

Transformational Leadership

DESCRIPTION

One of the current and most popular approaches to leadership that has been the focus of much research since the early 1980s is the transformational approach. Transformational leadership is part of the “New Leadership” paradigm (Bryman, 1992), which gives more attention to the charismatic and affective elements of leadership. In a content analysis of articles published in *The Leadership Quarterly*, Lowe and Gardner (2001) found that one third of the research was about transformational or charismatic leadership. Similarly, Antonakis (2012) found that the number of papers and citations in the field has grown at an increasing rate, not only in traditional areas like management and social psychology, but in other disciplines such as nursing, education, and industrial engineering. Bass and Riggio (2006) suggested that transformational leadership’s popularity might be due to its emphasis on intrinsic motivation and follower development, which fits the needs of today’s work groups, who want to be inspired and empowered to succeed in times of uncertainty. Clearly, many scholars are studying transformational leadership, and it occupies a central place in leadership research. However, others (i.e., Andersen, 2015; Anderson, Baur, Griffith, & Buckley, 2017) have suggested that the interest in transformational leadership may be exaggerated and that this approach to leading may be less significant as millennials continue to flood into the workplace.

As its name implies, transformational leadership is a process that changes and transforms people. It is concerned with emotions, values, ethics, standards, and long-term goals. It includes assessing followers’ motives, satisfying their needs, and treating them as full human beings. Transformational leadership involves an exceptional form of influence that moves followers to

accomplish more than what is usually expected of them. It is a process that often incorporates charismatic and visionary leadership.

An encompassing approach, transformational leadership can be used to describe a wide range of leadership, from very specific attempts to influence followers on a one-to-one level, to very broad attempts to influence whole organizations and even entire cultures. Although the transformational leader plays a pivotal role in precipitating change, followers and leaders are inextricably bound together in the transformation process. In fact, transformational leadership focuses so heavily on the relationship between leader and follower that some (Andersen, 2015) have suggested that this bias may limit explanations for transformational leadership on organizational effectiveness.

Transformational Leadership Defined

The emergence of *transformational leadership* as an important approach to leadership began with a classic work by political sociologist James MacGregor Burns titled *Leadership* (1978). In his work, Burns attempted to link the roles of leadership and followership. He wrote of leaders as people who tap the motives of followers in order to better reach the goals of leaders and followers (p. 18). For Burns, leadership is quite different from power because it is inseparable from followers' needs.

Transformational vs. Transactional Leadership. Burns distinguished between two types of leadership: *transactional* and *transformational*. Transactional leadership refers to the bulk of leadership models, which focus on the exchanges that occur between leaders and their followers. Politicians who win votes by promising "no new taxes" are demonstrating transactional leadership. Similarly, managers who offer promotions to employees who surpass their goals are exhibiting transactional leadership. In the classroom, teachers are being transactional when they give students a grade for work completed. The exchange dimension of transactional leadership is very common and can be observed at many levels throughout all types of organizations. While exchanges or transactions between leader and member are a natural component of employment contracts, research suggests that employees do not necessarily perceive transactional leaders as those most capable of creating trusting, mutually beneficial leader-member relationships (Notgrass, 2014). Instead, employees prefer managers to perform transformational leadership behaviors such as encouraging creativity, recognizing accomplishments, building trust, and inspiring a collective vision (Notgrass, 2014).

In contrast to transactional leadership, transformational leadership is the process whereby a person engages with others and creates a connection that raises the level of motivation and morality in both the leader and the follower. This type of leader is attentive to the needs and motives of followers

and tries to help followers reach their fullest potential. Burns points to Mohandas Gandhi as a classic example of transformational leadership. Gandhi raised the hopes and demands of millions of his people and, in the process, was changed himself.

Another good example of transformational leadership can be observed in the life of Ryan White. This teenager raised the American people's awareness about AIDS and in the process became a spokesperson for increasing government support of AIDS research. In the organizational world, an example of transformational leadership would be a manager who attempts to change his or her company's corporate values to reflect a more humane standard of fairness and justice. In the process, both the manager and the followers may emerge with a stronger and higher set of moral values. In fact, Mason, Griffin, and Parker (2014) demonstrated that through transformational leadership training, leaders were able to enhance their self-efficacy, positive affect, and ability to consider multiple perspectives. Their findings suggest that transformational leadership can result in positive psychological gains for both leader and follower.

Pseudotransformational Leadership. Because the conceptualization of transformational leadership set forth by Burns (1978) includes raising the level of morality in others, it is difficult to use this term when describing a leader such as Adolf Hitler, who was transforming but in a negative way. To deal with this problem, Bass (1998) coined the term *pseudotransformational leadership*. This term refers to leaders who are self-consumed, exploitive, and power oriented, with warped moral values (Bass & Riggio, 2006). Pseudotransformational leadership is considered personalized leadership, which focuses on the leader's own interests rather than on the interests of others (Bass & Steidlmeier, 1999). Authentic transformational leadership is socialized leadership, which is concerned with the collective good. Socialized transformational leaders transcend their own interests for the sake of others (Howell & Avolio, 1993).

In a series of four experimental studies, Christie, Barling, and Turner (2011) set forth a preliminary model of pseudotransformational leadership that reflected four components of transformational leadership discussed later in this chapter: *idealized influence*, *inspirational motivation*, *intellectual stimulation*, and *individualized consideration*. This model helps to clarify the meaning of pseudotransformational leadership. It suggests that pseudotransformational leadership is inspired leadership that is self-serving, is unwilling to encourage independent thought in followers, and exhibits little general caring for others. A pseudotransformational leader has strong inspirational talent and appeal but is manipulative and dominates and directs followers toward his or her own values. It is leadership that is threatening to the welfare of followers because it ignores the common good.

To sort out the complexities related to the “moral uplifting” component of authentic transformational leadership, Zhu, Avolio, Riggio, and Sosik (2011) proposed a theoretical model examining how authentic transformational leadership influences the ethics of individual followers and groups. The authors hypothesize that authentic transformational leadership positively affects followers’ moral identities and moral emotions (e.g., empathy and guilt) and this, in turn, leads to moral decision making and moral action by the followers. Furthermore, the authors theorize that authentic transformational leadership is positively associated with group ethical climate, decision making, and moral action. In the future, research is needed to test the validity of the assumptions laid out in this model.

Transformational Leadership and Charisma

At about the same time Burns’s book was published, House (1976) published a theory of charismatic leadership. Since its publication, charismatic leadership has received a great deal of attention by researchers (e.g., Conger, 1999; Hunt & Conger, 1999). It is often described in ways that make it similar to, if not synonymous with, transformational leadership.

The word *charisma* was first used to describe a special gift that certain individuals possess that gives them the capacity to do extraordinary things. Weber (1947) provided the most well-known definition of charisma as a special personality characteristic that gives a person superhuman or exceptional powers and is reserved for a few, is of divine origin, and results in the person being treated as a leader. Despite Weber’s emphasis on charisma as a personality characteristic, he also recognized the important role played by followers in validating charisma in these leaders (Bryman, 1992; House, 1976).

In his theory of charismatic leadership, House suggested that charismatic leaders act in unique ways that have specific charismatic effects on their followers (Table 8.1). For House, the personality characteristics of a charismatic leader include being dominant, having a strong desire to influence others, being self-confident, and having a strong sense of one’s own moral values.

In addition to displaying certain personality characteristics, charismatic leaders demonstrate specific types of behaviors. First, they are strong role models for the beliefs and values they want their followers to adopt. For example, Gandhi advocated nonviolence and was an exemplary role model of civil disobedience. Second, charismatic leaders appear competent to followers. Third, they articulate ideological goals that have moral overtones. Martin Luther King Jr.’s famous “I Have a Dream” speech is an example of this type of charismatic behavior.

Fourth, charismatic leaders communicate high expectations for followers, and they exhibit confidence in followers’ abilities to meet these expectations.

Table 8.1 Personality Characteristics, Behaviors, and Effects on Followers of Charismatic Leadership

Personality Characteristics	Behaviors	Effects on Followers
Dominant	Sets strong role model	Trust in leader’s ideology
Desire to influence	Shows competence	Belief similarity between leader and follower
Self-confident	Articulates goals	Unquestioning acceptance
Strong moral values	Communicates high expectations	Affection toward leader
	Expresses confidence	Obedience
	Arouses motives	Identification with leader
		Emotional involvement
		Heightened goals
		Increased confidence

The impact of this behavior is to increase followers’ sense of competence and self-efficacy (Avolio & Gibbons, 1988), which in turn improves their performance.

Fifth, charismatic leaders arouse task-relevant motives in followers that may include affiliation, power, or esteem. For example, former U.S. president John F. Kennedy appealed to the human values of the American people when he stated, “Ask not what your country can do for you; ask what you can do for your country.” Within the organizational context, charismatic CEOs may motivate members of their organization by modeling and fostering a transformational leadership climate (Boehm, Dwertmann, Bruch, & Shamir, 2015), which may result in increases in employee identification with their organization and in overall organizational performance.

According to House’s charismatic theory, several effects are the direct result of charismatic leadership. They include follower trust in the leader’s ideology, similarity between the followers’ beliefs and the leader’s beliefs, unquestioning acceptance of the leader, expression of affection toward the leader, follower obedience, identification with the leader, emotional involvement in the leader’s goals, heightened goals for followers, and increased follower confidence in goal achievement. Consistent with Weber, House contends that these charismatic effects are more likely to occur in contexts in which followers feel distress because in stressful situations followers look to leaders to deliver them from their difficulties.

House's charismatic theory has been extended and revised through the years (see Conger, 1999; Conger & Kanungo, 1998). One major revision to the theory was made by Shamir, House, and Arthur (1993). They postulated that charismatic leadership transforms followers' self-concepts and tries to link the identity of followers to the collective identity of the organization. Charismatic leaders forge this link by emphasizing the intrinsic rewards of work and de-emphasizing the extrinsic rewards. The hope is that followers will view work as an expression of themselves. Throughout the process, leaders express high expectations for followers and help them gain a sense of confidence and self-efficacy.

In summary, charismatic leadership works because it ties followers and their self-concepts to the organizational identity.

A Model of Transformational Leadership

In the mid-1980s, Bass (1985) provided a more expanded and refined version of transformational leadership that was based on, but not fully consistent with, the prior works of Burns (1978) and House (1976). In his approach, Bass extended Burns's work by giving more attention to followers' rather than leaders' needs, by suggesting that transformational leadership could apply to situations in which the outcomes were not positive, and by describing transactional and transformational leadership as a single continuum (Figure 8.1) rather than mutually independent continua (Yammarino, 1993). Bass extended House's work by giving more attention to the emotional elements and origins of charisma and by suggesting that charisma is a necessary but not sufficient condition for transformational leadership (Yammarino, 1993).

Figure 8.1 Leadership Continuum From Transformational to Laissez-Faire Leadership



Bass (1985, p. 20) argued that transformational leadership motivates followers to do more than expected by (a) raising followers' levels of consciousness about the importance and value of specified and idealized goals, (b) getting followers to transcend their own self-interest for the sake of the team or organization, and (c) moving followers to address higher-level needs. An elaboration of the dynamics of the transformation process is provided in his model of transformational and transactional leadership (Bass, 1985, 1990; Bass & Avolio, 1993, 1994). Additional clarification of the model is provided by Avolio in his book *Full Leadership Development: Building the Vital Forces in Organizations* (1999).

Table 8.2 Leadership Factors

Transformational Leadership	Transactional Leadership	Laissez-Faire Leadership
Factor 1 Idealized influence Charisma	Factor 5 Contingent reward Constructive transactions	Factor 7 Laissez-faire Nontransactional
Factor 2 Inspirational motivation	Factor 6 Management by exception Active and passive Corrective transactions	
Factor 3 Intellectual stimulation		
Factor 4 Individualized consideration		

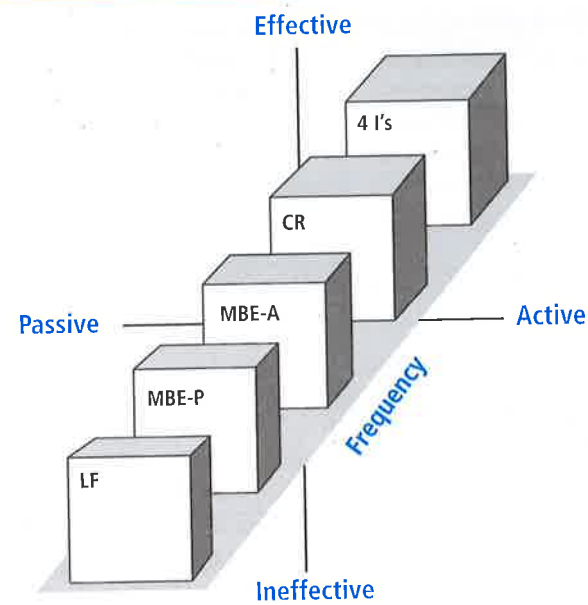
As can be seen in Table 8.2, the model of transformational and transactional leadership incorporates seven different factors. These factors are also illustrated in the Full Range of Leadership model, which is provided in Figure 8.2 on page 170. A discussion of each of these seven factors will help to clarify Bass's model. This discussion will be divided into three parts: transformational factors (4), transactional factors (2), and the nonleadership, nontransactional factor (1).

Transformational Leadership Factors

Transformational leadership is concerned with improving the performance of followers and developing followers to their fullest potential (Avolio, 1999; Bass & Avolio, 1990a). People who exhibit transformational leadership often have a strong set of internal values and ideals, and they are effective at motivating followers to act in ways that support the greater good rather than their own self-interests (Kuhnert, 1994). Individuals' intentions to lead in a transformational manner appear related to effective transformational leadership behaviors (Gilbert, Horsman, & Kelloway, 2016).

Idealized Influence. Factor 1 is called *charisma* or *idealized influence*. It is the emotional component of leadership (Antonakis, 2012). Idealized influence describes leaders who act as strong role models for followers; followers identify with these leaders and want very much to emulate them. These leaders usually have very high standards of moral and ethical conduct and can be counted on to do the right thing. They are deeply respected by followers, who usually place a great deal of trust in them. They provide followers with a vision and a sense of mission.

Figure 8.2 Full Range of Leadership Model



LEGEND

Nonleadership

LF Laissez-Faire

Transactional

MBE-P Management by Exception, Passive

MBE-A Management by Exception, Active

CR Contingent Reward

Transformational 4 I's

Idealized Influence

Inspirational Motivation

Intellectual Stimulation

Individualized Consideration

SOURCE: From *Improving Organizational Effectiveness Through Transformational Leadership*, by B. M. Bass and B. J. Avolio, 1993, Thousand Oaks, CA: SAGE. Copyright 1994 by SAGE Publications, Inc. Reprinted with permission.

The idealized influence factor is measured on two components: an *attributional component* that refers to the attributions of leaders made by followers based on perceptions they have of their leaders, and a *behavioral component* that refers to followers' observations of leader behavior.

In essence, the charisma factor describes people who are special and who make others want to follow the vision they put forward. A person whose leadership exemplifies the charisma factor is Nelson Mandela, the first non-White president of South Africa. Mandela is viewed as a leader with high moral standards

and a vision for South Africa that resulted in monumental change in how the people of South Africa would be governed. His charismatic qualities and the people's response to them transformed an entire nation.

Inspirational Motivation. Factor 2 is called *inspiration or inspirational motivation*. This factor is descriptive of leaders who communicate high expectations to followers, inspiring them through motivation to become committed to and a part of the shared vision in the organization. In practice, leaders use symbols and emotional appeals to focus group members' efforts to achieve more than they would in their own self-interest. Team spirit is enhanced by this type of leadership. An example of this factor would be a sales manager who motivates members of the sales force to excel in their work through encouraging words and pep talks that clearly communicate the integral role they play in the future growth of the company.

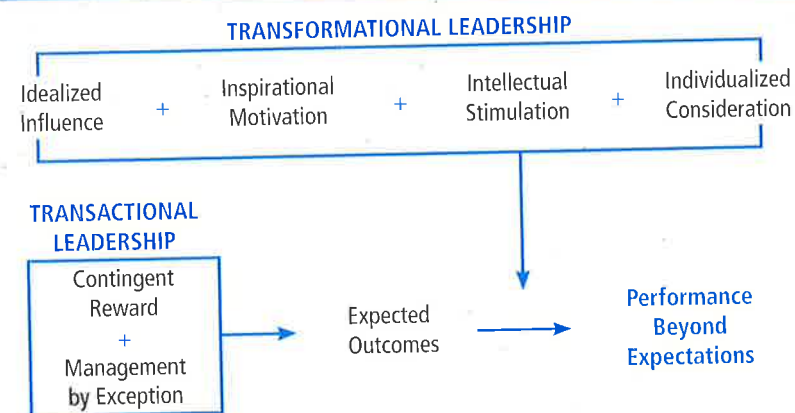
Intellectual Stimulation. Factor 3 is *intellectual stimulation*. It includes leadership that stimulates followers to be creative and innovative and to challenge their own beliefs and values as well as those of the leader and the organization.

This type of leadership supports followers as they try new approaches and develop innovative ways of dealing with organizational issues. It encourages followers to think things out on their own and engage in careful problem solving. An example of this type of leadership is a plant manager who promotes workers' individual efforts to develop unique ways to solve problems that have caused slowdowns in production.

Individualized Consideration. Factor 4 of transformational leadership is called *individualized consideration*. This factor is representative of leaders who provide a supportive climate in which they listen carefully to the individual needs of followers. Leaders act as coaches and advisers while trying to assist followers in becoming fully actualized. These leaders may use delegation to help followers grow through personal challenges. An example of this type of leadership is a manager who spends time treating each employee in a caring and unique way. To some employees, the leader may give strong affiliation; to others, the leader may give specific directives with a high degree of structure.

In essence, transformational leadership produces greater effects than transactional leadership (Figure 8.3). Whereas transactional leadership results in expected outcomes, transformational leadership results in performance that goes well beyond what is expected. In a meta-analysis of 39 studies in the transformational literature, for example, Lowe, Kroeck, and Sivasubramaniam (1996) found that people who exhibited transformational leadership were perceived to be more effective leaders with better work outcomes than those who exhibited only transactional leadership. These findings were true for higher- and lower-level leaders, and for leaders in both public and private settings.

Figure 8.3 The Additive Effect of Transformational Leadership



SOURCE: Adapted from "The Implications of Transactional and Transformational Leadership for Individual, Team, and Organizational Development," by B. M. Bass and B. J. Avolio, 1990a, *Research in Organizational Change and Development*, 4, pp. 231–272.

Transformational leadership has an additive effect; it moves followers to accomplish more than what is usually expected of them. They become motivated to transcend their own self-interests for the good of the group or organization (Bass & Avolio, 1990a). In fact, transformational leaders are most likely to have a positive impact on followers when followers identify with or find meaning in their work (Mohammed, Fernando, & Caputi, 2013).

In a study of 220 employees at a large public transport company in Germany, Rowold and Heinitz (2007) found that transformational leadership augmented the impact of transactional leadership on employees' performance and company profit. In addition, they found that transformational leadership and charismatic leadership were overlapping but unique constructs, and that both were different from transactional leadership.

Similarly, Nemanich and Keller (2007) examined the impact of transformational leadership on 447 employees from a large multinational firm who were going through a merger and being integrated into a new organization. They found that transformational leadership behaviors such as idealized influence, inspirational motivation, individualized consideration, and intellectual stimulation were positively related to acquisition acceptance, job satisfaction, and performance.

Tims, Bakker, and Xanthopoulou (2011) examined the relationship between transformational leadership and work engagement in 42 employees and their supervisors in two different organizations in the Netherlands. Findings revealed that employees became more engaged in their work (i.e., vigor,

dedication, and absorption) when their supervisors were able to boost employees' optimism through a transformational leadership style. These findings underscore the important role played by personal characteristics (i.e., optimism) in the transformational leadership-performance process. Similarly, Hamstra, Van Yperen, Wisse, and Sassenberg (2014) found that transformational leaders were more likely than transactional leaders to promote achievement of followers' mastery goals. This suggests that transformational leaders may be especially effective in environments where followers need to focus on learning, development, and mastering job-related tasks rather than a more competitive or performance-based work context. Transformational leaders can propel followers to even greater levels of success when they have a high-quality relationship based on trust, loyalty, and mutual respect (Notgrass, 2014).

Transactional Leadership Factors

Transactional leadership differs from transformational leadership in that the transactional leader does not individualize the needs of followers or focus on their personal development. Transactional leaders exchange things of value with followers to advance their own and their followers' agendas (Kuhnert, 1994). Transactional leaders are influential because it is in the best interest of followers for them to do what the leader wants (Kuhnert & Lewis, 1987).

Contingent Reward. Factor 5, *contingent reward*, is the first of two transactional leadership factors (Figure 8.3). It is an exchange process between leaders and followers in which effort by followers is exchanged for specified rewards. With this kind of leadership, the leader tries to obtain agreement from followers on what must be done and what the payoffs will be for the people doing it. An example of this type of *constructive transaction* is a parent who negotiates with a child about how much time the child can spend playing video games after doing homework assignments. Another example often occurs in the academic setting: A dean negotiates with a college professor about the number and quality of publications he or she needs to have written in order to receive tenure and promotion. Notgrass (2014) found that contingent rewards, or the leader's use of clarifying or supporting achievement behaviors, are most effective when followers feel that they have a high-quality relationship with their leader.

Management by Exception. Factor 6 is called *management by exception*. It is leadership that involves corrective criticism, negative feedback, and negative reinforcement. Management by exception takes two forms: *active* and *passive*. A leader using the active form of management-by-exception watches followers closely for mistakes or rule violations and then takes *corrective action*. An example of active management by exception can be illustrated in the leadership of a sales supervisor who daily monitors how employees approach customers. She quickly corrects salespeople who are slow to approach customers

in the prescribed manner. A leader using the passive form intervenes only after standards have not been met or problems have arisen. An example of passive management by exception is illustrated in the leadership of a supervisor who gives an employee a poor performance evaluation without ever talking with the employee about her or his prior work performance. In essence, both the active and passive management types use more negative reinforcement patterns than the positive reinforcement pattern described in Factor 5 under contingent reward.

Nonleadership Factor

In the model, the nonleadership factor diverges farther from transactional leadership and represents behaviors that are nontransactional.

Laissez-Faire. Factor 7 describes leadership that falls at the far right side of the transactional–transformational leadership continuum (Figure 8.1). This factor represents the absence of leadership. As the French phrase implies, the *laissez-faire* leader takes a “hands-off, let-things-ride” (*nontransactional*) approach. This leader abdicates responsibility, delays decisions, gives no feedback, and makes little effort to help followers satisfy their needs. There is no exchange with followers or attempt to help them grow. An example of a *laissez-faire* leader is the president of a small manufacturing firm who calls no meetings with plant supervisors, has no long-range plan for the firm, acts detached, and makes little contact with employees. While *laissez-faire* leadership has traditionally been viewed negatively, recent research (Yang, 2015) argues that *laissez-faire* leadership may not be the absence of leadership, but instead may be a strategic behavioral choice by the leader to acknowledge and defer to followers’ abilities, decrease their dependency, and increase their self-determination, self-competence, and autonomy. In this case, the leader would be strategically performing *laissez-faire* leadership by empowering followers to lead.

Interestingly, research does indicate that leaders may be most effective when they combine transformational leadership behaviors with elements of *laissez-faire* and transactional leadership (Antonakis & House, 2014). This reiterates what most of the leadership theories in this book suggest: All approaches to leadership have strengths and weaknesses, and because leading effectively means consistently surveying follower, task, and environmental needs and pressures, oftentimes the best approach is a combination of leadership approaches.

Other Transformational Perspectives

In addition to Bass’s (1985, 1990; Bass & Avolio, 1994) work, two other lines of research have contributed in unique ways to our understanding of the nature of transformational leadership. They are the research of Bennis

and Nanus (1985) and the work of Kouzes and Posner (2002, 2017). These scholars used similar research methods. They identified a number of middle- or senior-level leaders and conducted interviews with them, using open-ended, semistructured questionnaires. From this information, they constructed their models of leadership.

Bennis and Nanus

Bennis and Nanus (2007) asked 90 leaders basic questions such as “What are your strengths and weaknesses?” “What past events most influenced your leadership approach?” and “What were the critical points in your career?” From the answers leaders provided to these questions, Bennis and Nanus identified four common strategies used by leaders in transforming organizations.

First, transforming leaders had a clear *vision* of the future state of their organizations. It was an image of an attractive, realistic, and believable future (Bennis & Nanus, 2007, p. 89). The vision usually was simple, understandable, beneficial, and energy creating. The compelling nature of the vision touched the experiences of followers and pulled them into supporting the organization. When an organization has a clear vision, it is easier for people within the organization to learn how they fit in with the overall direction of the organization and even the society in general. It empowers them because they feel they are a significant dimension of a worthwhile enterprise (pp. 90–91). Bennis and Nanus found that, to be successful, the vision had to grow out of the needs of the entire organization and to be claimed by those within it. Although leaders play a large role in articulating the vision, the emergence of the vision originates from both the leaders and the followers.

Second, transforming leaders were *social architects* for their organizations. This means they created a shape or form for the shared meanings people maintained within their organizations. These leaders communicated a direction that transformed their organization’s values and norms. In many cases, these leaders were able to mobilize people to accept a new group identity or a new philosophy for their organizations.

Third, transforming leaders created *trust* in their organizations by making their own positions clearly known and then standing by them. Trust has to do with being predictable or reliable, even in situations that are uncertain. For organizations, leaders built trust by articulating a direction and then consistently implementing the direction even though the vision may have involved a high degree of uncertainty. Bennis and Nanus (2007) found that when leaders established trust in an organization, it gave the organization a sense of integrity analogous to a healthy identity (p. 48).

Fourth, transforming leaders used *creative deployment of self* through positive self-regard. Leaders knew their strengths and weaknesses, and they emphasized their strengths rather than dwelling on their weaknesses. Based on an awareness of their own competence, effective leaders were able to immerse themselves in their tasks and the overarching goals of their organizations. They were able to fuse a sense of self with the work at hand. Bennis and Nanus also found that positive self-regard in leaders had a reciprocal impact on followers, creating in them feelings of confidence and high expectations. In addition, leaders in the study were committed to learning and relearning, so in their organizations there was consistent emphasis on education.

Kouzes and Posner

Kouzes and Posner (2002, 2017) developed their model by interviewing leaders about leadership. They interviewed more than 1,300 middle- and senior-level managers in private and public sector organizations and asked them to describe their “personal best” experiences as leaders. Based on a content analysis of these descriptions, Kouzes and Posner constructed a model of leadership.

The Kouzes and Posner model consists of five fundamental *practices* that enable leaders to get extraordinary things accomplished: model the way, inspire a shared vision, challenge the process, enable others to act, and encourage the heart. For each of the five practices of exemplary leadership, Kouzes and Posner also have identified two commitments that serve as strategies for practicing exemplary leadership.

Model the Way. To model the way, leaders need to be clear about their own values and philosophy. They need to find their own voice and express it to others. Exemplary leaders set a personal example for others by their own behaviors. They also follow through on their promises and commitments and affirm the common values they share with others.

Inspire a Shared Vision. Effective leaders create compelling visions that can guide people’s behavior. They are able to visualize positive outcomes in the future and communicate them to others. Leaders also listen to the dreams of others and show them how their dreams can be realized. Through inspiring visions, leaders challenge others to transcend the status quo to do something for others.

Challenge the Process. Challenging the process means being willing to change the status quo and step into the unknown. It includes being willing to innovate, grow, and improve. Exemplary leaders are like pioneers: They want to experiment and try new things. They are willing to take risks to make things better. When exemplary leaders take risks, they do it one step at a time, learning from their mistakes as they go.

Enable Others to Act. Outstanding leaders are effective at working with people. They build trust with others and promote collaboration. Teamwork and cooperation are highly valued by these leaders. They listen closely to diverse points of view and treat others with dignity and respect. They also allow others to make choices, and they support the decisions that others make. In short, they create environments where people can feel good about their work and how it contributes to the greater community.

Interestingly, research indicates that women tend to display transformational leadership through more enabling behaviors whereas men tend to enact more challenging behavior (Brandt & Laiho, 2013).

Encourage the Heart. Leaders encourage the heart by rewarding others for their accomplishments. It is natural for people to want support and recognition. Effective leaders are attentive to this need and are willing to give praise to workers for jobs well done. They use authentic celebrations and rituals to show appreciation and encouragement to others. The outcome of this kind of support is greater collective identity and community spirit.

Overall, the Kouzes and Posner model emphasizes behaviors and has a prescriptive quality: It recommends what people need to do in order to become effective leaders. The five practices and their accompanying commitments provide a unique set of prescriptions for leaders. Kouzes and Posner (2002, p. 13) stressed that the five practices of exemplary leadership are available to everyone and are not reserved for those with “special” ability. The model is not about personality: It is about practice.

To measure the behaviors described in the model, Kouzes and Posner developed the Leadership Practices Inventory (LPI). The LPI is a 360-degree leadership assessment tool that consists of 30 questions that assess individual leadership competencies. It has been widely used in leadership training and development.

HOW DOES THE TRANSFORMATIONAL LEADERSHIP APPROACH WORK?

The transformational approach to leadership is a broad-based perspective that encompasses many facets and dimensions of the leadership process. In general, it describes how leaders can initiate, develop, and carry out significant changes in organizations. Although not definitive, the steps followed by transformational leaders usually take the following form.

Transformational leaders set out to empower followers and nurture them in change. They attempt to raise the consciousness in individuals and to get them to transcend their own self-interests for the sake of others. For example, Jung, Chow, and Wu (2003) studied upper-level leadership in 32 Taiwanese

companies and found that transformational leadership was directly related to organizational innovation. Transformational leadership created a culture in which employees felt empowered and encouraged to freely discuss and try new things.

To create change, transformational leaders become strong role models for their followers. They have a highly developed set of moral values and a self-determined sense of identity (Avolio & Gibbons, 1988). They are confident, competent, and articulate, and they express strong ideals.

They listen to followers and are not intolerant of opposing viewpoints. A spirit of cooperation often develops between these leaders and their followers. Followers want to emulate transformational leaders because they learn to trust them and believe in the ideas for which they stand.

It is common for transformational leaders to create a vision. The vision emerges from the collective interests of various individuals and units in an organization. The vision is a focal point for transformational leadership. It gives the leader and the organization a conceptual map for where the organization is headed; it gives meaning and clarifies the organization's identity. Furthermore, the vision gives followers a sense of identity within the organization and also a sense of self-efficacy (Shamir et al., 1993).

The transformational approach also requires that leaders become social architects. This means that they make clear the emerging values and norms of the organization. They involve themselves in the culture of the organization and help shape its meaning. People need to know their roles and understand how they contribute to the greater purposes of the organization. Transformational leaders are out front in interpreting and shaping for organizations the shared meanings that exist within them. As Mason et al. (2014) pointed out, enacting transformational behaviors changes leaders too, not just followers.

Throughout the process, transformational leaders are effective at working with people. They build trust and foster collaboration with others. Transformational leaders encourage others and celebrate their accomplishments. In the end, transformational leadership results in people feeling better about themselves and their contributions to the greater common good.

STRENGTHS

In its present stage of development, the transformational approach has several strengths. First, transformational leadership has been widely researched from many different perspectives, including a series of qualitative studies of prominent leaders and CEOs in large, well-known organizations. It has also been the focal point for a large body of leadership research

since its introduction in the 1970s. For example, content analysis of all the articles published in *The Leadership Quarterly* from 1990 to 2000 showed that 34% of the articles were about transformational or charismatic leadership (Lowe & Gardner, 2001).

Second, transformational leadership has intuitive appeal. The transformational perspective describes how the leader is out front advocating change for others; this concept is consistent with society's popular notion of what leadership means. People are attracted to transformational leadership because it makes sense to them. It is appealing that a leader will provide a vision for the future.

Third, transformational leadership treats leadership as a process that occurs between followers and leaders. Because this process incorporates both the followers' and the leader's needs, leadership is not the sole responsibility of a leader but rather emerges from the interplay between leaders and followers. The needs of others are central to the transformational leader. As a result, followers gain a more prominent position in the leadership process because their attributions are instrumental in the evolving transformational process (Bryman, 1992, p. 176).

Fourth, the transformational approach provides a broader view of leadership that augments other leadership models. Many leadership models focus primarily on how leaders exchange rewards for achieved goals—the transactional process. The transformational approach provides an expanded picture of leadership that includes not only the exchange of rewards, but also leaders' attention to the needs and growth of followers (Avolio, 1999; Bass, 1985). Transformational leadership has also been demonstrated to contribute to the leader's personal growth (Notgrass, 2014).

Fifth, transformational leadership places a strong emphasis on followers' needs, values, and morals. Burns (1978) suggested that transformational leadership involves attempts by leaders to move people to higher standards of moral responsibility. It includes motivating followers to transcend their own self-interests for the good of the team, organization, or community (Howell & Avolio, 1993; Shamir et al., 1993). Transformational leadership is fundamentally morally uplifting (Avolio, 1999). This emphasis sets the transformational approach apart from all other approaches to leadership because it suggests that leadership has a moral dimension. Therefore, the coercive uses of power by people such as Hitler, cult leader David Koresh, and Philippine president Rodrigo Duterte can be disregarded as models of leadership.

Finally, there is substantial evidence that transformational leadership is an effective form of leadership (Yukl, 1999). In a critique of transformational and charismatic leadership, Yukl reported that in studies using the Multifactor Leadership Questionnaire (MLQ) to appraise leaders, transformational leadership was positively related to follower satisfaction, motivation,

and performance. Furthermore, in studies that used interviews and observations, transformational leadership was shown to be effective in a variety of different situations.

CRITICISMS

Transformational leadership has several weaknesses. One criticism is that it lacks conceptual clarity. Because it covers such a wide range of activities and characteristics—including creating a vision, motivating, being a change agent, building trust, giving nurturance, and acting as a social architect, to name a few—it is difficult to define exactly the parameters of transformational leadership. Specifically, research by Tracey and Hinkin (1998) has shown substantial overlap between each of the Four Is (idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration), suggesting that the dimensions are not clearly delimited. Furthermore, the parameters of transformational leadership often overlap with similar conceptualizations of leadership. Bryman (1992), for example, pointed out that transformational and charismatic leadership often are treated synonymously, even though in some models of leadership (e.g., Bass, 1985) charisma is only one component of transformational leadership. Others have questioned whether the four dimensions of transformational leadership (i.e., the Four Is) are the reasons for transformational leadership or if they are simply descriptions of transformational leadership (e.g., Andersen, 2015; Tourish, 2013). At present researchers are not sure if these dimensions predict transformational leadership or just help to explain the presence of transformational leadership.

In addition, Andersen (2015) suggested that transformational leadership was created to be used within social and political contexts—not in corporations. However, many researchers have been using the theory to explore managerial rather than political leadership.

Another criticism revolves around how transformational leadership is measured. Researchers typically have used some version of the MLQ to measure transformational leadership. However, some studies have challenged the validity of the MLQ. In some versions of the MLQ, the four factors of transformational leadership (the Four Is) correlate highly with each other, which means they are not distinct factors (Tejeda, Scandura, & Pillai, 2001). In addition, some of the transformational factors correlate with the transactional and laissez-faire factors, which means they may not be unique to the transformational model (Tejeda et al., 2001). It has also been suggested that transformational leadership could be better measured and understood through a narrative perspective (Andersen, 2015; Tengblad, 2012).

A third criticism is that transformational leadership treats leadership as a personality trait or personal predisposition rather than a behavior that people can learn (Bryman, 1992, pp. 100–102). If it is a trait, training people in this approach becomes more problematic because it is difficult to teach people how to change their traits. Even though many scholars, including Weber, House, and Bass, emphasized that transformational leadership is concerned with leader behaviors, such as how leaders involve themselves with followers, there is an inclination to see this approach from a trait perspective. Perhaps this problem is exacerbated because the word *transformational* creates images of one person being the most active component in the leadership process. For example, even though “creating a vision” involves follower input, there is a tendency to see transformational leaders as visionaries. There is also a tendency to see transformational leaders as people who have special qualities that *transform* others. These images accentuate a trait characterization of transformational leadership.

Fourth, researchers have not established that transformational leaders are actually able to transform individuals and organizations (Antonakis, 2012). There is evidence that indicates that transformational leadership is associated with positive outcomes, such as organizational effectiveness; however, studies have not yet clearly established a causal link between transformational leaders and changes in followers or organizations. However, there may be a glimmer of hope in this regard as Arthur and Hardy (2014) were able to use an experimental design to evaluate the effectiveness of a transformational leadership intervention in remediating poor performance in an organization. This provides initial evidence that transformational leadership behaviors may result in some expected positive changes.

A fifth criticism some have made is that transformational leadership is elitist and antidemocratic (Avolio, 1999; Bass & Avolio, 1993). Transformational leaders often play a direct role in creating changes, establishing a vision, and advocating new directions. This gives the strong impression that the leader is acting independently of followers or putting himself or herself above the followers' needs. Although this criticism of elitism has been refuted by Bass and Avolio (1993) and Avolio (1999), who contended that transformational leaders can be directive and participative as well as democratic and authoritarian, the substance of the criticism raises valid questions about transformational leadership.

Related to this criticism, some have argued that transformational leadership suffers from a “heroic leadership” bias (Yukl, 1999). Transformational leadership stresses that it is the *leader* who moves *followers* to do exceptional things. By focusing primarily on the leader, researchers have failed to give attention to shared leadership or reciprocal influence. Followers can influence leaders just as leaders can influence followers. More attention should be directed toward how leaders can encourage followers to challenge the leader's vision and share in the leadership process.

Another criticism of transformational leadership is that it has the potential to be abused. Transformational leadership is concerned with changing people's values and moving them to a new vision. But who is to determine whether the new directions are good and more affirming? Who decides that a new vision is a better vision? If the values to which the leader is moving his or her followers are not better, and if the set of human values is not more redeeming, then the leadership must be challenged. However, the dynamics of how followers challenge leaders or respond to their visions are not fully understood. There is a need to understand how transformational leaders affect followers psychologically and how leaders respond to followers' reactions. In fact, Burns (1978) argued that understanding this area (i.e., charisma and follower worship) is one of the central problems in leadership studies today (Bailey & Axelrod, 2001). The charismatic nature of transformational leadership presents significant risks for organizations because it can be used for destructive purposes (Conger, 1999; Howell & Avolio, 1993).

History is full of examples of charismatic individuals who used coercive power to lead people to evil ends. For this reason, transformational leadership puts a burden on individuals and organizations to be aware of how they are being influenced and in what directions they are being asked to go. Christie et al. (2011) warn that astute followers need to be vigilant and pay careful attention to the vision of their leader, whether the vision is collective or self-focused, whether the leader is tolerant or intolerant of opposing viewpoints, and whether or not the leader is caring of followers. The potential for abuse of transformational leadership is mitigated when followers are aware and engaged in how they are being led.

A final potential weakness of transformational leadership is the fact that it may not be well received by millennials (Anderson et al., 2017). As millennials continue to replace baby boomers, organizations are recognizing that they are having to modify previous ways of doing things to meet millennials' needs. Transformational leadership is one such example. Drawing from the individualistic orientation of many millennials, Anderson and colleagues predict that transformational leaders may be less effective because this cohort may be less willing to collaborate with others to achieve common goals. Relatedly, today's transformational leaders communicate in a way to encourage followers to prioritize organizational and task needs and goals over individual interests (Anderson et al., 2017). However, it is predicted that this will be met with resistance as millennials have expressed a greater desire for work-life balance and want to "work to live" rather than "live to work" (Ng, Schweitzer, & Lyons, 2010). Finally, it has been suggested that because millennials expect frequent promotions and value extrinsic rewards, two of the fundamental components of transformational leadership—idealized influence and inspirational motivation—may be ineffective (Anderson et al., 2017).

APPLICATION

Rather than being a model that tells leaders what to do, transformational leadership provides a broad set of generalizations of what is typical of leaders who are transforming or who work in transforming contexts. Unlike other leadership approaches, such as Situational Leadership® (discussed in Chapter 5), transformational leadership does not provide a clearly defined set of assumptions about how leaders should act in a particular situation to be successful. Rather, it provides a general way of thinking about leadership that emphasizes ideals, inspiration, innovations, and individual concerns. Transformational leadership requires that leaders be aware of how their own behavior relates to the needs of their followers and the changing dynamics within their organizations.

Bass and Avolio (1990a) suggested that transformational leadership can be taught to people at all levels in an organization and that it can positively affect a firm's performance. It can be used in recruitment, selection and promotion, and training and development. It can also be used in improving team development, decision-making groups, quality initiatives, and reorganizations (Bass & Avolio, 1994).

Programs designed to develop transformational leadership usually require that leaders or their associates take the MLQ (Bass & Avolio, 1990b) or a similar questionnaire to determine the leader's particular strengths and weaknesses in transformational leadership. Taking the MLQ helps leaders pinpoint areas in which they could improve their leadership. For example, leaders might learn that it would be beneficial if they were more confident in expressing their goals, or that they need to spend more time nurturing followers, or that they need to be more tolerant of opposing viewpoints. The MLQ is the springboard to helping leaders improve a whole series of their leadership attributes.

One particular aspect of transformational leadership that has been given special emphasis in training programs is the process of building a vision. For example, it has become quite common for training programs to have leaders write elaborate statements that describe their own five-year career plans and their perceptions of the future directions for their organizations. Working with leaders on vision statements is one way to help them enhance their transformational leadership behavior. Another important aspect of training is teaching leaders to exhibit greater individual consideration and promote intellectual stimulation for their followers. Lowe et al. (1996) found that this is particularly valuable for lower-level leaders in organizations.

The desire to provide effective training in how to be more successful in demonstrating transactional and transformational leadership resulted in the development of a guide by Sosik and Jung (2010). This comprehensive,

evidence-based approach includes self-assessments, 360-degree feedback, and leadership development planning. Their work serves as a thorough training guide that explains how, when, and why the full range of leadership behaviors work.

Overall, transformational leadership provides leaders with information about a full range of their behaviors, from nontransactional to transactional to transformational. In the next section, we provide some actual leadership examples to which the principles of transformational leadership can be applied.

CASE STUDIES

In the following section, three brief case studies (Cases 8.1, 8.2, and 8.3) from very different contexts are provided. Each case describes a situation in which transformational leadership is present to some degree. The questions at the end of each case point to some of the unique issues surrounding the use of transformational leadership in ongoing organizations.

CASE 8.1

The Vision Failed

High Tech Engineering (HTE) is a 50-year-old family-owned manufacturing company with 250 employees that produces small parts for the aircraft industry. The president of HTE is Harold Barelli, who came to the company from a smaller business with strong credentials as a leader in advanced aircraft technology. Before Harold, the only other president of HTE was the founder and owner of the company. The organizational structure at HTE was very traditional, and it was supported by a very rich organizational culture.

As the new president, Harold sincerely wanted to transform HTE. He wanted to prove that new technologies and advanced management techniques could make HTE one of the best manufacturing companies in the country. To that end, Harold created a vision statement that was displayed throughout the company. The two-page statement, which had a strong democratic tone, described the overall purposes, directions, and values of the company.

During the first three years of Harold's tenure as president, several major reorganizations took place at the company. These were designed by Harold and a select few of his senior managers. The intention of each reorganization was to implement advanced organizational structures to bolster the declared HTE vision.

Yet the major outcome of each of the changes was to dilute the leadership and create a feeling of instability among the employees. Most of the changes were made from the top down, with little input from lower or middle management. Some of the changes gave employees more control in circumstances where they needed less, whereas other changes limited employee input in contexts where employees should have been given more input. There were some situations in which individual workers reported to three different bosses, and other situations in which one manager had far too many workers to oversee. Rather than feeling comfortable in their various roles at HTE, employees began to feel uncertain about their responsibilities and how they contributed to stated goals of the company. The overall effect of the reorganizations was a precipitous drop in worker morale and production.

In the midst of all the changes, the vision that Harold had for the company was lost. The instability that employees felt made it difficult for them to support the company's vision. People at HTE complained that although mission statements were displayed throughout the company, no one understood in which direction they were going.

To the employees at HTE, Harold was an enigma. HTE was an American company that produced U.S. products, but Harold drove a foreign car. Harold claimed to be democratic in his style of leadership, but he was arbitrary in how he treated people. He acted in a nondirective style toward some people, and he showed arbitrary control toward others. He wanted to be seen as a hands-on manager, but he delegated operational control of the company to others while he focused on external customer relations and matters of the board of directors.

At times Harold appeared to be insensitive to employees' concerns. He wanted HTE to be an environment in which everyone could feel empowered, but he often failed to listen closely to what employees were saying.

He seldom engaged in open, two-way communication. HTE had a long, rich history with many unique stories, but the employees felt that Harold either misunderstood or did not care about that history.

Four years after arriving at HTE, Harold stepped down as president after his operations officer ran the company into a large debt and cash-flow crisis. His dream of building HTE into a world-class manufacturing company was never realized.

Questions

1. If you were consulting with the HTE board of directors soon after Harold started making changes, what would you advise them regarding Harold's leadership from a transformational perspective?

(Continued)