

Making the Shift from Transactional to Engaging Leadership

By Denis Orme



Over the decades we have been prompted to get a better understanding of the characteristics of Transactional and Transformational Leaders in order to make people in those roles more effective.

Interesting though, neither may produce Long Term sustainable superior performance through an analysis of:

- √ **Where are we now?**
- √ **Where do we go?**
- √ **Why do we want to go there?**
- √ **How do we get there?**

Q. Why do Transactional or Transformational Leaders not necessarily stay focused on long-term sustainable performance?

A. Typically, because neither truly focuses on the power of, and results produced through a more fully engaged workforce.

According to the Corporate Leadership Council *Top-tier organizations increase their chances for success by:*

- **Commitment to developing people**
- **Strong OD**
- **Exacting benchmarking**
- **Grooming Talent**
- **Selecting successors**
- **Focus on differentiation**

These, not surprisingly are the characteristics of an Engaging Leader.

Transactional leaders work by creating clear structures where it is clearly understood what is required of their subordinates, and the rewards they get for following orders.

Transactional leadership typically is found where repetitive tasks are required and includes manufacturing, infrastructure work and accounting, to name just a few.

When a Transactional Leader allocates work to a subordinate, they are considered to be fully responsible for it, whether or not they have the resources or capability to carry it out. When things go wrong, then typically the subordinate is considered to be personally at fault, and is punished for their failure (just as they are rewarded for succeeding).

Transformational Leadership on the other hand has more of a 'selling' style, and people will follow a transformational leader who inspires them with a compelling vision for the future. Charismatic leaders are often in the transformational roles of growing a business start-up, or repositioning an existing underperforming business.

Transformational Leadership starts with the development of a vision, a view of the future that will excite and convert potential followers. This vision may be developed by the leader, by the senior team, or may emerge from a broad series of discussions.

The next step, which never stops, is to constantly sell the vision. This takes energy and commitment, as few people will immediately buy into a vision which is vastly different from their current situation.

The Transformational Leader has to be very careful and take the time in order to have trust develop, and their integrity is a critical part of the vision. They are selling themselves as well as the vision. I use a "Rule of 7." It will take six or seven face-to-face meetings before someone likes you, maybe trusts you and maybe becomes engaged under your leadership. *Invest the time, it will pay handsomely.*

Q. Why the emphasis then on Engaging Leadership?

A. Because irrespective of the leadership style research has consistently shown that high-performing companies have an engaged workforce.

Remember then, it has long been said that you manage objects (transactional leadership can unconsciously move you in that direction if you are not careful!) but you lead people and teams.

Follow the leader: Creating an engaging culture

Organizations that promote engaging leadership styles are usually also the most successful. So what can we do to encourage and support a healthy culture around inspirational leaders?

I have found that inspirational leaders give people clear boundaries, and they do not dictate how the work is to be done. Instead, they make it absolutely clear what the vision is, what the outcomes are likely to look like, and then trust people to get on with it.

Research has proven that if the culture of the team is perceived by the team members to be one of high levels of engagement, then those teams are the most successful in delivering performance.

Inspirational leadership is *viewed* as someone who possesses skills of communication and projects a charismatic nature. In fact it means being clearly focused on targets and deadlines, while also displaying influencing skills.

Inspirational leadership involves both business and people skills, with the emphasis on business skills.

Q. So how can we develop an engaging leadership culture?

A. By Become An 'Engaging' Leader

Research from Hewitt Associates on best employers show what engaging leaders do. They concluded engaging leaders:

- √ **Invest in their workplaces to produce higher business results. It is not about being nice – they know the ROI.**
- √ **Achieve results through relationships, this brings higher returns than just managing the bottom line.**
- √ **Insist that people learn from their mistakes, rather than punishing them. This keeps fear out of the workplace, and people learn and grow.**
- √ **Maintain a more consistent, long-term view of their organization's culture and over time employees come to share that view.**
- √ **Communicate more frequently and more personally and make themselves more accessible to employees. They speak directly, honestly and openly to employees.**

As a result, employees see these engaging leaders as smarter about running their businesses and better at providing clear direction about what needs to be done.

All of this builds trust, and trust creates a better workplace. This is a culture which attracts and retains better talent. The best employers typically attract twice the number of applicants and have half the turnover of other companies. People see them as an “employer of choice.”

In every published comparison, the best employers provide much higher shareholder returns than ordinary companies.

Disengagement is not low morale, although low morale can lead to disengagement. Disengaged workers are the ones who are just going through the motions.

To be fully engaged, all three of the following elements must be present:

- **Attracted: "I want to do this."**
- **Committed: "I'm dedicated to the success of this."**
- **Fascinated: "I love doing this."**

As stated, the level of employee engagement is directly related to their relationship with their immediate supervisor. Engaging leaders do these things:

1. Communicate the big picture. It is your role as a leader to explain how the employee’s work is related to the organization’s mission, vision, goals and objectives.

Is there a challenge ?

Leader Behavior	Beliefs of followers	Transformational effects
Vision <input type="checkbox"/> clear & simple <input type="checkbox"/> shared perspective <input type="checkbox"/> idealistic, not constrained	Own the vision	<input type="checkbox"/> Willingness & commitment to achieve <input type="checkbox"/> Confidence & trust in leader <input type="checkbox"/> Task group cohesion
Promote <input type="checkbox"/> Removal of conditions of powerlessness <input type="checkbox"/> Structure & empowerment mechanisms	Control over needed resources	<input type="checkbox"/> Self confidence <input type="checkbox"/> Risk Taking <input type="checkbox"/> Proactive <input type="checkbox"/> Task Group cohesion
Improved self esteem <input type="checkbox"/> Better role model <input type="checkbox"/> Demonstrate risk-taking <input type="checkbox"/> Persuade through better communication	Perceived task competence	<input type="checkbox"/> Self confidence <input type="checkbox"/> Risk taking <input type="checkbox"/> Proactive <input type="checkbox"/> Confidence & trust in leader

2. Recognize that the whole person shows up to work, and engaging leaders interact with the whole person. For example, they chat about the employee's family, hobbies, weekends, or anything that the employee can relate to, in addition to work-related tasks.
3. Offer opportunities for growth and development. They also provide coaching or mentoring, and career-management support.
4. Get rid of command-and-control styles in their business or business unit. Engaging leaders act like orchestra conductors. They trust employees to play their part with a little direction.
5. Differentiate employee performance. Engaging leaders have the courage to rate employees differently, based on their work performance. This means identifying and nurturing your 'stars.'
6. Provide flexible working arrangements. Engaging leaders look for ways to accommodate employees' needs to deal with their personal responsibilities.
7. Never portray themselves as perfect. I like to celebrate my screw-ups as this makes it safe for others to try. Even if they fail, they have the opportunity to learn and grow.
8. Do not just do the 'required' annual performance review. On-going performance feedback is one of the most-important things that an engaging leader can do. If you ask them, most people would prefer to receive negative feedback on their performance than no feedback at all.

If there is negative feedback the engaging leader will guide the person to "their options" as to how they may do it differently next time. Engaging leaders do not pose solutions.... otherwise they end up with followers and not leaders.


We all know we can't fix a problem if the person does not know they have one!

And engaging leaders don't just point out performance problems, rather they try to "catch" workers doing something right, and heap public praise on the person.

Right now you can have a great impact on developing an engaged workforce by using the following strategies:

- **Providing meaningful work.**
- **Ensuring motivated staff have access to Coaching or Mentoring.**
- **Offering line-of-sight Career progression**
- **Training - appropriate to their level and career goal**

T r a i n i n g



Programme		Benefits
<ul style="list-style-type: none"> • Leadership • Management • Supervisor • Leaders of Teams • Coaching & Mentoring 	Why?	<ul style="list-style-type: none"> •Retention •Getting them Engaged •Succession planning
Skills Development <ul style="list-style-type: none"> • Contract Management • Project Management • Finance & Business Skills • Sales & Marketing 	Why?	<ul style="list-style-type: none"> •Profit •Reputation •New Work / Clients
Apprentices – Trainees	Why?	Future Workforce

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“In motivating people, you've got to engage their minds and their hearts. I motivate people, I hope, by example - and perhaps by excitement, by having productive ideas to make others feel involved.”
 -- Rupert Murdoch

Do you offer such engaging leadership?

About the author:

Denis Orme has served as a management consultant to over 200 prestigious international organizations and companies. He is president of the Leadership Success Institute, is a national seminar presenter, and has written articles for prominent publications including The National Law Journal, The Forbes Report, and the National Business Review. Denis has been consulting various organizations for over 20 years and his effective “hands -on” approach has proven successful. You can learn more about his organization and services at www.leadersuccess.com

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