

# Women as Transformational Leaders: The Emerging Face of Leadership in Today's Organizations.

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## Abstract

*Women in today's organizations are capable enough to change as well as challenge the existing trends and thus infusing new style of leading the organizations. The growing impact of women in the workplace has kept the leadership style of women on the research agenda. The trends are changing with the increase in the number of women at the workplace. This paper examines the literature relating to the different leadership styles adopted by women in order to explain the relation between women and transformational leadership. Women are playing an important role in the evolution of leadership. They are more likely to be transformational leaders in comparison to men who are found to be transactional and task-oriented. Given the superiority of the transformational style over the transactional style alone, why are women less likely to be occupying the most senior positions in the organizations? This paper tries to bring out the various problems faced by the women holding senior positions and the hurdles that they crossed to get promoted. It also tries to study the impact of such kind of leadership on the performance of the companies and the other benefits related to the same. Organizations need to accelerate this shift to 21<sup>st</sup> century leadership wherein women are ready to steer the companies through volatile market environment and stiff competition by addressing the various obstacles to success, promotion and retention of highly capable women.*

**Key words:** Transformational Leadership, Glass Ceiling, Styles of Leadership, Transactional and Task Oriented.

## Introduction

Today's smart and modern companies are aware of the catalyzing role of women leaders and are taking steps now to gain advantage so as to gain a competitive edge over the others. Women Leaders are capable of integrating feminine thinking into the company's business plans, strategies and culture. In order to grow the business, these women must be accepted as equals among their peers. For this to happen, the very model of what is considered good leadership has to incorporate feminine as well as masculine attributes. The history of women in leadership roles showcases lot of struggle and challenges. Today, there is growing participation of women in the workforce around the globe as doctors, engineers, scientists, sociologist, teachers, and students. CEO's, board room directors and decision makers in companies have been increasingly sensitive to the issue of women executives in the work place. They remain hesitant in changing the corporate profiles of their top management to reflect a greater diversity of thinking and innovative mix of professionals. CEO's and the HR leaders opinioned that the reason for cited above is to the lack of availability of experienced women executives for top management positions. But the truth is that they are hesitant to accept the equation and provide a platform to perform equally. Women executives agree that there is lack of "a level playing field", and biasedness overshadows the performance assessment. Further traditional mind sets and corporate culture is restricting the women in

moving out of their “comfort- zones”. There is a myth in corporate that women executives cannot lead both social and working life successfully and they give utmost priority to the family only and it negatively impacts the performance graphs in their career ladder. In fact juggling and leading both the life is a tricky one for them, but they are proving themselves and have become successful.

Leadership research has expanded thus throwing light on women's limited advancement in management. As a result, leadership styles have been studied extensively in various contexts. Research has indicated that, although many women hold management positions, few succeeded to top management positions. Most studies associated with the issues that hinder career advancement of women, have focused on either the intrinsic variables within the female herself or the extrinsic variables, such as economic, cultural and sociological complexities. But the attainment of top management positions for females is complex and involves many variables.

Moreover, the research about leadership styles and gender has often conflicting results, which do or do not support the assumption that there are stereotypical masculine and feminine styles. However, major findings show an integrative women's leadership model characterized by task commitment, personal sacrifice, goal orientation, commitment to personal relationships and with employees and an emphasis on teamwork. This leadership style lays a foundation for future studies of women's leadership in all types of industries as well as in other fields. Therefore, the aim of this paper is to theoretically discuss females' leadership style and their potential role as transformational business leaders. In this respect, the present paper is structured in five sections. The first section briefly reviews the literature related to transformational leadership in organizations. The second one explores the transformational role of women. The third section discusses a few exemplary women transformational leaders in context to India, whilst the fourth section talks about some of the problems faced by women in getting the right platform. Finally, the last section attempts to summarize the main points of the literature as well as to give future directions for future research on the field.

## Literature Review

**Transformational leadership:** Modern organizations are faced with the challenge of global competition, as stated by Smith (2005), thus these organizations are into 360 degrees of restructuring and reengineering. Leadership in organizations is hard to define: they may be vertical, horizontal, diagonal. It may move across functional boundaries as well as across companies and industries, according to larger needs and opportunities. Thus, organizational leadership now is even more complex and requires more of responsible and sensitive individuals to manage employees. Moreover, networks and alliance are of utmost importance, not only for individual leaders as they manage their employees but also for firms as they attempt retain the loyalty of their customers. In this respect, a new kind of leadership has emerged; the transformational leadership (Bass, 1985 and 1990), Burns developed two constructs of leadership: the transactional and the transformational. These two leadership forms are opposing and each represent an extreme. However, when measuring leadership with the Multifactor Leadership Questionnaire, every leader displays a frequency of both the transactional and transformational factors, but each leader's profile involves more of one and less of the other. Although this specific paper is concerned with the latter construct – transformational leadership – the basic ideas behind the transactional form deserve mentioning. Transactional leadership occurs when the leader and the follower makes an exchange of valued things, e.g. votes, money, goods, or even hospitality for a willingness to listen to ones troubles. This type of leadership is hence a bargaining process. However, when the transactional leader emphasizes what your country can do for you, the transformational

leader asks what you can do for your country (Bass, 1999). Transformational leadership occurs when leaders and followers engage in a mutual process, raising one another to higher levels of motivation. In doing so, the purposes of the leader and the follower become one. Transforming leaders are also suggested to actively develop followers into leaders (Avolio and Gardner, 2005). Transformational leadership presupposes a “self” that is connected to friends, family, and community whose welfare may be more important to the leader than his/her own welfare. Transformational leadership incorporates four sub-dimensions: (1) charisma or idealized influence; (2) inspirational motivation; (3) individualized consideration; and (4) intellectual stimulation.

Idealized influence, that is, being influential about ideals, involves leadership that is envisioning, confident, sets high standards for emulation, often has a spiritual dimension, and holds high moral values in the influence process. This renders a leader, whose behaviour sets a moral example, and thereby gaining respect and trust among his/her followers.

Inspirational motivation is closely connected to the idealized influence and involves leadership with a clear vision that appears appealing and inspiring to followers. Leaders with high inspirational motivation tend to be more optimistic about the future. This in turn results in followers with a strong sense of purpose and meaning. The leader’s ability to communicate the common goals and vision in an understandable, precise, powerful, and engaging way is here central (Bass and Steidlmeier, 1999). Compared to other forms of leadership, the transforming leader is also a very charismatic person who is able to dazzle his/her surrounding (Avolio and Gardner, 2005).

In individualized consideration the transforming leader treats the follower as an individual and provides coaching, mentoring and growth opportunities (Bass and Steidlmeier, 1999). Finally, a leader who is able to intellectually stimulate has an open approach to processes of situation evaluation, vision formulation, and patterns of implementation. This openness further helps the followers to be more constructive and creative. (Bass and Steidlmeier, 1999). Related to the above is also the issue of fairness. Transformational leadership is seen among the followers as more procedurally fair compared to other leadership forms, contributing to creating trust in the leader and strong organizational commitment (van Knippenberg, De Cremer and van Knippenberg, 2006). Further, in order to get followers to accept changes in the organization, leaders can exercise their authority via fair procedures. This relationship is especially strong among those followers whose identification with the organization is high (Tyler and De Cremer, 2005). As suggested by Avolio and Gardner (2005), transformational leadership is particularly suited for organizational environments characterized by uncertainty, inclusion, and an ethics.

### **Exploring the Transformational Role of Women**

A new kind of leadership has emerged; the transformational leadership (Bass, 1985 and 1990), which seems to be gender-related (Maher, 1997). This type of leader does not only guide and motivate her employees, but also inspires them. This kind of leader has a profound and extraordinary effect on her employees (Wofford, et al, 1998). Therefore, the question that emerges is what makes someone a transformational leader. Or, to pose it in a more specific way, are there any factors influencing the transformational leadership? This paper attempts to explore whether gender is such a factor. In fact, what this paper is interested in is related to what extent the leadership style of female managers is more closely associated with transformational leadership.

For about 30 years, literature on women and management stressed females' managerial abilities as equivalent to those of males (Chapman, 1975). But in the mid-1980s, general discussions about the place of women in management (the equality discussion) took a turn. A

women's unique feminine skills play a vital role in organizational management. Moreover, as the hierarchically bounded middle management job is replaced by the boundary less project-management job, parity between males and females may be greater. Differences between male and female pay and participation rates may diminish as the traditional first-line supervisor's job is supplanted by the boundary-spanning team leader role. There is also some suggestion (Arthur and Rousseau, 1996; Ferguson, 1984; Gilligan, 1982) that women may also benefit from the fact that managing and organizing in the new context favours the female style over the male. Men traits and competences such as toughness, self-interest and domination makes them unable to perform in fluid context. Women are able to get things done by co-operation and a shared influence, by building relationships and connections with others, both inside and outside the boundaries of jobs, departmental lines and chains of command. In a business world of flatter structures, and self-managed project teams, the individual is less likely to be at centre stage, directing others and making decisions, but instead needs to share both responsibility and the limelight. This requires them to be open, egalitarian focused on and responsive to others, supporting and empowering, influencing without dominating. All these are traditionally identified in western culture as feminine traits (Ferguson, 1984). The traditional feminine role is said to be centered around on performing a process rather than focusing on outcomes. The women's difference on management style found their initial support in research on the psychology of women (Gilligan 1982; Chodorow 1978; Miller 1976). These works show that traditional views of gender differences have not been culturally neutral; rather, qualities associated with males have been rewarded and those associated with females have been devalued. Yet, because value systems are social and cultural constructions, it is possible to conceptualize female characteristics as positive-even though different-rather than as inferior to male characteristics.

Clearly, the appeal of these ideas stems from their implications for revaluing women and feminine qualities in various kinds of activities, including approaches to management. For instance, Loden (1985) is the first one arguing, that under the female's difference umbrella, women's managerial styles could be what was needed for solving American productivity problems. Similar arguments followed by other academic scholars (Bowen and Hisrich, 1986; Grant, 1988; Helgeson, 1990; Bass and Stogdill, 1991). In these writings, what was once criticized as female patterns in need of overcoming for success in management is now positioned as special and useful for organizations. For example. Grant (1988) argues that women seem to be the most radical force available in bringing about organizational change, thanks to qualities gained in experiences with their families and communities. In Grant's view, women's skills at communication and cooperation, their interests in affiliation and attachment, and their orientation toward power as a transforming and liberating force to be used for public purposes rather than for personal ambition and power over others are critically needed human resource skills in contemporary organizations. Moreover, Rosener (1990) described "interactive leadership" as characteristic of some of the female executives that she studied. Patterns unique to women's socialization made them comfortable with encouraging participation and facilitating inclusion, sharing power and information, enhancing the self-worth of others, and energizing and exciting others about their work. Furthermore, Bass (1991) has founded that women show more evidence of transformational leadership than men, supporting the view that women have more highly developed interpersonal skills than men. However, the evidence suggests that there are fewer differences than expected, especially when studies control for the effects of age, work role and achievement.

More recent work by Buttner (2001) argues that while research on women's leadership style has shown that men and women lead in similar ways, there are also some demonstrated differences in style by gender. In addition, Ardalán (2003) supports that women executives,

no longer looking to "break the glass ceiling" are commanding leadership positions and writing their own rules, creating their own management style and redefining what it takes to get to the top in business. Although women hold almost half of the managerial and professional positions in the workplace, they account for only 3% of the top positions among Fortune 500 companies. But those numbers are bound to increase as more and more women discover they have what it takes to be a leader. Traditional top-down hierarchical organizational structures, generally lead by men, are giving way to a more collaborative, team-oriented approach that emphasizes communication, networking and yes, balance. Ardalan (2003) continues arguing that today, company executives, whether female or male, not only need to keep their eye on bottom-line results, but must also be highly attuned to the needs, abilities and dynamics of employees. Business leaders must have the adaptability to manage a diverse global workforce in an ever-changing business environment. Companies are recognizing the contributions female executives offer in the workplace, but it seems employers still expect more from women in leadership roles. They need to be strong decision makers, but are valued for their ability to engineer consensus among team members. Women executives must also exhibit "softer" qualities such as a sense of humor and the "personal touch" yet are expected to be clear and effective communicators with the ability to motivate personnel and get things done. And, in most cases, women executives still run the home front creating a balancing act between work and family life (Ardalan, 2003). However, it is still an exciting and challenging time to be a woman in the workforce. The perception of what it takes to be an effective executive is changing as well as the appropriate management skills. Women are no longer focused on the "glass ceiling" (Schneider, 2000), but are creating their own paths to success.

### **Few Exemplary Women Transformational Leaders in context to India**

1. **Kiran Mazumdar-Shaw CMD, Biocon Ltd** -In January, her company's partnership with Mylan helped launch a biosimilar and a targeted therapy to treat certain types of breast cancers in India, a first of its kind in the world. In June, she became the fourth Indian to be awarded the Global Economy Prize for Business by the Kiel Institute for the World Economy in Germany. When it comes to active women chairpersons in India, Kiran Mazumdar-Shaw has one of the highest recall values. Mazumdar-Shaw founded biotechnology firm Biocon in 1978 with an initial investment of Rs 10,000 in a garage. She calls her tenure as chairperson eventful. "The high point of my chairmanship has been the listing of Biocon in 2004 when we were valued at \$1 billion, a sharp jump from \$100 million a year before. The low point was to see the share price of Biocon tanking 20 per cent when one of our insulin deals with Pfizer was called off. It took us over a year to recover from this event," she says. Mazumdar-Shaw says she wants Biocon to be seen as a significant biotechnology player globally. "Recently, we have appointed a new CEO and Joint Managing Director. Based on the current scenario, I still have 10 more years of active professional life," says Shaw, 61. Besides work, Mazumdar-Shaw is associated with multiple institutions such as the Confederation of Indian Industry, Bangalore Political Action Committee, and the Indian Institute of Management-Bangalore. She was nominated for the 11<sup>th</sup> edition of the Most Powerful Women(MPW) in Indian Business Awards,2014 put together by Business Times and knowledge partner Egonzehnder.
2. **Naina Lal Kidwai, Country Head, HSBC India** -She was earlier heading only banking operations of HSBC India. Today, she has a much larger role, heading HSBC's entire Indian operations, which include banking, insurance, asset management, securities, BPO, etc. Kidwai was also the first woman president of

industry lobby group FICCI till December 2013. She was nominated for the 11<sup>th</sup> edition of the Most Powerful Women (MPW) in Indian Business Awards, 2014 put together by Business Times and knowledge partner Egonzehnder.

3. **Kiran Bedi, ex-cop-** It's hard to pick one area in which Kiran Bedi has had the greatest impact. It could be how she changed perception about the Indian cop, giving the force the power to reform and not just punish or perhaps it was her way of raising resources through her two NGOs- the Navjyoti India Foundation and the India Vision Foundation- which work in the areas of education and healthcare. It might have been something as simple as using her position to speak up against injustice. But Kiran Bedi's devotion to her country is undeniable. She was the winner of L'Oreal Paris Femina Women Awards 2014 for social impact that transformed the lives of many and she still inspires many.
4. **Kirthiga Reddy, Facebook's India Chief-** Before she took over the reins at Facebook India, the social media giant had just eight million Indian users. Today, under Kirthiga's leadership, that number is up to 93 million users. It's no wonder Facebook's India Chief is driven to have CEOs and business leaders look at it as a mass media, and not just social media. She says "it takes three key things-to have big dreams about the kind of impact you want to make, the courage to seize opportunities, and the right team of people to work towards that vision. She was the winner of L'Oreal Paris Femina Women Awards 2014 for leadership.

### **Reasons why women aren't leading in sufficient numbers are (Forbes/Leadership 2013):**

1) **The differences between men and women are still not fully understood or valued:** It's an indisputable fact – women and men are different in many ways. The differences in women's style, approach, communication, decision making, leadership values, focus and "energy," are not at all understood or valued. Many organizations still make women "wrong" (consciously or subconsciously) for their priorities and styles that clash with the dominant culture. Further, the emphasis many women leaders place on connection, empathy, emotional cue-taking, consensus-building, risk-taking, mutuality, and questioning are often misconstrued as a "less-than" leadership style. More multicultural and diversity training must occur for women and men to wholly embrace their differences, and understand that it is diversity and difference that makes them stronger and more competitive.

2) **Family Life vs Work Life:** Women are still performing the majority of domestic and child care responsibility in the home, even when there are two spouses working full-time. As such, and as long as women are bearing the children in our species, women will not view child rearing and child care in the same way as men do, and will prioritize the responsibilities around it differently.

3) **Extreme work demands:** The extreme demands of many 24/7 work corporate environments today represent an impasse to many women who wish to prioritize life outside of work more highly. Women are not less ambitious than men, it is the COST of ambition – and the **struggle women face** in pursuing their professional ambitions — that is at the heart of why we have so few women leaders today, and why women are achieving less and not reaching as high as men in corporate world.

4) **Marginalizing of women has become a practice:** As much as we don't want to admit it, women are still being diminished, sidelined, suppressed, and thought less of because of being

women and because they are different from the leadership norm . Further, women are pushed aside regularly when they make their family priorities known or demand time off after having a child. We can deny this all we want, but it is happening all across the globe – women are still considered “less than” in terms of leadership capability in many organizations. This will change in 50 or 100 years, and is changing radically now in the entrepreneurial world.

## **Research Methodology**

The study is mainly based on the secondary source in form of various research papers, websites and eBooks. On the basis of secondary data the argument in this paper has been developed. The researchers have placed their own observations regarding the same.

## **Findings and Analysis**

As today's business world is faced with the challenge of global competition, it requires effective managers, who pay regard not only to bottom-line results, but also to internal communication and motivation. This kind of leadership has been called as the transformational leadership (Bass, 1985 and 1990). In this respect and due to the fact that during the last two decades, women have entered the field of management in greatly increasing numbers, the basic difference between male and female managers, is that women, typically, exhibit transformational leadership behaviors, centering on relationships, communication and social sensitivity. Thus, we can support the view that the increasing importance of transformational leadership in organizational performance confers favor on the position of women in the labor market. As Peter York (1999) argues the future of managing organizations around the globe tends to be a lot more female. His argument reflects clearly the importance of women in today's business world. The Taylorist period of management is over. The humanistic period has been well-introduced. The old (Taylorist) style of management required a more autocratic style of leadership. This style was most common among male managers, who adopted a more mechanistic character and attitude towards employees. Women were poorly represented in the ranks of management and largely ignored in leadership. Male managers were more likely to be confident to monitor and coordinate subordinates. This autocratic style of leadership had resulted many times a dysfunctional way of managing people. Now-a-days the most effective management style seems to be one in which the manager/leader shares authority and power with his/her subordinates. This style increases employees' job satisfaction, promotes their interests and leads them to effective performance. This also resulted a new status for female managers. Arroba and James (1998) point out that women have innate attributes that can be seen as great advantage in the age of human oriented management. These features include intuition, sensitivity, observation and a willingness to engage with feelings. In other words, in the new era of humanistic leadership female managers are keener to delegate power than men. They can share responsibility promoting employees' involvement and participation in decision-making process. Finally, they are much more capable than men in understanding people needs and allowing them to satisfy their expectations and prospects through their jobs.

While there are enough examples in India of women leaders in politics, the social sector and arts, the corporate world needs to catch up. Traditionally, top jobs have been the preserve of men and there is an internal resistance to having women competing for them. To create an equal and just workplace, companies will have to be more flexible and men also must change their age-old attitudes. On their part, women corporate executives will have to overcome their fears to take up more top jobs. Several women including Meher Pudumjee, Vidya Murkumbi and Urvi Piramal have already broken into this male bastion and are setting the precedents for

both genders. Jindal believes women can excel in whatever they do, mainly because they are good at multitasking. "There are times when people perceive them as soft targets and might take advantage of them," she says. "But if they remain steadfast in their approach and firm in their dealings they can win any battle."

## Conclusion

Women in an organization are still facing barriers on career advancement, gender stereotyping and other threats from within or out of the organization. There is a hairline difference between female feticide and gender diversity or gender stereotyping because killing the honest motives of life of human being is very much synonymous with the killing of lives. This scenario should be changed and only the modernization of thought process of the management of organizations can change it with the help of positive societal changes. Every organization should prioritize talents over anything else for the growth of themselves which in turn, helps the society to grow. Every organization should focus on "human resource" rather than "man resource" or "woman resource" separately. Everything should be balanced and nothing can be grown being unbalanced. In the end, creating a pathway for more women in corporate leadership will require change on all levels — *individual, organizational and global*. But we must start with you and me, today. What one step can YOU take – either as a female committed to achieving more leadership authority, or as a female or male leader with the power and influence to bring about true change in your organization.

## Future Research

Female managers can dominate in the era of modern global business management. Nevertheless, very little empirical work has been done so far to investigate the situation (Bourantas and Papalexandri, 1991). Most knowledge about the problem is based on casual observation, individual case analyses and haphazard evidence. Therefore, further research is needed in order to identify the extent to which female managers are more capable to perform the role of the transformational leader in comparison to their male counterparts. Moreover, further research should take into account the different contexts under which male and female managers need to exercise their leadership skills. One kind of such contexts can be the national business environment that managers work. As Panigyrakis and Veloutsou (1998) point out the issues of environmental uncertainty and role ambiguity among women in public relations requires additional research. Further the study of various factors impacting a particular leadership style in context to women leaders need to be worked upon which can be industry specific.

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