

Hybrid Transformational Leadership

Insights and Best Practices from Leaders at Microsoft

Leadership - Part 1/2 The COVID-19 pandemic had a significant impact on organizations, economies, and the workplace. The pandemic forced employees to work remotely, and by 2020, around 17.4% of the global workforce was working from home (ILO, 2022). As we move forward, 57% of remote workers are considering a hybrid work model. This is indicating a trend towards hybrid arrangements, as it provides employees with the flexibility to carry out their job responsibilities in diverse settings and offers more flexibility and improved quality of life (Iqbal et al., 2021). As technology continues to evolve and workforces continuously become more hybrid, a new approach has emerged: hybrid transformational leadership.

Hybrid transformational leadership is essentially transformational leadership adapted to the unique challenges and opportunities of hybrid work environments. Hybrid transformational leaders use the same core principles of transformational leadership, such as clear vision, open communication, empathy, and intellectual stimulation, but they apply these principles in the context of hybrid work environments. They must be able to inspire and motivate their employees in both in-person and remote settings, establish effective communication as well as collaboration practices, and navigate the challenges of managing a distributed workforce. By combining the strengths of both in-person and remote work, hybrid transformational leaders can create a dynamic and resilient

organizational culture that enables their employees to thrive.

One company that has embraced hybrid transformational leadership is Microsoft: CEO Satya Nadella is renowned for his transformational leadership style, which has been instrumental in transforming the company into the market leader it is today. Nadella's leadership style is characterized by clear vision, open communication, humility, and empathy. He chose to focus on transforming the company culture by fostering the development of employees' intellectual capabilities, promoting effective collaboration, as well as stimulating intellectual curiosity and creativity. Microsoft's leaders have developed a unique approach to leadership that blends transformational and hybrid elements, enabling the company to stay ahead of the curve in a fast-changing industry.



1. The Traditional Transformational Leadership Approach

Transformational Leadership is part of the Full Range Leadership model developed by Bass and Avolio (1994), which includes other leadership concepts such as transactional leadership and laissez faire leadership. Out of all models, transformational leadership is one of the most studied concepts in leadership research, and it represents an idealized form of leadership. This theory focuses on the charismatic and emotional attributes of leaders and aims to change individuals' attitudes, values, long-term goals, and ethical orientation (Bryman, 1992). The characteristics and behaviors that define transformational leadership can be classified into the dimensions introduced by Bass (1985) as the “four

I's”:

- Idealized Influence (II),
- Inspirational Motivation (IM),
- Intellectual Stimulation (IS), and
- Individualized Consideration (IC):

- 1. Idealized Influence:** refers to a transformational leader who possesses the capacity to inspire and encourage their team members, primarily by serving as a role model. This type of leader can influence the values and attitudes of their followers through their authenticity and personal example.
- 2. Inspirational Motivation:** the ability to motivate people to become committed to a vision. This dimension is characterized by leaders who inspire their followers through their passion for the shared organizational mission and vision and motivate them to become part of it by committing to the goals and the vision as well as com-

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municating high expectations that the followers want to meet.

- 3. Individualized Consideration:** focuses on a leader's ability to treat their followers as individuals with unique needs and interests. This type of leader listens to their followers' concerns, gives them feedback, and coaches them to help them achieve their full potential. This behavior can create a sense of trust and loyalty between leaders and followers and can lead to increased job satisfaction and commitment to the organization.

Creating a vision is a collaborative process in hybrid work environments, highlighting the significance of shared leadership and collaboration.

- 4. Intellectual Stimulation:** followers are encouraged to challenge the status quo, think critically, and be innovative. Transformational leaders are known to challenge their followers intellectually, providing them with new perspectives and innovative ways of doing things.

Overall, transformational leadership is crucial in today's dynamic and unpredictable environment,

where organizations face various crises. Studies have largely confirmed the assumption of greater effectiveness of transformational leadership in the context of change or in dynamic situations (Bass & Riggio, 2006; Pundt & Nerdinger, 2012), such as organizations adapting to hybrid work. It has been empirically proven that transformational leadership is particularly successful under uncertain, situational conditions (Waldman et al., 2001) and the impact of transformational leadership is favored in complex and uncertain contexts (Heyna & Fittkau, 2021).

2. Challenges in Hybrid Work Environments

While hybrid work presents many advantages, it also presents unique challenges for leaders who must navigate the complexities of managing teams operating in different physical spaces and fostering a cohesive and productive work culture.

- **Relationships:** One of the most prevalent challenges faced by hybrid leaders at Microsoft is the task of building personal relationships within this work context. Leaders have expressed the difficulty of establishing trust, empathy, creating a sense of belonging, and building connections when team members are physically dispersed. The absence of regular face-to-face interactions can hinder the development of rapport and interpersonal bonds, making it crucial for leaders to employ strate-

gies to bridge the distance and foster strong relationships among team members (Fayard, Weeks & Khan, 2021).

- **Communication:** Communication emerges as another significant challenge for hybrid leaders. Areas of challenges within this field include inclusive communication in hybrid setting and making sure everybody has the same level of knowledge. Hybrid leaders must navigate the complexities of effectively communicating and maintaining team cohesion when some team members work remotely while others are physically present in the office. The reliance on various communication channels and technologies can lead to information gaps, misinterpretations, and feelings of exclusion. Leaders must proactively address these challenges by implementing robust communication frameworks, leveraging suitable tools, and fostering a culture of inclusive and transparent communication (Grzegorzcyk et al., 2021).
- **Productivity:** The hybrid work model also presents notable challenges in terms of productivity and effectiveness. Leaders must the issues of measuring productivity, mitigating the risk of productivity increases leading to burnout, and ensuring high levels of engagement, motivation, and concentration in a hybrid work environment. The absence of direct supervision and the potential for blurred boundaries between work and personal life can impact individuals' focus, motivation, and overall productivity. Hybrid leaders must adopt strategies that promote accountability, set clear performance expectations, and support employees in managing their workload effectively (Grzegorzcyk et al., 2021).
- **Health:** The topic of employee well-being emerges as a central concern for hybrid leader, who worry about the potential loss of work-life balance in a hybrid work setup. The flexibility offered by remote work can inadvertently lead to longer working hours, increased stress, and diminished well-being. Leaders must prioritize employee well-being by fostering a supportive work culture, encouraging work-life balance, and providing resources for managing stress and maintaining mental and physical health (Grzegorzcyk et al., 2021).

- **Meetings:** Meeting culture poses a significant challenge for transformational leaders in hybrid work environments. This challenge encompass exclusion due to the absence of an office nearby, information overload, meeting overload, managing meetings effectively, and accommodating different

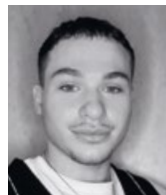
To co-create a vision, leaders should involve team members, provide clarity on business goals, and connect individual tasks with the bigger picture.

personalities and preferences in terms of hybrid or remote participation. Hybrid leaders must navigate the complexities of ensuring equitable participation, effective collaboration, and meaningful engagement in both virtual and in-person meetings (Fayard, Weeks & Khan, 2021).

Erfahren Sie im zweiten Teil des Beitrags, wie die Erfolgsfaktoren für transformational leadership für die hybride Arbeitsumfeld anzupassen sind.



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