
The Skills Most in Demand for Transformational Leadership Consultants

Mostafa Sayyadi, Institute of Management Consultants, Australia

Why Transformational Leadership Matters

The true basis of leadership was built upon a model that generated two sides of an X- and Y-axis. On one side is the concept of leadership that creates change through taking a process-oriented approach and the other as more of a relationship-oriented approach. While transactional leadership involves determining the tasks, rewarding goal achievement, and punishing failure in attaining goals (Eagly & Carli, 2003), Yukl and Van Fleet (1992) argue that transformational leadership focuses on the critical human assets such as commitment and thus helps followers to effectively implement organizational changes with both efficiency and effectiveness. Just as leaders need to be both autocratic and democratic at times, they also need to be both transactional and transformational at times also. Transformational leadership has been defined, by Yukl and Van Fleet (1992, p. 174), as a “process of influencing major changes in the attitudes and assumptions of organization members (organization culture) and building commitment for major changes in the organization’s objectives and strategies”.

Investors recognize the importance of transformational leadership. A transformational leader can turn a weak business plan into a success, but a poor leader can ruin even the best plan. One example of this comes from CEO Rich Teerlink, who dramatically transformed Harley-Davidson, and fundamentally built a different organization that still prospers today. The success of leadership at the Harley-Davidson Corporation has stood the test of time. For example, Harley-Davidson’s leadership created a more effective organization built upon three primary principles:

1. Focusing on people,
2. Challenging norms, and
3. Continuing to fundamentally change

At Harley, every employee can participate in leadership decision-making.

Another example of transformational leaders in a highly competitive environment is Steve Jobs, former CEO of Apple, who built a highly effective organization through

taking a change-oriented leadership approach, which highly manifested itself in talent, product development, organizational structure, and intense marketing. The evidence from these examples suggests that transformational leadership is highly demanding at the corporate level. For organizations to achieve a sustained change and eventually a higher degree of efficiency and effectiveness, selecting a CEO acting as a transformational leader is the key to success. In the absence of transformational leadership, organizations lose their required direction to achieve a high degree of hyper-competitiveness, and cannot implement successful change in order to adapt with today's global business environment.

As CEOs attempt to manage people, they find that intellectual capital is in the forefront of success – Bill Gates once mentioned that if he lost his top 50 people that he would not have an organization anymore. Transformational leaders aggregate intellectual capital into social capital and develop organizational communications aimed at providing valuable resources for all organizational members. They enhance knowledge-sharing among intellectual capital and stipulate knowledge to be shared around the organization. Sharing the best practices and experiences could positively impact some aspects of a firm's performance such as innovation, providing learning and growth opportunities for employees. Empowered employees can enable organizations to actively respond to environmental changes, which can in turn enhance a firm's performance in terms of return on assets and return on sales.

The outcome is success which narrows the gap between success and failure, and this can be achieved by the commitment of organizational members and facilitated by a CEO acting as a transformational leader. Transformational leaders identify employees' needs and show concern for both organizational needs and followers' interests concurrently. When transformational leaders show concern for the employees' individual needs, individuals begin to contribute more commitment and they become more inspired to put extra effort into their work. This extra effort improves the quality of products, customer satisfaction, and impacts shareholder value and improves operational risk management.

An Emerging Need for Transformational Leadership Consulting

In an effort to grasp the knowledge of executives worldwide, AESC (2020) surveyed business leaders to identify the current and new challenges by 2025. The results highlighted the significant role of leadership for organizations and confirmed that business leaders identified leadership effectiveness as one of the main areas for using an outside consultant. Martin Schubert (cited in AESC, 2020, p. 5), a partner at Eric Salmon & Partners, states that companies "in technology, in industry, in financial services, even in consumer goods and life sciences, are experiencing a change in their business models that are much more global, much more virtual, with diminishing hierarchies that require a different leadership type. And this drives both leadership advisory and executive search." In light of the increased pressures of the global workplace that inspires leaders to drive effective change at the organizational level, opportunities for transformational leadership consulting grow as organizations are increasingly participating in international markets. For example, Dorota Czarnota (cited

in AESC, 2020), a Country Manager at Russell Reynolds Associates sees high potential for growing transformational leadership consulting in Latin America, Europe, Asia and Africa.

How to Become a Transformational Leadership Consultant

It is important for management consultants to understand that transformational leadership has been highlighted as the behavior indicative of friendship, mutual trust, respect, and warmth. While Burns (1978) initially developed transformational leadership, this concept has been further developed by scholars, such as Eagly and Carli (2003) and Patiar and Mia (2009), and will continue to evolve. Management consultants are already aware that the key to transformational leadership is based upon satisfying basic needs and verbalizing feelings of admiration, respect and trust toward themselves to meet higher desires through inspiring followers to provide newer solutions and create a better workplace.

Management consultants should also be aware that a strong component of transformational leadership is the concept of becoming a charismatic leader. This leadership style actually employs charismatic behaviors and motivates subordinates to provide better outcomes, more profitability, and satisfying careers. Effectiveness among transformational leaders can be, therefore, evaluated by measuring how transformational leaders are admired and respected by subordinates to provide extra effort and meet the needs of customers. Therefore, in today's global business environments involving a high level of uncertainty, organizations will increasingly need more transformational leaders to be more innovative and creative.

Sure, there are critics of this leadership style, but do not let that stop management consultants from implementing it and learning how to master it. Transformational leadership unfolds results in organizations, influencing employees' individual interests to align with institutional interests, and through inspiring followers to create new ideas and innovations for effective business outcomes. In fact, a transformational leader is treating human capital as an individual quality and becomes a role model who is trusted, admired and respected by followers.

The four techniques of transformational leadership are at the forefront of the knowledge base and have relative value in organizations throughout Britain and the rest of the developed countries. Through these four techniques, transformational leadership is more realistic than some of the other leadership forms.

These four techniques include:

1. Idealized influence,
2. Individualized consideration,
3. Intellectual stimulation, and;
4. Inspirational motivation.

The key for management consultants is that executives can use idealized influence when aiming to develop a shared vision and improve relationships with followers. In applying this technique, executives need to take the following actions:

- Instill pride in organizational members for being associated with them.
- Display a sense of power and confidence.
- Go beyond self-interest for the good of the organization.
- Talk about their most important values and beliefs.
- Consider the moral and ethical consequences of decisions.
- Emphasize the importance of having a collective sense of mission.

Executives can also use individualized consideration when they would like to concentrate on identifying employees' individual needs and empower followers in order to build a learning climate and mobilize follower support and trust toward the goals and objectives at the senior organizational level. In applying this technique, executives need to take the following actions:

- Spend time coaching others.
- Consider employees as having different needs, abilities, and aspirations from others.
- Help organizational members to develop their strengths, and provide various formal training programs to improve the performance of duties

Management consultants also need to make deliberate attempts to inspire executives to use intellectual stimulation through developing effective mechanisms to propel knowledge-sharing in the company and generate more innovative ideas and solutions for new and demanding issues that come up constantly in our hypercompetitive economic environment. In applying this technique, executives need to take the following actions:

- Emphasize effective coordination among different functional areas, and seek differing perspectives when solving problems.
- Suggest new ways of looking at how to complete assignments, and undertake a comprehensive analysis when confronted with an important decision.

Furthermore, the key for management consultants is that executives can use inspirational motivation to focus on inspiring people and not just treat them as human assets. In particular, executives need to obtain consultants' suggestions, and integrate their suggestions into the decisions regarding how to set a higher level of desired expectations for employees. In applying this technique, executives need to take the following actions:

- Talk optimistically about the future.
- Talk enthusiastically about what needs to
- Express confidence that the goals will be achieved.

These four techniques of transformational leadership, when carried out correctly, can present a set of practices for effective leadership. These techniques represent how an effective leader working in today's knowledge-based economy can develop and manage intellectual capital in corporations.

References

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