

# THE TRANSFORMATIONAL LEADERSHIP OF SENIOR MANAGERIAL STAFF OF JEWISH FAMILY SERVICE AGENCIES

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Guiding nonprofits effectively into the twenty-first century is dependent on effective leadership. In an extensive four-year study by The Independent Sector, a national organization of nonprofit agencies, the quality of leadership was found to be the overarching factor that explained why some organizations were more effective than others (Knauf et al., 1991).

In any organization, as the pace of change accelerates, the nature of its leadership must also change. Change is no longer linear. Organizational change today tends to be faster and less predictable and requires deep-seated adjustments at all levels. Organizations can no longer rely on "a series of hierarchically arranged managers" (Watkins & Marsick, 1993, p. 43). Furthermore, to adapt to systemic change, organizations need leaders who move with "speed, simplicity and self-confidence" (Noel & Charan, 1992, p. 29) in a way that empowers staffs to identify problems quickly in order to move their organization collectively toward vision-driven goals (Watkins & Marsick, 1993). Leadership has increasingly been defined in the literature as an interactive process between leaders and followers that involves reciprocal influence as they work together to reach their shared goals (Rosenbach & Taylor, 1993).

## TRANSFORMATIONAL AND TRANSACTIONAL LEADERSHIP

Most recently the literature has focused on the distinction between transactional and transformational leadership. Transactional leadership is defined as the management of interactions between leaders and followers (Sashkin

& Burke, 1990). Transactional leaders understand what rewards their employees want from their work and use these rewards in exchange for productive work (Rosenbach & Taylor, 1993). In contrast, transformational leaders empower others to integrate their personal goals with those of the organization (Sashkin & Burke, 1990). Transformational leaders help their staff to go beyond the pursuit of personal rewards and engage in vision-driven action (Rosenbach & Taylor, 1993).

Transactional leaders focus on actions and behaviors that direct employees to reach productivity goals. The leader contracts with the employee to exchange rewards and recognition for good performance. Transactional leaders get the job done by rewarding productive employees and penalizing those who do not do good work. The transactional leader also manages by exception, watching and searching for deviations from rules and then taking corrective actions (Bass, 1990).

Unfortunately, transactional leadership can be a prescription for mediocrity, especially if the leader relies heavily on management by exception or on intervening only when standards for accomplishments are not met. Even when this is not the case and good, as well as poor, performance is recognized, transactional leaders have been found to have less effective organizations than those who are transformational (Bass, 1990). Although facilitating agency transactions is a facet of leadership, the faster-paced nonprofit today requires more of its leaders. Leadership today must also empower employees at all levels to lead.

Transformational leadership occurs when leaders are able to motivate their employees to do more than just meet their goals. Transformational leaders work to develop their staffs to move beyond their own self-interests and to invest in the organizational vision. They are more likely to be characterized as inspira-

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tional, intellectually stimulating, and as mentors (Bass, 1990). There are links between transformational leadership and positive organizational outcomes, such as follower satisfaction and organizational effectiveness. Additionally, transformational leadership is the style of leadership that facilitates the rapid, vision-driven organizational realignment required in today's fast-paced world.

**THE LEADER BEHAVIOR  
QUESTIONNAIRE: A COMPREHENSIVE  
MEASURE OF TRANSFORMATIONAL  
LEADERSHIP**

*The Leader Behavior Questionnaire* (LBQ; Sashkin, 1990) measures transformational leadership in a most comprehensive way. The LBQ consists of ten scales. The first five measure various leadership behaviors, scales six through eight measure the personal characteristics of the leader, and the last two scales measure the extent to which the leader is able to affect organizational culture.

The first LBQ scale measures "clarity or focused leadership" or the ability of the leader to concentrate on key issues. An example would be whether a leader is able to translate an abstract vision into a vivid image that can be grasped by employees. The second scale is designed to measure the interpersonal communication skills of the leader. The third scale measures "trust," which is defined as that developed through consistent, reliable leadership behaviors that are convincing to followers. The fourth scale delineates the "respect" and "caring" dimensions of leadership, including the leader's ability to express caring for the follower at the same time that he or she may disapprove of a particular follower's actions. These behaviors include acknowledgment of followers' successes and positive everyday interactions, as well as responsiveness to employee concerns on larger issues, such as job security. The fifth scale associated with leadership behaviors assesses the leader's "risk leadership": the leader's ability to design and implement organizational challenges that encourage followers to invest in organizational goals.

Scales six through eight of the LBQ look at personal characteristics of transformational leaders that enhance the behaviors measured in the first five scales. These characteristics are not to be confused with character traits. Personal characteristics can be learned and changed, whereas traits are inherent. The sixth scale measures self-confidence and is labeled "bottom-line leadership." A leader's self-confidence is an especially strong influence on effective transformational leadership; the belief that one has control over one's destiny allows leaders to believe that they can affect the bottom-line outcomes of the organization.

Scale Seven measures the leader's "use of power" to empower others. The eighth scale, entitled "long-term leadership," measures the leader's ability to keep organizational actions driven by organizational vision.

Finally, Sashkin addresses the impact of the leader on the organizational culture. Scale Nine—"organizational leadership"—measures the leader's ability to help employees share organizational goals and work together effectively. The last scale, entitled "cultural leadership," measures the leader's ability to define and embed organizational values at all levels of the organization.

Sashkin's instrument incorporates several key factors of transformational leadership: behaviors, personal characteristics, and organizational impact. Leadership as operationally defined by the LBQ has been shown to be related to positive organizational outcomes in several studies (Sashkin et al., 1992). Effective transformational leadership requires empowerment of followers and deep-seated realignments at all levels of organizational life. It is this shift in the definition of effective leadership that motivated this researcher to study the leadership of senior managers.

**SENIOR MANAGERS: LEADERS FOR  
THE TWENTY-FIRST CENTURY**

Senior managers play an important and changing role in today's new, flatter, and less hierarchical organizations. This population is more crucial to the changing face of agency

leadership than previously assumed, but remains somewhat invisible and scantily represented in the literature. Senior managers have been traditionally viewed as those responsible for daily operations or as the organization's transactional leaders when, in reality, they may be more influential and transformational than previously thought.

Leadership in the nonprofit sector is somewhat distinct from that in the for-profit sector. Because nonprofits are resource dependent and their missions have a social emphasis, their effectiveness cannot be measured by financial success alone. However, the literature on nonprofit leaders is scant when compared to that devoted to for-profit leaders (McCauley & Hughes, 1991; Young et al., 1993). Because of their differing goals, one cannot necessarily translate the results of research on for-profit leaders to those leaders in the nonprofit sector.

The majority of literature that does exist on nonprofit leadership has focused on the executive directors and board presidents. However, since the executive director's leadership is often board—and community—directed (Heimovics, et al., 1993), it is the senior manager in an agency who has essential internal leadership responsibility. Since the effective executive director must often direct a majority of his or her leadership activities externally, it is crucial for that organization to have strong leadership from the senior manager. In addition, organizational life is increasingly moving toward a team approach, and the leadership of the senior manager is critical to the team focus (Senge et al., 1994).

### THE STUDY

This research sought to study the perceptions of leadership and the factors related to those perceptions by senior managerial staff of Jewish family service agencies throughout the United States and Canada. These individuals were surveyed using Sashkin's *Leader Behavior Questionnaire*.

Senior managers are those individuals with administrative and supervisory responsibilities who report directly to the executive direc-

tor. The study explores the degree to which senior managers' leadership is transformational and whether this leadership is related to factors of agency size; measures of organizational effectiveness, such as staff demographics, gender, age, training, and years of experience; career goals; and specific organizational responsibilities.

This study is stimulated by the researcher's seven years as a senior manager in a nonprofit organization with responsibilities that include promotion of leadership and staff morale. In addition, contact with other senior managers stimulated curiosity about the trends in leadership style of other senior managers.

This study attempts to answer two research questions:

1. To what extent are senior managers in Jewish family service (JFS) agencies in the United States and Canada transformational leaders as measured by Self and Other ratings of the *Leader Behavior Questionnaire* (Sashkin, 1990)?
2. To what extent is the existence of transformational leadership among senior managers of the JFSs related to certain organizational factors, namely agency size and characteristics, staff demographics, and organizational responsibilities?

### Methodology

This nonexperimental study used cross-sectional survey design and descriptive and correlational analyses to analyze the extent to which senior managers in JFSs are transformational leaders, as well as the organizational factors related to this leadership.

The managerial staff of the 140 Jewish family service agencies in the United States and Canada were studied. With the support of the national umbrella agency, the Association of Jewish Family and Children Agencies, the researcher compiled a mailing list of 175 senior managers. Data collection began in May, 1995. Each participant received a demographic questionnaire developed by the researcher, the LBJ for themselves and their associates to complete, and a cover letter.

They were requested to return the completed questionnaire within two weeks. Two weeks after the mailing, a follow-up mailing and phone call were made to all non-respondents. Data collection was completed by June, 1995.

### **The Results**

#### *Demographic Profile of JFS Managers*

Of the 175 managers, 147 (84%) returned their surveys. Of these 147, 6 were not used because missing items exceeded 10 percent of the total. The remaining 141 survey responses accounted for a return rate of 80.6 percent. The high return rate in this study may be due to the support of the national office and the interest of the participants in the results.

Eighty-two percent of JFS senior managers are female, and respondents have a mean age of 46.8 years. Over 78 percent of the senior managers have advanced degrees, mostly MSWs. Ninety-two percent of the population have been in their current position for six or more years, and 56 percent want to stay in their current positions. Only 13 percent of JFS senior managers want to obtain a position as an agency executive director.

Regarding organizational responsibilities, 79 percent of managers are full time, 74 percent staff board committees, and 63 percent attend board meetings. Two survey questions asked for perceptions of their organization's effectiveness. Thirty-two percent said that their agencies ran a deficit, 39 percent said they broke even, and 29 percent said they ran a surplus. Sixty-six percent of the managers perceived staff turnover as at the level they thought it ought to be.

#### *The Transformational Leadership Qualities of JFS*

The JFS managers were highly transformational as measured by LBQ scores. Sixty-eight percent of JFS managers fell into the high and very high range on the LBQ measure of transformational leadership. There were no statistically significant differences between managers' rating of themselves and their associates' ratings of them. Because of the large

number of these returns and because there were no statistically significant differences, subsequent analyses used the Self ratings only.

The mean LBQ scores were compared with other published LBQ means. The JFS managers scored higher than five of the eight samples, which included presidents and executives of small Midwestern businesses, school principals, and sales managers. JFS managers' scores were also higher than those reported in the only two published research studies of nonprofit executives, which assessed top YWCA and YMCA executives.

#### *The Relationship between LBQ Scores and Organizational Factors*

A trend was found for female managers to have higher LBQ scores than males, although this was not found to be statistically significant. The relationship of three other independent variables to high LBQ scores was found to be statistically significantly ( $p < .05$ ). The larger the agency, the higher the transformational leadership scores of the managers. Participation on management teams was also found to be statistically correlated with two of the three LBQ subscale groups. Finally, attendance at board meetings correlated significantly with one of the LBQ subscale groups.

### **DISCUSSION**

The following conclusions can be drawn from the findings of this study:

- JFS senior managers who participated in this study are mostly female, in their mid-forties, and have at least six years of experience in their current position. Only 13 percent are interested in becoming agency directors, whereas 56 percent prefer to stay in their current positions. The remaining 31 percent want to find similar positions in other agencies or move into different fields of work.

This population of managers has not been studied before. In fact, this is the first time that these managers have been identified as the population of JFS managerial subexecutive staff with administra-

tive and supervisory responsibilities.

- Over two-thirds of JFS senior managers are highly transformational leaders as measured by the LBQ.

The finding that the JFS managers are clearly transformational leaders is not unexpected given the increased emphasis on "dispersed leadership" (Gardner, 1990, p. 9) in the workplace. Current leadership literature emphasizes the 1990s and beyond as the age of "distributed power" (Clark & Clark, 1994, p. vi). As the pace of organizational change has accelerated, top-down leadership cannot respond quickly enough to the constant organizational alignments and realignments required for organizational success. Transformational leadership or leadership that facilitates the development of leaders at all organizational levels becomes more and more crucial and expected. This is especially true in nonprofits where successful executive directors must be primarily focused externally on funding sources and boards (Heimovics et al., 1993) and senior managers, often operating in management teams, are increasingly essential to successful organizational leadership.

- Agency size, participation on management teams, and attendance at board meetings are the independent variables found to be most strongly related to transformational leadership. However, these variables explain only relatively low percentages of variation in leadership skills. Additionally there is a trend for females to score higher on the LBQ than males.

The trend for females to score higher than males on the LBQ has been mentioned in the literature (Bass & Aviole, 1990; Rosener, 1990). Other research highlights the greater importance of the process of communication for women as compared to men, who tend to focus more on outcome (Tannen, 1990). It would be interesting to explore further which transformational leadership skills are related

to this pattern of higher scores among women and whether there is a connection with the process of communication required to successfully empower others to lead.

The significant correlation between participation on management teams and attendance at board meetings with two of the groups of LBQ subscales may reflect the increased involvement of the senior managers in more transformational leadership functions. JFS managers may reflect the national trend away from senior managers as being exclusively the transactional leaders of the organizations and toward more transformational management team-based leadership.

The moderately significant relationship between LBQ scores and agency size is an interesting one. A simple explanation might be that larger organizations have more resources to hire better leaders. It is also possible that success in a large organization requires that one be able to delegate and empower others to a greater degree than in small organizations. This is a characteristic of a larger organization that perhaps facilitates transformational leadership and results in larger organizations being somewhat easier to manage (Cook, 1988). If the more transformational leaders are in the larger organizations, there are obvious implications for training and development. Further study of organizational factors associated with agency size and their relationship with leadership skills are needed.

Although the literature links all the independent variables included in this study to leadership, the study did not confirm some of them. The variables of age, experience, and facets of organizational effectiveness did not prove to be related to leadership scores in this study. This may be partly accounted for by the restricted range in the instrument and the degree of uniformity found in the survey population. Because the LBQ scores had very little variance, there was limited correlation with most of the independent variables. It would be interesting to research these same factors using a more diverse population of senior managers and a variety of measures.

### RECOMMENDATIONS FOR FURTHER RESEARCH

JFS senior managers are essential to the successful leadership of their agencies into the twenty-first century. It is recommended that a national mailing list of senior managers be developed and maintained and that networking among senior managers be facilitated. It would be important to explore the reluctance of this important group to become executive directors. There might be a correlation between the high number of female senior managers and this reluctance.

The correlation between large agency size, participation on management teams, and attendance at board meetings with leadership might direct further training and development research. For example, one might match leaders from smaller agencies with those from the larger agencies for the purposes of training and development.

It would be interesting to conduct the same study using more than one population of senior managers and then comparing the results. It might also be interesting to compare results of this study with a similar study of executive directors. Additional value may come from investigating more than one measure of leadership and by employing a combination of quantitative and qualitative procedures.

As agency leadership becomes more team-based, research into the functioning of management teams and the relationship with transformational leadership would be another important extension of this study.

### IMPLICATIONS

JFS senior managers are a highly transformational group of mostly women, many of whom do not want to become executive directors.

In a dissertation in progress, Romirowsky (1995) is studying executive directors of Jewish Family Services using the same instrument as this study. He anticipates finding that, because of the nature of executive directors' tasks, their role may be more transactional than transformational. If transformational leadership is an essential in agency

leadership today and if it characterizes JFS senior managers perhaps even more than executive directors, it would follow that the senior managers might be reluctant to move up the career ladder to what may of necessity require a more transactional style.

The implications of this finding could influence hiring, training, and development. When hiring for key senior managerial positions, transformational leadership skills may be preferred. A finding of this study is that the senior managers of JFSs are highly transformational and that the more highly transformational among them are women in larger agencies. Additionally the more highly transformational senior managers are those who participate on management teams and attend board meetings. When training or developing staffs for leadership positions, one might want to consider using agency leaders with these characteristics to aid in training and mentoring. Clearly, JFS senior managers are a resource to their agencies, and in this time of limited resources, they should be utilized to successfully lead Jewish family services and other nonprofits into the twenty-first century.

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