

Transactional leadership in bureaucratic organizations essay

[Business](#), [Management](#)



Introduction

Leadership theory defines transactional leadership as a style comprised of leader and follower exchanges that are needed for routine performance (Schermerhorn, Hunt, & Osborn, 2008). Leaders and followers agree upon these exchanges. Exchanges between leaders and followers take place within the constructs of four different areas. Those areas include contingent rewards, active management by exception, passive management by exception, and laissez-faire (Schermerhorn et al., 2008). Transformational leadership occurs when leaders expand and heighten their followers' professional interests, professional skills, emphasize the organization's (or group's) values, mission, and purpose, and seek to inspire followers to act in the best interests of others (Schermerhorn et al., 2008).

Since bureaucratic organizations emphasize hierarchy, regulations, routines, and the carrying out of tasks based on heavily documented policies and procedures, a transactional leadership style appears to be the best fit for these types of organizations. In reality, a transformational leadership style can suit the needs of a bureaucratic organization just as well. This is especially the case in bureaucratic organizations with mission statements emphasizing the greater good of the public and community.

Transformational leaders can support the personalized consideration for followers' interests, inspiration and intellectual stimulation necessary to carry the organization forward. The structure of bureaucratic organizations is flexible enough at the departmental level to allow this leadership style to lessen the emphasis on rules and regulations. Transformational leaders can

work within the bureaucratic structure as long as the organization's culture is willing to be fluid.

Literature Review and Analysis

Managers may use a combination of transactional and transformational leadership styles in order to motivate their employees. Even if managers do use a combination of styles, theory states that managers tend to gravitate towards one style over another (Kuhnert & Lewis, 1987). Transactional leaders embody the perspective that performance can only be incrementally improved. Managers with a transactional bent primarily seek to maintain performance, exchange goals, reduce follower resistance, and look for ways to implement decisions (Kuhnert et al., 1987). Transactional leaders tend to use contingent rewards, actively look for deviations from the rules and take corrective action when necessary, intervene only when followers fail to meet performance standards, or shirk responsibilities and avoid decision making (Schermerhorn et al., 2008).

One can easily conclude how and why a transactional leadership style would work well in a bureaucratic organization. First, these organizations are structured in a hierarchical fashion. This means there is a traditional chain of command where various degrees of power and authority are given to people in different positions. In contrast to a flat organization, job responsibilities are attributed to positions based on levels and clearly defined roles. In other words, those in executive level management positions carry out tasks that lower level employees cannot. It is not that the lower level employees are necessarily incapable of carrying out those tasks, but that the knowledge

and access required to carry them out is restricted. Each position and level within the bureaucratic organization is compartmentalized, meaning that there is only one individual or a small, select group of individuals who can perform certain tasks.

Transactional leaders rely on the traditional hierarchical structure to exert power and influence over their followers. In a relationship that emphasizes exchange, leaders give followers something they want in exchange for giving the leaders something they want (Kuhnert et al., 1987). For example, followers can meet increased sales targets in exchange for an incremental bonus. Leaders get what they want – marginally improved short-term performance, which reflects favorably on them and the organization. Followers also get what they want – increased compensation.

Transactional leaders emphasize documented policies and procedures to determine which followers are the “best” performers and which followers are deviant. Some take an active role in seeking out divergence from the rules, while others stand back and only take corrective action when performance falls well below standards. Bureaucratic organizations are notorious for defining acceptable performance standards with books of convoluted documentation. Some leaders in these organizations put off making decisions, contributing to the slow nature and “red tape” reputation.

A study on the mix of transactional and transformational leadership styles in secondary education revealed that there was a positive relationship between all aspects of transformational leadership and employee diversity (Okcu, 2014). Diversity management has become an area of focus for leaders and it

entails the ability to recognize and be open to differences (Okcu, 2014). The study proves that transformational leadership styles can be utilized effectively in bureaucratic organizations. Although transformational leaders seem to be a better fit for flatter, progressive organizational cultures, the role of managers has become less of a police agent and more of a facilitator of talent.

Conclusion

Managers must be able to influence their followers and develop relationships with a wide range of personalities. The transformational leader's willingness to adhere to the development of individual interests can be leveraged in bureaucratic organizations. The workforce has become more diverse and bureaucracies are not an exception. While a combination of transactional and transformational leadership styles would probably work best in a traditional organization, the transformational leadership style should not be discounted. Younger generations do not necessarily respond well to hierarchical power structures and may be more motivated by increased autonomy and empowering tasks. Transformational leaders can not only discover the individual strengths of employees by changing the nature and assignment of tasks, but these leaders can also collectively leverage a group of followers' strengths to advance organizational performance.

References

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