

# Transformational Leadership

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Transformational leadership, one of the most influential leadership concepts, is a development and constructive leadership approach for both individuals and the organization. As part of the “New Leadership” paradigm which emphasizes the charismatic and affective elements of leadership (Bryman 1992), transformational leadership is concerned with the ability to inspire followers to accomplish great things (Northouse 2004). Transformational leadership, emerged and rooted in these initial writings of Burns (1978), Bass (1985), Bennis and Nanus (1985) and Tichy & DeVanna (1986), stimulated the publication of hundreds research projects, doctoral dissertations and books that have highly contributed to the development of actual concepts, distinctions and critiques of transformational leadership.

The idea of transformational leadership first appeared in the 1973 sociological study conducted by Downton, J. V., "Rebel Leadership: Commitment and Charisma in the Revolutionary Process." However, the concept of transformational leadership is attributed to James MacGregor Burns and his 1978 classic book *Leadership* (Burns 1978). In his historical review of political leadership practices exemplified by numerous case studies, Burns defines transformational leadership as an influence process that involves not only followers but also peers, superiors and members of other groups. Jim Burns's distinction

between "transactional" and "transforming" leadership still continues to inspire most of today's leadership studies.

In 1985, Barnard M. Bass, distinguished Professor of Management and director of the Center for Leadership Studies at the State University of New York at Binghamton, conducted extensive studies and presented a formal transformational leadership theory (Bass 1985). His Multifactor Leadership Questionnaire (MLQ), developed to identify individuals who exhibit transformational as well as other more traditional leadership behaviors, is completed by subordinates who describe how their superiors act when they are "leading." Bass's findings show that subordinate ratings provide the single most effective tool to identify outstanding leadership qualities.

The research conducted by Bennis and Nanus in 1985 pointed to additional but similar characteristics of transformational leaders in large corporations. Bennis and Nanus (1985) identified four common leadership characteristics strategically used by leaders in transforming organizations. First, all transforming leaders communicate a clear vision of the future state of their organizations. Second, they had the ability to move their organizations in a direction that transformed the organization's values and norms. Third, they created trust in their organizations by being a trustworthy and reliable presence in the midst of uncertainty. Fourth, they emphasized strengths over weaknesses reflecting a feeling of confidence and high expectations in their organizations.

Tichy and DeVanna (1986) highly contributed to the study of transformational leaders. Their observations on the results of face-to-face interviews with some of America's best-known transformational leaders lead them to identify three stages of organizational transformation: recognizing the need for change, creating a vision and institutionalizing change (Tichy & DeVanna, 1986). They also identified seven common traits characterizing and distinguishing these transformational leaders. They all appeared to be change agents, courageous, strong believers in people, value driven people, dedicated life-long learners, people capable of dealing with ambiguity and uncertainty, and each of these leaders was a visionary.

The distinction between transformational and transactional leadership approaches is clearly defined. Although transformational theories are based on transactional leadership, the transformational leadership approach represents the new and more accepted leadership style in organizations (Northouse 2004; Tichy and DeVanna 1986). While transactional leaders motivate followers to comply with the leader's requests and organizational role through an exchange process, transformational leaders motivate followers by encouraging them to transcend their self-interests for the sake of the organization and shared goals. According to Barnard M. Bass transactional leaders predetermine what their followers should do to realize their personal and organizational aims while transformational leaders motivate and stimulate their followers to surpass their own self-interests and direct themselves to a higher level of motivation linked to the interests of the team, organization or larger community (Bass and Avolio 1994). The relationship leader/follower is a far more complex process in the transformational

leadership approach which requires more visionary and inspiring figures (Podsakoff, MacKenzie and Bommer 1996). Through this approach the leader/follower relationship is based on trust, loyalty and respect and can ultimately produce more dedicated people for the organization.

The distinction with charismatic leadership, however, is not so clear. According to Bernard Bass (1985, 1990) a leader may be charismatic without necessarily being transformational. Although debated in leadership studies (Conger & Kanungo 1998 and Avolio & Yammarino 2002), most researchers agree that charismatic leadership is only one component of transformational leadership. Although transformational leadership gives less importance on the personal quality of the leader and focus on the specific behaviors of the leader and followers, the descriptions of the behaviors resemble those of charismatic leaders (Hunt & Conger 1999).

The qualities distinguishing transformational leaders are generally known as the "Four I's" and include: idealized influence, inspirational motivation, intellectual stimulation, individualized consideration. The first quality, *idealized influence (or Charisma)*, refers to the degree to which the leader behaves in admirable ways that cause followers to identify with the leader's vision and mission (Bass, 1990). Attaining charisma and influence in the eyes of followers is a critical step in becoming a transformational leader (Conger & Kanungo 1988; Howell & Avolio 1992). Followers consistently demonstrate confidence and trust in charismatic leaders who are able to provide a clear vision and a sense of shared mission (Avolio & Yammarino 2002). The second quality, *inspirational*

*motivation*, refers to the degree to which the transformational leader articulates a vision that is appealing and inspiring to followers. Leaders can inspire and motivate followers to higher standards only through a strong sense of purpose. Purpose and meaning, often communicated through symbolic actions and personal examples, provide the energy that drive individuals and groups forward. Inspiration of followers depends on the leader's ability to form a synergy between individual consideration and intellectual stimulation (Yammarino 1993). The third quality, *intellectual stimulation*, refers to the leaders' ability to encourage creativity and careful problem solving in their followers. A transformational leader challenges assumptions, perceptions of problems and even attitudes and values to solicit followers' ideas and contributions (Avolio, Waldman, & Yammarino, 1991). Intellectually stimulating leaders develop followers who see difficulties as problems to be solved (Bass, 1990). The fourth quality, *Individualized consideration (or Individualized attention)* refers to a leader's attention and understanding of the follower's concerns and needs. Transformational leaders often act as mentors and coaches, concerned about removing obstacles that might inhibit individuals' performance and development. As needs change over time, transformational leaders maintain a high level of listening and accurately diagnose the needs of individual followers in order to optimize their potential (Avolio & Gibson 1988).

Ethics is clearly connected to the practice of transformational leadership. While Burns (1978) argues that transformational leadership is morally uplifting in itself, Bass (1985) argues that leaders could act as *pseudotransformational*, wearing the black hats of villains or the white hats of heroes depending on their values. Howell and Avolio (1992)

distinguish between a self-oriented, and therefore unethical, transformational leadership, versus a socially oriented, or ethical, transformational leadership. Authentic transformational leader-follower relationship is oriented by a strong sense of responsibility for the growth and development of followers. The goal of transformational leadership, based on trust and mutual confidence, is to transform a dependent “transactional” relationship into an interdependent relationship, where people are "responsible to" each other. The ultimate goal of ethical transactional leadership is to bring followers to a level where they can succeed in their tasks without direct leader intervention. Unfortunately, power, control and ego often contribute to entrap leaders into a sterile relationship between “indispensable” leaders and “disempowered” followers (Kark, Chen and Shamir, 2003).

Transformational leadership approach has several strengths and benefits values. First, numerous studies indicate how transformational leader behavior can generate substantial organizational rewards (Bass, 1990; Podsakoff, MacKenzie and Bommer, 1996). The innovative transformational relations between leaders/followers produce visible effects on performance, effort, moral and satisfaction within the organization (Bass & Avolio, 1994; Bass, 1985). Second, transformational leadership emphasizes the relationship between leader and followers. It reminds us that leadership is about orienting our work for the needs of others, as it is in servant leadership. Third, it focuses on the values that motivate both leaders and followers, rather than the exchange of rewards for accomplished goals. Finally, transformational leadership considers leadership more as

process with all the complex relations between leaders, followers, organizations and contexts (Northouse 2004:183-185).

Transformational leadership also has several weaknesses that have been the subject of numerous critiques to the transformational theory (Yukl, 1999). The Four I's, for example, appear to overlap with one another, while other characteristics seems to be shared by charismatic and other similar conceptualizations of leadership (Tracey & Hinkin 1998). These overlapping and unclear distinctions obviously reinforce other criticisms on how transformational leadership is measured through the Multifactor Leadership Questionnaire (MLQ), even in the improved version (Northouse 2004, 186). Brayman (1992) suggests that transformational leadership appears to be more a set of personality trait rather than a series of behaviors that leaders can learn and develop. Although transformational leadership has enjoyed exceptional empirical support, many question the practical application of Bass's construct for everyday, frontline leaders and managers (Tracey & Hinkin, 1998; Yukl, 1999). The application of transformational leadership across organizations and cultures has led some scholars to view this approach as an unbounded, "universal" theory (Bass, 1997) while other have suggested the need to examine it within a situational context (Podsakoff & MacKenzie, 1994).

The application of transformational leadership, unlike other leadership approaches, requires leaders to make a conscious effort to understand how their own behavior relate to followers and the challenging dynamics of their organizations. Rather than providing a model that tells leaders what to do, transformational leadership offers a general way of

thinking about leadership practices through vision, inspiration, innovation and individual concern. Becoming an effective transformational leader is therefore a leadership development process often beginning with an assessment (MLQ or other similar instruments) of the leader's transformational strengths and weaknesses (Bass & Avolio, 1990). Applied trainings and leadership development program focusing on transformational leadership is particularly beneficial for building a vision and other important leadership attributes.

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