

A Team Based Approach to Transformational Leadership: What Does it Take?

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Extended Abstract

For more than 30 years, the notion of transformational leadership has held out the promise of motivated employees working together with shared goals, clarity of purpose, mutual learning, with a strong commitment to their work and organization (e.g., Bono & Judge, 2003; Northouse, 1997). All of this coming about because the leader is able to transcend day to day transactional relationships and become an active agent in transforming employees and the organizational culture into an effective whole. It would not be too far from reality to suggest that most managers and team leaders would be satisfied with simply being a competent transactional leader, much less take on the daunting task of transformation. Yet the appeal and potential benefits of such leadership is compelling, what is often lacking however is an understanding of the means by which to achieve it.

Central to most views of transformational leadership is that it is the relationship between leader and follower that results in strong collaboration, clear focus and purpose, and provision of growth and support for change for both organizations and individuals (e.g., Podsakoff, MacKenzie, Moorman, & Fetter, (1990); Bono & Judge, 2003; Northouse, 1977). One of the most striking aspects of this view of leadership is that it is a result of actions or processes that occur between people while taking into account the needs of both. The clear implication of this is that leadership is a shared process between leaders and followers, not simply the results of 'top down' actions of a single individual. However, from a practical point of view, this sharing cannot simply be between a single leader and follower, as organizations typically put leaders in charge of groups or teams. Therefore, shared leadership processes mean that leaders need to focus on more than just the individual by facilitating shared behaviors among all team members.

What then can a team leader do to build the shared team processes that are at the core of effective transformational leadership? Processes that will lead to collaborative and empowered teams with shared goals and a drive to learn and develop. Teams that can provide a positive environment and experience of work that creates in their members a sense of attachment, contribution and long-term commitment to the organization. This paper reports the findings from a study that used structural equation modeling to identify how leadership behaviors and team processes achieve such outcomes.

Method

Participants

Data were provided by 374 employees from a census sample of a major division of an Australian subsidiary of a multinational financial services institution (response rate: 83.5%). The employees' lengths of service ranged from less than 1 year to 34 years ($M = 6.3$, $SD = 6.02$). There were 231 (62%) female and 143 (38%) male employees in the sample, with an age range of 19 to 64 years old ($M = 33.5$, $SD = 9.6$).

Measures

Workgroup Climate. Eight different aspects of employees' experience of their work environment (i.e., appraisal and recognition, excessive work demands, goal congruence, participative decision-making, professional growth, staff interaction, supportive leadership, and role clarity) were assessed with the Organizational Climate Questionnaire (Hart, Griffin, Wearing & Cooper, 1996) (coefficients alpha ranged from .81 to .92).

Occupational Well-Being. The 10-item Occupational Positive and Negative Affect Scales were used to assess the positive (individual morale) and negative (individual distress) components of employees' emotional well-being at work (Hart et al., 1996). These measures assess a range of emotions at work including feeling energised, enthusiastic, anxious, depressed, tense, unhappy (coefficient alpha = .92 and .86, respectively). Additionally, employee experience of the positive and negative emotional tone of their work team was assessed with the Workgroup Morale and Workgroup Distress subscales of the Organisational Climate Questionnaire (coefficient alpha = .92 and .83, respectively). Collectively, these four measures assess the individual and team oriented components of occupational well-being proposed by Hart & Cooper (2001).

Leadership Behavior. The Occupational Leadership Questionnaire (Ostrogny & Hart, 2002) was used to measure three broad domains of leader behavior (i.e., focus on core business, focus on development, and focus on people). Within these three domains, 12 specific aspects of leader behavior were assessed (i.e., building own skills, building relationships, coaching staff, creating a quality environment, managing change, managing projects, entrepreneurship, managing people, providing direction, seeking feedback, supporting staff, valuing development). These variables assess the transformational leadership behaviors of employees' immediate managers (coefficient alphas ranged from .97 to .91).

Organisational Engagement. Three different variables that reflect employees' level of engagement in their organization were assessed (Organisational Commitment, Personal Contribution to Strategy, and Retention). Each of these variables was measured with multiple items, and a series of confirmatory factor analysis supported the construct validity of these measures. (coefficient alphas were .93, .94 and .90, respectively). Example questions include; *"I feel a strong sense of commitment to (organisation name)"*, *"It is clear how my work contributes to (organisation name)'s key business goals and objectives"*, and *"Over the past month, how often have you seriously thought about resigning from your job altogether?"* for each of the variables respectively.

Results

Structural equation analyses, based on the maximum likelihood method of estimation and the use of a variance-covariance matrix, was conducted in order to assess a model testing the relationships between different aspects of leader behavior, workgroup climate, employee well-being, and employee engagement with their org. The heuristic model that was used to guide the analysis is shown in figure 1.

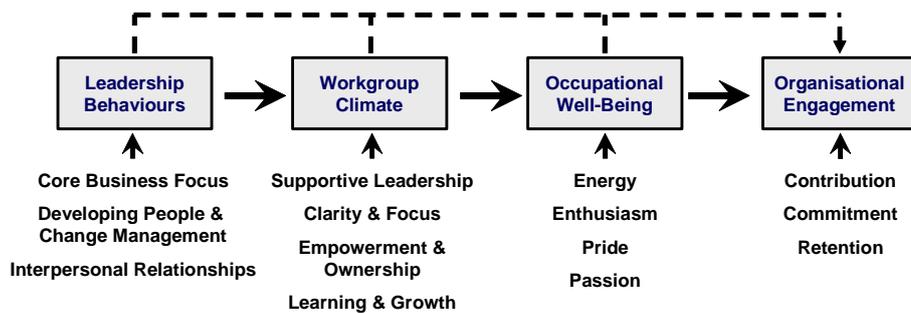


Figure 1: A team based approach to transformational leadership.

The results demonstrated that leadership behaviors do not have a direct effect on employees' well-being and engagement in their organization. Rather, the results demonstrated that the contribution of leadership to well-being and engagement in the organisation was mediated by team based processes. This provided strong support for the hypothesis that transformational leaders should focus on facilitating appropriate team behaviors.

Discussion

The implication of these findings is that effective leadership operates through team processes that connect to employee well-being through feedback and development. It is this, along with clarity and focus that drives employees being more able to contribute to organisational strategy and goals, having greater commitment to the organization, and being more willing to remain in the organization. The key to building employee connectedness through transformational leadership is not the leader – follower relationship, but the leader – team – follower relationship. The whole is definitely greater than the sum total of the parts.

These findings have significant implications for Human Resource professionals in how leadership capability and effectiveness is assessed and developed within organisations. Traditional notions of leadership performance measures, the identification of leadership talent, the content and process for leadership training, and the sourcing of feedback for leaders (e.g., how 360 feedback tools are constructed and used) all need to be reviewed in the context of facilitating effective team processes. This proposed framework for addressing these implications is explored further in the paper.

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