

# **The Science of Leadership**

## **TRANSFORMATIONAL LEADERSHIP: THE HIGHLY EFFECTIVE LEADER/FOLLOWER RELATIONSHIP**

by

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### **EXECUTIVE SUMMARY**

The best available evidence to date strongly indicates that leaders are most effective in gaining follower commitment and inspiring performance toward goals when they do the following things:

#### **Idealized Influence—Leaders must be charismatic**

Leaders must exude confidence and competence. They must have, or at least appear to have, a clear sense of mission, purpose, and values and they must behave in ways that are consistent with their purpose and values. They must demonstrate their commitment to achieving an important goal for their group or organization and they must show that they are willing to make personal sacrifices to achieve that goal. Leaders must conduct themselves as someone with whom their followers will take pride in being associated.

#### **Inspirational Motivation—Leaders must be inspirational**

Leaders must develop and articulate a clear and compelling vision of the future. Leaders must generate enthusiasm for their vision and optimism that it can be achieved.

#### **Individual Consideration—Leaders must be considerate of their followers**

Leaders must deal with people as individuals with unique needs, abilities, and aspirations. Leaders must coach, advise and teach their followers.

#### **Intellectual Stimulation—Leaders must be intellectually stimulating**

Leaders must question assumptions and the status quo. Leaders must seek innovative and creative solutions to old problems and encourage leadersr followers to do the same. Leaders must create excitement for finding new perspectives and new ways of doing things.

#### **Contingent Reward—Leaders must reward accomplishment**

Leaders must make their expectations clear and reward performance. Followers must know where they stand with their leader and that they will be rewarded if they meet or exceed their leader's expectations.

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**B**ernard Bass says he read James McGregor Burns' book *Leadership* in 1979 and immediately "was hooked."<sup>1</sup> Burns argued that regardless of traits, behaviors or situations, leadership at the most fundamental level is about an exchange in which both leaders and followers get something they want and need. He identified two types of leadership--transactional and transforming. Transactional leadership is based on a rather ordinary and mundane instrumental exchange of value. Transforming leadership is quite different. Here the exchange involves something that rises very much above the common place. Transformational leaders and followers engage in an interaction that leads to a heightened sense of purpose, mission and understanding. Both leader and the led are aroused and ultimately transformed; thus the name transforming leadership.

In 1980, Bass got his first chance to explore Burns' concept of the Transformational Leader while working with 70 senior executives at the University of South Africa in Pretoria. Bass asked the executives if they could recall working for a leader who inspired and motivated them like Burns' Transformational Leader. All said they could. What's more they agreed to generate a series of statements describing Transformational and Transactional Leaders they had encountered. Eventually Bass collected 141 statements that became part of his first Multifactor Leadership Questionnaire (MLQ). Over the next few years he continued to refine his questionnaire by submitting it to a wide range of business executives, government administrators and senior U.S. Army officers. In 1985, Bass published a highly influential book entitled *Leadership and Performance Beyond Expectations* laying out his findings and proposing a theory of leadership that sought to describe the behaviors of Transformational and Transactional leaders and Laissez-faire (non-leaders).

**NOTE:** Over the years, Bass's Multifactor Leadership Questionnaire (MLQ), also known as the Full Range Leadership Theory (FRLT) has continued to be refined. A number of similar measurement instruments and leadership theories have been developed by other researchers such as Jay A. Conger and Rabindra N. Kanungo (see their book *Charismatic Leadership in Organizations*, 1998) and James M. Kouzes and Barry Z. Posner (see their book *The Leadership Challenge, Third Edition*, 2002). Additionally, some researchers have sought to extend the Burns/Bass Transformational Leader concept by proposing that there are, or should be, "servant leaders" and "transcendent leaders" who serve followers by catering to their growth and/or spiritual needs. See Peter Block's book *Stewardship: Choosing Service Over Self-Interest* (San Francisco: Barrett-Kohler, 1993) for more information on servant leadership. See Pablo Cardon's article "Transcendental Leadership," in *Leadership & Organization Development Journal*, 2000, Volume 21, Issue 4, page 201-208 for information on transcendental leadership. Although the service and transcendental leadership concepts are interesting, neither have been subject to widespread empirical test so we do not cover them here. Bass's MLQ/FRLT continues to be the most widely used and validated measurement instrument/theory in leadership studies.

Bass's measurement instrument and theory cover the following sets of behaviors that are said to reflect Transformational leadership, Transactional leadership, or Laissez-faire/non-leadership.<sup>2</sup>

## Transformational Leadership Behaviors

According to Burns, "the [transformational] leader recognizes and exploits an existing need or demand of a potential follower...[The transformational] leader looks for potential motives in followers, seeks to satisfy higher needs, and engages the full person of the follower. The result of [transformational leadership] is a relationship of mutual stimulation and elevation that converts followers into leaders and may convert leaders into moral agents."<sup>3</sup> Bass identifies four components of transformational leadership as follows:

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## 1. Idealized Influence/Charisma<sup>4</sup>

These behaviors have to do with shaping the followers' perceptions of their leader's power, confidence and ideals. Leaders who demonstrate idealized influence/charisma according to Bass "display conviction, emphasize trust, take stands on difficult issues, present their most important values, emphasize the importance of purpose, commitment, and the ethical consequences of decisions. Such leaders are admired as role models generating pride, loyalty, confidence, and alignment around a shared purpose."<sup>5</sup> They make sacrifices for the benefit of the group, remain calm in crises, display competence and set a personal example for others to follow; consequently they are held in high regard. Followers tend to describe leaders who are exhibiting idealized influence/charisma in the following manner:

*I have complete faith in him/her.*

*He is a model for me to follow.*

*I'm proud of him/her.*

*He/she goes beyond self-interest.*

*He/she has my respect.*

*He/she displays power and confidence.*

*He/she talks about values.*

*He/she models ethical standards.*

*He/she considers the moral/ethical consequences of his/her actions.*

*He/she talks to us about his/her most important values and beliefs.*

*He/she emphasizes the importance of being committed to our beliefs.*

*He/she displays conviction in his/her ideals, beliefs, and values.*

*He/she clarifies the central purpose underlying our actions.*

*He/she talks about how trusting each other can help us to overcome our difficulties.*

*He/she emphasizes the importance of having a collective sense of mission.*

*He/she takes a stand on difficult issues.*

*He/she behaves in ways that are consistent with his/her expressed values.*

NOTE: A Brief Word about the Use of the Word "Charisma"

The use of the word "charisma" to describe one of the components of transformational leadership behavior can be confusing. In its earliest usage in the Christian Bible, "charisma" referred to special "gifts" such as wisdom, knowledge, prophecy, healing and so on bestowed by God on special people. Max Weber, the famous German Sociologist, secularized "charisma" as a form of authority distinct from other types of authority derived from the unique combination of an "extraordinarily gifted" person; a crisis; a radical solution; followers convinced that the gifted person has a link to divine powers; and the validation of the leader's transcendental powers through repeated successes. In the current usage, Bass strips the word of any divine dimensions. As used in his theory, charisma" refers to a purely behavioral phenomenon. One does not have to have a "special" or "divine" gift to exhibit "idealized influence" or "charisma."

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## 2. Inspirational Motivation

These behaviors have to do with the leader's efforts to inspire and motivate his/her followers to tackle ambitious goals and to raise followers' self-confidence about their ability to achieve these seemingly impossible goals. Inspirational motivation has to do with the leader's ability to develop an attractive vision of the future, use symbols and emotional arguments to gain followers' acceptance of and commitment to the vision, and engender faith and optimism among followers that the vision can be achieved. Leaders who demonstrate inspirational motivation according to Bass "...articulate an appealing vision of the future, challenge followers with high standards, talk optimistically with enthusiasm, and provide encouragement and meaning for what needs to be done."<sup>6</sup> Followers use the following types of statements to describe leaders who exhibit inspirational motivation.

*He/she is an inspiration to us.*

*He/she inspires loyalty to the organization.*

*He/she emphasizes the collective mission.*

*He/she talks optimistically about the future.*

*He/she talks enthusiastically about what needs to be accomplished.*

*He/she arouses awareness of important issues.*

*He/she sets high standards.*

*He/she envisions exciting new possibilities.*

*He/she provides continuous encouragement.*

*He/she focuses my attention on "what it takes" to be successful.*

*He/she makes me aware of work-related issues.*

*He/she shows determination to accomplish what he/she sets out to do.*

*He/she expresses his/her confidence that we will achieve our goals.*

*He/she articulates a compelling vision of the future.*

## 3. Individualized Consideration

Individualized consideration refers to efforts on the part of a leader to provide emotional and social support to his/her followers and to develop and empower them through coaching and counseling. Burns says leaders who exhibit individualized consideration "deal with others as individuals; consider their individual needs, abilities, and aspirations; listen attentively; further their development; advise; teach; and coach."<sup>7</sup> They delegate responsibility, empower people, support their subordinates, and are responsive to individual needs. They listen, communicate and encourage. Followers use the following types of statements to describe leaders who exhibit individualized consideration:

*He/she spends time teaching and coaching me.*

*He/she gives personal attention to members who seem neglected.*

*He/she teaches and coaches.*

*He/she teaches me how to identify the needs and capabilities of others.*

*He/she treats me as an individual rather than as a member of a group.*

*He/she focuses me on developing my strengths.*

*He/she treats each of us as individuals with different needs, abilities, and aspirations.*

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*He/she promotes self-development.*

*He/she listens attentively to my concerns.*

*He/she provides useful advice for my development.*

#### **4. Intellectual Stimulation**

These behaviors refer to the leader's efforts to challenge followers intellectually, to encourage them to question their assumptions and the status quo and to seek innovative and creative solutions to problems. According to Bass, leaders who demonstrate intellectual stimulation "question assumptions, traditions, and beliefs; stimulate in others new perspectives and ways of doing things; and encourage the expression of ideas and reasons."<sup>8</sup> Followers describe leaders who are exhibiting intellectual stimulation in the following ways:

*He/she enabled me to think about old problems in new ways.*

*He/she reexamines assumptions.*

*He/she seeks different views.*

*He/she suggests new ways.*

*He/she suggests different angles.*

*He/she encourages me to express my ideas and opinions.*

*He/she encourages addressing problems by using reasoning and evidence, rather than unsupported opinion.*

*He/she questions the traditional ways of doing things.*

*He/she emphasizes the value of questioning assumptions.*

*He/she re-examines critical assumptions to question whether they are appropriate.*

*He/she encourages us to rethink ideas that had never been questioned.*

*He/she seeks differing perspectives when solving problems.*

*He/she suggests new ways of looking at how we do our jobs.*

*He/she gets me to look at problems from different angles.*

*He/she encourages non-traditional thinking to deal with traditional problems.*

## **Transactional Leadership Behaviors**

According to Burns, transactional leaders "...approach followers with an eye to exchanging one thing for another: jobs for votes, or subsidies for campaign contributions."<sup>9</sup> Bass identifies three components of transactional leadership.

### **1. Contingent Reward**

These behaviors have to do with economic and emotional exchanges between leaders and followers. Bass says when leaders provide contingent rewards they "engage in a constructive path-goal transaction of reward for performance. They clarify expectations, exchange promises and resources for support of the leaders, arrange mutually satisfactory agreements, negotiate for resources, exchange assistance for effort, and provide commendations for successful follower performance."<sup>10</sup> Followers tend to describe the contingent reward behaviors of leaders this way:

*He/she tells me what to do if I want to be rewarded for my efforts.*

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*There is close agreement between what I am expected to put into the group effort and what I can get out of it.*

*He/she rewards your achievement.*

*He/she recognizes your achievement.*

## **2. Management by Exception—Active**

When leaders engage in active management by exception, they monitor the performance of their followers in order to detect poor performance or deviations from standards so they can take corrective action. The leader actively searches for mistakes or errors in order to catch and correct them. In short, says Bass, leaders who engage in active management by exception “...enforce rules to avoid mistakes.”<sup>11</sup> Followers use the following types of statements to describe their leader’s active management by exception:

*He/she arranges to know when things go wrong.*

*He/she focuses on your mistakes.*

*He/she puts out fires.*

*He/she concentrates on failures.*

## **3. Management by Exception—Passive**

Leaders who engage in passive management by exception wait to intervene until serious mistakes are made and called to their attention. They are describe by their followers as follows:

*He/she reacts to problems if they are serious.*

*His/her philosophy is ‘if it’s ‘ain’t broke, don’t fix it.’*

## **Non-Leadership—Laissez-Faire**

Finally, Bass includes a category of non-leadership. Laissez-faire non-leaders “...avoid accepting responsibilities, are absent when needed, fail to follow-up on requests for assistance, and resist expressing their views on important issues.”<sup>12</sup> Followers describe laissez-faire non-leaders this way:

*He/she takes no action even when problems become chronic.*

*He/she is absent when needed.*

*He/she avoids deciding.*

*He/she delays responding to requests for assistance or advice.*

### **PRACTICAL LESSON**

The lessons to be learned from Bass is that transformational leadership, which as we shall see has been found to be the most effective form of leadership, involves four types of leadership behaviors: (1) idealized influence/charisma; (2) inspirational motivation; (3) individualized consideration; and (4) intellectual stimulation. Transactional leadership which is generally less effective involves three types of behaviors: (1) contingent reward; (2) active management-by-exception; and (3) passive management-by-exception.

## Key's to Understanding Transformational Leadership

Bass's interpretation of transformational leadership is undoubtedly the most widely investigated theory of what it takes to be an effective leader. As we shall see in the next article there is strong evidence that transformational leadership as measured by Bass's Multi-factor Leadership Questionnaire is highly effective in a wide range of settings. You should note, however, that Bass's interpretation differs in some key respects from the theories of other researchers.

### A. Transformational vs. Transactional Leadership—Two Types of Leaders or Two Dimensions of Leadership?

In Burn's original formulation, transformational leadership and transactional leadership were two different styles of leading. You could be a transactional leader or a transformational leader, but you couldn't be both. In Bass's theory transformational leadership and transactional leadership are two different dimensions of leadership. Under his theory, a leader could engage in both transformational and transactional leadership behaviors. Most researchers today would side with Bass.

#### **PRACTICAL LESSON**

In short, just because you engage in transformational leadership behaviors such as inspirational motivation, intellectual stimulation and so on, that doesn't mean that you can't or shouldn't offer your followers contingent rewards. In fact, as we shall see, there is good reason for a leader to display both transformational leadership behaviors and at least some transactional behaviors.

### B. Charisma—One Part of Effective Leadership or The Key to Effective Leadership

There is considerable debate concerning the role and importance of charisma (idealized influence) in effective leadership. Bass argues that charisma is one component of transformational leadership, but just one component and by itself would not be sufficient.<sup>13</sup> The effective leader has to exhibit all, or at least most, of the other transformational behaviors to have his/her impact on followers. Other researchers such as Jay Conger and Rabindra Kanungo place much more emphasis on the charismatic component of leadership, even using the phrase "Charismatic Leadership" instead of "Transformational Leadership." They point to evidence that the component of Bass's model that correlates strongest with follower ratings of leader effectiveness and follower job satisfaction is leader charisma (idealized influence).<sup>14</sup>

In short, while Bass is probably right that it's not sufficient just to be charismatic, it is most likely also true that you are not going to get very far with inspirational motivation, intellectual stimulation and individual consideration if you aren't seen by your followers as being at least somewhat charismatic.

### C. Transformational Leadership—Behavior or Perception of Behavior

This isn't so much a matter of debate as it is a key premise that most Mode 1 researchers would accept today. Almost everyone agrees that leadership occurs when certain individuals behave in a certain ways with the intention for influencing and coordinating the behaviors of others. But, leadership is also a relationship between leaders and followers. As Conger and Kanungo put it, "...the existence of a leader depends on the presence of one or more followers and the kind of status or power relationship that develops

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between them. Leadership comes into being when followers perceive the leader's behavior in a certain way, accept the leader's attempt to influence them, and then attribute leadership status to that individual. Without the followers' perception, acceptance, and attributions, the phenomenon simply would not exist."<sup>15</sup>

Perhaps Burns put it best when he wrote: "One-man leadership' is a contradiction in terms."<sup>16</sup>

If a man runs naked down the street proclaiming that he alone can save others from impending doom, and if he immediately wins a following, then he is a charismatic leader...If he does not win a following, he is simply a lunatic.

R. J. House and W.D. Spangler, "Personality and Charisma in the U.S. Presidency: A Psychological Theory of Leadership Effectiveness," *Administrative Science Quarterly*, 36, p. 376

### **PRACTICAL LESSON**

The best available evidence to date strongly indicates that in order to be an effective leader you must do the following things:

**Idealized Influence—You must be charismatic**

You must exude confidence and competence. You must have, or at least appear to have, a clear sense of mission, purpose, and values and you must behave in ways that are consistent with their purpose and values. You must demonstrate your commitment to achieving an important goal for your group or organization and you must show that you are willing to make personal sacrifices to achieve that goal. You must conduct yourself as someone with whom your followers will take pride in being associated.

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**Contingent Reward—You must reward accomplishment**

You must make your expectations clear and reward performance. Your followers must know where they stand with you and that they will be rewarded if they meet or exceed your expectations.

## **The Proof that Transformational Leadership Works**

Leadership researchers have conducted a tremendous amount of research over the last two decades to determine if and how transformational leadership works. I will review some of the most significant of that research in my next article entitled "The Proof."

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## NOTES

<sup>1</sup> See Hoojberg, Robert and Jaepil Choi, "From Selling Peanuts and Beer in Yankee Stadium to Creating a Theory of Transformational Leadership: An Interview with Bernie Bass," *Leadership Quarterly*, 2000/Summer/11/2, 291-307 and Bass, Bernard M., "Does the Transactional-Transformational Leadership Paradigm Transcend Organizational and National Boundaries?," *American Psychologist*--, 1997/February/52/2, 130-139 for Bass' description of how the Multi-factor Leadership Questionnaire was developed..

<sup>2</sup> The following discussion is based upon descriptions of the Multifactor Leadership Questionnaire and Bass's Full-Range Leadership Theory in Hinkin, Timothy R. and J. Bruce Tracey, "The Relevance of Charisma for Transformational Leadership in Stable Organizations," *Journal of Organizational Change Management*, 36496, 105-119, Bass, Bernard M., "Does the Transactional-Transformational Leadership Paradigm Transcend Organizational and National Boundaries?," *American Psychologist*--, 1997/February/52/2, 130-139, Bass, Bernard M., "Theory of Transformational Leadership Redux," *Leadership Quarterly*, 6/4, 463-478, and Avolio, Bruce J., Bernard M. Bass, and Dong I. Jung, "Re-Examining the Components of Transformational and Transactional Leadership Using the Multifactor Leadership Questionnaire," *Journal of Occupational and Organizational Psychology*, 1999/December/72/4, 441-463.

<sup>3</sup> Burns, James MacGregor, *Leadership*, New York: Harper & Row, 1978, 4

<sup>4</sup> In some versions of Bass' Full-Range Leadership Theory, Idealized Influence/charisma is broken into Idealized influence (attributed), or attributed charisma which refers to how the follower perceives the leader's power, confidence and ideas and Idealized influence (behaviors), or behavioral charisma which refers to the specific behaviors the leader engages in to convey his values, beliefs, sense of mission and purpose and ethical standards. For simplicity, we grouped idealized influence (attributed) and idealized influence (behaviors) together in this discussion. For more information and a more complete explanation of the full-range leadership theory see John Antonakis and Robert J. House. "The Full-Range Leadership Theory: The Way Forward," in Bruce J. Avolio and Francis J. Yammarino (eds). *Transformational and Charismatic Leadership, Volume 2*, (New York: JAI, 2002), p 3-33.

<sup>5</sup> Bass, Bernard M., "Does the Transactional-Transformational Leadership Paradigm Transcend Organizational and National Boundaries?," *American Psychologist*, 1997/February/52/2, 133

<sup>6</sup> Bass, 133

<sup>7</sup> Bass, 133

<sup>8</sup> Bass, 133

<sup>9</sup> Burns. *Leadership*, p.4

<sup>10</sup> Bass, 133

<sup>11</sup> Bass, 133

<sup>12</sup> Bass, 133

<sup>13</sup> Bass cited in Conger, J.A., *Charismatic leadership in organizations*, Sage, 1998, 14.

<sup>14</sup> See references in Conger, J.A., *Charismatic leadership in organizations*, Sage, 1998, 15

<sup>15</sup> Conger, 39

<sup>16</sup> Burns, 452

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