Critically Assess How Transactional and Transformational Leadership Affects Workforce Behaviour

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I. INTRODUCTION

Leadership is possibly one of the most significant facets of organizations (Weihrich et al., 2008). Since leadership is an important factor that contributes significantly to the general wellbeing of the organization, it is equally important to the realization of the vision and mission of the organization (Bans Akutei, 2021). At the same time, Bass (1985) points out a number of theories (e.g., delegative, authoritative, intercultural, freelance, transactional, charismatic, transformational, visionary, and coaching) that have been anticipated to explain the efficacy of leadership. But, only two of these theories (transformational and transactional leaderships) are well known to be the most famous leadership styles in organizations (Awamleh and Gardner, 1999, Bass, 1985, Conger and Kanungo, 1987). In addition, a number of important organizational outcomes are associated with these two leadership styles, to name but a few; contentment, managerial success, solidarity, and responsibility (Kirkpatrick and Locke, 1996).

Whereas most writers approve that transactional and transformative leadership differ in perception and practice, many authors believe that transformative leadership significantly reinforces transactional leadership resulting in higher individual, group, and organizational performance (Bass & Avolio, 1994. Howell and Avolio, 1993., Lowe et al., 1996). Others believe that transactional leadership is a transformative form of leadership (Weihrich et al., 2008). Therefore, this article attempts to assess how transactional and transformational leadership influences employee behavior by examining their similarities and differences and showing whether leaders can be effective when merging these two approaches.

Key words: Transactional Leadership, Transformational Leadership, Workforce behavior.

II. DEFINITIONS OF KEY TERMS

2.1 Transactional Leadership

Burns (1978) describes transactional leadership as one that involves an exchange between a leader and supporters. In this leadership style supporters obtain assured outcomes (e.g., salary, prestige) when they act according to the wishes of their leader. Furthermore, transactional leadership models are based on the impression that manger-employer relationships are based on a series of hidden exchanges or negotiations between managers and employees (Burns, 1978).

2.2 Transformational Leadership

On the other hand, a transformative leadership consists of initiating a change in organizations, groups, oneself and others (Khalil et al, 2016). Bass and Avolio (1990) advised that transformative leadership can be instructed to people at all levels of an organization and that it can positively affect a company's performance. Besides, it can be used in selection, staffing, and promotion, as well as in training and development. It can also be used to improve team development, decision-making groups, quality initiatives, and restructurings (Bass & Avolio, 1994).

2.3 Workforce behavior

Northouse (2016) defines work behavior as the behavior that is exhibited by a person at the workplace and is usually more prescribed than other types of human behaviours. More so, workforce behaviour differs from profession to profession. Although, some are more unpremeditated than others. Furthermore, workforce behaviour is an important aspect of human behavior as it relates to interpersonal relationships with the rest of the employees (Katz and Kruger, 2019).

III.THE RELATIONSHIP BETWEEN TRANSFORMATIONAL AND TRANSACTIONAL LEADERSHIP TOWARDS

Workplace behaviour

As indicated by Hater and Bass (1988), differentiating transactional and transformational leadership does not mean that the styles are not related to each other. However, transformational leadership can be seen as an exceptional case of transactional leadership as both methods involve the achievement of goals and tasks. In addition, these models differ in the way in which the leader motivates subordinates and the type of goals set (Hater and Bass, 1988).

In the same way, Northouse (2016), describes transactional leadership to the bulk of leadership models that emphasis on interactions between leaders and their cohorts. For example, a manager who is appointed to a new position and promises to "do no new reforms" demonstrates transactional leadership.

Similarly, managers who proposal promotions to employees who exceed their targets demonstrate transactional leadership.

Burns (1978) also observes transactional managers as leaders who swap material rewards for work and employee loyalty, and transformative managers are leaders who interact with employees to focus on their inner needs to achieve a higher order of awareness, meaning, and create concrete results and new ways to achieving them (Hay, 2012). Furthermore, transactional leaders tend to be more passive, while transformational leaders display proactive behavior that include a sense of mission (Odumeru & Ifeanyi, 2013).

Joseph (2015) points out that while reimbursement and penalties are used in transactional leadership as the foundation for improving employees in the workplace. Transformational leadership uses charisma and enthusiasm to inspire employees. On the contrary, transactional leadership emphasizes a relationship between management and employees, whereas, transformational leadership emphasizes values, views and desires of managers and employees (Joseph, 2015).

Theory Y and Theory X of Douglas McGregor can be also related to these two leadership styles. For example, Theory X can be related to transactional leadership, in which managers have to rule with fear and penalties against employees. In the same way undesirable behavior in transactional leadership is punishable and work is rewarded through motivations (Odumeru & Ifeanyi, 2013).

Theory Y and Transformational Leadership, on the other hand, are comparable in that the theory and style support the idea that leaders work to inspire their employees. In this style managers get the best out of their employees, since they believe they are safe, humble, and interested in work. Furthermore, managers help provide employees with the tools they need to excel (Odumeru & Ifeanyi, 2013).

Another study by Nsom et al. (2019) on the effects of transactional and transformative leadership on staff behavior shows that both leadership styles increase output of employees by 53% and 86.7%, respectively. The study further shows that both styles are clearly structured and employees are allowed to control reimbursement, and achieve goals that are seen to be benefits. Hartog et al. (1997) supports the same view and notes that transformative leadership can be seen as an independent case of transactional leadership, although both approaches are linked to the achievement of some goals.

Table 1.0 Comparison between Transformational and Transactional Leadership

Transactional Leadership	Transformational Leadership
The Leadership is receptive	The Leadership is enthusiastic
It operates within the organizational philosophy	It works to transform the organizational philosophy by employing new notions
Teams accomplish their goals through remunerations and penalties set by the manager	Teams accomplish their goals through higher ideals and ethical morals

It motivates subscribers by referring to their own interests	It motivates subscribes by inspiring them to put the interests of the group first
Management by exception: maintaining the status quo; highlight the right actions to improve performance.	Individual attention: each behavior is focused towards each person to express attention and support. Logical Stimulation: Encourage creative and ground-breaking ideas for problem solving

Adopted from: Odumeru & Ifeanyi (2013)

3.1 How Transactional and Transformational Leadership affect Workgroup Behaviour

According to Kim and Lee (2011), transformational leadership models have shown that effective leadership correlates with the imaginative behavior of workgroups, while transactional leadership is pessimistic on the imaginative behavior of cohorts and workgroups in general. Yet again, Pieterse et al. (2010) on Transformational and Transactional Leadership and Inventive Behavior: The Moderator Role of Psychological Reinforcement found out that transactional leadership is pessimistic about the imaginative behavior of work groups, as it places more stress on group output rather than inspiring ingenuity and novelty.

On the other hand, Jung (2001) tested the outcome of transactional and transformative leadership in brainstorming assignments. Results showed that transformational leadership is likely to generate more beneficial ideas and inputs (Theory Y) than transactional leadership which had expectations of followers and where followers' thoughts were focused on what the leader really wants (Theory X).

In addition, Transactional leadership is based on the assumption that followers must agree to observe what the leader says and accept the working conditions put forward (Bass, 1990). Whereas, Transformational leadership, on the other hand, is involved with initiating changes in organizations and groups, and encouraging others to do more than originally anticipated (Khalil et al., 2016). Arithmetically speaking, this form of leadership tends to have more loyal and fulfilled followers (Khalil et al., 2016).

Yet again, Bass (1990) suggests that transactional leadership connects group leaders and members to establish goals. Basically, employees can agree to follow or disobey the leader as a group. In addition, Ronald (1998) shows that such leadership has the power to evaluate the performance, train, or correct staff when team members fail to achieve their goals. While Khalil et al (2016) agrees that transformational leadership inspires team members or followers to do more than expected and increasing output. Ronald (1998) says transformative leadership helps followers to overcome their self-interest for the benefit of the group or organization and to elevate the current needs of the followers to a higher level.

3.2 Challenges faced by Transformational and Transactional Approaches

Although transformational leadership significantly strengthens transactional leadership, both approaches face challenges. For

instance, Transformational leadership has some short comings. To name a few: (1) it lacks theoretical transparency since it encompasses a wide range of actions and descriptions (Northouse, 2016). (2) Additionally, the MLQ which is used to measure transformational leadership, has been questioned regarding its legitimacy (Northouse 2016). (3) the future of transformational leadership treats leadership as a personality trait or disposition rather than a behavior that humans can learn (Bryman, 1992), and (4) to conclude, even when transformational leadership is associated with positive results, researchers have found that transformative leaders are not actually capable of transforming people and organizations (Antonakis, 2012)

The challenges facing transactional approaches differ from those of transformative approaches. (1) For example, the transactional leadership model is based on a very basic view of inspiration that does not take into account of individual differences. (2) Next, a transactional leader is rigid in his expectations of the employment relationship believing that the role of subordinates is to do what they are told. (3) then it is never the responsibility of the transactional leader when tasks go wrong, and finally (4) transactional leadership naturally puts leadership and people on opposing sides.

3.3 Probability on whether leaders can be effective when they combine bothtransformational and transactional approaches

A study carried out by Bashkarada et al. (2012) concludes that transformational leadership approaches are basically grounded on transactional expectations. In otherwards, a successful leader must be able to balance both approaches (Bashkarada et al, 2012). Yet again, a leader who adopts a transactional, transformative, or a blend of both must reflect on numerous organizational and environmental aspects. However, the ability of leaders to effectively apply the correct approach or conjoin approaches successfully depends on the leader's knowledge, guidance along with the organization's well-endowed human capital.

IV. CONCLUSION

In summary, Bass and Avolio (1990) affirm that a transformative leadership style is one that can stimulate a higher level of employee needs and create sense of satisfaction among employees. In addition, a transformative leader is one who inspires and motivates employees to achieve more than what is expected. However, in today's world, organizations that practice a transformative leadership style are more successful than others (Joyce, 1999). But strict ethical rules still remain very important in any organization. Much of the criticism of transformational leadership are concerned with ethics principles and moral values of leaders, which can lead to abuse of power and undesirable consequences (Bass and Avolio, 1990). On the other hand, Transactional leadership is one that is based on the premise that team members must agree to follow their leader by accepting work assignments given to them, but this can have negative effects on employee motivation, creativity, and

performance which in turn reduces employee engagement and enthusiasm (Odumeru & Ifeanyi, 2013).

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