CCLI
Cultural Competence
Learning Institute

Summary:

- There are two major domains through which leadership is enacted in organizations: transactional leadership approaches and transformational leadership approaches.
- Research highlights three core qualities of leadership in each of these domains to support positive change: influence; the ability to cultivate trust and loyalty; and the ability to articulate a believable collective vision for the organization.
- There are two critical leadership processes at play for managing change: sensegiving and sensemaking.

What is Leadership?

Leadership has long been recognized in the organizational change literature as a significant factor in the success or failure of change efforts. In fact, throughout the organizational change literature discussed in the first brief (Organizational Change), the importance of leadership in one form or another surfaces in every model. But what do we mean by leadership? In the CCLI model, leadership is a process of influencing others, which means that leadership is available to anyone within an organization. Of course, the literature on leadership styles is varied and extensive, with a variety of new leadership styles being defined all the time. However, most leadership styles can be categorized as belonging to one of two general categories - **transactional** and **transformational** leadership.

Transactional and Transformational Leadership

Transactional leadership styles focus on trading one thing for another (e.g., pay raises or promotions as incentives for productivity outputs, etc.). Transactional leadership systems also tend to focus on positional power – such as job title or seniority – for articulating and implementing change. For example, a strategic plan that is primarily articulated by senior leadership and the board and then pushed out to the wider organization for implementation is built upon transactional leadership approaches. In this instance, dialogue and buy-in would be focused on *clarification* of the plan and *understanding* of the relation of plan outputs and goals to individual performance incentives.

Transformational leadership styles focus on the ability of a change agent(s) to move individuals across an organization to deeper levels of awareness and achievement – leveraging social power to make change happen. The extent to which a leader is transformational can be measured by several qualities, including:
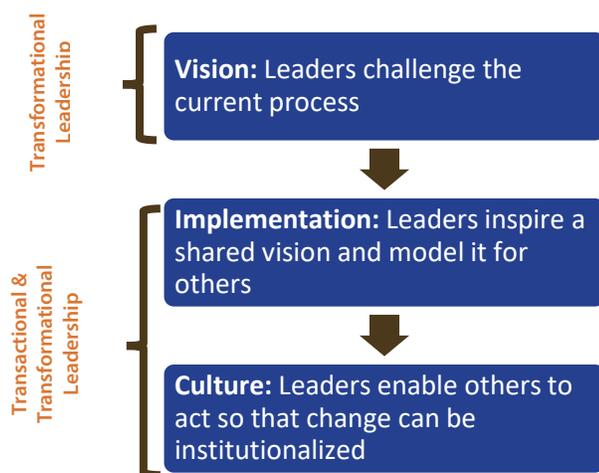
- the level of influence on others;

- whether a leader inspires trust, respect, and loyalty; and
- the ability to inspire individuals to focus on collective visions rather than individual interests.

Because transformational leadership relies on strategic use of a variety of social levers, transformational leaders can both be found and effective at any level of the organization.

Transformational and transactional leadership styles are not mutually exclusive; they can instead be understood as occupying two points along a spectrum of leadership behaviors, each of which leverages different psychological mechanisms to motivate productivity and change.

Organizational change agents may find it most effective to combine strategies from both transactional and transformational leadership practices to implement sustainable organizational change. Kouzes and Posner operationalize this relationship as follows:

Transformational Leadership

Vision: Leaders challenge the current process

Transactional & Transformational Leadership

Implementation: Leaders inspire a shared vision and model it for others

Culture: Leaders enable others to act so that change can be institutionalized

Making Sense of Change

While articulating the vision and conditions for change are critical leadership actions, even the most clearly articulated plan can fail to achieve the original vision. This is often because any change – even positive change – often elicits negative emotions (fear, misunderstanding, discomfort, etc.) from individuals within the organization, which is a significant contributor to not achieving the envisioned change. There is a growing body of literature that outlines *why* individuals react in the ways they do when presented with organizational change, which is called *sensemaking* – or how individuals interpret and/or make sense of the presented change. This same literature identifies a set of leadership behaviors called *sensegiving* – in which leaders (both based on position and social status) help others understand the change and reach beyond what they know to positively implement change.

There is a direct relationship between effective *sensegiving* behaviors and *transformational leadership.* Effective sensegiving is not only a process of clearly communicating with others to aid them in understanding their role(s) as part of the change process, but also requires that leaders be able to express a narrative of the change that helps individuals see and embrace a vision that transcends their own immediate needs and/or responsibilities.

Reflections

- How would you generally categorize the leadership style that is most present in your organization – transactional or transformational?
- Reflect on your CCLI leadership team composition: Who has formal leadership/positional power? Who has social leadership/social power? Are there key people outside of your CCLI team that will need to be brought into your CCLI effort for success?
- How will your CCLI leadership team facilitate sensegiving and sensemaking about your initiative?

Select References

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