

THE  
TRANSFORMING  
**LEADER**

An Excerpt From

***The Transforming Leader:  
New Approaches to Leadership for the Twenty-First Century***

Edited by Carol S. Pearson  
Published by Berrett-Koehler Publishers

# CONTENTS

Foreword *xi*

*by Deborah Higgins*

Preface: The Leadership for Transformation Project *xiii*

*by Judy Brown and Michael Jones*

Introduction: The Transforming Leader: New Needs for  
New Times *1*

## **PART ONE**

Transformational Thinking for Twenty-First-Century Leaders

Setting the Context for Part One *15*

*Evolving Thinking about Transformational Leadership 15*

**1** Transactional and Transformational Leadership: Their Foundations  
in Power and Influence *23*

*by Michael J. Lovaglia, Jeffrey W. Lucas, and Amy Baxter*

**2** Leadership in Action: Three Essential Energies *32*

*by Betty Sue Flowers*

**3** Leadership and Organizational Networks: A Relational  
Perspective *42*

*by Philip Willburn and Michael Campbell*

**4** Positive Power: Transforming Possibilities through Appreciative  
Leadership *53*

*by Diana Whitney and Amanda Trosten-Bloom*

- 5** Dancing on a Slippery Floor: Transforming Systems, Transforming Leadership 64  
*by Kathleen Allen*
- 6** On Mattering: Lessons from Ancient Wisdom, Literature, and the New Sciences 75  
*by Barbara Mossberg*

## **PART TWO**

Being the Change: Inner Work for Transforming Leaders

Setting the Context for Part Two 85

*Deepening and Expanding Inner Capacities for Becoming the Change* 85

- 7** The New Basics: Inner Work for Adaptive Challenges 93  
*by Katherine Tyler Scott*
- 8** Integral Leadership: Opening Space by Leading through the Heart 102  
*by Jonathan Reams*
- 9** Mindful Leadership: Discovering Wisdom beyond Certainty 110  
*by Susan Szpakowski*
- 10** Leadership as a Spiritual Practice: Vocation and Journey 121  
*by Matthew Fox*
- 11** Transmuting Suffering: A Leadership and Advising Perspective 130  
*by Arthur Colman and Éliane Ubalijoro*
- 12** Shapeshifter Leadership: Responding Creatively to the Challenges of a Complex World 140  
*by Carol Burbank*

## **PART THREE**

The Art of Working with and Transforming Groups

Setting the Context for Part Three 151

*Shifting Perspectives on Inner/Outer Connectivity* 151

- 13** Depth Entrepreneurship: Creating an Organization Out of Dream Space 159  
*by Stephen Aizenstat*
- 14** Deep Dialogue: Harvesting Collective Wisdom 169  
*by Alan Briskin*

<b>15</b>	<b>New Approaches for Leadership: A Psychospiritual Model for Leadership Development</b>	<b>181</b>
	<i>by Karin Jironet and Murray Stein</i>	
<b>16</b>	<b>It's All a Dream: Depth Approaches to Understanding and Withdrawing Projection</b>	<b>191</b>
	<i>by Jeremy Taylor</i>	
<b>17</b>	<b>Hearing the Music: Leadership and the Inner Work of Art</b>	<b>201</b>
	<i>by John J. Cimino and Robert B. Denhardt</i>	
<b>18</b>	<b>Unleashing Possibilities: Leadership and the Third Space</b>	<b>211</b>
	<i>by Zachary Green, Omowale Elson, and Anjet van Linge</i>	
	<b>Conclusion: Reinforcing Change through Transformational Communication</b>	<b>221</b>
	<b>Appendix A Application Exercises</b>	
	A: Applications for Thinking through What to Do	228
	B: Applications for Becoming the Change You Wish to See	232
	C: Applications for the Art of Transforming Groups	236
	Conclusion: Creating a Connected Leadership Narrative and Plan	242
	<b>Appendix B Additional Resources</b>	
	Organizations and Associations	245
	Foundational Theory Sets	246
	Leadership and Personal Development Instrumentation	246
	Additional Communities of Practice	247
	References	249
	Leadership for Transformation Bibliography	273
	Gratitudes	277
	Index	280
	About the Editor	
	About the Fetzer Institute	
	About the International Leadership Association	
	About Pacifica Graduate Institute	

| Introduction |

# The Transforming Leader

New Needs for New Times

Everything changes. Everything is connected. Pay attention.

—Classic Buddhist teaching

Most of us want to make a difference, but doing so is not as simple as it sounds. Whether you hold a major leadership position or are just setting out to be a positive force for change, you likely know that good intentions are not enough. Many of us have had experiences where we meant well and tried hard, yet the changes we wished to see eluded us, were short-lived and unsustainable—or things actually got worse.

This book is written for people like you, who care about the quality of your life and your impact on the world around you. In it, we present leadership thinking and practices that can help you meet the challenges of today's world. You may be a practicing leader; an educator, coach, workshop leader, or consultant who develops leaders; a scholar who writes about leadership; or just beginning your career, not yet even thinking of yourself as a leader. We are called to lead in many different ways and it is important that we take the responsibility to do what is ours to do for the good of those around us and the larger world.

The ideas and practices in this book are based on the notion that modern challenges require our total commitment. This means three things: First, we must respond to these challenges by developing our capacities to think and lead in transformational ways. Second, to accomplish the first, we must access all our faculties—mental sharpness, emotional depth, body sensations, imagination, and creativity, as well as a connection to our souls and spirits. And third, we need to harvest

the full capacities of those around us, because we all have different experiences, gifts, and perceptions to offer, which collectively are greater than what any one of us has alone.

Transformational change also requires that we close the gap between what we want, what we are, and what we do. Thus, if we want to make significant and long-lasting changes, we must look within before we look without. By bringing our inner world (our thought processes, perspectives, self-awareness, emotional intelligence, capacity for staying centered in the midst of turmoil) into alignment with our outer world (our actions, how we lead, how we live the work, how we work with people), we are better able to transform our leadership and bring about the change we seek.

As leaders are transformed, so is their work and those with whom they work. For example, you may have witnessed settings where morale had plummeted, but then a new transforming leader (possibly you) comes in. Soon people start sharing responsibility for improving processes and outcomes, get things done without unnecessary drama, are curious and open to new ideas, learn from setbacks, and seem unusually fulfilled, having a sense that their labors are meaningful because their work supports values and a vision that they believe in. After a time, people working in such places may themselves become transforming leaders who create ripple effects as they practice what they have learned wherever they go.

## **Why Leadership Is So Difficult Today**

Although making a difference is not easy, it is well worth the challenge. If you feel confused or frustrated by the trials of leading in a time of global uncertainty, interdependence, and unexpected difficulties, you are not alone. No matter how high up you go in leadership, and whether or not you aspire to be a transformational leader, today's realities are daunting, as the future is unpredictable. For example, President Barack Obama ran for office with a vision of what he wanted to accomplish but got hit, even before he was inaugurated, with the global financial meltdown. Before Obama, President George W. Bush was blindsided by

9/11, an event orchestrated from far away that was so unthinkable that neither he nor the CIA anticipated it. Both presidents had to grapple with intractable problems that were not even in their areas of primary expertise or on their agenda for change.

Few enterprises, however big or small, are exempt from the impact of national and global interdependence. International businesses worry about competitors rendering one of their products or a whole product line obsolete. To add to the complexity, many now buy materials and manufacture products in a variety of regions around the world, so that natural disasters anywhere, not to mention warfare and political unrest, become business challenges. On a more local scale, small businesses are vulnerable to shifting prices of essential items or to a global conglomerate moving into their neighborhood and creating price competition they cannot meet. The health of the international economy affects us all. For instance, unrest in the Middle East drives up gas prices, the cost of travel, and other aspects of doing business. And so on.

This level of interdependence makes it difficult to figure out how to solve problems, leading many people to retreat into survival mode or strive to maximize their own advantage regardless of long-term costs. Some, sensing the urgency of the situation, react in knee-jerk fashion, blaming others for their troubles and ending up making things worse.

When I taught at the University of Maryland School of Public Policy, my graduate students—mostly professionals in government, the military, businesses with government contracts, and nonprofit organizations—quickly identified a gap between the expectations of what leaders should be able to do and the immensity of the problems they face. They noted that most people imagine that a good leader will be informed, decisive, and able to steer the ship in every situation. People also believe leaders should be able to identify problems and energetically solve them, guided either by best practices or new scientific data. In addition, leaders should create strategic plans, sell them to their followers in a rational, scientific manner, and then implement them with excellent results in a timely fashion, in the process making the world better for us all. In short, they should be in control and achieve on a heroic scale.



The graduate students complained that such idealistic and, we began to believe, anachronistic models of leadership were unrealistic and unachievable in the situations they faced. Yet they felt pressured to at least pretend to fit this model. As we continued discussing the gap between the expectations to which they were subject and their actual ability to effect change, the students began to evince a “can we talk?” level of frankness concerning their reservations about how easy it is to describe leadership and how difficult it is to put it into practice. This was true at all levels of leadership and in all types of situations. For instance, soldiers who had returned from Iraq and Afghanistan spoke earnestly about what it was like to live in constant fear—even of groups of women and children, who might be holding a grenade or a bomb, or hiding a sniper ready to shoot—while being expected to make friends with the local populace. Government managers complained about the obstacles to accomplishing anything in a massive bureaucracy; some recounted situations where politicians who did not understand the science related to their bureau’s mission passed laws requiring the agency to implement inadequate or even counterproductive policies. Executives of for-profit companies told of the tension produced by the constant pressure for quarterly profits, especially if meeting the goals conflicted with their values or undermined safety, quality control, or customer service. College and university administrators emphasized the impediments to getting things done in a context that requires collegial governance but with faculty who are resistant to needed change, while nonprofit leaders described being squeezed by mounting needs and expectations and shrinking donations and grants.

The students then began to tease out some common issues that made it difficult for them to succeed. They realized that although the examples they cited were very different, they all shared a Catch-22 quality, required unrealistic Superwoman or Superman powers, and/or led to results that themselves were counterproductive. Then there were challenges they all identified as problematic: employees, citizens, and customers today expect to have a voice, so leaders have to consult (and often please) them, but the leaders alone are held responsible for the

results. Information overload and complexity means no single individual is likely to have the ultimate answer to any problem—yet they will be asked to supply one. As with any truly major issue, no one organization or even sector can address it alone, so leaders need to collaborate with others and incorporate diverse views, yet few have the skills or experience in this style of working. Finally, given the present pace of change and innovation in the world, even doing strategic planning is difficult because just about the time the plan is complete, it is no longer relevant.

These students' wide range of experiences and backgrounds—yet common challenges and struggles—made it clear that we need to think about leadership in a manner that works within a variety of contexts and that addresses what is happening on the ground in real groups, communities, and organizations. The specifics of what leadership requires, my students concluded, keep changing with varying circumstances and in different milieus. Thus, it makes no sense to focus primarily on teaching leaders particular skills, approaches, or fad-of-the-month organizational interventions. Instead, we should build their core capacities, so that they are able to meet unanticipated challenges and tailor their responses to specific situations. But what are these capacities, and how are they developed?

### **Learning from Transformational Leaders**

My University of Maryland colleague, Judy Brown, and I agreed with our students about the need to foster such capacities. As leadership scholars and educators, we, of course, had our own hypotheses about what ideas and practices might fulfill this need. However, we wanted to explore these ideas and expand our knowledge by engaging with other leaders who were making a truly transformational impact in the world. We knew they were out there. We were familiar with some, had heard of others, and wondered what they had in common. We wanted to know what it was they drew on—what images of the world, what communities of thought, what personal practices. Our goal was to learn from

other successful contemporary leaders what leadership capabilities made the difference. We also wanted to provide a platform to bring transformational leaders together to pool their knowledge for the betterment of all concerned.

This desire gave rise to the Fetzer Institute Leadership for Transformation Project, cosponsored by the James MacGregor Burns Academy of Leadership and the International Leadership Association (which was incubated by the academy). In this project, we were inspired by James MacGregor Burns's work on transformational leadership, but used the term "leadership for transformation" to distinguish our inquiry from expectations that transformational leadership was a particular school of thought that would seem to be in competition with other approaches. We wanted to learn more broadly, from any and all ways of thinking about leadership that were working today. We invited leaders who had accomplished positive, transformational change, as well as educators, coaches, and consultants who assisted them, and scholars who studied them, to join us in a series of three relatively lengthy dialogues over a three-year period.

As described in the preface, something magical happened at these retreats. It was not just what the participants shared with us. It was how they shared, what they focused on, and the way they were with us and with one another—indeed, what they modeled in all these ways taught us as much as what they said.

We saw none of the usual posturing or competitiveness you often get in groups of high achievers. From the beginning, participants spoke from a collaborative and authentic place. Instead of claiming credit for their accomplishments, they typically attributed their success to an inspiration, a sudden sense of calling, divine help, or a synchronous event. Instead of speaking in abstractions, they told stories, used metaphors, shared images, or invited us to engage in an experience with them and with each other. The pace of conversation slowed; pauses were pregnant rather than uncomfortable; and voices became deeper. Our project stewardship team—consisting of Judy Brown and Carol Pearson; Fetzer Institute program officers Mark Nepo and Deborah Higgins; ILA presi-

dent Cynthia Cherrey, director Shelly Wilsey, and board member Gil Hickman; consultant Michael Jones; and editor Megan Scribner—and participants in the dialogues soon recognized that something profound was happening in the space we were jointly creating. Our team became aware that we were starting to collaborate even more seamlessly in the service of the group. We observed a ripple effect, with energy emanating from individuals to encompass the entire group, which then was reflected back to the individual members, creating a wonderfully healthy feedback loop that deepened our mutual inquiry. This effect also intensified over the three-year period, so that it was more pronounced in the last dialogue than in the first. And while it was somewhat less present in the related short dialogues we conducted at ILA conferences, those sessions were always filled to capacity and seemed to satisfy an intense hunger for such open sharing.

Some consensus began to emerge from the Fetzer and ILA sessions. The participants emphasized the importance of individuals connecting with their deeper and wiser selves, so that they could embody the change needed around them. They held up as exemplary leaders people who are authentic, connected with an internal source of wisdom, and also feel deeply connected to other people and the natural world. Such exemplars, they noted, show nonjudgmental curiosity and openness to what is emerging in any situation, as well as a capacity for contemporary types of thinking and ways of making meaning, some of which come from emerging paradigms in the new sciences and social networking theory as well as depth and positive psychology. Indeed, these leaders combine deep self-awareness with real-world savvy and are consciously striving to grow and learn on both dimensions.

Listening to the participants and observing their behaviors gave rise to the major sections of this book. Part One focuses on transformational models of leadership and how to think in ways that support transformational ends. Part Two offers practices that help leaders to embody the qualities of consciousness needed in leaders today. And Part Three centers on how these inner changes result in enhanced abilities to lead groups so as to bring out their best and most transformational efforts.

Or to be more concise, the three parts focus on modes of thinking, being, and relating that together constitute a new model for successful leadership practice.

### **This Book: Its Purpose, Design, and Content**

In bringing these three elements—thinking, being, and relating—together, *The Transforming Leader* has the form of a Möbius strip, outlining the dynamic interrelationship between a leader's inner life, which affects behaviors; the effect of those behaviors on the outer world of people, events, and structures; the impact of experiences in the outer world on the leader's attitudes and emotions; and so on and on. This inner/outer dynamic is foundational to the flow of the book and provides its fundamental point of differentiation from books that focus on only one or two elements of this flow.

All this being said, *The Transforming Leader* complements various current leadership approaches or can stand alone as a source for learning and exploring the basic leadership capacities needed today. Because it is divided into sections with brief essays, each of which can be read in a short time, it can fit into very busy schedules. In fact, reading part of the book and taking time to integrate its lessons before moving on can support personal capacity building.

The essays, written by recognized leaders and experts in their own unique voices and styles, weave together insights from the Fetzer retreat participants and others to elucidate this dynamic interplay between the inner life of leaders and their outer actions, as informed by emerging knowledge in a variety of fields and from many different perspectives. They also provide powerful assistance in unlearning unhelpful and anachronistic approaches and replacing them with empowering ways of thinking, being, and relating that are congruent with the needs of this time in human history. Because today's challenges require leaders who can bring not just their heads but their hearts, souls, and spirits to the table, and who can recognize unconscious as well as conscious motivations, the essays also draw heavily from psychology and other disciplines that take the whole person into consideration.

Each essay is powerful in its own right, but a synergy occurs when complementary ideas from different fields are integrated into a more holistic approach. For this reason, introductions to each section provide important background to contextualize the essays that follow. Between essays, you will find brief transitional bridges that show how each builds on the other and identify the leadership competencies explored in the one that follows. The conclusion offers a brief summation and then provides information about how to anchor your learnings through consciously reframing the stories you tell in both formal and informal communication.

At the close of the book, in Appendix A, you will find exercises that foster the development of the capacities outlined in the essays and provide accessible ways to translate the powerful concepts described in the introductions and essays into empowering practices. Appendix B offers additional resources, followed by references and a bibliography.

The book begins, in “Part One: Transformational Thinking for Twenty-First-Century Leaders,” with a context-setting introduction that focuses on the ideas of James MacGregor Burns, the founder of the transformational leadership school of leadership practice. It then briefly traces the development of his thinking, from emphasizing the transformational impact of individuals to that of whole groups or nations. The essays in Part One provide an overview of emerging modes of thinking that guide important elements of transformational leadership in action. They illustrate what transformational leadership is, how it works, and how it is evolving, and they offer guidance for updating conceptual paradigms to reflect the kind of transformational leadership thinking needed now. Part One includes:

- “Transactional and Transformational Leadership: Their Foundations in Power and Influence,” by Michael Lovaglia, Jeffrey Lucas, and Amy Baxter. This exploration of research findings demonstrates the efficacy of James MacGregor Burns’s ideal of transformational leadership and shows how you can be more effective in promoting change through inspiring others than by more transactional means.

- “Leadership in Action: Three Essential Energies,” by Betty Sue Flowers. This case study of how President Lyndon B. Johnson cooperated with Martin Luther King Jr. and worked skillfully with Congress to pass civil rights legislation presents an inspiring real-life example that makes theories about transforming leadership come alive.
- “Leadership and Organizational Networks: A Relational Perspective,” by Philip Willburn and Michael Campbell. This explanation of social networking theory shows how you can conduct a strategic analysis of groups and organizations through better understanding of natural social influence processes to communicate your transformational message more successfully.
- “Positive Power: Transforming Possibilities through Appreciative Leadership,” by Diana Whitney and Amanda Trosten-Bloom. This exploration of positive psychology, strength-based leadership, and appreciative inquiry insights helps you know what to do to build confidence and bring out the best in yourself, other people, and social systems.
- “Dancing on a Slippery Floor: Transforming Systems, Transforming Leadership,” by Kathleen Allen, describes new paradigms in science and systems analyses in organizational development theory to help you shift your thinking to be able to lead more effectively in complex adaptive systems.
- “On Mattering: Lessons from Ancient Wisdom, Literature, and the New Sciences,” by Barbara Mossberg, shares insights from ancient myths and modern science to help you fully realize how much you do matter and how important it is to explore your own complexity and the complexity in the world in order to use your influence wisely.

“Part Two: Being the Change: Inner Work for Transforming Leaders” delves into the psychological and spiritual dimensions of the inner work needed to be a transformational leader. It provides guidance about various modalities of inner work, each of which serves to enhance leadership presence and help the leader become a catalyst for transformational

change. The introduction to this section, highlighting the work of educational psychologist Robert Kegan, provides context on the pressing need for individuals to develop their full cognitive capacities. It then shows how recognizing the wisdom of the unconscious as well as the conscious mind can enable you to have greater success in fulfilling your transformational goals. The essays that follow reflect insights from psychospiritual theory and practice for developing cognitive capacities. Part Two includes:

- “The New Basics: Inner Work for Adaptive Challenges,” by Katherine Tyler Scott, offers examples from organizational leadership to show how and why it is essential for you to do your inner work if you are to lead effectively in contemporary organizations.
- “Integral Leadership: Opening Space by Leading through the Heart,” by Jonathan Reams, shares findings in integral psychology and neuroscience as an aid in connecting with your full self and with a greater sense of options and possibilities.
- “Mindful Leadership: Discovering Wisdom beyond Certainty,” by Susan Szpakowski. Buddhism and neuroscience agree that the primary human impulse to fabricate certainty short-circuits the potential for creativity and intelligence. This essay shows how, when harnessed, this impulse becomes a doorway to leadership growth and transformation.
- “Leadership as a Spiritual Practice: Vocation and Journey,” by Matthew Fox, explores four archetypal spiritual paths as frames for viewing leadership as a vocation and leadership experiences as learning opportunities that foster wisdom, resilience, and flexibility.
- “Transmuting Suffering: A Leadership and Advising Perspective,” by Arthur Colman and Éliane Ubalijoro. It is very difficult to face suffering, loss, scapegoating, or a confrontation with one’s own or a cultural shadow. This essay explores how a trusted and able advisor can help you do so. Most important, it provides support for facing one’s shadow and the shadow of the world in order to become a healing presence.



- “Shapeshifter Leadership: Responding Creatively to the Challenges of a Complex World,” by Carol Burbank, provides a mythic model of an archetypal Shapeshifter and examples from exemplary innovators to awaken your capacity to innovate and flow with continual change.

“Part Three: The Art of Working with and Transforming Groups” recognizes that leadership is a complex, interactive process. No leader can succeed alone. Leadership is about the intricate relationship of leaders with the groups they inspire, listen to, and awaken into transformational possibilities. The context-setting introduction to this section explores how experiences of synchronicity help us move beyond seeing the external and internal worlds as separate. It then discusses the ways our unconscious minds—which process information faster than can our conscious minds—are always tracking new information from our environment, socializing us without our conscious knowledge. This background helps us recognize why connecting unconscious with conscious knowledge is so important. It also helps us begin to understand that leaders of teams or other groups are in dynamic interconnection— influencing and being influenced—with the people led. Moreover, in times of information overload and fast change, leaders need access to the unconscious simply to keep up. The essays that follow describe ways of leading in relationships that bring out the group’s most transformational efforts. Part Three includes

- “Depth Entrepreneurship: Creating an Organization Out of Dream Space,” by Stephen Aizenstat, shares depth psychological insights that can help you access imaginal guidance balanced with sound management practice to build and sustain a thriving organization.
- “Deep Dialogue: Harvesting Collective Wisdom,” by Alan Briskin, describes dialogue principles and practices, as well as stances or frames of mind, to inspire you to discover and harvest group intelligence and wisdom, and gives you tools for doing so.

- “New Approaches for Leadership: A Psychospiritual Model for Leadership Development,” by Karin Jironet and Murray Stein, discusses strategies for establishing empathic connection in dyads and groups that provide space for transformational insights to be received and nurtured.
- “It’s All a Dream: Depth Approaches to Understanding and Withdrawing Projection,” by Jeremy Taylor. This analysis shows us why we need to recognize and withdraw projection in the interest of decreasing conflict in and among groups and seeing reality more clearly. It also suggests strategies for doing so, with an emphasis on group dream interpretation and other active imagination approaches that foster an understanding of how ubiquitous projection is.
- “Hearing the Music: Leadership and the Inner Work of Art,” by John Cimino and Robert Denhardt, offers musical analogies and examples to provide a powerful metaphor for what it is like to lead in ways that attune to the rhythm of the group while also letting loose its capacity for improvisation.
- “Unleashing Possibilities: Leadership and the Third Space,” by Zachary Green, Omowale Elson, and Anjet van Linge, describes group relations concepts that show you how to move out of “us/ them” dualities to live in a third space where attention moves from discrete parts to the relationship between them. Doing so can resolve inner and outer conflict, not with compromise, but with foundational, transformational change.

“Conclusion: Reinforcing Change through Transformational Communication” explores the power of narrative to help you ground new awareness about transformational thinking, being, and relating in a reframed conversation that encourages shifts in consciousness and habits in you and in those you influence.

## PART ONE

# TRANSFORMATIONAL THINKING FOR TWENTY-FIRST-CENTURY LEADERS

### **Setting the Context for Part One**

#### *Evolving Thinking about Transformational Leadership*

Thinking clearly about leadership in ways relevant to our times and individual situations is essential to success today. This first section of the book begins with the work of James MacGregor Burns, a scholar who revolutionized how we imagine what leaders should be and do by introducing the concept of transformational, as opposed to transactional, leadership. This introduction provides background on his work. The first two essays in this section demonstrate the efficacy of his theories in current practice. The ones that follow explore the work of other scholars and theorists who provide new ways of thinking that enhance our ability to promote various elements of transformational change.

I was privileged to lead the James MacGregor Burns Academy of Leadership before taking my current position at Pacifica Graduate Institute. Through my work at the Burns Academy, I got to know Jim well. He combines the best of forward-looking attitudes with old-school graciousness, and is as thoroughly good and kind a man as he is a tough-minded, rigorous thinker. Being with Jim was a bit like my experience at the Fetzer Institute dialogues—somehow, everything seemed more possible when he was around, just as the dialogues continually opened

up possibilities for how to lead with joy and ease even in these difficult times.

Although Burns coined the now widely used term “transformational leadership,” he subsequently preferred the term “transforming leadership” because he thought it better captured the complexity of leadership that transformed the leader, his or her collaborators and followers, the process of leading, and the outcomes it produced. In biographies of great leaders, including his Pulitzer Prize-winning volume about Franklin Delano Roosevelt, he observed and then described a transformative quality in the leadership legends he studied. Such leaders as Gandhi and FDR, he argued, achieved structural change in ways designed to advance not only their own self-interest and that of their group, but also the larger common good (Burns, 1970b).

In contrast, transactional leadership, which Burns sees as still the prevailing mode, is motivated by self-interest on the part of both leaders and constituents. (For example, I support a particular leader because it is in my interest to do so. The leader helps me because then I’ll support him or her—tit for tat.) The transactional leader gains cooperation through bargaining, the transforming leader by inspiring others with a larger vision that brings out the best in them and produces positive transformational outcomes (Burns, 1970a).

In a time of enormous uncertainty, I find Burns’s work energizing and hopeful, and I know others do, too. It reminds us that we can work toward a future we believe in and that, to do so, we need to bring our better selves to leadership. Some may find this idealistic, even naive, so it reassures me to know that, being involved in politics himself, Burns understood the rough-and-tumble world he was writing about. Indeed, he formulated his theories by studying political figures who led in difficult times and had to deal realistically with unforeseen events and adversaries who very much wanted them to fail. Such leaders often balance transactional and transformational strategies in working toward transformational ends, and although they prefer to promote change through inspiration, when necessary they also use power, authority, and tough bargaining to get things done.

Transformational leadership ushers in radically positive possibilities so needed today to release the potential within situations and people, including the leader. Much of Burns's work as a biographer focused on individual leaders. But in recent years, the emphasis on individuals as agents of historic change has been attacked by many who argue the opposite: that leaders are products of the movements and ethos of the time. For a while, there was a standoff between those who emphasize the power of social and cultural movements and those who stress the impact of individuals. More and more, however, the interaction between individuals and their environments is viewed as complex and interdependent. For example, people are socialized by the time and place in which they live and have different advantages and disadvantages based on their station in life, their gender, race, and so on. Yet it is also true that the choices they make and the actions they take change their lives and create ripple effects that change others. They are then resocialized by the new reality they have created. All of this is an ongoing process.

Burns's work was inspired by his own desire to help people, and the more he explored how this could be done, the more attentive he became to the power of social movements, not just of individual leaders. He also very much saw his work as being within the philosophical tradition of the Enlightenment and credited the thinking of this movement as important to his writing. Burns (2003) began his book *Transforming Leadership* by citing the American Declaration of Independence, with its focus on "life, liberty, equality, justice, community . . . and intertwined with them—the pursuit of happiness" (p. 240). Referencing Abraham Maslow's (1943) "hierarchy of needs," he argued that to make happiness genuinely possible, we must eradicate poverty. As a witness to not only the civil rights movement but also other progressive movements, he began to stress the role of leadership in all of society and the need to view leadership as a complex, interactive process involving many actors.

Thus, Burns's *Transforming Leadership* ends with an appeal to move beyond what any individual leader can do. "In the broadest terms," Burns (2003) argued, "transformational change flows not so much from the work of a great man who single-handedly makes history, but from the

collective achievement of a ‘great people.’” While leadership by individuals is necessary at every stage, beginning with the “first spark that awakens people’s hopes” (p. 240), its vital role is to create and expand the opportunities that empower people to pursue happiness for themselves.

This edited volume builds on the notion that individual leaders and leadership teams have a power to shape history, and that leaders also are riding the waves of enormous changes in an organization or society that they help steer but do not actually control. We see this illustrated in Betty Sue Flowers’s essay later in this section, in the way personal leadership qualities and historic social movements came together to achieve the landmark Civil Rights Act of 1964 and the Voting Rights Act of 1965. The massive cultural revolution begun by the civil rights movement, and the changes in attitudes it produced, led in turn to the election of Barack Obama as the first African American U.S. president. Whatever history concludes about the Obama presidency, his personal qualities and his inspiring message helped a majority of American voters get behind the idea that an African American could lead the country. But without the historic achievements of the abolitionist and civil rights movements, the election of an African American president would have been unthinkable.

A similar interactive process takes place between individual leaders and the groups they lead. In a very practical way, we need to realize that we cannot lead successfully unless people want to follow or collaborate with us. Groups choose leaders based on a match with their own values and priorities: politicians are nominated by their party and elected by the public. Organizational leaders are selected by boards, search committees, or managers who, if they are smart, consider the needs of the group to be led. Citizens emerge as community and organizational leaders because of the faith others have in them. In all such cases, we, as leaders, are expected to achieve the ends the citizens or stakeholders desire. And, generally, we are deposed if those who chose us lose faith in our ability to deliver on our promises.

But leadership requires more than just acting to implement the will of the group. Leaders who become slaves to market forces, opinion

polls, focus groups, or the self-interest of their constituents are not truly transformational. For transformation to occur, leaders need to educate, inspire, and motivate groups to have higher aspirations. This means that whether or not we have positional power, we have the responsibility to use whatever power we do have in the service of a positive vision of the greater good. Finding the right balance between truly listening to others, even those who disagree with us, and actually fulfilling the hefty responsibility to speak and act courageously to bring about such a vision is a challenge. Several of the essays in this book suggest specific strategies that can help us get this balance right.

Burns (2003) stressed the need to find this balance, saying that leaders should create “the links that allow communication and exchange to take place . . . and . . . address ourselves to followers’ wants, needs, and other motivations.” At the same time, leaders also must “serve as an independent force in changing the makeup of the follower’s motive base.” He saw that this balance can shift, based on what is required by particular situations. There are times, he noted, that require very strong, assertive leadership, and times when leaders are so attuned to their followers, and they to them, that the two become “virtually interdependent” (Burns, 2003, pp. 20–21).

Historically, ways of leading have evolved rather slowly. In ancient Rome, emperors rewarded their friends and cruelly punished anyone who got in their way (remember crucifixion). Transactional leadership is an improvement on this, but it is failing us now because it is based on a trust in self-interest that the world no longer can afford. Its single-minded focus on the self-interest of businesses and individuals leads to environmental devastation and economic crises. Adam Smith’s (1759) idea that an “unseen hand” will make everything work out if we follow our individual interests does not appear to be working today. Both coercive and transactional modes of leadership remain in evidence around the world. The coercive mode, where it still exists, is horribly reductive, pulling people back into anachronistic ways of being with one another and themselves, while the transactional mode takes away our power by reinforcing an immature level of self-involvement and shrinking our sense of options.

Transformational leadership as Burns defines it has long been accessible to human consciousness (e.g., King Arthur legends). Now, because of twenty-first-century challenges, it needs to become common practice. Becoming conscious of what we want our leadership to be like, rather than just unconsciously enacting old patterns, can speed up our participation in a paradigm shift that is taking place in virtually all fields today.

Thinking in more transformative ways can free us from being freaked out by continuous change and the impact of global interdependence and allow us to recognize these realities as opportunities. Yet, in the process, we are forced to let go of many old beliefs, which is why deconstructionism has been a major focus of academic thought. Still, older paradigms often continue to be enacted long after new, more effective ones come into use. Sometimes this is because an older paradigm remains functional in practice. For example, quantum physics augments, but does not replace, Newtonian physics. Unfortunately, people are inclined to continue in old ways even when they no longer work well, which is the case today with the continued expectation that our leaders can save us single-handedly. If ever it were true, it is not true now.

On a personal level, we can better accept the necessary losses of our time if we recognize that new situations demand new capacities, just like when we let go of being children to take on adult responsibilities. Burns is, himself, a wonderful example of someone who is always learning and growing. Perhaps for this reason, while Burns has always been appreciative of followers who apply his ideas, he has the greatest enthusiasm for work that breaks new ground. Motivated by a powerful passion for justice and a sharp, insightful mind, he has little or no interest in adulation. After I left as director, the University of Maryland School of Public Policy phased out the Burns Academy of Leadership as a separate unit, but kept its many externally and self-funded programs. Burns accepted this change graciously, saying he cared only about the good work, not the recognition of having a prestigious institute named for him.

The essays in this section focus first on transformational leadership theory and then augment this theory with emerging ideas in positive psychology, organizational development, social networking theory, and



contemporary science. This developmental sequence is designed to help you experience greater ease and mastery in leading today. If, at the end of this section, you would like to apply what you have learned to specific leadership situations, visit the Application Exercises for Part One included in Appendix A.

## Transactional and Transformational Leadership

Their Foundations in Power and Influence

*Michael J. Lovaglia, Jeffrey W. Lucas, and Amy Baxter*

While Burns's work has focused primarily on political leaders, others—initially and most notably Bernard Bass—have expanded his ideas and applied them to organizational leadership. The first essay in this section, by Michael Lovaglia, Jeffrey Lucas, and Amy Baxter, integrates transformational leadership theory with power theories, reporting findings from contemporary research that tests the efficacy of various philosophies when actually practiced in workplace settings or simulated situations. Although they conclude that transformational leadership is, in fact, more effective than transactional leadership, they also show how other models of leadership can support transformational leadership success. Overall, they provide research data that can build confidence that transformational leadership does work, even in settings where power and status are highly valued.

One of the most influential theoretical developments in the study of leadership has been James MacGregor Burns's (1978) distinction between transactional and transformational leadership. *Transactional leadership* motivates through the measured application of promised rewards and threatened punishments, while *transformational leadership* motivates by transforming the identities and goals of individuals to coincide with those of the group. Burns not only researched the ways that leaders pursued their goals but also envisioned an ideal of leadership that minimized the use of coercive power and brought out the best in followers. Transformed by good leadership, followers would strive to

accomplish goals that perhaps even the leader had not fully realized. Followers, then, might both be led by and push leaders to a greatness that had not before been contemplated. Both followers and leaders would be transformed.

A parallel stream of research in social psychology builds on French and Raven's (1959) theory of the bases of power that leaders can use to influence followers. Recent social psychological research has made progress analyzing not only the ways that leaders can wield influence but also the processes that produce such power and influence. These streams of research now converge to explain the distinction between transactional and transformational leadership and how understanding the processes of power and influence can help leaders to more effectively motivate their followers.

### **Relating Transactional Leadership to Research on Power**

French and Raven (1959) launched a study of how power influences the behaviors of others. They delineated five bases of power useful to leaders:

1. Reward power based on a leader's ability to reward
2. Coercive power based on the ability to punish
3. Legitimate power based on a leader's authority to direct followers
4. Referent power based on a follower's identification with the leader
5. Expert power based on a leader's access to special knowledge

The bases of power are interrelated in complex ways (Raven & French, 1958), for example when a police officer legitimately uses coercive power to make an arrest or when expert knowledge is made available as a reward contingent on a transfer of resources.

French and Raven's typology of power bases stems from their broad conception of power as the *power to* influence others. Parsons (1963) identified a related use of the term as *power over*, the power that one

person has to control another. Power over others is captured by Weber's (1968) definition of power as the ability to enact one's will despite others' resistance. Similarly, in political science, power is conceived as the ability to wrest resources from one person or group and bestow them on another (Lovaglia, Mannix, Samuelson, Sell, & Wilson, 2005). Power over is included in the five bases of power to influence and is related to them in complex ways that have proven useful in understanding transactional and transformational leadership.

Emerson (1962) noted that the power of one person over another is profoundly social in that this power resides not in an individual but rather in the relationship between individuals. The power of Person A over Person B is equal to the dependence of Person B on Person A. Power over another person derives from a person's ability to reward or punish, bringing together two of French and Raven's (1959) five bases of power: reward and coercive power. Note that the difference between a promised reward and threatened punishment often rests on expectations. The withdrawal of an expected reward feels punishing, for example, when a stockbroker accustomed to living on substantial year-end bonuses finds the bonus suddenly curtailed.

Emerson's work shifted research on power from identifying types of power to analysis of power processes, from the bases of power to the transactions of power. Thus we might term a person's power over another as *transactional power* to distinguish it from French and Raven's (1959) broader conception of power as all of the means used to influence others. Recent research has similarly narrowed the definition of influence to indicate changes in attitudes and behavior not brought about directly by the use of transactional power but, for example, by identification with another, or reliance on another's expertise and expected competence (Rashotte, 2006).

### **The Limits and Negative Outcomes of Transactional Power**

Social psychological research on transactional power confirms the drawbacks of transactional leadership that Burns (1978) noted. Transactional

power can produce public compliance without altering private attitudes (Raven & French, 1958), which are key to long-term engagement. An employee might work extra hours on a project to earn a reward without coming to see the project as worthwhile. Perhaps the most robust finding is that the use of transactional power creates resistance (Willer, Lovaglia, & Markovsky, 1997). Those subjected to power seek ways to circumvent it. Workers find ways to get bonuses without accomplishing the goals those bonuses were meant to incentivize. People might prefer rewards to punishments, but even rewards fail to motivate followers to pursue group goals if they lack a sense of ownership of the goals.

Research shows that extrinsic motivators such as rewards and punishments—including praise and criticism—can decrease intrinsic motivation, the desire to accomplish something personally important (Deci & Ryan, 1985). The decrease in self-motivation produced by rewards and punishments is most pronounced in work that requires creativity and initiative, exactly those activities most important for successful organizations today.

The impact of intrinsic versus extrinsic motivation on performance can be seen in research developed by Lovaglia (1995), where participants bargained with a partner, represented by a computer program, that had a power advantage over them and would only accept more than an equal share of available resources. For example, a participant might successfully bargain to earn 45 cents out of a dollar but not more. The computer would insist on receiving 55 cents. Participants were told that it was important to reach an agreement and earn as much as they could in every round. But if no agreement was reached, the participant received nothing. They then bargained with the computer in a number of rounds, which meant they could earn about \$5.00 in a few minutes. But few participants would accept less than a 50-50 split with the computer. In postexperiment interviews, participants reported that they felt that taking less than an equal share was unfair and they could not bring themselves to reach such an agreement. That is, they willingly gave up 45 cents in profit to avoid giving their bargaining partner an extra nickel. Their intrinsic motivation to gain a fair outcome overwhelmed the extrinsic rewards offered. Increasing the amount of potential re-

ward had little effect. In one version, participants were offered a bonus that would double their total reward if they would reach a profitable agreement in every round. Not one participant could bring him or herself to comply. Intrinsic motivation trumped extrinsic.

Lucas's (1999) research illuminates the cause-and-effect relationship between extrinsic and symbolic rewards and motivation. In this experiment, some members working on a group task were given a title indicating that they were at a higher level than other group members. No pay or other benefits came with the title. It could be seen as a purely symbolic reward. When working on the task, group members with titles performed better, contributed more to group success, and felt better about the group and their job than other group members. The group members who were given a title seemed to identify more with the group and its success than did the others. They worked hard because it complemented their view of themselves as valued group members. Such symbolic rewards would appear to be an inexpensive way for managers to motivate productivity. Readers, however, gave examples from their own experience where such symbolic rewards were soon devalued by workers as meaningless, suggesting that rewards, whether symbolic or material, have limited motivational impact over time.

Transactional power can also be problematic because its impact and use can often be unintended and out of a leader's control. As Emerson (1972) noted, transactional power lies not with the powerful person but in the relationship between two people. When people perceive themselves at a power disadvantage, they respond as if the powerful person had intentionally wielded transactional power. Skvoretz, Willer, and Fararo (1993) designed a bargaining experiment in which some positions had a transactional power advantage over others. When those in power bargained aggressively, they gained substantially more resources than those in low-power positions. But surprisingly, when the high-power position was a computer program that bargained passively—merely accepting the best offer available—the computer gained as much as the people in that position who bargained aggressively.

Leaders can find it difficult to accept the idea that promised rewards and threatened sanctions have limited and often negative effects on

performance. But as pointed out in the *Economist* review (2010) of Daniel Pink's (2009) book, *Drive*, "carrots and sticks are not only outdated, but can also be counterproductive—motivation killers and creativity dampeners" (p. 62). There are good reasons to pay high-performing employees well, especially with an ownership stake or share of the profits; people crave appreciation for their accomplishments and bonuses can show that appreciation. The mistake is thinking that the bonuses caused those accomplishments (Deci & Ryan, 1985).

Transactional power is required in most managerial positions. Managers hire, promote, confer bonuses, and fire workers. The goal is not to avoid using transactional power but to use it sparingly while seeking other ways to motivate that do not produce resistance as a negative side effect.

### **Positive Outcomes of Transformational Influence**

Transformational leadership seeks to motivate followers by transforming their conceptions of self and their private goals to coincide with the larger purposes of the group. Rather than working for money, employees work to be part of the success of a larger mission. Recent research shows how leaders can use their influence to produce such transformation in their followers and to engender private acceptance (Rashotte, 2006). We use the term *transformational influence* to distinguish this idea from French and Raven's (1959) broader conception of influence that includes public compliance without private acceptance.

Research on the social psychology of work groups begun by Joseph Berger at Stanford University links a person's relative status in a work group to the respect and honor given to her or him by others (Berger, Fisek, Norman, & Zelditch, 1977). A leader's high status results in prestige and transformational influence, the ability to get people to do things to help the group whose mission they have adopted as their own. When leaders use their high status, their prestige and honor, to lead, they step beyond transactional leadership toward transformation.

President John Kennedy's statement "Ask not what your country can do for you—ask what you can do for your country" is an example of

transformational influence. Kennedy promised no reward, threatened no punishment. He pulled the American people with him by appealing to their aspirations to become better people and to join a great cause. Burns (1978) called this influence that leaders have on followers, using their prestige and honor to inspire others toward a higher goal, transformational leadership. A brief example shows how effective transformational influence, totally devoid of promises and threats, can be.

In the early 1900s, Charles Schwab took over Bethlehem Steel. Production at one of the steel mills was chronically low. The mill manager had tried threats, encouragement, coaxing, and promises to motivate steelworkers. Nothing seemed to work. At the end of the day shift, Schwab toured the plant with the manager but said little. As night shift workers arrived and day shift workers started to leave, Schwab asked one of them how much steel the day shift had produced. The worker replied that they had produced six heats (units of steel production). Schwab asked for a piece of chalk, wrote a big 6 on the mill floor, and walked away. Workers from both shifts were intrigued. The big boss had chalked 6 on the floor; what could it mean? The next morning when Schwab and the manager returned to the plant, they noticed that the 6 had been replaced by a 7, the number of heats produced by the night shift. The informal competition between shifts continued and soon that mill was one of the high producers in the company (Carnegie, 1981). Schwab had made neither promises nor threats. Workers could expect no reward beyond personal satisfaction for winning the competition. Schwab had used his high status, his prestige as head of the company, to influence workers, dramatically altering their productivity.

### **From Transactional Power to Transformational Leadership**

Effective leadership requires both transactional power and transformative influence. Research has found that those positions with the most transactional power are also those with the most transformational influence. The correlation between the power and the influence of specific occupations is extremely high (Rogalin, Soboroff, & Lovaglia, 2007).



Being a judge is a good example of an occupation high in both transformational influence and transactional power. Effective judges, however, restrain their use of power, using only as much as a particular case requires. Rather than surrender transactional power, effective leaders restrain their use of it; they use transformational influence to the extent possible and transactional power when necessary.

Leaders who rely on transactional power assume that they know the specific behaviors employees need to perform for the organization to reach its goals. But in complex, rapidly changing organizations, that assumption lacks validity. In contrast, a leader can use transformational influence to inspire followers to commit to finding ways to help the organization succeed, while refraining from directing their behavior. When leaders use transformational influence, they share control of their organization with their followers. Thus, transformational leadership can harness all of the abilities of followers to innovate and produce in ways that no leader, no matter how competent, could have foreseen.

**Michael J. Lovaglia** is professor of sociology at the University of Iowa. His research investigates power, status, and identity and how those social processes can be applied to problems of educational achievement, leadership, and the abuse of power. He is past president of the Iowa Sociological Association, editor of *Current Research in Social Psychology*, and a member of the National Academy of Sciences Committee on Incentives and Accountability in Education. He can be reached at [michael-lovaglia@uiowa.edu](mailto:michael-lovaglia@uiowa.edu).

**Jeffrey W. Lucas** is associate professor of sociology at the University of Maryland. He operates a group processes experimental laboratory in which he and collaborators carry out research on status, power, and leadership in groups. His research has been funded from sources including the National Science Foundation, National Institutes of Health, National Oceanic and Atmospheric Administration, and the Spencer Foundation. In addition to his research, he teaches a course on leadership each year to U.S. Navy and Marine Corps officers preparing to assume leadership positions at the U.S. Naval Academy. He can be reached at [jlucas2@umd.edu](mailto:jlucas2@umd.edu).

**Amy Baxter** is a PhD student in sociology at the University of Maryland. Her focus areas include power and status hierarchies, gender, and group identity. Her most recent research examines relationships between status processes and the salience of group identities. She can be reached at [abaxter@socy.umd.edu](mailto:abaxter@socy.umd.edu).

this material has been excerpted from

***The Transforming Leader:  
New Approaches to Leadership for the Twenty-First Century***

Edited by Carol S. Pearson

Published by Berrett-Koehler Publishers

Copyright © 2012, All Rights Reserved.

For more information, or to purchase the book,  
please visit our website

[www.bkconnection.com](http://www.bkconnection.com)