Transactional leadership

Transactionalleadershipbanks on 'give and take' principle, which, when decently defined by the experts, is placed like something that " seeks to maintain stability rather than promoting change within an organization through regular economic and social exchanges that achieve specificgoalsfor both the leaders and their followers" (Lussier & Achua, 2004). According to Bryant (2003), transactional leaders are driven by three characteristics.

One, they work with team members to formulate the common goal and ensures rewards for the workers who achieve their part of the goal. Two, they exchange rewards or promises of rewards for the effort of the workers and three, they respond to the immediate self-interests of the workers during the process of achieving the goal. This model is also known as reward and punishment leadership, which uses extrinsic rewards to maintain its governance, where extrinsic rewards can prove detrimental to the followers – as the leaders can use it to their own advantage.

Another negative point of transactional leadership is that the leaders here prefer to form a coterie of privileged followers, who can mislead the leaders or other followers. Though a theory called Leader-Member Exchange theory (LMX) has been brought forth to justify the practice of converting a few followers into satellites of the leaders, its demerits are self-explicit. Transformational Leadership Transformational leadership involves ethics and sets long-term goals (Northouse, 1997).

According to Steven Covey (1992), " the goal of transformational leadership is to 'transform' people and organizations in a literal sense – to change them in mind and heart; enlarge vision, insight, and understanding; clarify

purposes; make behavior congruent with beliefs, principles, or values; and bring about changes that are permanent, self-perpetuating, and momentum building. "

Transformational leadership' came into being when J. V. Downton coined it for the first time in is book Rebel Leadership: Commitment and Charisma in a Revolutionary Process in 1973. It was later introduced as a concept by James MacGregor Burns in his book 'Leadership' in 1978. While early studies on transformational leadership were confined to the area of political leadership, it gradually extended its scope into organizationalpsychologyas well (Transformational, 2007).

According to Burns, " transformational leadership occurs when one or more persons engage with others in such a way that leaders and followers raise one another to higher levels ofmotivationand morality". Maslow's ' Theory of Human Needs' inspired Burns, as he observed, " the leader's task is consciousness-raising on a wide plane... The leader's fundamental act is to induce people to be aware or conscious of what they feel – to feel their true needs so strongly, to refine their values so meaningfully, that they can be moved to purposeful action" (Burns, 1982 pp 20-44).

Bernard Bass, a disciple of Burns, improvised the transformational leadership model and later commented that " in transformational leadership, the leader transforms and motivates followers by making them more aware of the importance of task outcomes, inducing them to transcend their own self-interest for the sake of the organization or team, and activating their higher order needs" (Bass, 1994). He came up with his inference like below: The

followers are increasing their perception regarding the importance of the task and its value.

The increased sense of the significance of collaborative living is helping them to focus more on achieving the organizational goal rather than focusing on individual goals. Accordingly, they are activating their higher-order needs. Transformational leadership is now considered to be a mixture of four leadership qualities like Personal charisma, and influence of the leaders that would attract the followers – a package various virtues or qualities that would seem larger than life to them, thereby automatically establishing the superiority of the leaders.

Leaders' ability to motivate the followers with cogent logic and articulation. Two-way intellectual link between leaders and followers. Here the leader sparks creativity among the followers and utilizes its outcome to the benefit of the organization. This approach generates a sense of empowerment among the followers, while the leader gains the advantage of utilizing collective wisdom. Leaders' ability to maintain personal contact with each of the followers through enhanced interpersonal skills, which would make them closer to the followers.