

TRANSFORMATIONAL LEADERSHIP: AN IMPETUS FOR ORGANIZATIONAL CULTURE AND CHANGE

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Abstract

This paper focuses on transformational leadership as the leadership influence that improves organizational culture and encourages change towards accomplishment of organizational goals. The paper reveals transformational leadership emphasis on changes and how it brings about innovations in the organizations. Also, that transformational leaders influence the internal mindset of the people in the organizations. Transformational leaders influence the culture among the people within and outside the organizations through teams, innovation, and productivity. They equally provide new direction, new inspiration, and new behaviors for their organizations. The paper finally concludes that transformational leadership is an essential ingredient in organizational development and societal progress.

Introduction

The idea of transformational leadership was first advanced by James McGregor Burns in 1978 and further developed by Bernard Bass. It is an appealing theory that yields insight into leadership differences and provides a model for leadership development. Transformational leadership has been described as behaviour that transcends the need for rewards and appeals to the followers' higher order needs, inspiring them to act in the best interest of the organization rather than their own self-interest (Bass, 1998). A transformational leader is the one who formulates an inspiring vision, facilitates the vision, encourages short-

term sacrifices, and makes pursuing the vision a fulfilling venture. Transformational leadership provides the frame of reference within which transactions of power within organizations take place. Transformational leadership is a leadership of change – change within leaders themselves, within their followers, and within the organization of which they are a part. Transformational leaders have a strong internal locus of control and have faith in their ability to change organizational directions.

Prominent leadership researchers, Avolio, Bass, & Jung (1999) feel that transformational leadership is a key in the continued success of organizations due to its promotion of team cohesion, organizational commitment, and higher levels of job satisfaction. Transformational leadership focuses on inspiring followers to set aside personal self-interest for betterment of the organization, in contrast to transactional leadership, which essentially focuses on an effort-reward exchange between the follower and leader. Transformational leaders are more visionary and inspirational in approach. They tend to communicate a clear and acceptable vision and goals, with which employees can identify and tend to engender intense emotion in their followers. Rather than exchanging rewards for performance, transformational leaders attempt to build ownership on the part of group members, by involving the group in the decision process.

Transformational leadership comprises four interdependent components, dimensions or subscales commonly known as the four 'Is' which, when combined, have an additive effect that yields performance beyond expectations. They are: idealized Influence also known as charisma, inspirational motivation, intellectual stimulation, and individual consideration.

This paper focuses on a single dimension of transformational leadership theory: how transformational leaders exhibit good innovations and organizational culture that encourages followers' motivation, satisfaction, and willingness to exert extra effort to achieve organizational goals.

Transformational Leadership Emphasis on Organizational Change

Transformational leadership provides energy-producing characteristics that generate new changes for the organization, which transactional management cannot produce. The transformational style is a

leadership of innovation; the transformational leader motivates people to work for a new and greater good and to create change (Davidhizer & Shearer, 2007). Transformational leaders provide a vision for change (Bennis & Nanus, 1997). In order to be effective, transformational leaders must have a clear sense of goals in order to guide their institutions in new directions (Burns, 1978). They need the capacity to stand back from everyday activities and see the processes of change over the long term.

Transformational leaders emphasize new possibilities and promote a compelling vision of the future. A strong sense of purpose guides their vision. Transforming organizations led by transforming leaders appeal to human characteristics that lift their sights above the routine, everyday elements of a mechanistic, power-oriented system. Transformational leaders manifest passionate inspiration (Hersey & Blanchard, 1996) and visibly model appropriate behaviours (Kouzes & Posner, 2007). The goal is change that raises the organizations to new and exciting possibilities. To reach the goal, organizations must receive new energy and vision from their leaders. The process of transformational leadership grows out of this sense of vision and energy.

Transformational Leadership and the Process of Change

Transformational leaders focus on change, progress, and development. Therefore, transformational leaders desire to influence the way people think and introduce new processes into the organization. They may do so by addressing perceptions of reality, influencing psychological understanding of the existing structures, and facilitating comprehension of the need for growth. Cheng (2007) claims that transformational leadership is critical to meeting organizational challenges in a changing environment, and Turan and Sny (1996) argue that strategic planning, like transformational leadership, is vision-driven planning for the future. Innovation, inclusion and conflict management have all been linked to transformational leadership behaviours. Berg and Slegers (1996) found that transformational leadership plays a "particularly crucial" role in the development of the innovative capacities of organizations. These studies support the contention that the main outcome of transformational leadership is the 'increased

capacity of an organization to continuously improve' (Leithwood, Jantzi, and Steinbach, 1999:17).

Transformational leaders emphasize the need for understanding change as a process. A process mindset is the basis for effective transformation (Heckscher, Eisenstat, & Rice, 1994). The process mentality involves defining clear concepts (Keller, 1995). It also requires a future orientation toward problem solving (Smith, 1990). One of the key factors in the change process is for each person to become and remain a continual learner (Mink, 2002). A constant flow of information and continuous interaction with people encouraged by transformational leadership ignites the need for changes. Leaders must not only question the status quo of their organizations, but they must also engage in a process that yields transformational change (Dess, Picken, & Lyon, 1998). Transformational leaders intend to influence unique human qualities. Covey (2001) noted that transformational leaders are preoccupied with purposes, values, morals, and ethics. They align internal structures to reinforce values and goals. They seek to release human potential and lead into new directions. Transformational leaders have an impact on the psychology and behaviour of followers in order to shape their values (Brown, 2009).

The Influence of Transformational Leaders on the Organization's Culture

Since transformational leadership focuses on organizational objectives and organizational change by disseminating new values and seeking alternatives to existing arrangements, transformational leaders must recognize the importance of considering and influencing the culture in their organizations (Bass & Avolio, 1993, 1994). Culture can limit a leader so renewal efforts that actually change the culture are constantly needed. In fact, one primary factor that distinguishes transformational leaders is that they work to change the organization, whereas transactional managers work within the existing structure (Bass & Avolio, 1997). Consequently, cultural change is an important part of the transformational leadership process. If the culture itself becomes transformational, then it will produce an environment for more effective individual growth and organizational performance (Bass & Avolio, 1993). The culture in transformational organizations inculcates a sense of purpose, long-term commitments, and mutual

interests. Such cultures are based on shared interdependence, as well as leaders and followers who can transcend their self-interests for the good of the team and the organization. Transformational leaders influence three areas of the organizational culture:

- The internal mindset of the people in the organization,
- The culture among the people of the organization, and
- The culture beyond the people of the organization.

Transformational leaders influence the internal mindset of the people in the organization as transformational organizations operate from the inside out. Mink (2002) admonished leaders to 'get inside the people they are trying to help and develop'. Transformational energy flows as leaders emphasize free will and drive out the inner fears of followers. In so doing, the people come to know and trust who they are and where they can go. It enhances performance through the mind rather than emotions.

Transformational leaders strongly engage followers' self-concepts (Shamir, House, & Arthur, 1993; Bass & Avolio, 1997). Consequently, people come to know who they are and how they connect to the mission of the organization. Through this process, transformational leaders enable followers to develop themselves and come to know what they can do within the entity. This in turn promotes an enhanced commitment to their jobs, their co-workers, and the whole organization (Avolio, Waldman, & Yammarino, 1991). The leaders touch the internal mindset of the people and enable them to make new steps in their commitment levels and their behaviour within the organization. They stimulate followers to change their beliefs, values, capabilities, and motives in order to raise performance beyond self-interest for the good of the organization (Bass, 1985, 1990).

Transformational leaders influence the culture among the people in the organization through teams, innovation, and productivity. Bass (1985) observed a correlation between transformational leaders and team effectiveness. The transformational leaders served as a role model for the team members and increased cooperation among the members. Therefore, organizations benefit from having transformational leaders at all functional levels (King, 2004). However, the spread of transformational elements to all levels of an organization can lead to conflicts with the transactional bureaucracy (Bass & Avolio,

1993). Nevertheless, transformational energy leads people to greater effectiveness as they reach common goals for the organization and for themselves.

Transformational innovation brings higher productivity (Bass & Avolio, 1997). Transformational leaders influence the culture among people and can take teams to higher levels of performance (Keller, 1995), because it as arouses followers on new ways of problem solving through proactive thinking. Transformational leaders can even take highly technological systems to greater levels of change (Brown, 2009). Productivity and innovation improve when transformational leaders emphasize culture and values in an organization (Niehoff, Enz, & Grover, 2000). For example, valuing, listening to, and serving people affect growth and outcomes (Trahant, Burke, & Koonce, 1997). In such settings, the people of the organization have a central focus in its culture. This is why Keller (1995) asserted that leaders must be chosen with leader skills and not just technical skills. In addition to being technically competent, the leaders must have people skills that affect the organizational culture. Lastly, transformational leaders not only influence the culture among their followers, but their influence also extends beyond the organization to the outside culture. Transformational leaders see beyond their organizations. Flanagan and Thompson (2010) suggested that transformational leaders must develop situational sensitivity by which they understand situations in terms of organizations and people. This sensitivity progresses from the inner self, through the organization, and then to the external environment. Consequently, leaders help organizations to establish flexible and new ways of seeing the world (Mink, 2002).

As the world beyond the organization changes, transformational leaders help the existing organization adapt to the developing environment (Smith, 2000). Perhaps too much attention is given to the role of the leader inside the organization. There is a clear need for genuine leaders to have an effect beyond the confines of their organizations. Transformational leaders have the potential to influence the world in both positive and negative ways (Morgan, 2007). That makes it crucial for them to have a clear picture of what transformation is needed (Covey, 2001). If they do not, the leaders will tend to respond to the social and political agenda around them rather than influencing those agenda for the benefit of the people and the organization.

Conclusion

Transformational leaders are important and needed in every organization. Such leaders focus upon organizational change, which is imperative in an ever-changing world. Transformational leaders seek to alter the existing structure and influence people to buy into a new vision and new possibilities. Excellent transformational leaders use authority and power to inspire people and motivate them to trust and follow their example. Transformational leaders have a major influence on organizational culture. In fact, their primary focus is upon creating a change process that continually causes people within the organization to learn and grow. Transformational leaders are needed throughout organizations, and they can have a significant impact in all areas.

Creativity is a key element of the transforming leader. Creativity is challenging the status quo by seeking out new ideas. Managers typically concern themselves with the maintenance of the status quo, but transformational leaders move beyond status quo to deal with the future. Transformation requires new methods and different perspectives to age-old questions, concerns and conflicts. Transformational leaders are passionate in both their commitment to the task and the people alike. To fully transform people, leaders must have a strong fervent commitment to their vision.

Hoyt and Blascovich (2003) found that transformational leadership was associated with increases in qualitative performance, leadership satisfaction and group cohesiveness. Therefore, intending leader should seek to learn the skills necessary to become transformational leaders. Organizations throughout the world need transformational leaders who possess a high degree of integrity and are motivated to lead people to higher levels of performance. Transformational leaders provide new direction, new inspiration, and new behaviours for their organizations. Therefore, they are essential ingredients in organizational development and societal progress.

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