

# Chapter 4

## Transformational Leadership and Change Management in Dynamic Contexts



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### Introduction

This chapter discusses the theory of leadership and focuses on transformational leadership and its important role in change management. The chapter is based on review of leadership theory as developed over the years and the emerging role of transformational leadership. The concept of leadership is complex and the meaning of leadership is nebulous because leadership theory and practice is always evolving and the paradigm of leadership has been shifting over the years. However, there are established and agreed concepts of leadership. The theory, practice and understanding of leadership remains a complex phenomenon. There is no agreement in regard to the meaning, definition and scope of leadership. There is however, consensus that Leadership is an interesting social phenomenon which occurs in all groups of people regardless of geographical location or region, religious persuasion, race, culture or nationality. Historical writings show that societies everywhere had traditional leadership practices and that leadership has evolved over time and continues to evolve. We argue in this chapter that the world needs effective leadership and the form of leadership described as transformational is appropriate in today's changing dynamics especially in the context of globalized markets, where there is increasing change in all regards. Under changing circumstances and practices there is always

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need to include and engage internal stakeholders so that all the stakeholders can pursue a common and shared vision in order for success to occur. Transformational leadership promises to assist organizations in this regard.

Societies everywhere in the globalized world are facing change and they would benefit greatly from the ideas in this chapter. Today the weakness of the past leadership and managerial efforts have been exposed. In the past, according to literature, all types of organizations and institutions in both the private and public sector as well as in the Non-governmental and Community sectors tended to be mostly “over-managed (and/or over-administrated) and under-led”. This was more so in developing countries where in most societies leadership and management philosophies are believed to be mostly paternalistic and corrupt. The managers and leaders tended to apply transactional or other types of leadership styles that were not appropriate under changing dynamics. Such leadership types were not inclusive and engaging in nature. It thus became difficult under changing circumstances for organizations to pursue their goals effectively. We can argue that leadership in such contexts was not effective. In the absence of effective leadership, organizations and institutions of all sorts, are not capable of effectively implementing changes at the organizational level in line with changes in the operating environments. In this chapter we have adopted a conceptual led approach with the aim of showing the importance of transformational leadership in regard to change management. To put matters in context the chapter begins with an overview of leadership theory and moves on to discuss transformational leadership and change management. We then move on to conclude what leadership theory and empirical literature claim, that, leadership is highly essential for business organizations to achieve a sustained change and eventually higher degree of effectiveness, especially when operating under changing dynamics where there is need for more inclusion and engagement of especially the internal publics. Under such circumstances transformational leadership, comprising characteristics of idealized influence, individualized consideration, intellectual stimulation, and inspirational motivation has been found to have implications for higher leadership effectiveness in change management.

## **Theory of Leadership**

Effective leadership is a consequence of leadership style and behavior that results in the achievement of desired organizational outcomes. This engenders the need for knowledge in effective leadership and responses to key questions in effective leadership behavior (Yukl, 2012). Previous leadership research has focused on leadership style as the key to why leaders of some organizations successfully execute strategies that lead to excellent business results while others fail to translate strategic intent into desired outcomes. In trying to understanding the paradigm of leadership various leadership theories, styles and models have been proposed. Several theories on leadership exist. Many theories of leadership have been developed over time and each attempts to make propositions about the critical factors or

elements of leadership, that is, leaders, followers and situation, among other important aspects (Bolden et al., 2003). At this point it suffices to briefly review the different theoretical frameworks on leadership as these provide perspectives on what is now established as leadership looked at from different points or view or contexts.

Bolden et al. (Bolden et al., 2003) have given a good classification of leadership theories as: trait theories, behavioral theories, contingency theories, transactional theories, and contemporary (transformational) theories.

### ***Trait Theory***

This is the earliest leadership theory that emerged in the late nineteenth to mid-twentieth century. It focused on the leader and the traits or characteristics he/she possessed believed to be causal in the performance of leaders. Great leaders were seen to possess special traits that determined effectiveness in operations and hence success towards the set vision. Though unable to explain fully the causal relationship to leadership effectiveness, the traits do serve as antecedents of leader behavior (Sanders & Davey, 2011).

### ***Behavioral Theory***

Trait theory could not explain everything about leadership effectiveness and hence dissatisfaction with it led to behavioral theories (House & Aditya, 1997). Behavior is about what leaders did to actuate results, as the causal agent in influencing followers. Behavior considerations could not adequately explain the phenomenon of leader effectiveness. While these behavioral theories advanced the ideas in trait theory and substantially improved explanation and prediction of leadership outcomes and effectiveness, situational elements were not adequately captured. The question remained about what were the most effective leader behaviors in particular situations, hence the emergence of contingency theories (House & Aditya, 1997).

### ***Contingency Theories***

Contingency is a formal word meaning something that might happen in future and is situational. According to contingency theories, the contingency variables in a particular situation serve as moderators of leader behaviors to increase leader effectiveness (Sanders & Davey, 2011).

## *Contemporary Theories*

Contemporary theories of leadership primarily deal with organizational changes. They extend transactional theories beyond leader-subordinate exchange process to incorporate change of the follower hence change of the organization (Sanders & Davey, 2011).

## *Strategic Leadership Theories*

Changing dynamics call for strategic planning which is futuristic in nature. With increasing changes in the business environment, beginning gradually in the 1960s and picking up speed in the 1980s, strategic leadership theories evolved of course building on some of the ideas of the previous theories. Boal and Hooijberg (2000) categorized the evolution of strategic leadership theories as: upper echelons theory, new leadership theories (charismatic, transformational and visionary) and the emergent theories of leadership. House and Aditya (1997) in their contribution to the discourse of leadership development indicate the shift in mid-1980's away from the study of supervisory leadership towards the study of strategic leadership initially centering on the Upper Echelon theory (Hambrick & Mason, 1984) and the study of top management teams and the new leadership theories.

## *Supervisory Theories of Leadership*

While strategic leadership theories focus on the creation of meaning and purpose for the organization with a futuristic outlook in mind (House & Aditya, 1997), the supervisory theories of leadership (path-goal, contingency, leader-member exchange-LMX) focus on task-and person-oriented behaviors of leaders in providing feedback, support and guidance to subordinates in pursuance of set objectives. In essence supervisory theories of leadership are about leadership “in” organizations while strategic leadership theories are concerned with leadership “of” organizations and focuses on the people with overall responsibility for the organization as it tries to plan to manage the future (Boal & Hooijberg, 2000).

## *Upper Echelon Theory*

In the 1970s and 1980s there was considerable divergence of opinion on the impact of leadership on performance. One argument was that leadership behaviors influenced organizational performance less than environmental or organizational factors

(Hannan & Freeman, 1977), while another argument was that leaders' attitudes had a significant impact on organization performance. It is in response to this skepticism that Hambrick and Mason (1984) came up with the Upper Echelon theory, the precursor to Strategic Leadership Theory. The seminal work presented by Hambrick and Mason in 1984 holds the view that strategic choices and business performance are dependent on the characteristics of dominant actors within an organization and in particular the top management team. The authors propose the relevance of background characteristics and observable characteristics that include psychological (cognitive base, values) and observable characteristics (age, education, functional tracks, other career experiences etc.). Their theory suggests that organizations are reflections of the top management team's cognition and values and organizational outcomes.

### *New Leadership Theories*

The new leadership theories focus on the charismatic, transformational and visionary leadership aspects of leadership and tend to highlight the interpersonal processes and relationships between the leader and the follower (Boal & Hooijberg, 2000). They focus less on the situation.

**Charismatic Leadership** Theories of charismatic leadership emphasize the personal identification of the followers with the leader. Boal and Hooijberg (2000) propose two forms of charisma: visionary and crisis responsive. Visionary charisma creates a world intrinsically valid for the follower, in which behaviors are linked to core values, purposes and meanings through the leader's articulation of vision and goals while crisis responsive charisma creates a world that is extrinsically valid, in which outcomes are linked to behaviors. The charismatic leader relies upon the impression management techniques of exemplification and self-promotion to maintain his/her charismatic identity (Boal & Hooijberg, 2000).

**Transformational leadership** style is a style with wide followership in academic discourse and research due to its positive link to a wide variety of organizational performance outcomes (Ding et al., 2017). It is seen as inclusive and engaging in its nature and, has been linked to positive changes in followers where the leader motivates, empowers, and inspires them to pursue a collective vision and believe in their own potential, causing them to perform beyond their expectations (Northouse, 2013). Many authors such as Hitt et al. (2013) consider transformational leadership as one of the most effective strategic leadership style if not the most effective.

**Visionary leadership** is future oriented, concerned with risk taking. Visionary leaders are not dependent on the organization for their sense of who they are. They maintain organization control through socialization and the sharing of, and compliance with, a commonly held set of norms, values and shared beliefs (Rowe, 2001).

Some authors such as House and Aditya (1997) see charismatic, transformational and visionary theories of leadership as virtually interchangeable. Others such as Boal and Hooijberg (2000) think that substantial differences exist between them in terms of the level of analysis and the choice of dependent variables. Pawar and Eastman (1997) suggest that the content of strategic leadership theories and transformational leadership theories are the same, they only differ in process and effect on followers. Transformational and charismatic leadership are subsets of strategic leadership and they are delimited by the additional features that characterize the charisma building (e.g. impression management), transformation (e.g. building of individual and collective interests) and process (Pawar & Eastman, 1997).

### ***Managerial, Visionary and Strategic Leadership***

Managerial leadership involves stability and order, and the preservation of existing order. Managerial leaders are more comfortable handling day-to-day activities while being short term oriented. Managerial leaders have an impersonal, passive attitude towards goals as they arise out of necessity rather than desires or dreams and deeply embedded in the history and culture of the organization (Rowe, 2001). Managerial leaders need order, not the chaos characteristic of human behavior and relations and see themselves as responsible for conservation of the status quo while remaining sensitive to the past. Managerial leadership can be likened in some ways to transactional leadership (Rowe, 2001). Transactional leadership is in many ways a process of “give and take” or “Scratch my back and I scratch yours.”

Visionary leaders pursue goals that are opposite to those of managerial leaders. They are more proactive in shaping ideas as opposed to being reactionary and usually exert influence in a way that determines the direction the organization takes. They seek out risky ventures especially when the rewards are high (Rowe, 2001). Their sense of who they are does not depend on their work, role, or membership but on their created sense of identity, which may result from major events in their lives. It is argued in many quarters today that organizations need visionary leadership to ensure their long term viability. However, organizations led by visionaries without the constraining influence of managerial leaders are more in danger of failing in the short term (Kotter, 2001; Rowe, 2001). Thus, it is most probably better to combine the ideals of managerial leadership and visionary leadership in order to succeed.

### ***Emergent Leadership Theories***

The emergent theories of leadership explore behavioral and cognitive complexity and also social intelligence and how they influence leadership effectiveness. Boal and Hooijberg (2000) argue that the emergent leadership theories will extend the understanding of what they consider to be the three cornerstones of strategic

leadership: the capacity to learn, the capacity to change and managerial wisdom. Leadership effectiveness hinges mainly on three factors: behavioral complexity/capacity, cognitive capacity, and social intelligence.

Behavioral complexity refers to the leader performing multiple leadership roles and the ability to select the right roles for the followers or their subordinates (Boal & Hooijberg, 2000). Cognitive complexity is premised on the assumption that cognitively complex individuals not only process information differently but perform certain tasks better than cognitively less complex individuals because they use more dimensions to distinguish between stimuli and hence identify more commonalities in these dimensions (Boal & Hooijberg, 2000). Cognitive capacity is the raw mental power that enables a person to sustain increasingly complex mental processes (Jacques, 1989). This requires traits such as empathy, motivation, and communication in addition to the cognitive skills. These traits are useful in regard to engagement and inclusion of followers under changing circumstances.

The theories reviewed above lead to the conclusion that leadership functions well only when there are leaders and followers who function within a context. They also seem to suggest that a leader's orientation and behavior is critical to success. Leaders are expected to influence followers to move towards established goals and vision. Followers are able to follow the leader when they view his or her actions as legitimate. Leaders exercise different means, depending on their style, to get compliance from the followers. Moving together with the leader to achieve set goals is a challenging task that requires followers to be convinced and convicted in their minds to work towards the end goal or vision. Transformational leadership is widely seen as the best approach to encouraging followers to move along with the leader because it is engaging and inclusive in nature.

## *Transformational Leadership*

It is a truism to say that the world needs transformational leadership today more than ever before because of change. The world has undergone spectacular changes since the second half of the last century and the changes have engendered the application of effective leadership. In this new period the frequency of the changes and their impact upon us has increased unbelievably. Since the early 1980s as a result of the economic crisis we have been continuously hearing about change and about the need of managing change. Each business segment is affected to a stronger or weaker extent by the necessity of dealing with changes resulting from the economic as well as other crises. There have been increasing calls for effective leadership to help organizations navigate change that has sometimes been "surprising" to use the words of the late Professor Igor Ansoff and Edward (Igor & Edward, 1990). Transformational leadership has been touted as a good approach to managing change today. Burke (2011), states that change is, in fact, humanity's chronological account of leaders who envisioned the next level of development and acted as change agents. This important role of organizational leaders becomes extremely crucial when an organization needs to move and

graduate to the next level of development, or to become free from behavioral diseases of bureaucracy that do not allow for smooth transition during crises or changing circumstances. Transformational leadership promises to provide the way forward in terms of change management with a view to leading organizations to a desirable future state.

In the past, researchers focused on transformational leadership as an effective leadership strategy to implement within public and private sector organizations. Transformational leaders work with their employees to implement change. The concept of transformational leadership started with James V. Downton in 1973 and was expanded by James Burns in 1978. In 1985, researcher Bernard M. Bass further expanded the concept to include ways for measuring the success of transformational leadership. This model encourages leaders to demonstrate authentic, inclusive, engaged, and strong leadership with the idea that employees will be inspired to follow suit as a consequence.

While Bass' model dates to the '70s, it's still an effective leadership style practiced today. This style of authentic leadership never changes, just the environments it's practiced or used in. It's applicable across every industry, but it's especially vital to the fast-paced tech industry where innovation and agility can make or break a company.

Transformational leaders create a shared vision for their followers and guide the change through inclusion, engagement, inspiration and motivation. They are role models and their followers emulate many of their actions. They also inspire through activating their self-efficacy and worth so that followers believe that they can go beyond expectations. But what is transformational leadership? Transformational leadership is a leadership style in which leaders engage, include, encourage, inspire and motivate employees to innovate and create or address change in order to help grow and shape the future success of the company. This is accomplished by setting an example at the executive level through a strong sense of corporate culture, employee ownership and independence in the workplace. Transformational leaders inspire and motivate their workforce without micromanaging. They manage through engagement and inclusion and trust trained employees to take authority over decisions in their assigned jobs. It's a management style that's designed to give employees more room to be creative, innovative, look to the future and find new solutions to old problems or to challenging new problems brought about by changing dynamics in their environment of work. Transformational leaders will also create leaders especially for those employees on the leadership track prepared to become transformational leaders themselves. This is accomplished mainly through carefully crafted mentorship and training programs. Transformational leadership style is seen as largely inclusive and engaging in its nature and, has been linked to positive changes in followers where the leader connects and engages with the followers, motivates, empowers and inspires them to pursue a collective vision and believe in their own potential, causing them to perform beyond their expectations (Northouse, 2013). In many quarters and in academic discourse transformational leadership has been touted as one of the most effective leadership styles and this is mainly because of its



inclusive and engaging nature. Many authors such as Hitt et al. (2013) consider transformational leadership as one of the most effective leadership styles.

Much of what is known today about transformational leadership, as already mentioned, is primarily from the research by Bass (1985) and Burns (1978). Burns (1978) discussed leadership as transforming, and, on occasion, as transformational with both the leader and the led being transformed, changing their performance and outlook. Bass (1985) added to the initial concepts of Burns (1978) to help explain how transformational leadership is measured, as well as how it impacts follower motivation and performance. According to transformational leadership theory, transformational leadership involves leaders exerting influence on followers to increase their commitment to organizational performance. This is realized when the leader is able to influence followers to increase their performance by motivating them to transcend self-interest and increase their level of commitment to the task at hand. The performance of followers is achieved through higher degrees of extra effort, effectiveness, and satisfaction (Bush, 2014). This is especially so when they feel engaged and included. Transformational leadership does not seek to maintain the status quo but provides an impetus for change, innovation and creativity as attempts are made to achieve overall organizational performance (Bass & Avolio, 1994). Because of changing dynamics in all the sectors of society this is what the world needs today. There are four dimensions or characteristics or behaviors that embody the full range of transformational leadership as commonly agreed in available literature. These are: individual consideration, intellectual stimulation, inspirational motivation, and idealized influence. They are commonly referred to as the Four Is (4Is) of transformational leadership. Many writers including Bass (1985) have described the additive effects of these 4Is of transformational leadership results as resulting to performance beyond expectations.

The paradigm of transformational leadership has been criticized for its conceptual weaknesses. Yukl (2012) argues that although transformational leadership is expected to improve organizational performance, it does not address the effect a transformational leader has on organizational processes that are key to organizational performance. His argument is that past studies have not sufficiently discussed the causal effect of transformational leadership on the processes that lead to the effectiveness of organizations.

**Idealized Influence** Transformational leaders are role models who, through their actions and values, inspire those who follow them. They take risks and follow values, and display convictions that create a sense of confidence in their followers. According to Bass and Avolio (1994), idealized influence or personal charisma emerges when transformational leaders behave in desirable ways that display them as role models for their followers. To be effective as a role model, leaders must be respected and trusted. By providing idealized influence, followers are therefore positively influenced by the leader through admiration, trust and respect for him or her to pursue the organization's vision. It has been observed that in a cascading process, followers at multiple organizational echelons greatly admire and closely identify with the leader as well as reciprocate the leader's self-sacrifice. When the

top leader or CEO demonstrates idealized influence, it generates follower trust, esteem, and confidence. The leader also encourages ethical practices such as communicating ethical standards, encouraging ethical conduct, modeling ethical behavior, and opposing unethical conduct. Application of behaviors of idealized influence have been linked to followers' performance improvement. Studies have demonstrated that articulating an appealing and inspiring vision, goal setting and role modeling are effective leadership practices related to idealized influence that leaders apply to drive performance improvement and achieve the set bar (Wang et al., 2011). Action from followers comes about when they feel engaged and included in the change management process.

**Inspirational Motivation** Transformational leaders have the ability to inspire confidence, motivation and a sense of purpose in their followers. They articulate a vision and communicate expectations and confidence in the team. They communicate with confidence, optimism, and have the ability to point out positive things during the challenges of growth. The leader's vision with respect to the direction of the organization is provided under idealized influence; articulating that vision to followers is realized through inspirational motivation. The ability to inspire and motivate followers is a critical factor in transformational leadership (Northouse, 2013). To effectively do this, through inclusion and deep engagement of the followers, the leader focuses follower attention on the future, rather than on the past, articulating and sharing a vision that is appealing and inspiring. As part of this process, the leader's articulation of a shared vision more often than not generates enthusiasm and optimism to convince followers that they can meet the challenge ahead. It is important therefore for the CEO as a leader of the senior managers to inspire and motivate them towards better performance outcomes. Techniques applied by the leader include providing opportunities for achievement, recognition, and responsibility. Leaders with inspirational motivation are able to create a strong sense of team spirit among followers as a means of inspiring them towards the realization of stated organizational outcomes. Teamwork has been identified as a strong moderating factor in transformational leadership studies.

**Intellectual Stimulation** Transformational leaders value creativity and autonomy among each team member. The leader involves members in the decision-making process and stimulates their creative thinking. This way they feel engaged. They challenge assumptions and create an environment where healthy conflict can arise. They change how their followers think about and frame problems and obstacles. Transformation requires innovation. By providing intellectual stimulation, transformational leaders help followers hone their innovative and creative skills leading to performance improvement. Intellectual stimulation includes activities such as questioning assumptions and reframing problems. Followers are encouraged to develop new ideas and are not publicly criticized for their mistakes or for disagreeing with the leader's ideas. The transformational leader's emphasis on intellectual stimulation is consistent with providing challenging assignments,

encouraging risk taking, critical thinking, creativity and innovation. Managers who apply intellectual stimulation in the work place realize positive results among their followers through increased creativity and innovation. They stimulate the thinking of their followers through challenging the existing assumptions and encouraging risk-taking behaviors. Intellectual stimulation is more task-focused as it is directed towards changing how employees think about their work activities and roles.

**Individualized Consideration** Individualized consideration refers to the transformational leader's emphasis on and attention to individual follower's needs for achievement, growth, and career development. Transformational leaders are guided by the view that each member of the team is a unique individual, with specific needs and wants. Through coaching and mentoring, transformational leaders provide customized training for each team member's needs and roles. Two-way communication is a hallmark of individualized consideration. Bass (1998) observed that transformational leaders typically enjoy a history of positive interpersonal relationships with supervisors and subordinates. Transformational leadership behaviors linked to individualized consideration involve engaging, supporting and empowering, developing followers through coaching and mentoring, and providing career development opportunities. Employee development initiatives of mentoring and coaching have a positive effect on employee performance. Follower inclusion, engagement and empowerment conveys a strong message from the leader that employees are able and the empowering climate causes transformation in the way they perceive, view and perform their tasks. The performance effects of transformational leadership are well documented through research (Grant, 2002). The key to improved performance is to motivate followers to transcend self-interest and increase their level of commitment in their work. Transformational leaders elicit higher degrees of extra effort, effectiveness, and satisfaction in followers when they apply behaviors related to the four dimensions of transformational leadership (Avolio & Bass, 2004).

From the foregoing we can summarize the hallmarks of a transformational leader as someone who includes and engages employees, encourages the motivation and positive development of followers; exemplifies moral standards within the organization and encourages the same of others; fosters an ethical work environment with clear values, priorities and standards; builds company culture by encouraging employees to move from an attitude of self-interest to a mindset where they are working for the common good; holds an emphasis on authenticity, cooperation and open communication, and provides coaching and mentoring while allowing employees to make decisions and take ownership of tasks. These are critical demands under changing circumstances and must be incorporated in any change management efforts.

## Change Management, Engagement and Inclusion

The well-known passages of Heraclitus (535–475 BC) that “everything flows and nothing stands still” or that “no man ever crosses the same river twice” are, perhaps, a good beginning point in our attempt to introduce the paradigm of change. In common parlance change is seen as the process in which there is a cause to move or to pass from one state to another, or the act or an instance, of making or becoming different. In a world characterized by unprecedented change driven by covid-19 and other infectious diseases, geo-political transformations, climate change, relentless technological advancements, globalization, the diminishing of trade barriers, increasing competition and sophisticated and demanding consumers among other factors, the only thing that is certain is, indeed, change. Change is a constant in life. Therefore, an organization’s ability to keep pace with the rate of change, as witnessed nowadays, is directly related to its capacity to adapt and respond to the external environmental and diverse competitive pressures of change. There is consensus in academic discourse that the necessity for change management has reached a critical point today and that the goal of change management is to ensure that an organization is able to adapt to its external environment by developing capabilities that reflect the challenges encountered in its context.

Change is a natural phenomenon of organizational life. Change has both hard and soft issues to address in the process of change management. Hard issues are said to be changes to strategy, structure, systems, performance and productivity. Soft issues are more focused on the culture of the organization, leadership styles, behavior, competencies, motivation and overall attitude. Bridges (2003) observes that in a change management process there are two distinctive aspects; the transition towards change and change itself. He explains that change is the way in which things will become different in the future whereas transition is how the change takes place. He further states that change consists of events where transition is an on-going process and change is the outcome that one tries to achieve whereas transition is about the strategy to get there.

Change Management has been widely used in academic discourse to denote several theories, concepts and practices and may not necessarily denote the controlling aspect. Change management can be described as the tool that prepares us for the uncertain future by enabling us to create it and by empowering the organization to take responsibility for its future (Mutuku, 2005). It is the arduous task of managing change where change is planned or a body of knowledge where the content or subject matter, that is models, methods and techniques, tools, skills and other forms of ‘change knowledge’ are studied. Change is a reality that we all need to be comfortable with because we have little or no control over it (Mutuku, 2005). Change always starts with the ‘how’ question, for instance, how do we get people to be more creative and responsible? Or how do we raise more effective barriers to market entry by our competitors?. The initial formulation of a change problem is means centered with the goal state more or less implied according to many authors. We then have the ‘what’ question, for instance, what are we trying to accomplish? Or what are the

changes necessary?. Here the ends sought are not discussed since diagnosis is assumed or not performed. Lastly, we have the ‘why’ question, for instance< why do people need to be more creative today? Or why do we have to change the way we do things today?. We could also have questions about: who, whom, which, when and so forth.

We like the adage that change management feels like changing the tires of a moving car. It states that this is precisely how managers in organizations feel like when initiating a change program. This is because the organizations operate in a turbulent environment. Turbulence has been described by Igor Ansoff (Igor & Edward, 1990) as the degree of the changeability and the rapidity of change. The road that organizations need to take to implement change never stays static, top management teams need to consider many stakeholders and also the situations while they go towards their change initiatives to achieve their vision.

Change that happens in organizations comes in different ways. The two main ways are planned change and emergent change (Burns, 1992). Planned Change occurs when managers plan to bring change by introducing new ways of conducting their operations. Emergent Change is when everyone in the organization is caught unawares by the change that comes as a result of mainly external forces that no one has control of. For example, Covid 19 and its consequences were unexpected. Emergent change cannot be avoided because organizations can never be the predictable, well-oiled machines envisaged by the classical approach. The emergent approach towards change is more recent and seen as practical over the incremental approach. In this perspective the change is seen a continuous, unpredictable and constant process that any organization could be faced with. Emergent change is implemented by divisional managers through including and engaging employees. All employees are kept ready to face change, trained with necessary skills and competencies in a dynamic environment. Emergent change relies on soft skills such as effective communication, high cooperation and collaboration between management and employees. There is also incremental change which is an advanced version of planned change. Managers using this approach try to match the organizational performance and services offering after analyzing environmental needs. A gap analysis is conducted and requisite corrective action taken. James Quinn (1978) in his theory ‘Logical incrementalism’ states a similar concept when it comes to developing strategies in a changing environment. The main criticism of this orientation is the inability of coping up with drastic organizational changes. However, the particular strengths of this type of change are continuous progression rather than a “frame breaking burst” approach, only affecting one organizational section rather than transforming the entire organization. There is Stepped change which is possible when a trend line of a particular factor stops becoming smooth and there is a significant jump in direction upwards or downwards. Stepped change is not always possible with every organization as most organization structures do not allow stepped change unless otherwise taken specifically. In addition, it is difficult to spot in advance, as strategic planning has moved away from the traditional trend analysis frameworks towards scenario planning frameworks in tandem with changing times. Given the intricacies and the high competitive nature of the external environment,

every organization should really be able to handle radical drastic changes through transformational change mechanics. Given the high nature of involvement in this type of change, there is perhaps need to gather a comprehensive view of targeted transformational change before opting for it. In the process, key factors of ascertaining the feasibility of such transformational change must be considered. These include the multiple and interrelated changes to be implemented across the system as a whole, the creation of new organizational forms at a collective level, the creation of roles at the individual level, the reconfiguration of power relations (especially the formation of new leadership groups including strategic change champions) and the creation of a new culture, ideology and organizational meaning. Finally, change may be described as radical. This type of change involves radically changing an “accepted” or “taken for granted” situation in a large scale, such as changing the state of economy, or social structure. This type of change rarely makes its mark in an organization, as this may be a strong factor for resistance. However, when changes demand it, then it has to be accepted, critically analyzed and implemented.

Change is usually introduced in organizations, typically when they want to respond to new challenges such as new technologies, new competitors, new markets and demands for greater performance with various programs. There is a general agreement among many change management researchers that change programs are likely to fall into one of the following categories: Structural Change, Cost cutting change, Process Change and Cultural Change. In Structural Change programs the organization is treated as a set of functional parts; the “machine” model. During structural change, top management, sometimes aided by external consultants, attempts to reconfigure these parts to achieve greater overall performance. Cost Cutting programs focus on the elimination of nonessential activities or on other methods for squeezing costs out of operations. Process change programs focus on altering how things get done to eliminate non-essential processes that add little or no value and can be done away with. Process change typically aims to make processes faster, more effective, more reliable, and/or less costly. Cultural change programs focus on the “human” side of the organization, in regard to “how we do things here.” They aim to reorient a company to begin doing things differently. Cultural reorientation is a tough call in change management efforts. However, when employees feel included and engaged in the change efforts they are more likely than not capable of supporting the efforts.

Successful change management depends on many factors but from the discussions above we can isolate several critical success factors. These are (i) *Leadership that is engaging and inclusive*. Building consensus at the executive level helps ensure alignment of people, policies and projects. Employees will get the sense that, even in the midst of change, the course is clear and unwavering (ii) *Constancy of purpose and sharing a common vision*. Organizations really struggle to align people, groups, functions etc. with the goals of their change management initiatives; to align with a clear vision of what “done” looks like. This alignment is needed to ensure everyone is pulling at the oars and moving in the same direction (iii) *Consistency of method to ensure continuity, constancy and consistency*. Stability is everything. Change and adaptation are easier when methods and processes are

consistent (iv) *Communication is a* critical success factor. It is the oil that lubricates the engine in the change management vehicle. Without oil the engine will cease to function (v) *Commitment to change as* Change of any kind takes human beings and organizations alike out of their comfort zones and there is always a gravitation pull back to the familiar. Successful change, then, requires a commitment to noticing when the wheels are wobbly and making the necessary adjustments and balancing (vi) Changing the modus operandi to a new one is a culture change initiative. The way things are done will more than ever before need to change during times of rapid change.

## **Role of Transformational Leadership in Changing Contexts**

Literature shows that the transformational leadership style enables the organization to remain focused and deliver on its overall vision, mission and performance targets (Bass, 1990). When leaders apply the behaviors associated with transformational leadership style, they provide clarity of vision and align employee goals, values and priorities to the vision with the aim of boosting their trust and confidence and thus enabling them to increase commitment and performance. The four dimensions that represent transformational leadership according to Bass and Avolio (2009), outlined earlier: are idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. They work in tandem to help employees feel included and engaged in the organization and in the change management process. The question at this point is, when are the four dimensions urgently needed in an organization? The simple answer is that they are needed at all times as transformational leadership is a style of leadership that forward looking leaders apply in their operations. However, during times of change the four dimensions are much more critical. During change, a leader must get his/her people to synergistically pursue the organization's goals. A leader applying this leadership style inspires followers to trust and identify with him/her and the organization mission; articulates shared goals and a clear, compelling vision that arouses followers and promotes positive expectations; challenges followers to question assumptions, take risks, think critically, and identify and solve problems proactively, and identifies, understands, and addresses followers 'developmental needs and treats them uniquely'. The additive effect of these four dimensions leads to performance beyond expectations (Bass, 1985). This is what is needed most during times of disrupting changes.

Previous research on transformational leadership and how it works to get everyone in an organization moving together, has applied two distinct theoretical rationales; the first involves enhancing followers 'motivations to achieve both individual and team-level goals. The second one is empowerment through communication on the importance of individual and team goals and motivating followers to achieve the set goals (Chi & Huang, 2014). Research and practice have confirmed over and over that transformational leadership helps connect the leader and the followers in intricate ways and leads to improved performance in three basic ways: by positively

influencing their job satisfaction as well as satisfaction with the leader, motivation to exert extra effort, and effectiveness in their job. Each of the four dimensions (4Is) of transformational leadership influence performance in a unique way because of the positive reactions of the followers toward the leader. Is this the case during changing times when organization renewal and transformation is most desirable? Studies on transformational leadership by various authors have sought to provide the link between leader-follower dynamics and superior performance for organizations that face renewal and transformation demands. Renewal is significant in terms of dynamic changes that impact organizations. Unless there is renewal and transformation during changing times and circumstances organizations risk failure or at best dismal performance. A meta-analysis of 25 years of research on transformational leadership and performance across criteria and levels by Wang et al. (2011) established that transformational leadership was positively related to individual performance. The down side in transformational leadership is a conceptual one that the leader appears to focus more on the employees than on factors that bring about organizational success. However, behaviors of transformational leaders have been identified as impacting organization performance positively. Bass (1985) and Burns (1978) concluded generally that transformational leadership leads to performance improvement for both the workers in terms of their productivity and the organization in terms of its own success. The leader motivates followers to move beyond self-interest to achieve performance beyond expectations and specifically across various organization hierarchical levels. Performance beyond expectations is the elusive goal sought by managers and leaders alike during changing dynamics in the business environment. The relationship between the CEO's leadership style directed to employees and especially to senior managers as a key link to performance improvement, has received research attention since the unveiling of the Upper Echelons Theory by Hambrick and Mason (1984). Empirical studies that followed from Hambrick and Mason's (1984) thinking suggest that senior managers influence organizational performance by their leadership style. For example, John Walsh of General Electric and Livermore of Hewlett – Packard are renowned for their successful leadership that led to marked improvements in the performance of their organizations through the application of business strategies and strategic thinking as well as their personal leadership styles and influence that involved what may today be described as transformational leadership, engaged leadership and inclusive leadership. It is often argued that Livermore exceptionally inspired, influenced and motivated her staff to achieve constructive change in Hewlett – Packard. She had an engaged and inclusive leadership orientation. History is replete with great men and women leaders who influenced their organizations or countries to navigate change successfully. Some famous leaders include United States of America leaders such as George Washington, Abraham Lincoln, John F. Kennedy and Martin Luther King. Famous leaders from other continents include Mahatma Gandhi of India and Indira Gandhi. Great leaders from the continent of Africa include Nelson Manderu of South Africa, Jomo Kenyatta of Kenya, Kwame Nkrumah of Ghana and Mwalimu Julius Nyerere of Tanzania.



The focus on the CEO and top managers is because the CEO is a crucial predictor of organization success and the CEO's values have been found to influence the performance of managers. Top executives also greatly influence what happens to their organizations and ultimately organizational outcomes. It is evident that a critical measure of an effective CEO is the ability to lead sustainable organization performance. Scholars have for a long time focused on how CEO leadership behaviors influence those of their followers and ultimately the performance of the organization. The CEO leadership influences organizational performance through inducing positive attitudinal responses from the organization's workers and especially middle managers. It is widely accepted that transformational leadership style helps achieve positive outcomes.

## Conclusion

Transformational leadership, comprising characteristics of idealized influence, individualized consideration, intellectual stimulation, and inspirational motivation has been found through research and practice to lead to higher leadership effectiveness in new market environments and under changing dynamics in the business environment. Available empirical studies and experiences from executives indicate that transformational leadership is an enabler of innovation among other important contributions. Transformation itself is essentially about change. As transformational leaders work with their followers towards their vision of the desired future they facilitate the generation of new knowledge and ideas through applying intellectual stimulation aspect that motivates employees to approach organizational problems in a new and novel approach. Transformational leadership has a lot to contribute to change management. Today the world is facing unprecedented changes in all spheres of life. The increase and fast growth of diseases such as Covid-19, climate change and its negative impact, increasing challenges to political systems by more informed citizens who feel excluded from key decisions, and the increased clamor for freedom of expression and involvement in the decisions affecting citizens and many other concerns all call for transformation of systems and for a new *modus operandi* in the management of countries, organizations, institutions and communities. This calls for a type of leadership that is inclusive and engaging. It is commonly believed that transformational leadership can bring about inclusivity in the management of organizations, countries and institutions in dynamic contexts where change is rapid and can be described in the words the late USA Prof. Igor Ansoff as "rapid and changeable". Transformation requires the visible and sustained engagement of a wide range of followers within any context under consideration. Transformational leaders must build and sustain the culture of transformation and inclusion for success.

### Key Takeaways

1. Many theories of leadership have evolved overtime. None has sufficiently explained all the aspects of the paradigm of leadership
2. Today transformational leadership is credited with the best available leadership style to manage change since it is engaging and inclusive and focuses on leaders sharing their vision with their followers
3. The downside of transformational leadership is that it focuses more on the followers output than on the output of the entire organization
4. Change management is a phenomenon to behold. Change can be introduced in an organization by its leaders or can come from forces outside the organization. Whatever the source change management has established ways of achieving the required status
5. Under changing contexts transformational leadership style enables the organization to remain focused and makes it easier for the organization to deliver on its overall vision, mission and performance targets

### Reflective Questions

1. What do you consider to be your own leadership style and how does it agree with the propositions of any of the key leadership theories presented in this chapter?
2. The world has undergone spectacular changes since the second half of the last century and recently because of Covid-19. How has this affected your working life and what personal strategies have you applied in order to cope with the changes so engendered?
3. If you were invited for an interview by an organization you would like to work for and were asked about how to foster inclusion and engagement of workers in the virtual work space, what would you say?
4. What do you see as the key benefits of transformational leadership practices during changing times?
5. There is a common adage that “if you don’t change then change will change you”. What are your personal thoughts about this?

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