Transformative Philosophy - A Leadership Approach to Achieving Excellence

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ABSTRACT
This paper introduces the concept of Transformative Philosophy as a governance and leadership framework for the modern organization. Transformative Philosophy is a newly developed approach to organization leadership that optimizes long-term value creation and the pursuit of excellence. The paper identifies eight characteristics of a transformative perspective and six components that comprise a Transformative Philosophy. The paper incorporates specific examples from the Human Resource Management function to explain the six interrelated components of Transformative Philosophy.

INTRODUCTION
Success in today’s complex world is an increasingly difficult proposition due to the inherent nature of global competition, disruptive innovation, and rapid change (Christensen, 2016). In the face of those daunting realities, today’s leaders must incorporate best practices and maintain a cutting-edge commitment to excellence (Beer, 2009). Engaging and developing people, providing clear direction and building high trust organizational cultures are essential tasks that are often made difficult by the constantly increasing requirements that make the tasks of leadership and governance difficult (Caldwell & Okpala, 2018).

The recent introduction of a new approach to governance, Transformative Philosophy, provides a framework for helping leaders and organizations to guide their Top Management Teams and assist their employees in meeting the challenges facing the modern organization (Hooper & Caldwell, 2018). We begin by identifying what is meant by a transformative approach to governance in organizations – citing what several highly-regarded scholars have suggested about the need for a new leadership model. After describing the attributes of a transformative perspective, we then define what is meant by a Transformative Philosophy and briefly summarize its six key components. Citing examples from Human Resource Management, we identify how a Transformative Philosophy can assist organizations in more effectively addressing the demands of change. We conclude with four contributions of this paper for today’s leaders.

A TRANSFORMATIVE APPROACH
The need for a new and more effective approach to solving problems is well accepted. Albert Einstein has often been cited for his famous quote, “The significant problems we face cannot be solved at the same level of thinking with which we created them.” Other knowledgeable experts have similarly called for new and more effective ways of transforming old ways of thinking to add new value (Covey, 2004). For example, forty years ago James McGregor Burns (1978) called for a “transformative” change in leadership that incorporated influence, cooperation, and partnership rather than a “command and control” approach to governance.

Leadership expert, Warren Bennis and his colleague, Bert Nanus also emphasized the need for “transformative leaders” that inspired others, committed them to action, and made them effective agents of change (Bennis & Nanus, 2007). That which is transformative has been identified by Heath and Caldwell (2018) as incorporating eight important characteristics.

Committed to Change
To be transformative is to recognize the need for continuous improvement in a world defined by constant change.
Responsive to Customers
Recognizing what customers are trying to accomplish and identifying ways to assist them to achieving their goals is the key to customer retention.

Learning Focused
Organization members must constantly be improving their knowledge, technical skills, and understanding of their business, their customers, and their industry to stay ahead of competitors.

Externally Adaptive
Organizations must recognize the impacts of new technology, changing economic conditions, constant innovation, and the many factors that affect the external context of their business.

Internally Integrated
An internal organization’s systems, processes, and practices of an organization must integrate values, goals, and purpose to be both efficient and effective.

Ethically Virtuous
Virtuous ethical standards must be part of an organizational culture and leaders must model those standards to build employee commitment and trust.

Dynamically Capable
The capacity to translate ideas into realities makes the difference between an interesting idea and a practical opportunity.

Consistently Focused
Successful organizations understand what they do extremely well, are purpose driven, and focus their efforts.

These eight criteria enable organization leaders to keep their team members on track with the demands of the modern economy and make it possible to compete successfully.

TRANSFORMATIVE PHILOSOPHY

The concept of a Transformative Philosophy was introduced in 2018 by Dean Heath Hooper of the Shorter University School of Business and his colleague (Heath & Caldwell, 2018). A philosophy explains the underlying assumptions and the purpose for pursuing desired outcomes and identifying associated priorities. A philosophy governs relationships in the pursuit of outcomes and provides value-based standards to be adhered to in the governance process (cf. Caldwell & Hansen, 2010). Heath and Caldwell (2018) defined Transformative Philosophy as “an ethically-based way of thinking, feeling, and interacting that earns the respect, trust, and commitment of others by effectively aligning purpose, principles, policies, people, practices, and priorities in the constant pursuit of long-term value creation and performance excellence.” This definition serves to frame the six key components of a Transformative Philosophy within an organization in establishing a framework for adapting to change, delivering services to customers, and competing within its industry.

Philosophy incorporates the six components, identified in Diagram 1 below.

Diagram1. A Model of Transformative Philosophy

Describing the practical significance of all six of these components, in context with the Human Resource Management (HRM) activities of an organization, we briefly summarize how each of these six components contribute to a Transformative Philosophy of governance (cf. Heath & Caldwell, 2018).

Purpose
The purpose and mission of an organization is the reason for its existence. The evidence affirms that organizations that emphasize being excellent at what they are doing are actually more profitable than comparable companies that emphasize maximizing profits (Collins & Porras, 2004). Applied to the HRM staff, the clear purpose of HRM is to operate as a highly-qualified, technically proficient, and organizationally supportive staff function in achieving the goals of a company’s Top Management Team (Caldwell, 2018).

Principles
The underlying universal values and assumptions about people and organizations are the principles upon which a philosophy is based. For example, in HRM an underlying principle is that every selection process must be job-related and based...
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upon the knowledge’s, skills, abilities, and other factors that are “bona fide occupational qualifications” for the position being filled. Principles affirm the commitment of organizational leaders to the standards and values of the HRM profession (Beer, 2009).

**Practices**

Practices include the policies, and procedures that are part of underlying philosophy and that are implemented to operationalize that philosophy. For HRM, the policies and rules demonstrate the degree of consistency of an organization’s philosophy and values (Caldwell, 2018). For example, an organization that adopts the philosophy that it is dependent upon constant learning and improvement will heavily in employee training and development.

**People**

The philosophy of a company with regard to the role of its people is critically important in establishing an organization culture (Schein & Schein, 2016). HRM departments that demonstrate that employees are highly valued communicate that commitment by developing employee engagement programs, compensating employees above the market rate, and involving employees in decisions that affect their work (Beer, 2009).

**Perspective**

Perspective includes the overall outlook that individuals and organizations have about the context of the world and how people and organizations behave. For example, organizations that emphasize the importance of creating high commitment and adopt high trust policies and systems to reinforce that perspective demonstrate their belief that employee potential is much higher than it is commonly utilized (Pfeffer, 1998).

**Priorities**

Priorities confirm what matters most, identify what is valued in personal conduct, and articulate the criteria for making decisions (Hosmer, 2010). For example, the evidence confirms that the most successful organizations attract and retain outstanding people who understand how to add value within an organization.

These six components of Transformative Philosophy overlap and interrelate as members of an organization’s Top Management Team formalize the integration of all six components to serve as the guide posts for their organization (Hooper & Caldwell, 2018).

**FOUR CONTRIBUTIONS AND APPLICATIONS**

In introducing and summarizing the nature of Transformative Philosophy as a leadership and governance concept, this paper makes four significant contributions to the management literature.

**Introducing and Defining Transformative Philosophy**

The term, Transformative Philosophy, is a new contribution to the lexicon of leadership and governance (Hooper & Caldwell, 2018). The term is important because it provides a framework for guiding leaders and organizations as they struggle to establish integrated organizational systems in an environment of constant change.

**Articulating the Nature of a Transformative Approach**

The context of today’s global market place is constantly evolving and is increasingly competitive and complex. The eight characteristics of a transformative context contained herein reflect the nature of today’s workplace and identifies why a Transformative Philosophy is important for leaders and organizations to adopt.

**Identifying Six Components of Transformative Philosophy**

The six interrelated components of Transformative Philosophy are each important and cannot be overlooked as those who lead identify the underlying assumptions, values, and practices that are the foundation of their organizations. These six key components need to formally addressed by leaders of organizations as they examine their approach to organization governance.

**Incorporating Human Resource Management Examples**

HRM is critically important in today’s modern organization – although it is often overlooked in terms of its strategic contribution to organization success (Caldwell, Truong, Linh, & Tuan, 2011). By incorporating specific HRM examples in the review of the six components of Transformative Philosophy, this paper clarifies the contributing role of HRM to the important tasks of governance. Each of these four contributions
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demonstrates the value of leaders and organizations carefully assessing the importance of formalizing their philosophy of governance—a task typically overlooked by many leaders or formalized as a mission statement but is then rarely revisited (Schein & Schein, 2016).

CONCLUSION

Although Transformative Philosophy may be a new concept in the management literature, it is nonetheless powerfully important as leaders struggle to give direction to their employees and focus to their organizations. In an environment where trust in leaders and organizations is painfully low and more than two-thirds of all employees describe themselves as not being “positively engaged” in their work, leaders who govern may do well to focus on how they govern and the principles, priorities, practices, purpose, perspective, and commitment to people that are the foundations of their organizations (Glint, 2018).

Adopting a Transformative Philosophy can potentially have an exponentially beneficial impact on leaders and on the results that they achieve. Although scholars and management experts have been calling for a new and more effective “transformative” approach to organizational leadership for more than four decades, feedback from employees and the consumer public suggest that those who lead today’s organizations must reexamine the basis for their leadership (Gallup, 2017).

REFERENCES