

Ivey Business School Professor Jane Howell puts "transformational" leadership to the test, with powerful results.



Professor Jane Howell's research findings show that the "transformational" style of leadership brings big pay-offs in business performance and innovation.

Much has been written in the popular press in recent years about the "transformational" style of leadership, but one key question has remained unanswered: Does it really make a difference in practice? Ivey Business School Professor Jane Howell gives a resounding "yes." She has recently completed extensive research on "transformational" leaders and their impact on organizational performance and innovation, with some exciting news for managers.

Howell's research findings strongly support what she has long suspected - that the transformational style of leadership brings tremendous pay-offs. And the best news is that it can be learned.

Currently at work on a book entitled, *Outstanding Leaders: Theory, Research, and Practice*, Howell, a professor of organizational behavior, has been intrigued by issues of

leadership and champions of innovation since the early 1980s. The starting point for her latest work was a "leadership model" developed by Bernie Bass and Bruce Avolio, both professors at the State University of New York at Binghamton. This model identifies four categories of leadership behavior, ranking them by degree of activity and effectiveness:

THE AVOIDER

The first category represents the non-leader or Avoider, the chronic side-stepper in decision-making, indifferent, uninterested, and, more often than not, unavailable. The impact of this leader on employees is performance below expectations, low morale, and stifled initiative, creativity, and responsibility.

THE CORRECTING LEADER

One step up is the Correcting Leader. An enforcer of rules and a watchguard of the status quo, this leader 'manages by exception,' or, as Howell explains, "they wait for problems to arise, taking corrective action only after a mistake has occurred - it's a totally reactive form of leadership." The results? While more positive than the Avoider, this leader still reaps performances below expectations, and keeps a damper on innovation and initiative in the workplace.

THE REWARDING/RECOGNISING LEADER

According to the model, the Rewarding/Recognising Leader demonstrates strong skills in negotiating and setting objectives, clarifying outcomes, and providing appropriate rewards and recognition when people meet agreed-upon objectives. The impact of this leadership style is positive but, while performance now meets expectations, it rarely surpasses them.

THE TRANSFORMATIONAL LEADER

Enter the Transformational Leader, whose highly successful leadership style inspires extraordinary performance. This leader is defined by four key behaviors (VISC) in the model:

Visioning - Creating a shared vision of the future

Inspiring - Communicating the vision in convincing and compelling ways

Stimulating - Encouraging rethinking of ideas or problems; questioning tried-and-true ways of doing things

Coaching - Coaching people to take on greater responsibility for developing and improving their performance

The impact of the transformational leader is stunning. Howell describes the process leading to her discovery: "Loads of research has been done - across countries and cultures, studying managers from first-line supervisors to CEOs, in a variety of settings ranging from Fortune 500 companies to start-up enterprises, to military and health care organizations, and educational institutions - and the studies consistently show the same results. Transformational leaders have a strong, positive impact on individual, team, and company performance; they develop people to higher levels of individual and group performance; they are seen as more effective and satisfying to work for; and they produce performance beyond expectations all round."

One of Howell's studies, surveying the top 250 executives and managers at a major financial services company, is particularly telling.



It shows a whopping 34 per cent of business unit performance results due directly to transformational leadership. And the benefits continue to roll in - enhanced levels of volunteer effort; more innovative products produced; more innovations introduced in organizations; more patents for work produced; and higher company financial performance.

The statistics are compelling, but what does this mean for today's managers? Can people develop the skills to be transformational leaders themselves? Absolutely, says Howell. With extensive experience conducting in-company programs on leadership skills development, and 11 years of teaching organizational behavior in Ivey Business School's MBA, Executive MBA, and PhD programs, she has seen firsthand that outstanding leadership behaviour can be **developed** and **sustained** over time.

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