

The Art of **TRANSFORMATIONAL LEADERSHIP**

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While there are countless organizations that claim to transform cultural norms, transformational change itself is rare and unique.

Effective transformation requires transformational executive leaders who have special qualities and use culture as a tool to facilitate change not only in others but also in themselves. Transformational executive leaders have a clear roadmap for the future, and they are capable of inspiring both themselves and their workforce. The findings in this article come from my interviews with the CEOs of seven large organizations in Australia and the United States.

The main criticism about leadership in business literature is that organizations of all sorts (corporations, government agencies, and nonprofits) tend to be over-managed (and, in some cases, over-administrated) and under-led. To address this deficit, the books on leadership today run the gamut of advice, with quotes ranging from Shakespeare to Geronimo. This is not to say that these authors, leaders, and thinkers do not have anything good to say about leadership. It is just that the plethora of leadership literature has sent mixed signals to leaders. The only thing we know is that managers may be doing things right, but leaders are doing the right things.

Many executives are familiar with leadership styles developed by scholars. But leadership studies have remained relatively

silent on how to integrate the styles and concepts from diverse disciplinary domains, and they often do not provide ways of understanding the theoretical and applicable concepts of true leadership. These studies have failed to disclose how to fill the gaps between performance and success. In many instances, there is no direct connection between leadership styles and models. The exception is the model called "transformational leadership."

First written about by James MacGregor Burns, transformational leadership is defined as a leadership approach that causes change in individuals and social systems. In its ideal form, it can create valuable and positive change in followers, with the end goal of developing followers into leaders.

There are critics of this leadership model, but do not let that stop you from implementing it and learning how to master it. For example, many scholars critique the examples of leadership styles used in the literature for having no relevance to today's changing business environment. However, these authors posit that transformational leadership leads to results in organizations, influences employees' individual interests to align with institutional interests, and inspires followers

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to create new ideas and innovations for effective business outcomes.

THE MARKS OF TRANSFORMATIONAL LEADERSHIP

But when organizations claim to be transformational, are they transforming? Out of the 34 large organizations I initially selected for the survey, I was able to study 12 of them. I then identified seven successful organizations in transformation, conducted interviews with their CEOs, looked at their characteristics, and made a list of what made them transformational leaders.

What I found in my initial survey is that successful organizations that claim they are, or are becoming, transformational may be more capable than others based on several indicators. Compared with their competitors, they have a knack for expanding their market share and an amazing ability to adapt to new conditions caused by changes in society and local and global norms. And they tend to have a higher market value compared with other organizations.

THE SKILLS OF TRANSFORMATIONAL LEADERS

What are the characteristics of highly impactful, transformational executive leaders?

My interviews with these CEOs indicate that the first important factor is the strength they have acquired through their previous experiences, especially those who have worked in start-ups or consulting organizations such as BCG and McKinsey.

Consulting organizations have a higher understanding of what works and what does not, and this higher understanding plays a very important role in the effectiveness of transformational executive leadership. The analytical experiences these executives gained as management consultants increased their creativity. A clear example of this type of leader is Steve Jobs, whose previous experiences in start-ups and even his recruitment consulting role supported his becoming a transformational executive leader.

The second important characteristic is that these leaders see transformation as a tool to optimize their current business and create new innovations to renew its strength. They do not look at transformation as abandoning their current business and creating a new one. Tesla is an example of a successful company that is at the forefront of transformation. Its transformational executive leader, Elon Musk, is constantly optimizing the current business as a manufacturer of electric cars. He has also moved the engine of innovation by entering the space arena

and leading the future of the internet. Musk is developing a new Tesla restaurant in Los Angeles along with developing an electric truck.

Another example is Richard Branson's activities with Virgin Group Ltd., which continues to innovate air travel even as it enters the space field. The goal of the move is to inject new innovations and ensure the long-term survival of the company.

My interviews with the CEOs also show that culture is a key tool to facilitate transformation. The company replaces the conservative culture with a culture of risk-taking and continuous improvement and creates a learning organization that incorporates full participation in decision-making across the business. In this way, a transformational culture facilitates an ongoing engagement with employees, encouraging them to explore and be more creative at work. Transformational leaders introduce new slogans into the culture, along with new events and symbols of change, to signal that the company is entering a new era. They will introduce programs such as merit awards to encourage innovation and help support a risk-taking and creative workforce.

Another characteristic of transformational executive leaders is that they are storytellers. They attempt to build corporate culture through storytelling, drawing on teaching points and history to convey examples of a new reality of the future for employees and help them design a clear plan to focus on individual talents. These leaders believe that a good story that showcases various examples of innovation may increase the level of risk-taking in an organization.

Finally, transformational executive leaders have a clear and precise roadmap to achieve the new reality they want to manifest. They proactively create, with high flexibility, possible scenarios that the company may face in the future.

Transformational leadership is a major factor for executive success in today's changing business environment. Organizations will increasingly need transformational executive leaders to be more effective. Transformational leaders have unique characteristics that give them an amazing ability to create a new future and realize it. I suggest that executives develop these characteristics, which will help them become transformational for themselves and their organizations as they develop the art of transformational leadership. [CC](#)

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