

Retrospective and Comparative Analysis of Transformational Leadership and Transactional Leadership

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Abstract

Leadership is a key factor influencing the effectiveness of organizational management. In today's research field, transactional leadership and transformational leadership have become the focus of scholars' research. Transformational leadership is considered to be an expansion of transactional leadership effectiveness and more effective than transactional leadership. This article preliminarily combs the three concepts of concept, structure and research status of the two leadership styles, and analyzes and summarizes the similarities and differences and application scope of the two leadership styles.

Keywords

Transactional leadership; transformational leadership; comparative analysis.

1. Introduction

The antecedent variables of leadership effectiveness are highly complex, with leaders having a direct effect on the management behavior of the organization. Leaders' unique behaviors and organizational coordination skills are one of the important factors to improve leadership effectiveness. Leaders as organizational leaders, their behavior can directly affect the management level of the organization. At present, many researchers have confirmed the importance of leadership behavior from different angles. However, there is very little comparative analysis of the level of organizational management of different leadership behaviors. By comparing and analyzing the role of different leadership behaviors on leadership effectiveness, it is beneficial for leaders to improve leadership behavior and enhance leadership effectiveness. Based on the transformation-transactional leadership theory that has received much attention in the field of leadership in recent years, this study compares and analyzes the differential effects of leather leadership behavior and transactional leadership behavior on leadership effectiveness.

At present, comparative analysis of the effects of different leadership behaviors is relatively rare. Therefore, this article needs to summarize and sort it out. This paper will conduct a literature review from four aspects: first, explain the connotation of transformational leadership behavior and transactional leadership style; secondly, describe the measurement indicators of transformational leadership style and transactional leadership style; once again, sort out relevant leadership styles and leadership effectiveness Sexual correlation literature and construct relevant theoretical models; finally, summarize and analyze the differences between the two leadership styles.

2. Definition of concept

2.1 Definition of Conceptual Connotation of Transformational Leadership Behavior

Burns (1978) first proposed the concept of transformational leadership, which was improved and promoted by Bass and other scholars. He believes that transformational leadership is to let subordinates recognize the importance of their work, establish a sense of belonging to their organizations, and make them willing to work hard for the organization and sacrifice personal interests to achieve organizational goals when necessary. Bass (1985) pointed out in Burns's point of view that transformational leadership is the way in which organizational leaders influence the values of their subordinates through their leadership, and guide their subordinates to achieve organizational

goals rather than pursue personal interests. Later researchers, Wilmore and Thomas (2001) pointed out that transformational leadership emphasizes the empowerment of professional competence and is well-coordinated and shared in the process of accomplishing organizational goals, in which the leader understands change and encourages subordinates to make changes.

Table 1 Definition of transformational leadership by foreign researchers

Researcher	Definition
Burns(1978)	Leaders inspire employees through higher ideas, so that subordinates can fully work. [1]
Bass(1985)	By motivating employees to recognize the value of their work, inspire high-level needs of subordinates to achieve results that exceed expectations. [2]
Yukl(1989,1994)	Transformational leadership refers to the influence of the members of the organization on the organization's attitude and commitment to the organization's mission or goals. [3]
Sergiovanni(1990)	Emphasize high levels, intrinsic motivations and needs. Leaders inspire members to be smart and transcend their original motivations and expectations. [4]
Leithwood(1992)	Leaders provide vision as an intrinsic incentive to improve and enhance members' ideas in the actual operation process through sharing, input, enthusiasm and stimulation, so that they are hopeful for the future. [5]
Fields & Herold(1997)	Transformational leadership allows subordinates to transcend interests by identifying their leaders and their visions. [3]
Pillai(1999)	By inspiring the higher-level needs of subordinates and promoting the trust relationship of the organization, the leader enables the subordinates to construct the interests of the organization above their own interests to achieve the desired results. [6]
Wilmore & Thomas(2001)	Transformational leadership is a collaborative, decision-sharing orientation that emphasizes the development and empowerment of professional competence, understands change and encourages change .[2]
Robbins (2001)	Transformational leadership refers to the behavior of leaders who influence and motivate their subordinates to sacrifice their own interests through their own glamour, and make their subordinates willing to do their best to achieve organizational goals through personalized care. [6]

source: Chen Wenjing, Shi Kan. Retrospect and Prospect of Transformational Leadership and Transactional Leadership. Management Review. 2007, 9(19): 22-29

From the definition of the above scholars, it is not difficult to find that there is not much difference between the definitions of transformational leaders by various scholars. And from the above definition of transformational leadership, it is not only a tool for leaders to manage organizations, but also a leadership concept. Transformational leadership is a leadership style in which leaders effectively manage employees based on their full respect and satisfaction with the needs of their members. In the process, leaders change the beliefs of their subordinates so that members of the organization can realize the importance of their work and provide assistance to achieve organizational goals.

2.2 Conceptual Connotation Definition of Transactional Leadership Behavior

The concept of transactional leadership was proposed by Burns (1978) in "Leadership" and defines transactional leadership as: leaders use actual rewards to exchange with subordinate labor and achieve organizational goals. Although this view can outline the essence of transactional leadership: it is the use of rewards to encourage subordinates to accomplish organizational goals, but at this time Bass's view is that leaders only trade with subordinate labor through pure material rewards. The goals

of subordinate self-realization are inconsistent. Therefore, in 1985, Bass defined the behavior as the leader exchange theory (LMX) and the goal-path theory (Path-Goal Theory) in the book "The performance of leadership and beyond expectations". The real-time exchange of material rewards affects subordinate behavior and is achieved through contingency rewards and exception management.

Table 2 Definition of transactional leadership by foreign researchers

Researcher	Definition
Burns (1978)	Transactional leadership is the premise of maximizing the interests of leaders and the best interests of employees. [1]
Burns (1985)	Leaders clearly and accurately position employees' work so that employees can understand their job responsibilities and work responsibilities, as well as understand the needs of organizational members and motivate employees to achieve organizational goals. [2]
Sergiovanni (1990)	Transactional leadership is a leadership style in which the leader achieves the demands of both parties by mastering the needs of the employees and exchanging them in organizational goals. [4]
Leithwood (1994)	Various reward systems in the organization are used by leaders in exchange for the desired results of the leader. [6]
Robbins (2001)	The leader establishes personal and organizational goals through the form of employee orientation and task division, and realizes by inspiring subordinates. [7]

Source: Chen Wenjing, Shi Kan. Retrospect and Prospect of Transformational Leadership and Transactional Leadership. Management Review. 2007, 9(19): 22-29

Combining the above-mentioned researchers' definition of transactional leadership behavior, it is not difficult to find that transactional leadership behavior is based on the leadership-member exchange of requirements to improve the management quality of organizational management. In the process of leadership-member exchange, the two sides of the transaction are achieved in a win-win situation.

3. Structural measurement

3.1 Structure and measurement of transformational leadership behavior

Bass (1985) believes that the three dimensions of intelligent stimulating, personalized care and leadership glamour together constitute transformative leadership. Podsakoff et al. (1990) pointed out that the six dimensions of high hope, vision description, teamwork, role model demonstration, intellectual stimulation and personalized care constitute the transformational leadership. In 1999, Chen & Farh discovered through research that transformational leadership is composed of two second-order dual-factor structures: task-oriented and change-oriented. In China, Zhou Zhicheng and Zhu Yuelong (2005) verified through empirical analysis that the four dimensions of transformational leadership are composed of four dimensions: charisma leadership, challenge stereotypes, motivational incentives and individual care.

The most classic measurement of transformational leadership is the multi-factor leadership approach questionnaire (MLQ) developed by Bass & Avolio (1997), and has been verified by a large number of scholars.

Table 3 Transformational leadership structure measurement

Related research	Structural element	Scale name
Bass (1985)	1. Leadership charm appeal; 2. Smart stimulation; 3. Personalized care	Transformational leadership scale
Bass & Avolio (1996)	1. Leadership charm; 2. Charisma; 3. Personalized care;	Transformational leadership scale

	4. Inspired by intelligence	
Podsakoff (1990)	1. High hopes; 2. Vision description; 3. Teamwork; 4. Model demonstration; 5. Intelligence stimulation; 6. Personalized care	Transformational leadership scale
Chen & Farh (1999)	1. task-oriented; 2 change-oriented (second-order factor)	Transformational leadership scale

3.2 Structure and measurement of transactional leadership behavior

The structure of transactional leadership is divided into two dimensions, three dimensions and four dimensions. Bass (1985) proposed a two-dimensional structure, arguing that “the contingency reward” and “exception management” together constitute a transactional leadership style. Based on this, Bass & Avolio (1999) divides the exception management dimension into: positive exception management and negative exception management. Since then, the academic community has begun to measure this leadership in three dimensions. Later, after empirical analysis, Bass & Avolio divided the measurement indicators of transactional leadership into four levels, including positive exception management, negative exception management, contingency incentives, and laissez-faire leadership. Among them, laissez-faire leadership refers to the behavior of managers letting employees, passively responding to organizational tasks, not being motivated, and the work is full of inertia.

Regarding the composition of transactional leadership, the academic community is more recognized by the MLQ scale compiled by Bass & Avolio (1990), including the two dimensions of contingency reward and exception management. Although the scales developed by domestic scholars Wu Jingji, Zhang Lihua, Yang Kai and Ma Jianhong are in line with China's national conditions, their structural validity remains to be verified.

Table 4 Transactional leadership structure measurement

Related research	Structural element	Scale name
Bass (1985)	1. Contingent rewards; 2. Exception management	Multi-factor leadership approach questionnaire (MLQ)
Bass & Avolio (1999)	1. Contingent rewards; 2. Positive exception management; 3. Negative exception management	
Bass & Avolio	1. Contingent rewards; 2. Positive exception management; 3. Negative exception management; 4. Free laissez-faire	
Zhang Lihua (2002)	1. Contingent rewards 2. exception management; 3. obtaining support; 4. Advocate for change; 5. External relations	Transactional leadership scale

4. Related research

4.1 Research on the Relevance of Transformational Leadership Behavior

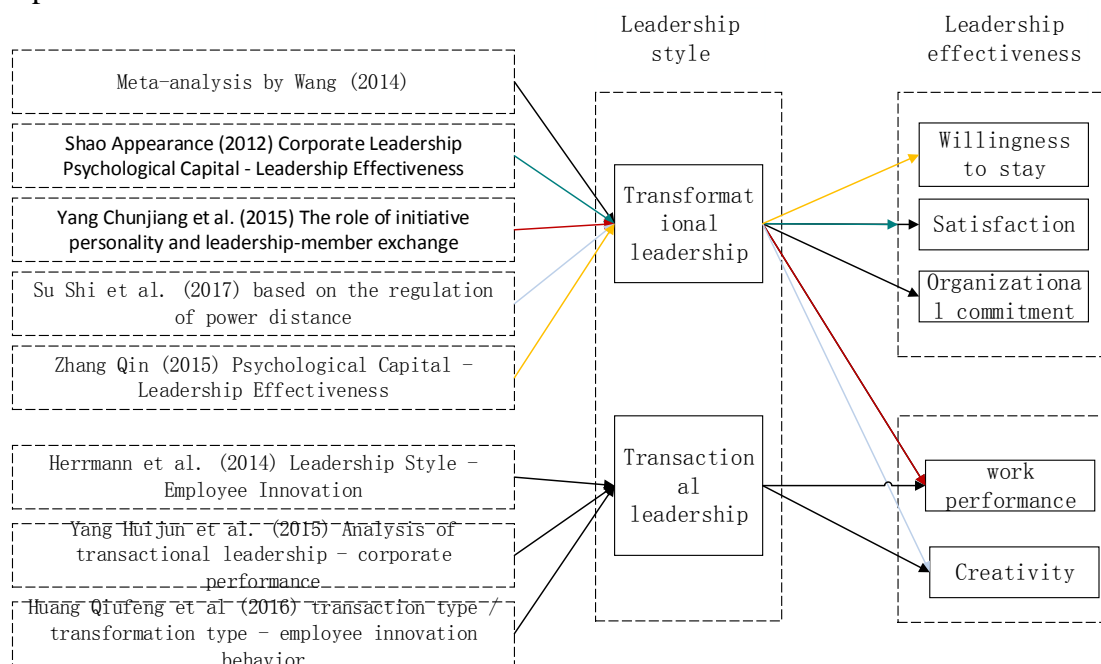
Meta-analysis studies conducted by Wang et al. [8] found that job satisfaction, leadership satisfaction, job motivation, organizational commitment, and job performance (including task performance, peripheral performance, and creativity) of transformational leadership and subordinates, and Organizational performance and so on are closely related. In addition, research confirms that transformational leadership directly affects leadership effectiveness [9], organizational citizenship behavior [9], job performance, employee innovation behavior, and individual psychological capital of employees, employee work slack.

Multiple studies have identified multiple mediator/regulatory variables. Psychological empowerment^[10] and work embedding intermediary mediate the relationship between transformational leadership behavior and organizational commitment behavior, and point out that subordinates' psychological empowerment plays a mediating role between transformational leadership and subordinate innovation behavior, while subordinate work complexity is positively regulated. The role of psychological empowerment in transformational leadership and subordinate innovation behavior^[11]; psychological capital is fully intervened between transformational leadership behavior and employee job performance^[12], employee work input and employee job satisfaction^[12] Role, and organizational identity plays a partial intermediary role between transformational leadership behavior and organizational cohesion.^[13] The research on the pre-factors of transformational leadership behavior is very rare. According to the current research results, psychological capital is the key factor affecting the transformational leadership behavior. Zhang Qin (2012) used regression analysis to verify the significant correlation between psychological capital and transformational leadership behavior, that is, the positive and optimistic attitude of leaders is more likely to lead to transformational leadership behavior, and thus promote the improvement of leadership effectiveness.

4.2 Research Status of Transactional Leadership

Throughout the relevant research and theory at home and abroad, compared with the research on transformational leadership, scholars have a small number of researches on the effectiveness of transactional leadership. The only literature has focused on the outcome variables. For example, Yang Huijun et al. (2015) used regression analysis to conclude that there is a positive correlation between transactional leadership behavior and firm performance, and this correlation will be weakened with the increase of competition intensity^[14]; meanwhile, Herrmann et al.^[15] (2014) and Huang Qiufeng and other researchers (2016) pointed out that transactional leadership behavior can positively influence employee creativity and employee innovation behavior^[16]; at the same time, some researchers pointed out that transactional leadership behavior can effectively predict work. Leadership effectiveness indicators such as satisfaction, organizational commitment, and organizational citizenship behavior.

From the above literature, a theoretical model between transactional leadership and transformational leadership and outcome variables can be constructed.



5. Comparative analysis

Through literature review of transformational leadership and transactional leadership, it is found in the hypothesis of human nature that transformational leadership behavior tends to emphasize the social attributes of organizational members, and it is necessary to motivate employees in a social way to achieve organizational performance improvement and effective management. Transformational leadership behavior emphasizes the interests of people. In the leadership behavior: transformational leadership is through the charm of the leader to influence the employee's work attitude and work behavior. In this process, the leader can be sympathetic to the subordinates, respect the will of the subordinates, meet the work needs of the employees, and ultimately realize the greatest interests of the organization. The transactional leadership behavior focuses on role positioning, solidifies personnel and positions, emphasizes rules, and uses material rewards to obtain employee work support and emphasize personal interests. In the leadership relationship: the transformational leadership behavior emphasizes the interaction between the leadership members, it takes a long time to form the leadership membership relationship. Therefore, once the relationship is formed, it is not easy to change; and the leadership members formed on the basis of material interests Relationships can be formed in a relatively short period of time, but this relationship is easily affected by external material factors and is relatively fragile.

At the same time, in the existing literature, most of them are about transformational leadership. Only a very small number of documents analyze the role of transactional leadership behavior in organizational management. It has been confirmed in the existing literature that transformational leadership behavior has a positive effect on organizational performance, organizational commitment, organizational citizenship behavior, and job satisfaction. Such leadership behavior, also described in the few remaining literature on transactional leadership behavior, can improve organizational management when the organization is in a stable period. It can be seen that transformational leadership and transactional leadership can improve organizational management in a specific organizational environment.

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