

More Good Words for *The Art of Transformational Leadership*

"No matter where you find yourself, in a king's palace or in a large corporation or a family, Mark McCloskey and Jim Louwsma show you how to make a significant positive difference both in the lives of the people you're leading and in the outcomes you're pursuing."

ANDREA BUCZYNSKI

Vice President Global Leadership
Development/HR—Cru

"The 4-R Model changed my life and leadership. It's a user-friendly diagnostic tool that readily gets you on the solution side of problems. It's a leadership compass that helps you know where to go and how to get there. I use it every day in my personal life and corporate community. It transforms how you lead and the lives you influence."

JOEL JOHNSON

Senior Pastor—Westwood Community Church

"If you need to build a culture that both matters and has staying power, read this book! Jim and Mark have captured the essence of how being a transformational leader is today's best way forward using relevant lessons from our past. It is inspiring and timely reading for enlightened leaders."

JOE MARZANO

President and CEO—Martius Group LLC



The Art of Virtue-Based Transformational Leadership

**Building Strong Businesses,
Organizations and Families**

**Mark McCloskey
Jim Louwsma**

with Dave Aeilts

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Preface: Big L or Little l Leaders

Everyone has leadership potential. Some of us are big **L** leaders, presiding over large organizations with thousands of employees and constituents. Many of us, on the other hand, are little **l** leaders. We have accepted responsibility for leadership in small businesses, our local communities, and our families. At some point in life, every one of us will face the choice to do something about a problem—or to do nothing. That’s a call to leadership.

We teach a course in the MBA program at Bethel University, St. Paul, Minnesota. At the beginning of the course, we ask our students, “How many of you are leaders?” Typically, only one or two raise their hands. At the end of the course, we ask the same question: “How many of you are leaders?” Every hand goes up. What changed? Simply this: all of the students have come to understand they have an opportunity to make a difference in their own sphere of influence, however limited or expansive.

Big **L** or little **l**. Both are important. Which are you?

Introduction: A Thirst for Real Leaders

Stroll the business aisle of your local bookstore, or take a virtual stroll of booksellers on the Internet. You will soon conclude that leadership is a hot topic. In the first decade of this new century, hundreds of volumes and countless journal articles, websites, and blogs addressing the topic of leadership development and practice have flooded the market. This proliferation of writings on leadership is driven by three factors:

- Concern for the effectiveness of American business enterprises and public institutions, given the increasingly rapid rate of change.
- Concern for America's capacity to compete economically in a hyper-competitive world economy.
- Concern about the quality of life after decades of moral erosion and loss of community consensus on core values.

Based on the sheer volume of leadership writings, we might erroneously conclude that these concerns have been adequately addressed—that America is a land rich in leaders. But the quantity of our leadership resources in no way reflects the quality of our leadership. We seem to be drowning in information about leadership but lacking the intellectual and moral capacity to synthesize and apply this information.

Far too many of our contemporary leaders are dedicated to personal ascendancy at the expense of public trust. Too many leaders willingly sacrifice integrity and public credibility on the altars of personal pleasure and preservation of power. Too many have adopted self-serving agendas that exploit followers for personal gain.

Our nation cannot distinguish between talent and character, or be-

tween celebrities and leaders. Not surprisingly, our public institutions, from business and government to our non-profit organizations and families, are increasingly characterized by cynicism, lack of vision and fractured relationships—all symptoms of leaderlessness.

Leadership v. Management

What is a real leader? Millions called Hitler, Stalin, and Mao their leaders; but if they only followed on threat of imprisonment or at gunpoint, that's not leadership. I'm sure you agree. In America, poor leadership often manifests itself in abuse of power and position. Just because someone has a title doesn't make that person a leader. We've all seen the damage so-called "leaders" have wrought on organizations and people in those organizations. Consider Enron and its long-time employees who lost their retirement savings and hope for the future because of the fraudulent financial dealings of Ken Lay and Jeff Skillings.

Real leaders, whether big **L** or little **l**, can bless their followers, and those impersonating leaders can be a real curse.

Many confuse leadership with management. Strong organizations need good managers and good leaders. Both are important. Some use these terms interchangeably, but there is a difference.

Management entails planning and budgeting, organizing and staffing, controlling and problem solving, predictability and order. It is primarily focused on running the business of the organization for today versus looking into the future.

General Motors is an example of an organization that was well managed but poorly led. Failing to consistently face the demands of reality, GM eventually stumbled into bankruptcy, costing its employees and stockholders much financial pain, not to mention the taxpayers who had to pay for the government bailout.

Leadership, on the other hand, is all about establishing direction, casting a vision, developing strategy, and aligning people to the direction of that vision and strategy.

Historians speak with great admiration of Sir Ernest Shackleton who in 1914 led an expedition with the goal of being the first to cross the con-

continent of Antarctica. His was a noble aspiration during this final age of exploration.

Shackleton placed the following ad in London newspapers: “Men wanted for hazardous journey. Small wages, bitter cold, long months of complete darkness, constant danger, safe return doubtful. Honour and recognition in case of success.” Undeterred by its dire warnings, the ad attracted thousands of would-be explorers from whom Shackleton chose twenty-five for his crew.

True, England had fallen on hard financial times, but its people also hungered for a cause greater than self-interest. They showed a willingness to follow a leader’s vision and strategy, despite the odds.

Real leaders motivate and inspire people to become engaged and to go the extra mile in service of a noble cause. They generate substantive and often dramatic change that transforms organizations and the individuals in them.

The expedition’s ship, Endurance, broke up in an ice flow forcing the crew to endure all manner of dangers and hardship. While failing to achieve the initial goal, Shackleton is widely acclaimed for extraordinary leadership that resulted in each and every member of his crew returning home alive.

Transformational v. Transactional Leadership

Contemporary theorists distinguish between two broad approaches to leadership practice: *transactional* and *transformational*.

The relationships of most leaders and followers are transactional in nature. ***The transactional leader seeks to make a deal*** that will appeal to the self-interest of both leader and follower. The result is usually an exchange based on the wants or needs of the two parties. For instance, a candidate for public office may promise lower taxes in exchange for a citizen’s vote. In business, a manager may offer a weekly paycheck in exchange for forty hours of work.

Wants and needs of leaders and followers in a transactional relationship are usually different from one another. Of transactional relationships,

leadership author and theorist James MacGregor Burns writes, “The object in these cases is not a joint effort for persons with common aims acting for the collective interests of followers, but a bargain to aid the individual interests of persons or groups going their separate ways.”

By contrast, the transformational leader seeks to engage followers in a relationship based on their mutual commitment to a set of values, a mission, or a vision of a better future. The result binds leaders and followers together in a mutually uplifting partnership in which they inspire and motivate one another.

Transformational leaders create and clearly communicate agendas for moral, ethical, and spiritual change that lift people out of their everyday concerns. Whatever separate interests they hold, the transformational leader forges consensus among followers in pursuit of a better future worthy of the best efforts of both leader and follower. As a result, both the individual and the organization moves from an undesirable present to a better future...or from a good today to a great tomorrow.

Transactional and transformational leadership styles may be further distinguished by exploring the difference between a contract and a covenant.

- **A contract** clarifies expectations and obligations between two parties. It spells out the quid pro quo (this for that) of any engagement. Transactional leadership, based on exchange, is essentially contractual in nature. There is nothing wrong with that. We need contracts to manage our expectations and to structure our interactions so we and others do what we promise. But we want and need more out of life. Contracts are limited in scope and time, and the exchange involved is usually not personal. There is nothing lasting about this temporary relationship. As human beings, we desire covenants.
- **A covenant** is a heart-felt pledge to honor and stay true to one another over long periods of time. Covenants fulfill deep human needs to connect, to belong, and to care for one another in genuine, lasting relationships. In the organizational context, covenants apply to something beyond self-interest, like a meaningful

cause. They bind us together in mutual service. Transformational leadership is essentially covenantal in nature. Leaders and followers engage in a shared purpose and common destiny—connected to something larger than the work of any given day or the contractual obligations of any given task.

This book champions a transformational model of leadership. We contend that transactional leadership is inadequate to deal with the fundamental challenges facing our institutions, public and private, in the twenty-first century. By contrast, transformational leadership builds up followers.

While, contrary to popular terminology, transformational leaders don't "empower" anyone, they do release the energy, strength and gifting others already possess. Transformational leaders serve as catalysts to help others recognize their God-given assets—what God has already entrusted to them and is developing within them—and to identify ways to put these assets to use as good stewards in the service of others.

In this, transformational leadership provides not only the ethical foundation but also the personal and spiritual motivation for meeting these challenges. You can play a part in restoring hope to a leaderless world. Whether big **L** or little **L**, this book was written for you.

Anyone Can Lead

The debate continues over whether leaders are born or made. Proponents of the contemporary Great Man Theory contend that certain people are endowed from birth with "the right stuff" for leadership. On the other hand, history is replete with examples of common people who took up the mantle of leadership and accomplished great things.

**You can play a part
in restoring hope to
a leaderless world.**

In the Prologue, you will meet a man named Nehemiah who walked this earth 2,500 years ago. He left a memoir describing an incredible feat accomplished by a group of poor, downtrodden ex-slaves which he led.

We have no record that Nehemiah was particularly adept at leadership. He had an important role in the royal court of Persia, which may have

given him access to education and obviously provided him a significant life experience. However, we do not find anything in his portfolio that indicates he was a great man, charismatic, or destined to lead.

Nehemiah served as cupbearer to the king of Persia. As such, he tasted everything before the king consumed it, so apparently he was trustworthy. What Nehemiah seems to have had going for him was his virtuous character.

We believe anyone can learn to lead. It may be easier for some than for others, and a few may decline the opportunity. But for those who aspire to leadership and for the many required to lead by circumstance or by calling, this book offers a roadmap to follow. Let's get started on the journey.

The image shows two handwritten signatures in black ink. The signature on the left is 'Mark McCloskey' and the signature on the right is 'Jim Louwsma'. Both are written in a cursive, flowing style.

Mark McCloskey

Jim Louwsma

Authors' Note: *For the most part, this book cites both ancient and recent historical examples of transformational leadership. While contemporary exemplars of transformational virtues continue to make a difference in our world, the authors hesitate to cite them since their lives are not yet finished. Not all who begin well end well. For this reason, the majority of exemplars mentioned herein lived out these virtues to the end of their days.*
