

## Are You a Transformational or a Transactional Leader?

Written by: Bill Davis, MA, CM & Dr. Avisha Sadeghinejad | June 24, 2015



Leadership expert Marcus Buckingham states “A manager's role is to get people to work harder for you than they would for someone else by identifying individual strengths and weaknesses and turning them into performance. A leader, on the other hand, must rally people to a better future by tapping into universal characteristics that transcend differences, such as sex, race, and personality type” (Fenn, 2010). Can one individual be both a manager and a leader? We think they can, but it requires an understanding of both transactional and transformational leadership styles.

***Transactional leadership*** is used to maintain the flow of day-to-day operations and stabilize work production. It is routine-based and structured as far as plans, schedules, and tasks that need to be completed within a specific timeframe. Transactional leadership uses both discipline and incentives to motivate followers to perform on the job. As Weiss (2011) tells us, this can be accomplished through the exchange of rewards for effort or performance. Another more passive approach is to employ “management by exception”, where leaders watch for deviations from rules and standards and take corrective action when needed.

**Transformational leadership** goes beyond day-to-day operations and crafts strategies to promote or implement change. This style of leadership is effective when an organization is in decline—whether evidenced by profit margins, employee attitudes, behaviors or work ethics-- as it relies on team-building, motivating and influencing others to evoke a positive change. Weiss (2011) points out that “researchers have attributed transformational leaders’ successes to their ability to build consensus, motivate others, set goals, promote creativity and take risks (p.68).” Transformational leaders introduce new ideas, models, attitudes, desires, strategies, methods, and cultures to encourage employees to buy into a vision that will move the organization to a better place or a higher level.

Both transactional and transformational leaders are important and necessary in an organization. From our experience, seasoned leaders are highly skilled and experienced in understanding both leadership styles. They possess solid leadership traits, are highly adaptable and flexible, and can effectively guide the organization. The selection of which leadership style to use and when is contingent on situational variables. Transactional leaders are able to address operational details quickly to keep operations flowing smoothly, while transformational leaders are focused on the big picture that addresses the strategic development and alignment of an organization.

#### References:

Fenn, D. (2010). *Are you a leader or manager? Marcus Buckingham says you can't be both*. CBS Money Watch. <http://www.cbsnews.com/news/are-you-a-leader-or-a-manager-marcus-buckingham-says-you-cant-be-both/>

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## About the Author



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