

*Full Length Research Paper*

# **Transformative thinking for business leaders in the 21st Century**

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**This paper explores how business leaders can use transformative thinking to successfully facilitate corporate transformation in the 21st Century. The author explores the principles of transformative leadership put forward by published authors alongside the challenges of ensuring a business remains sustainable in a dynamic environment. The paper lays the groundwork for empirical research on transformative thinking and corporate transformation as a base for the development of sustainable business policy and organization development strategy. The author argues that business leaders have the responsibility to ensure their organizations stay attuned to the operating environment without losing focus in serving the needs of an evolving customer base. The article challenges business leaders to engage transformative thinking as a way of generating superior, non-traditional outcomes and creating a paradigm shift in organization performance.**

**Key words:** Transformative thinking, transformative leadership, business leadership, corporate transformation, 21st century leadership.

## **INTRODUCTION**

The 21st Century opened with great plans for global transformation. The United Nations launched the global SDGs (United Nations, 2015), while Africa launched a 50-year transformative agenda (African Union Commission, 2015). Many countries also launched transformative national visions statements. However, global economic challenges followed in quick succession (UNCTAD, 2010). The American economy took a severe downturn, waves of political unrest swept Arab countries, China rose to a new level of economic dominance, BREXIT in Europe followed by the COVID-19 health pandemic (World Health Organization, 2020). The World Bank predicted that Africa is facing its first recession in 25 years (World Bank, 2020).

But why do business leaders need to be transformative thinkers? The short answer to that question is that the environment is transforming, therefore business leaders need to adopt new thinking to keep pace with change. Business leaders need to develop and apply transformative thinking as a skill to steer business through the disruptive changing environment to deliver transformative goals demanded by shareholders and stakeholders alike (Montuori and Fahim, 2010). The demands made on business leaders in the 21st century are much broader than posting a profit at the end of the year. Businesses have also had to adjust to shorter planning periods as social change has been accelerated by paradigm shifts in technology, education and ethica

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concerns about leaders and leadership (Caldwell et al., 2012). Nature calls business leaders attention to climate change, plastics bans, pollution and environmental degradation. Businesses used to be concerned about shareholders, but are required to comply with stakeholder demands today. In other words, the 21st century business environment has placed increasing responsibility on business leaders to provide leadership for the advancement society alongside making a profit for shareholders (Sanchez, 2015). Business leaders, therefore, are not only expected to run profitable business, but also oversee corporate transformation to ensure the sustainability of the business (Howell, 2016). It is not enough for business leaders to simply conduct Strengths, Weakness, Opportunity and Threat (SWOT) analysis of their business and enter a market where they have a competitive advantage. Leaders need to reflect much more on the Political, Economic, Social, Technology, Environmental and legal (PESTEL) constraints in order to successfully and sustainably navigate environmental change (Montgomery, 2013). In this article, the author argues that for a business to survive in a continuously transforming environment, it must also undergo continuous corporate transformation to keep pace with changing environmental conditions. Business leaders need to be bold, creative and futuristic, but also need skills to make astute business decisions as there is little, if no room, for competitive errors (Kim and Moubourgne, 2004).

To help develop “thinking” as the core value proposition of this paper, James Allen provides us a philosophical foundation of its generative significance, “As a man thinketh in his heart, so is he” (Allen, 1903). This famous quote captures the power of the mind to create, re-create, co-create and generate value through the process of thought. The more popular use of the phrase gives emphasis to the need to think, give attention to thinking and spend time in deep thought over issues of concern. The popular focus is on “thinking” rather than “creating”. However a lot of time and energy is spent thinking over issues for modest and not so imaginative outcomes. While thinking is a general term, there is a difference between reflecting, ruminating and anxiety sponsored worry (Hoyer et al., 2009). Businesses need to work out how to better spend thinking time than using frustrating hours in meetings, long days in workshops and weeks in crisis retreats with less than inspiring outcomes (Sloane, 2007).

However, a closer examination of James Allen’s classical sentence gives us a clue to its proper reading. Allen says, AS - a man thinketh. The emphasis here being the way a person thinks is perhaps more important than just thinking. In other words, there are several ways of thinking about things. Inevitably, some ways will be more productive while others will have frustrating lack luster outcomes. Some ways may be more creative while

others less imaginative (Coughlan, 2007). A third important observation of this seven-word sentence is the transformative power of thought. Allen concludes the sentence with, “so is he”. Either the person doing the thinking is energized, transformed and renewed by his thoughts or the person becomes the product of his impoverished thoughts. In other words, thoughts are a self-fulfilling prophesy. Thoughts have the creative competence to change the destiny of a person, define actions, determine involvement and influence outcomes even in moments of crisis (Peale, 2004). While external circumstances may not always be submissive to the designs of the thinker that does not deny the thinkers power and ethical responsibility to resolve the issues they face.

Thinking is the design part of the creative process. The second is the work that needs to be done to bring the thing you are thinking about into being. The outcome gives insight on the quality of thinking and creativity of the artist. Steve Jobs is famed for thinking differently. His rigorous design process produced unmatched Apple computer products from the 1980s through to the turn of the century (Blumental, 2012). Nonetheless the process of creating change is arduous and a heart for the job. Business leaders and institutional managers are constantly called to think and be creative, innovative and now *transformative*, on behalf of their organizations as they address the challenge of corporate transformation.

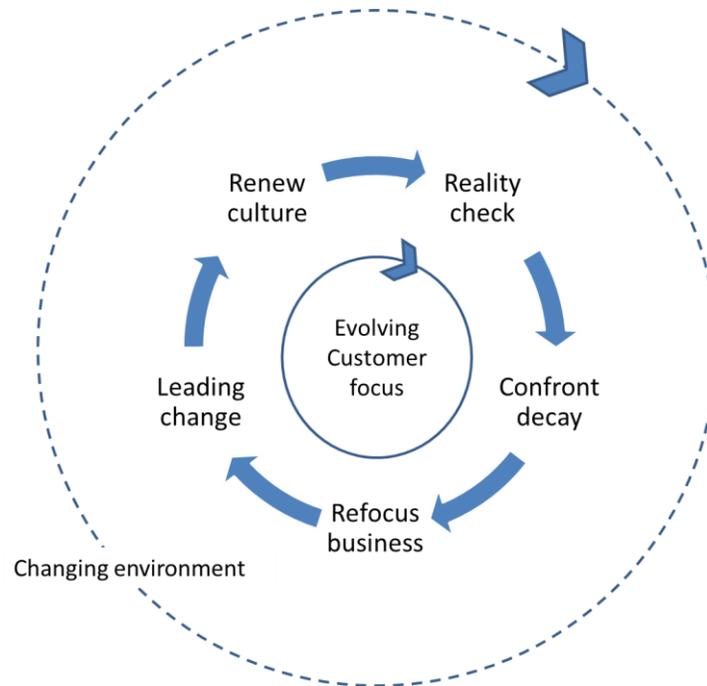
## MATERIALS AND METHODS

In this review, the author makes a qualitative exploratory study of scholarly literature on transformative leadership in the context of corporate transformation. The paper draws on literature published in the 21<sup>st</sup> century to ground the concept of transformative thinking as an important competence to navigate market conditions, think differently, make sustainable innovative, unprecedented decisions, shake up organization resources and synthesize business strategy to survive seasons of crisis. The study was limited to transformative leadership theory and did not review or compare the contribution of other leadership practices, styles or approaches to business transformation. The review thus provides ground work on which further research can be conducted to establish the efficacy of this model through empirical research studies. Nonetheless, the study also challenges researchers to delve further into the design of sustainable business development models that will survive the challenging 21st Century environment. This review structure covers a) an introduction to the process of corporate transformation, b) the core principles and theoretical frames of transformative leadership, c) a discussion of how transformative thinking generates ideation value for decision making and resolution of environmental challenges, d) the benefits of applying transformative thinking, and e) concluding statement.

## RESULTS

### Corporate transformation

Corporate transformation is a process of renewal that



**Figure 1.** Corporate transformation conceptual framework.  
Adapted from (Bukusi, 2018, p. 17)

facilitates the long term survival, sustainability and success of an organization” within its environment through continuous evaluation of five core processes (Figure 1).

The process calls for the continuous engagement of business managers with the five key elements of conducting reality checks, confronting decay, refocusing the business on priorities and emerging opportunity, leading change and renewing its organization culture. The rationales for engaging in this process is that the customer is evolving while the environment changes.

### **Reality check**

Here leaders evaluate the business performance in the face of the ever-changing market environment and determine how these dynamics affect future business operations (Kotler, 1999). With this knowledge, managers adjust business strategy to survive market upheaval, remain competitive and create new products for new markets (Kim and Moubourgne, 2004).

### **Confront decay**

Corporation managers confront decay by offloading dead products, unproductive and decadent organization routines. They update outdated job descriptions, make

space for onboarding new ideas and maximize value returns on idle assets (Hamel, 2002, pp. 1-31). Confronting decay enables an organization to remain lean and ready to respond to environmental change. It creates new levels of efficiency and performance without carrying dead weight into the future.

### **Refocus business**

This means keeping the business focused on what it should be doing. Business integrity is about ensuring that the enterprise delivers what it promises. The goal is to maintain a business integrity quotient equal to one. Business integrity means constantly raising performance standards while building the capacity to deliver. Customers are smart enough to single out organizations that mischievously, “under promise and over deliver” in a bid to win customer loyalty.

Business Integrity = Delivery/Promise

Customer sustainability, rather than customer satisfaction is critical for continued organization success. Customers evolve and raise their expectation once their primary demands have been met. Every time a customer returns, his or her expectations have been upgraded. This means the business has to do more to sustain their evolving expectations. A business needs to have a sustainable

purpose in order to remain relevant in a market. A business that does not aim at meeting a market need is unsustainable by design (Roterberg, 2018). This means that a business needs to continuously examine its corporate goals and focus to ensure that it is aligned to meet evolving customer needs.

### **Leading change**

This requires appealing to staff to participate in business transformation - an event that never seems to end (Armstrong and Taylor, 2014). It requires restructuring and reorganizing the way things are done in the corporation to ensure more efficient and effective operations (Barine and Minja, 2010). However leading change also requires that a leader mobilize ownership and buy-in from everyone (Kotter and Cohen, 2002). As a leader you cannot get too much done if you are dogmatic, you may have to learn how to be charismatic (Low, 2010). Institutional managers tend to delegate freely, but hardly make use of follower resources. There are underutilized competent followers waiting in the wings to take leadership of organization issues, but never receive a call. Followers who step forward are often cowered into spectators, even when they have the knowhow to solve organization issues (Chaleff, 2009). Leading organization change is about drawing out, harnessing and aligning staff contributions as well as managing the balance of power dynamics between functional units. It also means constantly aligning roles and responsibility amongst staff and harmonizing interdepartmental operations (Collins, 2001).

### **Renew culture**

Culture is as much a tool in the hands of leadership as any other material resource. It is the leadership's business to maintain organization cultures, overseeing its rebirth through training, building capacity and strategic human resources development. It means challenging everyone to remain engaged as a community and striving together with a common philosophy reaching for higher goals (Ncube, 2010). Keeping an organization on course means the vision, mission and corporate values are more than statements of intent, but are alive in terms of behavior and practice (Collins and Porras, 2005). To maintain organization culture and to keep it productive, leaders track performance and do not wait for things to go wrong before they take action (McChesney et al., 2012).

### **Transformative Leadership Theory**

The object of transformative leadership is transformation.

It is driven by aspirations and results in individual, organization and environmental transformation (Montuori A., *Transformative Leadership for the 21st Century: Reflections on the Design of a Graduate Leadership Curriculum*, 2010). It is based on creating a sustainable and transcendent change in personal, business, social and environmental circumstances. Transformative leadership calls for leaders and managers to remain flexible in their approach to resolving issues. It helps managers explore all options before settling on specific direction and making sustainable decisions (Montuori and Donnelly, 2017). It draws on a leader's ability to move from the conceptualization of ideas and aspiration to material action. It mobilizes resources and support for their implementation (Langlois, 2011). Transformative leadership is called up in the development of strategy, repositioning an organization in a market or rethinking the development of new designs. The following brief review of transformative leadership theory will help managers appreciate why transformative thinking emerges as a core competence in the 21st Century.

Caldwell et al. (2012) describe a model that draws on six leadership approaches namely: Transformational leadership (Burns, 1978), Charismatic leadership ability (Bass, 1985), Level 5 Leadership (Collins, 2001), Principle centred leadership (Covey, 1991), servant leadership (Greenleaf, 2003) and Covenantal Leadership (Senge, 2006). These authors develop the concept of the leader as the hero, giving examples of Mother Teresa, Nelson Mandela and Martin Luther King Jnr as nodes of excellence to which transformative leaders should aspire. This model requires a leader to be uniquely talented to competently engage all six spheres of leadership as required (Caldwell et al., 2012). This approach calls on leaders to embrace a transcendent altruistic sense of duty to generate sublime benefits for the organization, stakeholders and customers.

Shields discuss transformative leadership in the context of social reform, incorporating the themes of social justice, democracy and equity. The salient aspects of this model include "deconstructing" and "reconstructing" ideas and challenging conventional thinking. Shields reveal a "leader-centered" approach driven by ethical and personal values. Shields suggests that the transformative leader is a pragmatic, non-idealistic individual who is able to isolate and tackle organization issues as they are, in order to create a new inclusive future (Shields, 2011).

Langlois' work suggests that transformative leaders have to address organization culture in such a way so as to release its withheld ethical potential. Transformative leadership takes a teleological view of ethical decisions while normative practices focus on deontological rigid rules and bureaucratic procedure. In times of change, conflict and crisis, transformative leadership reflects on ethical decision-making, sensitivity to social concerns and the courage to act. However, the leader also enlists the

participation of transformative agents to advance corporate goals. It is unethical for leaders, at any level of organization, to knowingly observe corporate failure and do nothing about it. In other words, transformative leadership must be action oriented, but remain sensitive and conscious of the various contributors creating the status quo. Langlois emphasis on ethics warrants the following lengthy description; the ability to be reflective and critical in using ones skills, talent and thinking process, guided by personal, professional or organization values, having the moral responsibility to question ones' own behaviour, what values to use, the best decision to make, always taking into account how that decision will affect others. This approach to ethics is an important reminder that leaders and managers do not take arbitrary decisions simply because they are in a position of power to do so. They should act in the widest interest of public good. Nonetheless, reflective ethics is not limited to the CEO. Every member of an organization is subject to ethical responsibility (Langlois, 2011).

Montuori and Donnelly define transformative leadership at its heart as a "participatory process of creative collaboration and transformation for mutual benefit" (Montuori and Donnelly, 2017). The authors discuss a "transformative moment" as an ideal time to influence change such as during strategic planning or when a business needs to respond to a chaotic operating environment. In these situations, rules and norms are "suspended" as institutions seek new and creative ways to navigate crisis. These are opportune moments for the emergence of transformative leadership when conventional approaches may not achieve the desired new reality. However, the role of the leader in the transformative context is not housed in the position of a CEO, rather it is in giving opportunity to the expert, talented and competent to lead transformative initiatives. Thus, in matters of customer service it is the frontline officer who leads the initiative, everyone else in the organization is a follower. Transformative leadership is a responsibility that is shared and rotated to leaders who assume office for a reason and a season. Members of an organization are both leaders and followers who support each other; individually providing leadership as needed. Participation, creativity and teamwork are critical to the success of transformative initiatives. The transformative leader's job is to orchestrate a new reality through reflecting on issues, questioning traditions and routines, challenging normative thinking, embracing complexity, working with ambiguity and uncertainty guided by ethics, values and overall vision (Montuori and Donnelly, 2017).

### **Discussion of transformative thinking**

Drawing from transformative leadership theory, transformative thinking begins with an aspiration,

unresolved issue or identified problem. These situations call for individual, organization or environmental change, adjustment or transformation. In a changing environment, business leaders and institutional managers are tasked to ensure their organizations remain: (1) flexible, ready to change; (2) responsive, to internal and external stimulus; and (3) relevant to the needs of evolving customers. The normative approach to change guarantees medium term success in a stable environment. However, today's turbulent market dynamics and disruptive corporate environment means that strategy can hardly be expected to be relevant one year down the line (Faeste and Hemerling, 2016). Transformative thinking gives business leaders an edge to successfully navigate short term obstacles to achieve long term goals. Contemporary leaders and managers may have to unlearn some of the conventional and normative tendencies that have enabled their success thus far. Transformative vis-a-vis normative perspectives are illustrated in Table 1.

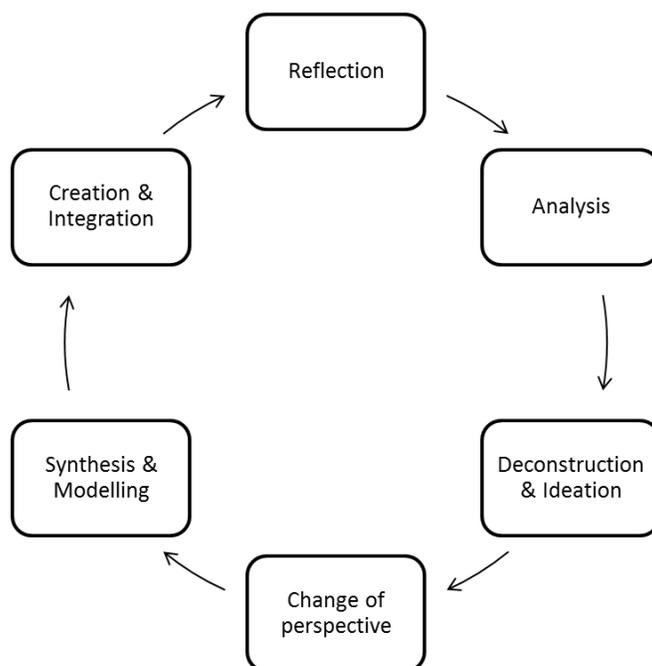
The process of transformative thinking has six critical stages. Each stage engaging a transformative mindset to facilitate unconventional actions needed to generate a new reality. The transformative mindset is a shift from a conventional or normative mindset to a growth mindset (Dweck, 2007). The transformative thinker also makes use of Gardner's disciplined, synthesizing, creating, respectful and ethical future minds (Gardner, 2008) to think differently. Transformative thinkers generate new sustainable change using six steps that blend into each other as illustrated in Figure 2.

### **Reflection**

Reflection is a powerful means of evaluating and allowing the brain to compute its own understanding of the issues at hand generating solutions from past experience, expertise, exposure and education. This process is often mistaken as being sedentary or doing nothing in today's action-oriented world (Montuori, 2010). While meditation may fall into the category of quiet reflection, reflection requires ruminating, questioning, critique (not criticism) and evaluation that are not primarily aimed at fixing the problem, but rather trying to establish an understanding of the issues at hand. Reflection seeks to understand what happened before attempting to do anything about it. Contemporary leaders and managers often rush to provide solutions without any significant reflection on the issues that have contributed to the current circumstances. An understanding of the foundations of an issue holds keys to a way out of crisis (Langlois, 2011). Careful reflection, at the very least, ensures that past mistakes are not repeated in the rush to create a practical solution. However, the challenge is always to develop the capacity to sit still, think and reflect using the power of the mind, consultation and research to gain sufficient

**Table 1.** Normative vis-a-vis Transformative perspectives.

Normative perspective	Transformative perspective
Methods focus	Outcome oriented
Thinks Inside the box (fixed paradigm)	Thinks without a box (explores multiple paradigms)
Practicality – solution oriented	Possibility – exploratory in nature
Development oriented advancement	Takes advantage of emerging opportunity
Incremental growth	Exponential repositioning, quantum leap
Conservative, contemporary	Creative, innovative, imaginative
Preserving, controlling	Empowering, renewal, regeneration

**Figure 2.** Transformative thinking.

understanding to address the matter at hand. Nonetheless, it is a skill that can be learned (Sorkin, 2016). XYZ bank, in an effort to give the impression that it was up to date with global TQM trends, rushed to put up a sign that read, “Customers will be served within five minutes”. It did not take a week before the manager’s office was inundated with demands for services according to the banks promise. The sign was quietly taken down as the bank went to work on its service delivery systems (Mohanty and Lakhe, 2008). There are numerous similar stories of rushed and fumbled solutions which may have been otherwise competently resolved with a little reflection and consultation. Before discussing the next stage of the transformative thinking process, it may be important to point out that “critical thinking” and “creative thinking” gain prominence in the later stages of the transformative thinking process.

### **Analysis**

A competent analysis should be an outcome of thorough reflection and understanding of a matter. However, it is possible to embark on analysis without any measure of reflection or understanding of an issue. In crisis, organizations often call for prompt “investigations” from which “recommendations” are demanded. These are swiftly followed through as solutions to solve immediate problems. These solutions turn out to be superficial, unsustainable and create new problems as shown in the case of XYZ bank above.

Analysis is more than problem solving and should employ the research mind to, a) isolate the key contributors to the current situation, and b) establish to what extent they affect the situation after a season of study and reflection (Leedy and Ormrod, 2010). A

competent analysis exercise should be able to deconstruct the crisis and reconstruct it showing a thorough understanding of how it came about (Shields, 2011). The process of reverse engineering is used to analyse and understand the functioning of a piece of equipment. However, a qualified engineer may be able to take a car apart, but lack the mechanical skills to put it back together. This leads to a condition known as analysis-paralysis. Competent analysis requires both sets of skills to deconstruct and re-construct issues. The transformative thinker does not just repair situations or put broken parts back together. The transformative thinker is looking to remodel and create a NEW model with added and superior competencies. The transformative thinker is in no great hurry to stop the crisis or solve the problem. Rather, he or she is comfortable with the chaos to the extent that it allows them to isolate its roots, understand its effects, deconstruct it and allow the construction of something new.

Transformative thinkers recognize the extraordinary opportunity the moment provides for creating something new, superior and sublime that transcends the problem and incorporates benefits that resolve future concerns as well (Blumental, 2012). The value of analysis is not in its capacity to solve a problem, but in the understanding it provides to generate a new reality, resolve surrounding issues and transform the overall state of the business. A limited use of the power of analysis leads to narrow problem solving like giving a hungry man a fish, rather than teaching the man to fish. Giving the man a fish may solve the problem - for a day. Teaching a man to fish requires an investment in the transference of learning, understanding and power that results in the transformation of the man and his children (Low, 2010).

### ***Deconstruction***

Ideas, aspirations or perceived problems are hardly ever the result of one single factor. Indeed, a problem may be the result of seemingly unrelated issues as shown by the “butterfly effect” in economics. An idea on the other hand may not be due to a single thought, but a confluence of thoughts and ideas or the convergence of dreams, talent and teamwork during a brainstorming session (Keeney, 2010). For example, the idea of building a house is made up of many subcomponents and is also expressed in how many ways those components can be assembled. We may also go as far as considering how those sub components can be produced and transported to the construction site. It is in this open deconstruction “space” that the transformative thinker begins to explore and mine new ideas from among metaphysical materials further afield. The transformative thinker examines ideas, not necessarily for their goodness or badness or usefulness,

but more for where and how they may fit into a new picture. It is like the progressive creative process that fabricators use to turn scrap metal into works of art. Transformative thinkers are careful not to dismiss a “poor” or “bad idea”, simply because it is perceived to be so by experts. They are willing to spend some time deconstructing it and examining its various components to understand how the idea could work (Montuori A. , *Transformative Leadership for the 21st Century: Reflections on the Design of a Graduate Leadership Curriculum*, 2010). They find ways to make components work together in different and new ways to formulate another idea based on the “bad” idea that may turn out to be a “good” idea.

### ***Change perspective***

Once a satisfactory “solution” has been found people often lose the energy to continue thinking and are ready to rush off and implement it. While not every situation may require continued creativity, a change of perspective engages a paradigm shift that results in a quantum leap in ideation. The transformative thinker exercises a measure of flexibility to adopt a new or different perspective on matters under consideration. It is hardly ever possible that one can come up with an idea that cannot be improved (Imai, 2012). Nonetheless, before the idea or solution is put into action, the transformative thinker is open to critique and other perspectives (usually not expert) of the concept. The anecdotal story is told of a cleaner tidying up the office of an engineer working on drawings to find a way to fit a lift into a four-story building. The engineer, frustrated by the complexity and cost of the work that needed to be done, shouted in exasperation, “How on earth are we going to fit a lift in this building!” The cleaner thought for a moment and said “Well I am no engineer, but it would be just fine to me if you put it outside”. People normally operate inside their own blinkered paradigm of perfection until they are exposed to another perspective. Transformative thinkers appreciate that there are multiple perspectives in which an issue can be framed and therefore resolved (Keeney, 2010). If you frame an issue as technical, a technical solution makes sense. If you view it as a historic issue then history will present a credible solution. The transformative thinker must rise out of his or her speciality lens, view the aspirations from several different perspectives and create a solution that incorporates sustainable superordinate outcomes. When the mobile phone took over from the fixed line kind, nobody thought of a phone as a billboard, bank, alarm clock and ordering service. However, by looking at that hand held device in different perspectives, it has become all these and more. Change the frame, change the game. For the mathematically inclined the following simple transformative equation describes how,

“Yt” (the transformed Y) is accomplished through a quantum change in perspective, “Qp” plus any changes (or improvement) made to, “Y”.

$$Y_t = Q_p + (Y \times \text{Change}).$$

### **Synthesize solutions**

It is easier for a business to opt for a choice from a set of options rather than create anything original. The tender process institutions use to pay for desired change has allowed top bidders to do the same job for all competitors in an industry. Everyone begins to look the same. Nonetheless, “best practices” place limits on the creativity of engineers who depend on software programs to create vehicles. Every car looks the same as the next one. However, synthesizing a solution is hard work! Synthesizing authentic ethical options is even harder work! It requires transformative agents with a heart for change. It is easier to select the most suitable from available generic options and eliminate them based on price, cost or technical competence. This usually limits the outcomes to existing solutions without creating anything new, superordinate or sublime that is not in the market. The story is told of a transformative leader who, when faced with a problem of how to supply his company with its core components, appointed two in-house teams. The first was to work on a plan to, “hire a company to supply the components”. The second, worked on a plan to “build our own factory to create the needed components”.

The teams worked separately and were given all the resources they needed to come up with synthesized proposals, complete with project details and timelines. After three months, the two groups reported back to the CEO. There was minimal difference in terms of cost. If they bought a company, it would take them five years to recover the costs before turning a profit. However, it would also take five years to build the factory and own all the copyrights (Deutsch et al., 2006). The issue here is not so much that they made a good choice, rather it is the fact that the transformative leader chose to synthesize a solution that would work for the business rather than pick a product off the market shelf. These are two entirely different approaches. In the process, the company had developed a fully competent internal project implementation team. By synthesizing a solution, transformative leaders build in conditions that satisfy all the various stakeholders concerns while ensuring they are suitable, sustainable and enduring. The Pyramids of Ancient Egypt, the Castles and Cathedrals of Europe and the Great Wall of China are enduring examples of synthesized creations that remain in a regal state after hundreds of years in changing environments. Transformative thinkers are willing to synthesize solutions

that transcend the current situation and create enduring value far beyond the convenience of the moment.

### **Integrate new ideas**

To create, introduce and integrate new value into resolving problems at hand can be a herculean task. This is possibly the reason why most leaders will stop at the analysis phase of the thinking process and opt for short term, low hanging solutions to resolve organization issues. It takes effort to diffuse and integrate transformative ideas for public consumption. Transformative ideas are not always easily understood. The stories of Colonel Sanders the founder of Kentucky fried chicken, Patrick Awuah founder of Ashesi University, Wangari Maathai founder of the Greenbelt Movement and the political transformative genius of Nelson Mandela have several things in common; Courage, heart, persistence and patience (Kouzes and Posner, 2012). Transformative thinkers create paradigm shifting value and have the courage to work for their realization.

### **Application**

Transformative thinking is not necessarily a linear or stepwise process, rather it is making sure all the key elements are covered. If you asked a painter, “what are you painting?”, he might say, “I am painting a tree”. If you asked him, “how are you going to paint it?”, he may tell you it is a mash up of ideas, colors and a paint board. In other words, it is neither a precision nor a scientific process, but it is a blended creative process all the same (Sloane, 2007).

While the dominant themes of the 21st century business environment appear to be instability, disruption and dynamic change, transformative thinking empowers business leaders to embrace chaos and challenge not as a threat, but an opportunity to do things differently, explore new options and take advantage of transformative moments to establish ethical and sustainable, strategic growth and development strategy.

The dynamic (transformative) nature of the 21st century environment demands that organizations transform themselves to sustain their operations in the changing environment. Business leaders therefore need to facilitate transformation and birth new solutions to unprecedented challenges. Transformative thinking allows business leaders to use new tools to process new ideas rather than rely on conventional methods to address unconventional challenge.

In reality, business leaders face the challenge of aligning three continuously changing scenarios, a) Environmental change, b) organization development and

c) the evolution of the customer. Transformative thinking enables business leaders to facilitate organization change to align with environmental change, but also guide the business to focus on serving the needs of the evolving customer. This challenge is akin to synchronizing the hour (environment), minute (organization) and second (customer) hands of an analog twelve-hour clock. While the alignment of all three arms occurs but once every 12 h, the arms must remain in perfect synchrony in order for the clock to function perfectly.

The transformative equation,  $Y_t = Q_p + (Y \times \text{Change})$  enables leaders and managers to make a clear distinction between transformation and incremental change. It empowers leaders to ask relevant questions to inspire transformative thinking within their teams and advance basic change ideas into transformation and organization renewal. Making improvements (change) increases the efficiency and effectiveness of current operations. However, transformation, inspired by a change of perspective, opens up new opportunities and markets for business growth (Kim and Moubourgne, 2004).

The catalytic nature of transformative thinking means that it is far beyond the capacity of any single leader to successfully implement on their own. Nevertheless as James Allen emphasizes, it also requires a heart to follow through with action to realize the desired transformation. To successfully navigate dynamic and disruptive environments organizations require transformative thinking, transformative agents and the inclusive empowered participation of everyone with a heart to see the business succeed.

## Conclusion

Business leaders in the 21st Century face the challenge of navigating long-term vision, while steering daily operations in dynamic and disruptive environments. Transformative thinking equips leaders to explore emergent opportunity to ensure a business remains sustainable and profitable, attuned to dynamic market shifts in its environment and strategically structured to meet the needs of an evolving customer base.

## CONFLICT OF INTERESTS

The author has not declared any conflict of interests.

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