Kosovo Local Government Institute

Transformational Leadership in Municipality

Content

About this Guide

This guide is intended to serve both as an introduction to and a description of the key features of transformational leadership. It explains the main components of transformational leadership and offers recommendations for their practical implementation. The guide provides readers with specific tips on how to develop transformational leadership skills and informs them on things to avoid.

This guide is primarily aimed at Kosovo's municipal mayors and directors whose leadership style directly impacts the behaviors, motivation and commitment of municipal officials. As such, their performance significantly impact the culture and the overall performance of municipalities. Through this guide we aim to encourage municipal mayors and directors to think and act in new ways and thus help Kosovo municipalities to lead the necessary changes.

Additionally, this guide briefly summarizes transactional and laissez-faire leadership styles which are frequently compared with transformational leadership. In order to gain a clearer understanding of transformational leadership, an introductory perspective into the differences between these leadership styles is presented. Since the focus of this guide is on transformational leadership, the reccomandations are limited only to this leadership style.

This document is part of the work and long-term commitment of KLGI to improving the local governance in Kosovo. Through this document, KLGI aims to promote effective leadership at the local level and contribute to strengthening Kosovo municipalities.

Why do we need it?

The increasing demands for effective, accountable, and transparent municipalities have imposed increased performance pressure on local level institutions in many parts of the world. Despite the progress made in many areas over the years, Kosovo municipalities face significant challenges ranging from constraints in human and financial resources (European Commission, 2020) to unfavorable conditions for local socio-economic development (Ministry of Local Government, 2018). Other persisting challenges include weak institutional capacities to meet

citizens' demands and improve public services, and the inability to achieve sustainable development goals.

The role of municipalities in Kosovo is important, as the Law on Local Government (LAW NR. 03/L-040) grants municipalities exclusive competencies at the local level to regulate various issues that lie under their responsibility. Considering this important role, improving municipal performance is of paramount importance for citizen's well-being in Kosovo. Leadership is a factor that significantly impacts individual and organizational performance, therefore finding an appropriate leadership style is critically important.

This manual introduces transformational leadership and explains its main components. Transformational leadership represents a viable opportunity for addressing the persisting challenges and achieving the necessary changes in Kosovo's municipalities.

How to use this guide?

This guide is designed to help you get an insight into transformational leadership. In order to gain a better understanding we recommend you read through the manual and reflect on each part of it. Readers can use the guide individually in order to self-reflect over their own leadership styles or they can use it in groups to rate and assess the leadership of others. A common instrument for assessing transformational leadership (MQL) will be explained in section five.

1.What is transformational leadership?

Transformational leadership promotes a normative leadership approach that aims to influence the values, perceptions, and attitudes of the followers. Transformational leaders increase followers' commitment to the organization and encourage them to perform beyond expectations (Bass, 1985). One of the key elements of this leadership style consists in the ability of leaders to make subordinates transcend their personal interest and become aware of the group's purpose and mission (Bass, 1990). Transformational leaders instill in subordinates a sense of trust in the organization's mission and vision, and foster a sense of common purpose that enhances followers' motivation. Studies show that all of the transformational leadership components are positively related to subordinates' affective commitment (Bycio et al., 1995) which implies identification, participation and their emotional connection to the organization (Meyer & Allen, 1997)

Transformational leadership consist of four components through which the leaders influence their followers: idealized influence, inspirational motivation, intellectual stimulation and individual consideration.

Idealized influence

Idealized influence refers to the charismatic component of leadership which enables transformational leaders to become role models for their followers (Bass, 1985; Bass, 1990). Charismatic leaders articulate appealing visions and give motivational speeches to their followers with the aim of encouraging their followers to surpass their narrow personal interests and work for common goals and success (Bass, 1985). Transformational leaders are successful in accomplishing their purposes and in demonstrating to their followers that goal-achievement is possible (Avolio et al., 1991). Their idealized influence makes followers emulate leaders' ideals, behaviors, and opinions. Moreover, transformational leaders are deemed trustworthy and as people with 'special features' who manage to inspire employee commitment and achieve optimal levels of performance (Bass, 1990). They demonstrate a capacity to inspire people to take positive actions and to empower them personally and professionally.

Why is it important?

Being able to exert influence over other people is the main function of leadership. Leaders achieve their goals by influencing their followers, thus the degree of their influence is the key factor in making the difference between successful and unsuccessful leaders. Leaders with high idealized influence are able to attract and lead their employees without actively engaging or investing in that. Since leaders with high idealized influence are perceived as highly successful and trusted people followers are more receptive to their agendas and missions. Idealized influence helps leaders instill belief in their employees and inspire them to get where they want. It also enables leaders to arouse strong emotions in their employees which tends to turn in increased motivation and job performance.

What I should do?

Although idealized influence is highly dependet on charisma which is a trait of peoples' personalities, there are several things that you as a leader can do to nurture it:

We suggest you:

>> Show interest in your followers

>> Listen to your followers actively and continously

>> Demonstrate success and strive to lead by example

>> Articulate an inspiring vision

>> Develop strong communication skills

>> Create an inpsiring vision

>> Build trust-based relationships with your subordinates

>> Establish common purposes based on the municipalities' mission and vision.

What should I avoid?

- ⊗ Giving orders

- ⊗ Leading with strong control

- ⊗ Using coercion and threats

- ⊗ Monopolizing decision-making

Inspirational motivation

Transformational leadership conceptualizes leadership as a dynamic and interactive process where leaders and followers influence and 'raise one another to higher levels of motivation and morality' (p.20). Transformational leaders foster meaningful work by stimulating teamwork and envisioning ambitious expectations (Bass & Riggio, 2006). The work environment under transformational leaders is characterized by enthusiasm and optimism while their approach is based on responsibility, sensitivity and consideration for the subordinates' needs.

Why is it important?

Inspiring employees is the key to increasing motivation, satisfaction, and employee commitment. Inspired employees are likely to go beyond formal expectations and thus contribute more to the organizations' missions. By creating enthusiastic and optimistic work-environments, transformational leaders encourage employees' meaningful work which tends to lead to a higher level of satisfaction and performance.

What should I do?

In order to foster inspirational motivation, we suggest that you:

- ≫ Show interested in your subordinates

- ≫ Listen to them actively and continously

>> Build trust-based relationships with your subordinates.

>> Develop strong communication skills

>> Show empathy for your subordinates

What I shoud avoid?

⊗ Creating top-down communication line

⊗ Refusing feedback and not admitting mistakes

⊗ Demanding respect and obedience from subordinates

⊗ Punishing employees hardly when they fail to deliver results

Intellectual stimulation

Transformational leaders aim to intellectually stimulate their followers with the aim of encouraging innovation and creativity in them (Bas, 1999). To achieve this goal, they often challenge their followers with tasks that require reflection, engagement, and cooperation skills. Transformational leaders increase their followers' interest in different areas and encourage them to provide new solutions to the existing problems (Bass, 2008). This component increases followers' capacities to conceptualize, analyze problems independently and improve the quality of solutions they provide (Bass & Avolio, 1990). Transformational leaders avoid publicly criticizing others and have the ability to decrease tensions within organizations (Bass & Bass, 2008). This makes them earn respect as leaders and increases followers' dedication to the organization.

Why is it important?

Intellectual stimulation basically refers to increasing the employees' capacities in order to improve their performance. This is a critically important component as transformational

leaders strive for stimulating their followers to try and learn new things and reflect over their work. Intellectually stimulating leaders are continously engaged and active in supporting their employees to develop new and necessary skills which enable them to become independent in creating solutions and delivering results.

What should I do?

In order to foster intellectual stimulation in their municipaltiies, we advice leaders to:

>> Create realistic and positive expectations for their subordinates

>> Create enthusiastic work-environment

>> Foster optimism in their subordinates

>> Lead based on the principle of responsibility, transparency, and accountability

>> Be sensitive to the needs of municipal officials

>> Be open towards the needs and demands of their subordinates

What should I avoid?

⊗ Refusing inputs from your subordinates

⊗ Not stimulating and empowering your employees

⊗ Creating work environment dominated by fear

⊗ Not reflecting over your own behavior

⊗ Not attending training to improve your skills

Individual considerations

Transformational leaders aim to identify the specific needs and capacities of employees in order to encourage their development (Bass & Avolio, 1990). They delegate, mentor, and provide the necessary feedback to facilitate employee performance (Bass, 1985: Bass & Avolio, 1990). Transformational leaders encourage their subordinates to take on greater responsibilities that go beyond their ordinary tasks (Bass & Avolio, 1990). Communication with followers is a two-way process and the relationship with them are personalized. Transformational leaders often remember their followers' names and previous conversations and their leadership is focused on supporting and empowering them (Bass & Bass, 2008). They pay individual attention to each individual what makes followers feel more involved and more important to the mission of the leader.

Why is it important?

The needs and capacities of employees vary in each organization. Some employees may lack professional skills to accomplish their tasks while other may lack motivation. Therefore, paying attention to the needs and capacities of different employees is critically important for their success. Transformatioanl leaders are supportive and apply needs-based support. By effectively delegating tasks and mentoring their followers, transformational leaders encourage their empowerment.

What should I do?

We encourage mayors and municipal directors to:

>> Recognize the needs and capacities of their subordinates

>> Delegate tasks effectively (considering employees' needs and capacities)

>> Inspire and encourage their subordinates to take leadership roles

>> Coach and mentor their subordinates

》 Provide feedback and assessment

》 Ask for employee feedback on management and leadership

》 Encourage subordinates to take on extra tasks and responsibilities

What should I avoid?

⊗ Not recognizing the needs and capacities of subordinates

⊗ Not being approachable to discuss with subordinates

⊗ Not following your subordinates performance and providing feedback

⊗ Acting like you are taking inputs from subordinates and then making arbitrary decisions that do not correspond to them.

Transformational leadership is usually explained in relation to transactional leadership which represents its opposite pole in terms of leadership approach and motivation techniques. Another form of leadership that is fundamentally different from transformational leadership is "laissez-faire" leadership. In the following part, a brief description of these two leadership styles will be provided.

Idealized influence	Charismatic and purpose-driven leaders. Idealized personalities and role models for followers
Intellectual stimulation	Enthusiastic and optimistic leaders who inspire attractive visions and give meaning to employees' work
Inspirational motivation	Leaders who increase the intellectual capacities and encourage creative, cooperation and innovative skills in followers
Individual consideration	Leaders who identify followers' needs and capacities and offer support through delegation, coaching and mentorship

2.What is transactional leadership

Transactional leadership is a leadership style in which leaders use reward and punishment to gain compliance from their employees. Leaders reward successful employees for their high performance (e.g. with job-promotions, salary increases) and withhold such rewards for employees whose performance is not satisfactory. Transactional leadership has three dimensions:

Contingent reward - refers to the positive stimulation of subordinates (like a salary increase, recognition, job promotion) for their good performance and the elimination of negative stimulation (i.e. punishment) when expectations are met. The reward of subordinates is contingent on their efforts and work performance (Hartog et al., 1997))

Management by exception (active) – refers to a leadership style in which the leader deliberately focuses on searching out for deviations from normal protocols or practices and in taking corrective measures when they occur (Hater & Bass, 1988)

Management-by-Exception (Passive) - is a form of leadership in which the leader intervenes only if subordinates deviate from their role or fail to meet work standards (Bass and Avolio, 1989, as cited in Hartog et al., 1997). Apart from that, leaders do not interfere with employees' work and do not strive to change the existing methods (Hater & Bass, 1988). Such leaders generally wait for mistakes or problems to appear in order to act and take corrective action. Even though this leadership style may deliver results, it is not focused on generating new ideas and fostering innovation.

The application of rewards and punishments may often not be within the area of leaders' responsibilities, as in the case of the salary increase' or 'job promotion' which are often depended on the internal organizational regulation and are conditioned by objective factors such as employees' work experience and qualifications. Unlike transactional leaders who focus on fulfilling followers' immediate interests, transformational leaders raise their motivation and morality (Bass, 1999). While transactional leaders encourage their subordinates to perform according to expectations, transformational leaders inspire subordinates to surpass them (Hartog et al., 1997). According to Bass (1990) transformational leaders increase effectiveness and contribute to the organization more than transactional leaders.

3.Laissez faire leadership

Laissez-faire leadership style is a passive form of leadership. Leaders who follow the laissez-faire principles neglect the supervision of employees and avoid decision-making. According to Bass (1990) this type of leadership is negatively associated with subordinate performance, therefore it is never considered a good way to lead. Being a passive form of leadership, laissez-faire is not associated with innovative practices and initiation of necessary organizational changes.

4.Transformational leaders. Are they born or made?

Contrary to the earlier leadership theories which conceptualized leadership as a born ability of some unique individuals, transformational leaders view leadership as a skill that can be learned. This means that instilling transformational leadership skills in people is possible and desirable. People who work with transformational leaders tend to adopt their leadership style and thus become transformational leaders themselves. Employees of transformational leaders can develop competencies in each of the transformational leadership components: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. This guide is intended to provide information on transformational leadership and to help mayors and municipal directors adopt skills in each of the transformational leadership components.

5.How to measure transformational leadership?

The most common and most comprehensive method for measuring transformational leadership is through the administration of the multifactor leadership questionnaire[1](MQL). This questionnaire assesses three leadership styles: transformational, transactional and laissez-faire (passive). The questionnaire allows individuals to measure how they perceive themselves with regard to specific leadership components (self-assessment form) alongside the assessments of their leadership from their superiors, subordinates, and other colleagues (rater form).

Kosovo municipalities can administer the multifactor leadership questionnaire (MQL) on regular – monthly or yearly basis in order to investigate the presence or the absence of transformational leadership in municipalities. Afterwards, based on the questionnaire results, they can take actions to advance the skills of the municipal officials in various components of transformational leadership.

Multifactor Leadership Questionnaire (MLQ) Form 6S

INSTRUCTIONS: This questionnaire provides a description of your leadership style. Twenty-one descriptive statements are listed below. Judge how frequently each statement fits you. The word others may mean your followers, clients, or group members.

KEY
0 - Not at all   1 - Once in a while   2 = Sometimes   3 = Fairly often   4 = Frequently, if not always

1. I make others feel good to be around me. 0 1 2 3 4
2. I express with a few simple words what we could and should do. 0 1 2 3 4
3. I enable others to think about old problems in new ways. 0 1 2 3 4
4. I help others develop themselves. 0 1 2 3 4
5. I tell others what to do if they wan t to be rewarded for their work. 0 1 2 3 4
6. I am satisfied when others meet agreed-upon standards. 0 1 2 3 4
7. I am content to let others continue working in the same ways always. 0 1 2 3 4
8. Others have complete faith in me. 0 1 2 3 4
9. I provide appealing images about what we can do. 0 1 2 3 4
10. I provide others with new ways of looking at puzzling things. 0 1 2 3 4
11. I let others know how I think they are doing. 0 1 2 3 4
12. I provide recognition/rewards when others reach their goals. 0 1 2 3 4
13. As long as things are working, I do not try to change anything. 0 1 2 3 4
14. Whatever others want to do is OK with me 0 1 2 3 4
15. Others are proud to be associated with me. 0 1 2 3 4
16. I help others find meaning in their work. 0 1 2 3 4
17. I get others to rethink ideas that they had never questioned before. .... 0 1 2 3 4.
18. I give personal attention to others who seem rejected. 0 1 2 3 4
19. I call attention to what others can get for what they accomplish. 0 1 2 3 4
20. I tell others the standards they have to know to carry out their work. 0 1 2 3 4
21. I ask no more of others than what is absolutely essential. 0 1 2 3 4

SCORING
The MLQ-6S measures your leadership on seven factors related to transformational leadership. Your score for each factor is determined by summing three specified items on the questionnaire. For example, to determine your score for factor 1, Idealized influence, sum your responses for items 1, 8, and 15. Complete this procedure for all seven factors.

	TOTAL	
Idealized influence (items 1, 8, and 15)	_____	Factor 1
Inspirational motivation (items 2, 9, and 16)	_____	Factor 2
Intellectual stimulation (items 3, 10, and 17)	_____	Factor 3
Individual consideration (items 4, 11, and 18)	_____	Factor 4
Contingent reward (items 5, 12, and 19)	_____	Factor 5
Management-by-exception (items 6, 13, and 20)	_____	Factor 6
Laissez-faire leadership (items 7, 14, and 21)	_____	Factor 7

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[1] Mind Garden (MQL): https://www.mindgarden.com/16-multifactor-leadership-questionnaire#:~:text=The%20Multifactor%20Leadership%20Questionnaire%E2%84%A2,followers%20into%20becoming%20leaders%20themselves (accessed, 06.03.2021):

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