Transformational Leadership for Organizational Change
By Nancy Borkowski, DBA, CPA, FACHE, FHFMA

Over a decade ago, the Institute of Medicine pointed out that there is a need within the healthcare industry for transformational organizational changes to deliver safe, effective, efficient, patient-centered, timely and equitable healthcare. Organizations’ successful adaption to their new environment requires more individuals leading the change as transformational leaders. Transformational leaders are able to successfully change an organization’s culture and develop the system-wide alignment of its strategies to meet the demands of its environment.

Transformational leadership theory describes a leader’s ability to motivate a follower to accomplish more than what the follower planned to accomplish. Through transformational leadership’s four traits: (1) idealized influence, (2) inspirational motivation, (3) intellectual stimulation, and (4) individualized consideration, leaders inspire followers to accomplish more by concentrating on the follower’s values and helping the follower align these values with the values of the organization.

Leadership research supports the positive effect of transformational leadership on both organizational outcomes and individuals. At the macro level, researchers have demonstrated that transformational leadership has a positive influence on organizational citizenship behavior/performance and organizational culture. At the micro level, studies have reflected transformational leadership’s positive impact on an individual’s level of performance and satisfaction. In addition, researchers have found that transformational leadership develops an individual’s confidence to be creative, and critically analyze problems and solutions.

The required transformation of the health care industry calls for transformative leadership, yet few health care systems have demonstrated this leadership style. Successful leadership requires the ability to create and communicate an organization’s vision, and then to inspire, motivate, and empower others to achieve this vision. These goals are achieved through an individual’s development of the four traits of transformational leadership described above. Therefore, educational activities that focus on the development of transformational leadership traits can eventually lead to a more successful organization by fostering high levels of motivation among employees to achieve organizational goals. In addition to professional development activities, a supportive organizational culture is needed for individuals’ to develop transformational leadership traits.
Organizational culture is defined as the implicit norms, values, shared behavioral expectations, and assumptions that guide employees’ behaviors. Organizational culture is important because it influences employee perceptions, behaviors, and emotional responses to the workplace (i.e., organizational climate). The resulting organizational climate from a positive culture contributes to the success or failure of an organization. Although culture and climate are distinct, they are interrelated and crucial characteristics of organizations that influence employees’ attitudes regarding their work and organizational commitment. Researchers have noted that positive or constructive cultures are characterized by (1) organizational norms of achievement and motivation, (2) individualism and self-actualization, and (3) being humanistic and supportive. Positive cultures encourage interactions among group members and problem-solving processes that enable staff to achieve their high-order satisfaction needs. Attributes of a positive climate include supportive, risk-tasking, cohesiveness, and motivation to achieve.

In conclusion, a high performing healthcare entity requires a supportive organizational culture for the development of individuals’ transformational leadership traits. A supportive culture and a positive organizational climate will be one where there exists a strong need or desire to achieve transformational results, which will be demonstrated by the collective behaviors of the individuals.

Nancy Borkowski, Clinical Associate Professor, Executive Director, Graduate Health Management Programs, Florida International University’s Chapman Graduate School of Business, can be reached at (305) 779-7901 or nborkows@fiu.edu.