

# *Gravity* Issue 15, Oct 2012

**The Great Lakes Magazine**



## **TRANSFORMATIONAL LEADERSHIP**



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## MESSAGE FROM THE DEAN

Dear friends,

Fundamentally, Transformational leadership involves enhancing the motivation, morale, and performance of followers through many ways. Some of these methods include connecting the follower's sense of identity and self to the project on hand and the collective identity of the organization; being a role model for followers to inspire them; challenging followers to take greater ownership for their work, and understanding their strengths and weaknesses, so the leader can align followers with tasks that enhance their performance. The area of transformational leadership is being researched widely as we speak and has evidently been in action for centuries. Much of the onus in bringing out the best in the followers/subjects depends squarely on the ability of the leader to be able to blend tact and information in getting the job done. i.e. The theory of Transformational Leadership is based almost exclusively on the charismatic and affective elements in the leader.

This issue of 'Gravity' brings together literature on transformational leadership and also a sensitive issue - that of the present generation, 'young' transformational leaders. Today, we need leaders who can not only be responsible but are also capable of bringing about a sea-change in the way mankind thinks and acts. This leader is one who can rekindle the lost faith of people and regain their trust in this era of corruption and unethical practices. History is replete with examples of how distinguished leaders like Lincoln and Gandhi among others have restored societal imbalances and led their countries towards better tomorrows. This is the grave need of the hour not only for our country but for the rest of the world too.

As always, the question is the answer! How does one bring about this spirit of transformation? Such a change can neither be taught nor learnt. It is based on the premise of inspiration and change facilitation. To illustrate a case in point, Great Lakes has included a Karma Yoga program into our core syllabi which is aimed at providing support and care-share activities to our rural and developing neighborhood. While this is a short-term goal, the longer and bigger goal is to familiarize the students with the art of engaging in social tasks, to experience the satisfaction and acknowledgement that one derives out of such engagement and in essence prepare them for a life-style change. Simply put, it is an effort to foster Transformational Leadership. Through this process we aim to sensitize our students and give them the opportunity to levitate to the level of being the facilitator of change and emerge as responsible and transformed Leaders.

Having said this, today's organizations are grappling with the problem of influencing their employees, inducing ownership and creating a sense of loyalty. This issue of Gravity talks about a multitude of ways in which organizations can work towards achieving these lofty goals.

Best Wishes,



**Dr. Bala V. Balachandran**

*J L Kellogg Distinguished Professor of Accounting & Information Management,  
Northwestern University, Illinois, USA  
Founder & Dean, Great Lakes Institute of Management*

## MESSAGE FROM EXECUTIVE DIRECTOR

### The Change Agents

Today the organizations are growing bigger and more diverse than ever, and so is the need for leaders to run these ever booming entities. The roles that companies used to play have extended to more than one domain. As the metamorphosis happens, a strong need for an overall transformation has also emerged within the organisations. Slowly, this need is being recognised and addressed in the companies now.

Companies are looking forward to leaders who are transformational in their approach and are capable of not only changing the culture of these organisations but also the perceptions of those who work under the wings of such leaders. Diversification has led to urge of the decentralisation of powers and responsibilities within the companies. And a successful decentralisation would require a set of individuals who are empowered to take responsibility for different facets of their jobs. A transformational leader prompts such employees to take systematic approach towards decision making and hence, taking charge. If effectively inculcated, the empowerment can yield great benefits for large and complex organisations.

Transformational leaders are self driven and can take decisions without any interference from the top management. They not only instill a culture of innovation within the organisation but smoothen the organisational chaos. At Great Lakes Institute of Management we try to imbibe these and many such qualities among the students by bringing them together to work collectively. The USP of Great Lakes - Karmayoga happens to be the first step students can take towards becoming the transformational leaders, as the programme aims at empowering people to achieve self sustainability.

This issue of Gravity is dedicated to the increasingly relevant subject of transformational leadership. Renowned corporate, start-ups and academicians along with the students have contributed articles. We have managed to choose some of the best ones for your reading pleasure. Read on.



**Prof. S. Sriram,**  
*Executive Director*  
*Great Lakes Institute of Management*

## MESSAGE FROM THE EDITOR

### **Yatra yogesvarah Krisno, yatra partho dhanurdharah Tatra srivijayo bhutir- dhruva nitirmatirmama**

Wherever there is Krishna, the lord of yoga, and Partha (Arjuna), the archer, I think, there will surely be fortune, victory, welfare and morality. A transformational leader combines the act of enlightenment and karma and leads to the path of divinity, fortune and morality.

These are the explanations in Bhagavad Gita about a transformational leader. Transformational leadership is an age old concept where the karma (act) and dharma (principles) are combined to advance to a higher level of morale and motivation for both the leader and the follower. Though earlier references of transformational leadership are found in the work of Burns (1978), its application is seen more in the context of organizational psychology. Transformational leadership style has the potential to create significant change in the life of employee and organizations. It helps in redesigning perceptions and values and changing expectations and aspirations of employees in an organization. The whole notion is not based on a mutual "give and take" relationship, but on the leader's personality characteristics and ability to make a change through role modeling, articulation of a powerful vision and challenging goal for his subordinates.

A transformational leader is a person who is testimony to his followers on moral grounds, He lives the life as he preaches and thus has the uncanny ability to transform work organization. His ability to transform comes from his influences on followers. The followers of transformational leaders feel trust, admiration, respect and loyalty towards the leader as the leader always keeps his followers as his first priority and doesn't work for any kind of self-gain. The leader uses his charisma, intellectual stimulation and individual decision making skills to inspire the followers to achieve greater success for themselves as well as work organizations. He has the interest and ability to attend each follower individually, work as their mentor or coach, listens empathically to his concerns and needs, keeps the communication channel open and always places a challenge in front of the follower to achieve. He always challenges assumptions, takes risk and considers followers ideas. They challenge followers with higher standards to achieve, communicate optimism about future goals and also serve as role models for high ethical behavior by installing pride and gains respect from the follower.

We are living in an age of chaos. An age where moral values have taken back seat; greed, hunger for power and material comfort has taken the center stage! Has it changed the way we were living in the past- May be the answer is no!! The material comfort and financial independence has not brought happiness to masses. Such hysteria has led to more stress, increase in violence and erosion of mutual respect in our society. Its high time we relook at our work, organization and society and re-work on a sustainable model of co-habitation that brings bliss to everyone. Gravity brings issues of 'transformational leadership' as the focus in this issue so that it will guide our budding managers to learn about transformational leadership and motivate them to be one.

I wish to thank all the contributors and especially students of different business schools across India who have contributed their papers for this issue of Gravity.

Enjoy reading and do send your feedback to me

Sincerely



**Dr. Tapan K Panda**

*Professor of Marketing,*

*Director Kotler Srinivasan Center for Research in Marketing*

# THE MOMENTS THAT COUNT

"Be aware, pay attention, and never spare any opportunity to discover your true self to be a great leader", says Mahesh Krishnamurti of Resources Global Professionals, India

"Transformational Leadership" is in many ways an over-glamorised term. It is a style of leadership that may be well-suited to certain situations and circumstances and not so well-suited to others. It does not always represent "strong, consistent, and dependable leadership during good times and bad", which is the cornerstone of "good leadership" as most people perceive it.

In more narrowly-defined terms, transformational leadership is one of several styles of leadership, and not necessarily the best or most all-encompassing style. There are other leadership styles that could be referred to as inspirational, authoritarian, transactional, and motivational. After all, leadership could be good or bad, and similarly, transformations could be good or bad depending on the type of leadership that brings them about. We have all seen poor leadership destroying morale and organisations. These are instances of leadership-led transformations gone awry, as illustrated by various types of mismatches: wrong-time-wrong-place; right-time-wrong-place; and many other combinations. Cult leaders would tend to illustrate this, and yet one could argue that they have supreme transformational leadership skills! A hugely charismatic and inspirational leader may not necessarily be effective at engaging with employees and serving them in a meaningful manner. Sometimes style gets emphasised over substance, and substance gets emphasised over ethics and integrity.

Let us therefore assume that when we talk of 'transformational leadership', we are implicitly referring to the type of leadership that inspires organisations towards a clear and shared vision. It also galvanizes these entities to act in unison towards achieving lofty goals and meeting difficult challenges to bring about positive change. The leaders must have the ability to switch on and switch off the various leadership styles that they are capable of, according to the situation at hand. They must also have the ability to be inspirational, transformational, engaging, participatory, and even authoritative to varying degrees depending on what specific situations call for.

Despite such a broad definition of 'leadership', outstanding leaders have some traits in common which generate positive outcomes. Leaders are not born as leaders with innate leadership qualities as such. Contrary to popular belief, leaders don't have to be glamorous or charismatic. For leaders to be effective, above all, they must be genuine and authentic, and they become so through introspection and self-learning throughout a journey of successes, failures, and setbacks. Leaders reside at every level of an organisation, and the main difference between a 'junior leader' and a 'senior leader' is the ability to develop self-awareness and learn from self-discovery throughout that journey. Length and diversity of experience is also a contributing but secondary factor. An effective leader is someone who through self-awareness and discovery,

knows his or her strengths, gifts, and weaknesses, and knows how to leverage those skills to serve others effectively.

There are some common traits that strong and favourably-perceived leaders demonstrate, despite their innately different leadership styles:

## TALK THE TALK AND WALK THE WALK

Authentic, genuine leaders not only 'talk the talk', they also 'walk the walk'. They back up what they say with their actions. They put their money where their mouth is. They lead by doing, and by setting an example. This is how they earn the respect of their teams. Such leaders usually have the ability to operate on strategic levels and also work in a highly collaborative and hands-on manner with team members. They actively and frequently engage with team members to set a good example and get their hands dirty, so that no work is too small for them.

Authentic leaders usually demonstrate high honesty, integrity, and consistency and predictability of behaviour. This in turn helps them command credibility.

A truly authentic leader who is comfortable with himself or herself; is someone who understands the importance of staying well-grounded in the face of challenges and changes that may emerge unexpectedly. From a practical standpoint, this means effective leaders must maintain consistency and balance and lead lives that are well-integrated between professional, personal, and community-related priorities. A leader who is able to do this successfully is someone whom others will trust because he or she is the 'same' in the various compartments of their lives, and therefore predictable, dependable, and trustworthy. Such leaders have high credibility.

When the leaders' behaviour becomes unpredictable, erratic, and inconsistent, their credibility and integrity is questioned, and they (leaders) lose the ability to lead effectively. Such leaders tend to lose the trust of their organisations, and people stop believing in them.

Leaders who can transform organisations in a positive way usually have a mix of several other attributes also, such as a strong sense of accountability and responsibility; a positive, can-do attitude; self-confidence (not arrogance!); flexibility; and determination.

## FOR STRONG, POSITIVE LEADERS, THEIR INTEGRITY IS THEIR CORNERSTONE.

In this age of widespread questionable governance practices, by demonstrating high ethics and integrity, any leader or would-be leader will have a decisive edge over those who vie for similar leadership positions but lack in this department.

Warren Buffet, the great investor, business magnate, and philanthropist said: "In looking for people to hire, you look for three qualities: integrity, intelligence, and energy. And if they don't have the first, the other two will kill you."

### 'HEARING' VERSUS LISTENING

In the US, if someone wants to check if you were really paying attention to what he/she is saying, they will ask you: "Did you hear me?" They are actually asking you whether you really listened and understood what was important in their message. Sometimes we all think we 'heard' even though we were just listening without paying proper, undivided attention and attempting to internalise and understand that message.

## LEADERS WHO CAN TRANSFORM ORGANISATIONS POSITIVELY ARE OUTSTANDING 'HEARERS'.

They are adept at paying undivided attention when necessary and listen in a focused manner. A strong, authentic leader will be extremely observant of all aspects of communication during interactions with members of the organisation: tone of voice, eye contact, body language, verbal and non-verbal cues. These leaders become very good at this through practice until it becomes their second nature.

A critical complementary aspect of being a good listener and 'hearer' is also the ability to empathise. This requires effective leaders to listen very carefully (hear), empathise, and take a sincere interest in what they are listening to. In this respect, great leaders have the unique ability to make each individual (whether the junior-most or senior-most person in the organisation) feel important and valued. This would only be possible if the leader truly and sincerely cared and felt that those individuals are important to the team and organisation. Strong communication skills, therefore, involve all these dimensions. Great leaders realise and understand the importance of paying attention. As Oprah Winfrey, the highly successful television hostess, book critic, actress, and publisher once said: "One of the greatest gifts you can give is your undivided attention."

### CLEAR VISION

A clear vision is extremely powerful. For instance, at the Great Lakes Institute, 'Global Mindset, Indian Roots' paints a very clear picture of the institution's values and culture, and the importance it places on the need for its students to have a multidimensional, multidisciplinary approach that is rooted in the very best values,

traditions, and timeless philosophies of India. This is what its graduates will carry into the world and apply systematically as they play their part in influencing the world in a positive way during innumerable interactions with people throughout their lives.

Strong leaders who have the ability to motivate and inspire, usually have a clear and compelling vision for their businesses, organisations, and people. They are also able to articulate that vision in a clear and concise manner so that others can also 'see' it and follow along with high energy, enthusiasm, and conviction.

General Eisenhower used to demonstrate leadership with a simple piece of string. He would place it on a table and say: "Pull it and it will follow wherever you wish. Push it and it will go nowhere." That is how it works when it comes to leading people. You inspire them to follow. You don't force them. Be a Great Leader!

You too can be a great leader, whether you lead, transform, nurture, inspire, motivate, or teach people. The path towards great leadership involves a journey through which you will make mistakes, be tested, be challenged, enjoy successes, be inspired, and face disappointment. Each and every one of these outcomes will provide you with an opportunity for self-discovery and self-learning, and to understand your true self and strengths (and weaknesses). Perhaps the most valuable lessons are learned when one suffers from setbacks and failures that challenge one's very sense of self-worth.

"The great moments, when the world cheers, are not the moments that count. The ones that count are when it's just you, and people have stopped believing in you. Those are the moments that define you". - Bob Greene in Chicago Tribune

It is up to you to tap into "the moments that count", as Bob Greene says, to develop and synthesize in your own mind the type of leader that you really are. You also need to discover how you can serve people effectively and influence them in a positive way! Be aware, pay attention, and never spare any opportunity to discover your true self (warts and all) so as to be a great leader and serve others in a way that will benefit them. Take the lead!

"The real voyage of discovery consists not in seeking new landscapes, but in having new eyes" - Marcel Proust



**Mahesh Krishnamurti**  
Managing Director  
- Resources Global Professionals, India.



# EVOLUTION OF TRANSFORMATIONAL LEADERSHIP

The conditions under which a transformational leader evolves is discussed along with some Indian examples

Transformational Leadership was first called Transforming Leadership and later rechristened by John MacGregor Burns. Though the terms changed, the characteristics of a dynamic leader made them think of coining such terms. There are a number of leaders, who may have shot to be well-known, by either being entrepreneurs or by being leaders with a difference. The difference they created is quite large compared to what their peers have done. This is the quality that makes them stand out.

The leaders not only stand out by their own performances, but also push their teams to reach their respective potential levels in an efficient manner. As many Indian statesmen have said, the earlier Indians were thought to be from the land of snake charmers or some kind of monks. This perception changed to a great extent with the rise of the IT Industry and increasing number of Indians working in the said industry in the US. These days the situation is such that when Indians are found, instead of being asked what they actually do, they are directly asked about computers. This is a result of leadership which shows confidence in the people and the understanding of skills. The thought that the leadership could affect the total perspective is evident from this.

The leaders have their own ways of leading. The differences are highlighted in their styles of leadership when there is a total paradigm shift. The only change that never happens in any case is the yearning for a change of the situation in which a particular follower is. This urge is the stepping stone for each follower to look for a new leader. The new leader is not a simple change of guard; the change is of ideology and direction in which thoughts flow. Bringing in a transformation, results in the leaders scoring in the minds of their respective followers. To make the followers believe in themselves and lead them towards the direction of the goal, with the torch of confidence and the might of belief describes a leader who is capable of transforming the whole setting.

## TRANSFORMATIONAL LEADERSHIP: INDIAN EXAMPLE

The need for Transformational leadership has been found in a number of Indian leaders. The most prominent one being Father of the nation, Mahatma Gandhi. He led the masses with his non-violence strategy and achieved the ultimate goal of winning freedom. He understood the sentiments, and convinced everyone to practise non-violence. His clarity in thought and focussed mind made him an easily-acceptable leader. Although he entered the freedom struggle scene 62 years of after it had started, he managed to get enough support to succeed in his movements. He was able to connect the nation throughout its length and breadth through the non-violence movement. These are the signs of a leader who transforms in entirety. He transformed the freedom struggle, gave it a new form and led the followers be content with what he preached. Other freedom fighters (like Chandrasekhar Azad) struggled to convince their followers and hence fell prey to the lack of confidence in their followers. These are the skills of transformational leadership. Mahatma Gandhi is still considered a leader of a different genre and many look up to him.

## NEED FOR TRANSFORMATIONAL LEADERSHIP IN TODAY'S CONTEXT

The need for transformational leadership arises as and when there is a vacuum created by the predecessors or when there is excessive stereotypical work. The transformational leaders create a mark for themselves by converting all possible prospects into their followers. These leaders can arise out of nothing to just show us the need for them. It is hard to ignore such iconic leaders who transform the whole scenario into their playground by effectively communicating their vision and give direction to each and every follower, the mental fulfilment of achieving their personal goals. This enables the followers to share space with their leaders in realizing the vision to achieve the goal. These are some of the qualities looked upon in interviews for recruiting top management, as everyone wants drastic change in their endeavor to supersede competitors. The need has risen due to mounting issues in the macro-economies.

## MEASURING TRANSFORMATIONAL LEADERSHIP

To measure transformational leadership, a survey called as "The Multifactor Leadership Questionnaire" is used. This measures the full range of leadership, i.e., transformational leadership, transactional leadership, non-transactional leadership and outcomes of leadership (effectiveness). These kinds of measures help one to develop the skills of transformational leadership, when one sits for an interview for the senior management positions. But transformational leadership is more about handling practical situations than mere theoretical methods. A transformational leader just develops and can't be made by theoretical corrections. Although, these theoretical methods may be used to measure leadership qualities it is very hard to predict practically. Even in the case discussed above, Mahatma Gandhi was a simple barrister practicing in South Africa. He transformed into a leader who set focus for many on the goals set by him and drew every section of the people to achieve. There have been numerous leaders in the past, but only few leaders like George Washington, Mahatma Gandhi, Steve Jobs, John Bogle and Warren Buffet have been able to bring in healthy transformations. The approach by the leaders is what transformed the world and their fearless determination makes them stand out.

**TRANSFORMATIONAL LEADERS ARE THOSE WHO SHOW THEIR METTLE AT THE RISE OF A SITUATION. THE NEED FOR SUCH LEADERS IS VERY MUCH PREVALENT, FOR THERE ARE MULTIPLE BURNING ISSUES IN TODAY'S TIME. THE STAGE IS ALL SET, BUT THE LEADER IS STILL AWAITED.**



**K. Sundararajan,**  
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# LEADERSHIP WITH COMPASSION

## LOVE, COMPASSION AND LEADERSHIP : THOUGHTS FROM THIRUKKURAL

“Love leads to trust, tolerance and bonding. A leader who, with love and compassion, stands by his people in times of trouble for them, is more likely to sail through rough waters with the crew intact”.

During a summer, ten years ago, I was visiting a friend at Bangalore. Her house was tucked away in a quiet residential area. We went for a stroll along the serene streets. In one of the deserted bylanes, we found a large truck, parked unobtrusively. The truck was painted with the prominent colours and logos of a popular cola company. A cola truck in such a place seemed an oddity. But what was even more surprising was the sight of empty cola bottles sporting a different label, that of its prime competitor, filled in that truck!

For a moment, we wondered, if they had started collaborating in logistics. Of course, not. That was a part of their competitive strategy. Stash away the empty bottles of your competitor, and you are poised to win the battle of numbers that summer. After talking to a few friends in the cola industry, I realized that it was not an uncommon practice then. The competitor would have reciprocated in the same way. And both of them would have even been gracious enough to exchange the bottles at the end of the summer.

A recent reminiscence of this incident got me thinking along various threads. The moral issues involved are obvious and it merits a detailed discussion on its own. However, what struck me subtly, but with equal impact, was the total lack of love and compassion. Love and compassion? Do they warrant a mention when we are dealing with intense competition, which is treated almost on par with modern-day warfare? “It is war out there” is an expression that has become common business parlance. Strange, as it may sound, I believe love and compassion have their place even in an intense competitive arena. A compassionate mind would not seek the destruction of competition. This is not to say that being compassionate is to be meek, or that, to surrender to competition is honorable. On the contrary, it takes courage to possess compassion and yet function effectively in a competitive world. With the right qualities, like strategic reasoning, execution focus, nurturing relationships and perseverance, complementing compassion, it is quite possible to ‘win the war’ without annihilating the competitors.

Thirukkural, the remarkable ancient Tamil classic authored by Thiruvalluvar, puts it across wonderfully on the relevance of love and compassion in all circumstances:

*‘Of what use is greatness,  
if one can’t do only good even to those who harmed us.’*  
[Kural : 987]

Thiruvalluvar also propounds the strong connection between love, morality and courage.

*‘Those who think that love is needed only for righteous  
deeds, know not that love is an ally for courage too.’*  
[Kural : 76]

The corollary of these viewpoints is that greatness is achieved by those leaders who combine courage and compassion to pursue morally uplifting goals. For confirmation, one need to look, not farther than Gandhi, who embodies these couplets. Gandhi echoes Thiruvalluvar, when he said, “The weak of heart could not claim to represent my non-violence at all.”

### NURTURING RELATIONSHIPS THROUGH LOVE

Building and nurturing strong relationships is a quality shared by all great leaders. When that relationship is built on the platform of love, and not merely on the mutual benefits that can be accrued, it becomes more lasting and fruitful.

*Love yields affection for all,  
which leads to invaluable friendships.*  
[Kural : 74]

There was an incident which left a lasting scar on my memory. In one of my previous roles, shortly after I assumed the position, I was rebuilding the team to cater to changing needs. Along with a few others, a veteran team-member - let us call her, Sheetal - was being particularly helpful by taking on different responsibilities. When the time came for performance appraisals, I gave her a good rating and a decent increment, by the company standards. Sheetal felt she deserved more. There was merit in her arguments but I couldn’t do any better. She quit. We let her quit.

It took us 4 months to find a replacement for Sheetal and another 6 months before the new person could be trained to do all that she was doing. What was worse - the new person had to be hired at a much higher cost than what Sheetal desired. Nor did Sheetal succeed in finding a role that gave her delight along with the money she sought.

This is not an isolated incident that merely highlights my personal failings as a leader. It is representative of a larger, and longstanding, malady in the business world. The relationship between an employee and an organization, or an employee and a business leader, that has been reduced to something that is hinging solely on money and personal growth, is bound to be under persistent strain. It is impossible to consistently satisfy those needs irrespective of how much money we have at our disposal or what opportunities for personal growth we can provide.

The missing ingredient is love. Love leads to trust, tolerance and bonding. A leader who, with love and compassion, stands by his people in times of trouble for them, is more likely to sail through rough waters with the crew intact. Be it employees or customers or any other stakeholder, it is far more worthwhile to nurture and protect the relationship than to break it and seek to forge a new relationship.

*Tenfold worse it is, to lose the company of the good,  
than to earn the hostility of many foes.*

**[Kural : 450]**

It needs to be also said that love and compassion does not mean undemanding laxity and uncritical tolerance for failures. It involves balancing compassion with an uncompromising attitude towards one's duty.

*The world belongs to those who do their duty  
unflinchingly, while being compassionate.*

**[Kural : 578]**

Leading with love also means cultivating healthy relationships by being open to feedback when you err, and being firm enough to admonish when others err.

*A ruler unprotected by companions who can admonish him, will face ruin without any foes ruining him.*

**[Kural : 448]**

A leader, who leads effectively with love, understands the transforming force of love and appreciates the beauty of compassion.

*There exists this stupendous beauty called compassion;  
and therefore, the world exists.*

**[Kural : 571]**



**Kannan T**  
*Founder & CEO*  
*Seer7 Timeless Solutions*



# PRACTISING TRANSFORMATIONAL LEADERSHIP

James MacGregor Burns (1978) first introduced the concept of transforming leadership in his descriptive research on political leaders, but this term is now used in organizational psychology as well. According to Burns, transforming leadership is a process in which "leaders and followers help each other to advance to a higher level of morale and motivation". Burns related to the difficulty in differentiation between management and leadership and claimed that the differences are in characteristics and behaviors.

Most businesses are defined by their leaders. Leaders become outstanding and phenomenal when they achieve a great feat – turn around a company, adapt a blue ocean strategy and change the dynamics of the business. They transform the business they are in, and there are numerous examples in the space – the most popular being the late Steve Jobs, Jack Welch, Narayan Murthy, Abraham Lincoln, Mahatma Gandhi. These leaders are remembered because they changed the dynamics of the business they were in. Steve Jobs turned Apple around, making its products the best there is, Jack Welch turned around GE making sure that they were either number 1 or number 2 in whatever business they were in. Narayan Murthy made Infosys what it is today.

But what makes a leader transformational – is it the current business environment, is it embedded inside the leader, is it looking into the future being different, is it just taking a different point of view, or is it a combination of the above factors? No matter what the answer, these leaders have changed the dynamics of a business. But is transformation all that is required in the world we live in today, when competition is at its peak and businesses are valued on market share? Will transforming a business alone suffice?

What differentiates transformational leaders is a simple rule – "The business or the company is not recognized by you (the leader), you're recognized by the business". Most leaders try to transform the business they are in all along being the face of the company, but once they are gone what about the company they led – some of these organizations do not even exist today. So what does a successful transformational leader do?

## TRAITS OF A TRANSFORMATIONAL LEADER

A transformational leader always looks at the bigger picture and the future. Like the adage "Short term gain is long term pain", a transformational leader looks at long term gains over short term gains. A transformational leader is not selfish; he gives more attention to the needs of his followers than the needs of himself, he doesn't care whether the world recognizes him. He wants his business to be recognized, respected and appreciated, he wants to add value to the society and be consistent in his efforts. A transformational leader wants to be ahead of the game and not worry about competition. The competition can worry about what lies ahead. A transformational leader knows that your competition is like your shadow, if you are bothered about it or try to get away from it – that's the only thing you and your business will end up doing. Transformational leaders believe in collaborative competition (competition between various

units in a business – but ultimately it is an entire organization as one). A transformational leader will never settle for anything but the best.

Successful transformational leadership today just does not stand for people who turn around businesses but a leader who can embed transformational leadership in the 2<sup>nd</sup> in line command. Transformation needs to flow down through the hierarchy in an organization and everyone must believe in it. A transformational leader empowers and teaches, he learns and mentors, he is ruthless in his efforts and his vision is unquestionable. He believes not only in himself but also his colleagues.

Most businesses are at their peak as long as the leader is in action, but what's next? The leader has to go and the next person has to take his position. Leaders harp about integrity, a transformational leader considers it a basic requirement. A leader creates followers, a transformational leader creates leaders. A leader strategizes, a transformational leader empowers. A leader takes control, a transformational leader gives control.

## EMPOWERING PEOPLE

People (leaders as well as followers) want to follow transformational leaders. They are baffled by their thinking. Transformational leaders have excellent communication skills and use it to full effect to get out the best in their employees. They lead by example and are risk takers. They are not afraid to make mistakes and learn from them. They not only learn from their own mistakes but also from the mistakes of others.

A leader doesn't become transformational in a few months or years. It is a lifetime of hard work and dedication, believing in your own views. A transformational leader may not necessarily bring about all the changes he wished, but makes sure he has created a platform for the changes he wishes to bring. He is not afraid to be different and stand out from the crowd. Steve Jobs, Jack Welch, Narayan Murthy – these leaders have become transformational over decades of hard work, dedication, and empowerment and believing in themselves. Steve Jobs was thrown out of his own company and came back to change it. Jack Welch spent years to get his business to the number 1 or number 2 positions and made sure it stayed there. Narayan Murthy quit as the chairman of Infosys and handed it over to his colleague, Nandan Nilekani after taking the company to where it is today. They all knew once they were gone their organization that they loved and worked so hard for, was going to survive. They knew when to step aside and pass the baton to the next in line and they were not scared to venture into new fields.

Transformational leaders are role models.  
Transformational leaders are LEGENDS.



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# NITISH KUMAR: TRANSFORMATIONAL LEADER

## LEADERSHIP AND CHANGE MANAGEMENT CASE STUDY - BASED ON THE LEADERSHIP STYLE OF FAMOUS INDIAN POLITICAL LEADER NITISH KUMAR

Nitish is famous for his reform programs in Bihar and managed to bring a ray of hope into the theatre of politics. Typically, reform programs often fade away for no apparent reason as governing politicians stall in implementing measures fully, despite the reform being technologically and economically sound. He won his world cup (Bihar elections) consecutively by transforming the electoral dynamics in Bihar.

Aditya had recently read an article in his coursework by Krishnan and Singh titled 'Towards Understanding Transformational Leadership in India' and was trying to connect the dots with Nitish's leadership style.

### BACKGROUND

Born in Bakhtiarpur, Bihar to Kaviraj Ram Lakhan Singh and Parmeshwari Devi, Nitish, nicknamed Munna, has a degree in Electrical Engineering from the Bihar College of Engineering. His father was a freedom fighter and was close to the great Gandhian Bihar Vibhuti Anugrah Narayan Sinha, one of the founders of modern Bihar.

After completing his Engineering degree, he half-heartedly joined the Bihar State Electricity Board, and soon moved into politics.

Nitish was extremely fortunate to have been under the able guidance of Jayaprakash Narayan, Ram Manohar Lohia, Karpoori Thakur and V. P. Singh.

He led the NDA to power in 2005 Bihar assembly elections and ended the 15 year rule of Lalu Prasad Yadav-led RJD. Under his government, there were tremendous reforms initiated including bicycle and meal programs, whereby government gave cycles to girls who stayed in school. This in turn increased the number of girls into schools and a fall in school drop-out rates. Also, during his tenure, women were given 50% reservation in the electorate (for the first time in India).

He oversaw the launch of health schemes to improve village hospitals and the free medicine distribution system. National banks were involved in order to provide loans to farmers.



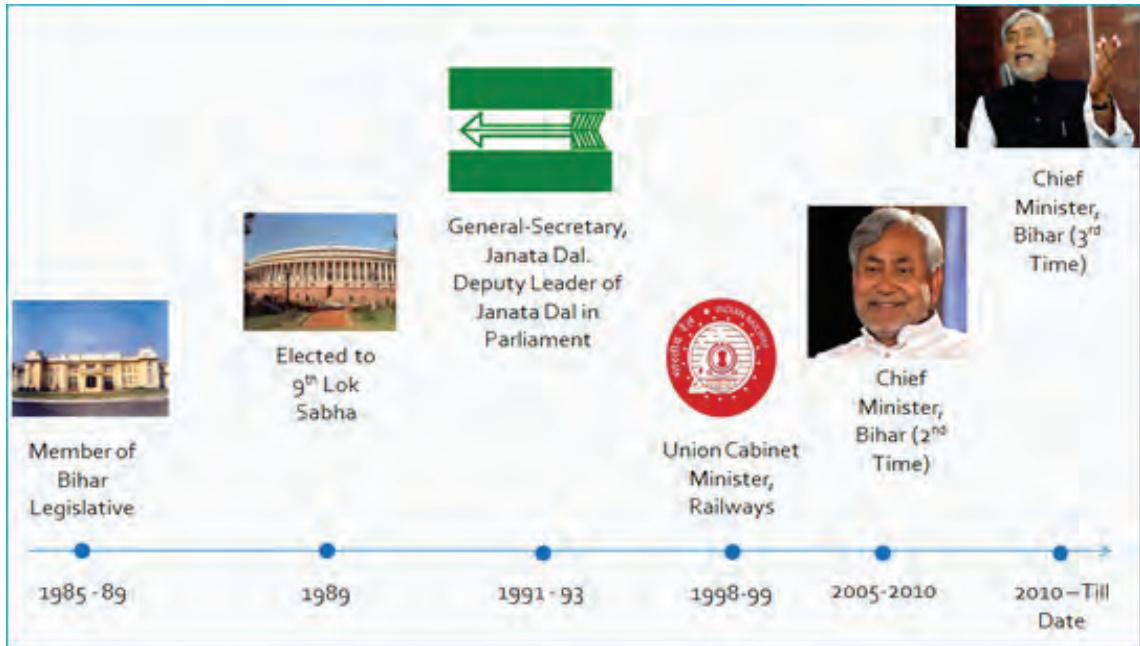
The state witnessed a steep hike in GDP growth, the second highest in the country. Bihar was recorded as the highest tax payer state in Eastern India.

### THE TRANSFORMATIONAL LEADER

According to Krishnan and Singh's paper, the transformational leader "engages with others in such a way that the leaders and followers raise one another to higher levels of motivation and morale". In transformational leadership, it is important that the leader should address the true needs of the followers, and lead followers towards fulfilment of those needs. Transformational leadership consists of four components:

- Charisma or idealized influence
- Inspirational motivation
- Intellectual stimulation
- Individualized consideration

## Nitish Kumar's Political Career



The effectiveness of transformational leadership in organizations has been demonstrated in a number of studies.

Transformational leaders, in comparison to transactional leaders, typically, create followers by motivating and inspiring their followers. They believe in a vision and are capable of framing it in the minds of their followers into a future that is achievable, attractive and engaging. Such a leader would be able to get change implemented by merely stimulating the intellect of his followers and motivating them to think about the change and in turn implementing the change and accepting it as their own. However, it is important to note that the buy-in for the followers occurs only if the vision takes into consideration the needs and values of the followers. These can be understood by understanding the cultural background of the followers.

Even though the origination of transformational leadership is universal, different cultural contexts require a leader to behave and act in different ways. This happens because there are cultural differences in the manner in which the constituents of transformational leadership are exhibited.

Thus, as expected, even though there exists a universal characterization of transformational leadership globally, every culture adapts the leadership style to its own needs. Due to this, there has been a great increase in the understanding of leadership theories for different cultures.

### TRANSFORMATIONAL LEADERSHIP IN INDIA

India's set up includes an optimum mix of western and eastern cultural mix. Due to this, it embodies the best of both worlds. The first major influence on organizational design came from UK because of the colonial legacy. The influence now has widened with the increase in globalisation and technology causing Indians to be exposed to the traditions and values of the rest of the world.

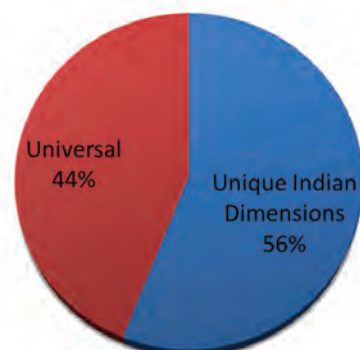
In spite of this, the operating social values in India are categorized as:

- Preference for hierarchy
- Embedded-ness
- Personalized rather than contractual relationship
- Harmony rather than confrontation
- Duty and obligation rather than hedonism

In his research paper, Krishnan reasoned the Indian culture, saying that Indian culture encourages the advent of transformational leaders due to the fundamental beliefs including 'karma yoga'. Indian culture inculcates the sense of harmony and the inclusion of the spiritual quotient in addition to the emotional quotient.

Overall, the "Unique Indian" dimensions covered 56 per cent of the responses and the "Universal" dimensions only 44 per cent.

### Contribution of Universal vs. Unique Indian Dimensions



Source: Towards Understanding Transformational Leadership in India: A Grounded Theory Approach by Niti Singh and Venkat R. Krishnan.

Further, an insight into their paper suggests that there are seven broad themes that emerge in the context of the Indian transformational leader. These primarily include

1. Nurturant
2. Expertise
3. Personal Touch
4. Simple Living
5. Loyalty
6. Self-Sacrificing
7. Giving Model

#### Contribution of Sub Themes within Unique Indian Dimensions



Source: *Towards Understanding Transformational Leadership in India: A Grounded Theory Approach* by Niti Singh and Venkat R. Krishnan.

#### Application of these themes to the leadership style of Nitish Kumar

##### SIMPLE LIVING

Nitish Kumar was born in a small village in Bihar, Bakhtiarpur. He is still grounded to his roots and believes in simple living. Perhaps, he acquired these qualities from his father. His father was an Arya Samaji (disbelief in Hindu idols) who believed in frugality, disdain for idlers, simple living, and altruism, loved neat clothes and the environment. These qualities were unconsciously instilled in Nitish and became a part of his personal and political life.

Nitish does not want to be addicted to anything and that is the reason why he does not watch television. Amitabh Bachhan had visited Patna during the promotion of his movie "Arakshan" and he met Nistish Kumar and said "A simple and modest man and one that has gained the respect and admiration of all due to his hard work in bringing the state up to a standard which has gained immense praise."

In his political career spanning 40 years, he has worked in 3 different central governments. Like some of the other ministers in India, he has not done very well financially post these tenures. He does not make use of official vehicles for his personal work and instead uses his personal car, an Ambassador. He does yoga in the morning and is a teetotaler. He does not smoke and is a vegetarian. Probably, this is why he is referred to as "aparachanakyudu".

##### PERSONAL TOUCH

Nitish always wants to be close to the masses. For this, he regularly holds meetings wherein "Aam Admi" (common man) can come and personally tell him his problems. This program is known as the "Janata Ke Darbar Mein Mukhyamantri" (Chief Minister in the court of people). A person can visit the Bihar Public Grievance Re-dressal website and make a formal complaint. She/He can also track the status of the complaint and see when the same will be heard. For these interactions, on a given day he hears about 500-800 complaints. Nitish has his team along with him so that decisions, wherever possible can be promptly taken. These aspects of Nitish's leadership style highlight his tendencies to include a personal touch in his decisions towards his people.

##### SELF-SACRIFICING

Nitish Kumar's leadership style has been characterized by his roots; his father was a freedom fighter and man of modest means. In his early days, Mr.Kumar worked closely with Jayaprakash Narayan who led the socialist movement against Indira Gandhi in the 1970s. Mr.Kumar's leadership was heavily influenced by Mr.Narayan's socialist inclination and propensity for self sacrifice. Mr.Kumar built his constituency, literally day by day, forgoing a stable job to travel to distant villages, suffering both financial hardship and ridicule for the eight years it took him to win people's confidence. During this period, Mr.Kumar many a times didn't have enough money for 2 square meals and often had to forego lunch.

Mr.Kumar was jailed during the emergency. In an interesting event, young and just-married Mr.Kumar was denied the 'privilege' of even touching the tip of his wife's finger who came to visit him in jail during his imprisonment.

The one single act which demonstrates Mr.Kumar's propensity to put duty before self is fact that he resigned from his post of Railway Minister after the Gaisal Railway disaster. Prior to the disaster, Mr.Kumar's term as the railway minister was characterized by widespread reforms including the introduction of internet ticket booking through the IRCTC portal. Although, accidents happen sporadically in the Indian rail network, Mr.Kumar took the moral responsibility for the disaster and resigned from his cabinet post, an unheard-of act in Indian political circles.

##### LOYALTY

Nitish Kumar's political career has been characterized by loyalty: loyalty to his people, his constituency, his birthplace - Bihar and his political party Janata Dal (U). Since the 1970s, Mr. Kumar has remained true to the socialist class of politicians with stalwarts like Jayaprakash Narayan, George Fernandes and V. P. Singh. Similarly, after Mr. Kumar struck an alliance with the BJP in 1999, he has stuck with it regardless of defeats in 1995 and 2000 (before coming to power in 2005).

Mr.Kumar's trait of loyalty extends to his ideology and values as well. He has always been a staunch Hindi supporter. Recently, after a trip to China, he marvelled about the pride of a young boy who translated Mao's

saying to him at the Great wall. Recently, in spite of his long standing relationship with the BJP, he refused to shake hands with Narendra Modi when he wasn't cleared of the communal riot charges.

### GIVING MODEL

In case of Nitish Kumar, the sub theme of 'Giving Model' ought to have more weightage than other transformational leaders in India. He has been involved in Indian politics for the last 38 years or so starting his journey from the Jay Prakash Movement in 1974. There are two types of people in politics – those who pursue it as a career and others who pursue it as a means to a greater end.

Nitish got married in 1973 and the very next year he was involved in one of the most significant movements of Independent India. One may ask how he keeps himself motivated. The real reasons behind this motivation are not his personal needs but it is a kind of social achievement which he wants to see in Independent India. Whether he was a normal follower of the JP movement or Union Rail Minister or Chief Minister of Bihar, for Nitish Kumar, the welfare of his people has been of paramount importance. He draws his day to day inspiration from the removal of sufferings of common man.

### NURTURANT

Ideally, for a politician in a government position, welfare of people is an integral part of their job description. Nitish Kumar doesn't consider this as his job, but as his duty and responsibility.

The main reason behind Nitish Kumar's ascendancy in Bihar and national politics is his caring and loving nature. He has been successful in creating an image of a father figure in minds of his people. On the one hand he is the most caring, dependable and sacrificing leader, people have seen in recent times, and on the other hand he has taken some equally tough decisions. These decisions were taken in every sphere of governance – policing, rural development, economic policy, social infrastructure etc. He has shown the right path to people of Bihar and has given them the guidelines to follow towards the road to prosperity. In turn people have shown full faith in him as their leader as was proved by Janta Dal re-election to government with a huge landslide victory.

Nitish Kumar seems to fit into the context perfectly. He is one of the most respected politicians in the Indian context; his awards and achievements speak a lot about his passion and determination.

### CONCLUSION

Since relationships are highly valued in the Indian context, developing a loyal group of followers wherein both parties are loyal to each other would help enhance transformational capabilities of the leader.

As the taxi halts in front of Aditya's house, he collects his thoughts and believes that Nitish is in fact a gem in the Indian political context; a transformational leader who believes in the welfare of his people more than anything else. However, is transformational leadership the only thing that is lacking in the Indian political context? Is there something more to the political scene? Perhaps,

something to ponder over.

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*Towards Understanding Transformational Leadership In India: A Grounded Theory Approach By Niti Singh and Venkat R. Krishnan*



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# ETHICS & TRANSFORMATIONAL LEADERSHIP

The term Leadership has always fascinated the thinkers. Though the concept has been around for more than thousand years, not a single definition exists for the term 'Leadership' which is acceptable to everyone. Perhaps may be because the theory of leadership is still evolving and has different meaning in different societies. During the initial days, hunters & collectors who shared their booty with others were considered leaders, and then protectors were looked upon as leaders. Many leadership styles have emerged over a period of time, prominent among them are transactional leadership and transformational leadership. The transactional leadership uses the carrot and stick method - perform, get rewarded or perish, the end alone matters to these leaders and the means is of no concern. Whereas, transformational leadership takes the followers to the higher plane and helps them achieve their goals. The term transformational leadership was first coined by J. V. Downton in *Rebel Leadership: Commitment and Charisma in a Revolutionary Process* (1973), the concept was further developed by Burns.

James MacGregor Burns introduced the Transformational Leadership concept in his book 'Leadership'(1978). Burns termed transformational leadership as not a set of specific behaviors, but rather an ongoing process by which 'leaders and followers raise one another to higher levels of morality and motivation'(p.20). Burns became famous among alternative leadership thought leaders because his theory of transformational leadership included an ethical/moral dimension that, prior to 1978, was not used in any leadership theory. Bernard Bass, one of the disciples of Burns accepted his theory of transformational leadership but was not in agreement with Burns on ethical and moral values of a transformational leader. He later accepted Burns' ideas on ethics and wrote, 'In agreement with Burns (1978), we argue here that authentic transformational leadership must be grounded in moral foundations. The ethics of leadership rests upon three pillars: (1) the moral character of the leader, (2) the ethical values embedded in the leader's vision, articulation, and program which followers either embrace or reject, and (3) the morality of the processes of social ethical choice and action that leaders and followers engage in and collectively pursue. Such ethical dimensions of leadership have been widely acknowledged (Wren,1996; Kouzes & Posner,1993; Greenleaf,1977). Transformational leaders set examples to be emulated by their followers. And as suggested by Burns (1978) and demonstrated by Dukerich, Nichols, et. al. (1990) when leaders are more morally mature, those they lead display higher moral reasoning

*(ETHICS, CHARACTER, AND AUTHENTIC TRANSFORMATIONAL LEADERSHIP - Bernard M. Bass and Paul Steidlmeier).*

## ETHICS IN LEADERSHIP

In this paper I wish to challenge the concept of looking at the Transformational Leaders through the 'Ethical Prism', before that, let us look at the term ethics closely.

Oxford Dictionary defines 'ethics' as the branch of knowledge that deals with moral principles. The foundation of the rules of the modern society is built upon centuries of personal experience that reveals the actions that are good or disruptive to the society. The rules that are created from these actions form the basis of the moral values and ethical norms. Each group picks up the rules which they comfortable with and fond of. The society which picks up the better option is said to be an efficient and evolved one. These moral values and ethics are the set of rules created by group of people for a particular time period and for particular society, so they may not be consistent across societies and time periods. Which means the societies and their norms are compartmentalized.

Robert Wright (2004), author of bestselling book, *A Short History of Progress*, asserts that we have progressed so rapidly as a society that the skills and customs we learned as children are outdated by the time we are thirty. In a sense, we struggle to keep up with our own culture. Whatever was considered harmful to a particular society a decade ago is not necessarily so now.

I strongly feel that transformational leadership should not be held prisoner of such fast changing norms. Though I am not subscribing to the idea that leaders can act immorally and unethically, the actions/decisions of the leaders should be seen in respect with time period of the action and whether it was taken in the larger interest of the society the leaders represent.

I wish to quote some examples from the greatest of the Indian epics Ramayana and Mahabharata, from the Indian History to prove that what may appear to be unethical acts were indeed the finest decision taken, keeping the best interest of the society in the mind.

## ETHICAL NUANCES OF LEADERSHIP IN INDIAN MYTHOLOGIES

tvamnaraadhipateHputraHprathitaHpriyadarshanaH |

paraa~NmukhavadhankR ^ itvaakoatrapraaptaHtvayaaguNaH |

yadahamyuddhasam.hrabdhaHtvatkR ^ itenidhanamgataH ||

'You are a renowned prince with pleasing looks... but, which kind of death I am getting now, that too when I was in the commotion of conflict with another, alas, that ignoble death is owing to you, and what merit is achieved by you in this undertaking of yours to kill someone who is facing away from you...' [4-17-16] (Kishkindha Kanda - Sarga 17, -VALMIKI RAMAYANAA)

Rama's arrow hits Vaali on chest and Vaali falls down. But Vaali is not dead yet. When Rama and Lakshmana approach dying Vaali, he questions the propriety of Rama in killing him.

Sir.C.V.Rajagoplachariar, one of the most eminent Indians, in his version of Ramayana says 'In Valmiki's work, Rama is portrayed as a great and unique man, and not as an incarnation of God. True, in some chapters there are references to him as an avatar of God, but in the body of the narrative the Rama pictured by Sage Valmiki is not God himself but a great prince endowed with divine qualities'. But According to Rajaji by the time Kamban and Tulsidas sang the Ramayana it had come to be accepted that Sri Rama was an avatar of Lord Vishnu'.

Was it correct for a person like Rama to have killed Vaali in such an inappropriate way? Let us take a closer look at the story, what was Rama's motive? To regain his wife Sita who was kidnapped by the demon king Ravana (some even claim that the purpose of Rama's avatar, was to kill Ravana). Following 'Kabandha's words, Rama went in search of Sugreeva, found him, and pledged his friendship. Sugreeva committed no unforgivable sin, yet, Vaali with his supernatural powers persecuted Sugreeva. Rama hid behind a tree and killed Vaali because of the boon given to Vaali by Lord Indra. Keeping the larger picture in the mind, Lord Rama made the decision to kill Vaali.

There are at least three such bewildering situations, where the conduct of Sri Ramachandra is difficult to understand from the modern day point of view. Despite all the trials and tribulations he was subjected to, he upheld the highest principles of his Dharma as a King, His personal suffering took second place when he had to follow the dictates of Raja Neethi. Once he determined, what was correct according to the Pre-Kali Yuga Dharma, he never hesitated to carry out his duties.

*A commentary by Sriman Oppiliappan Koil Varadachari Sadagopan, (<http://sadagopan.org/>)*

Krishna is the most interesting and intriguing character in the Indian mythology, he is still being deciphered both by thinkers and by religious leaders. He is called The Infinite by his believers and he stands tall amongst the greatest transformational leaders the world has ever seen/heard. Though there are many incidents to prove his leadership skills, the Bagavathgita alone is enough to prove that he was the greatest transformational leader. In the midst of the Kuruksheethra, he transformed Arjuna from a reluctant and confused person to a great warrior with a very clear mind and thoughts.

He knew he was an avatar and the purpose of his avatar in this world. But instead of using his Godly powers he used the most intelligent, cunning and devious methods to overcome his own detractors and the enemies of the Pandavas. Without him the Pandavas would not have lasted even a day in the battlefield. His methods were not appreciated by many of his own friends, though some of them unwittingly played a role in his scheme of things. He stood up and loudly announced that a leader should do everything possible to safeguard his subject and protect his kingdom even if it requires doing the so called 'unethical'. He took such decisions to protect the innocent and righteous people from the evil. This was

God's own way of informing and preparing the humans for the Kaliyuga, 'Beware! If you are not intelligent and cunning you would be crushed by the evil designs. Learn to protect your own interests first.'

## **ETHICAL TRANSFORMATIONAL LEADERSHIP IN HISTORY**

M. K. Gandhi was the true transformation leader in letter and spirit. Let us for a moment pause and think how the British empire and people of Britain would have looked at Gandhi and his non violent acts. His civil disobedience movement would have been described as the most unethical way of protest because it was undertaken when the British was actively involved in the second world war and desperately required India's support. Had his non-violence movement failed in getting India independence, M. K. Gandhi would have been described as the most unethical leader because he encouraged his followers not to pay tax, to boycott British products and not to cooperate with their British bosses. What could be more unethical than the civil disobedience movement!

All three examples clearly indicate that the definition of ethics changes with the time, situation and place. It also depends on the individual's perception about being ethical. What is ethical during a certain period time can be unethical in a different time frame. What is good and acceptable to a particular society may be blasphemy to another.

Thiruvalluvar, the famous Tamil saint poet, said

"Even falsehood has the nature of truth, if it confers a benefit that is free from fault." (G.U.Pope)

பொய்மையும் வாய்மை யிடத்த புரைதீர்ந்த  
நன்மை பயக்கு மெனின் (292)



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# THE DARKER SIDE

Mahatma Gandhi and Adolf Hitler are two of the most charismatic and influential leaders in world history who commanded the respect, trust and loyalty of thousands of followers. They are considered the embodiment of Transformational Leadership. Yet why is it that both of these leaders are almost never spoken of together except when their contrasting approaches are discussed? While Hitler is notorious for employing ruthlessness and aggression as means to achieve goals, Gandiji is renowned for his gentle and persuasive approach.

What eludes reflection is the number of people around them whose lives these two leaders touched, inspired and affected. A lot of people believe that Hitler's is a case of a transformational leadership gone wrong. It is often argued that Hitler, instead of fulfilling the higher order needs and aspirations of the Germans, led them to ruin because of his megalomania. The negative social objective and the impetus his thinking gave to extreme intolerance leads us to reflect on the potential for abuse of power that comes along with leadership.

## UNFAIR MEANS

What if the leader uses deceptive means to achieve the end result? Even if he (or she) is looking out for the best of interests for his people, does it make him any less of a transformational leader? Mythology offers us instances where leaders have swayed their followers in order to achieve desired outcomes, as depicted through the Krishna - Arjun saga in the Mahabharata. Lord Krishna on several occasions manipulated the Pandavas to make them achieve their own goals.

The same might be true of corporate. In case of business organisations, transformational leadership nurtures the development of an organisational culture that fosters innovation and motivates people to achieve goals. While desirable behaviour may be supported, so might undesirable behaviour, which leads us to reflect upon the dark side of transformational leadership. Transformational leadership is often criticised on the grounds of moral rectitude. Leaders can only inspire people and help them develop self-efficacy; how these people then behave is not under the leaders' control.

Even in the corporate world, where almost every business activity is struggling with great effort in the throes of political corruption, leaders can definitely inspire their people to strive for success. However, the means these followers then employ to meet their goals is not totally under the control of the leader.

## MISSING MORALS?

According to James McGregor Burns, "transformational leadership is the process in which leaders and followers help each other to advance to a higher level of morale and motivation". In this cut throat competitive environment, where the greed for power acts as a major motivation, we increasingly hear of IPR infringements and corporate espionage, which brings us to the question of morality in business.

True leadership involves inspiring people to do better, but not at the cost of questionable practices worming their way into the business world.

Abraham Lincoln succinctly reflects upon the question of morality when he avers "Nearly all men can withstand adversity, but if you really want to test a man's character, give him power".

The question thus arises - how long can businesses with such leadership at their helm be sustainable? Is this not the dark side of transformational leadership?



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# THE TRANSFORMATIONAL LEGEND

Transformational leadership is a relatively new notion that has evolved over the past three decades. The concept came into being in 1978, when James McGregor Burns wrote about transforming leaders while describing political leaders. In 1985, Bernard M. Bass extended the works of Burns and changed the term 'transforming' to 'transformational'.

Though, the term was coined late, the concept is not new. There have been leaders who had all the four 'I's of a transformational leader mentioned by Bass (Idealised Influence, Inspirational Motivation, Intellectual Stimulation and Individual Consideration). Throughout history we have been able to see leaders who transformed people.

The first known reference to transformational leadership goes back to Greece in 400 BC. The philosophy existed even earlier with the Chinese, but it was the Greek warrior and writer Xenophon, who illustrated the concept. He was the pupil of famous Greek philosopher Socrates. Xenophon wrote a book titled 'Anabasis' based on the story of his life, citing the time when he had to go on a war as a soldier and in the process found in himself a transformational leader.

Xenophon (430 BC - 355 BC) after leaving the tutelage of Socrates, joined the Greek army, famously called 'The Ten Thousand' under the command of Cyrus, the younger. Cyrus was marching towards Persia which was under the control of his brother Artaxerxes II, and was killed in the battle of Cunaxa (401 BC). After the Cyrus' death, the Greek soldiers decided to flee instead of surrendering to the Persians.

## THE MAKING OF THE TRANSFORMATIONAL LEADER

It was under these circumstances that Xenophon was selected as one of the leaders of the Ten Thousand. The Greek Army suffered from lack of leadership, as the previous leaders were either harsh or selfish or unconfident. Xenophon on the other hand, had never taken the command under Cyrus and had no experience of being in army. He was chosen as leader because he was Socrates' pupil.

Xenophon quickly understood the situation and spoke with motivation to the leaders around him. He said to his fellow leaders, "Now is the time to brave ourselves and to stimulate the rest by our example." He dressed for war in his bravest apparel and used powerful symbols to instil confidence among other warriors. He was inspiring the soldiers.

He exhibited the character of intellectual stimulation. In order to march freely he ordered the soldiers to burn the wagons, tents and other superfluous goods. This was very new to the Greeks. He asked the soldiers to think about the plan in a rational way. He further said, "If anyone has a better plan, we need not adopt mine. For the rest, we can but make experiment of this arrangement, and alter it with deliberation, as from time to time any improvement suggests itself. If anyone has a better plan to propose, let him do so."

Whenever he addressed his troops, he addressed them as an individual, as if asking each one to prove himself if they wanted to see their friends again. There was one particular situation in which the troop had to cross

through a high mountain pass before its enemies did. Xenophon was on his horse and he was trying to cheer the whole group. But some of the soldiers were aggravated by his exhortations. One of his soldiers, Soteridas the Sicyonian said, "We are not on equal terms Xenophon, you are mounted on a horse and I can hardly get along with my shield to carry." Xenophon got down from the horse and took all his shields and started walking as fast as he can. He encouraged people in the front to lead and the men toiling behind to follow as fast as they could.

All this can be attributed to Idealised Influence. His behavior influenced the people. Xenophon made personal sacrifices for the benefit of others. He could have simply sat in the horse and punished Soteridas for questioning the leader. But he didn't. Once when there was unanticipated snow in the night, Xenophon rose up first and started gathering wood for the fire and set example for others.

The book also cites '... the generals and officers issued an order to the troops to take their breakfasts and while Xenophon was taking his, two young men came running up to him, for everyone knew that breakfasting or supping he was always accessible, or that even if asleep any one was welcome to awaken him who had anything to say ...'

By this he achieved Individual Consideration in his group. Whoever had ideas towards completing the mission was encouraged to come and meet Xenophon. He made himself available all the time.

The army finally reached Greece after the long march and the expedition turned out to be historic. Xenophon's soldiers had recognised his leadership qualities. Later in history, many of the kings and war heroes including Alexander the Great, are said to have been inspired by Xenophon's Anabasis and have become transformational leaders who achieved success in their endeavours.

Xenophon exhibited all the four 'I's of transformational leadership. He created followers who exceeded the expectations. Xenophon is a classic example of a transformational leader and anyone who wants to inspire followers can get inspired by him.

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PGDM 2014

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# WE ALL ARE THE CHANGE AGENTS, THE DOERS, THE LEADERS

Africa is growing and will be leading the world's development trends in the 21<sup>st</sup> century. The answer to how Africa managed to turn about from its sorry state of gross corruption, tenuous economics and constant wars lies in its brave, rapid management innovation. What powered these innovations was **Ubuntu: an African Leadership style** which says "I am because we are". Now today when world's economy is in such turmoil where recession is no longer a cyclic event but an evil to live with, such kind of collective leadership can only save us too.

In 2006, IBM saw the business opportunities in meeting the needs of people at the bottom of the socio-economic pyramid and focusing on innovations that the world requires. The program they devised is a division of a broader set of initiatives that IBM had adopted to support employees. The program, also dubbed as the IBM Global Citizenship Portfolio, augments the skills and expertise the employees needed to become global leaders. Today, in the business context the things are moving so rapidly that it isn't often clear where an organization needs to head. Also the complex business environment makes the phrase of expert leader a paradox in itself. In such unstable times what is required is a leadership which is of a form of collective genius. Hence, today is the time when Transformational Leadership will be the most effective in making this happen.

Burns defined transformational leadership as a process where leaders and followers engage in a mutual process of 'raising one another to higher levels of morality and motivation.' It focuses on transforming others to be encouraging and harmonious, and to look out for the organization as a whole. This form of leadership believes in distributing the power across the workforce and grooms them as the future leaders.

Distributed leadership, which is the helm of transformational leadership, doesn't mean a state of non-leadership. Here we have to understand that "leader" and "leadership" do not stand for the same thing. Though distributed leadership is not a perfect setup, it fares far better than a single man show.

Managers and Transformational Leaders are two different kinds of individuals who differ in their motivation levels, how they think and how they act. We have seen that, managers act to limit choices while feeling insecure about their positions, whereas leaders generate and explore new possibilities. These kinds of leaders are instrumental in developing the leaders of the next generation, by following the apprenticeship structure and providing them with one to one mentoring. Going forward, this kind of leadership promotes information collection, analysis, experimentation and training among the workforce. Leadership that reinforces learning is of

the highest form because it doesn't just take care of the organizational welfare but also leads the way for society.

Today changes are taking place so rapidly that a leader cannot expect to keep himself abreast of all the developments, leave alone being responsible for the innovations required to keep the firm ahead of the competition. Shared decision making is broadly distributed not only across the horizontals and verticals of the company but also to the outside parties that hold the key to this dilemma. Leadership is not about selecting the right kind of people, it's about nurturing them. But in that course leaders do have to make space for these selected ones and provide them with sufficient opportunities. This way of letting employees self select themselves as leaders makes them a much more self motivated lot which goes a long way with them. The system believes in extra engagement of the employees and knows the wonders it creates when employees are valued and recognized for the efforts they make. When the power centers are distributed across the organization then the system also becomes dynamically smart with decisions being taken at a quick pace.



Corporations are changing every moment, stimulated by the changes taking place in the economic, technological, political, social and cultural landscapes. To respond to these changes organizations need good participation from all the levels, right from the strategic to tactical and then to the operational, which are closer to the customer usually. And to keep people active to respond to these changes wisely and take ownership, organizations need transformational leadership.

Transformational leadership enables people at all levels to foster synergy and visualize things from a broader and future perspective. Once people are empowered, they will take ownership and the power given to them will transform into responsibility. This sense of responsibility will sow the seed for innovation, improvement and will further channelize the leadership movement. In transformational leadership, solutions to problems come

not only from top to bottom but also vice versa, which is the main reason why transformational leadership is and will play a superior role in the organizational culture. In a nut shell, the need for innovation, improvement, process and ownership has created a dwelling for transformational leadership.

Organizations with transformational leadership in their core can leverage from multiple dimensions. They can keep their customer happier; can respond to the changes in an effective way and can foster the culture of leader feeder. Some of the key implications that lead to the above results are listed below:

#### SENSE OF RESPONSIBILITY & ACCOUNTABILITY

When transformational leadership is practiced and the workforce is empowered it generates a sense of responsibility among the people. This will showcase the role they play in the value generation of an organization conspicuously. The workforce will feel more connected with the mission, vision and values of the company.

#### LOYALTY TO THE ORGANIZATION

The more connected people feel in their roles, the more loyalty they will reciprocate towards their organization and work. In the end they will be much more emotionally connected.

#### INNOVATION

The road to innovation starts from the needs, and to breed innovation it becomes important to involve people from all levels. In most of organizations, the workforce at the bottom is the closest to the customer and people at the top know most about the upcoming challenges and changes. Empowerment through transformational leadership will create a continual record of innovation by managing to unleash as well as harness the team members' creativity. The catch lies in engaging the workforce in such an environment where the collective talent of the team is tapped by letting everyone take the lead at some point of time.

#### LEADER BREEDER

Transformational leadership paves the way for companies to create a strong Leadership Brand for themselves and eventually become "Leader Feeder" from where the leaders graduate and go on to head other companies.

#### IMPROVEMENT

Transformational leadership initiates conversational practices and promotes a cultural norm which allows a large or budding organization to act like a smaller one. Higher levels of employee engagement, strategic alignment and operational flexibility are few of the benefits one gains when the organization acts like one of the smart start ups.

So we have seen how transformational leadership helps in developing a pipeline of consistently excellent managers and creating a leadership brand of the organization. This power sharing model and ability to identify the extraordinary potential hidden in every individual will lead to a decision making process which is a strong balance of pragmatism and idealism. And the team will end up successfully achieving all their

endeavors irrespective of the path they take up collectively.

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# TRANSFORMING THE BAREFOOT!!!

## Empowering the rural talent and transforming the world with Bunker Roy.

Leaders transform the society with their charismatic ideas, commitment to revolutionary changes by identifying the futuristic needs of the society and by adding value to the future needs of the people around them. Recapping our history, leadership started with individualism and then transformed itself in to various stages by adhering to value addition through team work, evaluating own traits, by differentiating behavior and by reacting to situational incidents. Now in this era of global competitiveness everyone follows the new definition; leadership has established itself as the finder of excellence for the society, for the people and beyond self-actualization. In the current scenario when we try to analyze different eminent personalities, the obvious examples that come to our mind are of Steve Jobs of Apple for transforming the act of design, Jack Welch of General Electric for corporate transformations etc. But we miss out some of the true transformers of the society who played major role in bringing in excellence to the heart of India that is the underdeveloped parts of our country. In the next few paragraphs we will discuss about such a personality having an Indian heart but with the dream of globalizing the dreams of the people who are yet to discover themselves from the shadows of illiteracy, underdevelopment and starving, and giving them the opportunity to showcase their talent.

## Competence, confidence and belief - a trait of an individual who chose to tread the path of bringing smiles and unearthing the immense talent of the rural community rather than being a diplomat enjoying Paris.

The above has relevance to Bunker Roy. Having had an excellent education, amongst the elite, he chose to look into the potential that the rural segment has to offer. This led him to a village in Rajasthan which gave him endless opportunities to innovate and implement the learning he has had over the years coupled with the excellent understanding of the basics that the villagers had.

### THE VISION

Bunker had a vision to excel. To be able to discover the rural talent and to provide them the opportunity to show the world what they are capable of. Rural India has an unmatched potential, but needs to be given a much needed thump on the back and a direction in order to excel in the field. Bunker provided the platform that the

people of Tilona could use to develop their own standard of living while being the partners in development. He gave them the freedom to build their own designs, choose material of their choice, operate hospitals from their experiences, devise strategies of their own and more, all of these through a democratic process which had a Prime Minister. What better could the villagers ask for!! The impetus was given and the change reflects all over. Self sufficient with power and water, a school of their own, hospital, food supplies and what not... This would be an excellent case of devising your self sufficiency.

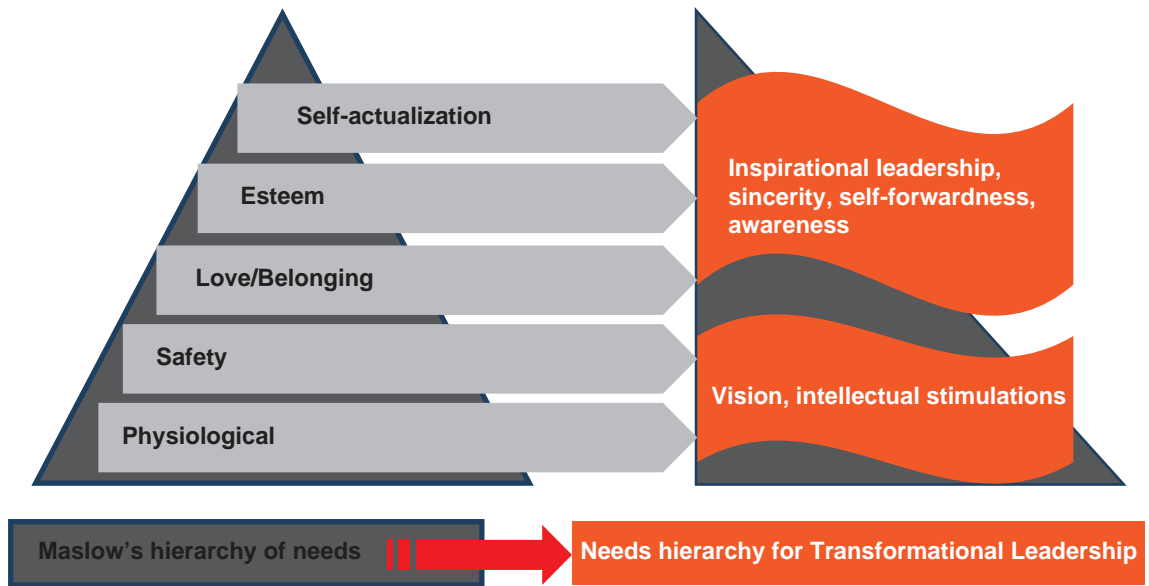
To add to the footprint, the transformation did not stop at Rajasthan. It travelled world over. From the villages in Afghanistan to the undernourished terrains of Africa. The outreach of the Solar program powered by Bunker has reached the streets of Sierra Leone and Gambia and has empowered numerous villages across the world - something the people had never expected.

His ability to listen to people has been a decisive factor in many situations. People had the solutions and he had the ability to convert it to action. And notably, the idea was fool proof for the very reason that they emerged out of experiences and observation rather than research. The skills built up over a period of time through the knowledge of the land was used to the maximum. And Bunker had the tenacity to give personal attention in pursuit of his dream to achieve the vision he had looked forward to.

Sanjit Bunker Roy, born on 2<sup>nd</sup> August, 1945 in the present day West Bengal, in a family where his father was a mechanical engineer and mother had a white collar job as India's Trade Commissioner to Russia. He attended Doon School and St. Stephen's College, Delhi, earning his master's in English. He was the Indian national champion in squash for three years, and represented India internationally in the sport. Being from the family of elite group, he could have targeted another white collar job of high rank with enormous prestige and money. But surprisingly nothing could detract him from his revolutionary dream of using traditional expertise rather than bookish knowledge to uplift the neglected communities. Since then he devoted himself for the bare foot college. This reiterates the adage saying 'Leaders are born, not made and a great leader has a set of specific traits'. The traits that revolutionize the whole society, the whole world and showing the charisma of the great vision.

### HIERARCHY OF NEEDS

Many of us have studied the Maslow's hierarchy of needs. For any personality, to reach the level of self-actualization, he has to traverse through the stages of physiological, safety, love, esteem. But in case of a transformational leader like 'Bunker Roy', the levels of need are basically two layered. The lower most says the basement of their ideas, great vision and intellectual



stimulation. The higher level constitutes their inspirational leadership, sincerity, self-forwardness and the foremost activating the needs of the people by increasing awareness. Bunker Roy played the major role of stimulating the needs of people by acknowledging the talents of rural followers; revealing real potential of the rural India and catalyzing action by transforming the thought process of our own people.

The idea of joining the dots was those of a visionary. The commitment and motivation provided in the pursuit of accomplishment was extraordinary. This, in Bunker's case stood out in his mission to showcase rural talent to the world and make them feel in place amongst the world's best.

To me, Bunker Roy is a transformation leader who has worked towards enriching the quality of millions of underprivileged but over talented rural population.

Salute to Bunker Roy, the true transformer!!



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# TRANSFORMATIONAL LEADERSHIP — INSTILLING OWNERSHIP AND REDISCOVERING INNOVATION IN INDIVIDUALS

From the Medieval period to the modern age, many researchers have pondered upon and much has been written and published about different aspects of Leadership and the areas it encompasses. With the advent of the corporate culture and its philosophies and scrutinies, this field of research has witnessed some of the major investigations and discoveries by notable researchers.

According to Gary Yukl (1994), transformational leadership is defined as the process in which the leader brings in and influences major changes in the attitudes and pre-conceived notions of organizational members and constructs a commitment of these individuals towards the organization's mission, objectives and strategies.

There is plenty of empirical data to substantiate that an organization's culture is the result of the leadership under which it is nurtured. An organization's culture can be defined in various dimensions starting from employee satisfaction to new technologies, to innovations, to building future leaders etc.

One of the key functions of leadership, which has received much attention, is the role of leader in enabling people to take ownership of their work and helping them become innovators in it. A person, who takes ownership of his work, not only feels responsible for the work to be done but also feels obliged to go an extra step beyond his call of duty to complete the work.

## TRANSFORMATIONAL VS. TRANSACTIONAL LEADERSHIP

In earlier times supervisors exercised their powers (sometimes legitimate, sometimes coercive) to achieve the targets meant for their department and hence the relation between employees and supervisors were quite frequently under question.

In modern times, managers have moved from this strict and non-lenient leadership to what we call transactional leadership. There were 2 observations which came out of this. First was the consideration for employees who performed better and satisfied their personal interests, and second was punishing the employees who did not perform well. This method of leadership was nothing more than a transaction in which employees who worked better were rewarded and rest were penalized. But this

leadership proved nothing more than a mediocrity wherein the company suffered in the long run in terms of employee satisfaction and profitability.

In contrast, as per the paper published by Bass (1985) it was shown that a transformational leader's goal is not to achieve the profitability and targets at the expense of employees; rather he engages himself in raising the co-workers, subordinates, followers towards greater cause. He not only attempts but also raise employees to a greater awareness of the social environment. This approach requires leaders with a vision and self confidence to take the responsibility and care for the employees' future, which in turn proves successful for the overall growth and development of the organization.



## 4 COMPONENTS OF LEADERSHIP

There are 4 ways in which a leader influences his followers to achieve their goals and inspires them to move up towards higher levels of needs and aspirations and also helps them to raise their personal level of performance.

1. **Charismatic role modeling** – in this style of leadership, the leader with his charisma, inculcates a sense of admiration, respect and loyalty, and underlines the importance of having a collective sense of mission.

2. **Individualized consideration** – Through this, the leader builds a one-to-one relationship with his or her followers, and understands their different needs, skills, and aspirations. Thus, transformational leaders satisfy the emotional needs of each employee (Bass, 1990).
3. **Inspirational motivation** - By inspirational motivation, the leader chalks out a feasible vision of the future, shows and then guides the followers to the ways to achieve the goals, and instills a sense of belief in them that they can do it.
4. **By intellectual stimulation**, the leader elevates and broadens the interests of his or her employees (Bass, 1990), and enables them to think about old problems in new ways.

### INSTILLING OWNERSHIP

It's one of the inherent jobs of the transformational leaders to not only broaden the interests of the employees towards the common goal of the group but also to elevate it. They help the employees to look above their self interest and work in collective groups for the greater good. They help employees to increase their self confidence and enable them to take ownership of the tasks and greater responsibilities. Employees not only see these leaders as their role models, but also seek their guidance and become their mentees and achieve greater results.

On the same lines, an article published by Gerard H. Seijts and Dan Crim (2006) showed that, people want to be proud of their jobs, their performance, and their organization. Westjet Airlines can be sighted upon as one of the best examples for the above statement. Infact, there has been a case study on the Westjet Airlines' work culture and environment. Out of the numerous examples; one famous example is, when customers called the help desk there were no automated voice mail prompts, and Westjetters answered the phones directly showing the highest degree of ownership of the tasks they were given and the level of commitment they had for their work.

This article also shows that people who are held owners (credible) for their jobs and are given due recognition of their job, are better engaged with the company and are less probable to leave the organization to pursue their own interests, since their needs are being met in the company's goals and they are more happy to work with the company.

### REDISCOVERING INNOVATION IN INDIVIDUALS

In today's dynamic world, with the ever reducing company to market time period of new inventions and technologies, there is a greater need for an environment wherein employees are more than ever creative and innovative in their work, especially for the technology-driven companies.

Infact, Cummings and O'Connell (1978) suggested that leadership is one of the most important factors in determining and affecting innovation and creativity in an organization. As earlier stated, it's the leadership styles of leaders which affect the organization's culture, which in turn affects the innovations in the organizations.

More recently, there was an increased interest in the

influence of transformational leadership on innovation. It was suggested by Elkins and Keller (2003) that transformational leaders with the help of inspirational motivation and intellect, promote creative ideas within the organization, which helps in creating high performing-energy-resonant groups. These groups under the transformational leadership not only perform better than expectations, but also continuously challenge the already existing paradigms and push boundaries to adopt the new innovative technologies and also adapt themselves accordingly, clearly showcasing the Adaptive Personality.

Everybody in the world would agree to the fact that, nobody even came close to successfully exhibiting Leadership style and instilling creativity and innovation in people as the late Steve Jobs did. Jobs used to personally spend time designing the models and the cases of iPod and iPhone. He famously said, "While some see them as the crazy ones, we see genius. Because the people who are crazy enough to think they can change the world are the ones who do." Such was the exquisite leadership style of Jobs when it came to instilling creativity and innovation in people.

It's a known fact: there are hygiene factors which influence the productivity and motivation level of employees (Herzberg two factor theory). Hence, internal support from the leaders greatly influences the degree of innovativeness in the work climate which in turn affects the productivity. It strengthens the influence of transformational leadership on innovation in two ways:

1. When employees can perceive the innovative work environment, their appetite for work and taking initiatives and risks increases greatly.
2. Their responses towards the transformational leadership increases.

Hence, in a nutshell, it is the transformational leadership ability of the leaders which not only inspires but also results in a large shift in employees' attitude towards their work and enables them to become owners of what they do and take responsibility of their actions, which in turn helps them to become innovators themselves. This not only helps them to be proud of what they do but also helps the organizations to achieve their long term goals both happily and profitably.



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# TO LEAD, ONE MUST FOLLOW

The twenty first century leaders are going to be those who can demonstrate a greater empathy and concern for people's issues.

"A good leader can't get too far ahead of his followers" a triggering quote by Franklin D Roosevelt underlines the inner meaning of transformational leadership. Transformational leadership is a process wherein the efforts of the leaders focus on influencing major changes in the attitudes and assumptions of organization members in building undying commitment for the organizations mission, objectives and strategies. 'Change, innovation and entrepreneurship' are the lifeline for transformational leaders and they attempt to raise the needs of followers and promote dramatic changes in individuals, groups and organizations as a whole. If leadership can inspire, then transformational leadership is a catalyst to stimulate that inspiration. We are fortunate that we live in a time where we can dip into the lives of the leaders who transformed the very word 'leadership' in the past, and who continue to do so.

## LEADERSHIP BY EXAMPLE

Transformational leaders build confidence in followers, encouraging them to reframe the future and question the tried and true, and coaching them to develop their full capabilities. They integrate creative insight, persistence, energy, intuition and sensitivity with the needs of others to forge the strategy-to reach a goal. Gandhi an exemplary leader, was able to inspire not few but huge masses in India. His leadership was based on self-reliance and non-cooperation the two attributes that everyone could adopt to be a part of a turbulent struggle. Gandhi built credibility by leading through example. He resorted to simple and poor living which helped in making a strong connection with millions of people who lived the same way. His strong principles of righteousness and a simple logic - "Practice what you preach" led him to become one of the greatest transformational leaders ever!

## INNOVATION & TRANSFORMATION

With technology changing in the blink of an eye, leaders of today have unpredictable challenges. The speed of change is best illustrated by the way technology has reached human homes; the radio reached fifty million homes in fifty years, the telephone in thirteen years, and the internet in four years. Today news reaches billions of people worldwide with an instrument in your palm. Words fall short when we talk about them. A transformational leader focuses on 'transforming' others to help each other, to look out for each other, to be encouraging and look at the organization as a whole. His brilliance drew talented people to him; his charisma didn't let them go. Yes, Steve Jobs believed that "Innovation distinguishes between a leader and a follower". At Apple, he is seen as a leader whose idealistic vision changed the very face of the world. Clear vision, unwavering determination to execute that vision and an appetite for top-notch design was Job's winning leadership combo that caused a start-up in his parents'

garage to grow and change the world of business.

Observing leadership behavior and analyzing the underlying attributes of leaders are the two major ways of distinguishing a successful and effective leader from an unsuccessful and ineffective one. To meet the challenges of the unpredictable times, what is needed among other initiatives, is resilient leaders. Resilience calls for elasticity, buoyancy and adaptability and strong life energy. Resilient leaders are guided by a larger sense of purpose and are driven by values. A man of simple and great vision, founder of the greatest chain retailing stores pays off a bet by doing a hula dance on Wall Street. In 1983, a down year in retailing, Sam Walton told Wal-Mart employees that if the company reported a rise in pretax earnings of at least 8 percent, he would dance the hula on Wall Street. The company reported an increase of 8.04 percent and Walton was as good as his word. Sam Walton brought fresh enthusiasm to the front lines of chain retailing with what appeared to be a simple formula revolving around happy employees, low costs, consequently low prices, and even happier customers. In an effort to direct the organization, Sam regularly visited the stores where he intended to both motivate and check on his associates at the same time. He loved the opportunity to learn about the problems "on the frontline" and to discuss potential solutions with the personnel. Walton's leadership was unique, participative and goal oriented.

## The 21<sup>st</sup> century leaders are going to be those who can demonstrate a greater empathy and concern for people's issues.

Geopolitical boundaries are increasingly being ignored as communication systems are evolving. With such market forces coming into play, the business environment is increasingly being ignored as communication systems are evolving. In this scenario the only mantra for effective leadership then, is to build stronger and lasting relationships. In today's business environment anything but human capital can be replicated. It is only this human capital that can define the market niche for any and every organization. Transformational leadership occurs when leaders and followers raise one another to higher levels of motivation and morality (Burns: 1978:20). Various names are used for such leadership: elevating, mobilizing, inspiring, exalting, uplifting.

Walter Elias Disney, a true American legend, blended creativity and innovation into the lives of his employees. By sheer vision and an overwhelming sense of perfection, he produced the highest quality of entertainment forging new frontiers in animation motion pictures and family experiences. Walt was action oriented, achievement oriented and has emerged

unscathed through ups and downs. He energized people around a mission and unlocked their discretionary energy in creating a world of imagination. With compelling organizational values – reflecting integrity, respect for the individual, and a commitment to excellence, Walt created enabling conditions to work with. Collectively these attributes helped instill pride and enhanced employee engagement. He accomplished the impossible by empowering his people and partnering with them thus reshaping the culture from its very own roots.

In the economy scenario of today, leadership takes new wings to fly. It is no longer the province of the anointed few. In this digital world, everyone has the potential to be a leader, charged with creating an environment for collective gain and success, and the mark of a leader would be to create other leaders within the

organization-disciples who are empowered to act. The crux of transformational leadership lies in inspiring followers to share the leaders' values and connect with the leaders' vision. Transformational leadership will speak for itself. The essence of transformational leadership is not in mere words but in the actions of those true leaders who believe in transforming lives.

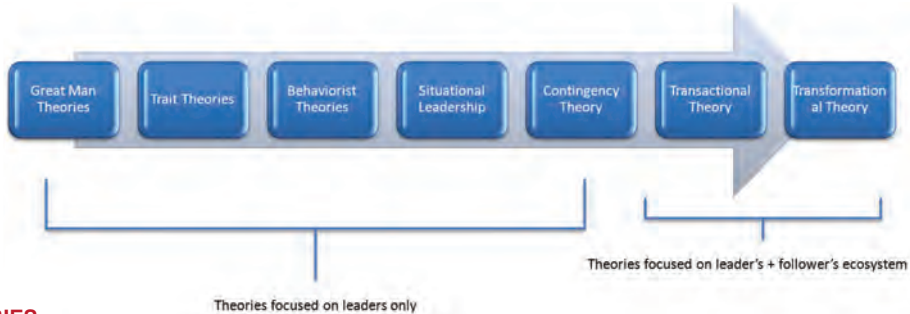


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# THEORIES OF TRANSFORMATIONAL LEADERSHIP

## PATH TO LEADERSHIP

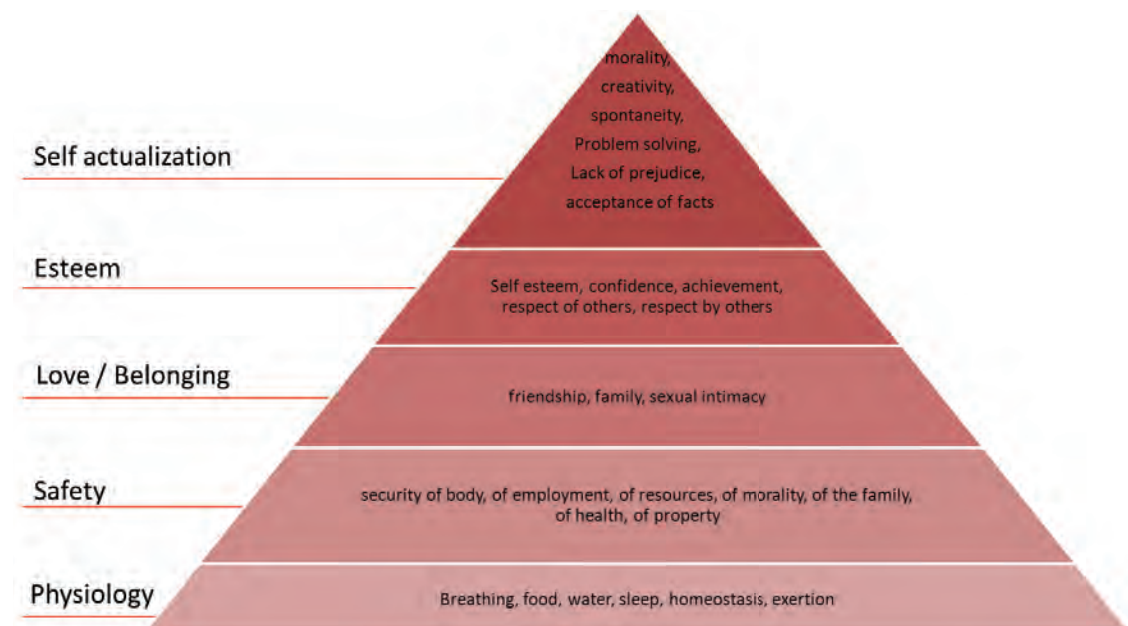
Leadership has always been a much thought of and practiced concept since ages. Starting from initial setup of human communities/tribes to power hungry wars and eventually to present day governments and organizations, the journey of leadership has passed through stations of different "schools of thought". While some of the erstwhile theories of leadership concentrated more on characteristics and traits of a leader, the modern leadership theories focus on the ecosystem in its entirety i.e leaders with their followers. Increasingly complex challenges that go beyond the individual capabilities of a leader, greater reliance on interdependent work, shifting reward system (from individual productivity to team contribution) and global organizations have paved the way for modern theories of leadership.



## THEORIES

James MacGregor Burns who coined the term "Transformational Leadership" defines it as a set of behaviors that is geared towards the relational aspects of the organization. Transformational leaders intrinsically motivate followers to function as a collective entity to achieve a common aim (Burns, 1979). Transformational leadership is that which facilitates a redefinition of a people's mission and vision, a renewal of their commitment and the restructuring of their systems for goal accomplishment. It is a relationship of mutual stimulation and elevation that converts followers into leaders and may convert leaders into moral agents. Hence, transformational leadership must be grounded in moral foundations (Leithwood, as cited in Cashin et al., 2000, p.1)

Transformational leadership imbibes the concept of leader and followers collectively contributing towards achievement of shared goals of the group. Together, heightened capacity and commitment are held to lead to additional effort and greater productivity (Barbuto, 2005; Leithwood & Jantzi, 2000; Spreitzer, Perttula & Xin, 2005). A transformational leader is not someone who has a give and take relationship with his followers; for instance, good performance in exchange of higher salary or promotion. Rather the leader inspires followers to action by appealing to shared values and by satisfying their higher order needs as depicted by top order of Maslow's hierarchy of needs such as self-esteem and actualization.





Sharing of values and goals in terms of what is considered good or bad, what is the worth of the goal to be achieved to both leader and followers is very important in a transformational leadership setup. Followers do not need point to point supervision in their tasks when leader's and followers' values conform. This helps in achieving one of the greatest objectives of a successful leader which is "Succession Planning" i.e readiness of followers to take on the roles and responsibilities of a leader whenever circumstances demand such a change. Steve Jobs is said to be a bad leader on this front as he was not able to nurture his followers.

### APPLICATION

The platform of transformational leadership stands on four pillars of [1] Individualized Consideration – the extent to which leader connects to needs and concerns of each individual follower in his/her group [2] Intellectual Stimulation – the extent to which intellectual capability of leader stimulates his/her followers to accept challenges and think out-of-the box [3] Inspirational Motivation – the degree to which a leader inspires his/her followers beyond self-gain attitude and [4] Idealized Influence – the degree to which the leader is able to garner trust and respect from his/her followers.

Some of the practical applications of the theory of transformational leadership include the Deep Leadership Model - an amalgamation of deep learning and transformational leadership used by the Finnish Defense Forces for leadership training and development purpose. Another example has been Jan Carlzon who provided SAS airlines with transformational leadership. The idea behind transformational leadership – as also stated by McGregor's Y Theory – is that followers will often elevate themselves to relatively high levels of taking initiatives and productivity when provided with the tools, freedom, and encouragement necessary to be successful.

Measurement of a leader on the scale of transformational leadership involves measurement of four aspects:

- [1] Degree of influence of the leader on his/her followers, which can be measured in terms of parameters like trust and respect that followers have towards their leader. Here it is important that followers understand the difference between transactional and transformational qualities of a leader. Trust and respect towards the leader should be exclusive of higher performance rating, promotion or salary given in return of better performance.
- [2] Extent upto which followers are receptive and open to changing circumstances because that would decide how flexible and how ready the followers are to move out of their comfort zone under their respective leaders
- [3] Extent to which goals are shared among the members of the group and
- [4] Degree to which positive outcomes can be sustained and negatives be eliminated

### CONCLUSION

To conclude, we can say that the transformational leadership model promotes development instead of just growth. Development implies increase in competence of all the members of the leader's and followers' ecosystem while growth implies increase in just size or number. An organization cannot sustain its success for a long time just by growing. It needs to develop by adding to its values for doing so. Transformational leaders facilitate change by placing value on the development of vision and by motivating followers to pursue the vision. Transformational leaders display the characteristics and skills of emotional intelligence: these leaders are value-oriented, self-aware, flexible, competent, and sensitive to the individual needs of a team. Transformational leadership along with ethical integrity becomes the platform of strategic orientation towards CSR. History has already given us such transformational, emotionally intelligent leaders. To name a few are Mahatma Gandhi, Nelson Mandela, Martin Luther King etc.



Trisha Pandey  
*Shailesh J. Mehta School of Management*

# COMPONENTS OF TRANSFORMATIONAL LEADERSHIP

“If you want to be great and successful, choose people who are great and successful and walk side by side with them” – Ralph Waldo Emerson

The above lines by RW Emerson stress the importance of transformational leadership for an organization. For an organization to succeed it must utilize its resources in the most efficient manner. Among all the resources, the human resource is the most critical. So it is essential for the organization to keep the human pool motivated and focused towards achieving the goal and in order to achieve this, a transformational leader plays the focal part. This is very succinctly and aptly described by Prof. Bernard Bass, who says,

**"LEADERS ARE TRULY TRANSFORMATIONAL WHEN THEY INCREASE AWARENESS OF WHAT IS RIGHT, GOOD, IMPORTANT AND BEAUTIFUL, WHEN THEY HELP TO ELEVATE FOLLOWERS' NEEDS FOR ACHIEVEMENT AND SELF-ACTUALISATION, WHEN THEY FOSTER IN FOLLOWERS HIGH MORAL MATURITY, AND WHEN THEY MOVE FOLLOWERS TO GO BEYOND THEIR SELF-INTERESTS FOR THE GOOD OF THEIR GROUP, ORGANISATION OR SOCIETY."**

The concept of transformational leadership was developed by James MacGregor. It is an ongoing process by which "leaders and followers raise one another to higher levels of morality and motivation". Transformational leaders offer a purpose that transcends short-term goals and focuses on higher order intrinsic needs. Transformational Leadership begins with awareness – awareness of our own thoughts and feelings, and how these affect your actions, and the states of others. As your awareness grows, you begin to see your own inner motivating force, what drives you - your passions and values - and how these affect your thoughts, feelings and actions, and that of others. As you become more aware, your perception increases, and you are able to choose actions that directly meet the needs of the situation and people around us. It is about leading with an integrity and authenticity that resonates with others, and inspires them to follow. This instills the feeling of ownership among the followers which ultimately fosters the success in the organization. Also most people believe that transformational leadership and charismatic leadership are similar, but there is significant difference between them. Charismatic leaders by nature are transformational, but not all transformational leaders achieve their transforming results through the

charismatic effects of their personalities.

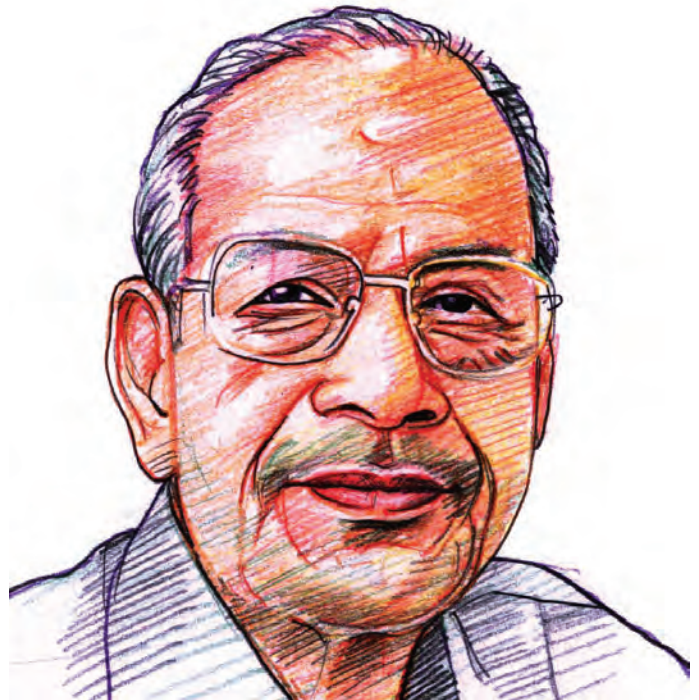
## COMPONENTS OF TRANSFORMATIONAL LEADERSHIP

There are four components of transformational leadership, which are:

### **Idealized Influence**

This is the degree to which the leader behaves in admirable ways that cause followers to identify with the leader.

### **Inspirational Motivation**



The degree to which the leader articulates a vision that is appealing and inspiring to followers

### **Intellectual Stimulation**

The degree to which the leader challenges assumptions, takes risks and solicits followers' ideas.

### **Individualized Consideration**

The degree to which the leader attends to each follower's needs, acts as a mentor or coach to the follower and listens to the follower's concerns and needs.

## **TRANSFORMATIONAL LEADERSHIP: E. SREEDHARAN**

Mr. Sreedharan, the man credited with the success of Delhi Metro has been a real inspiration and an epitome of what transformational leadership can achieve. In a country like India, it is not very common to find individuals with such credentials and convictions to achieve and make an indelible impression. So, it would be insightful to understand the way he carried the task which to many seemed infeasible from the very beginning.

### **Idealized Influence**

He had always been focused and passionate for his work. His success mantra has been teamwork. He was always modest and downplayed his role for the success achieved by the team. In order to foster values among his team a copy of Bhagwadgita was given to all employees when they joined. He ensured that each new DMRC staff took an oath of integrity when they come on board.

### **Inspirational Motivation**

Sreedharan always inspired people to be committed to their work and strive for excellence. He always believed in his team. People around him inculcated and practiced his values. His thoughtfulness and consideration won him admiration from others. DMRC's initial years were fraught with challenges. Sreedharan's unique combination of management skills and technical ability gave DMRC the edge and propelled it towards what it's today.

### **Intellectual Stimulation**

He always believed that in adverse circumstances an individual must raise the bar of perseverance and tackle the resistance, especially the political expediencies. They should have the courage to stand up to their convictions and take decisions and not leave everything to the politicians. He followed this principle throughout his career. Sreedharan led by example as he religiously followed the rules critical to establishing the company's values.

In order to have constant improvements and avoid stagnation, he always used to set a tighter deadline for the employees whenever the goal seemed easy and achievable, so that they pushed themselves more to achieve greater heights and constant improvements. He then worked with his team to make it possible.

### **Individualized Consideration**

In order to have DMRC free from corruption, Sreedharan had put ethics high up on his goals list. He chose his team members initially himself after a lot of consideration. He used to take stock of the work already done and sorted out glitches for the future. His regular interaction with the employees ensured that he was approachable to all and was available for any help. This attitude of his instilled a sense of ownership among the employees and was a very critical factor for the success.

## **THE ROAD AHEAD**

Unfortunately though, as with most things that we value, transformational leadership is in short supply in our country. We need much more of it, in every sphere, be it government, business, education, the law, or even non-profit organisations. Our slow and halting progress seems even more conspicuous when we look at the rapid growth many less-endowed countries have achieved over the past two-three decades. Given the talent and resources we possess, obviously, things need not be this way.

Considering the gap that we have to bridge, and the extent of our underperformance, an incremental approach will just not do. Our approach has to be deliberate and urgent. That's true for India, as a country. Either we make the leap, or we risk being marginalised. We cannot wait ten years for things to fall in place.



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# THE PATH LESS TRAVELLED

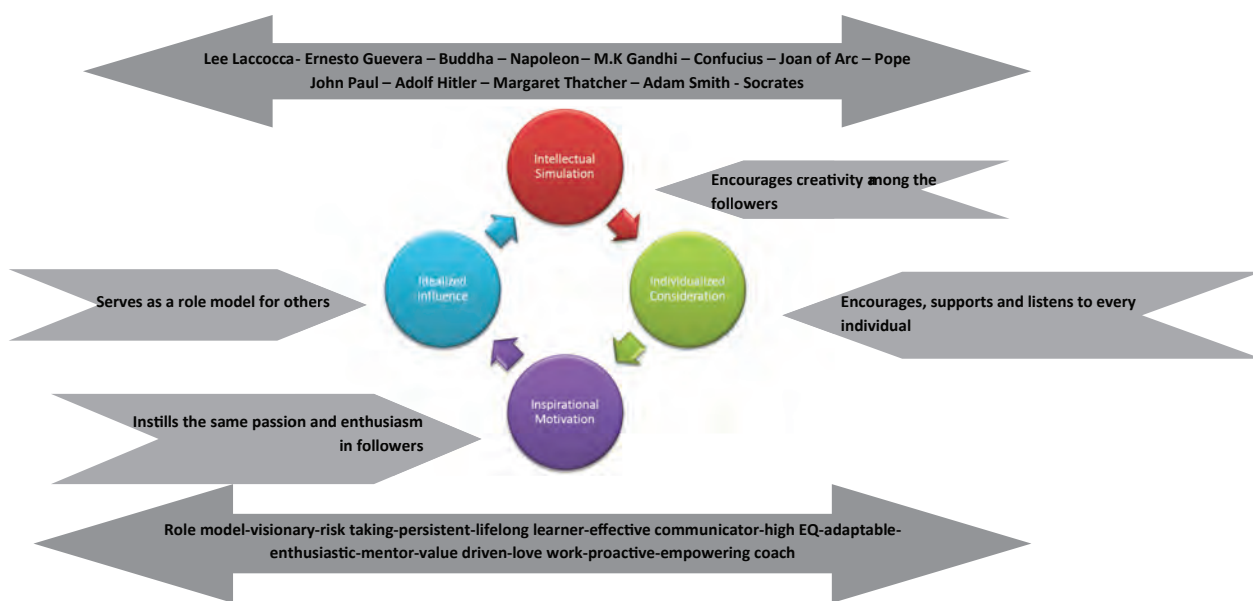
The word 'leadership' is so often used and cited nowadays that it hardly arouses any curiosity in the minds. It has become one of the most overused words in the contemporary world. Ironically, leadership is not found as commonly in the world as commonly it is heard or read about. Even rarer is transformational leadership. To name a few from the pages of history, Napoleon, Alexander the Great, Winston Churchill, Abraham Lincoln and Martin Luther King are some of the finest leaders the world has seen and they were truly transformational. Let's understand what transformational leadership is.

Leaders can be broadly divided into two kinds: Transactional and transformational. They are as different as manager and leader. Transactional leadership is a style of leadership in which the leader promotes compliance of his followers through both rewards and punishments. The transactional style of leadership was first described by Max Weber in 1947 and then by Bernard Bass in 1981. It is based on the following pillars:

- Transactional leaders follow and make others follow a chain of commands which are definite and clear
- Transactional leaders use the tools of rewards and punishments to motivate his/her followers
- The primary goal of the followers is to obey the instructions of the leader
- Transactional leaders believe in constant monitoring and evaluation to ensure expectations are met

The concept of transformational leadership was initially introduced by leadership expert and presidential biographer James MacGregor Burns. He defined transformational leader as one who through the strength of vision and personality, is able to inspire followers to change expectations, perceptions and motivations to work towards common goals. Later, a researcher named Bernard M. Bass expanded upon Burns original ideas to develop the Bass' Transformational Leadership Theory according to which transformational leaders can garner trust, respect and admiration from their followers. In a nutshell, we can say that unlike transactional leaders, transformational leaders are those who are willing to tread the un-tread path and looking to change the future. They have the ability to cause fundamental change, change the lives of millions of people and create new paradigms. The figures below show the four fundamental traits of a transformational leader, the various relatively smaller traits (in bottom arrow block) and examples of a few transformational leaders (in top arrow block).

One of the shining examples of a transformational leader who still continues to motivate millions of followers is the Dalai Lama. He has no political power or military power; he is neither a billionaire nor a corporate honcho, but he has been able to touch the hearts of millions of his followers. What makes this million people go after a man who was once forced to leave his native country? Well, Dalai Lama has been able unite the 6 million Tibetans who are scattered all over the world in countries like Nepal, India, Switzerland, Canada etc. This was made possible only by his unwavering struggle to persuade many countries to accommodate his fellow Tibetans. His



moral force has been fighting against the might of China for 5 decades now. He has also garnered support for his noble cause from across the world through his message of peace, non-violence and tolerance. Even today this great man continues to fight for his fellow countrymen selflessly.

In the world of business, Lee Iacocca is one of the finest examples of a transformational leader who saved Chrysler from the jaws of bankruptcy in the 1980s. He transformed the corporate culture at the automobile company and prepared the foundation that produced more and more effective leaders within the company. As company president, Iacocca believed in hands-on experience and was hands on in the development of certain car models, particularly the legendary Ford Mustang. He stood by his convictions and principles and even differed with Henry Ford II in a lot of things. He was fired by Ford in 1978 even when the company posted \$2 billion profit that year under his leadership. He believed in leading by example and took on a \$1-a-year salary just to cut costs. Iacocca became the face of the company by taking the role of a TV endorser of his company. He had the courage to take harsh measures; fired hundreds of people, only to transform the lives of millions others. Iacocca brought the company teetering on bankruptcy back to life.

**HE DEVELOPED THE NINE C'S OF LEADERSHIP: CURIOSITY, CREATIVITY, COMMUNICATION, CHARACTER, COURAGE, CONVICTION, CHARISMA, COMPETENCE AND COMMON SENSE.**

**Minds V/s Systems**

At this juncture, an important question crops up in the mind. Are people like Indira Nooyi, Anand Mahindra, Azim Premji, Ratan Tata, Vijay Mallya, and so on transformational leaders? The answer is most of them are just transactional leaders and only a handful of them can be said to be transformational. Just occupying the post of CXO, army chief, head of the country or any such coveted position need not make one a transformational

leader. India has not seen many transformational leaders in the recent times, though India had transformational leaders like Mahatma Gandhi, Jawaharlal Nehru, M. S. Swaminathan etc. in the past. Mr. K. V. Kamath who transformed ICICI bank into the biggest private sector bank in India and Mr. Ratan Tata who has made "Tata" a household name in India can be considered in the elite list of transformational leaders. But a country with 120 crore people, several times the size of Japan or Korea and a \$1.7 trillion economy growing at 7% YoY needs more than just a handful of transformational leaders. What is the reason that countries like Japan or South Korea, France, Germany etc. with lesser natural resources, lesser population, lesser land size, lesser youth population have done better than India in almost every field?

**THE ANSWER LIES IN MANAGEMENT SYSTEMS, STYLES AND PROCESSES. WHILE INDIA WAS BUSY LOOKING FOR MANAGEMENT STYLES PREVALENT IN OTHER COUNTRIES AND IMPORTING ANYTHING FOREIGN, SUCCESSFUL COUNTRIES WERE DEVELOPING MANAGEMENT SYSTEMS IN CONSONANCE WITH THEIR OWN CULTURAL ETHOS AND EXPERIENCES. JAPAN "JAPANISED" THEIR MANAGEMENT STYLES IN CONFORMANCE WITH THEIR CULTURE AND ETHOS WHILE THE KOREANS RELIED ON INDIGENOUS WELL-TESTED SELF-STYLED MANAGEMENT STYLES TO TRANSFORM THEIR ECONOMY.**

	<b>Bribery</b>	<b>Lying</b>	<b>Preference for personal gain</b>	<b>Favoritism</b>	<b>Endangering the physical environment</b>
Charisma	No relation	No relation	No relation	No relation	No relation
Intellectual Stimulation	No relation	No relation	No relation	No relation	No relation
Individualized Consideration	No relation	No relation	No relation	No relation	No relation
Inspirational Leadership	-vely correlated	No relation	No relation	-vely correlated	No relation

The transformation of the Indian economy into the big league calls for more and more transformational leaders at the helm of the corporate world. Only when these leaders motivate the people to achieve their goals, empower them to pursue untried paths and generate the feeling of ownership in them, will the numerous Indian companies rise to take the economy to the pinnacle.

Empowerment and ownership brings us to another issue that has hogged the limelight recently and has failed many corporate behemoths (e.g. Lehman Brothers, Enron) in several, mostly developed, parts of the world. Transformational leadership is more concerned with end-values like equality, justice and liberty rather than means-values. But sometimes, the “win-at-all-costs” mentality and more focus on ends than the means can force one to take the route of corruption. The common encountered ethical issues in corporate organizations are:

- Bribery
- Lying
- Preference for personal gain
- Favouritism
- Endangering the physical environment

In the work by Priyanka Banerji of HCL and Prof. Venkat Krishnan of XLRI, they have come out with some interesting findings. They conducted a study on 100 pairs of supervisors and managers in four MNCs operating in India to establish the relationship between the core traits of a transformational leader (charisma, inspirational leadership, individualized consideration and intellectual stimulation) and the five unethical behaviors mentioned above. The findings are as under.

The biggest take-away from this study is that even the transformational leadership of a person may not be enough to tag him/her as ethical. The other significant conclusion is that a highly inspirational leader is more likely to be more ethical than the others. Further studies

by the same researchers also revealed that the relationship between transformational leadership and ethical behaviour is also, to a great extent, is dependent on the nature of the organization.

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# EMPOWERING THROUGH TRANSFORMATIONAL LEADERSHIP

Organizations around the world are facing unprecedented challenges. To face these challenges individuals and teams must have the capacity to create influence relationships internally and externally to pursue common purposes and bring new levels of innovation and adaptability. They must continue the transition from an Industrial Leadership to a 21<sup>st</sup> century leadership model. This transition is driven by three key factors: individual development, cultural transformation and systems thinking.

"The most important task as a leader is to teach people how to think and ask the right questions. Finding the strengths and putting them to work in the service of a purpose that inspires them; positive framing, or adopting a more constructive way to view our world and handle situations, even very difficult ones, connecting, or building stronger support networks and increasing our sense of belonging; engaging, or crossing the line to pursue opportunities they might avoid, inherent risks or personal fears; and managing energy.

Transformational leaders have the ability to clearly articulate a vision of the future. They are the myth-makers, the storytellers. They capture our imagination with the vivid descriptions of the wonderful future we will build together.

## Importance of Engaged Employees in Organizational Improvement

Organizations have been trying for years to cultivate employee engagement. They persist in their efforts for good reason. One of the most powerful factors that spur customers to become advocates for a company is employees' positive behavior and attitude. The overall experience of dealing with a company often matters much more to customers than price or brand or in industries with a big service component, such as home insurance and retail banking, even product features alone.

**ENGAGED EMPLOYEES GO THE EXTRA MILE TO DELIVER. THEIR ENTHUSIASM RUBS OFF ON OTHER EMPLOYEES AND ON CUSTOMERS. THEY PROVIDE BETTER EXPERIENCES FOR CUSTOMERS, APPROACH THE JOB WITH ENERGY WHICH ENHANCES PRODUCTIVITY, AND COME UP WITH CREATIVE PRODUCT, PROCESS AND SERVICE IMPROVEMENTS.**

They remain with their employer for longer tenures, which reduces turnover and its related costs. In turn, they create passionate customers who buy more, stay longer and tell their friends, generating sustainable growth.

Engaged employees direct their energy toward the right tasks and outcomes. Compensation and benefits still

matter to employees, of course. But when it comes to engagement, other characteristics of the workplace matter even more: a strong sense of purpose, ample autonomy, opportunity for growth and a sense of affiliation.

Organizations with highly engaged employees often seem to be powered by an inner force, a mantra that crystallizes the company's processes and employee behaviors into a compelling summation of "what we're all about." The mantra shapes how employees carry out their tasks and gives them confidence to use their judgment. And when the true source of job satisfaction, happiness and recognition derives from enriching customers' experiences, good things happen.

## Need of Transformational leaders in Organizations

A fundamental task for leaders is to motivate followers to accomplish great things. According to theories of transformational and charismatic leadership, leaders achieve this task by engaging in inspirational behaviors such as articulating a compelling vision, emphasizing collective identities, expressing confidence and referencing core values and ideals.

Transformational leadership is to articulate a vision that focuses employee's attention on their contributions to others. Motivating followers to transcend their own self-interests for the sake of the team, the organization or the large polity. Leaders often strive to highlight the prosocial impact of the vision - how it has meaningful consequences for other people.

## Characteristics of Transformational leaders

Real leaders ask hard questions and knock people out of their comfort zones. Then they manage the resulting distress. Transformational leadership focuses on social values and appears in times of distress and change. This type of leadership is an important antecedent to construct the collective confidence or strength required by groups to be successful when facing with difficult challenges.

Transformational leaders can create significant organizational change and act as change agents, foster higher level of intrinsic motivation and loyalty among followers, introduce a new image or view of the future and create a commitment to this image among followers. Transformational leadership is comprised of four dimensions which are idealized influence (attribute and behavior), inspirational motivation, intellectual stimulation, and individualized consideration.

**Idealized influence** describes the degree in which leaders are perceived as an inspiring role model. These leaders are admired, respected, and trusted; followers identify and pursue their leaders. Idealized influence consists of two forms: idealized influence attribute in which leaders receive trust plus respect, and idealized

influence behavior in which leaders exhibit excellent behavior and might sacrifice their own needs to improve the objectives of their workgroup.

**Inspirational motivation** describes the degree in which the leader states a vision that is attractive and encouraging to followers. Leaders strengthen followers by viewing the future by optimism and act in ways that motivate those around them by providing meaning and challenge to their followers' work.

Intellectual stimulation explains the degree in which the leaders stimulate their followers' endeavors to be innovative and creative, and consider old organizational problems with a new perspective.

Individualized consideration refers to the degree in which leaders providing support, encouragement, and coaching to followers. The leaders listen carefully to individual needs of followers and may delegate certain responsibilities to help followers grow through personal challenges

The way I look at the transformational leader, the most dynamic powerful transformational leader, is one who lives in truth --- the truth that is full of love, so it's unconditional loving truth. Truth and love converge. Truth converges with love, and love converges with truth. They become one movement or one experience.

Ultimately transformational leaders are transforming themselves first. Being true to thyself is one of the great truths. It becomes a mission, like a legacy or a lifetime achievement. How close did you get to the truth? What did you do? Those are powerful questions for understanding leadership as transformational leaders.

### **Love and Leadership**

Who lives a great life? The ones who have the greatest lives are not necessarily those who are popular or historically famous. The great transformational leader could be a mother. By the way a mother pours herself into her life and raises her children, we could say she is as much a transformational leader as anybody in history. Yet, she is not on the front page of the newspaper. She may be seen as, "Oh, you're a mother. We have millions of mothers so that's not newsworthy." It may become news; however, if somebody is doing it to the highest degree it can be done.

Consider Mother Theresa and why she became famous. In part, it was because she was given a large financial award for doing spiritually transforming work. She wasn't a famous person until someone noted what she was doing and rewarded her actions as a fine example of spiritual leadership in today's world. I don't think Mother Theresa was seeking to be rich and famous, but in a way her life led to that. Her life and her leadership created great wealth and notoriety. Yet she was often non-conforming to what was expected of her as a nun. She didn't stay in the convent. Instead, she went out to "the least of my brethren" because that's how she was called to serve the Lord. In so doing, Mother Theresa's life became a very powerful message about what's important in leadership, which is leading from the heart in loving service to the Lord in each one. In leadership, there are usually some sorts of mechanisms involved. We might call them systems, formations, methods,

formulas, or techniques. I see the mechanisms of this world as here to assist us in moving to the higher state of truth and loving. However, if the systems don't meet up with truth and love, no matter how fantastic or magnificent they may seem, then they're not really all that valuable or important.

The focus upon transforming leadership to greater loving, for ourselves and our world, is the foundation and purpose of what we're doing through Insight. If what we are doing is not clearly aligned and focused on loving, then we better shift back to the loving because the key in transformational leadership is loving and keeping our focus in the loving.



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# LEADING THE TAS WAY

Transformational leadership as defined by the leadership expert James MacGregor Burns is a process in which the "leaders and followers make each other to advance to a higher level of morale and motivation." Through the strength of their vision and personality, transformational leaders are able to inspire followers to change expectations, perceptions, and motivations to work towards common goals.

Although the concept of transformational leadership grabs the attention of top leaders of big organisations, the fact remains that very few transformational leaders exist in our country. We need many more of such leaders, in every sphere, be it government, business, education, law, or even non-profit organisations.

One way to transform the leaders is the Tata's way. Tata Administrative Services (TAS) a managerial development programme was conceived by JRD Tata, the late chairman of the Tata group, in the 1950s. TAS selects and grooms young managers, provide them opportunities for professional growth, and make them part of the talent pool that could be tapped by the conglomerate. One section of the talent pool has the people working within the organisation. This way, it provides an opportunity to the employees to keep serving the Tata group and become the leaders within the organisation. TAS brings a loyal set of employees for the organisations who stay with the company for many years to come.

The selected candidates are put on a rigorous one year training where they get exposure to the various business lines of the organisation and work at different locations in India. The training programme brings leaders of the organisation and the employees on a common platform so that the leaders can empower these employees. This module helps both the parties involved i.e. the organisation and the employees. Such model in case adopted by big giants or conglomerates provides a work group to the organisation so agile which can be placed in any department/business line.

## Molding Leaders

The question in today's scenario is how this model can be replicated in small and medium sized enterprises. It is important for each small and big organisation to identify a set of performing assets/employees and make an investment on grooming them. The fresh talent should be put on an extensive training process to understand the core business and the needs of the organisation. These people should understand the mission and vision of the organisation and should be able to align their goals with that of the organisation.

**THE PROBLEM WITH MAJORITY OF ORGANISATIONS TODAY IS THAT THEY DO NOT CONSIDER**

**LEADERSHIP TRAINING FOR ITS EMPLOYEES. GENERALLY, AFTER AN EVALUATION SUCH AS PERFORMANCE APPRAISAL THE EMPLOYEES ARE DIRECTLY PUT INTO LEADERSHIP ROLES AND ARE EXPECTED TO PERFORM.**

However, at a leadership position, a comprehensive skill set comprising interpersonal communication, project management, team management is required, which can be attained only after a proper training and development. In the absence of such training, a gap is mounted and leads to employee frustration and high attrition. A sense of discontentment creeps in at all levels of the organisation.

Only a proper training program to groom potential leaders can address this problem. Presently, apart from the regular subjective performance appraisal system, most corporations do not have a set of objective criteria to assess the leadership qualities. Here, a multi-level assessment similar to one followed by TAS can be adopted which comprises a robust selection process and a series of one on one assessments by the top management.

After selection, a short duration - a maximum of one year orientation program should be conducted for the potential leaders. The orientation program should be inclusive so as to provide them with an exposure to the expectation of the organisation. They should be trained on goal setting and motivation. After the orientation program, they should be attached to executives up in the hierarchy right up to CEO level.

The training of this level is indeed an investment but it is miniscule compared to the end product which is a set of motivated leaders who can take the organisation to a next level.



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# Great Lakes Mamallas Achievements

JUNE - SEPTEMBER 2012

The current batch of "Mighty Mamallas" has made their mark in various competitions across b-schools and beyond. Listed below are the achievements of those who have made it to top 3 of various competitions.

	June	
Gajendra Sisodia	First, All India Marketing/Strategy Plan Contest, 2012	Ishwar Bhakti
	July	
Ankur Chaudhary, Prassana Kannan, Neha Johari	Runners Up, Incarnate Management Fest	<a href="http://incarnatefest.blogspot.in/">http://incarnatefest.blogspot.in/</a>
Sathya Udayakumar	4 <sup>th</sup> Article Writing Contest	MBASKool.com
	August	
Sankalp Parihar, Harleen Kaur Wahi,	1 <sup>st</sup> , Renewable Energy Day debate	IIT, Madras
Krishnan Chidambaram, Kishore Kumar R	1 <sup>st</sup> , Markmantra Ad Making Contest	IIFT, Delhi
Krishnan Chidambaram	1 <sup>st</sup> , InFINeeti, Finance Article Writing Contest	IIFT, Delhi
Siddharth Venkataraman	1 <sup>st</sup> , InFINeeti, Finance Article Writing Contest	IIFT, Delhi
Abhinav Verma, Vinay Kumar	1 <sup>st</sup> , Pol Trics	IIM Kozhikode
Nivedita Singh, Punkit Jain	Runners-up, AIMA	AIMA
VikramTuli	2nd, Samridhi- 2012	GIM - Goa
Kishore Kumar R	3rd price in PhotoThronephotogrpahy competition conducted by SIBM	SIBM Pune
Krishnan Chidambaram	4 <sup>th</sup> Article Writing Contest	MBASKool.com
	September	
Gaurav Bhandari, Jayashree Ramamoorthy	1 <sup>st</sup> , Battleground-conquest	IIM Shillong
Sri Hariharan Subramaniyan, Kishore Kumar R	1 <sup>st</sup> , Silent Voice ad competition conducted by IIM Shillong	IIM Shillong
Jitin Mehndiratta, Hemant Grover, Namita Joshi	1 <sup>st</sup> , HR's Cut - Video Making Competition for HR Conclave	IIM Ranchi
Sri Hariharan Subramaniyan, Regoonathan Sankararaman, Vignesh Srinivasan	Runners-up, Kurukshetra, Operations contest- Convergence 2012	SIBM Bangalore
Kriti Dua, Sankalp Parihar	Runners, 9 <sup>th</sup> National Competition for Management Students (NCMS)	AIMA
Krishnan Chidambaram	Runner-up, H-Calibre - Article Writing Competition	IIM, Ranchi
Sukhda Dhal	Article Writing in Marketing Domain	<a href="http://www.marketingbloggers.in">www.marketingbloggers.in</a>

# International Conference @ Great Lakes

<p>2<sup>nd</sup> International Business Analytics Conference</p>	<p>KSCRM conducts an international conference on Business Analytics as an annual event where both academicians and industry practitioners come together to present their research papers in the area of analytics and business intelligence.</p>	<p>22<sup>nd</sup> &amp; 23<sup>rd</sup> December 2012</p>	<p><a href="http://ksCRM.greatlakes.edu.in/business-analytics.html">http://ksCRM.greatlakes.edu.in/business-analytics.html</a></p>
<p>7<sup>th</sup> Yale-Great Lakes International Conference</p>	<p>The Yale-Great Lakes Center for Management Research organizes an annual international conference inviting papers from academia and industry. The paper topics are from any area of Business and Management like Finance, Human Resources, Marketing, Operations Management, Organizational Behavior, Strategy, and the like. Speakers include faculty from various business schools like Kellogg, Stanford, Yale and IIM, Ahmedabad.</p>	<p>28<sup>th</sup> December 2012</p>	<p><a href="http://greatlakes.edu.in/centers/yale-great-lakes.html">http://greatlakes.edu.in/centers/yale-great-lakes.html</a></p>
<p>6<sup>th</sup> International NASMEI Conference</p>	<p>The KSCRM in collaboration with North American Society for Marketing Education in India has been conducting conferences at Great Lakes Institute for the past five years. The conference gives opportunity for academicians, industry experts and students to present their papers in all areas of marketing. The conference is attended by various experts from countries like US, Australia, Hong Kong, New Zealand and Singapore. It is considered to be one of the finest marketing conferences in India. The conference has also held special sessions for Ph.D. students, where they received valuable feedback from stalwarts in the field.</p>	<p>29<sup>th</sup> &amp; 30<sup>th</sup> December 2012</p>	



# Write to win

We thank all the budding as well as seasoned writers for their contribution. We were pleased to get such an over whelming number of entries from all over the nation. Although we could not publish all, yet, we appreciate each and every one of you for putting in your time and effort. Hope you enjoy the reads.

The next issue will focus on “Social Media Marketing”. So, Gather your thoughts and start typing to win a cash prize of Rs.3000/- and Rs.2000/- for the best two articles respectively

Email your articles in a .doc or .docx format along with a high resolution image and full postal address of the author to [gravity@greatlakes.edu.in](mailto:gravity@greatlakes.edu.in). Please use the following file naming convention. <article name>\_<author name>\_<institute>

The last date for submission of articles is 5th December 2012.

Hope you enjoy writing as much as you do while reading the current issue!

Warm regards,

Team Gravity

(Chetna Mehra, Sathya Udayakumar, Vidhul Dev, Sukhda Dhal)

## October Issue Winners Congrats Winners



### **First Place- Rs.3000/-**

“The Path Less Travelled” authored by  
Pritom Gogoi  
Narsee Monji Institute of Management Studies  
Mumbai



### **Second Place- Rs.2000/-**

“Transforming the Barefoot” authored by  
Biswajit Mishra & Sidharth Jena  
Great Lakes Institute of Management  
Gurgaon

# Conversations

## 'A TRANSFORMATIONAL LEADER TOUCHES LIVES'

The role of the human resources function in the businesses is constantly evolving. The HR department today not only performs the regular activities to be carried out within an organisation but also has grown as a function to fuel transformational growth within an organisation. Businesses are changing and need more transformational leaders and the support function is striving to fulfil that demand. Dr. Sanrupt Mishra, the CEO of Carbon Black Business of Aditya Birla Management Corporation emphasizes on the key priorities as a Human Resources head. According to him to grow talent and effectively manage the diversity within the organisation, to integrate cultures as the business grows global is very important. He is also focussed on building capabilities in various important areas of the business. Mishra was at Great Lakes Institute of Management to address the students on Transformational Leadership during the HR Conclave and spoke to team Gravity about his views on the very topic. Excerpts.

### **What does Transformational Leadership mean to you?**

I think leadership is not just limited to the workplace. For transformation, we first need to instil it in ourselves and then touch the lives of others. It should be in us and around us. If we want to bring any transformation in society, we have to be concerned, feel the concern and do away with the selfishness. For example, there is a maid at my home, who looked after my children when they were small. I got both her children to do an MBA. Imagine, this is far more transformative as I would have transformed not only their living but also their thinking. If I had just given her the money in my bank account, I doubt if it would have added the same value to their lives. This is the kind of responsibility that we should look for in future leaders.

### **Changes and diversification take place in organisations but how can the HR managers instil these changes and sense of transformation in the employees?**

First and foremost by encouraging others - encouraging them to think out of the box. Second, by encouraging them to experiment. And third, by accepting fate and celebrating success.

### **What do you think about Great Lakes' concept of "Business Ready Managers"?**

Well, as different and difficult as it is for the college, it is also exciting for the corporate. With today's fast pace we

need these capabilities. It speaks about attitude. MBA is just a degree, but now how you differentiate yourselves from the rest of the students studying all over the country is more important. Being business ready requires realism, application and a will to do anything whatever it takes. A business ready manager cannot only be a finance guy or marketing or operations guy, he/she needs to understand the operations involved in marketing and also the numbers that go behind them. So if you are Business Ready, it does differentiate you from the rest.

### **How did you like your visit to the Great Lakes campus?**

Great, the enthusiasm, the infrastructure and more than that the spirit of the college which reflects the want and willingness to do something different is great.



# Conversations

## 'PUT IN YOUR TIME TO BUILD YOUR CRAFT'

With over two decades of experience in marketing and general management D. Shiva Kumar the senior vice-president of Nokia - India, Middle East, Africa markets, and the erstwhile managing director of Nokia India, has excelled in not only managing businesses but also people and customer relationships. His current focus lies in building the Nokia brand, driving partnerships and strategic alliances, and developing such capabilities in India. An IIT Madras graduate and an IIM Calcutta alumnus, Shiva Kumar was in Great Lakes Institute of Management and spoke to team Gravity on softer issues including transformational leadership and work-life balance.

### What is Transformational Leadership to you?

Good leaders put their company ahead of themselves - that's the number one thing that you need to have. Take Great Lakes, this is Bala's (Bala V, Balachandran - the Dean) passion. It's his life itself, this manic kind of drive they have. They want this because they want to leave a strong legacy behind them. Bala can earn more by just being in America that's the point. All of us can have more salary working elsewhere, but that's not what we want. That's not the reason we live or work. We need to believe in something, in a company, in good leaders who build team. For them the leadership will have the order, company, team and diligence that's the order. The bad leader will pollute the team and the company in itself. They do not keep up the spirit of the team or the company.

**All the organizations have come with processes to find and spot talents early by running a few drives. Like HLL just now has come up with their talent search. How does Nokia function to find and nurture talents in the HR point of view?**

We have various internship programs, management trainee programs, we go to a lot of institutions, we have a technical leadership program, in which we have

sponsorship programs as well. At the end of the day we can provide the framework, the talent search will depend on the way you students react.

### How important is work-life balance in corporate life?

It's not something that can be based on a mathematical equation. When a company is in a situation, my 100 percent is devoted to work. You need to keep a tab of what you want and balance it depending on what you want. If you want to be a CEO, then your work starts from when you are around 25. You really need to put in your time to build your craft. I believe in what Malcolm Gladwell in Outliers says, "If you want to master your craft, you have to put in atleast 10000 hours." I realized that, when I went back and checked in what I have done in my career, yes, there is a certain correlation.



# Conversations

## 'FROM SELLERS CENTRIC TO CUSTOMERS CENTRIC'

The banking sector in India has changed rapidly and faces critical challenges currently with constantly increasing interest rates and weakening market conditions. The state-run-banks specially are poised for a bigger shift and are currently tackling various road-blocks that hamper their re-structuring. Dr. Rupa Rege Nitsure who is the Chief Economist and General Manager at Bank of Baroda tracks macro-economic and financial data and policy, and provides policy briefs to the management and other departments. Nitsure, who comes with more than 9 years of experience in a state-run-bank, was in Great Lakes Institute of Management to address the students on systematic risks. She spoke to team Gravity on the challenges faced by state-run-banks and more. Excerpts.

**Customer loyalty has seen a considerable reduction in the banking sector, what do you think are the reasons?**

It is a generational change, the young generation is tech savvy and lives a fast paced life, which it wants to be reflected in all of its choices. The banking sector has become so dynamic that the market has changed from sellers market to customer centric business models.

**Are the restructuring practices in the state run banks being communicated to the customers?**

If the banks have to specially communicate to get the restructuring message across to the consumers, then the entire process has been a failure in the first place. Restructuring must be reflected in each and every aspect of the day to day operations of the bank. Therefore, marketing and advertising campaigns will not help.

**What will be the single biggest concern for state run banks in the next 5 years?**

It is the Basel III capital norms, which requires huge capital at the reserve. If India's GDP decelerates, then it will be a problem attracting foreign capital.

**Do you think private sector banks are doing better because of the commercially driven decisions they take?**

Not at all. People have very short term memories. When the global crisis broke out in 2008, private sector banks

were saddled with a huge amount of non-performing assets due to the exotic derivative instruments and carried out large retail lending. So, their (private banks) strategy at that time was to shrink their balance sheets. Public bank sectors had to step in and take the load of the market. Therefore, it is an ongoing cycle.

**What is going to be the future of state run banks, especially amidst of the kind of changes the banking sector is going through?**

I think distinction of public and private sector ownership doesn't make sense. Many empirical studies by the World Bank and IMF suggest that there have been success stories in both public and private banks, when the leadership was right.



# Conversations

## ‘BANKS NEED TO ADAPT TO THE CHANGE’

The Executive Director of Union Bank, Suresh Kumar Jain has been a Professional Banker for over 33 years now, having worked in various capacities across the country and abroad in the field of Credit and Foreign Exchange. Jain comes with a rich experience in both domestic as well as international banking. He was recently at Great Lakes Institute of Management to address the students on the issue of systematic risk. Jain spoke to team Gravity about the challenges that state-run-banks are facing and much more. Excerpts.

### **What are the major challenges that the state run banks may face in the short and medium term?**

There are four challenges we will be facing in the future, the biggest of which will be to adapt to the changing behavior of the customers as they become exposed to more and more options. Next on the list will be retention of existing customer, and third problem is the rise in the overall non-performing assets. Last is the capital raising norms in accordance with conforming to the Basel III norms. These norms dictate every bank to have efficient banking systems that focuses on profitability. Going by the norms, by 2018 we should have Rs 5 lakh crore as capital. Another issue happens to be the super annuation of a large number of employees in the next 3-4 years. But we can see the situation as a leverage point by hiring youngsters and using their technological knowledge to our advantage.

### **The corporate debt restructuring has seen a rise over the few months, do you see it as an indication of yet another slowdown?**

No not really. What does a person do if he has fever? He takes the appropriate medicine and moves on right? In the same way, we are facing a global slowdown which

has caused slow and long business cycles. So corporate organizations are taking appropriate steps to boost their financial health. It does not necessarily means they will end up as a non performing assets.

### **Do you think private banks are better placed as they are solely driven by profitability unlike public sector banks?**

Again I have to disagree. I feel that financial inclusion and priority sector lending is also a commercial consideration. Your question may have originated from the fact that there has been a sudden spurt in the NPAs for public sector banks. But this is due to the systemisation of banking across India. It is a one-time exercise and banks are already taking appropriate steps to reconcile this.









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