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## RESEARCH ARTICLE

# A Conceptual Study on Leadership Theories and Styles of Managers with the special emphasis on Transformational Leadership Style

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### Abstract

In this paper, I have tried to bring together various leadership theories and styles known so as to understand their significance from a manager's point of view in relation to organisation's development. The paper discusses various popular leadership theories which enable the readers understand the leadership evolution and development process. The popular leadership styles known to be practiced by the executives in the organisation are transformational, transactional and laissez-faire. The other styles known are servant, charismatic, cross-cultural, new-genre, shared and e-leadership. The paper also discusses the transformational leadership style in detail along with its dimensions and weaknesses.

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## 1. INTRODUCTION

Leadership is a process by which one person influences the thoughts, attitudes, and behaviors of others. Leaders set a direction for the followers and help them see what lies ahead. Without effective leadership a group of human beings quickly degenerate into argument and conflict, because generally people see things in different ways and tend to lean toward different solutions. Leadership is the ability which enables other people to do something significant which they might not otherwise do. It's energizing people towards a goal.

Taking a leadership position means:

1. Having a vision about what can be accomplished.
2. Making a commitment to the mission and to the people you lead.
3. Taking responsibility for the accomplishment of the mission and the welfare of those you lead.
4. Assuming risk of loss and failure.
5. Accepting recognition for success.

The studies in the area of Leadership have been taken up by the concerned persons since the beginning of 20<sup>th</sup> century. The author has divided leadership research into nine major schools (see Figure 1) and classified the schools on two dimensions: temporal (i.e., the time period in which the school emerged) and productivity (i.e., the indicative degree to which the school attracted research interest in a specific period of time). In this respect author has been guided by a recent review of the literature that appeared in The Leadership Quarterly (Gardner, Lowe, Moss, Mahoney, & Coglisier, 2010) (Day, D. V., & Antonakis, J. 2012).

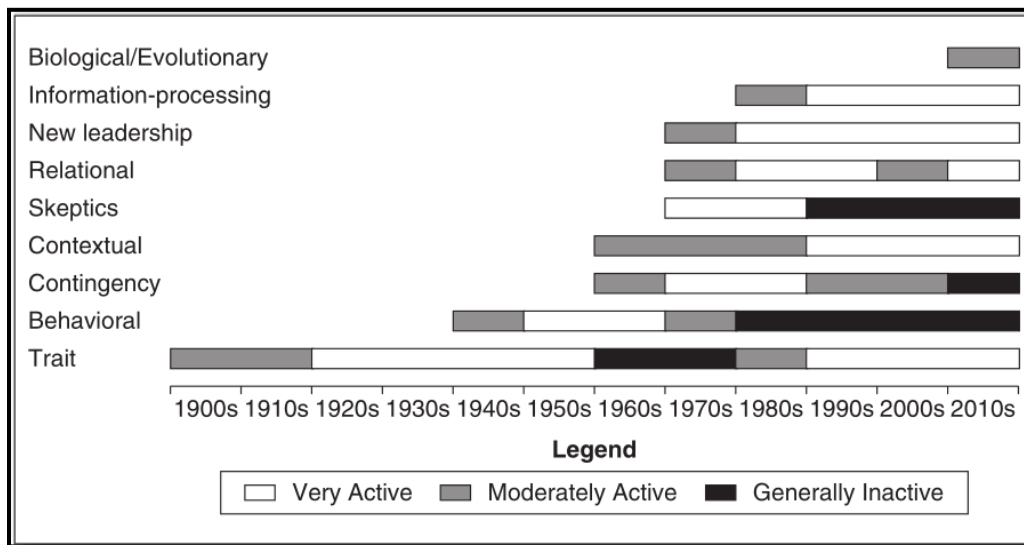


Figure 1: A Brief History and Look into the Future of leadership Research (Source: Day, D. V. & Antonakis, J. 2012. Leadership: Past, present, and future. The nature of leadership, 3-25.)

The paper discusses various leadership theories and styles known and takes into consideration the Transformational Leadership style, its dimensions and significance in detail.

## 2. OBJECTIVE OF THE PAPER

To do a conceptual study of various Leadership theories and Styles of Managers with the special emphasis on Transformational Leadership Style.

## 3. REVIEW OF LITERATURE

- **Abasilim & Ugochukwu (2014)**

In this research paper the authors have found that transformational leadership style has a significant positive relationship with organisational performance in Nigerian work context.

- **Eagly, Johannesen-Schmidt, & Van Engen (2003)**

In this research paper the authors have done a meta-analysis of 45 studies of transformational, transactional, and laissez-faire leadership styles and found that female leaders were more transformational than male leaders and also engaged in more of the contingent reward behaviors that are a component of transactional leadership.

- **Hall, Johnson, Wysocki, & Kepner (2008)**

In this research paper the authors have explained the transformational leadership approach by discussing its strengths, weaknesses, and steps for application.

- **Harms & Credé (2010)**

In this research paper the authors have done the study to evaluate claims that emotional intelligence is significantly related to transformational and other leadership behaviors.

- **Hussain Haider & Riaz (2010)**

In this research paper the authors have collected data through questionnaires and found that the employees working in the private sector perceive supervisors as more inclined towards exercising transactional leadership style as compared to transformational leadership style.

- **Judge & Piccolo (2004)**

In this research paper the authors have provided a comprehensive examination of the full range of transformational, transactional, and laissez-faire leadership.

- **Kets de Vries, Hellwig, Vrignaud, Guillen, Florent- Treacy, & Korotov (2009)**

In this article the authors have tried to explore the impact of a transformational leadership development program on the lives of its participants after one year interval.

- **Nikezić, Purić, & Purić (2012)**

In this research paper the authors have pointed out the impact of leadership competencies through transactional and transformational leadership, characteristics and processes that show different levels of participation of transformation and transactional leadership of organizations.

- **Odumeru & Ifeanyi (2013)**

In this research paper the authors have given an introductory perspective into the difference between transformational and transactionary leadership drawing from evidence in literature.

- **Pastor & Mayo (2006)**

In this research paper the authors have discussed that Transformational leadership predicts follower's satisfaction and performance beyond traditional forms of leadership. The results support the idea that the executives with a learning orientation are more likely to report a transformational leadership style whereas executives with a performance goal orientation are more likely to report a transactional leadership style.

- **Sahgal & Pathak (2007)**

In this research paper the authors have used a developmental perspective to study transformational leadership in the Indian context. It focuses on significant life experiences that have shaped leaders who have successfully transformed organizations.

- **Xiaoxia & Jing (2006)**

In this research paper the authors have made attempts to compare leadership styles adopted by managers of SMEs in China and Sweden and it tries to evaluate which element gender or culture exerts a more important influence upon leadership styles.

#### **4. RESEARCH GAPS IDENTIFIED**

- More empirical work still needs to be done to gain clearer understanding on the concept of transformational Leadership.
- The studies on the impact of gender and culture on transformational and transactional leadership styles are limited.
- Less work has been done on the relationship between transformational leadership style and organizational performance.
- More studies can be conducted on the relationships between leadership style and organisational commitment, job satisfaction, job involvement and organisational citizenship behaviour and to find if these relationships stand stronger for transformational leadership for transactional leaders.
- Studies on the effect of leadership styles on organizational performance in large scale organizations are limited.

### 5. LEADERSHIP THEORIES

**Trait Theories:** According to trait theories, people are born with certain inherited traits and the people who make good leaders possess the right (or sufficient) combination of these traits, which distinguish them from ‘non-leaders’. Various academicians have given their view points in this area, major are Stogdill, McCall & Lombardo, Bennis and Thomas.

**Behavioural Theories:** There are 2 main assumptions underlying behavioral theories: 1) Leaders are made, rather than born and 2) Successful leadership is based on definable, learnable behaviour. Academicians who have worked in this area are Kurt Lewin (Kurt Lewin’s 3-D Theory), Rensis Likert (Michigan Studies), Blake and Mouton (Managerial Grid).

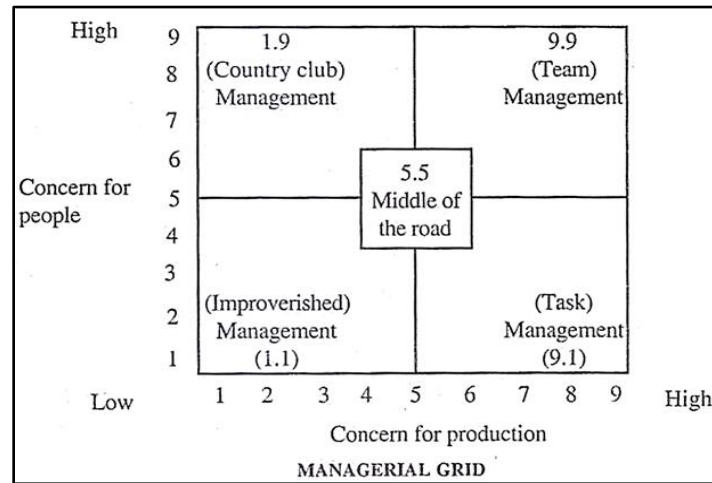


Figure 2: The Managerial Grid; Source: <http://www.edunote.info/2013/08/managerial-grid-leadership-styles.html>

**Contingency Theories:** Contingency theories are based on the assumption that the leader’s ability to lead is contingent upon various situational factors, such as leader’s preferred style, the capabilities and behaviour of followers etc. These theories contend that there is no one best way of leading and that the leadership style that is effective in some situations may not always be successful in others. The popular academicians who have worked in this area are Fiedler, Hickson (Cognitive Resource Theory), Vroom & Yetton and House.

**Situational Theories:** Hersey and Blanchard combined the grid approach and the contingency theories to propose their situational theory of leadership. According to this theory, leadership is a function of the situation, and an effective leader is one who assesses the situation accurately, uses a style appropriate to the situation, is flexible and is also able to influence and alter the situation.

**Leadership functions theories:** The popular academicians who have worked in this area are Burns (**proposed the concept of Transformational leadership**) and Bass.

<u>Transactional Leadership</u>	<u>Transformational Leadership</u>
Transactional leaders believe in getting the work done from subordinates by motivating them by reward and punishment. The leader provides clear instructions to his or her subordinates regarding their work and the subsequent rewards. Punishments are not always mentioned but they are well understood. It is a popular approach with most managers.	Transformational leaders focus on creativity and empowering various groups and individuals in an organisation. They engage their followers and employees in a mutual process of raising one another to higher levels of morality and motivation. They are known as empowering, risk taking, having clarity of mission, is known for team building, equanimity and evolving trust. (Singh and Bhandarkar).

**Leader Member Exchange Theory (LMX)/vertical dyad linkage theory:** - It describes how leaders in groups maintain their position through a series of tacit exchange agreements with their members.

## 6. LEADERSHIP STYLES

Styles	Dimensions	Description
Transformational	Idealised Influence (Attributed) (IIA) Idealised Influence (Behaviour) (IIB) Inspirational Motivation (IM) Intellectual Stimulation (IS) Individualised Consideration (IC)	The charisma of the leader. Charisma centered on values, belief and mission. Energising followers by optimism, goals, and vision. Challenging creativity for problem solving. Advising, supporting, and caring for individuals.
Transactional	Contingent Reward (CR) Management by Exception (Active) (MBEA) Management by Exception (Passive) (MBEP)	Providing a role, task clarification and psychological reward. Active vigilance of a leader to ensure goals is met. Leader intervenes after mistakes have happened.
Laissez-Faire	Laissez-Faire Leadership (LF)	Leader avoids making decisions, abdicates responsibility, and does not use authority.
Authoritarian	Autocratic Leadership	Leaders set agendas, determine the Group's policies, assign tasks to the members, and make decisions for the group without consulting the members.
Servant	Servant Leadership	Always found in the not-for-profit-sectors, and leaders want to serve people. People follow them because they trust them.
Charismatic	Charismatic Leadership	Charismatic leaders are visionary because they offer an exciting image of where the organisation is headed and how to get there. Charismatic leaders have masterful communication skills that inspire people.
Styles	Description	
Democratic Leadership or Participative Leadership		Leaders using this style provide direction, but allow the group to make its own decisions. The Democratic style supports the teamwork method and always coaches and leads staff to achieve the organisational goals.
Authentic leadership		A pattern of transparent and ethical leader behaviour that encourages openness in sharing information needed to make decisions while accepting followers' inputs.
Cognitive leadership		A broad range of approaches to leadership emphasizing how leaders and followers think and process information.
New-genre leadership		Leadership emphasizing charismatic leader behavior, visionary, inspiring, ideological and moral values, as well as transformational leadership such as individualized attention, and intellectual stimulation.
Shared leadership:		An emergent state where team members collectively lead each other.
Cross-cultural leadership:		The examination of leadership in multicultural contexts.
E-leadership		Leadership where individuals or groups are geographically dispersed and interactions are mediated by technology.

Source: adapted from Avolio et al. (1999); Avolio, B.J., Walumbwa, F.O. & Weber, T.J. (2009). *Leadership: Current Theories, Research, and Future Directions*, Annu. Rev. Psychol. 2009. 60:421–49

## 7. TRANSFORMATIONAL LEADERSHIP STYLE

A transformational leader is a person who stimulates and inspires (transform) followers to achieve extraordinary outcomes (Robbins and Coulter, 2007). Transformational leadership theory is all about leadership that creates positive change in the followers whereby they take care of each other's interests and act in the interests of the group as a whole (Warrilow, 2012). This leadership style produces trust and satisfaction. Working for a Transformational Leader can be a wonderful and uplifting experience. Transformational Leaders put passion and energy into everything. They care about their subordinates and want them to succeed (Pierce & Newstrom 2003). Transformational Leaders influence their subordinates by motivating them emotionally. They seek to empower their subordinates by developing their independence and by building their confidence (Bass 1985). Transformational Leadership has seven main features: Raise subordinate awareness, Help subordinates look self-interest, Help subordinates find out for self-fulfilment, Help subordinates understand need for change, Invests managers with sense of urgency, Is committed to greatness and Adopts a long-range, broad perspective" ( Dubrin, Dalglish & Miller 2006, p. 106)

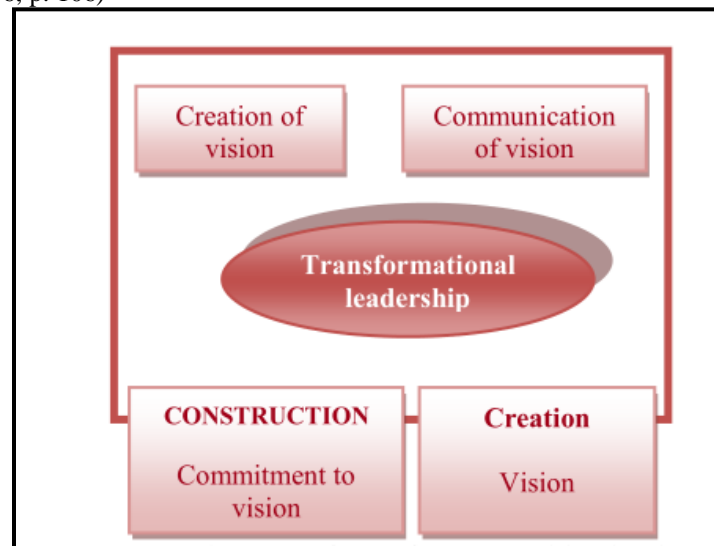


Figure 3: Elements of transformational leadership. (Nikezić, Purić & Purić, 2012).

## 8. DIMENSIONS OF TRANSFORMATIONAL LEADERSHIP

This leadership style has five dimensions:

1. **Idealised Attributes:** These leaders are always acting in ways that build others respect for them and they go beyond self-interest for the good of the group (Bass & Avolio 2004).
2. **Idealised Behaviour:** These leaders like to talk about important values and beliefs and they consider the moral and ethical consequences of decisions (Bass & Avolio 2004).
3. **Inspirational Motivation:** These leaders support staff to envision attractive future states and they always motivate their staff to achieve the organisational goals (Bass & Avolio 2004).
4. **Intellectual Stimulation:** These leaders like to encourage new ideas, and creative solutions to problems are solicited from followers. Also, the leaders persuade their staff to be innovative and creative by approaching old situations in new ways (Bass & Avolio 2004).
5. **Individual Consideration:** These leaders stimulate their staff for achievement and growth by acting as a coach and also help their staff to develop their strengths (Bass & Avolio 2004). According to Muenjohn (2007) several studies have reported that Transformational Leaders increase staff satisfaction, encourage extra effort and are more effective than Transactional or Laissez-Faire Leaders.

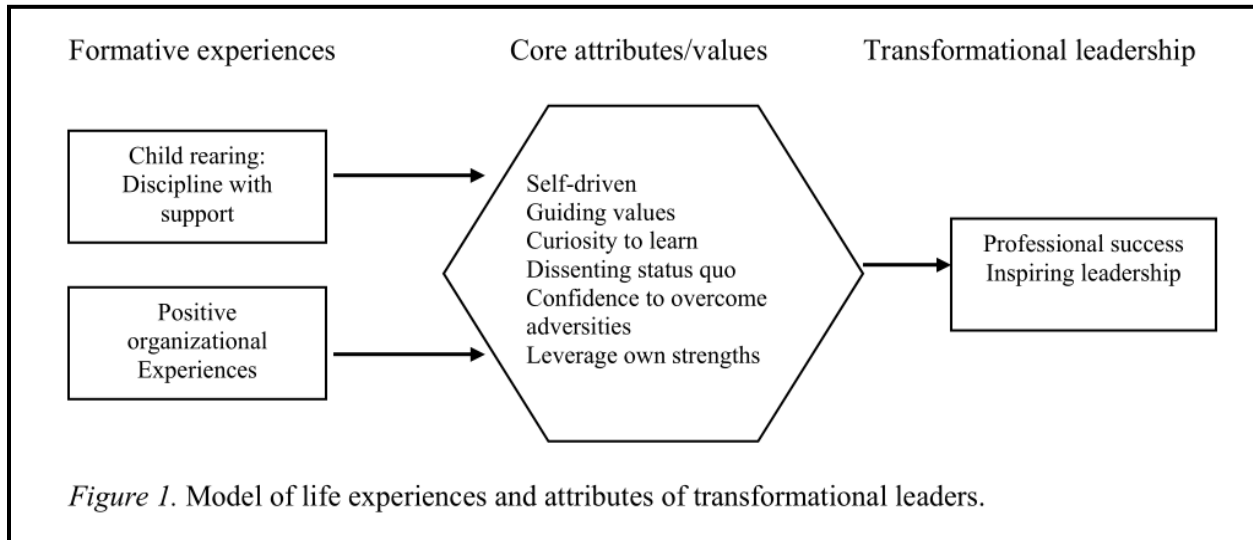


Figure 4: Model of life experiences and attributes of transformational leaders. (Sahgal & Pathak, 2007).

### 9. EXAMPLES OF TRANSFORMATIONAL LEADERS

The following figure 5 represents few popular transformational leaders heading famous organisations and the Transformational leadership dimensions which were identified in their personality.

Transformational leaders	Transformational leadership dimensions				
	Idealised Attributes	Idealised Behaviour	Inspirational Motivation	Intellectual Stimulation	Individual Consideration
1.Bill Gates of Microsoft	X		X	X	
2.Steve Jobs of Apple		X	X	X	X
3.Jack Welch of GE	X		X	X	
4.Michael Dell of Dell Computer Corporation	X		X	X	
5.Lou Gerstner of IBM		X	X	X	X

Figure. 5: Popular transformational leaders and their specific leadership dimensions.

Source: 1) <http://www.examiner.com/article/bill-gates-transformational-leader>

2) Steinwart, M. C., & Ziegler, J. A. (2014). Remembering Apple CEO Steve Jobs as a “Transformational Leader”: Implications for Pedagogy. Journal of Leadership Education, 13(2).

3) <https://hbr.org/1989/09/speed-simplicity-self-confidence-an-interview-with-jack-welch>

4) [http://blog.sina.com.cn/s/blog\\_72e3b08a01016bi8.html](http://blog.sina.com.cn/s/blog_72e3b08a01016bi8.html)

5) <http://jonathangifford.com/louis-gerstners-vision-for-ibm-the-customer-is-always-right/>

### 10. PROBLEMS / WEAKNESSES ASSOCIATED WITH TRANSFORMATIONAL LEADERSHIP

Some major weaknesses associated with Transformational leadership are:



- 1) The ambiguity underlying its influences and processes.
- 2) Several studies have shown that transformational leadership can have detrimental effects on both followers and the organisation.
- 3) Stevens et al. (1995) believes that transformational leadership is biased in favour of top managements, owners and managers. (Odumeru & Ifeanyi, 2013).
- 4) Moreover Transformational leadership theory assumes the heroic leadership stereotype. (Odumeru & Ifeanyi, 2013).

## 11. CONCLUSIONS

The paper discusses popular Leadership Styles and transformational leadership style is discussed in detail. Leadership is known as a process by which a person influences the thoughts, attitudes, and behaviours of others. Leaders are known to set a direction for the followers and help them visualise what lies ahead. Various theories have been proposed by the academicians since the beginning of 20<sup>th</sup> century, popular among which are the Trait Theory of Leadership, Behavioural theory of leadership, contingency, situational theory of leadership and leadership functions theories. Major leadership styles known are Transformational, Transactional, Laissez-Faire, Authoritarian, Servant, Charismatic, Democratic, Authentic, Cognitive, New-genre, Shared, Cross-cultural and E-leadership.

A transformational leader is a person who stimulates and inspires followers to achieve extraordinary outcomes in their lives. This kind of leadership style is known to produce trust and satisfaction in their followers. Various elements of transformational leadership are creation of vision, communication of vision and commitment to vision. The Transformational leadership style has five dimensions: Idealised Attributes, Idealised Behaviour, Inspirational Motivation, Intellectual Stimulation and Individual Consideration. Majority of the literature review is done on the various aspects transformational leadership for example the relationship between transformational leadership and organisational performance, emotional intelligence etc. The executives in organisations with a learning orientation are found more likely to report a transformational leadership style whereas executives with a performance goal orientation are more likely to report a transactional leadership style.

Transformational leadership style though found to add positivity in the organisation is also found to report certain weaknesses such as ambiguity underlying its influences and processes. It is found to be biased in favour of top managements and assumes the heroic leadership stereotype. In future more empirical work can be done in the area of transformational leadership to get more clarity in its concept. Moreover studies can be conducted on the relationships between leadership style and organisational commitment, job satisfaction and job involvement and can be found if these relationships stand stronger for transformational than for transactional leaders.

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