

The purpose of transformational leadership



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What is leadership? In the world today, people are getting neglect of the word leadership and abuse the power of the leadership. Few examples of abuse power such as screaming at staff, threatening the staff, setting excessive expectation and demands from staff. When leaders are not using their power correctly, it might lead to a way of bullying. “ Leadership is a motivating process whereby he or she influences a group to achieve a common goal” (Williams & McWilliams 2010). Good leaders help the team and direct them to the right way, when the team members feel motivated by their leaders, eventually they will try their best and contribute themselves in their own team. There are many types of leadership, the aim of this essay is to determine the difference between transformational leadership and transactional leadership.

Transformational leadership define as an approach where it brings changes in a group or team. It is carried out by motivating members of the group to achieve beyond what they could otherwise do. The purpose of transformational leadership is to change and improve a team and transform into a better team to perform better in their work. Besides managing daily work, a transformational leader also work their strategies out for their team to a better performance and success. “ Transformational leadership is positively related to performance” (Jens Rowold, Anette Rohmann, 2009) Transformational leaders also set their targets to push their work team to a greater performance stages and in the time giving chances for personal and professional improvement for all members. “ A transactional leader motivates subordinates by exchanging rewards for services rendered ” (Ming & Alan 1990).

In the other hand, transactional leadership is define as an approach where it requires an exchange process between the leader and followers. Rewards will be awarded to all members who excel in their performance and punishments will given to poor performers. A transactional leader uses disciplinary power and an appropriate amount of rewards to boost team members performance for the best result. " Transactional" point out that leaders motivate their followers by replacing their results with rewards. Transactional leaders usually only care and make sure everything goes successfully. " Transactional leadership is positively related to performance" (Jens Rowold, Anette Rohmann, 2009)

Transformational leadership and transactional leadership are very important for leading a team to success. Transformational leadership are the point to strategic development of a business and helps to reach to success via the team-building skills and the vision of the leader. Transactional leader gives different benefit depends on their capability. Transactional leader deal with all the informations that collected together to set up a strong and powerful fame in a marketplace and yet maintaining the working team productivity at the best status." Burns (1978) argues that transactional leadership entails an exchange between leader and follower" (Deanne et al. 1997). " Followers receive certain valued outcomes (e. g. wages, prestige) when they act according to their leader's wishes" (Deanne et al. 1997).

The differences between transformational leadership and transactional leadership is transformational leadership offer beyond exchanges, rewards and punishment. It is said to have a closer supervisory relationship. For transactional leadership, it has a distant relationship and leaders are alert of

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the link between performance and reward. Other than that, transformational leadership creates a vision and may motivate followers to strive beyond what they could do, where it brings innovation whereas transactional leadership is more of a straight-forward approach by practicing standards.

Moreover, transformational leadership is more active and forms new expectation in employees and transactional leadership is more responsive and the main point is dealing current problems. Furthermore, transformational leader not only stimulates employees to understand and settle the issues, it also creates a learning opportunities and motivate their employees to work smart for targets that go beyond self interest.

Transactional leader encourages employees by setting aims and promising bonus for required performance.

Tan Sri Anthony Francis Fernandes which also known as Tony Fernandes, is a perfect example of a transformational business leader in Malaysia. Tony Fernandes shown his transformational leadership qualities as a founder of Tune Air SDN BHD. Air Asia became successful and the best airline in asia after Tony Fernandes managing and handling it. This shows that Tony Fernandes is a great leader. The reason why Tony Fernandes is a great transformational leader because during work, he was totally committed to his followers and his business and approachable to the media. Besides that, he wore his company's official cap and T-shirt to most of the official function. He also gave his contact number to the media that he talked to and he did participated himself in an advertisement for his company. By this way he can tighten the relationship between his employees and himself.

To be a good leader, brave to take a risk is not enough. Tony Fernandes also made a big changes in AirAsia. He gathered a lot of new and innovative ideas, example of travel insurance, medical care, online booking and etc. He also changed the original concept of the company and replaced with low-cost and no-frills strategy. Directly, this will lower the value of chain. Several indicators has shown that the productivity of the company was excellent compared to the other low-cost market segment company. Tony Fernandes not only fight for his company, his own benefit and his profit, he also fight for environmental friendly as well. Because of him, AirAsia was fighting against paper waste and carbon emissions.

In addition, Tony Fernandes succeeded in persuading his employees to unite on his project. He invested on the new aircraft and new type of fuel-efficient Airbus 320 to pull down the cost of maintenance and fuel. Because of that, the cost of marketing was also decreased and his effectiveness of the allocating channel which led him became a good leader towards his followers. He even convince his suppliers to purchase aircraft at a lower price compare with other companies. His performance led rapidly to major profit and this made his employees in the company faithful and loyal to him. From here, this shows that he was totally gained respectful and appreciated by his followers. In overall, transformational leadership nurture the importance of team work, mutual admiration and thinking.

Leader should be more intructive, directive and authoritatibe. Type of leadership being used in an organisation does not really matter, what important is how one uses its leadership to achieve its goals and how one proves their productivity, efficiency and credibility.

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