TRANSFORMATIONAL LEADERSHIP

Dr. Piku Chowdhury

Leadership is not just the province of people at the top. Leadership can occur at all levels and by any individual. In fact, we see that it is important for leaders to develop leadership in those below them. This notion is at the heart of the paradigm of transformational leadership. The principles derived from this theory are fundamental to effective leadership and are widely applicable to many segments of life, ranging from work to family to sport and classroom and, importantly, to issues of social change.

A new paradigm of leadership has captured widespread attention. James MacGregor Burns (1978) conceptualized leadership as either transactional or transformational. Transactional leaders are those who lead through social exchange. As Burns (1978) notes, politicians, for example, lead by "exchanging one thing for another: jobs for votes, or subsidies for campaign contributions" (p. 4). In the same way, transactional business leaders offer financial rewards for productivity or deny rewards for lack of productivity. Transformational leaders, on the other hand, are those who stimulate and inspire followers to both achieve extraordinary outcomes and, in the process, develop their own leadership capacity. Transformational leaders help followers grow and develop into leaders by responding to individual followers' needs by empowering them and by aligning the objectives and goals of the individual followers, the leader, the group, and the larger organization. More evidence has accumulated to demonstrate that transformational leadership can move followers to exceed expected performance, as well as lead to high levels of follower satisfaction and commitment to the group and organization (Bass, 1985, 1998a).

Although early research demonstrated that transformational leadership was a particularly powerful source in military settings (e.g., Bass, 1985; Boyd, 1988; Curphy, 1992; Longshore, 1988; O'Keefe, 1989; Yammarino & Bass, 1990a), more recent research has accumulated that demonstrates that transformational leadership is important in every sector and in every setting (Avolio & Yammarino, 2002). We soon review the components of transformational leadership, examine transactional leadership, and present the Full Range of Leadership model, which incorporates all of these aspects of leadership. But first, we provide a brief discussion of the roots of transformational leadership.

Historical Background of Transformational Leadership

Historians, political scientists, and sociologists have long recognized leadership that went beyond the notion of a social exchange between leader and followers. Weber's (1924/1947) examination of charisma epitomized such study. However, both psychology and economics supported contingent reinforcement—offering a reward or compensation for a desired behaviour—as the underlying concept for the study of leadership. Leadership was seen primarily as an exchange relationship (e.g., Homans, 1950). Research exemplified by Podsakoff and Schriescheim (1985), as well as much of the research with the Full Range of Leadership (FRL) model (Avolio & Bass, 1991) to be described subsequently, indicated that contingent reward is reasonably effective under most circumstances. In addition, active

management-by exception (corrective leadership for failure of a follower to comply) is more varied in effects, and passive management-by-exception ("if it ain't broke, don't fix it") is contraindicated as an effective act of leadership, for, as Levinson (1980) suggested, if you limit leadership of a follower to rewards with carrots for compliance or punishment with a stick for failure to comply with agreed-on work to be done by the follower, the follower will continue to feel like a jackass. Leadership must also address the follower's sense of self-worth to engage the follower in true commitment and involvement in the effort at hand. This is what transformational leadership adds to the transactional exchange. can be either directive or participative and is not an either–or proposition.

Transformational leadership has much in common with charismatic leadership, but charisma is only part of transformational leadership. The Weberian notion of charismatic leadership was, in fact, fairly limited. More modern conceptions of charismatic leadership take a much broader perspective (e.g., Conger & Kanungo, 1998; House & Shamir, 1993), however, and have much in common with transformational leadership.

A critical concern for theories of both transformational and charismatic leadership involves what many refer to as the dark side of charisma—those charismatic leaders who use their abilities to inspire and lead followers to destructive, selfish, and even evil ends. Most often coming to mind are international leaders who wreaked havoc, death, and destruction on thousands and even millions—Adolf Hitler, Pol Pot, Josef Stalin, Osama Bin Laden. But these leaders are those who can be called pseudo-transformational. They exhibit many elements of transformational leadership (the charismatic elements particularly) but have personal, exploitative, and self-aggrandizing motives.

COMPONENTS OF TRANSFORMATIONAL LEADERSHIP

Transformational leaders do more with colleagues and followers than set up simple exchanges or agreements. They behave in ways to achieve superior results by employing one or more of the four core components of transformational leadership described below.

To some extent, the components of transformational leadership have evolved as refinements have been made in both the conceptualization and measurement of transformational leadership. Conceptually, leadership is charismatic, and followers seek to identify with the leader and emulate him or her. The leadership inspires followers with challenge and persuasion, providing both meaning and understanding. The leadership is intellectually stimulating, expanding the followers' use of their abilities. Finally, the leadership is individually considerate, providing the follower with **support, mentoring, and coaching.**

Factor analytic studies from Bass (1985) to Howell and Avolio (1993), and Bycio, Hackett, and Allen (1995) toAvolio, Bass, and Jung (1997) have identified the components of transformational leadership.

Descriptions of the components of transformational leadership are presented in the following sections.

Idealized Influence (II). Transformational leaders behave in ways that allow them to serve as role models for their followers. The leaders are admired, respected, and trusted. Followers identify with the leaders and want to emulate them; leaders are endowed by their followers as having extraordinary capabilities, persistence, and determination. Thus, there are two aspects to idealized influence: the leader's behaviors and the elements that are attributed to the leader by followers and other associates. These two aspects, measured by separate subfactors of the MLQ, represent the interactional nature of idealized influence—it is both embodied in the leader's behavior and in attributions that are made concerning the leader by followers. A sample item from the MLQ that represents idealized influence behavior is "The leader emphasizes the importance of having a collective sense of mission." A sample item from the idealized influence attributed factor is "The leader reassures others that obstacles will be overcome." In addition, leaders who have a great deal of idealized influence are willing to take risks and are consistent rather than arbitrary. They can be counted on to do the right thing, demonstrating high standards of ethical and moral conduct.

Inspirational Motivation (IM). Transformational leaders behave in ways that motivate and inspire those around them by providing meaning and challenge to their followers' work. Team spirit is aroused. Enthusiasm and optimism are displayed. Leaders get followers involved in envisioning attractive future states; they create clearly communicated expectations that followers want to meet and also demonstrate commitment to goals and the shared vision.

Idealized influence leadership and inspirational motivation usually form a combined single factor of charismatic-inspirational leadership. The charismatic-inspirational factor is similar to the behaviours described in charismatic leadership theory.

Transformational leaders motivate others to do more than they originally intended and often even more than they thought possible. They set more challenging expectations and typically achieve higher performances. Transformational leaders also tend to have more committed and satisfied followers. Moreover, transformational leaders empower followers and pay attention to their individual needs and personal development, helping followers to develop their own leadership potential.

Transformational leadership is in some ways an expansion of transactional leadership. Transactional leadership emphasizes the transaction or exchange that takes place among leaders, colleagues, and followers. This exchange is based on the leader discussing with others what is required and specifying the conditions and rewards these others will receive if they fulfill those requirements. Transformational leadership, however, raises leadership to the next level. Transformational leadership involves inspiring followers to commit to a shared vision and goals for an organization or unit, challenging them to be innovative problem solvers, and developing followers' leadership capacity via coaching, mentoring, and provision of both challenge and support.

Early social science perspectives on leadership focused on the dichotomy of directive (task-oriented) versus participative (people oriented) leadership.

Intellectual Stimulation (IS). Transformational leaders stimulate their followers' efforts to be innovative and creative by questioning assumptions, reframing problems, and approaching old situations in new ways. Creativity is encouraged. There is no public criticism of individual members' mistakes. New ideas and creative problem solutions are solicited from followers, who are included in the process of addressing problems and finding solutions. Followers are encouraged to try new approaches, and their ideas are not criticized because they differ from the leaders' ideas.

Individualized Consideration (IC). Transformational leaders pay special attention to each individual follower's needs for achievement and growth by acting as a coach or mentor. Followers and colleagues are developed to successively higher levels of potential. Individualized consideration is practiced when new learning opportunities are created along with a supportive climate. Individual differences in terms of needs and desires are recognized. The leader's behaviour demonstrates acceptance of individual differences (e.g., some employees receive more encouragement, some more autonomy, others firmer standards, and still others more task structure). A two-way exchange in communication is encouraged, and "management by walking around" workspace is practiced. Interactions with followers are personalized (e.g., the leader remembers previous conversations, is aware of individual concerns, and sees the individual as a whole person rather than as just an employee). The individually considerate leader listens effectively. The leader delegates tasks as a means of developing followers. Delegated tasks are monitored to see if the followers need additional direction or support and to assess progress; ideally, followers do not feel they are being checked on.

THE FULL RANGE OF LEADERSHIP MODEL[OTHER THAN TRANSFORMATIONAL STYE]

In addition to the four components of transformational leadership, the Full Range of Leadership model also includes several components of transactional leadership behaviour, along with laissez-faire (or non-leadership) behaviour. This occurs when the leader rewards or disciplines the follower, depending on the adequacy of the follower's performance. Transactional leadership depends on contingent reinforcement, either positive contingent reward (CR) or the more negative active or passive forms of management-by-exception (MBE-A or MBE-P).

Contingent Reward (CR). This constructive transaction has been found to be reasonably effective in motivating others to achieve higher levels of development and performance, although not as much as any of the transformational components. Contingent reward leadership involves the leader assigning or obtaining follower agreement on what needs to be done with promised or actual rewards offered in exchange for satisfactorily carrying out the assignment. A sample contingent reward item is "The leader makes clear what one can expect to receive when performance goals are achieved." Contingent reward is transactional when

the reward is a material one, such as a bonus. Contingent reward can be transformational, however, when the reward is psychological, such as praise (Antonakis, Avolio, & Sivasubramaniam, 2003).

Management-by-Exception (MBE). This corrective transaction tends to be more ineffective than contingent reward or the components of transformational leadership. The corrective transaction may be active (MBE-A) or passive (MBE-P). In active MBE, the leader arranges to actively monitor deviances from standards, mistakes, and errors in the follower's assignments and to take corrective action as necessary. MBE-P implies waiting passively for deviances, mistakes, and errors to occur and then taking corrective action. Active MBE may be required and effective in some situations, such as when safety is paramount in importance. Leaders sometimes must practice passive MBE when required to supervise a large number of subordinates who report directly to the leaders.

Laissez-Faire Leadership (LF). As mentioned, laissez-faire leadership is the avoidance or absence of leadership and is, by definition, most inactive, as well as most ineffective according to almost all research on the style. As opposed to transactional leadership, laissezfaire represents a nontransaction. Necessary decisions are not made. Actions are delayed. Responsibilities of leadership are ignored. Authority remains unused. A sample laissez-faire item is "The leader avoids getting involved when important issues arise."

THE EFFECTIVENESS OF TRANSFORMATIONAL LEADERSHIP

There is a large and growing body of evidence that supports the effectiveness of transformational leadership over transactional leadership and the other components in the Full Range of Leadership model. Clearly, there is nothing wrong with transactional leadership. It can, in most instances, be quite effective. Likewise, active, and even passive, management-by-exception can work depending on the circumstances. However, Bass (1985) proposed an augmentation relationship between transformational and transactional leadership. It was suggested that transformational leadership augments transactional in predicting effects on follower satisfaction and performance. Waldman, Bass, and Yammarino (1990) reported evidence for the augmentation effect among various samples of industrial managers and military officers, and Elenkov (2002) found it with Russian managers. The augmentation effect was also obtained by Seltzer and Bass (1990) for a sample of 300 part-time MBA students, each describing their superiors at their full-time working settings.

A fundamental point emphasized in the Bass (1985) theory of leadership: Transactional leadership, particularly contingent reward, provides a broad basis for effective leadership, but a greater amount of effort, effectiveness, and satisfaction is possible from transactional leadership **if augmented by transformational leadership**. Finally, as reported earlier by Avolio and Howell (1992), transformational leadership also augments transactional in predicting levels of **innovation, risk taking, and creativity**.

Transformational Leadership: Directive or Participative?

Critics perceive transformational leadership as elitist and antidemocratic. Indeed, particularly when dealing with charisma, Weber (1947) and his successors emphasized the extent that the charismatic leader directed dependent followers out of crises with radical solutions to deal with their problems; inspirational leaders were seen to be highly directive in their means and methods. The intellectually stimulating leader challenged his followers, and the individually considerate leader could rise above the demands for equality from his followers to treat them differently according to their different needs for growth. At the same time, however, such transformational leaders could share the building of visions and ideas that could be a democratic and collective enterprise. They could encourage follower participation in the change processes involved. In the same way, transactional leadership can be either directive or participative.

Authentic Versus Inauthentic (Pseudo-transformational) Transformational Leadership

A crucial element for James MacGregor Burns's conception of transformational leadership was his firm belief that to be transforming leaders had to be morally uplifting. Bass (1985) originally expected the dynamics of transformational leadership to be the same whether beneficial or harmful to others. As noted earlier, this notion of morally "good" and "evil" leaders has also been a dilemma for charismatic leadership theories.

Charismatic leadership has been differentiated as socialized or personalized. Socialized charismatic leadership is based on egalitarian behaviour, serves collective interests, and develops and empowers others. Socialized leaders tend to be altruistic and to use legitimate established channels of authority (House & Howell, 1992; McClelland, 1975). Personalized charismatic leadership is based on personal dominance and authoritarian behaviour, is self-aggrandizing, serves the self-interest, and is exploitative of others (McClelland, 1975). Personalized leaders rely heavily on manipulation, threat, and punishment and show disregard for the established institutional procedures and for the rights and feelings of others. They are impulsively aggressive, narcissistic, and impetuous (House & Howell, 1992; Popper, 2002). For Howell and Avolio (1993) authentic charismatic/transformational leaders must be socialized leaders.

This notion of personalized versus socialized leaders can apply to both charismatic and noncharismatic leaders. The defining issue is whether the leader works primarily toward personal gains as opposed to focusing also on the outcomes for followers (i.e., costs and benefits for self vs. costs and benefits for others; Bass & Steidlmeier, 1999). For example, Tyco's CEO, Dennis Kozlowski, who was prosecuted for raiding his company of $600 million to support his lavish lifestyle, represents the extreme of a personalized leader. However, a socialized leader can both achieve personal gains as well as enrich followers. An example is Bill Gates, whose Microsoft Corporation is regularly considered one of the best companies to work for and a company that made many of its employees into millionaires via generous stock options. It is important to note that for most leaders it is not clear-cut. Being personalized or socialized is usually a matter of degree, being more or less selfish or selfless

in one's actions (Bass, 1998). Originally, the dynamics of transformational leadership were expected to be the same, whether beneficial or harmful to followers, although Burns (1978) believed that to be transforming, leaders had to be morally uplifting. Personalized transformational leaders are pseudo-transformational, or inauthentic transformational leaders. They may exhibit many transforming displays but cater, in the long run, to their own self-interests. Self-concerned, self-aggrandizing, exploitative, and power oriented, pseudotransformational leaders believe in distorted utilitarian and warped moral principles. This is in contrast to the authentic transformational leaders, who transcend their own self-interests for one of two reasons: utilitarian or moral. If utilitarian, their objective is to benefit their group or its individual members, their organization, or society, as well as themselves, and to meet the challenges of the task or mission. If a matter of moral principles, the objective is to do the right thing, to do what fits principles of morality, responsibility, sense of discipline, and respect for authority, customs, rules, and traditions of a society. There is belief in the social responsibility of the leader and the organization. Thomas Paine's writings illustrated the authentic transforming leader in his appeals to reason in "Common Sense" and "Age of Reason," his appeals to principle in "Rights of Man," and his often quoted need for transcendence: "These are the times that try men's souls."

Each of the components of transformational leadership (as well as the elements of transactional leadership) can be scrutinized to determine whether they indicate authentic or inauthentic leadership. For example, the transformational components of idealized influence and inspirational motivation can be used authentically to create follower commitment and motivation to a noble cause that benefits all, or they can be used to manipulate followers and produce an unhealthy dependence on the leader. The element of transformational leadership that usually best distinguishes authentic from inauthentic leaders is individualized consideration. The authentic transformational leader is truly concerned with the desires and needs of followers and cares about their individual development. Followers are treated as ends not just means (Bass & Steidlmeier, 1999).