Transformational Leadership during Transformational Change
A Model for Change Leadership
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Introduction

In March 2000, the mining firm Goldcorp defied the traditions of secrecy and proprietary mystery that characterized the gold mining industry, by launching the ‘Goldcorp Challenge’ (Tapscott & Williams, 2006). The company was teetering on collapse with millions of exploration dollars yielding little information of location, value or volume of gold deposits in their Red Lake location.

The challenge involved uploading all of Goldcorp’s proprietary data to the internet, and then inviting the global community to rummage through the records and contribute their estimates, with the most accurate informants receiving a sizeable monetary prize. Goldcorp was not only astounded by the accuracy and depth of the external assessments, but also by the diversity of the external informants; respondents included mathematicians, consultants, and students in physics and computers among others (Tapscott & Williams, 2006). The result of this inimitable gamble was a plentiful harvest of gold from a nearly-abandoned Red Lake site, propelling the struggling company out of the red and into the three-fold bounty of profits, a reinvented and innovative exploration approach, and access to a diversity of information heretofore unseen.

Credit for Goldcorp’s successful recovery and rebound can be given to its leader, Rob McEwen (Tapscott & Williams, 2006). It is during times of change that leadership becomes most important, and McEwen dared to reinvent his own leadership style by surrendering, rather than contracting, control of information to initiate a collaborative effort that was, in the mining industry, literally ground-breaking. In adopting a transformational leadership style, McEwen was able to apply intellectual stimulation, idealized influence and inspirational motivation at a global level to benefit his team and his company at a more micro level.

In 2004 one of Canada’s largest banks (which this paper will refer to as Great North Bank - GNB) initiated a
major strategic shift that abandoned the purely sales-oriented strategy in favour of a focus on the client. With competition tightening among Canada’s big five banks, and with products and services becoming increasingly homogenous, it became important for GNB to distinguish itself and compete along other lines - namely client service.

Transformational change in an organization the size and breadth of GNB requires correspondingly powerful leadership, and by applying the tenets of transformational leadership at all levels of the organization, GNB was able to successfully initiate, implement and sustain this major change initiative.

These are two examples of how transformational leadership can be especially effective during times of dramatic change. This paper will explore the concept of transformational leadership, and argue that it is a remarkably effective leadership model during times of change, regardless of the leadership styles that prevail during periods of stability or status quo. The paper will dissect the transformational leadership model to consider how its doctrine and underlying behaviours, skills and traits are precursors for successful change management.

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The Transformational Leadership Model

Periods of change are characterized by extraordinary levels of ambiguity and uncertainty, demanding unequivocal follower trust and faith in leadership to navigate them through the fog and ease anxieties back to a level where they are motivating, rather than paralyzing. Periods of change also require elevated commitment levels and precise alignment of effort with goals (Kotter J. , 1995).

In the recent Beijing Olympics the Canadian men’s eight rowing team took the gold in a sport with these same three demands; trust, commitment and effort/goal alignment. Trust in the leader, in this case the coxswain, means the rowers can put their heads down and have faith that they are being directed along the correct path. Similarly, all nine athletes commit to a strategy and pull stroke for stroke in a leader-led rhythm to carve the most efficient path to the finish line. Without trust, commitment and effort/goal alignment, the result would be a loosely choreographed group of individuals looking over their shoulders, pulling in different rhythms, and steering the boat in a herringbone battle of wills through the turbulent wake. Equally, during periods of change, the absence of these three elements can derail an entire change initiative, leading to a sunken ship.

Research into transformational leadership in organizations has found links to improved employee commitment (Barling, Weber, & Kelloway, 1996), heightened trust in leadership (Bass B. M., 1990), and stronger connection with the vision (Howell & Shamir, 2005) and thus alignment of effort with the (change) goal (Shamir, House, & Arthur, November 1993). Among other positive outcomes include improved leader/follower relationships and heightened effort (Bass B. M., 1990), and lower levels of job and role stress (Kelloway & Barling, 2000). With these encouraging outcomes, verified by research, transformational leadership becomes the favored model over more transactional or contingent
reward models for piloting transformational change in an organization. It is during periods of change that the efforts of a highly committed collective become critical. Just as it takes synchronized effort of all eight rowers to power their boat, it takes coordinated action throughout the levels of an organization to shift a strategy and succeed in change.

Prompting and reinforcing this coordinated effort are the leaders, who are more than a motivational speaker, more than charismatic visionaries. “...Such leaders transform the needs, values, preferences and aspirations of followers from self-interests to collective interests.” (Shamir, House, & Arthur, November 1993).

Bass’ model of transformational leadership identifies superior leaders as those who “broaden and elevate the interests of their employees, (who) generate awareness and acceptance of the purposes and the mission of the group and (who) stir their employees to look beyond their own self-interest for the good of the group” (Bass B. M., 1990, p. 2). These high level and aspirational outcomes of leadership are the bi-product of four behavioral dimensions that individually and collectively comprise transformational or charismatic leadership; (1) idealized influence, (2) inspirational motivation, (3) intellectual stimulation and, (4) individualized consideration (Kelloway & Barling, 2000).
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