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Transformational Leadership and Information Technology Management Integration Framework: A Normative Framework to Achieve Organizational Performance Effectiveness

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ABSTRACT

The author discusses the Transformational Leadership and Information Technology Management Integration Framework as a normative approach global organizations might consider to achieve organizational performance effectiveness. The framework depicts the relationship of transformational leadership to the IT management governance, enterprise architecture, portfolio management, and capital planning and investment control activities.

INTRODUCTION

Global leaders often depend on information technology (IT) for organizational performance effectiveness and efficiency. Lee (2003) studied global organizations and found that "IT is making a significant impact on almost every aspect of today's organizations" (p. 1). Global leaders frequently invested heavily in IT to achieve the desired performance effectiveness and efficiency outcomes for their organizations. Global organizational leaders invested $2.1 trillion in IT in 2002, $2.3 trillion in 2003, and $2.5 trillion in 2004 (Yamada et al., 2004, p. 5). Global leaders are expected to invest $2.6 trillion in IT 2005 and over $3 trillion in 2008 (Yamada et al., 2004, p. 5). Despite making significant IT investments, many leaders failed to realize the organizational performance effectiveness and efficiency outcomes expected from their IT investments. Stang (2004) found that only 30% of global IT project investments initiated in 2004 realized the expected outcomes. Caruso and Gentry published that competent IT leaders can help realize the outcomes expected from their organizations' IT investments (2005b).

LEADERSHIP

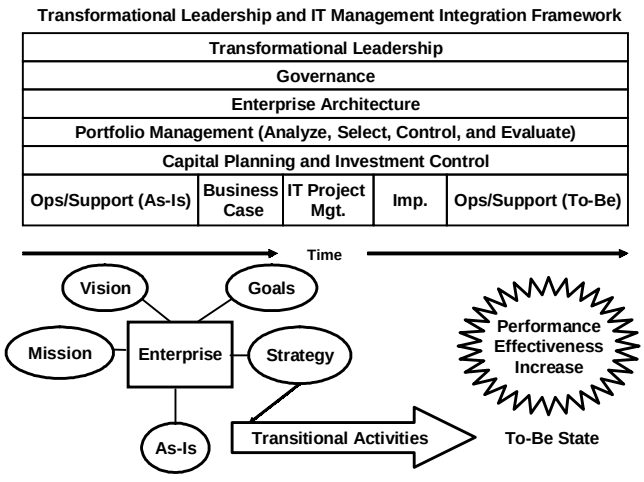
Leadership involves influencing others to action. Caruso and Gentry (2005) stated, "Leadership is the process by which one individual influences other to do, of their own volition, that which he or she would have them do" (p. 2). These authors stated that leadership, ". . . enables people to work together efficiently to realize positive outcomes . . ." (p. 2). Caruso and Gentry also stated "Leadership is a process of aligning the objectives of the individuals being led with those of the leader and of influencing individuals to work toward achieving those objectives" (p. 3). Caruso and Gentry (2005) further stated, "Leadership is critical to the success of all enterprises. Nowhere is that need more apparent than in the IT world" (p. 1).

The most salient IT leadership competencies are creating a shared vision, communicating the vision, and empowering others to take action to realize the vision (Caruso & Gentry, 2005b). Little research was found that explored the integration of transformational leadership with IT management activities. Effective leadership is a critical enabler missing from many IT business environments. Integrating transformational leadership into IT management activities can enable global organizations to realize the outcomes desired from their IT investments. The author proposes a normative framework that integrates transformational leadership into IT management activities.

TRANSFORMATIONAL LEADERSHIP

Transformational leadership is a normative leadership approach. Harvey (2001) defined transformational leadership as "a lofty conception of leadership, stressing the essential role that leaders play and the moral basis of their leadership. Transformational leaders operate in a realm of values and seek to motivate and direct by transforming their followers" (p. 39). Burns (as cited in Harvey, 2001) stated, "Thus, the model of

Figure 1. Transformational leadership and information technology management integration framework



Depicts the integration of transformational leadership into the enterprise IT management business environment to enable enterprises to achieve their desired performance effectiveness and efficiency outcomes

transformational leadership focuses ultimately not on the products or process, on work itself, but on the psychic and moral identify of the leader and the followers" (p. 40). Harvey suggested that recent business literature viewed transformational leadership as an "effective managerial tool for increasing quality and productivity" (p. 40).

Transformational leaders influence others to accomplish goals and objectives. Den Hartog and Hinkin and Tracey (as cited in Pounder, 2003) presented the original transformational leadership characteristics:

1. "Idealized influence or charisma. The leader provides vision and a sense of mission, instills pride, gains respect, trust and increases optimism. Such a leader excited and inspires subordinates" (p. 6).
2. "Inspirational motivation. The leader acts as a model of subordinates, communicates a vision and uses symbols to focus efforts (p. 6).
3. "Individual consideration. The leader coaches and mentors, provides continuous feedback and links organizational members' needs to the organization's mission "(p. 6).
4. "Intellectual stimulation. The leader stimulates followers to rethink old ways of doing things and to reassess old values and beliefs" (p. 6).

Pounder proposed a refinement to the original transformational leadership characteristics. Pounder (2003) stated the proposed refinement "clarifies aspects of transformational leadership that are implied in the original not but are not made explicit" (p. 7). In addition to the original transformational leadership characteristics, noted earlier, Pounder proposed that the transformational leadership characteristics should include:

1. "Integrity. The leader 'walks the talk,' aligns deeds with words. This dimension is a measure of the extent to which followers perceive a high degree of congruence between the leader's words and those expressed through action" (p. 7).
2. Innovation. The leader is prepared to challenge existing constraints and processes by taking risks and experimenting. The leader encourages followers to take risks and experiment and treats mistakes as opportunities for learning rather than censure. This dimension focuses on the extent to which the leader fosters a commitment to innovation in the organization. (p. 7)
3. Impression management. The leader is prepared to subordinate personal needs and desires to the general good. . . . This dimension measures the extent to which organizational members perceive that the leader genuinely cares for them as people rather than as mere instruments of the leader's or the organization's mission. (p. 7)

The Transformational Leadership and Information Technology Management Integration Framework integrates transformational leadership into the enterprise IT management activities. The transformational leader provides vision, communicates the vision, and empowers enterprise members to achieve the vision. Each enterprise has a mission, or business objective. Each enterprise also has a vision, goals, and a strategy to accomplish the goals, vision, and the business objective. While many enterprises might explicitly state their vision, goals, and strategy, each enterprise does have these elements. The leader establishes a clear, compelling, and consistent enterprise vision. The leader uses every available means to communicate the vision to every enterprise member and stakeholder through one-on-one meetings, small group meetings, town hall meetings, staff meetings, web site portals with frequently asked question areas, and any other creative, innovative, and effective means. The leader then empowers enterprise members to accomplish the vision through financial, infrastructure, human resource, and moral support. As a result, the leader uses every possible means to establish a clear and compelling vision, communicate the vision to the enterprise stakeholders, and empowers enterprise members to achieve the vision. The leader then enables the enterprise to implement the remaining framework IT management components. In the absence of effective leadership, many organizations might continue to be challenged in realizing the outcomes desired from their IT investments.

INFORMATION TECHNOLOGY MANAGEMENT

Remenyi and Brown promulgated that the most salient IT management competencies were planning, organizing, coordinating, directing, and controlling (2002). Mingay, Mahoney, McDonald, and Bell (2004) found that "Managers sustain established organizations and processes" (p. 3), and that managers use "execution, organization, planning, control, performance and ensuring continual improvement" (p. 2) to achieve organizational performance goals. IT management processes include governance, enterprise architecture, portfolio management, and capital planning and investment control (CPIC). IT leaders and managers will need to consider these IT management processes to help the organization improve its performance effectiveness.

Governance

Governance involves establishing the rules, roles, and responsibilities for enterprise IT decision-making. Governance enables the organizational leaders and managers to implement a disciplined process to support organizational decisions regarding IT management. The IT Governance Institute (2004) reported that IT governance enables an organization "deliver value and enable the business" (p. 2). The IT Governance Institute also reported that IT governance is a component of enterprise governance and is responsibilities for:

1. Taking stakeholder values into account when setting strategy
2. Giving direction to the processes that implement the strategy
3. Ensuring that processes provide measurable results
4. Being informed about the results and challenging them, and
5. Ensuring that the results are acted upon. (p. 4).

The Transformational Leadership and Information Technology Management Integration Framework depicts enterprise IT governance as the institutional process by which the enterprise makes decisions regarding IT activities. Effective IT governance enables enterprise architecture.

Enterprise Architecture

Enterprise architecture describes the enterprise's "As-Is" state, or, in other words, how the enterprise functions today. The enterprise architecture also describes the enterprise's "To-Be" state, or, in other words, describes how the enterprise will function at a specific point in the future. The enterprise architecture finally informs and includes a transition plan. The transition plan specifies the steps the enterprise members will accomplish to achieve the "To-Be" state. The enterprise architecture, as a revealing information base, enables the enterprise portfolio management process. General Motors used enterprise architecture to inform its OnStar development process. Tony Scott, the General Motors Chief Information Office (as cited in Pastore, 2004), reported that using its enterprise architecture enabled the organization to discover "some gaps where OnStar had assumed that there was already a certain system functionality that we didn't have yet . . . Without this enterprise architecture process, we would have gone much further down the development road without realizing these problems" (para. 8). The enterprise architecture delivers the information that enables the organizational leaders to make decisions regarding the organization's portfolio.

PORTFOLIO MANAGEMENT AND CAPITAL PLANNING AND INVESTMENT CONTROL

Portfolio management involves making decisions regarding new IT investments. Portfolio management is informed by the enterprise architecture. The enterprise architecture reveals information that the organizational leaders then use to make organizational decisions. The portfolio management process informs the organization's capital planning and investment control (CPIC) process. The CPIC process enables the organization to allocate budget to IT investments determined in the portfolio management process. After the organizational leaders determine which investments to make and engage the CPIC process, the organization can then develop the business case to substantiate the investment, manage the capability's development, implement the

capability, and effectively operate and support the implemented capability. Organizational leaders can consider transformational leadership tightly coupled with effective management processes to help realize the outcomes from their IT investments.

SUMMARY

The Transformational Leadership and Information Technology Management Integration Framework is a normative approach organizational leaders might consider using to achieve their desired business objectives. Transformational leaders provide vision, communicate the vision to enterprise members and stakeholders, and empower member to achieve the vision through charisma, inspiration, intellectual stimulation, and individualized consideration. Adopting this framework can enable organizational leaders to realize the outcomes expected from their organizations' IT investments.

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