



# 6 Tips for Transformational Leadership



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## Introduction

*They have a long history of success as executives and managers of sales for a global high technology manufacturing company. They really know how to run their sales organization and sell their products to their customers. However, their market changed and they now have to sell more comprehensive integrated solutions. These highly experienced and effective managers are stumped. They do not know how to lead this transformation.*

*They run an incredibly efficient customer “claims” center. Their call center closes most claims on the first call with consistently high levels of customer satisfaction. They really know how to run a call center. However, when asked to restructure their process to accommodate new more complex products, they, too, were stumped.*

These managers, all of whom are excellent at managing on-going business operations, are considerably less effective when asked to design and lead a transformation. Like most managers, the pressures of daily operations dominate their lives. They live in a short-term, transactional world.

Yet, increasingly these same managers are being asked to transform their organizations to respond to changing market and organizational conditions. How can managers who are excellent at daily business operations become great transformational leaders as well?

In this guide, we will discuss six tips for guiding an organization to develop and sustain a great transformational leadership culture where everyone – executives, middle managers, team leaders and individual contributors – all make a significant contribution to the transformation and productivity of the organization. These tips come from experiences helping many different companies in diverse industries make this transformation.

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### **The six tips are:**

- Think transformational (not Business as Usual)
- Make everyone a transformational leader
- Define and own a compelling “purpose”
- Leverage your top performers
- Practice leadership constantly
- Make the hard decisions

### **Why Transformational Leadership?**

Does leadership matter? Most people would treat this as too simple a question to even consider in a leadership guide. Of course leadership matters. But this question does not go far enough because there are many different types of leadership and some are significantly more important than others.

Transformational leaders, as compared to “Business as Usual” or “transactional” leaders, have a significantly greater impact on their organizations. For example, recent research has shown that the best way to improve performance of an organization is to have everyone think and act like transformational leaders (Bass & Riggio, 2006; Cameron, 2008; Collins, 2001).

In addition, there is significant evidence that thinking and acting transformationally actually improves transactional performance (Pink, 2009). So the best way to get better, even for “Business as Usual” types, is to think and act transformationally.

Transformational leadership is particularly important when the performance improvement is a required response to some external pressure that demands an organizational response (e.g., the need to be solution sellers instead of product sellers, or a fundamental change to market conditions). When it is “change or die,” “Business as Usual” isn’t an appropriate response. Transformational leadership is, in short, the best way to be both great at driving a major transformation and “Business as Usual.”

## **Tip #1: Think Transformational (Not Business as Usual)**

The single most important tip for achieving great transformational leadership is to build a culture in which everyone in the organization – direct service providers, sales people, team leaders, middle managers and executives – thinks and acts as transformational leaders, and not just focuses on “Business as Usual” excellence. Understanding the differences between “Business as Usual” and transformational leaderships is one of the keys to creating a great organization.

Most organizations strive to optimize daily operations (i.e. “Business as Usual”). By optimizing daily operations, so the thinking goes, customers (internal or external) can be assured of a consistent high quality product or experience, and the organization can achieve consistent efficiencies that ensure sustained financial performance. Being great at “Business as Usual” is believed by many to be the foundation for business success.

One of the primary means of ensuring great “Business as Usual” is to convert all organizational activity into a series of finite, specific steps that can be consistently and easily measured. For example, a retail sales chain defined a specific series of steps to follow with each customer and measured performance by tracking the daily number of sales placed and the average size of the sale. A manufacturing organization decomposed the manufacturing process into discrete steps that it measured by the number of defect-free units produced. Speed of service in a quick service food chain was reduced to exact cooking and assembly instruction that is measured by the speed from order placement to delivery of the food. This micro-focus on excellence in daily business operations is widely accepted and practiced.

Not surprisingly, these intense operational pressures tend to produce a narrowing of perspective and skills. Managers become highly skilled at driving their people to make the numbers, frequently jumping in to be the sales or service person if that is required to achieve the numerical goals. However, such intense transactional focus reduces an organization’s ability to adapt to new markets, competitors, products or systems. In these circumstances, transformational leadership is critical but usually in short supply, in part, because transformation leadership is not valued highly by the organization.

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Transformational thinking and transformational organizations are quite different from transactional thinking and organizations. In transformational environments, the organization believes that thinking and acting from a strong sense of holistic “purpose” (see next Tip) accompanied by a commitment to personal and organizational excellence is the key to both leading transformations in response to new conditions and, ultimately, extraordinary overall performance. In these environments, leadership can and should come from everywhere in the organization, not just executives, and is primarily about the intangibles required to motivate others in the organization to make changes that optimize their performance. The focus is on the greater purpose and not just the transactions.

As such, transformational leadership requires an uncommon balance of diverse skills, knowledge and experience. Transformational leaders must:

- Create and communicate a compelling vision for the future that inspires large numbers of people to function at higher levels than previously imagined
- Build a team that has just the right combination of skills and knowledge
- Manage or influence this team with a delicate balance between drive and support
- Continue to achieve transactional excellence while the transformation is in process

As we mentioned above, to many people’s surprise, the research has shown that increasing the focus on being a transformational organization actually improves short-term operational performance, while focusing too intensely on just “Business as Usual,” over time, both increases employee turnover and reduces performance. This result is due, in part to the fact that transformational approaches always include an emphasis on operational excellence. In order to be successful for something holistic and meaningful, operational excellence is required.

## Tip #2: Make Everyone a Transformational Leader

Most organizations think of leadership as coming primarily from executives or as defined by a location on an organizational chart. Transformational organizations take a much broader view of leadership, expecting every person in an organization to be a leader, though in different ways and at different times. The goal is to create a leadership-rich environment where everyone makes a significant leadership contribution to the organization. More specifically:

**Executives and senior managers** as transformational leaders focus on leading an entire organization toward drastically improved performance in new and often challenging markets and conditions. Their specific functions as transformational leaders include:

- Making a personal commitment to a desirable outcome
- Sensing the best opportunities for performance improvement that will achieve that desired outcome
- Creating a persuasive “story” about the opportunity
- Being open to feedback – and able to “feed forward”
- Seeking out and leveraging the newest science to guide the organization
- Aligning their teams with the strategic vision of the company
- Energizing an organization to make significant changes and creating an environment that encourages creative thinking
- Using a scientific methodology to develop leadership capabilities throughout an organization
- Reinforcing and supporting an organization until the change is sustainable
- Ensuring that these positive results can be achieved with large numbers of people spread around the globe

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**Middle managers and team leaders** as transformational leaders guide their teams through complex transformations into significantly better performance. More specifically, middle managers and team leaders become extraordinary at:

- Developing their own compelling “purpose” (see next Tip) for the group or team that supports the corporate vision
- Using the compelling purpose to create alignment and motivation in a team
- Using a scientific methodology to guide their team members to practice the required new attitudes, thought patterns and behaviors to achieve the purpose
- Improving alignment by influencing closely related functions
- Focusing on the development of the skills and talents of their teams
- Creating new opportunities by influencing the entire organization

**Individual contributors** as transformational leaders are great at achieving excellent individual performance and, from those capabilities, growing to influence their colleagues in executing complex organizational functions. More specifically, individual contributor transformational leaders become extraordinary at:

- Developing their own, personalized version of the overall purpose for their specific function in the organization
- Developing their own attitudes, knowledge and skills to be excellent at their function
- Using a scientific methodology to guide colleagues to embrace the purpose and commitment to personal development
- Improving team productivity and effectiveness by driving team alignment and team work
- Increasing operating unit capability by influencing closely related functions
- Creating new opportunities by influencing the entire organization

When transformational leadership programs are developed and implemented for all critical roles in an organization, the environment becomes “leadership-rich” and the culture itself changes. Organizations that are bursting with leaders achieve performance levels beyond what people currently can conceive of as possible.



### **Tip #3: Define and Own a Compelling Purpose**

A strong sense of “purpose” is the primary motivator for any significant change in an organization and specifically for great transformational leadership. This is not at all surprising since recent research has shown that “purpose” is a critical motivator for all humans (Pink, 2009). For transformations, “purpose” is the linking of each employee’s attitude, skills and behaviors to providing customers, the team, the organization and/or society with a significant social benefit or “good.” Great transformational leaders’ purpose is always to make the world a better place to work and live.

Leaders without a strong sense of purpose (i.e. “Business as Usual” leaders) tend to rely on short-term thinking and metrics to drive their decision making instead of linking their decisions to a more encompassing view that has longer-term implications for both themselves and the company. For example, it is much easier to talk about the number of transactions that a call center employee completes than to discuss the quality of the solution that person brought about for a customer. Transformational leaders have a development plan to make sure their vision is realized by everyone on their team.

More specifically, in transformational environments, purpose gets defined in multiple, closely related ways. For the overall organization, purpose is about providing a social good for their customers and primary stakeholders. For example, a chain of audiology clinics defined its purpose as “helping the elderly have a great social experience while giving corporate stakeholders a substantial return on their investment.” The social good was for both clients and stakeholders, implicitly recognizing the need to balance these perspectives.

For other roles, the purpose is often more narrowly focused, but usually includes similar elements of customers and stakeholders. For example, the purpose of the top performing pharmacy manager in a large chain was to “be a critical part of the family emergency response system while providing pharmacy techs with a great place to work” versus the lesser performing managers thinking their job was “to sell 120 scrips per day.” The best transformational leaders’ purpose, whatever their role in the organization, is to ensure that the customers, vendors, employees – everyone in and associated with the organization has a great experience.

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Fortunately, it is relatively easy to construct powerful customer service purpose statements for everyone in an organization – just ask the top performers (aka “top performers” [see next Tip]). In the Wisdom Discovery process described below, the top performers will typically define a greater purpose for their customers, themselves, their team, their organization and in many cases society at large.

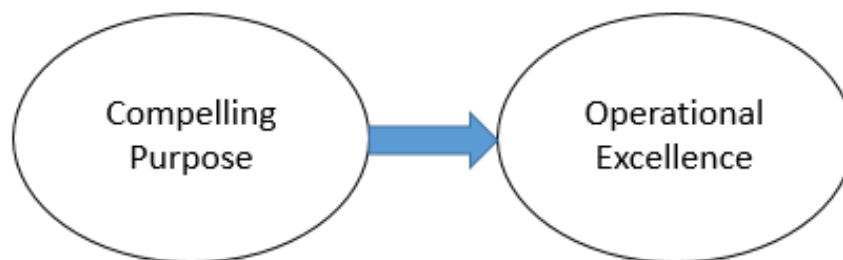


## Tip #4: Leverage Your Top Performers

Here, too, to many people's surprise, most organizations already have transformational leaders for most of these roles. While many executives think they need outside experts to tell them and their teams how to be great leaders, all organizations already have at least a few people who can tell everyone else how to do it right. These top performers are always at the positive end of a performance curve, even when they operate under same conditions as others. As such, top performers have a huge proportion of the tribal wisdom of the organization and are likely to already be providing great transformational leadership. They know what the organization needs to know to become a leadership-rich environment.

More specifically, top performers organize their attitudes, thinking and actual behaviors around two key areas (Figure 1).

Figure 1: The Structure of Top Performer Wisdom



The first and most important of these is their passion for creating a social good for the customer. They absolutely love what they do because they know that they provide a great value to their company, customers and maybe even the world around them. This is the same idea as we discussed in the previous section. In fact, the examples of purpose provided in that section all came from the top performers in

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their respective organizations. The top performers usually have the best understanding of anyone in the organization of the purpose of great leadership and are able to link others in the organization to their greater vision with specific action plans.

The top performers also supply the key steps to the operational excellence needed for great transformational leadership (similar to Pink's notion of "mastery" -- Pink, 2009). These include:

- A well-defined and structured path to mastery
- The real-world tips they give to others when they are acting as mentors, which define mastery
- A very specific set of actions to take to learn about and apply transformational leadership, which builds mastery

A very simple, fast way to gather this information, called a **Wisdom Discovery**, has been developed that enables an organization to discover its top performer wisdom in as little as three hours. That means that an organization can have a set of best practices for transformational leadership defined by its own thought leaders and ready to implement in almost real-time and with minimal labor and expense.

The patterns of top performer knowledge are so consistent, and the output from the Wisdom Discovery is so comprehensive that it can be used to define the prototype in any leadership function including leadership required to:

- Develop and manufacture extraordinary products
- Provide excellent service
- Effectively market and sell both products and services
- Define and implement IT business management systems

As such, by utilizing its top performers, an organization can quickly define a complete end-state for a leadership-rich environment. The only thing that most organizations seem to need in terms of outside expertise is someone to guide the leadership development process itself. Time and again, we see management teams that are great at managing "Business as Usual" and who have an exciting vision of the future business stumble their way through their own development. Management teams that are great at managing transactional environments usually need outside expertise to help them develop their own purpose and learn and apply operational excellence.

## Tip #5: Practice Leadership Constantly



While many people would like a Twitter version of transformational leadership, it does not yet exist, but it is now closer to being possible than ever before. By leveraging the top performers' expert knowledge and using methodologies based on the newest neuroscience of learning, most people can development the attitudes and behaviors of transformational leaders in just 8-20 hours of practice.

This speed is possible because recent advances in the neuroscience of learning have shown that all learning is the wiring of neurons together into new patterns and that the best way to cause neurons to wire together permanently (i.e., to become great transformational leaders) is through frequent small highly personal, applied exercises. These highly specialized mental repetitions cause people to learn new attitudes, thought patterns and functions faster than was previously thought possible.

Where can you find these specialized practice exercises? The top performers' guidance on the actions to take to learn and apply their key attitudes and behaviors are the foundation for this accelerated learning, which is part of the Wisdom Discovery. Just ask the top performers how they learned their tribal knowledge and they will say things like:

- “Try doing this...”
- “Think of someone who was great at...and what did they do”
- “I attended this wonderful class”
- “I read this incredible article”

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After obtaining the details of these experiences, it is easy to convert them into small frequent repetitions. For example, here is a short series of learning tasks around the transformational leadership topic of sensing an opportunity for great leadership:

- Identify two vision statements that are particularly powerful. Identify three things that make them powerful. Share with a peer.
- Review the corporate market strategy. Identify one way your current work aligns with the strategy. Identify one way your work directly or indirectly impacts a financial measure. Write an email to a peer and share with your team.
- Interview three people in other business units to learn about (1) their organization vision; (2) their business drivers for their primary business; and (3) how their work impacts the financial success of their organization. Create a table showing these learnings. Share with your coach.
- Review three sources (internal and/or external) that provide information about trends or other projects related to my work. Identify two implications for your work, including two opportunities these create that get you excited about extending your work. Share with your coach.
- Determine if these opportunities are in your "sweet spot" – You are passionate about it, it fits your skills, and the organization values it. If it is in your sweet spot, go to the next task. If not, look for an opportunity that is in your sweet spot. Share your work with your coach.
- Observe someone who is effective at presenting a vision or work "story." Identify three things that make them effective. Write an email to my coach about what you observed.
- Create a short, powerful vision "story" (not just a vision statement) that includes what it is, why it is important, why you and why now. Include general magnitude data about how this impacts the financial performance of the organization. Also include what happens if the vision isn't achieved. Practice telling the story to a peer.

While none of this requires much time or effort, each drives multiple mental repetitions of the key ideas of passion and commitment required for transformational leadership. The key is that each of the activities is designed to specifically apply to their work though in a way that drives reflection on the work that, in turn, generates into a new and better way of thinking and acting.

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These exercises can be done by individuals entirely independently with great results. If these experiences are discussed with peers in, for example, a bi-weekly meeting where the participants share the results of these practice exercises, learning accelerates. In either mode, over several months, virtually anyone can learn to become a transformational leader.

Of course, in order to develop leadership capability, the organization must allocate time for the practice exercises and ensure that the practice actually occurs. If management focuses too much on maintaining “Business as Usual” and does not actively support the development of transformational leaders and a leadership-rich environment, the transition will not occur. In particular, executives must lead into the new era by thinking transformationally, helping everyone become a transformational leader, focusing on purpose and insisting on practice.



## Tip #6: Make the Hard Decisions

One of the most important differences between great transformational leaders and everyone else is their willingness and ability to see and accept realities that are less than the desired state and to make decisions that might negatively impact people.

To be a great transformational leader, you must be confident enough to accept the harsh realities of the world, and respond to them calmly and effectively. Too often we see potential leaders either suppressing information or avoiding making a decision that has significant risks. As one executive put it: “You can’t lead well if you are living in an illusion.”

So how does a potential transformational leader become effective in hard environments? In our work with these types of programs, we consistently see a few personal characteristics that are the foundation for dealing with harsh realities and making hard decisions, each of which can be developed through a learning program. These are:

- *Reflective Self-awareness* – Transformational leaders are reflective about themselves and through this reflection know who they are and are comfortable with who they are.
- *Purpose* – Transformational leaders know their greater purpose and actively embrace it. Their purpose is the foundation for all that follows.
- *Authenticity* – Because transformational leaders are reflective and self-aware, they can be and are genuine in all of their dealings with others. They are confident about who they are and it shows.
- *Openness* – From the platform of confidence born of reflective self-awareness, they are not threatened by adverse circumstances, but are instead open to all information, good and bad.
- *Calmness* – Because of the above traits, transformational leaders ignore the endless drama of most organizations, calmly and with focus, lead the organization through significant change.
- *Courage* – Transformational leaders are sufficiently secure about themselves and their role in the organization that they are very comfortable driving programs that scare others away.

These characteristics are the foundation for transformational leaders being open to and effectively



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responding to reality. They are also the foundation for making decisions effectively.

One of the simplest and best tips we got from a transformational leader about decision making is the following: *A good decision made quickly is much better than a great decision made too slowly!*

This saying has some critical elements for great transformational leadership decision making, including:

- It means that a decision actually gets made, even if there are disagreements and conflicts
- It means that a decision is made quickly, which gives the organization more time to test and tune
- It assumes that the decision will not be “perfect” and that the organization expects to test and tune

By focusing on getting to a decision quickly, even if it is imperfect, a transformational leader drives the organizational agenda. Such decisions drive others to react, which, in turn, drives the dialogue of the organization. Transformations occur when someone drives a dialogue by making a hard decision.



## False Paths to Transformational Leadership

While these tips will bring you considerable success in developing a leadership-rich environment, there are a few approaches to developing this capability that organizations often believe will result in great leadership but actually block or undermine the initiative. Each of these presents different pitfalls for trying to create great transformational leadership. These are:

- Adopting someone else's model of leadership
- Waiting for others to lead
- Relying on standard PowerPoint training classes

### Adopting someone else's model of leadership

As any executive, manager or student of the field of leadership can tell you, there are many models of leadership. Each model purports to have the answer for all leadership issues. But, as most people in organizations know, these leadership models and the related books and training programs just don't work very well. Surveys conducted of dissatisfaction with current leadership models suggest that they are too theoretical and do not effectively address the real conditions of leadership, which are:

- Sensing opportunities from vague and incomplete information and trends
- Coping with frequent resource shortages
- Resolving conflicts, often involving hidden agendas and priorities
- Making decisions when there is considerable uncertainty
- Motivating others from different countries and cultures
- Needing leadership from every person in the organization, regardless of their place on the organizational chart

It seems nearly impossible to develop transformational leadership using a theoretical model developed from sources outside the organization. Instead, by deriving leadership programs organically from the organization, as occurs with these tips, the leadership programs invariably reflect and account for these difficult conditions. Only organically developed programs seem to work consistently.

### **Waiting for others to lead**

Waiting for a consensus to emerge or an executive to make announcements, rather than driving a transformational agenda, are also common organizational practices, though ones that are rarely described in glowing terms. However, they are the reality in many organizations. For example, a Department Director of a major corporation waited for a long time for either a consensus on strategic direction to emerge and for explicit direction from her vice president, only to realize that the vice president was also hoping that a consensus would emerge because he really didn't want to make a decision and didn't know how to make the decision. The director wasted a lot of time waiting for others to converge and/or make a decision.

Instead, transformational leaders have the courage and drive to firmly and articulately advocate a transformation without waiting for others. In the example above, another Director was significantly more transformational and proposed a plan that was quickly adopted. Transformational leaders don't wait for others to decide. They drive the agenda for the organization.

### **Relying on standard PowerPoint training classes**

Finally, many organizations have formal leadership training classes that they think will have an impact. While the best of these include simulations, all fall short of being a driving force for driving great leadership. They are typically light on purpose (usually just a short statement in the beginning), are often created by training professionals that know little about the real conditions of leadership, and incorporate only minimal applied practice. Few standard leadership training programs have been able to demonstrate much impact on creating transformational leaders.

Instead, new learning technologies have been developed based on the science of positive deviance, the neuroscience of learning and using "persuasive technologies" that emphasize the leveraging of top performer best practices, a strong sense of purpose and applied practice, including practice in making hard decisions. These learning methodologies are far more effective and faster than traditional training of any sort, and are particularly well-suited to developing excellent transformational leaders.

## Create a Transformational Leadership-rich Culture



When an organization follows these tips, the culture itself changes in very positive, but often intangible ways. Based on the use of these tips in a wide variety of industries such as advertising companies, pharmacy chains, healthcare providers, manufacturing companies, and insurance agents, consistent results can be seen, including:

**Profound Alignment** Everyone in the organization shares the greater purpose and similar approaches to leadership and learning. People feel that they are working together for a greater good and are extremely efficient at their work processes because they are grounded to the same core values and approaches. As a result, political decision making, hidden agendas and most of the other organizational behaviors that impede progress are reduced or eliminated. Everyone is “pulling on the same rope in the same direction.”

**Energized Atmosphere** From this profound sense of alignment, particularly the almost missionary sense of transformational purpose, a different energy begins to grow in the organization. People want to do great things and feel like they have the tools to do them, resulting in a huge burst of energy. As one customer service manager of a global manufacturing company put it: “You can see and feel the

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difference in the organization. People walk differently – more focused and determined; talk to each other differently – more animated and excited; come in earlier and stay later. Customers know it and love it.”

**Outstanding Performance** As we already briefly discussed, the research shows that organizations that have a transformational culture consistently outperform those focusing on “Business as Usual.” Here are some specific examples from our work that illustrate similar results:

- A discount auto parts chain that implemented transformational leadership programs for their store, district and regional managers grew sales 5.25% in just 12 weeks while reducing inventory loss 30% (as compared to control group stores).
- A manufacturing company that implemented a transformational leadership program for factory floor engineers, “super-users,” team leaders and department managers eliminated one \$2M quality problem per week per plant.
- An advertising company that implemented transformational leadership programs for its sales people, sales team leaders, regional sales managers and executive team, doubled sales of complex new products in 3 months.

When people are living and breathing a culture of great transformational leadership, morale, productivity and actual performance soar. As one senior sales executive put it; “I used to dread coming into work knowing that all I was going to hear about were problems with yesterday’s numbers. I think everyone in my group felt the same way. After going through the transformational leadership program, we all feel very differently. Work is exciting and just plain fun, and you can see it in our outstanding performance metrics.”

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