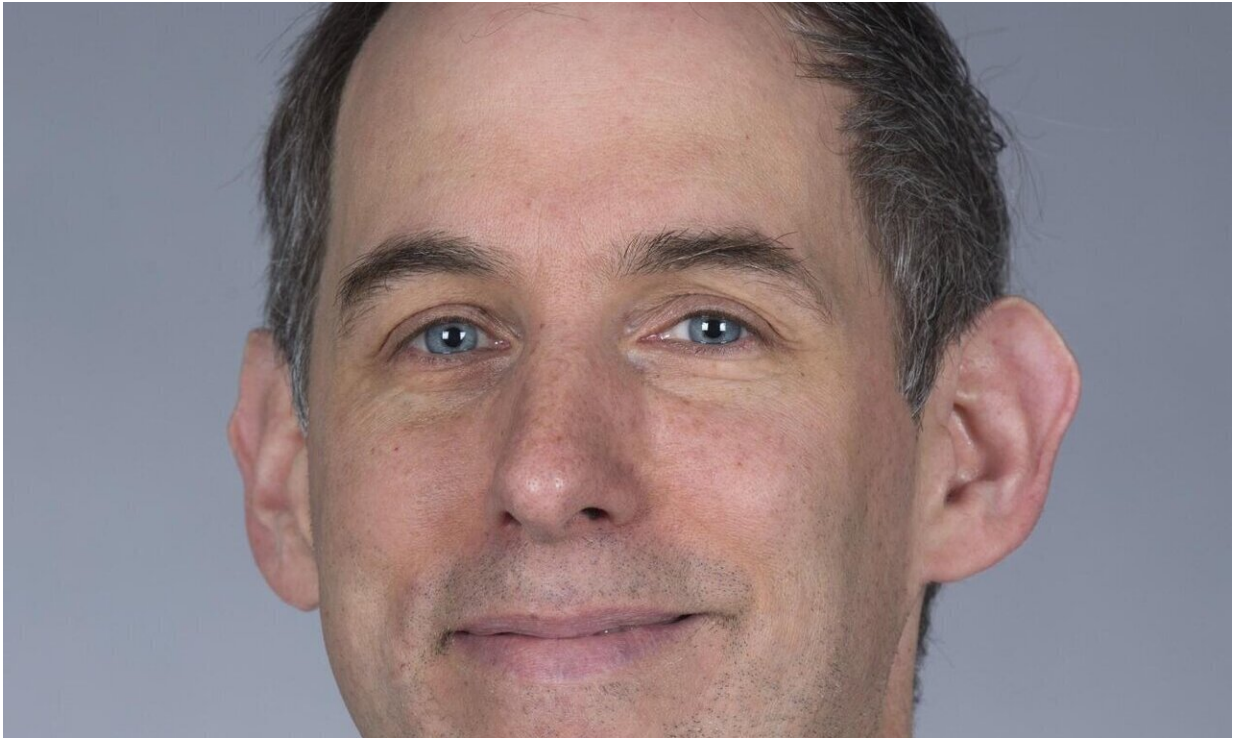


These four values lessen the power of transformational leadership

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Marcus Credé, associate professor of psychology. Credit: Iowa State University

Transformational leadership is considered one of the most effective ways to motivate and inspire employees. However, new research finds cultural values significantly limit its effectiveness.

Marcus Credé, an associate professor of psychology at Iowa State

University, says the leadership model earned a reputation as the gold standard because it provides clear guidelines for managers to follow, and studies have shown it improves [employee](#) performance. The four core components of transformational leadership (see below) are widely studied and taught in business schools and featured in management textbooks.

Because of its widespread acceptance and implementation, Credé and co-authors Jaehee Jong, Northern Illinois University; and Peter Harms, University of Alabama, reviewed nearly 200 studies of more than 57,000 employees from 34 countries to determine if culture plays a role. Their [meta-analysis](#), published in the *Journal of Managerial Psychology*, found it does. Transformational leadership was not as effective in cultures:

- High on gender egalitarianism and humane orientation. Individuals feel men and women should be treated equally, and they encourage humane behavior such as generosity, fairness and kindness.
- Low on future orientation. Individuals are less likely to delay gratification, plan and invest in the future.
- Low on uncertainty avoidance. Individuals are more comfortable with uncertainty and change, and do not rely heavily on rules or policies to reduce the uncertainty of future events.

"In most [western countries](#), transformational leadership simply doesn't have a strong relationship with how employees behave and function," Credé said. "This includes the U.S., but especially Western and Northern Europe. There the relationship is almost zero."

Distorted view

Transformational leadership is not ineffective across all cultures. In fact, the meta-analysis found a strong relationship in developing countries.

Credé says up to this point, much of our understanding of transformational leadership has been based on studies focusing solely on employee feedback and measured only a single point in time, providing an incomplete picture of its effectiveness.

"We may have gotten a distorted sense of how much this leadership style matters, simply because a lot of the work took a shortcut approach to doing the research," Credé said. "As a result, it overestimated the importance of transformational leadership."

In the paper, Credé and his colleagues outlined other factors that may explain the cultural differences. For example, if most leaders generally follow the principles of transformational leadership, any one leader will not stand out and have little impact on employees as a result. Just the opposite may be true in some developing countries—the effects may be magnified because such [leadership](#) is so rare.

"It's also possible that organizations in American and Western European countries are so effective at all the things that produce high functioning employees—training, selection, performance management—that being an effective leader doesn't add much to making employees highly effective," Credé said.

Four components of transformational leadership

- Idealized influence: The leader is a role model and behaves the way he/she wants employees to behave.
- Inspirational motivation: The leader presents a vision for the future of the organization to inspire employees.
- Individualized consideration: The leader develops one-on-one relationships to help employees reach their potential.
- Intellectual stimulation: The leader encourages employees to be creative and challenges them to go above and beyond.

More information: Marcus Credé et al, The generalizability of transformational leadership across cultures: a meta-analysis, *Journal of Managerial Psychology* (2019). [DOI: 10.1108/JMP-11-2018-0506](https://doi.org/10.1108/JMP-11-2018-0506)

Provided by Iowa State University

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