
Value systems of transformational leaders

Venkat R. Krishnan

Associate Professor, Xavier Labour Relations Institute, Jamshedpur, India

Keywords

Leadership, Values,
Non-profit organizations, USA

Abstract

This study attempts to draw a value profile of a transformational leader – the leader who transforms people and organizations. It compares the terminal and instrumental value systems of leaders who are more transformational with those of leaders who are less transformational, using a sample of 95 pairs of leaders and subordinates of a non-profit organization in the United States. Findings reveal that transformational leaders do have some identifiable patterns in their value systems. They give relatively high priority to “a world at peace” and “responsible”, and relatively low priority to “a world of beauty”, “national security”, “intellectual”, and “cheerful”. Results also suggest that transformational leaders might give greater importance to values pertaining to others than to values concerning only themselves.

Introduction

The constant change that has become a part of life for many organizations highlights the increasing importance of transformational leaders. Superior performance or performance beyond normal expectations is possible only by transforming followers' values, attitudes' and motives from a lower to a higher plane of arousal and maturity (Bass, 1985). Identifying and developing transformational leaders would require an understanding of the basic characteristics such leaders possess. Values form the very core of personality, and value system provides the most enduring picture of an individual (Posner and Schmidt, 1992). Not much attention has however been given to studying the value systems of transformational leaders. This study attempts to test if leaders who are more transformational have a different value system than those who are less transformational. It also tries to draw the value profile of a transformational leader that could help serve as a selection and training tool.

Transformational Leadership

According to Burns (1978), transformational leadership “occurs when one or more persons engage with others in such a way that leaders and followers raise one another to higher levels of motivation and morality”, and results in a transforming effect on both leaders and followers. The purposes of leaders and followers that might have started out as separate but related, as in the case of transactional leadership, become fused. Transformational leadership raises the level of human conduct of both leader and follower. Transformational leaders throw themselves into a dynamic relationship with followers who will feel elevated by it and

become more active themselves, thereby creating new cadres of leaders. They look for potential motives in followers, seek to satisfy higher needs, and engage the full person of the follower. “The result of transforming leadership is a relationship of mutual stimulation and elevation that converts followers into leaders and may convert leaders into moral agents” (Burns, 1978).

Bass (1985) defined a transformational leader as one who motivates followers to do more than they originally expected to do. Transformational leadership consists of four factors – charismatic leadership or idealized influence, inspirational leadership or motivation, intellectual stimulation, and individualized consideration. Though Bass (1985) identified charismatic leadership as one of the factors of transformational leadership, several authors have used the two terms as almost synonyms or identical twins (Conger, 1999).

Studies have found significant and positive relationships between transformational leadership and the amount of effort followers are willing to exert, satisfaction with the leader, ratings of job performance, and perceived effectiveness (Bass, 1998). Transformational leaders have better relations with higher-ups and make more of a contribution to the organization than those who are only transactional. The transformational leadership model adds to the two fundamental leadership behaviors of initiation and consideration in explaining the variance of subordinates' satisfaction and ratings of leader effectiveness (Seltzer & Bass, 1990). The leader's vision and vision implementation through task cues affects performance and many attitudes of subordinates (Kirkpatrick and Locke, 1996). Strength of delivery of vision by the leader is an especially important determinant of perceptions of leader charisma and

effectiveness (Awamleh and Gardner, 1999). Task feedback interacts with charismatic leadership in affecting performance, and this relationship is mediated by the subordinate's self-efficacy (Shea and Howell, 1999). Shamir *et al.* (1998) found that a leader's emphasis on collective identity was related to the subordinate's level of identification with the leader. Transformational leadership could be potentially effective across a variety of situations, though certain contextual factors like structure of the organization could facilitate the emergence and impact of transformational leadership (Shamir and Howell, 1999).

Characteristics of transformational leaders

House *et al.* (1991) used archival data on US presidents to demonstrate that charisma was positively related to the need for power and activity inhibition, and negatively related to the need for achievement. Ross and Offermann (1997) found that transformational leadership was positively related to self-confidence, feminine attributes, pragmatism, and nurturance, and negatively related to criticalness and aggression. Banerji and Krishnan (2000), in a study of transformational leaders' ethical preferences, found that that inspirational leadership was negatively related to the leader's the preference for bribery and favoritism, and intellectual stimulation was negatively related to preference for bribery. Transformational leaders rate themselves high on purpose-in-life, personal efficacy, interpersonal control, and social self-confidence, while subordinates rate transformational leaders high on interpersonal control (Sosik and Megerian, 1999).

Values are enduring and therefore drawing the value profile of a transformational leader would be the most effective means of identifying and training transformational leaders. Values form the core of our personality, influencing the choices we make, the people we trust, the appeals we respond to, and the way we invest our time and energy (Posner and Schmidt, 1992). Burns (1978) held that transformational leadership is based on the role of conscious purpose drawn from values. It would therefore be worth investigating if leaders who are more transformational have a different value system than those who are less transformational.

Value system

Rokeach (1973) defined a value as "an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an

opposite or converse mode of conduct or end-state of existence". A belief concerning a desirable mode of conduct was called an instrumental value and a belief concerning a desirable end-state of existence was called a terminal value. If a person values freedom as an end-state of existence, it means that he or she believes that freedom is preferable to slavery. Rokeach considered terminal values to be of two kinds – those that are self-focused called personal values, and those that are others-focused called social values.

Instrumental values are also of two kinds – those which when violated arouse pangs of conscience or feelings of guilt for wrongdoing called moral values, and those which when violated lead to feelings of shame about personal inadequacy called competence or self-actualization values. Values can be looked upon as being hierarchical in nature, leading to the idea of a value system. Rokeach (1973) defined a value system as "an enduring organization of beliefs concerning preferable modes of conduct or end-states of existence along a continuum of relative importance". A set of rank-ordered values is called a value system.

Values are heavily intertwined and therefore looking at a person's values separately and independently of one another cannot meaningfully explain attitudes and behaviors. That a person values happiness does not say much that is unique about that person, for most human beings value happiness. What matters is how much a person values happiness in comparison with the other things that he or she values. If one knows that a person values happiness more than self-respect, one is able to have a more accurate idea of that person. Only the rank ordering of values or the value system can capture the unique value configuration of an individual. It is not the values by themselves that matter, but it is the hierarchical value system that matters (Rokeach and Ball-Rokeach, 1989).

Value systems have been found to predict several outcomes including shopping selections and weight losses (Meglino and Ravlin, 1998). Values influence job choice decisions, job satisfaction, and commitment (Judge and Bretz, 1992). Blickle (2000) found that work values predicted the frequency of use of influence strategies measured one year later. The values of achievement, associates (defined as "work in which you are one of the gang"), creativity, intellectual stimulation, and variety were positively related to rational persuasion. Also, career and management (defined as "have authority over others") were positively related to pressure strategy; prestige was positively

related to ingratiation; and career, and prestige were positively related to upward appeal.

Rokeach's value survey

Rokeach's (1973) value survey is the most commonly used instrument for measuring value system. It has two lists of values arranged alphabetically – one consisting of 18 terminal values and the other consisting of 18 instrumental values. Each value is presented along with a brief definition in parenthesis and respondents are asked to arrange the values in each set in order of importance to and as guiding principles in their life, thereby recording their value systems. The value survey has been found to be both reliable and valid. All the values are socially desirable ones, but no significant relationship has been found between value rankings and the tendency to respond in a socially desirable manner.

Certain characteristics can be seen in those who take the initiative to establish a leadership relationship or in other words to enlist the support of followers. These should be all the more noticeable in the case of transformational leaders, who have the maximum impact on followers. An underlying value system is likely to guide and direct the actions of transformational leaders (Lehr, 1987). Leaders who are more transformational could therefore be expected to have a different value system than those who are less transformational. Burns (1978) argued that transformational leaders are likely to be guided by near universal values like equality of human rights and respect for individual dignity. Transformational leaders are also likely to resort to bribery and favoritism less frequently (Banerji and Krishnan, 2000), indicating the relatively greater importance they might give to values related to honesty and fairness. Therefore:

Hypothesis 1. Transformational leaders will give relatively greater importance to “a world at peace” and “equality” within their terminal value system.

Hypothesis 2. Transformational leaders will give relatively greater importance to “honest” and “responsible” within their instrumental value system.

Methodology

Data for this study were collected from 95 pairs of managers and subordinates belonging to a large, non-profit, national, human services organization in the US. Respondents were not asked to give any form of identification. All responses were thus anonymous, and this was made clear to every

respondent. The sample of 95 leaders was drawn from nurse managers. The 95 leaders were randomly chosen and were requested to fill in the value survey (Rokeach, 1973) to measure their terminal and instrumental value systems. A subordinate of each of those 95 leaders surveyed was then randomly chosen to answer the leadership questionnaire. The multifactor leadership questionnaire (MLQ) form 5x of Bass and Avolio (1991) was used in this study to measure transformational leadership. The questionnaire has 37 items to measure the four factors of transformational leadership – eight items for charismatic leadership, ten items each for inspirational leadership and intellectual stimulation, and nine items for individualized consideration. The scale reliabilities have been found to be high in several studies (Den Hartog *et al.*, 1997). Subordinates were requested to answer the MLQ by rating how frequently their current immediate supervisors have displayed the behaviors described, using a five-point scale (0 = not at all; 1 = once in awhile; 2 = sometimes; 3 = fairly often; 4 = frequently if not always).

A separate score for each of the four factors of transformational leadership for each manager was obtained. All the four scales had high reliability, with the Cronbach alpha being not less than 0.91. The mean of the items comprising each factor was taken as the score for that factor. The four factors were highly ($p < 0.001$) correlated with each other, with correlation ratios being not less than 0.85. The mean of the four factors was taken as the score for transformational leadership.

Data analysis

The median score on transformational leadership was used to split the sample of leaders into two groups – low transformational and high transformational. The differences in value rankings between the two groups of leaders were analyzed in two different ways. The first approach adopted looked at each of the 36 values (18 terminal and 18 instrumental) separately. The nonparametric Median test and Wilcoxon rank sum test (with normal approximation and continuity correction) were used to test for a statistically significant difference in value rankings given by low transformational and high transformational leaders. The second approach adopted was to arrive at two aggregate value systems (one terminal and one instrumental) for each of the two groups and then compare them across the two groups. The median rank assigned to each terminal value by the

leaders in either group was calculated. The values were arranged in ascending order of median ranks to obtain the group's aggregate terminal value system (where two values had the same median rank, the mean was used to break the tie). The aggregate instrumental value systems of the two groups were also similarly obtained.

Results

In the case of terminal values, results of the Median test and the Wilcoxon test indicated that the rankings given by low transformational leaders (those who scored below the median score on transformational leadership) and high transformational leaders (those who scored above the median score on transformational leadership) differed significantly only in the case of one terminal value – “a world of beauty” (Median $Z = 2.96, p < 0.01$; Wilcoxon $Z = 2.15, p < 0.05$). High transformational leaders assigned a significantly lower rank to “a world of beauty” as compared to low transformational leaders. There was no significant difference in individual value rankings in the case of the remaining 17 terminal values.

The aggregate terminal value systems of the two groups of leaders (low transformational and high transformational) are given in Table I. The largest difference (at least 2.5 in median and 5 in aggregate rank) in terminal value rankings between the two groups of leaders was found for “a world at

peace” and “national security”. High transformational leaders as a group gave “a world at peace” the second rank (median = 6), while the group of low transformational leaders gave the same value ninth rank (median = 8.5). On the other hand, high transformational leaders as a group gave “national security” the sixteenth rank (median = 13), while the group of low transformational leaders gave the same value eleventh rank (median = 10).

A comparison of the value systems instead of individual value rankings indicated that high transformational leaders considered “a world at peace” to be more important than seven other terminal values – inner harmony, self-respect, a sense of accomplishment, freedom, happiness, wisdom, and a comfortable life – while low transformational leaders did just the reverse. Similarly, unlike the low transformational leaders, high transformational leaders considered “national security” to be less important than five other terminal values – equality, social recognition, an exciting life, pleasure, and mature love. *Hypothesis 1* thus obtained only partial support.

Coming to instrumental values, results of the Median test and the Wilcoxon test indicated that the rankings given by low transformational leaders and high transformational leaders differed significantly in the case of two instrumental values – “intellectual” (Median $Z = 1.92, p < 0.10$; Wilcoxon $Z = 2.02, p < 0.05$) and “responsible” (Median $Z = -1.78, p < 0.10$; Wilcoxon $Z = -2.04, p < 0.05$). High transformational leaders assigned a significantly lower rank to “intellectual” and a significantly higher rank to “responsible” as compared to low transformational leaders. There was no significant difference in individual value rankings in the case of the remaining 16 instrumental values.

The aggregate instrumental value systems of the two groups are given in Table II. The largest difference (at least 2.5 in median and 5 in aggregate rank) in instrumental value rankings between the two groups of leaders was found for “cheerful” and “intellectual”. High transformational leaders as a group gave “cheerful” the fourteenth rank (median = 11.5), while the group of low transformational leaders gave the same value eighth rank (median = 9). High transformational leaders as a group also gave “intellectual” the thirteenth rank (median = 11), while the group of low transformational leaders gave the same value fifth rank (median = 7).

A comparison of the value systems instead of individual value rankings indicated that

Table I

Aggregate terminal value systems of the two groups

Rank	Low transformational Value (median ^a)	High transformational Value (median ^a)
1	Freedom (5.5)	Family security (5)
2	A sense of accomplishment (6)	A world at peace (6)
3	Family security (6)	Inner harmony (6)
4	Self-respect (7)	Self-respect (7)
5	Wisdom (7.5)	A sense of accomplishment (7)
6	Inner harmony (7.5)	Freedom (7)
7	Happiness (8)	Happiness (8)
8	A comfortable life (8.5)	Wisdom (9)
9	A world at peace (8.5)	A comfortable life (9)
10	True friendship (10)	Equality (9)
11	National security (10)	An exciting life (10)
12	Equality (11)	True friendship (11)
13	Social recognition (11.5)	Mature love (11)
14	An exciting life (12)	Pleasure (12)
15	Pleasure (12)	Social recognition (12)
16	A world of beauty (12.5)	National security (13)
17	Mature love (13.5)	Salvation (13)
18	Salvation (14.5)	A world of beauty (15)

Note: ^a The median rank assigned to each value by leaders in the group is included in parenthesis next to the value

high transformational leaders considered “responsible” to be more important than six other instrumental values – independent, helpful, ambitious, courageous, intellectual, and cheerful – while low transformational leaders did just the reverse. Similarly, unlike the low transformational leaders, high transformational leaders considered “intellectual” to be less important than eight other instrumental values – broadminded, responsible, independent, courageous, loving, logical, forgiving, and polite. *Hypothesis 2* was also thus supported only partially.

Discussion

The findings of this study enhance our knowledge of transformational leadership by revealing some common patterns in the value systems of transformational leaders. Knowing that transformational leaders give greater importance to specific terminal and instrumental values over others will help in recruitment of transformational leaders. Since values are relatively enduring, assessment based on value preferences could be a valid selection tool. Knowledge of value systems of transformational leaders will also help in training of transformational leaders. Training leaders to be more transformational could be done by increasing the relative importance given to those values that were ranked relatively high by the high transformational leaders in this study.

Table II

Aggregate instrumental value systems of the two groups

Rank	Low transformational Value (median ^a)	High transformational Value (median ^a)
1	Honest (5)	Honest (3)
2	Capable (6)	Capable (6)
3	Helpful (7)	Broadminded (6)
4	Ambitious (7)	Responsible (7)
5	Intellectual (7)	Independent (7.5)
6	Courageous (8)	Helpful (8.5)
7	Broadminded (8)	Ambitious (9)
8	Cheerful (9)	Courageous (9.5)
9	Independent (9)	Loving (10)
10	Responsible (9)	Logical (10)
11	Logical (9)	Forgiving (10)
12	Forgiving (10)	Polite (10.5)
13	Loving (11)	Intellectual (11)
14	Clean (11)	Cheerful (11.5)
15	Polite (12)	Clean (11.5)
16	Imaginative (13)	Self-controlled (12.5)
17	Self-controlled (14)	Imaginative (14)
18	Obedient (16)	Obedient (14)

Note: ^a The median rank assigned to each value by leaders in the group is included in parenthesis next to the value

Terminal values

Findings indicate that transformational leaders are likely to give high priority to “a world at peace” and low priority to “national security” and “a world of beauty”. Transformational leaders consider “a world at peace” to be more important than seven other values most of which are personal values (like happiness, a comfortable life, etc.). This suggests that transformational leaders value collective welfare more than their personal welfare. When transformational leaders emphasize collective identity and exhort followers to work towards the larger interests of the group, they are perhaps doing so out of a personal conviction. Similarly transformational leaders give less importance to “national security” than to five other values (like equality, an exciting life, etc.). This probably suggests that rather than go by defined national boundaries, transformational leaders allow themselves to be guided by broader values like equality and change-oriented values like an exciting life.

Instrumental values

The high transformational leaders give a higher rank to “responsible” and a lower rank to “cheerful” and “intellectual” as compared to those who are less transformational. Transformational leaders rank “responsible” above six other values most of which are competence values (like ambitious, intellectual, etc.). Transformational leaders also rank “intellectual” below eight other values most of which are moral values (like responsible, loving, etc.). Thus, there is a preference given by transformational leaders to moral values over competence values. The link between transformational leadership and morality was one of the basic premises of Burns (1978). He considered transformational leadership to be moral leadership. The results of this study provide some empirical support to equating transformational leadership with moral leadership, or to treating moral leadership as a component of transformational leadership.

Conclusion

The multiple changes occurring in society and the business world have created a greater need for transformational leaders. This study provides initial support for the relationship between transformational leadership and value systems. Transformational leaders do have some identifiable patterns in their value systems, with a higher preference given by them to

moral values within the group of instrumental values and to social values within the group of terminal values. As further research provides greater support, identifying and training transformational leaders would become easier.

References

- Awamleh, R. and Gardner, W.L. (1999), "Perceptions of leader charisma and effectiveness: the effects of vision content, delivery, and organizational performance", *Leadership Quarterly*, Vol. 10 No. 3, pp. 345-73.
- Banerji, P. and Krishnan, V.R. (2000), "Ethical preferences of transformational leaders: an empirical investigation", *Leadership and Organization Development Journal*, Vol. 21 No. 8, pp. 405-13.
- Bass, B.M. (1985), *Leadership and Performance Beyond Expectations*, Free Press, New York, NY.
- Bass, B.M. (1998), *Transformational Leadership: Industrial, Military, and Educational Impact*, Lawrence Erlbaum Associates, Mahwah, NJ.
- Bass, B.M. and Avolio, B.J. (1991), *The Multifactor Leadership Questionnaire: Form 5x*, Center for Leadership Studies, State University of New York, Binghamton, NY.
- Blickle, G. (2000), "Do work values predict the use of intraorganizational influence strategies?", *Journal of Applied Social Psychology*, Vol. 30 No. 1, pp. 196-205.
- Burns, J.M. (1978), *Leadership*, Harper & Row, New York, NY.
- Conger, J.A. (1999), "Charismatic and transformational leadership in organizations: an insider's perspective on these developing streams of research", *Leadership Quarterly*, Vol. 10 No. 2, pp. 145-79.
- Den Hartog, D.N., Van Muijen, J.J. and Koopman, P.L. (1997), "Transactional versus transformational leadership: an analysis of the MLQ", *Journal of Occupational and Organizational Psychology*, Vol. 70, pp. 19-34.
- House, R.J., Spangler, W.D. and Woycke, J. (1991), "Personality and charisma in the US presidency: a psychological theory of leader effectiveness", *Administrative Science Quarterly*, Vol. 36 No. 3, pp. 364-96.
- Judge, T.A. and Bretz, R.D. (1992), "Effects of work values on job choice and decisions", *Journal of Applied Psychology*, Vol. 77, pp. 261-71.
- Kirkpatrick, S.A. and Locke, E.A. (1996), "Direct and indirect effects of three core charismatic leadership components on performance and attitudes" *Journal of Applied Psychology*, Vol. 81, pp. 36-51.
- Lehr, K.A. (1987), *A Descriptive Study of Contemporary Transformational Leadership*, unpublished doctoral dissertation, The Union for Experimenting Colleges and Universities.
- Meglino, B.M. and Ravlin, E.C. (1998), "Individual values in organizations: concepts, controversies, and research", *Journal of Management*, Vol. 24 No. 3, pp. 351-89.
- Posner, B.Z. and Schmidt, W.H. (1992), "Values and the American manager: an update updated", *California Management Review*, Spring, pp. 80-94.
- Rokeach, M. (1973), *The Nature of Human Values*, Free Press, New York, NY.
- Rokeach, M. and Ball-Rokeach, S.J. (1989), "Stability and change in American value priorities, 1968-1981", *American Psychologist*, Vol. 44 No. 5, pp. 775-84.
- Ross, S.M. and Offermann, L.R. (1997), "Transformational leaders: measurement of personality attributes and work group performance", *Personality and Social Psychology Bulletin*, Vol. 23 No. 10, pp. 1078-86.
- Seltzer, J. and Bass, B.M. (1990), "Transformational leadership: beyond initiation and consideration", *Journal of Management*, Vol. 16 No. 4, pp. 693-703.
- Shamir, B. and Howell, J.M. (1999), "Organizational and contextual influences on the emergence and effectiveness of charismatic leadership", *Leadership Quarterly*, Vol. 10 No. 2, pp. 257-83.
- Shamir, B., Zakay, E., Breinin, E. and Popper, M. (1998), "Correlates of charismatic leader behavior in military units: subordinates' attitudes, unit characteristics, and superiors' appraisals of leader performance", *Academy of Management Journal*, Vol. 41 No. 4, pp. 387-409.
- Shea, C.M. and Howell, J.M. (1999), "Charismatic leadership and task feedback: a laboratory study of their effects on self-efficacy and task performance", *Leadership Quarterly*, Vol. 10 No. 3, pp. 375-96.
- Sosik, J.J. and Megerian, L.E. (1999), "Understanding leader emotional intelligence and performance: the role of self-other agreement on transformational leadership perceptions", *Group & Organization Management*, Vol. 24 No. 3, pp. 367-90.