Transformational Leadership

3 Types of Leadership
(Burns, 1978)

- **TRANSACTIONAL**
  - Exchanges
- **TRANSFORMATIONAL**
  - Engagement
- **PSEUDOTRANSFORMATIONAL**
  - Personal Interests

Types of Leadership Defined
Burns (1978)

Focuses on the exchanges that occur between leaders and their followers

TRANSACTIONAL

- No new taxes = votes.
- Sell more cars = bonus.
- Turn in assignments = grade.
- Surpass goals = promotion.

The exchange dimension is so common that you can observe it at all walks of life.

Transformational leadership theory

Transactional Leaders

1. *Contingent reward:* Contracts the exchange of rewards for effort; promises rewards for good performance; recognizes accomplishments.
2. *Management by exception* (active): Watches and searches for deviations from rules and standards; takes corrective action.
3. *Management by exception* (passive): Intervenes only if standards are not met.
4. *Laissez-faire:* Abdicates responsibilities; avoids making decisions.

Transformational Leaders

1. *Charisma:* Provides vision and sense of mission; instills pride; gains respect and trust.
2. *Inspiration:* Communicates high expectations; uses symbols to focus efforts; expresses important purposes in simple ways.
3. *Intellectual stimulation:* Promotes intelligence; rationality; and careful problem solving.
4. *Individual consideration:* Gives personal attention; treats each employee individually; coaches; advises.

Theory of Charismatic Leadership (House, 1976)

Table 9.1 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

Charisma
Good or Bad?

Ethical Charismatic Leader	Unethical Charismatic Leader
• Uses power to serve others	• Uses power only for personal gain or impact
• Aligns vision with followers' needs and aspirations	• Promotes own personal vision
• Considers and learns from criticism	• Censures critical or opposing views
• Stimulates followers to think independently and to question the leader's view	• Demands own decisions be accepted without question
• Open, two-way communication	• One-way communication
• Coaches, develops, and supports followers; shares recognition with others	• Insensitive to followers' needs
• Relies on internal moral standards to satisfy organizational and societal interests	• Relies on convenient, external moral standards to satisfy self-interests

Transformational leadership

- Effective transformational leaders:
- 1. change agents.
- 2. courageous.
- 3. believe in people.
- 4. value-driven.
- 5. lifelong learners.
- 6. deal with complexity and uncertainty.
- 7. visionaries.

Transformational Leadership Factors The 4 "I"s
(Bass & Avolio, 1994)

- **Idealized Influence**
  - Acting as strong role models
  - High standards of moral and ethical conduct
  - Making others want to follow the leader's vision
- **Inspirational Motivation**
  - Communicating high expectations
  - Inspiring followers to commitment and engagement in shared vision
  - Using symbols & emotional appeals to focus group members to achieve more than self-interest

Transformational Leadership Factors The 4 "I"s
(Bass & Avolio, 1994)

- Intellectual Stimulation
  - Stimulating followers to be creative and innovative
  - Challenging their own beliefs and valuing those of leader and organization
  - Supporting followers to
    - try new approaches
    - develop innovative ways of dealing with organization issues

- Individualized Consideration
  - Listening carefully to the needs of followers
  - Acting as coaches to assist followers in becoming fully actualized
  - Helping followers grow through personal challenges

Application

- Transformational leadership provides ideals, inspiration, innovations, and individual concerns
- Can be taught to individuals at all levels of the organization
- Able to positively impact an agency's performance
- May be used as a tool in recruitment, selection, promotion, and training development
- Can be used to improve team development, decision-making groups, quality initiatives, and reorganizations

Organizational Change

- Demonstrate an emphasis towards change.
- Form a strong change coalition
- Envision the future and build strategy
- Constantly communicate the vision
- Remove barriers
- Build on early successes
- Maintain the pace towards change
- Reinforce the change

"Leadership is the art of getting someone else to do something you want done because he wants to do it."

- Dwight D. Eisenhower

