Transformational Leadership and the Falling Dominoes Effect

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This investigation examined the practice of tranformational leadership at two levels of management in a New Zealand government agency. Transformational leadership was defined as the extent to which a manager is seen as charismatic, as treating each subordinate as an individual, and as intellectually stimulating. Like falling dominoes, transformational leadership at a higher level of management was expected to appear concomitantly at the next lower level. Analyses of leadership behavior questionnaire data collected independently at the two levels of management generally provided support for this falling dominoes effect. However, one exception was that more charismatic first-level supervisors said they required less charisma in the second-level managers to whom they directly reported. Implications were drawn concerning the importance of developing transformational leadership abilities at upper levels of management to enhance the likelihood of such leadership at lower levels.

Successful leadership implies influencing the attitudes, abilities, and behaviors of followers (Bass, 1960). Whether and how the leader's own behavior influences the leadership behavior of his or her followers is as yet an unresolved issue. Do active, directive leaders at one level alternate with passive, conforming leaders at the level below them? That is, is the correlation in leadership styles zero or negative between hierarchical levels of management? Or, do the patterns of leadership cascade from one management level to another as a consequence of selection, modeling, and other processes. The purpose of this study was to examine the relationship between the leadership performance of managers and their

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superiors at the first two levels of management in a New Zealand government agency. In this context, leadership is seen as one of several managerial role requirements. Other role requirements may include financial, marketing, and production planning and decision making.

TRANSFORMATIONAL AND TRANSACTIONAL LEADERSHIP

According to Burns (1978), the leadership process can occur in one of two ways. It is either transactional or transformational. Response allocation and factor analyses by Bass (1985, chapter 12) suggest that transactional leadership is characterized by the two factors of contingent reward and management-by-exception. The active *transactional* leader, through an exchange with subordinates, emphasizes the giving of rewards if subordinates meet agreed-upon performance standards (*contingent reward*). This form of leadership emphasizes the clarification of goals, work standards, assignments, and equipment. The less active transactional leader practices avoidance of corrective action (*management-by-exception*) as long as standards are being met (Bass, 1985). Management-by-exception is best depicted by the old adage "if it ain't broken, don't fix it."

The transformational leader differs from the transactional leader as defined by Burns (1978) and Bass (1985) in that the transformational leader attempts to elevate the needs of the follower in line with the leader's own goals and objectives. The transactional leader concentrates on trying to maintain the status quo by satisfying the follower's current psychic and material needs. Transformational leadership factors include: (1) charisma, (2) individualized consideration, and (3) intellectual stimulation.

Charismatic leadership is central to the transformational process and accounts for the largest percentage of common variance in transformational leadership ratings (Bass, 1985; Bass, Avolio, & Goodheim, in press). Followers want to emulate their charismatic leaders; they place a great deal of trust and confidence in the vision and values espoused by the leader, and typically develop intense emotional feelings about the leader.

The Bass (1985) model of transforming leadership differs from earlier conceptualizations of charismatic leadership (e.g., House, 1976) in regard to two additional leadership factors—individualized consideration and intellectual stimulation. Specifically, transforming

leaders may also be characterized as paying attention to the individual subordinate, by understanding and sharing in the subordinate's concerns and developmental needs, treating each subordinate individually. In addition, individualized consideration represents an attempt on the leaders' part not only to recognize and satisfy current needs of their subordinates but also to arouse and elevate those needs in an attempt to develop subordinates further.

In addition to charisma and individualized consideration, transformational leadership also involves the intellectual stimulation of subordinates' ideas and values. Through intellectual stimulation, transforming leaders help subordinates to think about old problems in new ways. Followers are supported for questioning their own beliefs and values and, when appropriate, those of their leaders, which may be outdated or inappropriate for solving the current problems confronting their organizations. As a consequence of being intellectually stimulated by their leader, followers develop their own capabilities to solve future problems that the leader may not have anticipated. Followers learn to tackle and solve problems on their own.

EMPIRICAL EVIDENCE FOR CASCADING LEADERSHIP

Some research evidence supports the idea that followers' behavior or attitudes are positively associated with those of their leaders over time (Bowers & Seashore, 1966; Misumi, 1985; Ouchi & Maguire, 1975, Stogdill, 1955). Bowers and Seashore (1966) found that leader behavior patterns exhibited by top managers in insurance agencies were reflected in similar behavior patterns in subordinate supervisors. Specifically, followers' emphases on goals and interaction facilitation with their subordinates was related to the extent that their superiors did the same. Again, Stogdill (1955) studied the effects of interactions among superiors and their immediate subordinates on the resultant interactions at the next level in the management hierarchy. Participatory leadership at lower levels in an organization was shown by Stogdill to be dependent on its being practiced at higher levels also. Similarly, Ouchi and Maguire (1975) found that subordinates tended to use the same control methods as their superiors for dealing with their respective subordinates. Finally, Misumi (1985), summarizing his studies with Japanese managers from the 1960s onward, reported that the supervisory styles used by

different levels within a departmental unit tended to be similar in both high- and low-producing departments.

Overall, there is some documented evidence that would suggest followers tend to emulate the directive or participative styles of leadership exhibited by their superiors (Bass, 1981, pp. 261-263). However, no previous research has examined the extent to which transformational leadership, as well as transactional leadership, shows similar patterns regarding this falling dominoes effect.

CHARISMA AS A FALLING DOMINO

Burns (1978) succinctly described this falling dominoes effect with respect to charismatic leaders and their followers. In paraphrase:

> The disciples are converted into effective leaders in their own right. The dedication, caring, and participation obtained by the charismatics is multiplied outward from themselves through their disciples, . . . They become the models to be imitated by successive expanding layers of followers. (Bass, 1981, p. 262)

Tichy and Ulrich (1984), however, took exception with Burns's view. They suggested that charismatic/transformational leadership primarily involves the development of new visions and organizational changes by top management executives. Therefore, rather than modeling their superiors, lower-level managers are more likely to adopt leadership behaviors or styles that support the practical implementation of their superiors' visions and articulated missions.

We set out here to examine whether transformational and transactional leadership shown at one hierarchical level of management were reflective of that displayed at the next lower level. In contrast to Tichy and Ulrich (1984), we expected charisma to cascade to lower levels, because charismatic leaders raise the confidence of followers and because followers want to identify with the charismatic leaders. This contrasts with the revealed wisdom that strong leaders require weak subordinates.

OTHER TRANSFORMATIONAL FACTORS
AS FALLING DOMINOES

A positive association between leadership at two successive levels in the organization was also expected for the other transfor-

mational factors of individualized consideration and intellectual stimulation, but for different reasons. If your superior is inconsiderate to you, it may be easier to displace your aggression by being inconsiderate to your subordinates. Alternatively if your superior is considerate to you, you may feel good about yourself and more able to be concerned about your subordinates' needs. It also seems to follow that if your superior intellectually stimulates you, some of the new ideas and the stimulating process would be passed on by you to your subordinates. Moreover, your leader's attempt to get you to think about old problems in new ways may encourage you to do the same with your subordinates. So again, a positive association was expected between the leadership shown at one level of management and that shown at the level below it.

TRANSACTIONAL FACTORS AS FALLING DOMINOES

Again, but for still different reasons, some positive association was expected between *transactional* leadership seen at successive levels of management. If your supervisor has rewards to grant or deny you, you, in turn, may be able to pass some of this downward, yourself. In the same way, if you are kept on a loose tether by your superior who practices a lot of management-by-exception, you may be likely to feel the same freedom to do so with your own subordinates. You also may adopt a similar strategy if you learn what exceptions to standards move your superior to intervene.

EFFECT OF REQUIREMENTS

Another reason for expecting a correlation of leadership styles between management levels stems from the idea that what individuals expect or require from others, such as their leaders, may affect their own actual behavior—a personal "demand" on their behavior. Thus, above and beyond the leaders' actual behavior and personal qualities, what followers perceive to be role *requirements* of their leaders may affect the followers' behavior. As a consequence, the followers' style of leadership may be reflective, to some extent, of what they want or require their leaders to do. This logic can be seen in the following script:

> I expect/require my leader to treat me with consideration, partly because I believe that all leaders should act considerately, my

superior and myself included. Furthermore in order to be personally consistent in my own thinking if I require my superior to be considerate, I should also behave in the same manner toward my immediate subordinates.

Thus, we expected that the leadership required in one's superiors would to some extent be mirrored in one's own leadership performance. The counter expectation was that one's leadership behavior would be a reaction to complement what one observed and required in one's superiors. Here, the proposition would be that a highly active leader might prefer a highly passive superior who would not get in the way of what the leader was trying to accomplish.

HYPOTHESES

In this study, personnel from three levels in their organization were involved. "Second-level" managers were the immediate superiors of the "first-level" supervisors. Below the first-level supervisors were subordinates who directly reported to their first-level supervisors. A major purpose of the study was to show the extent to which the described leadership of a second-level manager correlated with the independently described leadership of the first-level supervisor who directly reported to the second-level manager. Therefore:

H1: The amount of transformational and transactional leadership of first-level supervisors (rated by their subordinates) is positively related to the amount of transformational and transactional leadership of the second-level managers to whom the supervisors directly report.

What followers *require* of their leaders may also influence the behavior and qualities of the followers. That is, the follower's style may to some extent be reflective of what he or she requires of his or her superior. Therefore:

H2: The amount of transformational and transactional leadership in first-level supervisors seen by their subordinates is positively related to the amount of transformational and transactional leadership that the first-level supervisors require of their immediate superiors—the second level managers.

We expected that the first-level supervisors' leadership would be affected somewhat independently by what they saw in the leadership of their second-level managers, as well as what they, the first-level supervisors, required of their second-level managers. Therefore:

H3:The first-level supervisors' transformational leadership factors as described by their subordinates will be a function of both the leadership these supervisors see in their second-level managers and the leadership they require in their second-level managers.

METHOD

PARTICIPANTS

A total of 56 first-level supervisors from a New Zealand government agency participated in a leadership workshop conducted by one of the authors. The supervisors had served no less than 9 months' tenure under their immediate second-level manager superiors. All participants were male.

INSTRUMENT AND PROCEDURE

Five scales from the Multifactor Leadership Questionnaire Form-4 (Bass, 1985, chapter 12) were used to measure transformational and transactional leadership. Respondents completing the Multifactor Leadership Questionnaire indicate how frequently they have observed the behavior of a designated leader on a scale ranging from 0 = "not at all" to 4 = "frequently, if not always." Each of the five scales has 10 items. All items in the five scales had been identified respectively by response allocation analysis as either transformational or transactional (Bass, 1985, chapter 11).

For each scale, items were summed and divided by 10 to form a scale score ranging from 0.0 to 4.0. Coefficient alpha was above .80 for all three scales. The three transformational scale titles and typical items are

(1) *Charisma*—"I am ready to trust his/her capacity to overcome any obstacle"; "makes me feel good to be around him/her."
(2) *Individualized Consideration*—"gives personal attention to neglected members"; "gives newcomers a lot of help."

(3) *Intellectual Stimulation*—"enables me to think about old problems in new ways"; "has forced me to rethink some of my own ideas which I had never questioned before."

The two transactional scales were as follows:

(4) *Contingent Reward*—"tells me what to do if I want to be rewarded for my efforts"; "arranges that I get what I want in exchange for my efforts."

(5) *Management-by-Exception*—"is content to let me continue doing my job in the same way as before"; "shows he/she is a firm believer in 'if it ain't broken, don't fix it.' "

Prior to the training, five randomly chosen subordinates who directly reported to each of the first-level supervisors used the leadership questionnaire to describe the actual on-the-job behavior of each of their first-level supervisors. For the analyses that follow, scores were averaged across the five subordinates for each dimension to derive a set of leadership scores for each first-level supervisor. During the workshop, these first-level supervisors, in turn, completed the Multifactor Leadership Questionnaire, describing the *actual* leadership of their immediate superiors, the second-level managers. In addition, they also used a parallel form to describe what they perceived to be the leadership *required* of their immediate superiors—the same second-level managers. In sum, actual leadership of first-level supervisors, actual leadership of their second-level managers, and required leadership of the second-level managers were assessed using the Multifactor Leadership Questionnaire Form-4.

RESULTS

Means and standard deviations of the various measures and relevant correlations are shown in Table 1. Hypothesis 1 was confirmed for the three transformational leadership factors in that a significant .35 correlation was found between actual charisma observed in first-level supervisors and the actual charisma observed in their second-level managers. Similarly, significant correlations of .26 and .28 were obtained for individualized consideration and intellectual stimulation, respectively, between the supervisors and their managers. However, results were mixed for the transactional

TABLE 1
The Falling Dominoes Effect: Actual and Required Second-Level Managers' Leadership in Relation to Actual First-Line Supervisor Leadership (n = 56)

	Transformational			Transactional	
	Charismatic Leadership	*Individualized Consideration*	*Intellectual Stimulation*	*Contingent Reward*	*Management by-Exception*
Mean leadership					
Actual first level	2.60	2.54	2.54	1.91	2.02
Actual second level	2.82	2.77	2.70	2.32	1.95
Required of second level	3.81	3.59	3.61	2.77	1.63
Standard deviation					
Actual first level	.57	.52	.52	.50	.30
Actual second level	.63	.61	.69	.65	.60
Required of second level	.26	.48	.44	.62	.59
Correlations					
Actual first level versus actual second	.35*	.26*	.28*	.51**	.04
Actual first level versus required second	−.28*	.18	.09	.19	.02
Actual second level versus required second	.03	.65**	.50**	.44**	.41**
Regression Analyses[a]					
beta (actual second level)	.36**	.19	.31*	.52**	.03
beta (required of second level)	−.30**	.07	−.07	−.05	.03
multiple R	.46**	.24	.28	.51**	.06
(predicted actual first level)					

a. Note that the dependent variable in all regression analyses was actual-leadership behavior of first-level superiors as reported by their immediate subordinates.

$*p < .05$, $F = 3.18$, $df = 50, 2$; $**p < .01$, $F = 5.06$, $df = 50, 2$.

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factors. The between-levels correlations were .51 for contingent reward and .04 for management-by-exception.

Hypothesis 2 was not confirmed. In fact, in the case of charisma, a significant negative correlation of –.28 was found between the actual first-level supervisors' leadership and the leadership the first-level supervisor required of his superior at the second level of management. In other words, the *more* charismatic a supervisor was perceived by his subordinates, the *less* charisma that supervisor tended to require on the part of his management superior, although actual charismatic leadership did correlate positively between management levels as already reported. None of the other leadership factors showed significant results in this respect.

Since the same first-level rater supplied the description of the *actual* leadership of the second-level manager and also what the first-level rater *required* of him, the significant correlations here for four of the five leadership scales of .65, .50, .44, and .41 were not unexpected because the same rater supplied both ratings. What was surprising was the .03 "actual-required" correlation for charisma despite the common source of these particular correlations.

COMBINED EFFECTS

Multiple regression analyses were conducted to test hypothesis 3, to ascertain the extent to which actual and required leadership of the second-level manager were differentially or uniquely predictive of the actual leadership of the first-level supervisor. As shown in Table 1, hypothesis 3 was only partially supported. Adding required leadership to the actual leadership of the second-level manager only added to accuracy in accounting for first-level charismatic leadership. No combinatory effects were found for any of the other leadership factors. The statistically significant multiple R of .46 and the significant beta coefficients of .36 and –.30 emerged because only in the case of charisma was the leadership actually shown at the first level of supervision significantly related to the leadership *required* at the next higher level (–.28). Second, this "required" charisma contributed uniquely to accounting for first-level supervisory charismatic leadership, for in addition to being negatively related to actual first-level supervisors' charisma, it had no relation (r = .03) to actual second-level leadership, the other predictor of actual first-level charisma.

MEAN DIFFERENCES IN LEVELS

A post hoc analysis examined the differences in amount of rated transformational and transactional leadership at different hierarchical levels. A comparison of mean values revealed that more transformational leadership was observed in second-level managers than in first-level supervisors (2.82 versus 2.60; 2.77 versus 2.54; 2.70 versus 2.54). These mean differences were all statistically significant at the 5% level. At the same time, much more transformational leadership was required of the second-level managers (3.81, 3.59, and 3.61) than they were seen to display (2.82, 2.77, and 2.70). These findings are in line with previous theoretical and empirical evidence (Bass, 1985; Katz & Kahn, 1978).

For the two transactional factors, there was an increase from 1.91 to 2.32 in contingent reward seen at the second-level of management compared with the first but a nonsignificant decrease in management-by-exception. Again, more contingent reward was required of second-level managers (2.77) than was observed (2.32), but the reverse was true for management-by-exception (1.63 versus 1.95). Less was required than was observed.

CONCLUSIONS AND IMPLICATIONS

IMPLICATIONS FOR THEORY AND RESEARCH

A cascading effect of transformational leadership emerged in this investigation. the degree of transformational leadership behavior observed at one level of management tended also to be seen at the next lower level of management. The leadership patterns of subordinate-superior dyads somehow tended to match each other. These results can be explained in a variety of ways. The falling dominoes effect may be due to followers modeling the behavior of their superiors, as proposed earlier. However, differential selection provides another plausible explanation for our findings. It may be that lower level supervisors are either self-selected, selected by their second-level manager, or organizationally selected into positions so that they will be stylistically compatible with their superiors.

Another plausible explanation for these findings involves differences among the locations in the organization of the dyads of

first-level supervisors and second-level managers. It is possible that certain leadership behaviors are reinforced by the norms of organizational subunits, therefore, the cascading effects demonstrated in the current study may be partly due to the subculture of norms, beliefs, and values within which the leaders operate. In the same way, the environmental and technical demands in one subunit may generate common job requirements and therefore dictate the differential leadership observed and required at the two levels of the subunit. Future research will need to tease out the variance in leadership ratings due to modeling of the leader, differential selection, and organizational culture and that due to common environmental and task demands placed on superior and subordinate.

To follow up our cross-sectional findings presented here, we would suggest a longitudinal design to study how followers shift their own leadership styles to conform more closely to those of their leaders. The focus of such research should be on the mechanisms used by the leaders to develop their subordinates. Modeling is probably one such mechanism; however, if we are to obtain a more accurate picture of the developmental side of leadership, a much more sophisticated analysis is needed. For example, Smith, Moscow, Berger, and Cooper (1969) reported weaker support for the cascading effect of leadership when ongoing organizational change and uncertainty were minimal. This is in line with the idea that charismatics are more likely to be emulated and followed in times of agonizing doubt and crisis if their message seems like the appropriate solution. The same charismatic leader embedded within a relatively stable environment or mechanistic organization may find it difficult or even undesirable to change his or her followers' style of leadership. Moderators such as the degree of expected or ongoing change may affect how much transformational leadership at one level transfers to the next.

Those lower-level leaders who were seen as being *more* charismatic by their subordinates in turn, required *less* charisma in their superiors. Here, one possibility is that charismatic leaders would rather not have a charismatic superior with whom they may have to compete for power. This sort of finding is intriguing, and should be explained better by future research.

PRACTICAL IMPLICATIONS

"If only my boss would have been required to take this course!" This is the common refrain at the end of a successful leadership development course. Recognized is the implicit need for subordinates' leadership styles to be consistent with those of their bosses. For the training to be maximally effective, it must be provided at multiple succeeding levels in the organization. The implication is that leadership training must not be restricted to just one or even several levels in an organization. From the same perspective, if leadership is a role-modeling process in organizations, then success in developing leadership abilities at one level of management will in part hinge on the leadership shown at the next higher level. For example, take the case of a top-level management decision to train first-level supervisors to be better transformational leaders. Such training will not have maximum on-the-job impact unless managers at the second level are serving as good role models.

A better strategy may be to provide transformational leadership training initially to top-level managers. These managers could, in turn, serve as role models for their lower-level subordinates. This process could be facilitated by concurrent classroom training in transformational leadership skills for these progressively lower levels. Again, the advantage of such a plan is that managers are learning concepts through classroom training that are conducive with the leadership being shown by their superiors. This sort of plan could form the basis of an organizational development program emphasizing the improvement of leadership practices.

In a broader sense, our findings imply that managers tend to model any form of active leadership behavior that they observe in their immediate superiors. Active leadership in the present context includes transactional contingent reward and transformational charisma, individualized consideration, and intellectual stimulation. Thus, managers should be observant in noticing how their behaviors and characteristics are being modeled to ensure that their leadership is cascading effectively. For example, a middle-level manager may demonstrate transformational leadership to a subordinate, lower-level supervisor by delegating important, challenging work assignments and decision making. This lower-level supervisor may, in turn, delegate important assignments and decision making indis-

criminantly to subordinates who are not willing or able to handle such responsibility. The middle-level manager should provide the first-level supervisor with coaching as to how and when delegation can be used effectively.

Finally, there is a message in our research results for charismatic leaders. They may come on "too strong" for some or all of their best subordinates. Our data suggest that charismatic first-level supervisors require fewer charismatic qualities in their own superiors. It may be useful to "tone down" one's charismatic behavior particularly with those subordinates who are also deemed to be charismatic themselves. Is some competition involved here?

To summarize, there have been few reported investigations that have focused on the cascading effect of leadership. None of this previous research has examined the cascading effect of transformational leadership and in particular, charismatic leadership, which seems to follow a different course than other models of leadership. The evidence presented in the current investigation lays some groundwork for further examination of how superiors shape the transformational and transactional leadership of their subordinates. It also provides some implications for practitioners and managers desiring to maximize leadership development in their organizations.

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