TRANSFORMATIONAL LEADERSHIP

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Do you know?

How much is the cost of developing a car?
RM 650 MILLION

How many components are in a car?
3,000 COMPONENTS

How many engineers are involved in making a car?
400 engineers

How long does it take to develop a car?
24 MONTHS

How many parts arrive in our plant in a minute?
4,375 PARTS

How frequent does a new car comes out from a production line?
98 SECONDS

A lot of resources and commitment is required to operate a car business.
Why does an organization need to transform?

- Company is doing badly
- Changes in the senior leadership team
- Technological changes and upgrades
- Changes in business strategy
- Replacement of outdated working practices and processes
- The need to cut or trim costs and increase efficiency
- Challenges resulting from growth, mergers and acquisitions
- Downturns and tougher operating conditions
- The need to implement new organization behaviors and skills
- The need to develop change and improve organizational culture
How to transform an organization?

- Change business strategy
- Change management team
- Strengthening organization
- Creating new products

But is this enough?

NO
THE KEY TO TRANSFORM A COMPANY IS. . .

The Leader!
Guiding Question:

How could transformational leadership be implemented within an organisation?
DEFINITION OF TRANSFORMATIONAL LEADERSHIP

A leadership style focused on effecting revolutionary change in organisations through a commitment to the organisation’s vision

(Sullivan & Decker, 2001)
Why transformational leadership?

In 1978, James MacGregor Burns defined the concept of a "transformational leader." His work has been continued and expanded upon by other researchers, including industrial psychologist Dr. Bernard Bass. A transformational leader exhibits certain traits and behaviors to inspire and motivate a team or organization to rally around a common vision or goal. These behaviors and traits include charisma, intellectual stimulation, inspirational motivation and individual consideration for each team or group member. For many reasons, transformational leadership is an important factor at both the micro, or individual level, and macro, or organizational, societal level.
What to do and where to start?

i. Characteristics of transformational leadership
ii. Commitments of transformational leadership
iii. Creating a vision
iv. Implementing the vision
v. Supporting the change and transformation
CHARACTERISTIC OF TRANSFORMATIONAL LEADERSHIP

• Leaders & followers raise one another to higher levels of motivation and morality
• Empowering others to achieve a shared vision – transforms both
• Appeal to individuals to better themselves
• Fosters followers inborn desires for higher values, morals, humanitarian ideals
• Moves individuals beyond transactions & interpersonal exchanges to perform beyond basic expectations
• Uses power to instill a belief followers can do exceptional things
• Commit people to action
• Convert followers into leaders
• Convert leaders into change agents, innovators
• Are courageous
• Believe in people
• Are value driven
• Are lifelong learners
• Can deal with complexity
DIMENSIONS OF TRANSFORMATIONAL LEADERSHIP

- Idealised influence (charisma)
  - follower admiration & respect
  - risk sharing
  - consideration for follower needs
  - ethical & moral conduct (trust)

- Inspirational motivation
  - meaning & challenge to work

- Intellectual stimulation
  - creative problem solving

- Individualised consideration
  - listening, praising

(Bass & Avolio, 1994)
<table>
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<th>Key Character</th>
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| Commitment    | - Make decisions on what is right rather than self-interest  
                - Commit to something more than self |
| Familiarity   | - When we know someone/ or something well enough  
                - Personal relationships  
                - Trust based on how we are treated |
| Personal responsibility | - Take responsibility for actions |
| Integrity     | - Honesty  
                - Self-awareness  
                - Lack of self-confidence |
| Consistency   | - Walk the talk  
                - Predictability of behaviour |
| Communication | - Open communication  
                - Unwilling to deal with sensitive/difficult issue  
                - Share perceptions & listen |
| Forgiveness & reconciliation | - Actual restoration of the interpersonal bond |
| Essence of trust | - Spiritual & requires faith  
                    - What is acceptable when we are at home versus at work |

(Annison & Wilford, 1998)
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LEADERSHIP COMMITMENTS

• Search for opportunities to change/ grow
• Experiment
• Shared uplifting vision
• Inform & share power
• Individualize projects
• Involve team
• Commit
• Harness individual potential
• Facilitate conditions for knowledge based workers
• Celebrate achievements
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PRE-REQUISITES

• Must make sense to the staff
• Powerful to excite, motivate & generate commitment
• Emphasis what may be
• Clarify what should be

(MacKenzie, 1998)
What to do and where to start?

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**iv. Implementing the vision**
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FIRST STAGE

• Uniqueness of group
• True priorities for next year
• Why would I commit for next 1-5 years?
• What achievements will make us proud?

SECOND STAGE

• Internal & external needs analysis
• Identify factors team must achieve to remain viable & productive & develop
• Formal tools
  • SWOT analysis
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This initiative aims to transform the mindset and working behaviour of all employees across the business chain, in tandem with process and operational excellence initiatives. Ultimately, aligning the company’s culture, values, people and robust processes, to create a high performing organisation.

Process Change Management requires Behavioral Change Management to complement it. It is imperative that as an organisation to embrace both changes which eventually will result in a more agile, responsive, cohesive hence productive working culture.

Working attitude
Communication channel
Legacy issue

We will attain an organisation receptive and resilient to changes for sake of betterment
We will forge a cohesive organisation which will strive and motivated for a common goal
We will possess a high performing work culture practising the best-in-class work processes

Clearly understand the company imperatives and the need to change
Focus more on the future and less on the past; focus more on finding solutions and less on lamenting on problems
Willingness and an unwavering commitment to change and be a part of a new image that will be the model for Malaysia’s global ambitions
Change Management Framework

**Start Change**

- Conduct organizational effectiveness and leadership survey
  - Climate survey
  - 360 degree survey
  - Leadership survey
  - Dennison survey
  - Engagement survey

**Deploy Change**

- Collate and interpret results of survey
  - Tabling results to MD and senior management team
- Create & communicate a coherent vision, and empower team to execute
  - Create a *change vision*
  - Appointment of Champion and Program Manager
  - Appointment of external expert

**Implement & monitor change**

- Ensure that *quick wins* can be achieved to anchor sense of *achievement* and *credibility*
- Institutionalize new working culture
  - Build a monitoring process to track change

**Key activities**

- Not 100% participation
- Accuracy of results
  - Results are not readily accessible
- Champions are ineffective
  - Delay appointment of external expert
- Average 70% participation
  - No follow-up activities
- TBD

**Timeline**

- 12 months
- 6 months
- 42 ~ 48 months
To ensure effective change management, execution and monitoring so as to become a high performing organization

TOR: Creating, and then cascading, a leadership team culture open to constructive conversation so as to enable leaders to actively formulate, among themselves and with subordinates, a common purpose, performance goals and agreed working approach to establish mutual accountability
GLOBAL LEADERSHIP
Global Leadership

Structure for good leadership

Holistic Leadership

Core Values

Pillars

Foundation

Strategic Thinking
Global perspective
People Management
Change Orientation
Strategic Thinking

- In today’s **highly competitive** and fast-changing world, everyone in an organisation must know how to **think strategically**.
- The purpose of strategic thinking is to **discover novel, imaginative strategies** which can re-write the rules of the **competitive game**.
- To **envision potential futures**, significantly different from the present.
Global Perspective

Cross Cultural Negotiation
- negotiation in the global business setting
- issues and ethics that are unique to the international arena

Global Marketing
- challenges of entering and operating effectively in foreign markets
- understanding the unique needs and desires of the market

Products
- adaptation of products to meet local requirements
- the right product for the right market
People Management

- For any companies to aspire long-term vision, **leadership qualities** are imperative among current and potential leaders across all levels.
- Leaders must have the ability to connect with customers, cooperate with peers and compete with the rest of the players to stay ahead of the game.
People can be like Icebergs

10% - Good But Limited Information:
- Education
- Experience
- Skills
- Your Gut Feel

90% - Essence of the Total Person:
- Thinking Style
- Behavioral Traits
- Occupational Interests
- Job Fit

We need to feed both aspects of a person
Elements of Change Orientation

How to respond positively and flexibly to changing environments and priorities; adapts well in times of ambiguity and change

- Change in strategy
- Restructuring activities
- New technologies
- Major collaborations
- New programs such as Total Quality Management, re-engineering, etc.

- Top down approach
- Company-wide initiative
- Increased and sustained communications and education
- To provide forum for employees to express concerns
Holistic leaders continuously strive towards creating a culture of openness, trust, respect, participation, empowerment, and growth.

Leadership: Can it be Holistic

Leading from the mind, the heart and the soul

Holistic leaders continuously strive towards creating a culture of openness, trust, respect, participation, empowerment, and growth.

**Holistic Leader**

**Intellectual**

**Technical & business knowledge**

**Emotional**

Self-awareness, self-regulation, motivation, empathy, and social skills.

**Spiritual**

Virtuous behaviour:
- Sabr (Patience)
- Hikmah (Wisdom)
- Tawakkul (Reliance on Allah)
- Bai’yah (Allegiance)
- Ihtisab (Accountability)
Seven great attitudes
- Understanding
- Anticipation
- Expectations
- Confidence
- Patience
- Humility
- Belief

Lead to

Behavior Personality
- Enthusiastic
- Decisive
- Optimistic
- Cheerful
- Considerate
- Sincere
- Warm
- Relaxed

Results
- Success
- Recognition
- Security
- Energy
- Growth
- Health
- Love
- Inner-Peace
Communication Sessions

Communicating a clear sense of purpose and direction

Town Hall Session between MD and PROTON executives

Pre-production Launch by MD with workers and vendors
Focuses on Spiritual Aspects of Leadership

- Azan (call for prayers) in the production and office area
- Regular talks on religious and spiritual subjects among employees
- Non work related activities
  - Team building activities
  - Sports & recreational activities

To create and strengthen the **spiritual** awareness among leaders and employees
Allah will not change the good condition of a people as long as they do not change their state of goodness themselves (by committing sins and by being ungrateful and disobedient to Allah)…

(Surah Ar-Rad : Ayat 11)

We have to take charge of our destiny (collective and individually)