

## Review on Components of Transformational Leadership

Berhanu Debela Gonfa\*

Debre Tabor University, P.O.Box 272, South Gondar, Ethiopia

### Abstract

The objective of this review paper is just to shade light on the major components of transformational leadership. Now days the working environments of organizations are characterized by continuous change, fluctuation, higher level of turbulence, increased volatility and uncertainty and global competition. In the future too, organizations keep on facing global challenges. The challenge of the present generation is more than that of the previous. This all demands new leadership style and that is transformational leadership. Based on ranges of existing literatures "Transformational leadership is a type of leadership style where by the leader identifies the needed change, creates a vision to guide the change and executes the change". Transformational leadership describes a process of positive influence that changes and transforms individuals, organizations, and communities and is charismatic, visionary, and inspiring. Transformational leaders inspire, motivate and stimulate followers to achieve extraordinary results. Transformational leaders seek to transform or change the basic values, beliefs, and attitudes of followers so that they are willing to perform beyond the minimum levels specified by the organization.

Transformational leader is the leader that possesses and makes use of four leadership characteristics and known for and changing things in a big way. First, transformational leaders tends to be idealized influence where by leaders tends to be role models for the followers and they are admired and respected by the followers because of high standards of ethics demonstrated by the leaders. Secondly transformational leaders tend to be intellectual stimulation which means they stimulate and encourage creativity and innovation. The third one is inspirational motivation and it is about inspiring and motivating the followers through providing meaning and challenge to the followers work. The fourth one is individualized consideration in which leaders pay special attention to individual differences, needs for achievement and growth and treat them accordingly with respect. The leaders are acting as coach and mentor. Transformational leaders effectively build on these characteristics and integrate principles from a variety of leadership theories. Transformational leadership style makes use of any one or more of the four core components to enhance performance and accomplishment and achieve superior results. The more the leadership approaches encompasses more components, the more is the result. Therefore, having more of or the combination of all the components helps to get exceeding outcomes.

**Keywords:** Components of transformational leadership; Leadership; Transformational leadership; Inspirational motivation; Idealized influence; Intellectual stimulation; Individualized consideration

### Introduction

Range of literatures agrees that we are living in a highly changing world. For instance, Marshall [1] states that leaders in every generation state their beliefs that there exist more challenges in the present generation than the previous. Literatures indicate that today's work environment is characterizing as it has much higher levels of turbulence, uncertainty, fluctuation and global competition [1,2]. Therefore, the challenge many institutions face is how to continually cope with new situations in order to survive and prosper [3]. There are two alternatives as stated by the authors. The organizations are faced with the need to either adapt to the changing and challenging conditions or perish because of inability of coping with highly changing situation of the world and many pressure faced. Adaptation is the better option and requires that organizations learn to do things differently. Therefore, there is a demand for new type of leadership which is capable of facing the challenge. It is clearly stated by Marshall [1] that leadership matters and the world need the leader that has capability to cope with the changing environment and that is transformational leadership. According to Bass and Riggo [4] transformational leadership is "a new paradigm of leadership that may be capable of steering organizations through the chaos of the twenty-first century". According to this new paradigm of leadership theories, such leaders transform the needs, aspirations, and values of followers from a focus on self-interest to a focus on collective interest [3]. The authors added that transformational leaders practice trust building to create strong commitment to a common mission and generate emotion, energy, and excitement that cause followers to make

significant personal sacrifices in the interest of the mission, and to perform above and beyond the call of duty. It's a leadership philosophy in which strategy, structure, and systems thinking are replaced with purpose, process, and people thinking [3].

The main objective of this paper is to review and further investigate the components of transformational leadership. In the next section, discussions made regarding transformation leadership and each component in transformational leadership based on existing and relevant literatures.

### Transformational Leadership

Transformational leadership has a long history. In the very beginning conception of transformational leadership is attributed to James MacGregor Burns, who proposed the idea in 1978 [1] and the first to provide definition of transformational leadership before Bernard Bass expanded on it almost a decade later and other leadership scholars continue to build on the principle [3].

\*Corresponding author: Berhanu Debela Gonfa, Debre Tabor University, P.O.Box 272, South Gondar, Ethiopia, Tel: +251-953-64-28-32; E-mail: [beranisi@gmail.com](mailto:beranisi@gmail.com); [berhdeb@dtu.edu.et](mailto:berhdeb@dtu.edu.et)

Received May 21, 2019; Accepted June 11, 2019; Published June 18, 2019

Citation: Gonfa BD (2019) Review on Components of Transformational Leadership. Arabian J Bus Manag Review 9: 382.

Copyright: © 2019 Gonfa BD. This is an open-access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.

So, what is transformational leadership? To fully capture its meaning and concept in more depth looking at the writing of different scholars is important. Accordingly, Marshall [1] defined transformational leadership as a style of leadership in which the leader identifies the needed change, creates a vision to guide the change and executes the change. This is done through inspiration and with the commitment of others. Indeed, transformational leadership is about change, about transformation. And the change focused on altering organizational missions, vision, values, performance, and the like to achieve maximum efficiency and quality in product and service delivery. They seek to alter the existing structure and influence people to buy into a new vision and new possibilities. Transformational leadership serves to change the status quo by articulating to followers the problems in the current system and a compelling vision of what a new organization could be [3].

Transformational leader is the leader that moves followers beyond immediate self-interest through idealized influence, inspirational motivation, intellectual stimulation and individualized consideration. This leadership at its heart inspirational because it deals with the spirit of the people involved. This leadership is about change in that it focuses on changing the way people form themselves. This means that leadership endeavors to alter the way people view themselves independently and in relation to others and, hence, influence their values, wants, aspirations, and needs. According to Lussier and Achua [3] transformational leaders are known for moving and changing things in a big way which is possible through communicating to followers a special vision of the future, tapping into followers' higher ideals and motives. Transformational leaders seek to transform or change the basic values, beliefs, and attitudes of followers so that they are willing to perform beyond the minimum levels specified by the organization.

Dilts [5] defined transformational leadership as along the dimension of vision and action. Vision has to do with creating images of the future goals while action has to do with the execution of immediate behavior. The general idea is that vision without action is just a dream and action without vision is meaningless and boring. Transformational leaders are charismatic, visionary, and inspiring. Effective transformational leaders use their charisma and power to inspire and motivate followers to trust and follow their example. They generate excitement and energy by focusing on the future. Transformational leaders lacking in charisma may still be able to influence and inspire others by meeting the emotional needs of their followers through individualized consideration, and/or they may intellectually stimulate their followers through rationalizing the need for change, involvement of followers into possible solutions, and the passion to bring about resolution.

According to Avolio and Bass [6], Bass and Riggio [4] and Marshall [1] transformational leaders inspire, motivate and stimulate followers to achieve extraordinary results. Transformational leaders motivate and moves others to do more than they originally intended and often even more than they thought possible. They set more challenging expectations and typically achieve higher performances. During this process the followers develop their own leadership capacity. Transformational leadership raises leadership to the next level. The leader help followers grow and develop into leaders. Transformational leaders empower followers. This is by paying attention to their individual needs and responding to individual followers' needs. They align the objectives and goals of the individual followers, the leader, the group, and the larger organization. This leads to high levels of follower satisfaction and commitment to the group and organization. That means transformational leaders tend to have more committed and satisfied followers.

Transformational leadership involves inspiring followers to commit to a shared vision and goals for an organization or unit, challenging them to be innovative problem solvers, and developing followers' leadership capacity via coaching, mentoring, and provision of both challenge and support.

Transformational leaders can articulate a compelling vision of the future and influence followers by arousing strong emotions in support of the vision. Effective transformational leadership requires an ability to initiate change and challenge the status quo, recognize opportunities for the organization as well as for others, take risks, and encourage others to do the same. Transformational leadership requires an ability to effectively inspire a shared vision. Such leaders rally others around a common dream and are adept at envisioning the future and enlisting others in seeing and moving toward the vision. They must be able to model the way that is, set the example of commitment to shared vision and values [3].

## Components of Transformational Leadership

Various scholars, for instance [1,3,4,6,7] pointed out that there are four unique and integrating behavioral components or characteristics of transformational leadership namely; Idealized influence (II), Inspirational motivation (IM), Intellectual stimulation (IS) and Individual consideration (IC). They are also known as the four I's of transformational leadership. Each of the components is independently discussed below.

### Idealized influence

According to Stone et al. [8] "idealized influence is charismatic element of transformational leadership". Charisma is the capability to "inspire a vision" [1]. They are goal oriented. Based on Bass and Riggio [4] and Avolio and Bas [6] transformational leaders have the potential to demonstrate behaviors that serve as "role models for their followers". They have strong and clear set of values followed with appropriate actions. That means these leaders talk the talk and at the same time walk the talk. They change or put in to practice the talks. They are a man of deeds than a man of words. They are setting good examples for their followers so that the followers will imitate their footsteps. According to renowned scientist, Albert Einstein, "setting an example is not a major way of influencing others; rather it is the only way". This statement by Einstein excellently captures what transformational leadership is all about; setting an example. Influence is the basic characteristics of leaders. Transformational leader have large influence on their followers to make positive changes and differences in their area partly because of their commitment to ethical values [1]. Transformation leaders are admired, respected, and trusted by their followers [4,6]. This is mainly because of their high ethical standards and moral conduct demonstrated by the leaders. The behavior or conduct demonstrated by leaders bears huge significance on the followers. The high level of personal qualities exhibited by those leaders make their followers to believe in them and being trusted. The respect does not come from nothing but it is the manner or the way they act that creates respect in their followers. They also consider the needs of other over the needs of their own. The followers have special place in their heart for these leaders. They avoid using power for personal benefit or gain but they only use power when needed [6]. According to Bass and Riggio [4] and Avolio and Bass [6] leaders with a great deal of idealized influence are willing to take calculate risks and are "consistent in ethical and moral conduct rather than arbitrary".

## Inspirational motivation

Inspirational motivation is one of the building blocks of transformational leadership. According to Bass and Riggio [4] “transformational leaders behave in ways that motivate and inspire their followers”. The authors’ further states that transformational leaders are inspirational individuals and they continuously motivate and inspire their followers so that the followers buy into new idea. Motivating the followers is just to accomplish the goals and objectives of the organizations [9]. How they motivate and inspire their follower is by communicating their vision. As stated by Marshall [1] “transformational leaders create a compelling image of a desired future”. This same source indicates that vision has the power to create the future. Transformational leaders are vision driven individuals. They inspire their vision to their followers. “They inspire from a foundation of truth” [1]. Their vision is conveyed to their follower in well-articulated manner [4]. Transformational leaders have an excellent communication skill and passionately communicate a future idealistic goal or situation (that is a much better alternative to the status quo) and expectations that the follower want to meet [3]. This is the way they attract their followers towards a vision. They have the capability to create common goal. They are committed to goals and shared vision [4]. As Marshall [1] states that the inspirational motivation characteristics of transformational leaders as influencing others by “high expectation with a sight towards the desired future”. Through motivating their follower they will achieve the needed change. According to Avolio and Bass [6] Transformational leaders “motivate through providing meaning and challenge to their followers’ work”. Moreover, there will be a development of team spirit [4,8].

## Intellectual stimulation

According to Bass and Riggio [4] and Avolio and Bass [6] “intellectual stimulation is the ability of transformational leaders to stimulate their followers’ efforts to be innovative and creative by questioning assumptions, reframing problems, and approaching old situations in new ways”. Intellectual stimulation explains the extent to which leaders stimulate the creativity and innovative ability of the follower. Creativity and innovativeness is encouraged. New ideas and creative problem solutions are solicit from followers, who are included in the process of addressing problems and finding solutions. Followers are encouraged to try new approaches, and their ideas are not criticized because they differ from the leaders’ ideas and moreover, the followers never blamed and criticized publicly upon making mistakes and errors [4]. “Intellectual stimulation is described as the transformational leader’s creative and out-of-the-box thinking style” [3]. The same source indicated that transformational leaders stimulate novel employee thinking pattern. This helps the employee to solve problems creatively themselves. According to Marshall [1] “transformational leader is a broadly educated, well-informed individual reads broadly, takes lessons from many disciplines and applies a range of disciplines, ideas, and approaches to find solutions”. Transformational leader looks at old problems in new ways and also challenges boundaries, promotes creativity which involves fearlessness and risk taking.

In an organization the employee face different challenges in achieving objectives. Transformational leaders encourage the workers to come with innovative idea to solve problems. More emphasis is given in doing things in new ways or approaches. Transformational leader creates conducive environment so that the potentials in the individual workers come out of them and exploited. According to Lussier and Achua [3] “Transformational leaders understand that in

order to get followers to fully contribute to the transformation process, they have to empower them and offer support in getting things done, foster collaboration, motivate, and reinforce positive behavior”.

## Individualized consideration

Individualized consideration is the other characteristics of transformational leadership quality which refers to the “attribute of being compassionate leader” [9]. Yukul [10] describe individualized consideration as the degree to which leaders provide “support, encouragement and coaching to the followers”. Based on Bass and Riggio [4] transformation leader recognizes individual differences in terms of needs and desires and they pay special attention to each individual needs. Each individual is different in terms of needs and desires. Every individual can’t be considered as one and treated in the same way. The leader understands diversity of interests. Transformation leaders accept and consider individual difference and treat them with respect accordingly. Individual considerate leaders have the capability to identify and understand each individual followers need and requirement for achievement and growth being acting as a mentor and pay special attention therefore [6]. Transformational leader understands every one of the individuals has unique quality and show different levels of potential and performance and also rewards them according to their outputs or creativity and innovation [9]. The leader value the work the individual contributes i.e. welcomes individual inputs [1]. As indicated by Bass and Riggio [4] the leader interacts with the workers individually and practices management by walking around workspace which will help the leader to know the employees individual characters, their performance, observing problems encountered on spot, identify gaps and helps to give solutions and create supportive atmosphere.

Individualized consideration is a factor that reveals the mentoring role often assumed by transformational leaders [3]. The leader coaches every follower individually. This is the development of personal link or good relationship between the leader and followers. This will help the leader to understand the followers’ individual needs and desires and respond genuinely to the needs and desires of followers. This is the most important aspect of good leadership however, in most cases neglected by most leaders. Moreover, according to Marshall [1] individualized considerate leader “recognizes and promotes the contributions of others and creates a culture of sharing, celebration, and unity within the entire team”. Further this author states that “Who gets the credit is less important than how team members affirm the work of each other”. They consider the individual and the aggregate at once [1].

An individualized considerate leader delegates tasks as a means of developing followers [4,6]. Delegated tasks are monitored to see if the followers need additional direction or support and to assess progress [4]. Ideally, followers do not feel they are being checked on. Marshall [1] also put that transformational leader has a kind of humility that looks beyond self to the mission of the organization and uses many professional skills, including “listening, coaching, empathy, support, and recognition of the contributions of followers”. The transformational leader enables others to act toward a shared vision.

## Discussion

Relevant literatures clearly exhibits that the type of leadership style matters. To develop effective organizations it is important to get a clear understanding of the relationship between transformational leadership and performance of organizations [11]. To this point, it is worth to note that various research findings around the world in wide range

of organizations indicate that there is a strong positive correlation between the components of transformational leadership and different dependent variables such as employee performance, job satisfaction, employee motivation, organizational performance and among others. Sahibzada et al. [12] found that there is a strong positive correlation between the two components of transformational leadership (idealized influence and inspirational motivation) and employee job satisfaction. This implies that an increased in the level of idealized influence and inspirational motivation leads to an increase in the employee job satisfaction in organizations. According to the finding 71.6% of the variance in the employee job satisfaction is accounted for Individualized influence while 67.2% variance in the employee job satisfaction is contributed by inspirational motivation. Individualized consideration and employees job satisfaction is positively correlated which means that an increase in the level of individualized consideration of the leader would lead to an increased level of job satisfaction of employees [13]. The author added that 55% of change or variation in employee job satisfaction is because of individualized consideration of the leader. H Metwally et al. [14], Hamidifar [15] and Asghar and Oino [16] found significant and positive relationship between all the four dimensions of transformational leadership and job satisfaction of employees. This implies that if employees are satisfied with their jobs, the performance of the employee increases and this in turn have positive influence on the success of the organization. Metwally et al. [14] summarizes that job satisfaction of employee influences productivity and performance of an organization. The author further added that transformational leadership is a way to create higher level of job satisfaction of employees. As it can be seen from review of related literatures, transformational leadership always works for employee satisfaction. This leadership styles also provides support for sub-ordinates.

Ahmad et al. [17] found that there is a positive and strong correlation between the idealized influence, individualized consideration, intellectual stimulation and inspirational motivation and employee motivation. Thus, the author also confirmed that employee motivation have positive and strong correlation with transformational leadership. Almintisir et al. [18] found significant relationship between dimensions of transformational leadership styles such as intellectual stimulation, inspirational motivation and individualized consideration and motivation of the employee. The finding of the authors shows that 73.7% of variation in motivation of the employee is contributed by these aforementioned factors of transformational leadership. According to the finding of these authors variation in motivation of employee is more contributed by intellectual stimulation (66.4%) and least by individualized consideration (0.9%).

The finding of Al Khajeh [19], Faruk Iscan et al. [20] and Evelyn and Hazel [21] show that transformational leadership has positive and strong relation with organizational performance means organizational performance is influenced by leadership style to large extent. Abu Orabi [22] and Evelyn and Hazel [21] confirms that inspirational motivation, intellectual stimulation and individualized consideration have statistically significant and positive influence on organizational performance while idealized influence doesn't have significant influence on organizational performance. 81.6% of variance in organizational performance is accounted by these factors [22]. However, Erkutlu [23] found that all the components of transformational leadership (idealized influence, inspirational motivation, intellectual stimulation and individualized consideration) are related positively to both leadership and organizational effectiveness. Gupta [24] also confirmed that all the behaviors of transformational leadership have strong positive correlation with organizational performance.

With regard to team performance, Krishna [25] states that there is a positive and strong relation between transformational leadership style behavior and team performance. Ngaithe et al. [26] show that intellectual stimulation, individualized influence has positive and significant relation with staff performance. According to Susan Mwangeli [27] the three components of transformational leadership (intellectual stimulation, individualized influence and individualized consideration) strongly and positively correlated with employee performance. According to the author 84.6% of variance in employee performance is accounted by the three behaviors of transformational leadership stated above. According to Faruk Iscan et al. [20] transformational leadership has a significant and positive effect on organizational innovation which means transformational leadership affects organizational innovation. Metwally et al. [14] states that transformational leadership style favors the employee to be creative and innovative which makes the organizations to become more competitive which in turn helps to adapt to changing environmental conditions.

To sum up employees are one of the most important asset of organizations, even it is said that employees are life to the organizations. Even though there are various factors that could affect the performance of the employee, research findings indicate that leadership style is found to be one determinant factor that affects performance of employees. There is a significant link between leadership style and employee performance. Transformational leadership has been discovered to be one of the leadership styles which positively affect employee performance. The differences in organizational performance are mainly because of the elements of transformational leadership. This is mainly because transformational leadership behaviors stimulate organizational commitment, encourage subordinates to do more than expected, inspire the employee and employee satisfaction.

Therefore, transformational leadership style makes use of any one or more of the four core components to enhance performance and accomplishment and achieve superior results [4,6]. The more the leadership approaches encompasses more components, the more is the result. Therefore, having more of or the combination of all the components helps to get exceeding outcomes.

## Conclusion

In this highly changing world and full of uncertainty there is a requirement of new leadership style which have the capability to cope up with and bring change. These high levels of turbulence and challenges facing the organizations now days call for transformational leadership. To bring about change in the followers and in the organization, understanding of transformational leadership and its components is crucial. Through application of this leadership style, there will be a transformation of leaders, followers and the organization which in turn enhance the performance and the success of the organization because the type of leadership approach will determine the success of the organization.

## Competing Interests

Author declares that there is no conflict of interests regarding the publication of this paper.

## Acknowledgement

I would like to acknowledge all the previous investigators who produced valuable research articles and made it available for this review paper.

## References

1. Marshall ES (2011) Transformational Leadership in Nursing: from expert Clinician to influential Leaders. Springer publishing.

2. Das SC (2012) *Managing and Leading Change through Transformational Leadership: Insights into Success Code*.
3. Lussier RN, Achua CF (2010) *Leadership: Theory, application & skill development*. OH: South-Western.
4. Bass BM, Riggio RE (2006) *Transformational leadership*. Mahwah, NJ: Lawrence Erlbaum.
5. Dilts RB (1996) *Visionary Leadership Skill: Creating a World to which People want to belong*. Meta publishing.
6. Avolio BJ, Bass BM (2002) *Developing Potential Across a Full range of Leadership: Cases on Transactional and Transformational Leadership*. Mahwah, NJ: Lawrence Erlbaum.
7. Bass BM (1999) Two decades of research and development in Transformational Leadership. *European Journal of Work and Organizational Psychology* 8: 9-32.
8. Stone GA, Russell RF, Patterson K (2003) Transformational versus servant leadership: A difference in leader focus. *Leadership and organizational development Journal*. 25: 349-361.
9. Renjith V, Renu G, George A (2015) Transformational Leadership in Nursing. *International Journal of Scientific Research and Management Studies* 2: 112-118.
10. Yukl G (2006) *Leadership in organizations (6th edn)*, Upper Saddle River, NJ: Pearson Education, Inc.
11. Hurdzuzeu RE (2015) The impact of leadership on organizational performance. *SEA-practical application of science* 30: 289-294.
12. Sahibzada S, Kakakhel S, Khan A (2016) Role of Leaders' Idealized Influence and Inspirational Motivation on Employees' Job Satisfaction. *University of Haripur Journal of Management (UOHJM)* Published by University of Haripur 1: 86-92.
13. Khalil SH, Sahibzadah S (2017) Leaders' Individualized Consideration and Employees' Job Satisfaction. *Journal of Business and Tourism* 3: 215-223.
14. Metwally AH, El-Bishbishy N, Nawar YS (2014) The impact of transformational leadership style on employee satisfaction. *The Business & Management Review* 5: 32-42.
15. Hamidifar F (undated) A Study of the Relationship between Leadership Styles and Employee Job Satisfaction at Islamic Azad University Branches in Tehran, Iran.
16. Asghar S, Oino I (2017) *Leadership Styles and Job Satisfaction*. University of Wales Trinity Saint David, United Kingdom, Coventry, United Kingdom.
17. Ahmad F, Abbas T, Latif S, Rasheed A (2014) Impact of Transformational Leadership on Employee Motivation in Telecommunication Sector. *Journal of Management Policies and Practices* 2: 11-25.
18. Almintisir AB, Akeel AB, Subramaniam ID (2013) The Role of Transformation Leadership Style in Motivating Public Sector Employees in Libya. *Australian Journal of Basic and Applied Sciences* 7: 99-108.
19. Al Khajeh EH (2018) Impact of Leadership Styles on Organizational Performance. *Journal of Human Resources Management Research* pp: 1-10.
20. Iscana OF, Ersari G, Naktiyok A (2014) Effect of Leadership Style on Perceived Organizational Performance and Innovation: The Role of Transformational Leadership beyond the Impact of Transactional Leadership-An Application among Turkish SME's. *Procedia - Social and Behavioral Sciences* 150: 881-889.
21. Evelyn D, Hazel G (2015) Effects of transformational leadership on employee engagement: The mediating role of employee engagement. *International Journal of Management* 6: 1-8.
22. Orabi TGA (2016) The Impact of Transformational Leadership Style on Organizational Performance: Evidence from Jordan. *International Journal of Human Resource Studies* 6: 89-102.
23. Erkuclu H (2008) The impact of transformational leadership on organizational and leadership effectiveness: The Turkish case. *Journal of Management Development* 27: 708-726.
24. Gupta N (2014) Effects of Leadership Style on Organizational Performance: a Study of Selected Brick Kilns in Jammu Region. *International Conference on Management and Information Systems*.
25. Krishna YR (2011) Effects of Transformational Leadership on Team Performance. *Int J Buss Mgt Eco Res* 2: 152-157.
26. Ngaithe L, K'Aol G, Lewa P, Ndwigwa M (2016) Effect of Intellectual Stimulation and Individualized Consideration on Staff Performance in State Owned Enterprises in Kenya. *Research on Humanities and Social Sciences* 6: 15-22.
27. Mwangeli NS (2016) Influence of Transformational Leadership on Employee Performance: A Case Study of Safaricom Limited. *Master of business administration (strategic management)* jomo kenyatta university of agriculture and technology.