

Business 721

Effectiveness of Transformational Leadership

Jennifer Lawton
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Transformational leadership enables to transform people and organization through appealing to emotion, values and personal standards. Leaders have exceptional form of influence: creating compelling vision and connecting people with vision to achieve higher level of performance and organizational goal. Leaders enable to raise standards of people to perform at desired level. Simply stretches the capabilities of people. The leadership practices the action to transform the organization. Leadership changes the status quo by articulating to followers the problems in current system, reframing issues and creating a compelling vision of what a new organization could be. It broadens and elevates the interests of the followers, generates the awareness and acceptance of the mission of the group, and inspiring to look beyond self interests for the good of the group.

The model of the transformational leadership suggested by Bass (1985) and Avolio (1990a) suggested the additive effect of transformational leadership. Transformational leadership produces greater effects than transactional leadership. Transactional leadership results the expected outcome where as transformational leadership results in performance beyond the expectation of leader as well as followers themselves. In a Meta analysis by 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 organizations. The model explains how the transformational leadership is different to gain higher performance or performance beyond from expectation through transformational leadership. The model is adapted from "The implications of Transactional and Transformational leadership for individual, team and organizational development" by Bass and Avolio, 1990a.

In the model mentioned above, Bass addresses the question of why some leaders elicit competent performance from their followers. Transformational leadership makes the difference.

Effective leadership has a positive impact on behavior within organizations, according to many leadership researchers; transformational leadership's role in improving many factors of organizations is especially pronounced (Weese, 1994). The effectiveness of behavior within organizations—the effectiveness of their performance—is known as organizational effectiveness. Organizational effectiveness is the result of positive performance by leadership and followers in organization within the given period of time and context.

Efforts have been made to study the relationship between leadership (particularly transformational leadership) and organizational effectiveness. There is controversy, however, over whether transformational leadership has a positive impact on organizational effectiveness. For example, Weese's (1996) study of the relationships among transformational leadership, organizational culture, and organizational effectiveness showed no significant relationship between transformational leadership and organizational effectiveness. Weese (1996) found transformational leadership not to relate significantly to organizational effectiveness. They suggested that subordinates play an important role in an organization's effectiveness.

Interestingly, in an earlier article, Weese (1994) pointed out that many who have studied leadership have found “convincing evidence” for leadership's importance to the “success and survival” of an organization. He noted that transformational leaders, especially, “have a positive impact on employee satisfaction, productivity, and organizational effectiveness” (Weese, 1994, p. 188).

Transformational Leadership (Bass and Rigo, 2006) explains in the case of relationship between transformational leaders and follower satisfaction, leader scores on the transformational leadership scales of the Multifactor Leadership Questionnaire (MLQ) substantially correlated with measures of leaders' effectiveness. Correlation is greater than 0.6 as per the Meta analysis (Lowe et al 1996). Though contingent reward, the component of transactional leadership also strongly correlated with the

effectiveness, but it is not as high as seen in components of transformational leadership. Other leadership styles of full range of leadership model are not correlated with the effectiveness. This is the great evidence that transformational leadership has great deal of organizational effectiveness, leadership effectiveness and positive performance.

Transformational leadership is composed of inspirational motivation, idealized influence, individualized consideration and intellectual stimulation (Bass, 1985). This type of leadership encourages followers to put in extra effort and to go beyond what they thought possible. A large amount of empirical research on transformational leadership has shown its positive effects (Bass, 1985, 1998). Strong leadership positively affects satisfaction and performance of individuals, teams and organizations (e.g. Barling et al., 1996). Transformational leadership has also been found to lead to higher levels of organizational commitment and is associated with business unit performance (Barling et al., 1996). At an individual level, transformational leadership has positive effects on subordinates' satisfaction with (Hater and Bass, 1988) and trust in leadership (Podsakoff et al., 1996).

The transformational leadership approach works only if the leader is able to transform the values, attitudes and motives of the follower. Superior performance or the performance beyond the expectations are only possible if the leader is able to transform values, attitudes' and motives of the follower from a lower to a higher plane of arousal and maturity.

Transformational behavior such as inspirational motivation and individualized consideration increases the self efficacy of individual subordinate and collective efficacy of teams. Intellectual stimulation increases the creativity of individual followers. Transformational leader make followers more aware of the importance and value of the work and induce followers to transcend self interest for the sake of the organization the leaders develop followers skill and confidence to prepare support and confidence to prepare them to assume more responsibility in an empowered organization. As a result of

this influence the followers feel trust and respect towards the leader and they are motivated to do more than they originally expected to do.

Transformational leadership facilitates the development of trust in the leader because such leadership involves showing concern for the individual needs of followers as well as behaving in ways that are consistent with espoused values (Bass, 1985). Transformational leadership requires trust in the leader because of the uncertainty inherent in changing the status quo. Furthermore, followers need to trust the leader if they are to cooperate and commit fully to the leader's vision (Bass, 1985) as well as if they are to respond positively to intellectual stimulation. Trust in the leader has been shown to be an important mediating (or intervening) variable with respect to the relationship between transformational leadership and various outcomes such as organizational citizenship behavior (OCB), performance and satisfaction with the leader (Jung and Avolio, 1999).

According to Bass transformational leadership is considered effective in any situation or any culture. The theory does not specify any condition under which authentic transformational leadership is irrelevant and ineffective. In support of this positive relationship between transformational leadership and effectiveness has been replicated for many leaders at different levels of authority, in different types of organization and several different countries (Bass, 1997). Transformational leadership is more effective in where the basic level of anxiety is not too high and attention is given to the developmental needs of the led people. In general this leadership patterns depends more on the leaders view of him as transformational and less on the organizational context.

The relationship between transformational leadership components and subjective measures of leader effectiveness are much higher compare to the relationships between transformational leadership and objective measures. Because transformational leadership energize the people through intellectual

stimulation, inspirational motivation and other two elements; these are subjective elements.

(Transformational leadership, Bass and Rigo, 2006).

Charismatic and transformational leadership moves followers to exceed the expectations in performance. Transformational leaders enhance the self concepts of followers and encourage followers' personal and collective identification with both the leader's and the organizations' goals and objectives. Followers become the part of the challenges of the mission and go through the unexpected discoveries and sense of empowerment by ways of association with a successful leader. Transformational leader enhance the self concept and sense of self efficacy. The self efficacy has shown to consistently enhance both individual and group performance (Bandura, 1997; Stajkovic and Luthans, 1999). Shared or aligned goals and values are key to motivating follower performance. Finally the transformational leader empowers followers to perform beyond expectations. One of the main reason of effectiveness of transformational leadership's performance is it is people centered; it is not the intra-individual centered leadership theory where leaders remain the focal point. The focal point here is the people.

Goal of transformational leaders is to inspire followers to share the leader's values and connect with the leader's vision. This connection is manifested through the genuine concern the leaders have for their followers and the followers giving their trust in return. Leaders exhort followers to support the leader's vision by sharing ideas, imagination, talents, and labor to reach agreement and attain virtuous goals for the good of the leaders, followers, and the organization. Both leaders and followers rise above their self-interests for the betterment of all, and both achieve genuine satisfaction. Authentic transformational leadership, because of all the reasons mentioned above, raises leaders above their self-interest and short-circuits pseudo-transformational leadership tendencies. Management in the end codifies the changes and puts in the administrative structures necessary to solidify their maintenance.

But it is through the leader's hard work that followers come to share the leader's goals and values to transcend their self-interest and accomplish the mission.

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