet the rising need for services but also brings new ways to make profit. Improved communication systems, platforms have been put in place to enhance the way dealerships interact with their customers effectively and efficiently. These make use of data analysis tools and advanced management systems to help streamline marketing communications processes. These technologies have been deployed successfully, and improved business outcomes have resulted.

It is not just innovation alone in the new modern landscape of the industry but rather seeing in perspective that bigger trend of market changes and the governing of external forces playing at play. The motivation for vehicle growth coupled with increased attention toward sustainability prompts growth in business functioning and confluence approaches. Innovative firms can certainly adapt their innovations along with this change and stand a chance to stay ahead in the market curve. There is existing study on how creativity and collaboration within the sales team affect their performance whereby it was found that when leaders support free experimentation and sharing ideas among the members of sales teams it resulted in higher

innovation levels and finally improved performance in sales. Sales teams drive innovation through a process influenced by factors that have a significant impact on overall performance. Including learning and adaptive selling behavior along with diversity and knowledge sharing are key elements that enhance an innovative environment, within sales teams to boost sales performance significantly.

Experience in the real world of business offers knowledge that can be applied to innovative operations and strategies within an organization. Establishing trust between sales teams is essential in converting this knowledge into knowledge that may be exploited to improve productivity as a team (Jumale et al., 2023). Sales results improvement is one of the factors which depend on the creative ability and strategic adjustments skill of the selling persons. Adapting one's approach to better suits the needs of the consumer and eventually increase performance is affected by innovation in sales. The teamwork environment that emphasizes teamwork and communication within teams did not show an influence on the connection between behavior and performance in the study (Jankelová et al. 2021).

The impact of management, fostering growth, sales managers have a role in promoting innovation by stimulating thinking, among their sales team members. They do this by motivating their salespeople to challenge themselves from different perspectives. Sales managers' guidance and support are essential when utilizing the skills and perspectives of the sales team to ensure that new ideas align with the objectives of the company. Sales success can be somewhat predicted through the outstanding performance of sales professionals who are adept at offering great ideas.

Leadership is crucial during the evolution process of any sector. Only a unique combination of skills can enable us to guide through the fastest-changing technological scenario and competition. Strategic vision, interpersonal skills, and technical knowledge are crucial to sail through this change for organizations. This means that leaders should work and interact with others to engage stakeholders within as well as outside organizations. Alliances must be formed, and relationships must be cultivated for support to be extended to projects (Gilli et al., 2023; Samunderum, 2023). Transformation advantages must be communicated by a leader to their stakeholders, including employees in this case, showing the benefits and how things are to be (Gilli et al., 2023).

Leaders must establish an environment that encourages employees to feel appreciated and inspired to participate in digital projects. Taking the initiative and thinking creatively, leaders can leverage their proactivity and creativity to spot and seize opportunities and qualities that are commonly emphasized in job postings, for roles related to transformation (Gilli et al., 2023). Effective leaders need to look and come up with fresh ideas to make the most of technology for staying ahead in the competition (Gilli et al., 2023). Among the sales organization performance enhancers that have been extensively researched, transformational leadership is one of the most consistent strategies both for improving sales team job-related motivation and satisfaction. One prevalent organization that has yielded positive results in different organizational arenas was the transformational leadership style with foundations of inspirational motivation, intellectual stimulating and individual consideration.

Transformational leadership can really help to enhance salespeople's motivation and job satisfaction because of strengthening employee engagement. Leaders who employ transformational leadership may inspire and nurture their team members to perform over expectations by connecting the business's objectives and their values together (Cahyono et al., 2024). Transformational leadership positively impacts job satisfaction leading to employee performance and is influenced by factors, like organizational citizenship behavior and job competence (Indrio et al., 2024; Villegas et al., 2024). Research has indicated

that transformational leadership can have an impact on job satisfaction by working in synergy with elements such as compensation and the work environment.

Based on research, transformational leadership can affect job satisfaction by interacting constructively with aspects such as pay and culture at work, that working together helps to enhanced employee performance (Purnomo et al. 2024). It is evident in work contexts such as government offices and schools that there is a substantial correlation between leadership and employee satisfaction. Research has indicated that transformational leadership can have an impact on job satisfaction by working in synergy with elements such as compensation and the work environment. Transformational leadership can affect job satisfaction by interacting constructively with aspects such as pay and culture at work. Purnomo et al., (2024) claim that the working together effect helps to enhance employee performance. The combination of leadership, with job satisfaction and organizational citizenship behavior forms a foundation for improving employee performance.

Based on research findings it has been indicated that transformational leadership has the potential to boost employee performance by elevating job satisfaction. Research has shown that transformational leadership is a facilitator of employee engagement and work satisfaction, which further fosters sales team performance. As such, no potential obstacles should be ignored. Organizations might face various issues when adopting such a leadership style, such as, but not limited to, resistance to change and the necessity of continuous development in leadership (Cahyono, 2024). The empirical studies showed that transformational leadership, through an impact on job satisfaction, may make employees perform better, and thus this could be a highly effective strategy in improving the performance of sales teams.

Although transformational leadership has been effective in raising the performance of the sales team by engaging and making employees satisfied in their jobs, the implementation of the model is also associated with some challenges. It has been noted that one of the major issues that organizations have to experience in using this kind of leadership is resistance to change and continuous up-skilling (Cahyono, 2024). Organizational and cultural context also determines the effectiveness of transformational leadership; hence every organization should adopt the approach in a manner to maximize the benefits that it offers. Overall, transformational leadership remains an interesting approach for improving the performance of the sales team, provided that the organizations overcome the aforementioned challenges and adapt the approach to their unique context.

### **1.7.5 Meta-Analysis of Transformational Leadership & Sales Performance**

In the meta-analysis of transformational leadership & sales performance, the outcomes indicated a major positive association that shows transformational leaders develop higher sales team effectiveness, job satisfaction, and commitment toward work, resulting in better sales results. A meta-analysis of transformational leadership and sales performance may identify critical leadership behaviors leading to the improvement in sales outcomes. Transformational leadership has been found to considerably enhance several performance metrics through inspiring and motivating followers; it is, in fact, this that this review intends to synthesize across the literature to emphasize these core behaviors and mechanisms by which transformational leadership influences the sales outcome. Concerning empowerment and self-efficacy: transformational leadership directly strengthens the feeling of empowerment and self-efficacy of the salespeople about improving sales performance.

Highly empowered sellers are more likely to pursue achievements, which acts to the advantage of the performance of those sellers (Gao et al., 2020). Effective sales leaders exhibit a high level of emotional intelligence and 360° communication skills. Thus, such a leader can connect well with the teams and create

a friendly and productive atmosphere, hence improving performance (Longenecker et al., 2019). Transformational leaders are truly skilled to coach and develop their salespersons in terms of coaching and development. This behavior not only improves individual performance but also contributes to the overall success of the sales team (Longenecker et al., 2019). In the research made into medium sized enterprises it shows that transformational leadership has a positive effect on the salesman to become creative and improved their job performance.

Therefore, the impact of leadership employed by managers is very important since it enhances the self-confidence and psychological empowerment levels of their team (Ha et al., 2024). In terms of leadership, promoting an atmosphere support is an important factor in creating responsiveness among team members. Transformational leadership and servant leadership have been shown to improve the team's creativity and responsiveness (Antonio et al., 2022). Leaders that exhibit transformational leadership establish standards that acknowledge and support the contribution of the team. These will help the leader to boost their innovation to their respective team. The involvement of leader-member relationships (LMR), along with the perception of support plays a role, in connecting transformational leadership to the task performance of sales teams aiding in converting transformational leadership into enhanced performance results (Zapata et al 2024). However, transformational leadership is often linked to results in terms of creativity and performance levels are high; its impact may differ depending on organizational surroundings.

#### **1.7.6 Bridging the Gap: Innovation, Transformational Leadership and Performance**

Leadership can significantly boost creativity in sales teams; however, the effectiveness of this strategy depends upon the cultural context and influencing factors. Transformational leadership contributes to the industry by increasing employee happiness and fostering a pleasant work environment that supports team achievement (Setiad et al., 2020). The perception of support among employees affects this relationship. However, there is no effect on work engagement as a mediating factor when it comes to work environment that fosters transformational leadership (Zapata et al., 2024). Establishing a foundation of leadership is essential to attain better results, for the business, these characteristics are important in moderating the influence of leadership style on performance outcomes (Ha, 2024). The impact of leadership on salesperson's performance is demonstrated by the increase in self-confidence and innovation among those working in sales roles. Transformational leadership has a greater impact on salespeople's success than transactional leadership when it comes to the dynamics of sales teams.

Transformational leadership is useful. Its influence is contingent upon the situation, at hand. During the COVID-19 pandemic transactional leadership proved to be more conducive to sustaining sales performance as compared to leadership. This was due to the supportiveness and guidance offered during times by transactional leadership in contrast to the foresightful nature of transformational leadership (Qalati et al., 2022). This is pretty much the stage where the changes in leadership spell relevance for the head-shifting process to meet effectiveness requirements in terms of sale. In a recent study, understanding and connecting emotion and perceptions is an element of leadership that drives creativity and problem solving within the organization. Innovative leaders stand out for their advanced approach that will make them communicate a vision that encourages and drives their teams. It is crucial to offer tailored guidance and mentorship to each subordinate to help them achieve their utmost capabilities.

Lifelong learning innovative leaders must possess adaptability as a trait to effectively navigate through shifting circumstances and obstacles they encounter along the way to success (Pasupuleti 2024; Stempel et al. 2023). It is further necessary for the impartation of knowledge in staying abreast of trend and technologies to nurture innovation and being up in the trends and technologies; hence, a continual

commitment to learning and education. Transformational leaders are facilitated with the features of motivation and inspiring team members to accomplish the common goals and objectives by guiding and encouraging them (Pasupuleti 2024; Karimi et al 2023). Empowerment also plays an important role in enabling employees because it creates a work environment where the employees feel valued and confident, in terms of commitment on their part, it increases the participation of employees. To create a culture of work where innovation and risk-taking is encouraged, open communication is encouraged, and staff are empowered with the freedom to think out of the box. This encourages great change and strengthens the competitive advantage of the organization (Azeez et al., 2024; Halimah et al., 2024). As the impact of leadership differs with the consideration of various factors, such as cultural industry type, and specific issues encountered by the organization. Therefore, a one-size-fits-all approach would not be appropriate, and leaders should make a strategy to suit their organizations. Most of the studies pointed out that leaders who facilitate experimentation and risk-taking as well as those that provide knowledge foster a learning culture that generates ideas and transformational leadership skills together with the teams.

The analysis of leadership and organizational learning is an area that explores how different approaches and various actions of leadership might involve alterations in the system of learning inside organizations. This link plays a role in encouraging innovation, support performance improvement as well as flexibility in an evolving business environment. The Crossing over Machine Learning and Leadership is implementing machine learning (ML) in their strategies of discovering a method for improved organizational performance as one entity. Since ML can examine large amounts of data in an attempt to spot patterns and trends that other methods may not, it helps support some decision-making. Hence, leadership becomes more transparent, fair, and responsible and earns the trust of team members (Subrahmanyam et al. 2024).

Analytics that a world leader carries out in today's world era range from machine learning into predictive analysis that develops the ability to predict future obstacles and risks prevention or reduction as well as new opportunities for advancing into prosperity. The model, Foundational Leadership and Organizational Wellness, emphasizes how individual leadership development and organizational well-being are interrelated, thereby serving as a framework by which one may understand how leadership development can contribute toward the better general well-being and prosperity of an organization (Juarez et al., 2024). The "FLOW model" further illustrates that the approach to treat leadership development must consider an overlap of organizational factors in such a way that the result would be in the long term. The need for good leadership that provides opportunities for learning during such times as crises. Leadership and team members ought to have trust between them to provide an atmosphere in which sharing knowledge and making decisions is possible. This includes reliance on shared knowledge to take decisions at appropriate times and would significantly contribute to the making of customized leadership programs that work on improving individual and organizational outcomes. From evidence, it can be ascertained that innovative practices adopted trigger not only sales but also a good working climate where transformational leadership skills are developed. This research holds a broader implication with wider wings for the automobile industry beyond Toyota.

There is vast literature discussing transformational leadership, including the effects of such leadership on the level of sales performance. However, at the applied level, there remains a gap regarding these strategies and how they may be applied within the Toyota dealerships in the Philippines. Most studies are conducted in a Western setting, leaving out cultural and regional influences and their implications in a Southeast Asian context. More so, very few studies have attempted to include emerging sales strategizing and



customer-oriented approaches with special characteristics of transformational leadership like intellectual stimulation and individual consideration. This would bridge such a gap as well as providing a valuable information on the transformational leadership approach applicable to the peculiar conditions of challenges that Filipino car dealerships are facing to make more realistic and applicable leadership development plans.

### **1.8 Synthesis**

Based on the review of related literature, several consistent concepts emerge regarding the role of transformational leadership and innovation in sales performance, especially in the automotive industry. The most interesting thing about these authors is their general agreement that transformational leadership breeds creativity and innovations within teams; the results of the said outputs tend to yield improved organizational outcomes. Karimi (2023) discovered that inspirational leaders and motivators propel the activity of their members to demonstrate innovative behaviors that result in high sales performance. In the same manner, Kim (2022) stipulates that innovation strategy alignment with the development of leaders would serve to elevate customer satisfaction and organization success.

Contrary positions in this discussion will be presented on how innovative practices relate to leadership. For example, Akhan et al. (2020) and Naizn et al. (2019) authors think that an innovative environment establishment contributes directly to the improvement of performance, whereas others, like Jankelová et al. (2021), disagree with this fact, arguing that team orientation and communication are not always the determinants of the connection between leadership and performance. Other divergent points exist in the role of digital transformation. Zheng et al. (2023) argue the role of leadership that manages digital changes, whereas Pasupuleti (2024) considers transactional leadership as one element that stabilizes the organization in case of crisis, for instance, coronavirus, unlike transformational leadership, which is prescient.

It shows a solid consensus that transformational leadership has a positive effect on innovation and sales performance; the amount of influence will vary, though, according to organizational context, teamwork, and the adaptability of strategy to such emerging challenges as digital transformation. This point underlines the research gap in exploring how the style of leadership must change to be effective in changing businesses. Contrasts emerge, notably regarding the role of digital transformation and leadership styles. Similarly, the relationship between creativity with leadership diverges. Akhan et al. (2020) argued that an innovative culture drives performance, but Jankelová et al. (2021) found that team processes do not always mediate this relationship. Zheng et al. (2023) make the case for the part of transformational leadership in managing digital innovation, whereas Pasupuleti (2024) sees transactional leadership to be paramount during crises like COVID-19 due to its stability amidst turbulence.

For the industry, transformational leadership is important to oversee digital transformation, while Pasupuleti (2024) argues that transactional leadership was better suited for the COVID-19 crisis period because of its stability. Contrasting views emerge also on creativity. Thus, Akhan et al. (2020) and Naizn et al. (2019) argue that an innovation-driven environment directly enhances performance whereas Jankelová et al. (2021) argue that orientation toward the team and communication doesn't always mediate such a relationship.

Diverse perspectives on team innovation come to the fore: Akhan et al. (2020) and Naizn et al. (2019) highlight an innovation-friendly climate as the core driver of performance, while Jankelová et al. (2021) implies that team orientation is not always a mediator of the relationship. Shahzad et al. (2022) talks about

how authentic leadership can foster Customer-Oriented Organizational Citizenship Behaviors (OCBs) to enhance sales. Some researchers also expose the applicable practical implications of transformational leadership. These include those studies where it is manifested that the outcome of having job satisfaction and employee engagement would enhance performance in their sales result through transformational leadership, such as Gautam and Enslin in 2019, Fibriandhini et al. in 2022, and Longenecker and Mallin in 2019. Studies from Ha in 2024 and Cahyono in 2024 reasserted that the compounded impact of both leadership style and job satisfaction enhances results. Lastly, Juarez et al. (2024), Subrahmanyam et al. (2024), and Gilli et al. (2023) concluded that continued learning, digital integration, and customized leadership programs are important for continued success in fast-changing markets.

A common theme that resonates within the works of writers such as Gautam and Enslin (2019) and Fibriandhini et al. (2022), is that transformational leaders create a supportive environment enhancing team morale, engagement levels in employees, and crucially, increasing the higher levels of sales performance. As Gao et al. (2020), Villegas et al. (2024), and Ha (2024), have noted, the influence of transformative leadership has beneficial effects on employee job satisfaction, and is directly well related to higher performances delivered by employees. Such types of skills to be developed are imperative in ensuring one maintains high-performance levels in such competitive environments according to Longenecker and Mallin (2019).

In summary, transformational leadership will likely improve both innovation and sales performance, and it would all depend on the organizational culture, dynamics of teamwork, and adaptability to challenge all those who would undertake such transformation. The outcome of the study would look forward to filling this gap as a transformational leadership program will be tailored to build Toyota dealerships towards excellence in sales performance, with continuous innovation.

The review of related literature shows that transformational leadership is always effective in stimulating innovation, but the effect is different depending upon the organizational culture, team dynamics, and responses to forces from outside like digital transformation and market changes. The study addresses such variables by developing a transformational leadership program customized to Toyota dealerships, designed to not only enhance sales performance but also cultivate a culture of continuous innovation and adaptability (Kutsyn, 2024; Jumale et al., 2023; Abdul-Azeez et al., 2024).

### 1.9 Theoretical Framework

The study is anchored on the transformational leadership theory of James MacGregor Burns in 1978 which describes a leadership style where leaders inspire and engage subordinates to achieve higher levels of motivation, moral standards, and performance. Where inspiration and motivation by leaders inspire teams toward innovation and improved work. According to Fibriandhini et al. (2022), the factor that explains transformational leadership into innovative work behavior is a supportive and adaptive organizational culture, which ensures the creativity and work performance of employees. This study will incorporate the theory of transformational leadership into Toyota dealerships' Sales Managers, with a focus on how innovative practices in which creative sales strategies, data-driven decisions, and a customer-centric approach will garner the realization of leadership development and its impact on the sales outcome.

The theoretical framework of this dissertation, therefore, centers on transformational leadership as related to innovation outcomes prevalent in Toyota dealerships. Transformational leadership inspires creativity for problem-solving and forward thinking in the teams and encourages innovation. When leaders inspire

and motivate workers, the environment creates continuous improvement and adaptation, which is critical in the fast-changing world of the automobile industry.

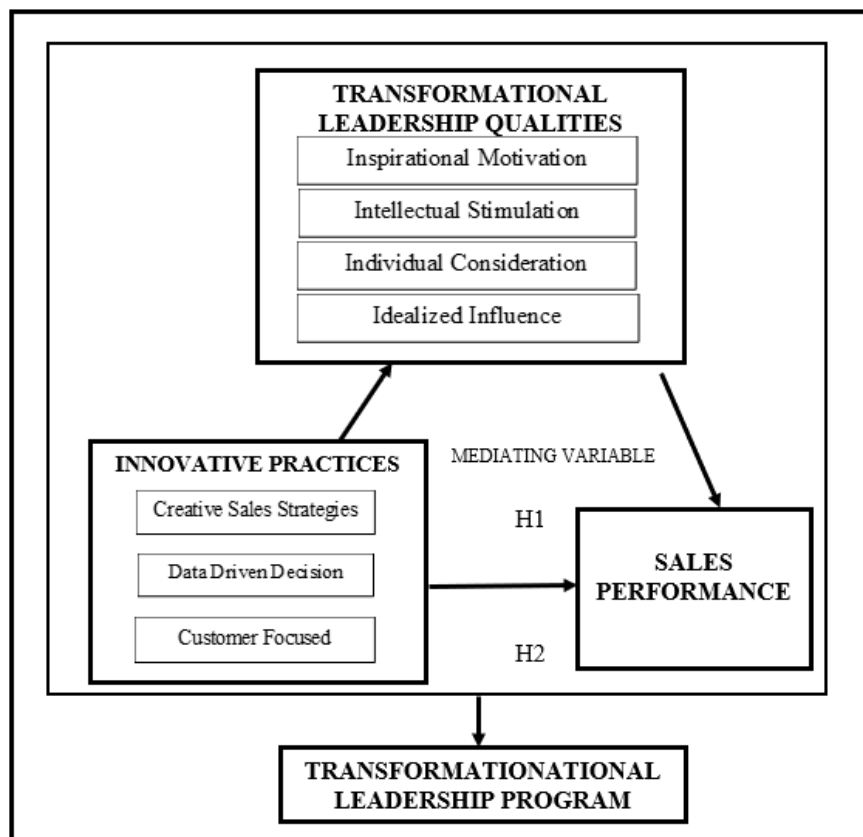
The study reveals such relationships between transformational leadership traits and sales performance, namely inspirational motivation, individualized consideration, idealized influence, intellectual stimulation and adaptability and vision. Along with organizational effectiveness, this study shows how initiatives from leadership generate innovations along with organizational effectiveness. This dissertation fills a gap in the literature as it unfolds with the study about how transformational leadership qualities might drive innovation and sales performance at Toyota dealerships. Those are expected to stimulate intellectual stimulation, inspirational motivation so that the culture of innovation enhances sales success. The study would answer how a transformational leadership program could be developed to meet the specific needs of Toyota's business environment and point out the importance of transformational leadership in the automotive dealerships.

### 1.10 Conceptual Framework

Figure 1 presents the Conceptual Framework of the Study. The framework outlines the relationship between innovative practices (independent variable) transformational leadership qualities (mediating variable) and sales performance (dependent variable). Figure 1 shows the paradigm of the study on how transformational leadership qualities mediate the effects of innovative practices of Sales Manager at Toyota dealership on sales performance.

The arrows indicate clear pathways, innovative practices pointing towards transformational leadership qualities to explore how innovative practices such as creative sales strategies, data driven decision-making, and customer focused approach influences leadership traits. Transformational leadership qualities arrow pointing towards sales performance indicate a direct influence of leadership on performance outcome. Innovative practices arrow pointing towards sales performance through transformational leadership qualities indicate a mediation pathway that is important for developing insights into how leadership amplifies the effect of innovation on performance. The conceptual framework emphasizes the development of transformational leadership programs. The arrows symbolize hypothesized relationships between the constructs. Transformational leadership qualities hypothesized to have a direct influence on innovative practices and on sales performance. Innovative practices as the independent variable, which include the following: customer-focused approaches, data-driven decision-making and creative sales strategies. The transformational leadership qualities—that include intellectual stimulation, individual consideration, inspirational drive, and idealized influence serve as the mediating variable. Transformational leadership qualities act as mediating variables, bridging the influence of innovative practices on sales performance by enhancing leadership effectiveness. These leadership traits mediate the relationship between innovative practices and sales performance by creating an environment where innovative behaviors can thrive.

**Figure 1**  
**Author's Conceptual Framework**



Both variables are expected to contribute to the successful development and implementation of a transformational leadership program and at the end, it enhances organizational sales performance. The study provides conceptual guidelines on the complex interrelationship of innovative behaviors with development in leadership and organizational success within Toyota dealerships. The model, therefore, provides intermediary factors to improve the design and the delivery of a robust Transformational leadership program for Toyota dealerships. The framework assumes that such new practices and leadership skills are integrated into building up the sales performance that facilitates the development of a transformational leadership development program specially designed for dealerships in Toyota. The author's conceptual model indicates how these relationships are likely to lead to sustained innovation and help improve the organization's performance. This type of leadership style will foster creativity and adaptability alongside customer centrality; the Sales Manager will likely target more sales and raise the dealership's success over the long-term gain. The approach in the framework is oriented to build a leadership culture, which sustains the highest performance level and sustains innovation in the context of a competitive market.

## Chapter 2

### METHODS

This chapter discusses the research methodology which includes the research design, the respondents, the instrument used, the data gathering procedures and the statistical treatment of data. The study uses a quantitative research design to provide a clear structure of how to collect and analyze numerical data to

test hypotheses and answer research questions. The aim of the study is to explore the link between innovative practices, transformational leadership qualities, and sales performance in Toyota automotive dealerships.

## 2.1 Research Design

The study employs a descriptive-correlational research design which helps to determine existing relationships between variables without manipulating them. This approach is useful in explaining how innovative practices in the form of creative sales strategies, data-driven decision-making, and customer-focused approaches affect sales performance and how transformational leadership qualities such as inspirational motivation, intellectual stimulation, individual consideration, and idealized influence act as mediators of this relationship. As the data are at the ordinal level, non-parametric tests were used. Specifically: Kruskal-Wallis Test: To identify any significant differences in innovative practices in relation to levels of sales performance among marketing professionals. Mann-Whitney U Test: To compare the innovative practices of high and low-performing sales managers. Ordinal Logistic Regression: To investigate the predictive influence of innovative practices on transformational leadership qualities and their effect on sales performance.

The study examines the level at which innovative practices affect transformational leadership and sales performance. The innovative practices to be considered are creative sales strategies, data-driven decision-making, and customer-focused approaches. Each practice will be measured using a structured survey questionnaire administered to high-performing and low-performing Sales Manager including their Marketing Professionals. To capture the frequency responses, it will be evaluated using a Likert-scale format, the effectiveness, and impact of each innovative practice. This will enable the researcher to have a holistic view of how innovation-driven leadership contributes to organizational success.

To address the Statement of Problem 1, regarding the sales performance of the selected respondents, including both marketing professionals and group sales managers, descriptive statistics were employed. This statistical method is appropriate for summarizing and organizing data to show patterns and trends in a straightforward and interpretable format.

The sales performance of 96 respondents was categorized into three groups: Above Average, Average, and Below Average. The table presents both frequencies (actual counts) and percentages, offering a clear picture of how the respondents are distributed across performance categories. For group sales managers, the same descriptive format was used to summarize the performance levels of 12 group managers using frequency and percentage breakdowns. SPSS version 3.0.0.0 (172) is used to analyze the findings to determine which practices are significant in affecting sales performance. The significance of predictors is evaluated using p-values, and the strength of impact is quantified by regression coefficients ( $\beta$ ).

To address Statement of Problem 2, Mann-Whitney U Test was used to compare the innovative practices used by high and low performing sales managers. This test is used when the data is ordinal, and it helps in determining if there is any significant difference in the use of innovative practices between the two groups.

To address the Statement of Problem 3, the Ordinal Logistic regression analysis was used to determine whether there are differences in innovative practices with respect to different levels of sales performance. It helps to determine whether innovative practices are significantly different for various groups.

In response to Problem Statement 4, descriptive statistics were applied to assess the presence of transformational leadership qualities among sales managers. Mean scores and standard deviations were



also calculated for each transformational leadership trait to identify which of these traits is most evident among the respondents.

To address Statement of Problem 5, Ordinal Logistic Regression analysis was used to determine the mediation effect of sales performance on the relationship between innovative practices and transformational leadership qualities. It is a tool that enables us to determine whether sales performance is a mediator between innovation and leadership.

The results of the study were used to create a Transformational Leadership Program for Toyota dealerships to address Statement of Problem 6. The program is based on the leadership qualities and innovative practices that were found to be the significant predictors of sales performance, and the program is designed to increase managerial effectiveness.

## 2.2 Data Management

The study applies structured data management to facilitate the proper collection, organizing, and analysis of data. The data were collected directly from the respondents, the Sales Manager, and their sales teams at two Toyota dealerships. There were two primary forms of data: numerical and textual for data collection. The study maintains absolute compliance with the Data Privacy Act of 2012 regarding the handling of confidential data. The researcher needs to explain the storage location of data as well as access permissions storage duration and destruction methods and study outcome distribution procedures. The following measures will be implemented:

- Coding: Each survey response will receive a randomly generated code. The collection of employee IDs along with names and personally identifiable information will be prohibited.
- Storage: The researcher has exclusive access to an encrypted digital drive that uses a password for storing data.
- Sharing: The researcher will distribute de-identified summarized data through publications and reports. The researcher will not distribute any unprocessed data to outside parties.
- Disposal: The study securely deletes all data during the one-year period following its completion. Physical records, if any, will be shredded.

The study implements these measures to properly handle personal and organizational data while respecting participant privacy rights according to legal and institutional standards.

### 2.2.1 Data According to Source

Primary data is essential as it offers specific and current information from Sales Manager actively involved in leadership roles in Toyota dealerships to ensure that the data is directly applicable to the aim of the study. Primary data was collected directly from the Sales Manager at selected Toyota dealerships. The data from the responses of the Sales manager and their Marketing Professionals will allow the researcher to gather primary data on the specific practices and transformational leadership qualities relevant to the study.

The data will be gathered through primary means using researcher-made survey questionnaires. These surveys were administered to both high-performing and low-performing Sales Manager and their respective sales team. The questionnaires captured quantitative data on innovative practices (e.g., creative sales strategies, data-driven decision-making, and customer-focused approaches) and transformational leadership qualities (e.g., inspirational motivation, intellectual stimulation, individual consideration, and idealized influence).

The acquisition of primary data will be managed through the collection of survey responses from the Sales Manager and their sales team, which will be administered face-to-face. Each source of data will ensure confidentiality, hence keeping their information private, so that the safekeeping of the respondent's responses is maintained; therefore, handling the data ethically. The primary source of data ensured that the findings were specific, current, and directly aligned with the study's focus.

### **2.2.2 Data According to Methods**

The quantitative approach concentrates on measuring specific variables relating to innovative practices and transformational leadership qualities. The study uses quantitative methods in gathering and systematically analyzing the data. Primary data will be gathered through researcher-made survey questionnaires provided to the high- and low-performing Sales Manager and their respective sales teams at the Toyota dealerships. Survey responses were designed using a Likert scale to quantify the frequency and effectiveness of these practices and traits.

Descriptive statistics, including mean and standard deviation, will be employed to summarize the data and highlight central tendencies and variations. Ordinal logistic regression analysis was used to compare innovative practices and transformational leadership qualities between high- and low-performing Sales Manager. An ordinal logistic regression analysis was conducted to determine the relationships and predictive influences among the variables. Through this quantitative approach, there is a structured and objective evaluation of data to establish a strong foundation for the testing of hypotheses in the study and answering the research questions.

### **2.2.3 Data According to Form**

The data for this study was sourced and categorized into numerical forms, with a focus on the quantitative data necessary for analysis. Numerical data was obtained using structured survey questionnaires administered to high-performing as well as low-performing Sales Managers as well as their sales teams. Responses were captured using Likert-scale items that yield measurable scores for statistical analysis. Surveys were designed to quantify variables relating to innovative practices: creative sales strategies, data-driven decision-making, and customer-focused approaches; and transformational leadership qualities: inspirational motivation, intellectual stimulation, individual consideration, and idealized influence.

The structured numerical form of data ensured clarity and reliability, facilitating robust statistical analysis to address the statement of the problem and validate the study's hypotheses. The numerical data will be extracted and organized into datasets suitable for descriptive and inferential statistical techniques, including measures of central tendency (mean and standard deviation), and regression analysis. This form of data will allow the study to objectively analyze patterns, relationships, and differences between groups.

## **2.3 Sampling Designs**

The sampling design for this study employed a combination of probability sampling techniques to ensure a representative and balanced dataset while addressing the research objectives. To attain a representation of different performance levels in the population, stratified random sampling will be used. In this sampling design samples can identify high- and low-performing Sales Manager. Thus, the sample population includes the Sales Manager and their sales team of marketing professionals from two Toyota dealerships, providing an intensive but representative dataset. This research design methodology allows for thorough comparisons and identification of the characteristics of transformational leadership that cause the sales performance disparities between groups.

### 2.3.1 Sample Population

The study was conducted in Toyota Dealerships in Metro Manila specifically Toyota Manila Bay and Toyota Abad Santos. The population includes 10 Sales Managers and 80 Marketing Professionals at Toyota Manila Bay and 8 Sales Managers and 50 Marketing Professionals for Toyota Abad Santos. Focusing only on two dealerships allows for a representative of leadership dynamics within Toyota dealerships. The sample size will ensure that adequate observations on innovative practices and transformational leadership qualities are established in the context of dealerships. This approach would have been beneficial with the efficient use of available resources while providing meaningful insights into the Toyota dealership network.

### 2.3.2 Respondents

The study involves two key respondents: high and low performing Sales Managers and their respective groups of Marketing Professionals. This selection provides a balanced perspective of leadership styles, enabling an exploration of factors contributing to performance disparities among sales leaders.

The research will collect data from Sales Managers who achieve high results alongside those who achieve low results together with their Marketing Professionals. The performance categorization will rely on quantitative Key Performance Indicators which the dealership uses. The research focuses on measurable organizational success outcomes which directly relate to the practical automotive sales environment. Specifically: a. Sales Managers who reach 100% or higher of their sales targets during the last six months are considered high performers. b. Sales Managers who reached fewer than 80% of their sales targets qualify as low performers during this period.

The approach uses objective data that matches dealership performance metrics. The classification system exists to evaluate how different leadership approaches and innovative methods affect performance results rather than to make discriminatory decisions. The results will present performance labels without any identifying information to protect dignity and confidentiality. The research participants belong to a non-vulnerable group since they are adult professionals who work as managers and can make informed decisions. Nevertheless, ethical safeguards are in place.

Every participant has the right to participate voluntarily while keeping their freedom to leave the study at any moment without facing negative effects. The participants will receive opportunities to pose inquiries and request clarification about the study. A detailed explanation regarding the research goals and potential risks and advantages will be explained before obtaining consent from participants.

This study draws from James MacGregor Burns' transformational leadership theory to investigate how leaders drive subordinates toward higher motivation levels and better moral standards which leads to improved sales results. The study uses classification methods to extract crucial data by examining extensive datasets.

Based on a total population of 148 respondents (including Sales Manager and Marketing Professionals from Toyota Manila Bay and Toyota Abad Santos), a 95% confidence level, 5% margin of error, and 50% response distribution, the required size is 108 respondents. The study determines the required sample size using the Rao soft sample size calculator. To ensure the sample is representative, the study uses stratified random sampling. This approach divides the population into subgroups (strata) and randomly selects respondents from each stratum:

Stratum 1: Sales Managers from Toyota Manila Bay and Toyota Abad Santos

Stratum 2: Marketing Professionals from Toyota Manila Bay and Toyota Abad Santos

Proportionally select respondents from each stratum to ensure fair representation of both high and low performers in the sample. This method enhances the generalizability and accuracy of the study's findings while minimizing potential selection bias.

### **2.3.3 Research Instrument**

A structured questionnaire was made by the researcher, and this was administered onsite to both the Sales Managers and their respective group of Marketing Professionals. The researcher-made survey questionnaire was used to gather quantitative data on transformational leadership qualities, sales performance, and innovative practices. The study is based only on three innovative practices namely: creative sales strategies, data-driven decision making, and customer focused approach. The researcher constructs a 30-item researcher-made survey questionnaire for Sales Managers: Creative Sales Strategy, Data-driven Decision-making, and Customer-focused approaches. A 45-item survey questionnaire for the respective sales group Marketing Professionals of each of the Sales Managers. The survey questionnaire will undergo content validation by the expert to ensure the appropriateness and coherence of the test questions. The recommendations of the validators are considered in the final copy of the survey questionnaire.

The survey questionnaire undergoes reliability test to determine whether the items in the survey questionnaire are interrelated. To enhance the reliability of the survey instrument, a pre-survey was administered to a sample of 15 people who were like the demographic profile of the respondents of the study. The reliability test ensures the internal consistency of the survey instrument. Using quantitative research design provides a balanced dataset, facilitating robust analysis of transformational leadership in terms of its correlation with sales performance and innovative practices within dealerships.

### **2.3.4 Control Procedure**

A pre-test for Sales Managers and their respective group of Marketing Professionals was conducted. To ensure that the information gathered will be reliable. This involves giving the questionnaire to a small pilot sample like the demographics of the target respondents before its general distribution. A pilot test can be undertaken to elicit respondents' reactions to the instrument's clarity, comprehensibility, logical flow, and other elements of the instrument.

As the pre-test is implemented, responses from the pilot sample are directly related to other elements of the questionnaire including questions' clarity of options to respond, logical flow and sequence, grammatical errors if any, time spent, and any other suggestions. The feedback then was carefully analyzed to help us to understand the recurring themes and specific issues that result from that feedback. Based on the analysis, the questionnaire is modified and hence made well-refined by rephrasing unclear questions, ordering sections better, eradicating errors, or even adding or removing some questions based on participants' feedback. The thorough conduct of the pre-test serves as a guide for the maximization of the validity and reliability of data acquired during the study. Proper correction of issues with the questionnaire will ensure the right information is collected, thereby increasing robust research findings.

## **2.4 Demographic Profile of the Respondents**

### **2.4.1 Marketing Professionals**

The demographic information of respondents provides insights into their years of service and performance category. This helps contextualize the statistical results. The years of experience of respondents in Toyota dealerships were categorized into three groups: 1-3 years, 41 (42.71%), 4-7 years 24 (25%), 7 years and up 31 (32.29%). This distribution indicates that a large fraction of the workforce is new to the organization,

while a large fraction has significant experience. The years of service of the respondents reveal the need for leadership practices that can address both the new employees who need direction and mentoring, and the veteran employees who have a lot of knowledge to contribute and can help implement new innovative practices. Transformational leadership, which also includes intellectual stimulation, individualized consideration, inspirational motivation, and idealized influence, is a framework that can potentially be used to tap into the best of both new and experienced employees.

Through recognition of the differences in experience, leaders can determine how to best apply transformational leadership qualities to enhance production and achieve organizational goals. Achieving this goal requires adapting leadership strategies to employees' experience levels. Inspirational motivation and individualized consideration are particularly beneficial in building skills, confidence and commitment to the dealership for newer employees with 1 - 3 years' experience. However, through intellectual stimulation and idealized influence, the wealth of knowledge and expertise of more experienced employees (those with over seven years' service) can be tapped into. Leaders can also greatly improve the performance of the dealership by encouraging experienced employees to share their knowledge, mentor their less-experienced colleagues, and contribute to innovation if they are actively getting experienced employees to do so.

Furthermore, an appropriate leadership style that incorporates innovative behaviors and transformational traits can identify and bridge the performance gaps between sales managers and develop a good base for leaders who can motivate and direct the employees irrespective of their tenure. The Transformational Leadership Program designed specifically for Toyota dealerships can improve sales outcomes through leadership practices that encourage and foster new and existing employees. Thus, the dual-system approach guarantees the admissibility of the high-performance standards and the innovation continuity within the dealership which, in turn, leads to the long-term success of the dealership.

#### **2.4.2 Group Sales Managers**

The demographic information of respondents provides insights into their years of service and performance category. This helps contextualize the statistical results. The years of experience of respondents in Toyota dealerships were categorized into three groups: 1-3 years, 0 (0%), 4-7 years, 2 (15.38%), 7 years and up, 10 (84.62%). This distribution indicates that a large fraction of the workforce has worked as group sales managers for 7 or more years. The results indicated in the table suggest that Sales Managers have a great deal of experience, which is a factor that may greatly affect their leadership styles and performance.

#### **2.5 Data Gathering Procedures**

Before collecting data, an orientation was conducted for all potential respondents to explain the purpose, objectives, and procedures of the study, including the rights of the participants. The orientation also includes the issue of confidentiality of the responses, how the information will be used, and the voluntary nature of the participation.

The participants received sufficient time to read and sign the Informed Consent Form (ICF) before the administration of the questionnaire. The ICF includes their right to withdraw at any time without repercussion, and contact information for the researcher and the Research Ethics Committee was provided. The participants were encouraged to ask questions for further clarification and to express any concerns they may have about the study. This ensures that participants are informed and that their autonomy is respected.



### 2.5.1 Potential Risks and Mitigation

The study presents limited risks, but participants might feel some uneasiness while thinking about their sales performance or leadership practices to eliminate some unease on the side of the respondents, they may skip or avoid those questions and proceed to the questions that they are comfortable in answering. The questionnaire was made non-invasive and took only 15–20 minutes to complete to minimize this, respondents may also skip any question they find uncomfortable and can withdraw from the study at any point. All data was anonymized and securely stored as outlined in the ICF to further minimize psychological or data privacy-related discomfort.

### 2.6 Statistical Treatment

Quantitative data was collected using structured survey questionnaires on innovative practices and transformational leadership qualities. Among these are Likert-scale items, designed to elicit a quantity of measurement on the frequency with which such practices are exhibited, including data-driven decision-making and customer-focused strategies. Descriptive statistics were used in the study to calculate measures of central tendency including mean, median, mode, and standard deviation to understand the spread and variation or dispersion in the distribution frequency of innovative practices and transformational leadership qualities. These statistics are usually taken as a first step towards comprehending common practices in the leaders.

The descriptive statistics gives a summary of the main study variables, such as innovative practices, transformational leadership qualities and sales performance. Descriptive statistics include mean, median, mode, standard deviation and frequency distributions that will be estimated to give a detailed description of the distribution and the central tendencies of each variable. This analysis assists in the identification of the overall data structure, and outliers and tests for normality which are vital for further statistical testing. Descriptive statistics give an account of the characteristics of the data that were gathered; they show the average, trends and differences from the average behaviors of the variables in the study.

To analyze the results of the study in full, different statistical methods were used. Descriptive statistics were applied to summarize the characteristics of the respondents and the frequency of responses on the variables of interest. Frequency, percentage, mean, and standard deviation were used in analyzing survey items on innovative practices, sales performance, and transformational leadership qualities. This first approach to the data set enabled some trends and patterns to be discovered in the data.

To determine whether there were significant differences in innovative practices in relation to varying levels of sales performance, the Independent-Samples Kruskal-Wallis Test was used. Because the data was at the ordinal level, this nonparametric test was chosen over the traditional parametric methods. It tested whether the application of creative sales strategies, data-driven decision making, and customer focused approaches differed significantly between the levels of sales performance. A statistically significant result would imply that levels of sales performance affect the extent to which innovative practices are employed.

To build on the information regarding the use of innovative practices, the Mann-Whitney U Test was conducted to contrast high and low performing sales managers. This test checked whether there were any statistically significant differences in how the two groups implemented innovative approaches in their leadership style. The results of this test revealed whether high performing managers were more likely to use innovative methods than their low performing counterparts or whether these practices were equally likely to be observed in both groups.

The Ordinal Logistic Regression analysis was used to establish the predictive role of innovative practices on sales performance and transformational leadership. Since the dependent variable (sales performance) was measured on an ordinal scale, this regression model was relevant. Applying this approach, the study investigated how innovative sales strategies, data-driven decision-making, and customer-focused approaches impacted leadership effectiveness and sales outcomes. The significance of the predictor variables was determined by the p-values and regression coefficients.

Finally, the Test of Parallel Lines was conducted to validate the ordinal regression results. This test determined whether the assumption of proportional odds was met so that the relationship between the independent variables and the dependent variable was similar regardless of the response categories. Including these statistical treatments, the study guaranteed methodological rigor and reliable conclusions about the relationship between innovative practices, transformational leadership, and sales performance in Toyota dealerships.

## **2.7 Ethical Considerations**

The study was done with the highest standards of ethics for the well-being, rights, and dignity of the participants. The ethics committee of Adamson University to ensure compliance with the ethical standards of research methodology will review the research. The researcher adhered to strict protocols to ensure data integrity and avoid any manipulation.

### **2.7.1 Conflict of Interest**

The study ensures that the result reflects the input data without having been compromised by personal bias. The personal interest of the researcher does not compromise the credibility and neutrality of the process of research since a personal stake in the success of the study does align with the value it holds for advancing the researcher's academic career.

### **2.7.2 Privacy and Confidentiality**

A storage facility for the anonymized data was made safe and access was restricted to the researcher only to ensure the anonymity of the participant. All the participant's privacy was safeguarded since all the data collected was anonymized with all the identifying information erased from them. No names or employee IDs accompany these survey responses.

### **2.7.3 Informed Consent**

Participants were told that participation is purely voluntary and that the participant may withdraw at any time without adverse consequences. Each participant obtained written consent acknowledging his or her understanding and agreement of these terms. Every participant was given a complete and detailed explanation of the purpose of the study, procedure, benefits, and risks involved.

### **2.7.4 Vulnerability and Potential Risks**

The study requires the completion of a questionnaire regarding innovative methodologies and leadership practices. Although the inquiries have been formulated to ensure they are non-invasive, there exists a slight potential for some respondents to consider the subjects sensitive. To alleviate any associated risk and vulnerability, the questionnaire provides explicit guidance on the procedures for omitting questions or withdrawing participation should individuals experience discomfort.

### **2.7.5 Recruitment**

There is enough time provided for participants to consider participation without being subjected to any kind of undue influence or any form of coercion. All participation is strictly voluntary, and if the potential participants do not want to participate, they have a chance to decline without any reason to believe that

something bad is going to happen to them. Recruitment of participants is ethical and entirely open, fully communicating with participants. Participants were fully informed of the goals, methods, and possible risks or benefits of the study they were being asked to participate in.

#### **2.7.6 Assent**

All participants were given their assent before they participated in the research. Assent was explained in a manner that is simple and easy to understand regarding objectives, methods, risks, and potential benefits of the study so that each participant would know his/her role. Assent was clearly stated that participation is voluntary, and they can withdraw at any point with no resultant effects. The said assent process aims at respecting and promoting the autonomy of the participants through clear and available information about an individual's choice. The informed and voluntary participation of all participants involved in the study was verified through recording their consent.

#### **2.7.7 Benefits**

The survey does not promise any direct benefits to the participants; however, as such a study sheds light on valuable knowledge regarding the relationship between innovative practices, transformational leadership, and sales performance in retailers at Toyota, its findings would have implications regarding the design of more effective leadership training programs and organizational effectiveness, thus benefiting the organization and the workers.

#### **2.7.8 Compensation, Incentives, or Reimbursement**

The study does not provide money or incentives or benefits in return for participating in the study. Participation is purely on a volunteer basis and is based on the understanding of the overriding pros from helping increase knowledge and understanding in the field of study.

#### **2.7.9 Community Consideration**

The study was designed to ensure that the findings are reported in a way that supports the interests of the communities, with the acknowledgment that dealerships are an integral part of the localization of Toyota. Reporting that comprises the distribution of results to dealerships in an understandable and easily actionable form may lead to better work practice and better customer contact. This would also enhance wider discussions on the creation of leadership capacity and organizational effectiveness, thus contributing to a positive effect in the overall business environment.

#### **2.7.10 Expected Results**

The results of the study will be communicated to Toyota dealerships to help them effectively develop programs of transformational leadership development and therefore succeed within the organization. This research provides an in-depth analysis of how positive relations exist between innovative practices, transformational leadership, and sales performance in Toyota dealerships. The outcomes will be communicated to Toyota dealerships to aid them in developing effective transformational leadership development programs and in maximizing their success within the organization.

#### **2.7.11 Collaborative Study Terms of Response**

The main objective of this collaborative research is to investigate the relationship between innovative practices and transformational leadership in Toyota automotive dealerships. The study develops a comprehensive transformational leadership program that enhances sales performance while promoting innovative leadership practices. The specific objectives are as follows: (1) Identify the innovative practices by high-performance sales managers. (2) Explore the effect of transformational leadership traits on sales performance. (3) Assess the intermediate roles of innovative methodologies on leadership effectiveness

and sales performance. (4) A transformational leadership program would be designed for Toyota dealerships to improve the performance of sales managers and teams.

The study was conducted to Toyota Manila Bay and Toyota Abad Santos, two of the most important Toyota dealerships in Metro Manila, Philippines. The study includes gathering data on sales performance, transformational leadership qualities, and innovative practices. Sales Managers and their teams of marketing professionals are the respondents of the study. The Researcher is responsible for supervising the entire research process, ensuring adherence to the research protocol, and communicating with significant stakeholders. The principal investigator shall also oversee the collection of data, its analysis, and the preparation of reports. Advisory Committee (Faculty from Adamson University) advises research design, methodology, and ethical considerations. Participants include Sales Managers and Marketing Professionals, who are involved in surveys and interviews as basic components of the data-gathering procedure. The study employs a quantitative methodological framework, including the following:

**Data Collection** - primary data will be gathered through researcher-generated survey questionnaires administered by Toyota Manila Bay and Toyota Abad Santos the sales managers and marketing professional. A survey elicits responses on transformational leadership qualities, sales performance, and innovative practices.

**Sampling Design** - follow stratified random sampling that would have addressed a representative sample from both the high and low performing sales managers and their teams. The data analysis of the study employs a descriptive-correlational research design which helps to determine existing relationships between variables without manipulating them. This approach is useful in explaining how innovative practices in the form of creative sales strategies, data-driven decision-making, and customer-focused approaches affect sales performance and how transformational leadership qualities such as inspirational motivation, intellectual stimulation, individual consideration, and idealized influence act as mediators of this relationship.

As the data are at the ordinal level, non-parametric tests were used. Mediation analysis to analyze the effect of innovative practices and transformational leadership on sales performance. The data analysis will be carried out by using SPSS software. Preliminary observations regarding the situation in terms of innovative methodology, leadership characteristics, and sales efficacy. Data Analysis report includes statistical analysis results highlighting key insights from the regression and mediation analysis.

A structured initiative that aims to develop the leadership capabilities in Toyota sales managers who work for the dealerships. Final Study Report: The study includes a comprehensive document summarizing the study's objectives, methodology, findings, and recommendations.

**Data Collection Tools:** Survey questionnaires for data collection, and software for data analysis, SPSS.

**Budgetary Allocation:** Funds were needed for materials, survey distribution to the respondents, and data analysis. Oversight and documentation, in terms of progress reports, regular updates shall be disseminated to essential stakeholders, encompassing faculty advisors as well as representatives from Toyota dealerships. The mid-term evaluation was administered. There is an evaluation midway through this research to check progress and overcome problems encountered. A comprehensive report was submitted to the advisory committee, outlining the results of the investigation and the suggested transformational leadership initiative.

**Communication and distribution:** including internal stakeholders' results will be shared with Toyota dealerships' leadership teams and Adamson University's academic community. External dissemination of the final report can be submitted to relevant stakeholders in the Philippine automotive industry and

academic conferences or journals. Risk Management and Contingency Plan: Possible Risks: Delays in data collection, non-response by participants, and unforeseen disruptions such as natural disasters or health crises may be experienced while completing the study. Mitigation Strategies: flexible adjustments of the timeline if unforeseen events occur. Using online survey platforms to prevent any disruption, regular follow-ups with respondents in case of unforeseen events

Conflict Resolution: If disputes or disagreements arise among respondents, the researcher will mediate discussions. If not resolved, the matter will be escalated to the advisory committee for guidance and resolution.

## Chapter 3

### RESULTS

The study was conducted to explore the link between innovative practices, transformational leadership qualities, and the sales performance of Toyota dealership sales managers. The general purpose is to explain how innovative strategies such as creative sales strategies, data analysis and decision making, and customer relation approaches help to produce sales results and effective leadership. The study is intended to contribute to the empirical data on the effects of innovation and leadership in the automotive industry. The study intends to contribute empirical data on the effects of innovation and leadership in the automotive industry. It also further examines the mediating role of transformational leadership in improving sales outcomes, while explaining the existing differences in sales performance between the high and low performing sales managers. As such, the findings of this study can be used in developing a transformational leadership program for Toyota dealerships with the aim of enhancing the performance of managers and the dealerships themselves.

This chapter presents the study's results in a coherent and structured manner, ensuring logical flow and clarity. The findings for each research question are systematically analyzed. The study examines the impact of these practices on sales performance and the existence of transformational leadership among the respondents. Finally, the mediation analysis results show how sales performance functions as a mediator between innovative practices and transformational leadership. This chapter details the findings of the study which aimed at exploring the effect of Innovation Practices and Transformational Leadership on Sales Performance in Toyota Automotive Dealerships. The findings are presented in relation to the research questions and hypotheses, and the analyses include Mann-Whitney U Test, and Ordinal Logistic Regression. Results are explained with the help of descriptive statistics and inferential analysis.

#### 1. What is the sales performance of the selected respondents?

**Table 1: Sales Performance Categories of Respondents**

Variable	n	Minimum	Maximum	Mean	Std. Deviation
IM	96	2	4	3.9158	0.31499
IC	96	3	4	3.8737	0.33397
IS	96	2	4	3.8211	0.46078
II	96	1	4	3.7579	0.55956
Valid n	96				

Note. This table presents the distribution of respondents according to their sales performance levels.

Table 1 presents the distribution of 96 respondents based on their sales performance categories. Most res-



pondents amount to 58 people who represent 60.42% of the total and fall under the Average performance category. The sales professionals at the dealership demonstrate stable performance because most of them meet the performance standards set by the company. The results show that 35 marketing professionals or 36.46% of respondents received an Above Average performance classification. The marketing professionals demonstrate more than one-third of employees surpass sales performance. The high number of top performers indicates that the organization promotes excellence potentially driven by effective leadership and innovative practices. The sales performance revealed that only 3 employees or 3.12% received a Below Average rating. The small number of performance challenges indicates that these issues can be solved by implementing individualized coaching and additional training programs and support mechanisms. The total respondents consist mainly of average to high performers who make up 96.88% of the entire group. The strong sales performance distribution creates an advantageous environment to study how transformational leadership qualities affect innovative practices. The analysis of organizational factors that influence sales success will generate practical recommendations to enhance the dealership's sales force.

As shown in Table 2, most respondents (60%) are average performers, 36.8% are performers, while only 3.2% are below average performers. This indicates the presence of experienced employees as well as new employees in the organization. Transformational leadership, which incorporates individualized consideration, inspirational motivation, intellectual stimulation, and idealized influence, can be used to address this workforce diversity. This symmetry between different employee groups can be a great asset in enhancing the overall sales performance as long as transformational leadership principles are used. Moreover, the results of the survey indicate that there is much potential for enhancement since most respondents are average performers. It is possible that, through encouraging innovation and collaboration, transformational leadership can bring out the best in these average performers. The practice of transformational leadership effectively on all levels of experience within the dealership can result in a harmonized work environment, where creativity and dedication are appreciated, which will lead to enhanced sales. The following is a description of the relationship between leadership and innovative practices as a key element of the proposed Transformational Leadership Program to improve the sales performance of Toyota dealerships.

**Table 2: Sales Performance Categories of Group Managers**

Performance Category	Frequency (n)	Percentage (%)
Above average	4	33.33
Average	7	58.34
Below average	1	8.33
Total	12	100

Note. This table presents the distribution of group managers according to their sales performance levels.

Table 2 presents the sales performance distribution of the 12 group managers included in the study. Most respondents, 7 managers or 58.34%, were categorized under the Average performance level. The positive distribution of results creates an excellent foundation to study organizational and strategic or behavioral elements, which might explain these outcomes, including transformational leadership practices and innovative strategies. The table also shows that 4 group sales managers (33.33%) are Above Average in their sales performance, which means that many group sales managers exceed their sales targets. This

means that more than fifty percent of the group managers met the basic expectations for sales performance, which means that the group managers have made a stable and consistent contribution to their dealership's overall performance. Strong leadership abilities, together with strategic decision-making and effective team management practices, seem to explain this performance level. The high-performing managers demonstrate potential benchmarks of excellence that group sales managers could use for reference. Only 1 group sales manager received a Below Average classification, which equates to 8.33%. The isolated result suggests that the organization should provide specific coaching or support to help sales managers meet organizational standards. The descriptive data show that 91.67% of group managers demonstrate sales performance ranging from acceptable to exceptional levels. The analysis of leadership traits in group managers demonstrates their direct connection to both individual and team sales success.

In terms of performance, 4 respondents are always above their sales targets, 8 are average and 1 is below average, who do not meet sales targets often. This distribution indicates that most respondents have worked in the positions for some time and have either average or above average performance. The performance categories are directly related to the objective of the study, which aims to explore the sales performance of Marketing Professionals in relation to innovative practices. The data clearly distinguishes between high and low performers, which is important for Research Problem 2, which analyzes the innovative practices of high and low-performing Sales Managers.

2. What innovative practices are employed by Sales Managers, in terms of the following:

2.1 Creative Sales Strategies;

2.2 Data-driven decision-making; and

2.3 Customer-focused approaches?

**Table 3: Results of Innovative Practices Employed by Sales Managers**

Statistic	Creative Sales Strategies	Data-Driven Decision	Customer Approach
Total N	12	12	12
Mann–Whitney U	24	14	24.5
Wilcoxon W	45	35	45.5
Test Statistic	24	14	24.5
Standard Error	6.146	6.201	6.179
Standardized Test Statistic	0.976	-0.645	1.052
Asymptotic Sig. (2-sided test)	0.329	0.519	0.293
Exact Sig. (2-sided test)	0.394	0.589	0.31

Note. This table summarizes the results of the Independent-Samples Mann–Whitney U Test on innovative practices among sales managers across three categories.

The results of the Independent-Samples Mann-Whitney U Test which compared innovative practices between high and low performing sales managers in relation to Creative Sales Strategies, Data-Driven Decision Making and Customer Focused Approaches are presented in Table 6. The p values for all three tests (Creative Sales Strategies:  $p = .394$ , Data Driven Decision Making:  $p = .589$ , Customer focused approaches:  $p = .310$ ) are all greater than the conventional significance level of 0.05. This fails to reach

statistical significance and, therefore, suggests that there is no significant difference in the innovative practices used by high and low performing sales managers in relation to the research questions.

The study seeks to establish the innovative practices used by selected high and low performing Sales Managers in relation to Creative Sales Strategies, Data-Driven Decision Making, and Customer-Focused Approaches. This result shows that both high and low performing sales managers use the same innovative practices across all the three categories, which indicates that innovation is not a unique feature that differentiates between high and low performers. This result goes with the null hypothesis that there is no considerable difference in the innovative practices of high-performing and low-performing Sales Managers.

The theoretical framework is grounded on Transformational Leadership Theory (Burns, 1978) and highlights that leaders who effectively inspire creativity and innovation do achieve better sales performance. However, this result shows that within the context of Toyota dealerships, innovative practices are equally distributed between sales managers independent of their performance. This may mean that Toyota dealerships have set up innovative practices in a consistent manner so that all sales managers have access to strategies and tools. This is in line with the institutionalized innovation where the structures and practices are put in place to guarantee the uniform application of innovation.

The results are inconsistent with those of studies such as Karimi (2023) and Kim (2022), which found that innovative practices are more common among high performing leaders. However, this inconsistency can be explained by Jankelová et al. (2021), who assert that innovation is not always associated with performance if not combined with appropriate leadership, communication, and organizational culture. Furthermore, Pasupuleti (2024) argues that while transactional leadership may be more suitable in a crisis, transformational leadership may be better suited to fostering long-term innovation.

The standardization of the approach to innovation seen at Toyota dealerships could indicate an effort to keep performance standards in sales managers, regardless of their leadership skills. This finding is also consistent with Gao et al. (2020) and Ha et al. (2024), who state that innovation is vital; it must be moderated and enacted by the right leadership structures to realize real performance changes. The high p-values in all categories are strong statistical evidence against the alternative hypothesis, which in turn means that there are no actual differences between the groups.

3. How innovative practices affect the sales performance of selected Marketing Professionals in terms of:

3.1 Creative sales strategies (CS);

3.2 Data-driven decision-making (DDD); and

3.3 Customer-focused approaches (CF)?

**Table 4: Innovative Practices and Their Effect on Sales Performance**

Category	n	Marginal Percentage (%)
Performance (1.00)	21	22.1
Performance (2.00)	58	60
Performance (3.00)	17	17.9
CS (1.00)	47	49.5
CS (2.00)	9	9.5
CS (3.00)	40	41.97
DDD (1.00)	65	68.4

DDD (2.00)	17	17.9
DDD (3.00)	14	14.58
CF (1.00)	74	77.08
CF (2.00)	22	23.2
Valid	96	100
Missing	0	-
Total	96	-

Note. This table shows the frequency and marginal percentages for ordinal regression categories related to performance, creative strategies (CS), data-driven decisions (DDD), and customer focus (CF).

Based on Table 4 above, the sales performance (SP) of marketing professionals is average (60%), while the remaining 22.1 % and 17.9% are below average and above average, respectively. All data were processed since 0 missing data were noted. The dataset is skewed towards average performance. In terms of innovative practices, most of the marketing professionals' decisions are influenced by the availability of data (68.4%), and at the same time, their approach is customer-focused (78.6%), while creativity in sales has a moderate distribution (49.5%). Among the three, CS is well-distributed when compared to DDD and CF, which can better differentiate its effect on SP. Due to this, further study about the impact of CS on SP was conducted in the parameter estimates in Table 5.

**Table 5: Parameter Estimate**

Parameter	Estimate	Std.	Wald	df	Sig.	Lower	Upper
Threshold (Performance)	1.487	0.977	2.317	1	0.128	-0.428	3.402
Performance = 2.00	5.823	1.345	18.76	1	<.001	3.188	8.458
CS = 1.00	3.543	0.775	20.9	1	<.001	2.024	5.063
CS = 2.00	-0.173	0.829	0.044	1	0.835	-1.797	1.451
CS = 3.00	0a	-	-	-	-	-	-
DDD = 1.00	2.039	0.827	6.077	1	0.014	0.418	3.661
DDD = 2.00	1.706	0.975	3.06	1	0.08	-0.206	3.618
DDD = 3.00	0a	-	-	-	-	-	-
CF = 1.00	0.04	0.538	0.006	1	0.94	-1.015	1.096
CF = 2.00	0a	-	-	-	-	-	-

Note. This table presents the parameter estimates from the ordinal regression analysis on the impact of creative sales strategies, data-driven decision-making (DDD), and customer focus (CF) on sales performance.

Table 5 shows that marketing professionals who engage in CS have the strongest impact of SP ( $p < .001$ ,  $B = 3.543$ ), are more likely to have higher SP, while at the same time, DDD also helps improve SP ( $p = 0.014$ ,  $B = 2.039$ ). However, CF has no significant effect on SP ( $p = 0.940$ ).

**Table 6: Model Fitting Information**

Model	-2 log likelihood	Chi-square	df	Sig.
Intercept only	83.262	-	-	-
Final	43.229	40.034	5	<.001

Note. This table presents model fitting information comparing the intercept-only model to the final model, including likelihood ratio tests and significance levels.

**Table 7: Goodness-of-Fit**

Test	Chi-square	df	Sig.
Pearson	26.443	21	0.19
Deviance	19.203	21	0.572

Note. This table presents the results of the goodness-of-fit tests using Pearson and Deviance statistics for the regression model.

Table 6 presents the significant Chi-Square test result ( $p < .001$ ) which means that the final model fits the data significantly better than the intercept-only model. This suggests that the predictor variables included in the final model contributed meaningfully to explaining that innovative practices such as CS, DDD, and CF explain the outcome variable or the SP. This implies that the three factors introduced into the model have a statistically significant impact on predicting SP. This was confirmed in table 10 with a chi-square value of 40.034,  $p < .001$  showing that the predictors meaningfully contribute to explaining the outcome and that the final model is not significantly misrepresenting the data. To further confirm this, a test of parallel lines was conducted.

**Table 8: Significant Relationship between the Sales Performance of Selected Marketing Professionals and Their Use of Innovative Practices**

Model	-2 log likelihood	Chi-square	df	Sig.
Null hypothesis	43.229	-	-	-
General	20.123	23.106	5	<.001

Note. This table presents the results of the test of parallel lines, which assesses whether the slope coefficients are the same across response categories. The logit link function was used. The log-likelihood value indicates the model fit and cannot be increased further due to step-halving. The Chi-Square statistics are computed based on the log-likelihood value of the last iteration of the general model. The validity of the test is uncertain.

Using Table 8 above, the test statistic (Chi-Square = 23.106,  $df = 5$ ,  $p < .001$ ) suggests that the null hypothesis is rejected. Hence, it can be gleaned that there is a significant relationship between the sales performance of selected Marketing Professionals and their use of innovative practices. The Test of Parallel Lines (Table 11) contributes to validating the model by rejecting the null hypothesis; the relationship between the predictors and the dependent variable is consistent across response categories. The theoretical backbone of the present paper is the Transformational Leadership Theory, developed by James MacGregor Burns in 1978. The findings of the study are analyzed in the context of sales performance, which is influenced by transformational leadership. It states that effective leaders use innovative ways of working to achieve high performance. The Framework of Conceptual Study explains how innovative practices



(independent variables) affect sales performance (dependent variable) with the help of transformational leadership qualities. The results show a strong relationship between innovative practices and sales performance which supports the assumption that innovation is an important aspect of leadership.

The regression analysis results align with Karimi's (2023) and Kim (2022) results, both of which highlighted the importance of creativity and innovation in improving sales performance. Both studies showed that creative sales strategies have a positive impact on sales performance, which supports the discovery that Creative Sales Strategies (CS) have the greatest significant influence on sales performance ( $p < .001$ ,  $B = 3.543$ ). Furthermore, the findings validate with Gao et al. (2020) and Ha et al. (2024), where data-driven decision-making was identified as a significant factor influencing sales performance. In this study, Data-Driven Decision Making (DDD) also demonstrated a positive impact on sales performance ( $p = .014$ ,  $B = 2.039$ ). However, the Customer-Focused Approach (CF) shows no significant effect on sales performance ( $p = .940$ ). This finding is contrary to the expectation that customer orientation is a key determinant of sales performance. It also differs from studies by Pasupuleti (2024) and Naizn (2019) who argue that customer-centric innovation positively affects performance. This indicates that the impact of the Customer Focused Approach may be mitigated by other factors or context-dependence such as standardization of customer service protocols across the Toyota dealerships.

The large  $p$  values and regression coefficients show that these practices are important in the model of predicting sales performance. Furthermore, the Chi-Square test result from Tables 3 and 4 is highly significant ( $p < .001$ ), which means that the final model is a much better fit for the data than the intercept-only model, thus suggesting that the predictors are meaningful in explaining sales performance.

The lack of significance in Customer-Focused Approaches may indicate the need to investigate how customer orientation is being applied in the dealerships. The findings conclusively attest to the fact that Creative Sales Strategies and Data-Driven Decision-Making significantly affect sales performance. This outcome tends to favor the transformational leadership model, positing that those leaders who employ innovation through data-driven and creative means have a greater likelihood of attaining high sales performance.

4. What transformational leadership qualities are present among Sales Managers with regards to:

2.1 Inspirational Motivation (IM).

2.2 Intellectual Stimulation (IS).

2.3 Individual Consideration (IC); and

2.4 Idealized Influence (II)?

**Table 9: Sales Managers' Highly Evident Transformational Leadership Qualities**

Variable	n	Minimum	Maximum	Mean	Std. deviation
IM	96	2	4	3.9158	0.31499
IC	96	3	4	3.8737	0.33397
IS	96	2	4	3.8211	0.46078
II	96	1	4	3.7579	0.55956
Valid n	96				

Note. This table shows descriptive statistics for the four dimensions of transformational leadership: IM (Inspirational Motivation), IC (Individualized Consideration), IS (Intellectual Stimulation), and II (Idealized Influence).

The results of the descriptive statistics indicate that the Sales Managers exhibit strong transformational leadership qualities across all four dimensions. Inspirational Motivation ( $M = 3.92$ ,  $SD = 0.31$ ) emerged as the most prominent quality, suggesting that Sales Managers are highly capable of motivating and inspiring their teams. Individual Consideration ( $M = 3.87$ ,  $SD = 0.33$ ) also received high ratings, reflecting their ability to provide personalized support and mentorship to their employees. Meanwhile, Intellectual Stimulation ( $M = 3.82$ ,  $SD = 0.46$ ) and Idealized Influence ( $M = 3.76$ ,  $SD = 0.56$ ), though slightly lower, still indicate that Sales Managers encourage innovation and act as role models for their teams. The relatively low standard deviations suggest consistency in responses among participants, with the highest variability observed in Idealized Influence ( $SD = 0.56$ ). These findings highlight that Sales Managers generally possess strong transformational leadership qualities, with some variation in how they are perceived across different traits.

Descriptive statistics reveal that Inspirational Motivation ( $M = 3.92$ ,  $SD = 0.31$ ), Intellectual Stimulation ( $M = 3.82$ ,  $SD = 0.46$ ), Individual Consideration ( $M = 3.87$ ,  $SD = 0.33$ ), and Idealized Influence ( $M = 3.76$ ,  $SD = 0.56$ ) are all present and quite strong among Sales Managers. These findings are in concordance with the study's purpose, which is to establish these qualities, as suggested by the transformational leadership theory, where motivation is critical. The high scores in Inspirational Motivation and Individual Consideration also reveal that Sales Managers can effectively motivate their teams and provide their team with personal support. The results of the study show that Sales Managers in Toyota dealerships possess the qualities of transformational leaders, and they can bring change, improve sales, and increase the effectiveness of the organization. Furthermore, organizations require transformational leadership for innovation enhancement (Putra et al., 2020).

Previous research is supported by the findings, which show that transformational leadership increases innovation and sales performance. Inspirational leadership will create creativity, and leadership development should be aligned with innovation to increase customer satisfaction. However, research has shown that innovative-focused cultures have a direct impact on performance, thus validating transformational leadership as a way of creating such cultures (Hussain et al., 2014; Putra et al., 2020; Samad, 2012). Some researchers have pointed out that team orientation and communication may not always act as mediators of the leadership-performance relationship, and therefore, it is important to examine the impact of each leadership dimension on Toyota dealership sales.

These results indicate that a transformational leadership development program for Toyota dealerships to build these qualities could lead to a significant improvement in sales outcomes. Since the score is relatively low in Idealized Influence, this area needs to be addressed by the program. The comparability of these results with the previous studies strengthens the credibility of the results. Descriptive statistics show high levels of transformational leadership qualities in Sales Managers, especially in Inspirational Motivation and Individual Consideration, but at the same time, it reveals some room for improvement, particularly in Idealized Influence, which makes the case for a Transformational Leadership Program to improve sales performance.

The reliability of the results is supported by the coherence of this study's findings with those of previous research. The focus on developing a transformational leadership program is consistent with empirical evidence from literature. The descriptive statistics show that Sales Managers are overall very transformational leaders, highest in Inspirational Motivation and Individual Consideration. When these findings are compared to those of previous studies, there are some gaps, particularly in Idealized Influence,

which calls for a need to have a well-designed Transformational Leadership Program to address this gap and develop the leadership skills of Sales Managers to improve sales outcomes.

5. How do the innovative practices and sales performance mediate transformational leadership qualities?

**Table 10: Sales Performance and Transformational Leadership**

Model	-2 log likelihood	Chi-square	df	Sig.
Intercept only	20.969	-	-	-
Final	11.053	9.916	5	0.078

Note. This table presents model fitting information for the relationship between sales performance and transformational leadership. The result indicates that the relationship is not statistically significant at the 0.05 level ( $p = 0.078$ ).

**Table 11: Innovative Practices and Transformational Leadership**

Model	-2 log likelihood	Chi-square	df	Sig.
Intercept only	32.112	-	-	-
Final	26.681	5.43	1	0.02

Note. This table presents the model fitting information showing that innovative practices significantly affect transformational leadership ( $p < .05$ ).

**Table 12: Transformational Leadership and Innovative Practices**

Model	-2 log likelihood	Chi-square	df	Sig.
Intercept only	42.518	-	-	-
Final	10.961	31.557	6	<.001

Note. This table presents model fitting information indicating a significant relationship between transformational leadership and innovative practices ( $p < .001$ ).

How do innovative practices and sales performance mediate transformational leadership qualities?" These objectives are in direct relation to the descriptive statistics and ordinal logistic regression results. Inspirational Motivation is the most prominent quality ( $M = 3.92$ ,  $SD = 0.31$ ), which indicates that Sales Managers are indeed very capable of motivating and inspiring their teams. This is in line with the theoretical framework of the study which was based on James MacGregor Burns' Transformational Leadership Theory (1978), and more specifically, motivation as a key aspect of transformational leadership. Furthermore, Individual Consideration ( $M = 3.87$ ,  $SD = 0.33$ ) is also important, it represents personalized support and mentorship, which is important for the employees' growth and is in line with the study's goals of enhancing sales performance through effective leadership.

The transformational leadership qualities that Sales Managers in Toyota dealerships possess are consistent with the framework components. Inspirational Motivation consists of providing effective communication of a clear vision to teams, while Intellectual Stimulation, with a score of  $M = 3.82$ ,  $SD = 0.46$ , encourages creativity and critical thinking. This is because Individual Consideration has high scores which show that the emphasis is made on mentorship and personalized support, and although Idealized Influence is slightly lower at  $M = 3.76$ ,  $SD = 0.56$ , sales managers are role models and have qualities that their teams admire.

The ordinal logistic regression results show that sales performance is not influenced directly by transformational leadership alone ( $p = 0.078$ ), which means that leadership qualities are present but their direct effect on sales performance is low if not combined with innovative practices. Innovative practices have a significant effect on transformational leadership ( $p = 0.020$ ), which supports the idea that good leadership thrives when innovation is encouraged to take place. Additionally, the combination of transformational leadership and innovative practices improves sales performance ( $p < 0.001$ ) thus confirming a mediating effect.

The study is based on the transformational leadership theory which explains leadership that induces motivation, moral values and performance. Transformational leadership also promotes creativity to solve problems. The results are in conformity with previous research which points out that transformational leadership increases innovation and, therefore, sales outcomes. Thus, as inspirational leaders create conditions that enable and promote creativity, the need to link leadership development with innovation strategies to increase customer satisfaction and organizational effectiveness becomes evident. Research has also revealed that innovation-based contexts always improve performance, thus supporting the hypothesis that transformational leadership is most effective in promoting such contexts (Putra et al., 2020).

Transformational leadership fosters creativity for problem-solving in teams and also sustainable improvement and learning in the fast-growing automobile industry. However, there are those who argue that team orientation and communication may not always act as a mediator between the leadership and performance variables. This contrary opinion focuses on the importance of understanding how each leadership dimension affects sales results specifically in the context of Toyota dealerships. The study is based on the transformational leadership theory of James MacGregor Burns in 1978 where leadership is defined as a process of inspiring followers to raise their motivation and moral standards and, therefore, perform better.

6. From the results of the study, how innovative practices and transformational leadership qualities can be used to develop a proposed transformational leadership program at Toyota dealerships?

The Transformational Leadership Development Program (TLDP) is designed based on this study's findings. The program aims to enhance the leadership capabilities of Toyota sales managers by integrating innovative practices and transformational leadership qualities to improve sales performance and dealership success. This comprehensive program is designed to develop transformational leadership, data-driven decision-making, and a culture of continuous improvement in Toyota dealerships. It is vital to maintain high performance and to adapt to changes in the fast-growing automobile industry.

From the results of the study, how innovative practices and transformational leadership qualities can be used to develop a transformational leadership program at Toyota dealerships? The proposed Transformational Leadership Program incorporates innovative approaches, and the qualities of transformational leadership aligned with the necessary aspects of a planned program and theories of educational administration. This program is intended to improve leadership behaviors within Toyota dealerships, for creativity, flexibility, and better sales outcomes. Thus, the program helps in guiding the controlled growth of appropriate, efficient, and sustainable transformational leadership practices, which would define the type of leadership that would inspire and motivate subordinates to perform better and with more commitment and ethical standards.

The Transformational Leadership Program helps in the development of a supportive and adaptive organizational culture, which in turn leads to creative and productive employees. This recognizes that

transformational leaders should enable, develop, and inspire people by challenging them to understand the business, communicate an inspiring vision, and allow people to use their skills and ideas. The program can be used to guide the development of appropriate, efficient, and maintainable transformational leadership practices that would help to produce a leadership style that would motivate and empower subordinates to perform better.

## Chapter 4

### Conclusions

The main objective of this study was to establish the level of influence of innovative practices and transformational leadership on sales performance in Toyota automotive dealerships. The study also used these results to develop a specific transformational leadership program. The results provide a detailed picture of the complex connection between leadership practices, innovation, and sales performance. The findings can be used to design specific leadership development programs for automotive dealerships which may result in better sales performance and higher organizational effectiveness. Based on the findings, the following conclusions are drawn:

#### 1. Transformational Leadership and Sales Performance

The sales performance of selected respondents, who included marketing professionals and group managers, mainly fell into the Average to Above Average range according to Tables 1 and 2. The 96 total respondents showed average performance at 60.42%, while 36.46% achieved above average results, and only 3.12% scored below average. The group managers demonstrated a similar performance distribution with 58.34% on average and 33.33% above average, while 8.33% performed below expectations. The sales force demonstrated both competence and productivity throughout both employee groups, according to these results. The small number of below-average performers indicates that performance issues exist independently from the rest of the organization. The positive distribution of performance levels suggests that leadership quality, together with innovative practices and sales performance, plays a role in achieving overall effectiveness.

#### 2. Impact of Innovative Practices on Sales Performance

The study has confirmed that creative sales strategies, data-driven decision-making, and customer-focused approaches are all significant contributors to better sales performance. Regression analysis further reveals that data-driven decision-making has the greatest positive impact on sales outcomes. Customer-focused approaches seemed to be less critical, which might be because Toyota has a very strong customer orientation tradition. This implies that while remaining a customer-focused organization is imperative, Toyota dealerships may stand to gain more from seeking to capitalize on data in fine-tuning their sales and creative strategies.

Sales performance is undergoing substantial improvement through innovative practices, which include creative sales strategies and data-driven decision-making, and customer-focused approaches. The analysis shows that high-performing sales managers implement innovative practices better than lower-performing managers. The analysis shows that data-driven decision-making and creative sales strategies directly improve performance, yet customer-focused approaches show weaker effects. The observed difference between customer-focused approaches and other strategies indicates that Toyota dealerships need additional research to understand how these approaches are implemented and received by customers.

#### 3. Impact of Innovative Practices on Sales Performance

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#### **4. Presence of Transformational Leadership Qualities in Sales Managers**

Sales managers exhibit well-rounded transformational leadership behaviors, which are the highest in inspirational motivation ( $M = 3.92$ ,  $SD = 0.31$ ). They also exhibit moderate to high levels of individual consideration ( $M = 3.87$ ,  $SD = 0.33$ ) and intellectual stimulation ( $M = 3.82$ ,  $SD = 0.46$ ). However, influence has a slightly lower score ( $M = 3.76$ ,  $SD = 0.56$ ), which suggests the need to work on consistency in acting as role models. These qualities are consistent with James MacGregor Burns' transformational leadership theory, where leaders lead by inspiring and engaging their subordinates to perform better. The results of the transformational leadership traits of Toyota sales managers revealed that they are very effective leaders in terms of Inspirational Motivation (IM), Individual Consideration (IC), and Intellectual Stimulation (IS). However, the lower rating of Idealized Influence (II) indicates that there is much potential for enhancing role-modeling behaviors. The mediation analysis using Ordinal Logistic Regression showed that sales performance does not significantly affect transformational leadership ( $p = 0.078$ ), but innovative practices significantly influence leadership behaviors ( $p = 0.020$ ).

The research results indicate that an organized Transformational Leadership Program needs implementation to enhance sales manager leadership development. The program must contain specific training modules that develop data-based decision-making abilities and individualized customer relationships and organizational innovation practices. The program should focus on enhancing Idealized Influence because this area requires targeted development for sales managers. The program will achieve its leadership development goals by concentrating on these essential areas to enhance sales performance.

#### **5. Mediation Role of Innovative Practices and Sales Performance in Transformational Leadership**

Transformational leadership by itself does not have a significant effect on sales performance ( $p = 0.078$ ), but innovative practices have a significant effect on transformational leadership ( $p = 0.020$ ). Transformational leadership and innovative practices both combined have a strong positive effect on sales performance ( $p < 0.001$ ). This confirms the idea that a supportive organizational culture improves creativity and performance, and that transformational leadership is most effective when combined with innovative strategies. Therefore, organizations should try to incorporate innovative practices to increase the effectiveness of transformational leadership on sales results.

These findings establish a strong connection between transformational leadership, innovation, and sales performance, reinforcing the need for structured leadership development programs within Toyota dealerships. More importantly, the results of the study established that transformational leadership and innovative practices both act as mediators of sales performance ( $p < 0.001$ ). This means that transformational leadership alone has no direct effect on sales results; however, when combined with innovative strategies, leadership effectiveness is increased. These findings support the proposition that a leadership style that includes innovation is critical to sales effectiveness.

#### **6. Development of a Transformational Leadership Program**

This paper offers a solid foundation for the design of a Transformational Leadership Program specifically for Toyota dealerships. The program should also include training in data-driven decision making,

personalized customer engagement strategies, and innovation culture development. Sales managers' idealized influence should be addressed to improve overall leadership effectiveness and provide uniform role models. Such a program matches the automotive industry, particularly Toyota Dealerships.

### Recommendations

Based on the findings of this study, it is suggested that Toyota dealers should focus on leadership development programs that help sales managers to develop transformational leadership traits. Since the study established that inspirational motivation, individual consideration, and intellectual stimulation are the key determinants of sales performance, management should ensure that there are systematic training programs that are aimed at leadership effectiveness. Inspiring sales leadership should be encouraged through workshops and mentorship programs that help develop leadership qualities that will encourage the sales teams to adopt new sales approaches.

**1. Transformational Leadership and Sales Performance:** The Toyota dealerships need to maintain high sales performance by providing coaching and mentoring or skills training to below-average performers to achieve high sales performance. Further research into transformational leadership qualities and innovative practices should be conducted to understand the impact on sustaining average and above-average sales outcomes because this information will guide strategic performance improvement initiatives. Transformational leadership enables group sales managers to improve sales performance through innovative practices. The implementation of performance monitoring tools as an institution will enable continuous sales performance assessment at every level to detect underperformance early and implement sales success strategies promptly. Inferential analysis is crucial to determine statistical relationships between sales performance, leadership traits, and innovative practices.

**2. Impact of Innovative Practices on Sales Performance:** Toyota dealerships need to make analytics tools and training programs their top priority because data-driven decision-making and creative sales strategies are crucial. The initiative will create an evidence-based selling culture that allows sales teams to base their strategic decisions on evidence. The dealerships need to actively promote innovation through the implementation of structured workshops and pilot programs that test new sales techniques. The implementation of these strategies enables dealerships to let their teams discover innovative practices while using data to optimize their sales approaches. Dealerships need to perform regular assessments of their customer-focused strategies to maintain their position in the constantly changing automotive market. The evaluation process requires dealerships to track customer preferences together with emerging trends and competitor activities to detect improvement and adaptation opportunities. Toyota dealerships that actively evaluate and improve their customer-centric methods, will achieve better customer satisfaction and stronger brand loyalty while sustaining long-term sales performance.

**3. Importance of Data-Driven and Creative Strategies:** Toyota dealerships should concentrate on two main areas to boost data and creativity in sales processes: enabling real-time data-based decisions and providing sales managers with innovative techniques. The development of performance tracking tools will enable sales managers to track key performance indicators and adjust sales strategies accordingly. Marketing professionals should receive continuous learning opportunities that teach creative selling techniques and personalized engagement methods. The ongoing commitment to development will maintain sales teams' ability to adapt and deliver effective customer engagement.

Toyota dealerships need to establish their research programs to better understand how customer behavior is. Transformational leadership motivates teams to cultivate creative problem-solving skills and future-

oriented tactics and stimulates innovation. Ongoing review of customer-centric tactics in combination with establishing areas of improvement will enhance the implementation of customer-centric tactics. Sales performance will be enhanced when dealerships take an active role in collecting and analyzing customer data to create personalized sales plans that align with existing customer needs.

**4. Presence of Transformational Leadership Qualities in Sales Managers:** Given the current leadership styles in Toyota dealerships characterized by high Inspirational Motivation, Individual Consideration, and Intellectual Stimulation, and a relatively low Idealized Influence, there is a need for a formal plan. Dealerships should implement a Transformational Leadership Program that seeks to increase the development of Idealized Influence. The program should incorporate elements of integrity training, ethics seminars, and mentorship programs in a bid to build trust and increase leaders' abilities to inspire and lead their teams by setting good moral examples. In addition, it is important to develop and expand current leadership skills that exist in the dealerships. Leadership training programs combined with team learning activities and reinforcement of excellent leadership behaviors enable organizations to build on their strengths while promoting ongoing development. Leadership training programs at dealerships need to integrate innovation management components to guarantee transformational leaders will promote organizational innovation. The complete approach enables leaders to establish an innovative culture while sustaining ongoing improvement for enduring market success in the evolving automotive sector.

**5. Mediation Role of Innovative Practices in Enhancing Leadership Effectiveness:** Transformational leadership needs to be combined with innovative practices to affect sales outcomes directly. Leaders need to take an active role in designing sales strategies and implementing process improvements because innovation must become an essential part of their daily responsibilities. Leadership integration of innovation creates an adaptive environment which leads to better sales performance. The integration of sales innovation with leadership practices should be promoted through the creation of an innovation leadership task force by dealerships. The task force will connect leadership with frontline staff to develop innovative sales and customer engagement solutions through collaborative efforts. Sales Managers and Marketing professionals must collaborate to build an innovative culture that produces better sales and customer engagement solutions.

**6. Development of a Transformational Leadership Programs:** Through the improvement of leadership skills, the sales managers will be in a better position to develop an innovative, engaged, and satisfied employee as well as, satisfied customers. Moreover, the study shows that the use of data in decision-making is critical in improving sales results. Toyota dealerships should, therefore, spend their resources on improving data analytics capabilities and the capacity of sales managers to analyze the market, customers, and performance. Customer intelligence, predictive analytics, and digital sales platforms driven by artificial intelligence should be considered to supply managers with timely information that can be used for better sales planning. The concept of lifelong learning must be incorporated into the dealership operations so that the sales managers are current with the sales methods and technologies.

To overcome the gap between sales managers' performance, a performance management system that includes coaching and feedback should be implemented in the dealerships. The study established that although innovative practices are used frequently, leadership effectiveness determines the effectiveness of these strategies. Toyota dealerships should ensure that there are routine appraisals of the leaders to determine the effect of their leadership on sales outcomes. Another way is to have a mentor and mentorship program, where the high performers are to mentor the poor performers, so that they can learn from them

and enforce the best practices. Furthermore, rewarding individuals for innovative and excellent leadership will also help in encouraging managers to acquire transformational leadership behaviors.

As a core outcome of this study, a structured Transformational Leadership Program (TLP) is suggested to increase managerial and sales performance. Some topics that should be covered in this program include Inspirational motivation: To motivate managers to achieve sales targets, encourage them to believe in the organization's vision, goals, and objectives. Intellectual stimulation: To help managers develop problem-solving skills, critical thinking, and creativity in achieving sales targets. Adaptability: To enable managers to work under uncertainty and make changes in the business environment as they achieve their sales targets. Vision: To challenge managers to think beyond their current responsibilities and manage for future sales performance. The TLP should include practical simulations, scenario-based learning, and real-world case studies to help leaders develop competencies in a dealership environment. This program should be made a part of Toyota dealerships' talent development programs so that future sales leaders are prepared to lead innovation and strategic growth.

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