

An analysis of leadership models

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Abstract Leadership theories have evolved over time into various types, each with a different perspective. Each theory provides a model for effectively steering an organization. Three contemporary theories are widely applied in organizations today; Transactional Leadership, Charismatic leadership and finally transformational leadership.

Each of these theories has its strong points weaknesses and challenges in real world application. These are not by any means the only theory - there are many others applied in other leadership situations. A lot of management research has gone into finding the perfect leadership solution. In this paper, we will review three leadership theories, their pros and cons and discuss examples of each theory. Page 1 Transactional Leadership Transactional Leadership model Leadership style plays a crucial role in the development of an organization. It is a leadership style that is often used by many companies assumes that people are motivated strictly by reward and punishment.

This style generally does not appeal to the values, morals, or other intrinsic characteristics of most people. The transactional leader is highly focused on task, provides very clear direction, and oversees productivity in detail. When a subordinate fails, the next step is a penalty or punishment. The introduction of the task versus people orientation and the idea of leadership styles are widely accepted today. The model does have a downside, however: It does not consider other potential factors that may influence outcomes and therefore affect leadership effectiveness. While a two-dimensional task-versus-people perspective might be a helpful way to talk about leader behaviors, it by no means tells the whole story about leadership.

Research continues to this day on these important questions, and this has led to additional new theories of leadership (Yukl, Gary A. Yukl). Assumptions ? ? ? ? ? Style The transactional leader works through creating clear structures whereby it is clear what is required of their subordinates, and the rewards that they get for following orders. Punishments are not always mentioned, but they are also well-understood and formal systems of discipline are usually in place. Transactional leadership believes that punishment and reward motivate people People are motivated by reward and punishment. Social systems work best with a clear chain of command.

When people have agreed to do a job, a part of the deal is that they cede all authority to their manager. The prime purpose of a subordinate is to do what their manager tells them to do. Page 2 The early stage of Transactional Leadership is in negotiating the contract whereby the subordinate is given a salary and other benefits, and the company (and by implication the subordinate's manager) gets authority over the subordinate. The „ transaction' is the money or any other award that the company pays to its subordinates for their compliance and effort (Kurnik, 2012). When the Transactional Leader allocates work to a subordinate, they are considered to be fully responsible for it, whether or not they have the resources or capability to carry it out.

When things go wrong, then the subordinate is considered to be personally at fault, and is punished for their failure (just as they are rewarded for succeeding). The transactional leader often uses management by exception, working on the principle that if something is operating to defined (and hence expected) performance then it does not need attention. Exceptions to

expectation require praise and reward for exceeding expectation, whilst some kind of corrective action is applied for performance below expectation. Transactional leadership has more of a „telling style'. Transactional leadership is based on the fact that reward or punishment is dependent on the performance.

Even though researchers have highlighted its limitations, transactional leadership is still prevalent in real workplace and more companies are adopting transactional leadership to increase the performance of its employees. This approach is. Whereas Transformational Leadership has more of a 'selling' style, Transactional Leadership, once the contract is in place, takes a 'telling' style. Advantages of Transactional leadership This method works in most of the cases, where it's applied, provided the employees are motivated by rewards. It is a proven compliance strategy, which works best if the top most leader in the hierarchy is capable of making most of the important decisions and is a strong personality. Page 3 Disadvantages of Transactional leadership A powerful and assertive leader will find the transactional model conducive to his way of running things.

However, though he will create great followers, he will stunt their growth as leaders. When people get used to doing just what they are told and only as much they are told, they stop thinking 'out of the box'. Original thinking is not really promoted in this system, because of which, an obedient workforce will be created with a lack of imagination. New leaders will be tough to find from the lower strata of power hierarchy. This leadership model will create a stressful workenvironment. Productivity will be maintained but innovations and breakthroughs will be tough to find. Examples of Transactional

leadership In practice, there is sufficient truth in Behaviorism to sustain Transactional approaches.

This is reinforced by the supply-and-demand situation of much employment, coupled with the effects of deeper needs, as in Maslow's Hierarchy. When the demand for a skill outstrips the supply, then Transactional Leadership often is insufficient, and other approaches are more effective. The main limitation of this leadership is that it assumes that people are largely motivated by simple rewards. Under transactional leadership, employees can't do much to improve job satisfaction. Transaction leadership has been ineffective in providing skilled employees to their organization. This style of leadership is least interested in changing the work environment.

Experts do not recommend this approach. Transactional leadership focuses more on management of punishments and rewards (Kurnik, 2012). Page 4 Charismatic Leadership The sociologist Max Weber defined charismatic authority in 1947 as "resting on devotion to the exceptional sanctity, heroism or exemplary character of an individual person, and of the normative patterns or order revealed or ordained by him." Charismatic authority is one of three forms of authority laid out in Weber's tripartite classification of authority, the other two being traditional authority and rational-legal authority. The concept has acquired wide usage among sociologists.

Weber in his writings about charismatic authority, Weber applies the term charisma to "a certain quality of an individual personality, by virtue of which he is set apart from ordinary men and treated as endowed with supernatural, superhuman, or at least specifically exceptional powers or qualities. These

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are not accessible to the ordinary person, but are regarded as of divine origin or as exemplary, and on the basis of them the individual concerned is treated as a leader¹ Charismatic authority is as said to be power legitimized on the basis of a leader's exceptional personal qualities or the demonstration of extraordinary insight and accomplishment, which inspire loyalty and obedience from followers.] As such, it rests almost entirely on the leader; the absence of that leader for any reason can lead to the authority's power dissolving. However, due to its individual nature and lack of formal organization, charismatic authority depends much more strongly on the perceived legitimacy of the authority than Weber's other forms of authority. Charismatic leaders can lead organizations into new areas, inspire followers, and sometimes obtain extraordinary performance and results from an organization. Conger & Kanungo (1998) articulates the five characteristics of charismatic leaders. ? ? Vision and articulation; Sensitivity to the environment; 1 Weber, Maximilian. Theory of Social and Economic Organization.

Chapter: " The Nature of Charismatic Authority and its Routinization" translated by A. R. Anderson and Talcott Parsons, 1947. Originally published in 1922 in German under the title *Wirtschaft und Gesellschaft* chapter III, § 10 2 Kendall, Diana, Jane Lothian Murray, and Rick Linden. *Sociology in our time* (2nd ed.), 2000. Scarborough, On: Nelson, 438-439. Page 5 ? ? ? Sensitivity to member needs; Personal risk taking; Performing unconventional behaviour. Advantages of charismatic leaders 1) They can sense the gap between what an organization is giving to its followers and what its followers require from the organization. Therefore they are able to

create a vision that is in line with these requirements.) Since members of the organization feel that they re part of this vision they are part of this vision, they support thegoalsof the organization (employee loyalty) Disadvantages of charismatic leaders 1). Followers may find this transformation uncomfortable and disruptive to the workplace or to them personally. Others may have difficulty relating to the leader's vision of the future. Charismatic leaders also rely heavily on their personal charm, and perceptions, which could be significantly influenced by rumors or " negative press. " 2) They cause more harm than good. eg Adolf Hitler. 3) They lack of Successors and Visionaries. A charismatic leader often retains the majority of the control in the office because he believes in himself so much.

He may have difficulty turning over control to others because he enjoys having the control or doesn't feel anyone else is able to handle the duties like he can. This type of situation potentially leaves the company without any knowledgeable successors should the charismatic leader leave the company. Without giving others the authority and freedom to take some of the control, the company's vision for the future is limited to the ideas of the leader. This type of environment may also squash some of the creative problem solving from other employees in the company, particularly if any ideas presented are pushed aside by the leader. 4) A charismatic leader sometimes gets so caught up in his control that he is unable to clearly see potential dangers with the company.

The confidence he has in his abilities makes him feel that the company's success will continue indefinitely. If he doesn't have any other management Page 6 personnel on the same level with the same information, he may

potentially miss a threat to the company's financial welfare. 5) Overreliance on the leader. The charismatic leader wins over the employees of the company with his motivational leadership style. While employees may find inspiration in this type of leadership, they may also rely too heavily on the person in charge. The employees begin associating the success of the company solely with the leader. They may fail to see that all employees are a valuable part of making the company a success.

This saddles the leader with a huge responsibility for both keeping the company running and motivating the staff. Examples of Charismatic Leadership Bill Clinton He was considered one of the most charismatic leaders of our times. Clinton connected and inspired. He had an ability to make his audience feel as though as individuals they were each the most important person in the room. His use of eye contact, infectious smile and self-awareness ensured that he made a powerful impact on those he met. No wonder he was the president with the highest opinion poll ratings at the time of leaving the presidency, even though his tenure had been marred by the Monica Lewinsky scandal. Obama is a charismatic leader, during his inauguration as the 44th president U. S.

A; over 2 million people were present. He accomplished fetes such as managing to raise funds in an unprecedented fashion, that is, small sums of money from numerous persons . He has been applauded as an outstanding orator, captive speaker and brilliant man. He inspires his followers, moves them to tears and gives the hope. He feverishly wooed the citizens to vote for him. Adolf Hitler Hitler gained this 'charismatic status' partially because of his political skill and magnetism. He had experienced considerable

success in cutting the unemployment figures and this was essential. However, it was somewhat overshadowed by his unshakeable conviction in his own Page 7 historical role.

Hitler often spoke of a 'mission' and claimed 'I go with the certainty of a sleepwalker along the path laid out for me by Providence'. It was this 'mission' achievable only for Hitler, which allowed him to transcend bureaucratic processes and become 'charismatic'. 3 3 Noakes, Jeremy and Pridham, Geoffrey (ed.) Nazism 1919-1945 Volume II: State, Economy and Society 1933-1939 (Exeter: University of Exeter Press, 2000) Page 8

Transformational Leadership Transformational leadership occurs when a leader takes a visionary position and inspires people to follow. James MacGregor Burns (1978) 1 first introduced the concept of transforming leadership in his descriptive research on political leaders.

According to MacGregor, transforming leadership is a process in which “ leaders and followers help each other to advance to a higher level of morale and motivation”. MacGregor differentiated between leadership and management, and related them to characteristics and behaviors. According to MacGregor, the transforming approach creates significant change in people and organizations by changing the employee expectations and aspirations. This is because it redesigns the perceptions and values. Unlike in transactional approach, it is not based on a “ give and take” relationship but on the leader? s personality and abilities, articulation of an energizing vision and challenging goals.

He theorized that transforming and transactional leaders were mutually exclusive styles. Bernard M. Bass (1985), expanded upon MacGregor? s work <https://assignbuster.com/an-analysis-of-leadership-models/>

(1985) by explaining the psychological mechanisms that underlie transforming and transactional leadership. Bass used “ transformational” instead of “ transforming” original ideas to develop what is today referred to as Bass? Transformational Leadership Theory. 2 According to Bass, transformational leadership can be defined based on the impact that it has on followers. According to Bass, transformational leaders earn trust, respect and admiration from their followers. Transformational leadership can be found at all leadership levels in an organization.

These leaders are seen to have a charismatic appeal in that they are visionary, enthusiastic, passionate, daring, inspiring, energetic, risk takers and thoughtful thinkers. However, charisma alone may not be sufficient to transform an organization. To gear changes, the leaders must exhibit the factors of transformational leadership. The four different components of transformational leadership as suggested by Bernard M. Bass: ? Intellectual Stimulation - Transformational leaders not only challenge the status quo; they also encourage creativity among followers. The leader encourages followers to explore new ways of doing things and new opportunities to learn. Page 9 ? Individualized Consideration - Transformational leadership also involves offering support and encouragement to individual followers.

In order to foster supportive relationships, transformational leaders keep lines of communication open so that followers feel free to share ideas and so that leaders can offer direct recognition of each follower? s unique contributions. ? Inspirational Motivation - Transformational leaders have a clear vision that they are able to articulate to followers. These leaders are also able to help followers experience the same passion and motivation to

fulfill these goals. ? Idealized Influence - The transformational leaders serves as a role model for followers. Because followers trust and respect the leader, they emulate the leader and internalize his Assumptions People follow a person who inspires them A person with vision and passion can achieve great things Enthusiasm and energy get things done.

Leadership style The leadership style adopted is " selling type". This involves: Developing the vision - transformational leadership beginnings with development of a vision. This may be done by senior managers, the leader or the team. The leaders then buy and sink into the vision. Selling the vision - the leader then constantly sells the vision to the followers. The leaders seek adoption of the vision through creating trust and any means available to convince the followers. Seeking the way forward - this goes along with the selling activity. Some leaders know the way and simply want others to follow, while others happily lead the exploration of possible routes since they do not have a ready strategy.

With a clear vision, though the direction may not be very clear, it is always known. Since this is an ongoing process, a transformational leader will accept the failures and content with whatever progress that is made. Page 10 Leading the charge - the final stage and most critical is that the leader takes the lead and remains central during the action. This is where the leader is a role model -setting the examples by not idling behind their troops. Their unrelenting commitment keeps the team focused. These leaders are people oriented and thus strike a balance between the task and the followers. Transformational leadership borrows a lot from relationship theories also known as transformational theories.

Emphasis is laid more on the link formed between the leaders and the followers. The leader inspires and motivates the group to see the importance and significance of the task, but also wants each individual to fulfill their potential. Advantages of Transformational leadership ? This kind of leadership style often brings out high ethical and moral standards. Since the team is all geared towards achieving the organizational task as well as their individual goals. ? Produces a highly energized work force, which is essential to achieve organizational goals. It enables maximization of synergy in the team. Disadvantages of Transformational leadership ?

Since the style emphasizes on impression management, it leads to a moral self glorification/ promotion by the leaders. ? Due to the influence emphasis, the followers may be manipulated by the leaders to lose more than they actually gain. ? ? The energy applied by leaders can wear out the followers making them give up. The passion and confidence can easily be mistaken as reality. This may lead to mistakes with consequences being adopted. Though transformational leaders are charismatic, they are not like pure charismatic leaders who succeed through their individualism since they believe in others.

Page 11 The leadership style is almost impossible to teach or train since it? s a combination of leadership theories and personal attributes

Examples of Transformational Leaders Nelson Mandela South Africa was a racially polarized country for many decades. Nelson Mandela was able to humanize the apartheid leading to the emergence of a nation now recognized globally. His was able to use his charisma to synchronize the haves and have-nots towards a common cause - transforming the nation from the polarity caused by the racial and wealth factors. Mahtama Gandhi

Prior to the British occupation, India was amongst the leading goods exporting nation. The British rule was highly mechanized with modern industrial power; they successfully eliminated the local Indian artisans? infrastructure turning India into a big importer and consumer nation.

Different leaders were contemplating different ways to drive British in India; he sought to understand the reason for colonialism. According to Mahatma, the way to resist the British was through non violent ways to become self reliant and stop consuming English products. He therefore opted for persistent mass movements that would eventually prove expensive to the British Rule. Gandhi inspires various leaders including South African Nelson Mandela and various movements for civil rights and freedom across the world. Sam Walton Sam Walton, founder of Wal-Mart, often visited Wal-Mart stores across the country to meet with associates to show his appreciation for what they did for the company.

Sam Walton gave " rules for success" in his autobiography, one of which was to appreciate associates with praise (Walton, 1996). Page 12 Jack Welch He was Chairman and CEO of General Electric between 1981 and 2001. During his tenure at GE, the company's value rose 4, 000% and was the most valuable company in the world for a while. Having taken GE with a market capitalization of about \$12 billion, Jack Welch turned it into one of the largest and most admired companies in the world, with a market value of about \$500 billion, when he stepped down as its CEO 20 years later, in 2000. Although Jack Welch was a celebrated leader of a global manufacturer often noted for its technological prowess, he utilized a very human process to drive change through GE's vast organization.

Having respect for the individual as a pivotal force in organizational change, Welch created a model of exceptional performance every corporate leader can learn from. Page 13 References Lussier/Achua 3rd edition. Effective Leadership. Course text Kurnik, E. (2012). Transactional Leadership. Retrieved March 3, 2012, from HubPages Inc: <http://edikurnik.hubpages.com/hub/Transactional-Leadership> Yukl, G. A. (Gary A. Yukl). Leadership in Organizations (6th Edition). New Jersey: Prentice Hall. Burns, J. M. (1978) Leadership. New York. Harper & Row Bass, B. M. (1998). Transformational leadership: Industrial, military and educational impact. Mahwah, NJ: Erlbaum

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