The Cost of NOT Being a Transformational Leader

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THE COST OF NOT BEING A TRANSFORMATIONAL LEADER

Many organisations are derailed by the very leadership style that is designed to ensure their success and sustainable competitive advantage. Is yours one of these organisation?

Dr. Derek Ambrose FCPA, FCTA, FCIS, FCSA, FIPA, CAHRI, IBAL
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What is leadership? Based on the number of leadership books available and the 26 million articles you can find on Google it is evident that nearly every researcher has their own view of the subject. Leadership has been around as long as mankind has existed, and has been constantly evolving through demographics, locations and in conjunction with scientific research.

The many leadership styles that have been explored and are promoted are contained with the three major leadership paradigms, those being Classical, Transactional and Visionary.

These are the three leadership paradigms which have helped shape our culture and drive our businesses to the levels we enjoy today.

There is a lot literature that encompasses the virtues of transformational leadership, the benefits to leaders, employees, stakeholders and organisations. However, very little has been written on the lost opportunity, or in accountant’s parlance, the opportunity cost of not encompassing the most advantageous leadership style, as proven by extensive research.

Has your Chief Executive Officer weighed up the cost of his/her missed opportunities of not implementing the transformational leadership style? I suggest, in the main that there has been little reflection on this issue, as a large percentage of organisations, and senior management within organisations have little awareness of their crucial miscalculation of what style of leadership is required for today’s workplace environment, such neglect invariably costs the organisation. In areas such as employee turnover, increased productivity, quality of more stress, less achievements, motivation and commitment, and thereby limiting and derailing the organisations outcomes and competitive advantage.

In fact what is at play here is that the CEOs and other Senior Executives have ascended to the top of the tree, with full accountability and responsibility for the organisation, yearend results and outcomes to the stakeholders. But what is not said, is the opportunities within. That they have either singularly or collectively foregone, through a range of deficits, firstly commencing with
themselves with such harmful impediments such as their own ego. Also poor interactions and personal characteristics that have been destructive to the organisation as a whole, as they progress forward unaware of this phenomena, on a personal and organisational mission.

How many senior executives actually take the time out to measure themselves and their organisation in the progress of human dynamics and associated achievements? Many will do the bi annual staff survey, but where is the constant key performance indicators that are monitoring the organisation’s most important asset, the people stupid?

I certainly think that those who are most committed to the "old style" of heroic leadership are making huge sums of money - but at the cost of the human capital that they are discounting. Their organizations are not original and are desperate for more creative, open minded approaches to leadership, However, the leaders are simply not aware of it, and whilst successful, are not actively looking at the horizon through the appropriate lenses.

I have learned through my involvement with people and organisations that Transformational Leadership starts with the leader. It’s all well and good to propose ideas but the most effective transformational leader is one who is actively transforming him/herself as well as the organization they are in.

How often have you witnessed this phenomena? Rarely I would suggest as the leaders of today are possibly not adventurous as we may perceived them to be. I certainly know I feel more like a leader as I have grown and transformed my life and improved my social and emotional intelligence skills through adapting the transformational leadership style.

Where my direct impact on employees and parts of my organisation have been significant with productivity increasing by over 20 percent, staff turnover ceasing, employee morale being maintained at a high level, employees further developing their careers, fear being removed from the workplace and being replaced with respect. I think these skills sets are in very short supply in the senior leadership ranks.

Successful leadership in my opinion is never a result of just one "style" but a
A successful leader is able to move between leadership styles, and across leadership paradigms and apply them successfully dependent upon the situation and the environment. The Transformational Leadership Style should be the driver; a leader must be able to apply other styles when appropriate and necessary to be successful.

The support for the transformational leadership construct is demonstrated by prominent researchers such as Sarros & Santora (2001, 2002) and Alimo-Metcalfe & Alban-Metcalfe (2000, 2001 & 2006) who both provide an extensive well researched and supportive platform that endorses the facets and virtues of the transformational leadership style of the visionary paradigm. More recently Avery (2004, p. 34) has further supported and endorsed the transformational leadership style as being within the “ideal leadership paradigm, especially for transforming organisations” and providing benefits to organisations and individuals.

A raft of authors that have cross-supported the benefits of the transformational leadership style within the visionary leadership paradigm and publicly bestowed the virtues, as a must have, for an organisation to move forward, and have also contributed significantly to reinforcing the base model (Bass, 1985a, 1985b; Cacioppo, 1997; Cardona, 2000; Sarros & Santora, 2001, 2002; Alimo-Metcalfe & Alban-Metcalfe, 2001, 2006). These authors have provided the substance for the continual evolvement of the transformational leadership style and have continually cross-referenced each other, adding their particular evolvement thread to the transformational leadership construct. Several qualitative and quantitative studies have empirically presented the evidence to prove that transformational leadership does exist, and its application, provides benefits for individuals, leaders and organisations.

The majority of authors, who have contributed to the knowledge of transformational leadership, have done so in the positive mode, and there are very few articles found that derail their positions.

Unfortunately, organizations usually go with the current fad which often results in failure. A survey conducted in 1988 highlighted credibility as an issue in
management practices indicating that “80 percent of the Fortune 500 companies that adopted quality circles in the early 1980s had dropped them by 1987” (Abrahamson, 1996, p. 147). From this, it is clear that management practices grew in popularity, and that the cycle time of program acceptance and rejection was, and is, fluid. From a protective instinct, Abrahamson (1996) points out that the desire to appear to be a sophisticated manager seeking to prove worth by implementing and espousing the most current leadership techniques, saw an explosion of consultants and management books as organisations responded to new competitive threats by adopting new management technologies. Adjacent to this phenomenon are Kouzes & Posner (1993, p. 22) who note that much of the “change process that is implemented by companies focussed on superficial trappings”. It is an irony that managerial credibility has been undermined by precisely the same actions that managers have adopted in their efforts to muster credibility (Zucker, 1996).

A contributing factor that added additional confusion to the leadership discussion, centred around credibility where is change-oriented jargon became the norm, and in turn became the key generator of a behavioural integrity violation. This prompted Shapiro (1995, p. 49) to note that, “changes in the jargon that is used to describe employees and managers does little to alter the well-established power dynamics in an organisation, and that it has the primary effect of obscuring the reality from the less savvy actors”. When the language and behaviour do not match reality, behavioural integrity is eroded. This notion supports Kouzes & Posner’s (1993) position of the ‘walk the talk’ ideal, creating an issue, as to the perceived credibility of the leader, which may cause doubt and instability when implementing organisational change, as employees become confused and not sure whether to follow the leader.

For example, I have witnessed time and time again where organisations conduct leadership courses for the higher echelon seeking out the newer concepts such as “viewing from the balcony”, adaptive leadership and appreciative enquiry, all concepts that fit Abrahamson’s warning.

On reflection there is nothing new under the sun, these “buzz” words are
just that, descriptors that are eliminated from prominent research outcomes such as, Bass’s 1985 MLQ model and Alimo-Metcalfe & Alban-Metcalfe 2001 plus versions of the Transformational Leadership Questionnaire, which has been empirically tested many times over, and both are still current today, although Bass to a lesser extent.

Transformational leadership is a more balanced approach in that it accounts for the human being behind what the human is doing. Executive Leadership development has to include personal development so that leaders are equipped to manage whole people. The notion that people can check their personal lives at the door when they get to work is a mythology. People who believe in that myth tend to be the toughest to work for.

In accounting for real leadership, highly conscious leaders capitalize on the best their employees have to offer and they manage expectations in a more realistic- and more humane way. They develop partnership creativity, and levels of loyalty that we’ve only just begun to understand how to measure. But even though they couldn’t count it, early transformational leaders knew they were taking it to the bank.

Each type of leadership has similarities and differences and depending upon the situation. It has been demonstrated on many occasions each of these types can be applied or even modified based on the individuals own style to fit a given situation. With so many different types of leadership being taught, practiced, and created it has become apparent a pure leadership style is not practiced by anyone.

Although not one perfect model of leadership exists, the art of leadership comes from knowing how to lead, how to adapt, how to inspire, and most importantly how to display and maintain genuine concern for employees in all situations, at this stage in our evolution of leadership, all these virtues are encompassed by the Transformational Leadership Style.

Is yours?