Transformational Culture Leadership:
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Abstract

Within a full range of leadership, the benefits to organizations and individuals of transformational leadership practices are well documented. A literature review connects leadership, organizational learning culture, and organizational citizenship behavior as equally important aspects of successful organizational culture change. Studies of a non-profit youth organization and a for-profit hotel utilized Mallinger’s My Organizational Culture Survey (2009) and the Multi-Factor Leadership Questionnaire (MLQ 5X) (Bass & Avolio, 2005). A single department of the hotel was extensively studied for 90 days. Follow-up surveys of both organizations were completed and the data analyzed with mixed results. The research confirms that organizational culture can be changed in a shorter term than is commonly believed. Yet, without the full support of the highest levels of organizational leaders exhibiting transformational behaviors, long term results will be inconsistent.

Keywords: leadership, culture, change,
Introduction

Whether as organizational founder or someone appointed to an authoritative position, organizational culture is the responsibility of leadership (Schein, 2004; Deal, 1982; Pepper, 2002; Heifetz, 1994, Avolio 1999). The impacts of external and internal forces upon organizations require change at an ever more rapid pace in the current domestic and global economies (Kotter & Cohen, 2002; Mallinger, Goodwin, & O’Hara, 2009). Leadership cannot effectively change organizational culture without self-knowledge and vision (Goleman, 1995; Goleman, Boyatzis & McKee, 2002; Drucker, 1990). Leadership never occurs in a vacuum. Positive leadership of organizational culture change requires engaged followers whose hearts have been moved by the vision communicated and demonstrated by those in power (Deal, 1982; Avolio 1999; Senge, Kleiner, Roberts, Ross, & Smith, 1994; Kouzes & Posner, 2007). Thus any lasting change in culture is a change of behavior which occurs both in followers and leaders.

While transactional leadership practices are essential for providing a basis for change, transformational leadership practices have proved more effective toward enabling both individual and organizational growth (Avolio, 1999; Bass, Avolio & Berson, 2003; Bass & Riggio, 2006). Schein (2004) and Heifetz (1994) argue that organizational culture change requires years to enact, while others emphasize much shorter periods of time can be effective (Deal, 1982; Bradt, Check & Pedraza, 2009; Mallinger, 2009). The basis upon which effective organizational change is applied and implemented will be demonstrated by the integrity, vision, and will of leadership to tie individual and organizational mission and values together toward achieving a common goal.

The increased adaptation of workloads, organizational strategies, missions, values, and
funding streams requires an extreme level of leadership when compared to more stable environments. Heifetz (1994) describes these conditions in the application of leadership practices in relationship to informal authority as: (a) the severity of organizational and individual adaptive challenges and the stress it created, (b) the resilience of participants and their support systems, and (c) the strength and ability of the leader to contain and channel the stress of the challenges (p. 109). The ability of leadership to gain trust (transactional) through the dissemination and control of information (communication) which creates the necessary in follower attitudes, habits, values, and relationships (transformational) in order to begin effective problem solving first in the hearts and minds (Heifetz, 1994; Pepper, 1995).

An abundance of research links transformational leadership, organizational learning culture (OLC), and organization citizenship behavior (OCB) to effective culture change (Bass et al., 2003; Biswas, 2009; Barbuto, 2005; Boerner & Griesser, 2007; Rowold & Roman, 2009; Sarros, Cooper, & Santora, 2008; Wang & Huang, 2009; Wolfram & Mohr, 2009; Kotter & Cohen, 2002). All definitions of leadership imply followers at varying levels of participation. Latta (2009) describes change as the heart of leadership (p. 19). Senge et al. (1994) describe organizational learning as “the continuous testing of experience, and the transformation of that experience into knowledge accessible to the whole organization and relevant to its core purpose” (p. 49). Logic dictates a direct correlation between the transformational leadership practice of intellectual stimulation and the development of OLC within any organization.

Organizational citizenship behavior has been described as follower behaviors which go beyond simple job description performance, including (a) compliance with organizational rules; (b) a willingness to help coworkers, participation in organizational governance, good sportsmanship; and (c) an altruistic perspective which enhances organizational and team member
objectives over self-interests (VanYperen, Vanden Berg, & Willering, 1999; Krishnan & Arora, 2008). Correlations thus can be drawn between OCB and the transformational leadership practices of individual consideration and idealized influence. In total, the key components of transformational leadership behaviors create an organizational learning culture and increase positive organizational citizenship behavior, both of which are necessary to enable the innovation and adaptability required for successful organizational change (Bass, et al., 2003, Deal, 1994; Avolio 1999; Senge et al, 1994).

Statement of the Problem

Both non-profit and for-profit organizations at times face difficulty with high turnover of employees/volunteers and a lack of positive perception by the public/customer base which contributing to decreasing organizational performance. Organizational leaders are too often unaware of their own organizational culture. In particular the perception of the culture and vision may not hold the same meaning to leaders and followers. Such a lack of awareness can prevent effective use of research-based tools to effectively change and improve the organizational culture. The purpose of this study was to determine if utilizing a simple cultural analysis in combination with standard leadership measurement tools could provide a basis for improving organizational performance when applied in combination to a leader’s understanding.

Recognized Leadership Styles

Within all leaders, there is a full range of leadership styles, from laissez-faire up through transformational (Avolio 1999; Bass & Riggio, 2006) depending on internal and external forces. The leader’s self-awareness is paramount in determining which application will be more effective in achieving desired results (Goleman 1995, 2002; Kouzes and Posner, 2007). Management-by-exception and laissez-faire leadership styles have been shown in repeated
studies to be highly ineffective, particularly in an environment where innovation and change are requirements for survival (Bass, 2006; Avolio, 1999). A 2008 study by Hinken and Schriesheim of 297 midlevel U.S. financial managers and 241 administrative or supervisory respondents at two U.S. hotel firms utilized the Multi-factor Leadership Questionnaire (MLQ) developed by Bass & Avolio (2005). Findings suggested that there are close correlations between laissez-faire and management-by-exception (passive), and that a lack of reward or punishment by leaders is directly related to decreases in follower performance.

Transactional and contingent reward leadership behaviors demonstrate varying degrees of success depending on the organization. Burns (1978) holds that transactional leadership is less effective because there is no long-term purpose holding leaders and followers together, whereas transformational leadership provides increased motivation and morality for both followers and leaders. Assuming that most non-profits do not have the resources of for-profit organizations in terms of financial incentives, contingent reward becomes much less relevant. With non-profit organizations in particular, the need of leadership to provide followers with the individual psychological needs of recognition, appreciation and sense of accomplishment (Burns, 1978; Kouzes & Posner, 2004) becomes increasingly important as a more readily available means of reward.

Brymer and Gray (2006), in a comparison of transactional and transformational leadership, found “that transactional leadership may not be effective in developing longer-term outcomes or leading when outcomes are not pre-determined (p. 16).” While non-profit organizations may have long term goals and objectives, the variable of effort required by clientele to achieve such outcomes does not provide the immediate feedback available to for-profit organizations whose sales of products or services is more easily measured. Thus
transformational leadership is even more important, and perhaps already more evident in non-profit organizations. Charismatic leadership is more often seen in politicians and entrepreneurs, yet shares behavior traits with transformational leadership and so these two styles are not separated for the purpose of this study.

The flexibility and adaptiveness of successful organizations stem from the leadership exhibited in response to both external and internal forces (Avolio, 1999). Schein (1999, 2004) states that the challenge of leadership is to evolve the culture of the organization to be more adaptive to both internal and external forces, and that leadership cannot be defined without considering organization culture. Sarros, Cooper and Santora (2008) examine the relationship between transformational leadership, organizational culture and organizational innovation, all of which are required for survival and growth in today’s economic environment.

Conducting a five month survey mailed to a sample of private sector managers who were members of the Australian Institute of Management, with 1138 responses, the study by Sarros et al. demonstrates that “vision, setting high performance expectations, and caring for fellow workers through individual support are powerful forces in the culture-leadership relationship” (2008, p.154). The key components are the vision of an organization’s leaders, the ability to impart that vision across the organization, and the support given to subordinates in creativity and innovation that create a culture which enables success in a time of uncertainty (Sarros et al., 2008). Sarros et al. concluded that further research is needed to determine whether it is the leaders who create the culture, or the culture which enables the leaders to cause organizational change. In either case leaders must have a clear sense and understanding of self behavior which plays an important role in the leader-follower relationship.
Leadership Self-Knowledge

Goleman (1995, 2002) asserts that individual emotional intelligence is the cornerstone of transformational leadership. Tekleab, Sims, Yun, Tesluk, & Cox (2008) determined, in a study of 48 leaders and 222 of their followers, that a leader’s self-awareness and practice of transformational leadership has a direct relationship to subordinates’ satisfaction with their leaders, but did not indicate subordinates’ own self-leadership as a significant factor. This research also looked at empowering leadership traits and found a direct correlation between empowering leaders and subordinates’ ability to self-lead and innovate as opposed to lack of innovation and self-direction by subordinates.

Although Tekleab et al. only utilized leaders and followers, their conclusions are that organizational use of tools such as Kouzes/Posner Leadership Practices Inventory, 360 Feedback, or Multi-factor Leadership Questionnaires, can make a significant difference in the performance of both the individual and the organization. The broader the input among stakeholders beyond the internal leaders and followers of the organization, the greater the opportunity for understanding and implementation of necessary changes because the data provide a much wider range of the full interactions of external and internal participants involved (Tekleab et al., 2008).

In addition, Feinberg, Ostroff and Burke (2005) in a study involving 68 managers, 285 subordinates, 495 peers and 68 supervisors, determined a direct positive relationship between transformational leadership and consensus building among subordinates in both the followers’ perceptions of the leader and in the cohesiveness of the group. Wang and Huang (2009), in a study of 51 department managers and 252 employees from 23 small-medium firms in Taiwan,
examined the cohesiveness of group level outcomes and emotional intelligence in relation to transformational leadership.

Their findings fit that of Goleman (1995, 2002) in that transformational leaders rate higher in emotional intelligence (self-control, regulation of emotions and constructive use of emotions) than transactional, management by exception or laissez faire leaders. Using the Wong and Law (2002) emotional intelligence measure, the MLQ-5X, and the Dobbins and Zaccaro (1986) eight item measure of group cohesiveness found a 37% variance showing the emotional intelligence of transformational leaders is critical to group cohesiveness (Wang & Huang, 2009).

Leader self-knowledge is a foundational attribute leading to the four key components of transformational leadership: idealized influence, inspirational motivation, individualized consideration and intellectual stimulation.

**Idealized Influence**

Bass and Riggio (2006) define idealized influence as the admiration, trust and respect followers hold for their leaders, which can be clearly measured in any organization. Kouzes and Posner (2007) describe “modeling the way” by clarifying personal values and demonstrating behavior that aligns with organizational values (culture). Avolio (1999) adds the taking of risks, creating a sense of joint mission and empowering followers. In addition to the curiosity and daring that allow for risk taking, Bennis (2009) states that the evidences of leadership (general) are a guiding vision, passion, and integrity (which is earned over time).

The definition from Northouse (2007) relates idealized influence with charisma that includes both strong moral standards and the demonstration of these values in conduct that verifies the vision and mission of the organization (pp. 181-2). Senge et al., (1994) emphasize the importance of internalizing the values of the organization and its members in ways that
emphasize growth of both followers and leaders (pp. 308-311). Trust between leaders and followers provide opportunities for performance improvement through inspiring vision.

**Inspirational Motivation**

Leaders who inspire motivation in their followers most often use symbols and emotional appeals which communicate expectations of contributing to the greater good over individual benefit (Northouse, 2007). This behavior creates enthusiasm and optimism among team members (Bass & Riggio, 2006). The Kouzes and Posner (2007) Five Practices theory relates to “inspiring a shared vision” for the organization by appealing to shared aspirations among followers. Kotter & Cohen (2002) as part of their *Eight Steps for Successful Large Scale Change* emphasize developing the correct vision through multiple hierarchal levels of participation, correctly communicating the vision in ways the encourage action and small, and rapid victories while maintaining the longer term end throughout the process.

Barbuto (2005) researched the leadership qualities of 186 leaders and 759 direct reports from a variety of organizations using the MLQ (self and follower versions) and for the leaders alone, the Motivation Sources Inventory (MSI), with the following practices of positive influence in relationship to whether leader’s behavior was transactional, transformational or charismatic. Findings indicate that those leaders with intrinsic process motivation see themselves as transformational leaders. Leaders’ direct reports see these organizational leaders more as transactional, indicating an internal drive by the leaders that has not yet been demonstrated as transformational behavior in ways followers can perceive.

There was little evidence supporting the use of instrumental motivation with transformational leadership, but strong correlations were found within the full range of leadership behaviors below the transformational level. As should be expected, research supports
the view that charismatic and transformational leaders share strong self-concept external motivation (Barbuto, 2005; Goleman, 1995, 2002). Motivation doesn’t always predict an effective demonstration of transformational behaviors, exhibited by pseudo transformational leadership, in which self-interests rather than organizational interests are the priority (Avolio, 1999; Bass & Riggio, 2006). However, true transformational behaviors inspire in part due to followers belief they are valued by their leaders.

**Individualized Consideration**

A 2009 study by Gooty, Gavin, Johnson, Frazier and Snow found evidence that transformational leadership practices and followers’ perceptions of transformational leadership build psychological capital within the followers. This psychological capital has significant, though sometimes indirect, effects on hope, optimism, self-efficacy, resiliency, organizational behavior towards other individuals and the organization, and in-role performance. All of these attributes within the individuals greatly contribute to the ability of the organization to adapt to change in ways that produce more positive outcomes in reaching organizational and individual goals and objectives (Gooty, et al., 2009). This research showed psychological capital with subordinates enhanced internal motivation of the followers resulting in an increase in organizational citizenship behavior. The combination of trust, inspiration and relationship then create an enhanced organizational learning culture built upon followers and leaders increased intellectual stimulation.

**Intellectual Stimulation and Organizational Learning Culture (OLC)**

Joo and Lim (2009) conducted a study of four Fortune Global 500 companies in Korea covering manufacturing, trading, construction and finance. The authors used a self-administered internet based online survey gathering original individual perceptions across hierarchal levels.
Five hundred employees were contacted face to face and 283 responses received. Findings indicate that proactive personality, perceived job complexity, and organizational learning culture are the foundations upon which individual commitment to the organization, its mission and objectives are built. This is particularly true of individuals who exhibit proactive personality traits. Proactive personality, an individual’s ability to take initiative and seek opportunities for growth and performance improvements as a part of self-management, was found to be significantly related to the length of time subordinates remain with an organization (Gerhardt, Ashenbaum & Newman, 2009).

Gerhardt & Luzadis (2009), studying a sample of 131 college students in the “relationship between trait learning goal orientation, assigned goal condition, and task performance,” found that the alignment of goals with the individuals was not as important as the perception of goal difficulty held by the individuals (p.167). The findings conclude that stretching the capacity of individuals by asking them to function beyond or outside of their normal operational tasks is more conducive to increasing mastery of complex skills. Complexity of skills and the ability to adapt in an ever changing economic environment are required to achieve both individual and organizational success. Improving organizational learning and intellectual stimulation of followers then leads to an increase of organizational citizenship behavior.

**Organization Citizenship Behavior (OCB)**

In 2007 Boerner, Eisenbeiss & Gresser surveyed 91 leaders from German firms in the industries of engineering, insurance, telecommunication and finance across a variety of departments. The participants completed: MLQ-From 5X Short; a self-evaluation of leadership behaviors using a 7-point Likert Scale; OCB using Deckop et al.’s (1999) instrument, the level
of debate among subordinates using Simons et al. (1999), and measurements of follower performance based on Becker, Billings, Eveleth and Gilbert’s (1996) seven-point scale. The results show there is some correlation between transformational leadership, organizational citizenship and follower performance. There is an even higher correlation between the level of debate among subordinates and management and higher levels of successful innovation by the followers of transformational leaders. In the sense that “healthy” debate is a form of conflict, evident at times in all organizations, this study supports Heifetz’s (1994) conclusion that adaptive conflict, the ability of followers to have input, be heard and acknowledged by management, is at the core of successful transformational leadership.

The relationship between leaders’ OCB, followers’ OCB, and transformational leadership was studied by Krishnan and Arora (2008) through 93 superior-subordinate relationships of junior, middle and senior level managers from 15 organizations in India. The researchers used questionnaires with self-measures for leaders and the leaders rating of OCB by their subordinates as well as followers ratings of leaders’ OCB and transformational leadership practices. They found significant relationships between transformational leadership behaviors and the levels of OCB those leaders exhibited.

Additionally, the ability of transformational leaders to self-monitor their behavior and exhibit even-temperedness greatly enhanced their use of social skills and has a positive impact on follower OCB levels. Yet their findings also indicate that the there is very little correlation between the OCB of the leader and the OCB of their subordinates, indicating other factors are more important to raising follower organizational citizenship behavior (Krishnan & Aurora, 2008). These differences point to the need for an understanding of organizational culture from both leaders and followers perspectives.
Organizational Culture & Change

The ability of an organization to develop a culture readily willing to abandon historical principles that may have been effective in the past, but are not so currently, is the key ingredient for success in today’s economy (Avolio, 1999). Schein (1999, 2004) describes organizational culture from the outwardly observable processes, structures, strategies, mission, vision and goals of an organization to the much more difficult to determine underlying beliefs and feelings of organizational members which drive performance. The shared assumptions of an organization are paramount to understanding the existing organizational culture prior to implementing any desired change (Schein, 1999, 2004). Mallinger, Goodwin & O’Hara (2009) assert that determination of existing culture is less complicated and the ability to successfully create an organizational change culture may be accomplished in a much shorter time frame. Bradt, Check and Pedraza (2009) define a plan for effective change achievable in less than four months by any size organization.

Pepper (1999) asserts that the culture of an organization is determined through studies of the multiple levels and types of communication which are observable both in the present and in prior documentation. Kotter and Cohen (2002) suggest eight components for successful organizational change; 1) urgency, 2) gathering the right team, 3) building vision, 4) organizational acceptance via consistent communication, 5) action empowerment across hierarchies, 6) small victories, 7) persistence, and 8) lasting change (p.7), which also forms the key components for Bradt, et al., (2009). The foundation for any effective organizational culture change is the trust and vision shared between leaders and followers (Schein, 1995, 2004; Pepper 1995, Goleman, et. al. 2002; Rath & Conchie, 2008).
Transformational Culture Leadership Model

The graphic below depicts the potential for organizational culture change by applying transformational leadership practices. Built upon a foundation of altruistic integrity, the 4 I’s of transformational leadership better translate with followers and non-academic leaders to the terms relationships, learning culture, symbols/myths (organizational stories) and trust. Applied consistently these behaviors increase the performance of followers to achieve organizational objectives. This then leads to an organizational culture that is more adaptable to change, creating continual improvements and reaching outcomes which provide for sustainability whether for profit or non-profit.

Method

The purpose of this chapter is to describe the methodology used in determining if applying transformational leadership practices, along with cultural understanding, may lead to building both analytical and intuitive behavior practices increasing organizational learning culture and organizational citizenship. A simple case study approach was adopted based on the availability of accepted measurement tools and the organizations willingness to participate.

Participants

Beginning in June of 2010, two organizations agreed to participate in the study. The baseline entity is a non-profit inner city youth organization with national affiliation. They were recommended by the local United Way as an area leader in both transformational practices and
measurable community outcomes. The in-depth study was conducted at a privately held for-profit all-suite hotel with a strong internal restaurant and no national affiliation.

**Design**

Both organizations participated in two measurements during the summer of 2010; Mallinger’s *My Organizational Culture Survey* (2009, 1999) and the Multi-Factor Leadership Questionnaire (MLQ 5X) (Bass & Avolio, 2005). The Mallinger integrated cultural framework is derived from the “Film as a Lens for Understanding Culture and its Implications for Management Practice” (Mallinger & Rossy, 1999).

**Procedure**

The non-profit was provided only the results of the initial survey data to the executive director with which to draw their own insights and not provided additional consultations. At the hotel, participation was offered to all executives, managers and staff within the seven departments (Sales/Front desk, Laundry, Catering & Banquet Sales, Facility, Public Area, Restaurant, and Housekeeping) and executive management. The general manager of the hotel specifically asked the researcher to work on improving very poor customer service ratings by guests of the facility gathered over the previous 18 months. For 90 days the researcher interviewed, observed and was directly involved with the hotel for up to 50 hours a week. Survey participation in most departments was less than 50% and interest in both learning and change by some managers was negligible. Resistance to change was highly evident.

Due to the recent promotion of a five year housekeeper to the department manager position with responsibilities for Laundry, Housekeeping and Public Area, the majority of efforts were spent with that individual and her staff through late August of 2010 at the request of the general manager. The concluding hotel surveys among housekeeping staff were conducted
first week in January of 2011. The non-profit completed the second round of survey tools the second week of February, 2011.

Given the difference between non-profit and privately held for-profit, these two organizations share similar seasons of business. Both see increased business outside of the standard school season; the hotel with vacationing travelers and the youth agency with children out of school. Both gain benefits and direction from a global Fortune 500 business located in the community. Both the hotel and the agency have much higher levels of seasonal employment during peak business periods than during the winter. Although not realized until completion, a key difference between the organizations is the overall education of the staff and management. The non-profit team has several individuals with bachelor degrees and the executive director is completing a master’s degree in Organizational Leadership. Only two of the hotel managers have bachelor degrees and the majority of staff are entry level either working their way through college (17-25) or older (45-74) with little formal education beyond high school. Several of the older hotel staff could not read in either English or their native language and required an interpreter to complete surveys. This is not necessarily unusual for either the region or the nature of entry level service employees in the hospitality industries.

Results

The purpose of this study was to determine if applying transformational leadership practices along with a quickly gathered cultural understanding may lead to building both analytical and intuitive behavior practices which increase organizational learning culture and organizational citizenship.

With the hotel, the general manager, all department managers and a number of support staff completed the Mallinger Cultural survey. Multiple interviews with hotel managers and staff
across departments revealed a culture mired in finger pointing, customer service failure, lack of effective communication between departments, and a pervasive attitude of “it’s not my job”.

One recently replaced manager with responsibilities across five departments went so far as to forbid departmental staff from talking to each other or talking to other managers, further creating a “silo” mentality (Rummler & Brache, 1995). In recent history, if a vice-president saw a coffee cup left by a guest in the lobby, he would leave it and go to the seventh floor executive offices. Then the vice-president would call the front desk and ask them to call facilities to pick it up. The aforementioned facilities manager would then page a public area attendant to leave their current task, pick up the cup and return it the 20 feet to the restaurant.

The foundation of the culture and eventual performance of every organization is the mission, vision and values (Schein, 2004; Pepper, 1995). No manager or employee at the hotel had seen these crucial statements beyond the president. Although the organization had a Mission and Vision statement created by the president in 1996, it remained a document in his drawer since that time. This prevented the entire organization from understanding the importance of meeting customer’s needs proactively and the basis for all organizational activity. Successful customer development and retention requires all departments to work cohesively. Particularly in the hospitality industry, but true for other organizations as well. A positive attribute of cultural leadership within the hotel was a surprisingly high level of attributed loyalty to staff in the results of the Cultural Survey.

Additionally the executive management (president, general manager, and untitled owner with adjacent offices) believed firmly in Management by Exception as their leadership model. Weekly meetings were held by the general manager and department managers but the president was not involved. Reviews of the financials for the previous week and upcoming events were
briefly discussed. The expectation of all three top executives was to set both sales improvement and cost reduction goals and leave individual managers to do their jobs. At no time did they want to be bothered with the day-to-days of departmental tasks or staff.

Further feeding a lack of horizontal cooperation, there existed separate employee manuals for each department with antiquated rules and regulations with no consistency across departments. No computer stored versions existed and paper copies were last updated in 2004. These guidelines were not followed in any sense by either management or employees in behavior expectations or performance reviews. A very rigid point system for failure to fulfill job tasks was in place (1 point put in the permanent file for this, a $\frac{1}{2}$ point for that offense . . . etc.). However, no one was actually keeping track of failures beyond immediate public chastisement when discovered. Within the housekeeping and public area attendant staff in particular a habit of punching in and “disappearing” in the facility, or of taking as long as possible to complete tasks to add to hours was prevalent. As a result, even though check in time for guests was 4 p.m., rooms were often not completely cleaned during the previous year until 8 or 9 p.m. at night.

After reviewing all of the varied employee manuals and interviewing managers and staff, a 2010 Employee Customer Service Manual was created and introduced across all departments and all employees. The manual included the mission, vision and core values of the organization and an employee promise to reinforce organizational values in a personal way:

1. I will greet every guest & co-worker with smiling warmth & sincerity.
2. I will be proactive in providing the highest levels of immediate service & quality to guests & co-workers.
3. I will maintain the highest levels of integrity & respect for others
The Mission, Vision and Employee Promise were reproduced in large framed posters placed throughout employee work areas (out of public view). They were produced on individually laminated business size cards that each employee was given to carry with them. They were also produced in large label form and placed on the housekeeping carts where they could not be ignored.

The organizational chart within the employee manual was turned upside down placing the customer at the top of the organizational focus and the president at the bottom. This reinforces the reality of the nature of working in the hospitality industry. The interaction between the president, general managers and most department managers with customers was, and is slight. It is the entry level support staff of all departments who daily interact continually with customers, and thus have the greatest impact on customer service. Within the housekeeping and public area attendant staff, job descriptions were created with input from the staff, replacing outdated and highly inaccurate 2004 versions. When finalized and approved these were explained in detail and staff signed off that they understand the expectations. To reinforce the expectation of excellence at all levels, these documents were produced as 11 x 17 posters and placed near the Mission/Values in employee areas.

The initial MLQ (5X) data revealed that highest levels of intellectual stimulation, inspirational motivation, idealized influence (both behavior and attributed) as perceived by staff existed in the manager responsible for housekeeping, public areas and laundry staff (three departments, one manager). Additionally she possessed a strong personal knowledge as the
manager’s self analysis varied from subordinate feedback by .35 (high or low) on the five point scale of all measured categories. The MLQ guidelines for student research limit the number of measurements which can be presented. The four key transformational leadership attributes demonstrate only an average .28 variation between staff and manager perceptions. This data was surprising in that of all managers within the organization she had the least amount of leadership experience.

Additionally a natural tendency of the housekeeping staff to reject directions from a manager who so recently worked as one of “them” was readily observed early in the research period. Daily discussions regarding transactional and transformational leadership practices were held with the housekeeping manager for approximately 60 days.

During the six months between surveys the annually expected downsizing of staff began in October with housekeeping and laundry staff reduced by half the summer number. Also in October the facilities manager (who did not participate at any level in the study) began to invent performance failures by the public area staff to report inadequacies to the general manager. In December the public area staff was moved from reporting to the housekeeping manager to serve under the facilities manager. The explanation given was that they would perform better under a man than a woman. This caused complications in the daily completion of housekeeping tasks due to the intertwined nature of support required by the public area staff. Reporting to a separate and uncooperative facilities manager completely unaware of the public area job description; he hampered the ability of housekeeping to complete their jobs by preventing his new charges from doing interactive tasks in a timely manner. A decreasing ratings of space orientation by the

<table>
<thead>
<tr>
<th>Table 1: Hotel MLQ</th>
<th>Staff</th>
<th>Manager</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Idealized Influence (Attributed)</td>
<td>3.09</td>
<td>3.25</td>
<td>-0.16</td>
</tr>
<tr>
<td>Idealized Influence (Behavior)</td>
<td>3.19</td>
<td>3.00</td>
<td>+0.19</td>
</tr>
<tr>
<td>Inspirational Motivation</td>
<td>2.69</td>
<td>3.25</td>
<td>-0.56</td>
</tr>
<tr>
<td>Intellectual Stimulation</td>
<td>2.53</td>
<td>2.75</td>
<td>-0.22</td>
</tr>
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housekeeping staff in the cultural survey, since no changes have been made to the physical structure, better reflects the departmental changes made in December.

**MLQ Baseline Comparison**

Although MLQ (5x) data was collected on multiple managers in both organizations, for comparative purposes the data on the housekeeping manager and the non-profit operations manager are utilized below.

<table>
<thead>
<tr>
<th>Table 2: MLQ Comparison</th>
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<tbody>
<tr>
<td><strong>Housekeeping Manager</strong></td>
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<tr>
<td>Idealized Influence (Attributed)</td>
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<tr>
<td>Idealized Influence (Behavior)</td>
</tr>
<tr>
<td>Inspirational Motivation</td>
</tr>
<tr>
<td>Intellectual Stimulation</td>
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<tr>
<td>Laissez-Faire</td>
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</tbody>
</table>

Both managers have experienced a decrease in perceived transformational behaviors while experiencing a perceived increased *laissez-faire* managerial style over the survey period. This may be attributed in both organizations to the volume of work which is accomplished during the peak summer periods and the dramatic decrease of business in the winter. Additionally, the organizational changes at the hotel have caused the housekeeping manager and staff concern for the continuation of their employment. The more dramatic decreases in the manager’s perceived leadership styles reflect doubts about her authority and ability both in the manager and the staff.

**Mallinger Baseline Comparison**

The Mallinger Cultural Survey data comparison reveals improvements in all areas except the ability to influence for the non-profit. Given the accepted nature of a higher educated staff,
the non-profit should have a stronger comfort level with ambiguity and achievement orientation demonstrated by the organization over the study period. The difference in individualism/collectivism among the nonprofit staff is negligible, as is space orientation. There have been no physical structure changes though an additional facility for expansion is in development. Over the previous six months the staff believes that the executive director makes better use of their time and that opportunities for advancement have also improved slightly.

The comparative figures are exhibited in the tables below with Mallinger’s (2009) explanation of ratings.

<table>
<thead>
<tr>
<th>Table 3: Cultural Survey Comparison</th>
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<tbody>
<tr>
<td><strong>Hotel Comparison</strong></td>
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<tr>
<td><strong>Category</strong></td>
</tr>
<tr>
<td>Ability to Influence</td>
</tr>
<tr>
<td>Comfort with Ambiguity</td>
</tr>
<tr>
<td>Achievement Orientation</td>
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<tr>
<td>Individualism/Collectivism</td>
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<tr>
<td>Time Orientation**</td>
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<tr>
<td>Space Orientation***</td>
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</table>

For the hotel, given the changes to staff and procedures since October, feelings about the organization decreased dramatically in all but two areas; ability to influence (increase) and achievement orientation (no change). Engagement in updating job descriptions and daily tasks by the housekeeping staff resulted in a perceived increased ability to influence company policy. Rather than have change forced upon them as was previous practice, the staff felt respected and involved and performance improved. The end document was not different from management’s expectations before staff engagement, but participation improved citizenship behavior. The decrease in the housekeeping staff comfort with ambiguity reflects a better understanding of the
quality required in task performance. The decrease in individualism/collectivism reflects a stronger team ethic in completing tasks. The decrease relating to time orientation is a natural occurrence of ongoing discussions and training over the summer attempting to increase service and quality levels which in 2011 reflect the changes which have occurred to staff and organizational structures over that period.

**Measured Customer Service Change**

In June of 2010 at the request of the hotel general manager the previous 18 months of guest comment cards were analyzed. The cards are readily available to all guests of the hotel or restaurant to complete at their convenience. These consist of a 4-point scale: Excellent – Good – Fair – Poor. Departments listed on the card include Front Desk, Housekeeping, Restaurant and Facilities with a total of fourteen statements to be ranked. The data was compiled from February of 2008 through May of 2010. These ratings were then introduced first to managers and then to support staff as a demonstration of needed change to customer service levels across the organization. In September of 2010 the cards for June through August were analyzed for comparison with the results below.

<table>
<thead>
<tr>
<th>Table 4: Hotel Guest Ratings</th>
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</thead>
<tbody>
<tr>
<td>Area</td>
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<tr>
<td>Overall</td>
</tr>
<tr>
<td>Front Desk</td>
</tr>
<tr>
<td>Housekeeping</td>
</tr>
<tr>
<td>Restaurant</td>
</tr>
<tr>
<td>Facilities</td>
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</table>

Clearly, the general manager’s goal of using the hypothesis of this study to improve customer service was achieved over the first 90 day period. Within the first 30 days after being involved in the creation of their job description and expectations, the housekeeping staff was able to complete room cleaning before the 4 p.m. check in time for new guests. The hotel saw a twenty percent increase in sales over the summer period and a thirty-six
percent increase in the fourth quarter of 2010 compared to 2009. This result is also considerable in that the executive management hotel offered no incentives or rewards for job improvement beyond still having a job to come to. The housekeeping manager when promoted in March of 2010 was only given a title with no increase in the hourly wage earned as a housekeeper. Although rewards and incentives were requested of executive management as an important reinforcement for improvements, none were or have been provided.

For the non-profit subject, although national customer service tools are available they are not utilized at this time. If one considers the donor the primary client of any non-profit then the organization’s ability to raise an additional 5.6 million dollars for capital improvement over the course of six months in 2010 also indicates a high level of customer satisfaction with the organization. The non-profit saw a twenty percent increase in children served over the summer of 2010 as expected with increasing levels of poverty seen nationally.

Limitations

While the MLQ and other leadership practices surveys of followers and leaders have been shown over time to be effective measurement tools, they are still subjective. Whether for-profit or non-profit the economic constraints upon most organizations reveals that increased workloads with a reduced number of employees may hinder desire for the time necessary to fully implement effective change practices. This was demonstrated particularly in the hotel in the expected partial participation across the organization which could have been overcome with more emphasis from ownership. Since the executive management leads with a combination of Laissez-faire and Management-by-Exception styles it should be expected to permeate the rest of the organization. It is also possible that the the decrease in leadership attributes from the surveys of both organizations in 2011 are a result of post holiday personal attitudes. A completion of
both surveys in the summer of 2011 would provide data from comparable business volumes as opposed to a peak and off-season collection but the opportunity was not available to do so.

**Conclusion and Recommendations for Further Study**

Whether for-profit or non-profit the need of business to be adaptive to change and continually seek performance improvement requires transformational leadership behaviors at all levels of management. From the dramatic hotel customer service improvement feedback, it is possible to initiate cultural change and achieve positive results utilizing transformational leadership practices. As expected, the foundation of cultural change is within a clearly articulated mission, vision and values statements that employees can comprehend and believe in.

Clarification of task and performance expectations at all levels of the organization gives employees the opportunity to reach and exceed those goals. These simple documents, particularly when staff are involved in their creation, help improve Organizational Learning Culture and Organizational Citizenship Behavior. Unarticulated results can never meet organizational goals. At the same time, if the management at any hierarchal level does not reinforce positive change or violates the stated mission, vision and values of the organization, perception of leadership and performance levels will decrease. This is particularly true for service oriented businesses with lower wage employees and high employee turnover, such as the hotel and restaurant business.

The common “silo” mentality (Rummler & Brache, 1995) by upper management anywhere but particularly in this study is prohibitive to achieving both the performance and financial goals of the company. Inconsistencies between departmental and staff treatment is obvious to all employees. Having no rewards available to employees for achieving goals and objectives beyond keeping the job is a hindrance to positive reinforcement both individually and
If organizational change is to become a new standard of performance, it becomes imperative that reinforcement of process, procedure, mission, vision and values be ongoing and equally applied. The foundation of the Transformational Culture Leadership Model is trust, and loss of trust between leaders and followers is devastating to organizational outcomes.

Finally, as is well documented in multiple studies, followers imitate the behavior examples provided to them by their leaders. This is not to say that an organization isn’t capable of achieving their financial goals in terms of sales, profits or reduction of expenses. Only that such measure of success will most likely be inconsistent from one quarter to the next or in year over year comparisons. If leadership doesn’t realize what can be gained from seeking to develop better leadership practices and improving culture in ways that both employees and customers can sense, then opportunities for higher sales and profits won’t be achieved consistently. Within any given department or division, organizational culture may be changed to achieve short term gains, but complete transformation will not reach a permanent position of behavior performance if leadership practices are inconsistent. Organizational Learning Culture and Organizational Citizenship Behavior flow in a continual cycle through ongoing levels of trust and Transformational Leadership.

The results showing dramatic differences of the same staff members in different seasons of business indicate a need for further studies to understand how seasonal influences impact leadership and organizational citizenship behavior. This aspect of study considered an influencing factor prior to initial data collection but has direct impact on organizations with strong seasonal fluctuations.
Table: Comparative Definitions of Leadership Styles

<table>
<thead>
<tr>
<th>Leadership Style</th>
<th>Definitions</th>
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<tbody>
<tr>
<td><strong>Transformational/Charismatic</strong></td>
<td>Visionary leadership that moves people toward shared dreams (Goleman, <em>et al.</em>, 2002). Raising awareness beyond self-interest towards self-fulfillment and creating understanding of the need to change with a sense of urgency and commitment to greatness (Dubrin, 2007). Idealized and inspirational influence, providing intellectual stimulation and individual consideration (Avolio, 1999). Leaders who present clear vision that create shared meaning, trust and utilize their own emotional intelligence for the organization (Northouse, 2007). Modeling the way while inspiring a shared vision. Challenging the process while enabling others to act and encouraging the heart of team members (Kouzes &amp; Posner, 2002). Transformational leaders have vision, passion, integrity, trust, curiosity and daring (Bennis, 1989). Heifetz (1994) describes such leadership as informal authority power.</td>
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<tr>
<td><strong>Transactional</strong></td>
<td>The basis for building trust and identification among team members from which transformational leadership may evolve. (Avolio, 1999). Heifetz (1994) states that follower trust involves predictable skills and values by leadership. Coaching - connecting individual needs to organizational goals (Goleman, <em>Et al.</em>, 2002). Rewarding group members for meeting standards (Dubrin, 2007). An exchange of satisfaction between leaders and followers that is mostly trivial and superficial (Burns, 1978). An exchange between leaders and followers that doesn’t focus on subordinate needs or development (Northouse, 2007).</td>
</tr>
<tr>
<td><strong>Contingent Reward</strong></td>
<td>Leadership that seeks agreement from followers in exchange for specific rewards (Northouse, 2007). Reasonably effective in task accomplishment but not in the motivation of followers to achieve higher performance (Avolio, 1999). Is a transactional behavior when tied to financial incentives but has transformational impacts on followers when tied to psychological rewards (Bass &amp; Riggio, 2006).</td>
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<tr>
<td><strong>Management-by-Exception:</strong></td>
<td>Required in some organizations (military) but mostly ineffective overall. Leaders create negativity by only communicating errors from expectations or deviations from the norm (Avolio, 1999). Active MBE is more positive than Passive MBE, but still focuses on negative feedback, negative reinforcement and corrective criticism (Northouse, 2007)</td>
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<tr>
<td><strong>Active or Passive</strong></td>
<td><strong>Laissez-Faire</strong></td>
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</table>
References


