

Leadership in Academic Health Centers: Transactional and Transformational Leadership

Patrick O. Smith¹

Published online: 24 November 2015

© Springer Science+Business Media New York 2015

Abstract Leadership is a crucial component to the success of academic health science centers (AHCs) within the shifting U.S. healthcare environment. Leadership talent acquisition and development within AHCs is immature and approaches to leadership and its evolution will be inevitable to refine operations to accomplish the critical missions of clinical service delivery, the medical education continuum, and innovations toward discovery. To reach higher organizational outcomes in AHCs requires a reflection on what leadership approaches are in place and how they can better support these missions. Transactional leadership approaches are traditionally used in AHCs and this commentary suggests that movement toward a transformational approach is a performance improvement opportunity for AHC leaders. This commentary describes the transactional and transformational approaches, how they complement each other, and how to access the transformational approach. Drawing on behavioral sciences, suggestions are made on how a transactional leader can change her cognitions to align with the four dimensions of the transformational leadership approach.

Keywords Transactional leadership · Transformational leadership · Leadership

Within academic medicine, significant fluctuations are taking place affecting every realm of the traditional three missions of education, research, and clinical service. Embedded

in these three mission areas is a leadership infrastructure. Fundamentally, academic medicine is a human enterprise and within this enterprise are humans who establish themselves either formally or informally as “leaders.” Leadership is defined as “a process of social influence in which a person can enlist the aid and support of others in the accomplishment of a common task” (Chemers, 1997). For centuries, humans have attempted to discern who becomes a leader, how one becomes a leader, the various styles of leadership, and when leadership demonstrates itself. This contemplation has led to various leadership theories, identification of styles of leadership, and in what contexts leadership exists. AHCs have variation in their organizational structures and leaders emerge from these structures. I am proposing that much of the leadership behavior and actions within AHCs are considered to be “transactional” although some AHCs are adopting more progressive approaches to leadership. Academic medicine is undergoing a metamorphosis. External forces such as the affordable care act and population dynamics are stimulating organizational evolution in AHC systems and processes. Therefore, it is necessary to look beyond the transactional approach to leadership and consider additional approaches. I propose that the transformational approach can augment the transactional approach and help leaders within academic medicine to influence others, and create a culture favoring specific strategic results to better meet the missions of education, research, and service.

Comparing the Transactional and Transformational Approaches

The transactional and transformational monikers are two basic organizational leadership approaches that have coexisted in management literature since the early 1970s

✉ Patrick O. Smith
posmith@umc.edu;
<https://www.umc.edu/>

¹ School of Medicine, University of Mississippi Medical Center, Jackson, MS, USA

(Downton, 1973). Initially, these two approaches were dichotomized; however, due to their differences, authors have preserved a complementary relationship between the two (Burns, 1978). The transactional approach is based upon a contingency of reinforcement approach to management in which there are clear rewards exchanged for an employee's productivity. An example is a fixed-interval wage schedule in which the wage only varies to reward higher levels of productivity through monetary compensation (Skinner, 1953). Transactional leaders are most commonly reactive; a cultural participant, focused on the aforementioned contingency-management approach with self-interest driving decisions. They choose to manage by exception in which the effort is to reduce variability (Howell & Avolio, 1993). The transformational leadership approach is particularly meaningful in the cognitive workforce in which the valence of reinforcement shifts from fair-market compensation to more intrinsic rewards. In contrast to the transactional approach but also complementary, the transformational leader is a proactive cultural change agent who seeks achievement by values driven by group interests and is a person who is infectiously inspiring and stimulating. Using the Multifactor Leadership Questionnaire (MLQ), Bernard Bass (1985) empirically and operationally defined transformational leadership with four dimensions: Idealized Influence, Individualized Consideration, Inspirational Motivation, and Intellectual Stimulation. The transformational leader is one who creates an organizational culture that converges the leader and her followers toward mutual "bar-raising" and stimulating greater productivity that could not have been achieved solely through transactional leadership.

Transactional AND Transformational Leadership

In spite of the advantages affiliated with the amalgamation of transactional and transformational approaches most people in leadership positions gravitate toward and are more contented with the transactional approach. Nevertheless, the best strategy to get the most of the transactional approach is by augmenting it with the transformational approach (Bass, 1985). For a leader to successfully augment her more habitual-based transactional approach with the transformational approach she must seek change in the way in which she behaves, emotes, and thinks. Some authors believe that the transactional approach is insufficient and requires adjustments to access the dimensions of the transformational approach (Souba, 2015). The four empirically-determined dimensions of the transformational approach are illuminated in the books *Give and Take* (Grant, 2013), *Do Nothing* (Murnighan, 2012), *Influential Leadership* (Frisina, 2011) and *Multipliers* (Wiseman,

2010). The varied nomenclature across these volumes has a common thread fostering a reflection of our own behavior and how we change it to get the leadership results needed to help our organizations realize their potential. For example, in *Give and Take*, Adam Grant proposed that behavioral patterns in which the leaders consistently focus on being a "giver" in contrast to being a "taker" contributes to opportunities for greater development of trust, associative influence, and greater cooperative relationships. Grant proposes 10 steps of action leading to implementation of the principles outlined in his book (Grant, 2013). These action steps include assessment, feedback, collaboration, recognition systems, networking, communication, advice seeking, and habit development. In *Influential Leadership*, Frisina relies on "self-awareness" as a way to access "collaboration" in order to promote organizational change in the healthcare setting. Similarly, Murnighan encourages a behavioral shift of focus away from the leader and toward others through the use of identification of "empathy gaps", building trust, relenting control, and focusing on a value-based approach to leadership. Liz Wiseman organizes her approach toward being a transformational leader by "becoming a multiplier" versus a "diminisher" and gives examples of how the path of least resistance is for us to be a diminisher versus a multiplier. Using different monikers of similar behavioral patterns, it is much easier to gravitate toward a transactional approach versus a transformational approach. Wiseman proposes a model of "resonance to resolve" in which one identifies obstacles toward becoming a multiplier and then using "accelerators" to "sustain momentum" toward a fully self-actualized multiplier. The subtitles of these volumes include the following: *A Revolutionary Approach to Success*; *Why Helping Others Drives Our Success*; *Change Your Behavior, Change Your Organization, Change Health Care*; *How to Stop Overmanaging and Become a Great Leader*; and *How the Best Leaders Make Everyone Smarter*. The subtitles are notable since each advocates behavioral change of the person who is seeking to become a better leader. The key question then becomes: "How does a person actually make the behavioral change?"

Accessing the Transformational Approach

The cornerstones of the transformational approach, based on the aforementioned dimensions, include a focus on making tomorrow better, having an inspirational noble vision, being authentic to the mission while demonstrating integrity, having and promoting a growth mind set for personal and professional development while recognizing effort and performance, and inspiring originality to push toward a culture of innovation. As prescribed by these

leadership books, to achieve the cornerstones in the journey toward the transformational approach, the leader has to consider her context and change her behavior.

Each of our contexts is an amalgamation of epigenetically determined cognitive, social (i.e., attributional), decision-making, belief, behavioral, and memory biases. These biases affect our view of the world around us, our response to stimulus constellations, and our interpretation of events. To begin to understand our biased contexts, the work of Banaji (2013) reveals the neuroscience underpinning our “context” for how we interpret the world. Our interpretations are being shaped and changed constantly and for the leader who wishes to access the transformational approach they take advantage of this change process with tactical intention in order to access a different and broader context toward a transformational set of behaviors and actions. There are numerous examples of how humans experience a set of circumstances and have confidence in their certainty in their memory for the events. However, their inference of the set of circumstances based upon their prior history and learning can bias the truth and reality of the circumstance. These “blindspots” are often outside of our awareness and these hidden cognitive biases color our view of our experiences also referred to as “empathy gaps” (Murnighan, 2012).

Steps for Behavior and Cognitive Change to Access the Transformational Approach

Raising our awareness to blindspots and empathy gaps is a form of meta-cognition and in order to access the transformational approach there is a requirement of cognitive restructuring. In reviewing the transformational-approach literature, there is little research specifically evaluating a cognitive restructuring application to assist leaders in accessing the transformational approach. There are related studies such as some limited evidence that there is malleability of automatic biases through educational efforts to modify the bias (Rudman, Ashmore, Gary, 2001). There is a quote from an unknown source that leads me to suggest the use of behavioral sciences to access the transformational approach.

“Watch your thoughts, for they become words. Watch your words, for they become actions. Watch your actions, for they become habits. Watch your habits, for they become character. Watch your character, for it becomes your destiny.” –*Unknown*

In order to begin this process of change, I suggest leaders take advantage of the trans-theoretical model of

behavior change (Prochaska and DiClemente, 1984) as a way to consider their readiness for change to complement their existing transactional approach with a transformational approach. This model espouses the following stages: pre-contemplation, contemplation, preparation, action, and maintenance. Leaders who lack self-awareness and who are not interested in accessing the transformational approach are in the “pre-contemplation” stage. Those who wish to access the transformational approach are in the contemplation stage. To “prepare” for change, conducting a multimodal assessment is the first step to modification. To assess the aforementioned unconscious bias, the Implicit Association Test (IAT; retrieved from <https://implicit.harvard.edu>) measures different types of hidden social biases we all have and includes race, gender, age, religion, social class, sexuality, nationality, and disability status (Greenwald, McGhee, & Schwartz, 1998). These automatic associations are derived from our learning history and are dependent upon our perceptions, attitudes, and memories. These can have an untoward effect on actions and behaviors of leaders. Through the use of the IAT, we can measure our unconscious association to raise our awareness of various forms of bias. In addition to the IAT, administering the MLQ (Avolio, Bass, & Zhu, 2004) to evaluate a leader’s capacity for building trust, acting with integrity, inspiring others, encouraging innovative thinking in others, and the ability to coach others can help the leader understand her strengths and weaknesses across the underlying constructs of the transformational approach. Another method for the preparation stage would include multi-rater feedback also known as “360 degree” feedback. Usually, the leader seeks feedback from subordinates, peers, superiors, and conducts a self-evaluation. The feedback is commonly used to develop an individualized professional development plan. These three assessment tools can provide advice in the preparation stage to drive decisions about a developmental roadmap to access the transformational leadership approach. Once the plan is derived and the leader is ready for action, I suggest cognitive restructuring (Lazarus, 1971). Although cognitive restructuring is most commonly considered a psychotherapeutic technique to address maladaptive thoughts, I would suggest that this technique is generalizable to change our thinking to access the transformational patterns of thought. Using the feedback from the IAT, MLQ, and 360 degree feedback, one can identify “transactional” thoughts through thought-recording, examining the cost-benefit analysis of transformational thoughts versus transactional thoughts, conduct reattribution, attend to rational alternatives, and engage in cognitive rehearsal. By practicing these methods of cognitive restructuring the transactional approach can be augmented with elements of the transformational approach.

Conclusions

From a systems perspective, organizational transformation is needed within academic medicine as it evolves within the U.S. healthcare landscape. For these system changes to occur, high performance leadership will be a required and critical human factor adjustment. The traditional leadership style, the transactional approach, is limited in its capacity to address the complex situations that academic medicine leaders are facing presently and will continue to experience in the future. To close this leadership gap, the transactional approach can be improved with the transformational approach. In order to realize this potential, leaders will need to change themselves and develop cognitions and behaviors consistent with the transformational leadership approach. Utilizing empirically supported cognitive and behavioral change techniques from the behavioral sciences individual leaders have tools that can help them access the transformational approach. Leadership and organizational success are interlinked and as high performance leaders change themselves in accessing the transformational approach academic medicine can continue its lead position in the strategic health management of the U.S. population.

Compliance with Ethical Standards

Conflict of interest Patrick O. Smith declares that he has no conflict of interest.

Human and Animal Rights and Informed Consent No animal or human studies were carried out by the author for this article.

References

- Avolio, B. J., Bass, B. M., & Zhu, F. W. W. (2004). *Multifactor leadership questionnaire: manual and sampler set*. Menlo Park, CA: Mind Garden.

- Banaji, M. R. (2013). *Blindspot: Hidden biases of good people*. New York: Random House.
- Bass, B. M. (1985). *Leadership and performance beyond expectations*. New York: The Free Press.
- Burns, J. M. (1978). *Leadership*. New York: Harper and Row.
- Chemers, M. (1997). *An integrative theory of leadership*. Hillsdale, NJ: Lawrence Erlbaum Associates.
- Downton, J. V. (1973). *Rebel leadership: Commitment and charisma in the revolutionary process*. New York: The Free Press.
- Frisina, M. (2011). *Influential leadership: Change your behavior, change your organization, change health care*. Chicago: Health Forums Inc.
- Grant, A. (2013). *Give and take: A revolutionary approach to success*. New York: The Penguin Group.
- Greenwald, A. G., McGhee, D. E., & Schwartz, J. K. L. (1998). Measuring individual differences in implicit cognition: The implicit association test. *Journal of Personality and Social Psychology*, *74*, 1464–1480.
- Howell, J. M., & Avolio, B. J. (1993). Transformational leadership, transactional leadership, locus of control, and support for innovation: Key predictors of consolidated business-unit performance. *Journal of Applied Psychology*, *78*, 891–902.
- Lazarus, A. A. (1971). *Behavior therapy and beyond*. New York: McGraw-Hill.
- Murnighan, J. K. (2012). *Do nothing! How to stop overmanaging and become a great leader*. New York: Penguin Books.
- Prochaska, J. O., & DiClemente, C. C. (1984). *The transtheoretical approach: Crossing traditional boundaries of therapy*. Homewood, IL: Dow Jones-Irwin.
- Rudman, L. A., Ashmore, R. D., & Gary, M. L. (2001). “Unlearning” automatic biases: The malleability of implicit prejudice and stereotypes. *Journal of Personality and Social Psychology*, *81*, 856–868. doi:[10.1037/0022-3514.81.5.856](https://doi.org/10.1037/0022-3514.81.5.856).
- Skinner, B. F. (1953). *Science and Human Behavior*. New York: The Free Press.
- Souba, W. (2015). Health care transformation begins with you. *Academic Medicine*, *90*, 139–142. doi:[10.1097/ACM.0000000000000534](https://doi.org/10.1097/ACM.0000000000000534).
- Wiseman, L. (2010). *Multpliers: How the best leaders make everyone smarter*. New York: HarperCollins Publishers.