

# Transformational leadership and shared governance: an action study

ANITA BAMFORD-WADE RN, MA, DNurs, MRCNA<sup>1</sup> and CHERYLE MOSS RN, BAppSc, GradDipEdAdmin, MSc, PhD, FRCNA<sup>2</sup>

<sup>1</sup>Joint Head of Nursing, School of Health Care Practice, Faculty of Health and Environmental Sciences, Auckland University of Technology, New Zealand and <sup>2</sup>Associate Professor of Nursing, Research and Practice Development, School of Nursing and Midwifery, Faculty of Medicine, Nursing and Health Sciences, Monash University, Victoria, Australia

---

## Correspondence

Anita Bamford-Wade  
School of Health Care Practice  
Faculty of Health and  
Environmental Sciences  
PO Box 92006  
Auckland 1142  
New Zealand  
E-mail: anita.bamford-wade@  
aut.ac.nz

BAMFORD-WADE A. & MOSS C. (2010) *Journal of Nursing Management* 18, 815–821  
**Transformational leadership and shared governance: an action study**

**Aims** The present study demonstrates the practical relevance of the concepts of transformational leadership as a Director of Nursing working with structure (shared governance) and active processes, informed by action research, to achieve the incremental breakthroughs associated with culture change in nursing.

**Background** Responding to the context of a decade of health reforms in a New Zealand tertiary hospital, the leadership challenge, as a Director of Nursing, was to find ways of transforming the nursing workforce. How could nursing evolve from a relatively disempowered position within the organization (impact of the reforms) and reshape to achieve effectiveness within the new organizational culture?

**Methods** Interwoven with transformational leadership are action processes progressively moving forward through cycles of reconnaissance, planning, implementation and evaluation. The principles of shared governance ‘partnership’, ‘equity’, ‘accountability’ and ‘ownership’ underpin and work synchronically with the active processes in advancing the effectiveness of nursing. It is leadership for and in action. This study is descriptive and exploratory overall, and more specifically it uses reflective practice and self-reporting as methods.

**Results** The outcomes of transformational leadership are evident in a confident, competent and committed nursing workforce which embraces continuous learning and expresses a professional respect for each other.

**Conclusions** The practical inter-weaving of the concepts of transformational leadership, shared governance and action processes provide a framework for sustainable change processes both at a unit and organizational level.

**Implications for nursing management** It is the interplay between the three concepts that generates a process of creative innovation, questioning and challenging existing structures to try and reach a new level of excellence through the participation and valuing of nurses and nursing practice.

**Keywords:** action research, culture change, nursing management, shared governance, transformational leadership

*Accepted for publication:* 14 April 2010

## Introduction

International health reforms over the decade 1991–2001 were experienced in the USA, UK, Eastern Europe, Holland, South Africa and New Zealand. In New Zealand, the Health Reforms, announced in July 1991, and subsequent reforms over the following decade, proposed a radical transformation of the health sector. New Zealand was notable for the depth, speed and continuity of change (Ashton 1999, 2001, 2002) and these changes had a very destructive impact on the nursing profession. The reforms were based on an assumption that the health services would be delivered more efficiently if the purchasing of services and the provision of health services were separated, and a competitive health market was allowed to develop. So with the health reforms came the introduction of the market model/economic model of healthcare and the philosophy of the 'generic' manager (Easton 1997). This philosophy is described by Rees (1995) as 'managerialism'. 'Managerialism' had two distinct claims:

- Efficient management can solve almost any problem; and
- Practices that are appropriate for the conduct of the private sector enterprises can also be applied to the public sector (Rees 1995, p. 15).

The health reforms were greatly influenced by the work of the economists and Easton (1997) claimed that the Treasury's commercialization strategy was underpinned with the motto 'business is best'. The philosophy of the corporate model of healthcare was foreign to nurses. Nurses were wrestling with the competing paradigms of economic rationing and social responsibility. The consequence of the economic imperatives was the 'packaging of nursing care as a commodity a product to be purchased, rather than a service to be provided' (White 1995 p. 102, White 2004). Contrasting themes were emerging between the market and humanity. The symbol of the market was the corporate structure that emerged with no expense spared. At the same time, health professionals had difficulty obtaining the basics for healthcare delivery. There was considerable tension between the competing paradigms.

Over this period, a considerable amount of money was spent on redundancies which included a large number of senior nursing positions. Little money or time was spent familiarizing the new managers, who came from the private sector to the public health system (Ashton 2001). Few of these managers came to grips with the complexities of healthcare and consequently changed frequently. This resulted in bringing instability

to what had previously been a relatively stable environment. The corporate language and practices of these managers was quite foreign to health professionals who began to experience a growing sense of alienation. This was especially so when decisions that impacted on practice were made without any consultation or involvement of the nurses. Many of the traditional norms and values were undermined. This led to a breakdown in collaboration. The nurses became very fragmented and lost their way as services became cost centres working in silos reporting to Clinical Directors (doctors) and Business Managers. Nursing seemed to become invisible with the introduction of the corporate structure.

It was right at the peak of this period of professional fragmentation and corporatization of the health services that the Director of Nursing (DON) position was created. Standing within this context, the leadership challenge for the DON was to find a way to pull nursing out of its relatively disempowered position. Practical leadership was needed to offer hope for a better future, and to offer strategies that could advance the effectiveness of nursing within the new models of health services.

## Aims

The aim of this action-based leadership involved a fundamental transformation or rethinking of structures, processes, values and ideals for something better. This involved a major paradigm shift and metanoic thinking (Sarros & Butchatsky 1996) which evolved as action processes moved forward to make practice and to make meaning as they embraced the concepts of reconnaissance, planning, implementation and evaluation. The concept of shared governance provided both values (partnership, equity, accountability and ownership) (Bamford & Porter-O'Grady 2000) and structure as they worked synchronically with the action processes to advance the effectiveness of nursing.

## Methods

Growth in the capacity and capability of the nursing workforce is realized when a transformational leader locates and works with the 'Four Is' of transformational leadership within the heart of each action processes. The 'Four Is' are action oriented and create forward movement in building a new culture.

- Idealised influence: establishing a sense of purpose, focusing on individual beliefs and values;
- Inspirational motivation: goal setting, visionary behaviour, encouraging others;

- Intellectual stimulation: encouraging critical thinking, creativity and analysis of new perspectives; and
- Individual consideration: concern for the individual's need for achievement and growth, focus on individual behaviour (Sarros & Butchatsky 1996, p. 6).

Theoretically, these processes were supported by literature addressing transformative leadership (Avolio 1996, Belasco & Stayer 1994, Parry 1996, Parry 1999, Sarros et al. 1996), the shaping a new culture and structure of governance within the professional workforce (shared governance) (Bamford & Porter-O'Grady 2000, Kruger-Wilson & Porter-O'Grady 1999, Porter-O'Grady 1997) and use of active change and developmental processes (Zuber-Skerritt 1996). The components of the strategy were interactive and progressed over 6 years as a DON and 4 years of study as engaged in a professional doctorate. This paper showcases three evolving action processes which reveal the interwoven nature of transformational leadership working collaboratively with action processes within the structure of shared governance to achieve incremental breakthroughs associated with culture change.

### Action process one: values precede change

Transformational leadership is fundamentally about human values (Sarros *et al.* 1999, p.48). It is the personal values of the transformational leaders that influence aspirations, perception of situations or problems and determine responses. It is in opening oneself to inner values that transformational leaders are prepared for change and subsequently the organization (Sarros & Butchatsky 1996, p. 13).

Through the theoretical exploration and reflection of the professional doctorate work in hindsight, I realized that I was working with the first two of the Four 'Ts' of transformational leadership: 'idealised influence' and 'inspirational motivation'. New to the DON role it was critical to gain the trust and confidence of the nurses while at the same time establishing a sense of purpose ('idealised influence'). A simple and effective action to quickly achieve a level of confidence was to improve the image and identity of the nurses. The nurses had been trying to change their uniform for the previous 5 years without success. Within 3 months the nurses had worked up a new design which they were wearing 3 months later. This did wonders for their self-esteem. The nurses' appearance improved considerably as they received very positive feedback from other health professionals, the patients and the public. The simplicity of this action was the first movement in

winning the hearts and minds, trust and confidence of the nurses.

The second concept of the transformational leadership actions is 'inspirational motivation'. 'Inspirational motivation' articulates the future desired state through goal setting, creating the vision and strategic direction and encouraging others. A workshop was arranged off site with nurses from throughout the services to establish an agreed sense of purpose (vision and values). Nurses' participation in this important work required release time from their services which required negotiations with the Chief Executive Officer (CEO), Clinical Directors and Business Managers. It was critical that the workshop commenced by acknowledging the past and the current organizational context. The workshop(s) resulted in the formation of a shared vision, values, goals and an agreed strategic plan for nursing. The nurses were energized and committed to moving forward. Shared values and agreements about creating a future were reached.

A shared governance structure was established with the cross-functional teams of: leadership, practice, quality, clinical career pathway and professional development and research. Each of the teams recruited a wide and enthusiastic membership. The purpose of the five cross-functional teams was to assist with developing the individual capability and competence of the nurses. The shared governance structure also provided a vehicle to transfer the ownership of the work to the nurses. The shared governance development occurred over a 2-year period. As the involvement and the understanding of nurses in shared governance processes evolved, concomitant changes in the confidence of the nursing workforce to shape practice agendas within the flattened professional organizational structures were evolved.

### Action process two: capacity building for partnership

Capacity building for partnership builds on the previous action processes and demonstrates the process of evolution, change and growth in the confidence and self esteem of the nurses as they invest in capacity building through active participation in change initiatives. It is with this new confidence that consideration was given to a partnership model which would facilitate movement towards integration of the nurses into the wider organizational structure and decision-making processes. This was only possible as a result of the developmental work that had taken place over the previous 2 years in the five shared

governance teams. Through an evolutionary process, the work in the shared governance teams had created a sense of social cohesion within nursing. This had allowed nurses to address their disempowered position through working with 'idealized influence' and 'inspirational motivation'. This next action process signals a further paradigm shift as it begins to work with 'intellectual stimulation' to rethink structures, processes and values related to the position of nursing within the wider organization.

On reflection, it had taken 3 years to establish structures that would sustain the vision and values agreed by the nurses. The leadership team had undertaken an analysis on nursing retention and recruitment. The quality team had completed a number of audits and had become renowned for the 'bed audit' which found that 60% of the beds required maintenance or replacement. The clinical career pathway team (now known as the Professional Development and Recognition Programme) had developed and launched a career pathway structure for professional development. The professional development and research team had successfully negotiated for increases to the scholarship fund from \$100 000 to \$200 000 (as part of the nurses' employment negotiations) and established mechanisms by which nurses could be supported to undertake master's programmes. The practice team had undertaken an audit to look at what percentage of nurse's work was considered to be 'non-nursing' work and examined the skill-mix in clinical areas. These action processes had generated considerable noise in the organization as the nurses pushed for more autonomy, control, responsibility, accountability and participation. The nurses had overcome significant barriers and resistance as they relentlessly pushed forward networking and diffusing the work of the shared governance teams bringing about a culture change.

A role of transformational leadership is to continuously work to build the capacity of those who work with them so they may eventually lead themselves (Avolio & Bass 1995, Avolio 1996). The nurses were now working from a transformational leadership model. Their behaviour was that of the third 'I' of transformational leadership 'intellectual stimulation'. The nurses were beginning to question the status quo and to think critically while at the same time encourage creativity and an analysis of new perspectives.

With this new confidence the nurses and the DON were ready to challenge the organizational structure. A partnership model was proposed to the Executive Team where the Clinical Directors and Business Managers would partner with a Nurse Consultant for each

of the 15 clinical groupings. At the unit level Clinical Nurse Specialists would partner with Service Leaders. The proposed new structure was intended to integrate a professional nursing structure within the wider organizational structure to provide consistency, open communication channels, problem solving, shared decision making and relationship building necessary to make the system work effectively.

There was agreement in principle from the CEO, Clinical Directors and Business Managers to the Partnership Model. The proposed structure had significant fiscal implications given the number of new positions required for a full implementation. This was acknowledged and there was agreement to a phasing in of the new structure over an 18-month timeframe. The implementation took longer than initially thought and was in place within 3 years. This development coincided with the post-reform era, when the organization was also self-correcting the overemphasis on managerialism, and the de-emphasis that had been placed on professional voice during the height of the health reforms. The ability of the nurses to actively embrace and engage in this partnership model indicated how they had grown in political savvy.

### **Action process three: outcomes of transformational leadership: continuous learning, confidence, competence and commitment of the nurses**

Invariably, new aspirations emerge as new capabilities develop with increased competence, confidence and reflectiveness. Simultaneously, the process of strategy needs to be working dynamically with active process to develop a structure and a future the nurses will care deeply about. The structure needs to align capacity building with intellect and spirit, to not only release energy but to focus that energy on commitment to professional growth and development.

As the focus moves to the professional growth and development of the individual nurses, the values and principles of equity, accountability and ownership become embedded into the fabric of the nursing culture as prerequisites to autonomy. This third action process focuses on building the collective capacity of the nurses and endeavored to encourage a heightened sense of meaning and aspiration working with the last of the Avolio's (1996) Four I's of transformational leadership. To illustrate movement towards 'individual consideration' one aspect of the organizational work has been selected that took place during the third cycle.

The Clinical Career Pathway (CCP) team (now referred to as the Professional Development and Recognition Programme) was one of the five-shared governance teams. 'Individual consideration' is critical when striving for professional excellence in the practice setting. Leadership no longer resides in one person but rather in the ability of the leadership to coach the development of individual capability and competence. This third action process involved aligning the organizational systems with the CCP structure. As nurses' it was imperative a clear message was given to the organization of expectations in the allocation of resources necessary for this development (\$1 000 000).

The concept of the CCP is consistent with a flattened organizational structure and supports Senge's (1999) definition of leadership 'as the capacity of a human community to shape its future, and specifically to sustain the significant processes of change required to do so' (p. 16). Sarros and Butchatsky (1996) and Belasco and Stayer (1994) have similar views and argues for new responsibilities for transformational leaders in this era of 'intellectual capitalism'. These responsibilities mean that the leaders must transfer ownership of the work to those who undertake the work by:

- Creating an environment for ownership in which each person wants to be responsible for his or her own performance;
- Coaching the development of individual capability and competence; and
- Learning faster by learning themselves (Belasco & Stayer 1994, pp. 32–33).

Belasco and Stayer's (1994) notion of transferring ownership of the work to those who undertake it and creating an environment for ownership have parallels with Kruger-Wilson's and Porter-O'Grady (1999) requisites for ownership. Ownership was transferred to the nurses' through introduction of the CCP. Through the

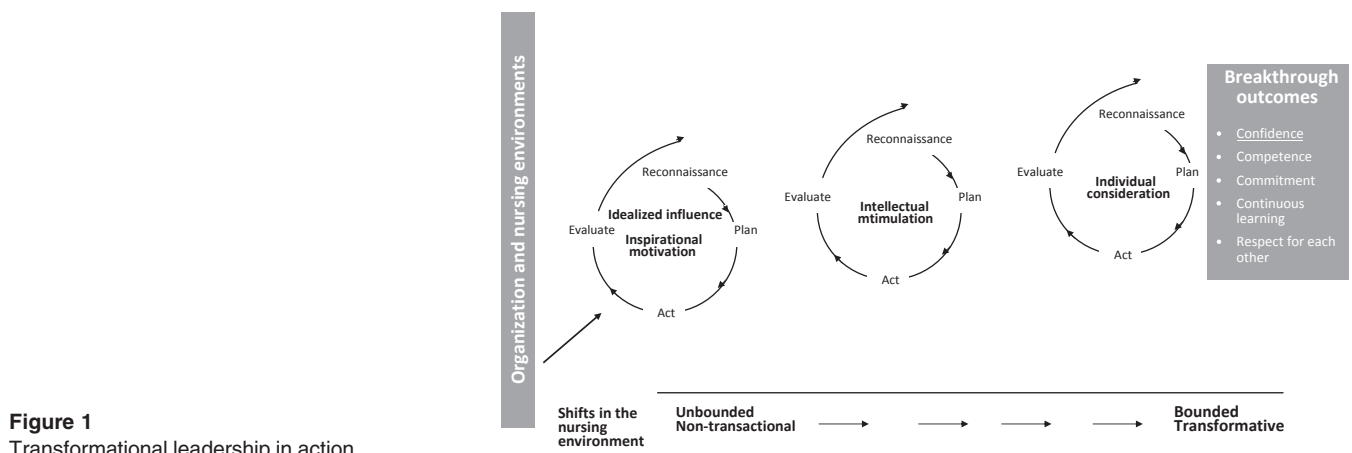
structure of the CCP empowered processes exist across the organizational wide structure with good methods for decision-making. The locus of control is placed in the hands of those at the point of service (the nurses). By this stage the outcomes of transformational leadership were evident in a confident, competent and committed nursing workforce that were embracing continuous learning, voice in interdisciplinary work and expressing a professional respect for each other.

## Overall findings

Standing within the healthcare context post health reforms called for a leadership response that offered nurses a future that was underpinned with values and principles to enable the profession to function effectively in a contemporary healthcare environment. Transformational leadership embodies those values and principles and depends on structures such as shared governance and action processes to work with to achieve growth in self-esteem, self-actualisation, recognition, autonomy and responsibility for the nurses. Transformational leadership, shared governance and action processes have now formed the conceptual whole which is portable and applicable to any organization.

Transformational leadership challenged the existing structures and embarked on creative innovation (Figure 1). Supportive structures (shared governance) and action processes became interwoven with transformational leadership to generate new growth from old for culture change. This integration supports Senge's (1999) belief that it requires 'inner' and 'outer' shifts for profound culture change to occur.

This journey shares the outcomes of the investigation in relation to: theoretical and conceptual constructs; practical processes and stages of evolution within the practice of nursing leadership in an organization post health reforms. Some reflections around the relationship





between transformational leadership, shared governance and action processes have illustrated the stages of development for the nursing workforce and for the Director of Nursing. As the forward movements of the action cycles increased as the momentum gathered and the nurses grew in self-esteem, self-actualization, recognition, autonomy and responsibility.

For the Director of Nursing, experience taught that when embarking on sustainable culture change/paradigm shift, it is okay to start small. It is imperative to establish a values-based culture in a climate of economic rationing and fiscal constraints. Transformational leadership is a process for sustainable growth when it engages the four I's which lie at the heart of action processes. As new action processes emerge from the previous cycles so to do the challenges. An environment of continuous learning is necessary to develop collaborative relationships required for effective knowledge teams. A knowledge-based work environment calls for a different style of leadership. This study demonstrated for the Director of Nursing that the practical inter-weaving of the concepts of transformational leadership, shared governance and action processes provide a framework for sustainable change processes both at a unit and organizational level.

## Conclusion and implications for nursing management

When undertaking this work, and seeking out literature for nursing accounts of working with transformational leadership, the challenges of growing a nursing service in times of health reforms, and models of shaping leadership and development strategy in the workplace, while working as Directors of Nursing or in other influential positions, little was found to help with the inquiry. There is a need for more sharing of strategies, investigation into the action processes that leaders use in their strategic functioning and for robust evaluation of how leadership is constituted in our working practice. It would seem that the interplay between the three concepts, transformational leadership, shared governance and action cycles, was central to generating new cultural processes in the workplace. These leadership processes supported creative innovation, questioning and challenging of existing structures, to reach a new level of excellence through the participation and valuing of nurses and nursing practice.

This account offers a summary of key motivations, key theory and key development cycles that were realized in one context of a Director of Nursing working in a large health care organization. There are action and

leadership points which emerge from this study which provide guidance for leaders working in similar contexts. This leadership study suggests that the 'four I's' of transformational leadership require structure and action processes to work effectively if desired paradigm shifts in nursing and workplace cultures are to be realized. Of equal importance are values clarification, a willingness to look, listen and learn and a systematic approach (Sarros & Butchatsky 1996, pp. 6–7). Theoretical parallels between transformational leadership and the values of the nursing model of shared governance also supported the operationalization of transformational leadership.

## Acknowledgements

We would like to acknowledge the input of Dr Cheryl Waters (University of Technology, Sydney) into the original study, and the general support for scholarship provided by Professor Jill White (University of Sydney) and Dr Tim Porter-O'Grady. We also acknowledge the investment of staff from the organization where the leadership study was actioned.

## Statement of conflict of interest

We the authors are unaware of any conflict of interest associated with the original study or with the manuscript.

## Source of funding

The funding of this study was 'in-kind' in that no specific funding for the study was received, but the participating organization supported the work to be undertaken by A.B. as her role while she was employed by them.

## References

- Ashton T. (1999) The health reforms: to market and back? In *Redesigning The Welfare State in New Zealand* (J. Boston & P. Dalziel eds), pp. 134–153. Oxford University Press, Oxford.
- Ashton T. (2001) The rocky road to health reforms: some lessons from New Zealand. *Australian Health Review* 24 (1), 151–156.
- Ashton T. (2002) Running on the spot: a decade of health reform in New Zealand. *Applied Health Economics and Health Policy* 1 (2), 97–106.
- Avolio B.J. (1996) What's all the karping about down under? In *Leadership, Research and Practice* (K.W. Parry ed.), pp. 3–15. Pitman Publishing, South Melbourne, Australia.
- Avolio B.J. & Bass B.M. (1995) Individualized consideration viewed at multiple levels of analysis: a multi-level framework for examining the diffusion of transformational leadership. *Leadership Quarterly* 6, 199–218.

- Bamford A. & Porter-O'Grady T. (2000) Shared governance within the market-orientated healthcare system of New Zealand. *International Nursing Review* 47 (2), 83–88.
- Belasco J.A. & Stayer R.C. (1994) *Flight of the Buffalo: Soaring to Excellence, Learning to Let Employees Lead*. Warner Books, New York, NY.
- Easton B. (1997) *The Commercialisation of New Zealand*. Unity Press, Auckland.
- Krueger-Wilson C. & Porter-O'Grady T. (1999) *The Leadership Revolution in Healthcare: Advancing Systems, Igniting Performance*. Aspen, Gaithersburg, MD, USA.
- Parry K.W. (1996) *Leadership Practice and Research: Emerging Themes and New Challenges*. Pitman Publishing, South Melbourne, Australia.
- Parry K.W. (1999) The new leader: a synthesis of leadership research in Australia and New Zealand. *Journal of Leadership & Organizational Studies* 5 (4), 82–105.
- Porter-O'Grady T. (1997) Into the new age in healthcare. In *Whole Systems Shared Governance* (T. Porter-O'Grady, M.A. Hawkins & M.L. Parker eds), pp. 1–34. Aspen, Gaithersburg, MD.
- Rees S. (1995) Introduction. In *The Human Costs of Managerialism: Advocating the Recovery of Humanity* (S. Rodley & G. Rees eds), pp. 1–8. Pluto Press, Sydney.
- Sarros J.C. & Butchatsky O. (1996) *Leadership*. Harper Business, New York.
- Sarros J.C., Butchatsky O. & Santora J. (1996) Breakthrough leadership. In *Leadership Practice and Research: Emerging Themes and New Challenges* (K.W. Parry ed.), pp. 41–52. Pitman Publishing, South Melbourne, Australia.
- Sarros J.C., Santora J.C. & Densten I.L. (1999) *Leadership & Values: Australian Executives and the Balance of Power, Profits and People*. HarperBusiness, Pymble, N.S.W.
- Senge P. (1999) *The Dance of Change*. Doubleday, New York, NY.
- White J. (1995) *The Commodification of Caring*. 6th Annual International Critical and Feminist Perspectives in Nursing Conference. ME, Prouts Neck, Maine.
- White J. (2004) *The Commodification of Caring: A search for understanding of the impact of the New Zealand health reforms on nursing practice and the nursing profession – a journey of the heart*. PhD thesis. University of Adelaide, Adelaide.
- Zuber-Skerritt O. (1996) *New Directions in Action Research*. The Falmer Press, London.