Transformational, Transactional Leadership Styles and Job Performance of Academic Leaders

Maryam Mahdinezhad[1], Turiman Bin Suandi[2], Abu Daud bin Silong[1] & Zoharah Binti Omar[1]

[1] Department of Professional and Continuing Education, Faculty of Educational Studies, Universiti Putra Malaysia, Serdang Selangor, Malaysia

[2] Institute for Social Science Studies, Universiti Putra Malaysia, Serdang Selangor, Malaysia

Correspondence: Maryam Mahdinezhad, Department of Professional and Continuing Education, Faculty of Educational Studies, Universiti Putra Malaysia, 43400, Serdang Selangor, Malaysia. Tel: 601-7300-4243. E-mail: Mahdinezhad.hrd@gmail.com

Abstract

In higher learning education, the performance is influenced by many factors. Effective leadership has an imperative role in the better performance and growth of the organization. Yet, several performance efforts were unsuccessful as a result of factors such as satisfactory leadership style of leaders. This study was carried out to identify the effect of styles of leadership on job performance. The assumed leadership styles are transactional and transformational. The research inspected the association between transactional (contingent rewards) and transformational styles of leadership influenced performance of academic leaders. The findings of this study would be useful for academic leaders. It is mainly aimed to increase the effectiveness of higher learning institution; therefore, they adopt leadership style that refines abilities of academic leaders and assists them to attain profit performance.

Keywords: transformational leadership style, transactional leadership style, job performance, academic leader

1. Introduction

Institutions of higher learning all over the world have caused serious problems to leaders in the past few decades concerning styles of leadership that can resolve the challenges in the business world. Moreover, an effective leader has effect on followers in a preferred way to attain preferred goals. Different styles of leadership can influence organizational performance or effectiveness (Nahavandi, 2002). Leader is main character in defining the educational achievement of the university, and the performance of subdivisions affects the university reputations. Thus, it is vital for the leader to retain his communities, faculty , and students pleased with his efforts, and to preserve efficiency and effectiveness of his department. Hence, in acknowledgment of the fact that function of the academic leaders is central to the achievement of higher learning institution, practitioners have always tried to identify influential variables on the academic leaders' performance. Therefore, this paper addresses the variables that help academic leader to improve of his/her performance. As such, this is consistent with the stream of evolving empirical effort that studies how the transactional and transformational leadership influences performance of leaders.

Transformational style of leadership is a stimulating technique through which a leader can inspire and apply that ability of motivation thinking (Bass et al., 2003; Dvir et al., 2002). The key constituents of transformational leadership are: inspirational motivation and idealized influence, which functions as a charismatic paradigm and expresses an image of the future that is communal. Customized consideration comprises the leader considering individual variances. Intellectual stimulation outlined as an awareness of leaders ideas and thoughts (Bass & Avolio, 1995). Transactional behavior is in contrast with transformational leadership as in transactional behavior, cooperation is achieved through exchange of rewards. Transactional leaders encourage followers to perform as anticipated (Burns, 1978). Contingent reward is the key constituent of transactional leadership, in which the leader offers rewards depending on performance, active management by exclusion, which suggests that

counteractive action is done in prediction of problem, and passive management by exception expressed as the leader performs remedial action upon the rise of problem.

An inclusive academic research on transactional and transformational leadership heightens the understanding of ways academic leaders can attain preferred outcomes. An experimental research regarding academic leaders' performance with the effect of transactional and transformational styles of leadership would improve the understanding. Leadership has positive effects on significant organizational results, including human resource outcomes and performance (Peterson & Luthans, 2003; Luthans, 2005). Moreover, Howell and Avolio (1993) showed that styles of leadership are main predictors of human resources performance. Knowing the extreme significance of leadership in any organization, this article offers a plentiful opportunity for academic leaders to enhance their performance for the advancement of organization.

1.1 Job Performance

High distinct performance is needed for organizations to achieve their goals. Therefore, leaders' performance is one of the important pointers in assessing organizational performance (Wall *et al.,* 2004). Although, performance is frequently regulated by financial statistics, it can also be assessed through the blend of task-related aspects and expected behavior (Motowidlo, 2003). Indeed, performance that is founded on a relative judgment or absolute value can echo inclusive organizational performance (Gomez- Mejia, Balkin, and Cardy, 2007; Wall et al., 2004). Various matters can be assessed in higher education including the personnel performance (e.g., research, faculty service and teaching), educational programs, student learning, and institutional productivity. More specifically, the objects of assessment with regard to academic leaders may comprise behavior, effectiveness, attitudes, performance, or decision making.

Moreover, the idea of "performance" includes two concepts: efficiency that relations inputs with outcomes, and effectiveness that links outcomes with the anticipated outcomes or goals. The word "performance" raises the concepts of "attainment," "accomplishment," and "the execution of a task". The role of leader in this view point includes rewarding, evaluating, hiring, and making vital decisions regarding funding, tenure, personnel and budgeting, in addition to understanding the effects of decisions on the whole structure of the department (Wolverton, 1990). Therefore, evaluating performance of a leader encompasses inquiring how well he/she is conducting his/her functions. It can be formulated as how effective is he/she in achieving its objectives and how proficiently does he/she employs the resources in practice? How much faculty and leaders have assurance in each other's competence and integrity; to what extent conflict happens among faculty and in what way they try to reach communal objectives and goals; how much discussion is held in the process of decision making; how communication streams downward, upward, and through the institution; how much faculty senses affection (Seldin, 1988).

1.2 Leadership Style

Style of leadership is the relatively consistent pattern of behavior that characterizes a leader (DuBrin, 2001). Leadership concerning performance was considered by scholars and researchers, but philosophical and scientific foundation of leadership style is yet scattered. Recently, several researchers have studied the dominion of leadership styles, transactional and transformational leadership is the most noticeable (Dvir et al., 2002; Ehrhart, 2004; Whetstone, 2002; Avolio & Bass, 2004). Transactional and transformational leadership are not regarded as contrasting styles of leadership (Lowe et al. 1996). Leaders might be both transactional and transformational. Overall, transactional leadership is less effective than transformational leadership (Gardner & Stough 2002). There is some evidence supporting the assumption that transformational leadership is higher than transactional leadership (Bass et al., 2003; Dvir et al., 2002). Transactional leadership also is less correlated with higher performance and productivity than transformational leadership (Bass et al., 2003; Dvir et al., 2002).

Moreover, transformational leadership has effect on the overall thinking and behavior of followers, establishing a united understanding to succeed in learning. Transformational leadership attracts intellectual attention to imminent problems. It encourages innovation and learning thus improving the overall performance (Argyris & Scho¨n, 1996; Glynn, 1996; Hurley & Hult, 1998). Although transactional leadership is related to punishment behavior and contingent reward which is regarded as the source of effective management, transformational control is seen as enriching that source for better leader effectiveness (Waldman, Bass, Yammarino, 1990).

The dissimilarity between transactional leadership and transformational leadership is the concentration of leader. Both styles of leadership emphasis on the followers where transactional leaders provide feedback about performance, while transformational leaders attempt to involve followers with goal achievement (Kelman 1958). Moreover, transformational leaders in conflict of transactional leaders encourage followers through identification and internalization process instead of instrumental compliance. Therefore, while most transactional leaders

provide feedback regarding performance, exceptional leaders take part in transformational leadership behavior as well. Therefore, the transformational behaviors improve the leader's effectiveness in addition to what he/she could gain only through transactional leadership. Overall, studies on transactional leadership did not consider leader behaviors as much as the difference in performance and other standard parameters.

Transformational Leadership Style: Leadership theories emphasized on the effects of extraordinary leaders on their organizations and subordinates (Bryman 1992). Theories of leadership began to emphasize the effects that exceptional leaders can have on their subordinates and their organizations (Bennis & Nanus 1985; Burns 1978; Sashkin 1988; Trice & Beyer 1991). In House and Shamir (1993) opinion, these leaders are called "charismatic leaders", but Bass (1985) favors to call them "transformational leaders". Main measures of transformational leadership are: nurturing the recognition of group goals, expressing a vision, offering individualized consideration and support and, forming behaviors in line with the expressed image, providing intellectual inspiration, and setting high performance prospects (Podsakoff, MacKenzie, & Bommer, 1996).

Kuhnert and Lewis (1987) noted that transformational leadership "is made possible when a leader's end values (internal standards) are adopted by followers, thereby producing changes in the attitudes, beliefs, and goals of followers" (p. 653). In this regards, Transformational leadership implicates basically changing the goals, values, and ambitions of followers, to facilitate performance as it is in line with their values, as contrasting the hope that they will receive reward in return. These leaders alter perceptions of followers through their behaviors (Piccolo & Colquitt, 2006). According to Bryman (1992), transformational management necessitates both followers and leaders raising each other's sense of purpose and motivation.

In this point of view, Seibert, Wang, Courtright (2011) stated that leaders increase followers' the intrinsic value of performance and confidence, leading to higher motivation levels. Therefore, even though transactional leadership results in expected performance, performance beyond expectations is potentially resulted from transformational leadership. The aspirations and aims of followers and leaders integrate towards this higher purpose. Both followers and leaders are altered in search of goals that define aspirations to help them recognize themselves. Therefore, empirical research found that transformational leadership can positively envisage performance, behaviors and job attitudes of followers (Liao & Chuang 2007; Walumbwa et al., 2004).

Transactional Leadership Style: Behaviors of transactional leader comprise an exchange between the follower and leader, in a way that rewards are provided for the effort of subordinate in return (Bums, 1978). Bass (1985) claims two key types of transactional leadership behavior. Contingent reward behavior is one that is equivalent to positive feedback from the supervisor. Bass (985) calls the other type of transactional leadership "management by exception" and contingent punishment by other individuals. This form of behavior involves various types of negative feedback (for example criticism, correction, and/or other punishment forms), managed by the leader depending on poor performance. The possibility of the punishment makes that a transactional conduct and differentiates it from "arbitrary and punitive behavior" As called by what Kohli (1985).

Considering that, transactional leaders are concerned about a more stable environment with slight competition (Tichy & Devanna, 1986). In a stable atmosphere, transactional leaders administer the things they discover and ignore what much as they found them once they go forward. Nevertheless, the present competitive setting necessitates a new leadership style to guarantee the performance and survival of organization, i.e. transformational leadership. Similarly, transactional leaders was described by Zaleznik (1977) as individuals who manage followers by setting goals, allocating tasks, and doing tasks by punishing non-performers and rewarding performers. Transactional leaders please their followers by recognizing the desires of their followers (Wegner, 2004).

1.3 Leadership Styles and Job Performance

Precisely, performance competition, reduces returns, and causes the creative annihilation of present capabilities (Santora et al., 1999). Effective styles of leadership can contribute to the enhancement of performance when new challenges arise (McGrath & MacMillan, 2000). Moreover, recognizing the leadership's effects on performance is essential as some researchers view leadership as a main motivating force for enhancing job performance. Thus, it has been empirically shown that transformational leadership is positively linked to perceptions, attitude and job performance of the leader (Zhu et al., 2005). Transformational leaders have formed a clear image of the future and affected others to implement and share the image despite the resisting and restraining conditions. According to Bass (1985), transformational leadership is associated with alleged effectiveness of the unit and positively influences other outcomes of the organization. Four constituents of transformational leadership are as follows: (1) Customized consideration, signified by the leaders who taken into account every person's need for success and development by performing as a coach (2) Intellectual stimulation, offered to the leaders who

encouraged followers to search for new methods to approach challenges and problems (3) Inspirational motivation, signified by the leaders who offered meaning, stimulating to the work of their followers to encourage and to persuade their subordinates (4) Idealized influence, considered by the leaders who were trusted, respected and admired. The leaders performed as a role model, acted in a way corresponding to expressed ethics, values and principles, and shared risk with sales individuals. Therefore, transformational leadership was positively associated with leader's performance.

In contrast, transactional leadership recognizes particular expectations of the leader and offers rewards in return for performance of the leader and unambiguously planned to express clearly and recompense in-role performance. Two factors identified by Bass (1985) as constituting transactional leadership are (1) Management by Exception and (2) Contingent Reward. The transactional leaders used rewards in form of recognition and praise, promotions, merit increases, honors, or bonuses (Bass, 1985). Such contingent reward behavior ultimately will improve job performance of the followers. Performance of leader is founded on an assessment of behavior of leader and outcome contributed to objectives of organization, achievement of the goals recognized by the organization and the suitability of the followers' interpersonal behaviors linked to the organization's norms.

A primary principle of "full range" model of leadership is that transformational and transactional leaderships are not regarded as the continuums opposite ends (Avolio & Bass, 1991). The same leader can exhibit both full ranges of behaviors. Followers are encouraged to dedicate additional effort on job performance based on the transformational leadership. Howell and Avolio (1993) revealed associations between performance outcomes and transformational style of leadership. Moreover, the study proposed that the application of training programs to grow the skills of transactional and transformational leadership would improve job performance of the leader and performance of the organization.

2. Conclusion and Research Implications

This study aimed to inspect the association between job performance and leadership styles among educational leaders in institutions of higher education. It is asserted that leadership styles can assist in the development of leadership capability of both leaders and enhance their performance and commitment. Moreover, preceding researchers have concentrated on a partial variety of leadership styles (e.g. transformational and transactional) (Bass, 1985). Though Bass (1985) argued that transformational or visionary leadership is nearly more effective compared with transactional leadership at all times, other scholars claimed that no single style of leadership is the most effective one (Lim & Ployhart, 2004). As an alternative, a leader should take on the style of leadership that fits the setting in which the followers and leadership interact. Yet, the majority of preceding empirical research on the leadership's effects on performance that studied the relation between performance and leadership styles reported a positive relationship. No study has clarified the nature of this relation yet or why and how leadership has influence on performance. Forthcoming research should deal with this deficiency.

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