

Transformational Leadership

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Some recent insights on leading change/transformation



One change at a time or all at once?

(Kotter, 2014; Parry, 2015)

Finding: Highest-performing organizations have 30% to 50% more change and at a faster pace than their lower-performing counterparts (Parry, 2015)



Top-down or bottom-up?

(Barea et al., 2016; Kotter, 2014; Parry, 2015)

Findings: Change leadership radiates out from the centre (Parry, 2015). Top performers have leaders at all levels involved (Barea et al., 2016). Forming a large volunteer army from up, down, and across the organization is a key to success (Kotter, 2014).



Which is first? Understand or commit?

(Parry, 2015; Parry et al., 2015)

Finding: While understand-commit order is true for the lowest performing groups, it is reversed for high performers (Parry, 2015)

Always changing, never truly transforming

LHH research highlights that most organisations prioritize change over transformation



Change and transformation, although related, are two very different things

	Change	Transformation
Focus	Improves what you already do (e.g., improving a business process, or launching a new product)	Creates something new and dramatically different (e.g., new business or operating models)
Inputs	Assumptions and decisions are based more on current state and past experience/performance	Assumptions and decisions must be based on future expectations
End state	Is planned with a fairly clear definition of the desired state	Is planned with uncertainty and ambiguity about what end state will even look like
Execution	Is usually executed in linear steps	Is executed through exploration, experimentation and iteration
Participation	Is often implemented top down	Requires participation in all directions – top down, across and bottom up

Different capabilities are required for change/transformation

Leader capabilities

Foundational leader capabilities

- ▶ Knows the business
- ▶ Applies an owner's mindset
- ▶ Sets strategy
- ▶ Identifies tactics
- ▶ Gains commitment to strategy
- ▶ Enables teamwork and collaboration
- ▶ Leads change
- ▶ Drives results

Required to keep the legacy business running

Transformational leader capabilities

- ▶ Navigates ambiguity
- ▶ Takes calculated risks
- ▶ Imagines the future
- ▶ Frames the opportunity
- ▶ Inspires active participation
- ▶ Connects the organization
- ▶ Evolves the culture
- ▶ Accelerates performance

Critical to driving innovation and leading transformation



Manager capabilities

Foundational manager capabilities

- ▶ Manages change
- ▶ Motivates self
- ▶ Executes strategy
- ▶ Communicates the vision
- ▶ Plans work
- ▶ Manages work
- ▶ Motivates individuals and teams
- ▶ Manages performance

Required to manage the legacy business

Transformational manager capabilities

- ▶ Embraces continuous change
- ▶ Is persistent
- ▶ Recognizes opportunities
- ▶ Drives commitment
- ▶ Optimizes performance
- ▶ Executes with agility
- ▶ Unlocks employee and team potential
- ▶ Amplifies successes

Critical to agile execution and managing transformation



Transformational Leadership: Moving from good to great

FIGURE 1
A Continuum Illustrating Positive Deviance

Individual:

Physiological
Psychological

Illness
 Illness

Health
 Health

Olympic Fitness
 Flow

Negative Deviance

Normal

Positive Deviance

Organizational:

Effectiveness
Efficiency
Quality
Ethics
Relationships
Adaptation

Ineffective
 Inefficient
 Error-prone
 Unethical
 Harmful
 Threat-rigidity

Effective
 Efficient
 Reliable
 Ethical
 Helpful
 Coping

Excellent
 Extraordinary
 Perfect
 Benevolent
 Honoring
 Flourishing

Source: Cameron, Kim, and Arran Caza. "Organizational and leadership virtues and the role of forgiveness." *Journal of Leadership & Organizational Studies* 9.1 (2002): 33-48.