

# Transformational Leadership

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It's time to work on *you*, so sit back and listen to practical, actionable advice to accelerate your progress.

In this lesson, you will gain an understanding of what transformational leadership is, what it requires to succeed, and how it can positively impact an organisation.

Let's kick things off at the beginning with where the idea first originated.

The first appearance of the transformational leadership concept dates back to 1973, initially coined by James V. Downton [1]. Five years later, in 1978, James Burns expanded upon Downton's approach [2]. He posited that transformational leadership is a process in which "leaders and followers help each other to advance to a higher level of morale and motivation." [3] Importantly, he distinguished between "transforming leadership" and "transactional leadership." According to Burns, transforming creates meaningful change in the lives of people and organisations. It redesigns perceptions and values and changes the expectations and aspirations of employees. Unlike the transactional approach, it is not based on a "give and take" relationship but on the leader's personality, traits, and ability to make a change through example, articulation of an energising vision, and challenging goals [3].

Researcher Bernard M. Bass took the concept even further in the mid-80s [4]. He developed a method of measuring the impact transformational leadership was able to have on an organisation. This added real credibility to the idea. After all, there's nothing the world of business loves more than to be able to measure results.

In their book *Transformational Leadership* [4], authors Bass and Ronald E. Riggio defined transformational leaders as being able to:

"...stimulate and inspire followers to both achieve extraordinary outcomes and, in the process, develop their own leadership capacity."

This updated version of how transformational leadership was viewed still aligns with what we think of as transformational leadership today. It's a model that encourages leaders to be strong and authentic in a way that will inspire employees to follow them.

The industry most associated with transformational leadership is technology. Its fast-paced, fail-fast-and-go-again style demands innovation and agility from its leaders.

However, it is considered a hugely effective leadership style regardless of your sector. It is about unlocking the potential of your people – which is never a bad thing.

Here's a quick thought exercise. Who first comes to mind when we ask, "Who do you consider a transformational leader?"

Is it someone close to you or a famous leader from history? A current superior or someone from another organisation that you admire?

Harvard Business Review has put together a list of the top ten examples of transformational leaders from across the globe [5]. The list was determined by analysing the leaders of companies on the S&P and Fortune Global 500 lists.

Each leader was then judged on multiple metrics, such as new products, services, and business models developed under their leadership, the repositioning of the company's core business, and overall financial performance.

You won't win too many awards for picking out several members of the top 10 – famous names such as Amazon's Jeff Bezos, Netflix's Reed Hastings, Apple's Steve Jobs, and Microsoft's Satya Nadella were all present.

But why did the people themselves believe they had such an impact?

Number five on the list, Aetna CEO Mark Bertolini, expressed how a transformational leader needs to become "the storyteller-in-chief," pointing the way to the future.

Hastings and Bezos are said by HBR to have combined insider and outsider status, as they entered the market where they achieved huge success with no prior experience in that sector.

This allowed them to see things differently from those who had spent decades building up a way of operating in that market, so they came at the challenges they faced with a fresh perspective.

To borrow a Guy Kawasaki phrase, that allowed them to 'jump the innovation curve' - to reinvent how things were done in innovative new ways [6].

As these different examples show, there's no strict template for a transformational leader. However, those on the list did share specific attributes.

All of them presented an inspiring vision, challenged the status quo, and demanded extremely high standards of themselves and everyone else who worked for them.

This is all well and good for these business legends, but how can **you** become a transformational leader? Sounds daunting, right? It doesn't have to be.

Conveniently The London School of Economics and Political Science breaks down the concept into five key skill areas [7]. Anyone can develop and sharpen these skills with practice and the correct mindset.

The first key skill area all prospective transformational leaders need is the ability to build trust.

Your team must **want** to follow you, so they must believe in you.

That means trusting you, trusting that you have their best interests at heart, and trusting that the journey you are taking them on will be worth the energy and will benefit them as employees and people.

To achieve this, you must be authentic and possess a clear vision for this bright future. One which you can communicate in a way that breeds excitement, enthusiasm, and inspiration.

You should be able to passionately explain the organisation's strategy and why it is essential to everyone's success.

From there, you can show each individual their place in the bigger picture and why it would be harder to achieve without them and their contribution.

This promotes a sense of ownership and encourages individuals to buy into the organisation's overall goals.

As Aetna CEO Mark Bertolini told us, transformational leaders must be captivating storytellers.

You will also build trust by keeping the lines of communication open between you and your employees. Create an open-door policy that extends to support and advice on their current work and broader concerns with their development and any issues they face.

Transformational leaders don't just yell down orders and leave their people to get on with it. Although you should provide autonomy and avoid micro-managing employees, you must always be available.

Ensure you develop a genuine, warm working relationship with every member of your team. Instead of the outdated 'boss/servant' hierarchy, it should feel like a partnership.

The second requirement is that you always act with integrity.

You must display and encourage strong values. These values can then be used as a compass by your team to navigate the regular workplace decisions they will face daily.

These values should include ethical and socially conscious behavior, dedication to your role and to the organisation's vision, but also a healthy attitude to work/life balance. Employees should know that commitment and dedication don't mean working yourself into the ground.

Next, you must encourage others.

A big part of your role is keeping your team motivated. This is doubly important when facing times of uncertainty. As a leader, you must provide the tools for others to succeed and give them confidence in themselves by showing constant belief in their abilities and celebrating their successes.

The company vision should feel like a shared goal between all of you. People need purpose.

As a transformational leader, you don't fear failure, so neither should your team members.

You are their role model, and you give them belief.

The fourth key area for transformational leaders, according to LSE, is innovative thinking.

"But this is how we've always done things." Have you ever heard that? That expression should be like a red rag to a bull for a transformational leader.

You must have a change mindset that enables you to challenge perspectives, seek improvement and solve problems in innovative and creative ways – much like how the insider/outsideers Bezos and Hastings approached their tasks.

By role modelling this behaviour, you'll encourage your team members to do the same when they problem-solve or need to push against the status quo.

Coming back to the idea of removing fear from the workplace - by refusing to focus solely on outcomes, you can empower your employees to stop always playing it safe and instead take well-considered risks and seek out new opportunities.

As trite as it sounds, as long as they learn from their failures, they aren't failures at all.

Finally, as a transformational leader, you should continuously coach those around you.

At its core, the role is about unleashing the potential of others, not showing how great you are. So, enabling all your employees to grow and achieve their potential is essential to your daily work life.

This leads us to the impact transformational leaders have on those they lead.

According to a report by Simply Psychology, employees led by transformational leaders perform better and report increased job satisfaction than those led by other styles. [1]

This is down to them finding greater meaning in their work and the fact that they can build a healthier self-image.

This, importantly, "...results in decreased burnout [...] and increased individual motivation."

So, it's not just performance that benefits from a transformational leadership style or even the organisation's bottom line. Individual employees experience better health and general enjoyment than those in more traditional leadership structures.

That's a critical point. Transformational leadership cares about individuals more than financial quarters, which ultimately delivers more financial success anyway while setting employees on course to achieve their full potential.

All that is left to do is consider how you can introduce these behaviours into your own leadership style to help you achieve the trust, buy-in, and success of the transformational leaders who have gone before you!

We also recommend you head over to the Psychology Today article, "Are You a Transformational Leader?" in the reading list and answer those eight questions at the bottom. [8]

That's all for today. Thanks for listening.

[1] *Transformational Leadership Style: How to Inspire and Motivate*, Chioma Ugochukwu (2024)

<https://www.simplypsychology.org/what-is-transformational-leadership.html>

[2] *Transformational leadership: origins and main features*, The Open University, <https://www.open.edu/openlearn/mod/oucontent/view.php?id=97100&section=1>

[3] *Transformational leadership*, researchgate.org, [https://www.researchgate.net/profile/Nancy-Roberts-3/publication/248150557\\_Transforming\\_Leadership\\_A\\_Process\\_of\\_Collective\\_Actio/links/5a78e09daca2722e4df31a8f/Transforming-Leadership-A-Process-of-Collective-Actio.pdf](https://www.researchgate.net/profile/Nancy-Roberts-3/publication/248150557_Transforming_Leadership_A_Process_of_Collective_Actio/links/5a78e09daca2722e4df31a8f/Transforming-Leadership-A-Process-of-Collective-Actio.pdf)

[4] *Transformational Leadership*, Ronald E. Riggio, Bernard M. Bass, Psychology Press (2006) [https://books.google.co.uk/books/about/Transformational\\_Leadership.html?id=2WsJSw6wa6cC&redir\\_esc=y](https://books.google.co.uk/books/about/Transformational_Leadership.html?id=2WsJSw6wa6cC&redir_esc=y)

[5] *What the Best Transformational Leaders Do*, Scott D. Anthony and Evan I. Schwartz (2017) <https://hbr.org/2017/05/what-the-best-transformational-leaders-do>

[6] *How to Jump the Innovation Curve* / Guy Kawasaki, NextCon <https://www.youtube.com/watch?v=49ICRJiy1iM>

[7] *How to Become a Transformational Leader*, Rebecca Newton, Alexander (Sandy) Pepper, Emma Soane (2021)

<https://www.lse.ac.uk/study-at-lse/online-learning/insights/how-to-become-a-transformational-leader>

[8] *Are You a Transformational Leader? Take this test.* Ronald E. Riggio, Psychology Today

<https://www.psychologytoday.com/gb/blog/cutting-edge-leadership/200903/are-you-a-transformational-leader>