



I'm not a robot!

Advantages and disadvantages of transformational leadership style

Transformational leadership is a management style that entails close collaboration between you, as a business owner, and your employees in order to identify and execute change. Utilised heavily in progressive startups – especially in tech hubs such as Silicon Valley – It can be a driving force for growth and success, especially if you recruit well and build a positive company culture. However, as with all leadership styles, it doesn't necessarily mean that it will work everywhere. There are numerous pros and cons to adopting such an approach, and what may work well for the likes of Google, Apple and Netflix may not be such an effective fit for your organisation. To illustrate this point, and to help identify if it would be a fruitful endeavour for your organisation, we've compiled a list of the various benefits and drawbacks. Here are the main advantages and disadvantages of transformational leadership. What Is Transformational Leadership? Initially conceptualised by political scientist James MacGregor Burns, transformational leadership requires you to adopt a motivational management approach, with employees feeding on your example and personality. It contrasts directly with transactional leadership, which instead focuses on supervision, performance and organisation, utilising discipline and incentives to drive performance. Transactional leaders also tend to focus on day-to-day operations, as opposed to strategically guiding their organisation to a higher market position in the long term. Some examples of transformational leadership include: Aligning the identity and interests of the company with those of your employees Determining shared goals and objectives Identifying areas for change and creating a corresponding vision Challenging followers to take ownership Giving employees autonomy over their roles and responsibilities among others The Advantages and Disadvantages of Transformational Leadership As mentioned, this particular method has its pros and cons, as outlined below: Advantages It Keeps the Company Open, Honest and Ethical Honesty and integrity are core values for transformational leaders; they are ethically-driven with a tight focus on values, authenticity and transparency. Unlike transactional leaders, who tend to focus on completing a task without seeing why it's essential, transformational leaders remain focused on doing the right thing in the right way. By employing this management style, you are encouraging employees to remain focused on the task at hand, while always acting in the best interests of the company and its wider communities. It Reduces Turnover Costs High turnover costs are often consuming, frustrating and costly. They can also result in a loss of productivity amongst current employees, as well as incur a long-lasting cultural impact. Transformational leadership has the potential to combat this trend by making employees feel more engaged and included in the organisation. Transformational leaders are often charismatic figures, too, which makes people feel valued and respected – a key driver of morale and retention in any workplace. It Encourages Change For a business to evolve, it must be willing to adapt, improve and expand over time, and adopting a transformational leadership style is ideal for bringing others on board when introducing a vision. Through their passion, they can sell the changes, improvements or expansions needed, while they are also good at recognising gaps or issues in the process of a vision, enabling them to make adjustments accordingly. Indeed, by embracing change yourself, you encourage others to want to make those changes, too. When properly implemented, this process allows all members of the organisation to adopt a new vision and constantly aspire towards achieving their potential. It's an Effective Form of Leadership It's no coincidence that those companies mentioned earlier – Google, Apple and Netflix – are among the most successful in the world; after all, countless studies have found that transformational leadership is one of the most effective management styles.

Transformational vs. Transactional Leadership

Transformational leadership

- Inspires followers to go beyond self-interest and act for the good of the organization
- Leaders are described as influential, inspirational, and charismatic
- Serves to change the status quo by articulating to followers the problems in the current system and a compelling vision of what a new organization could be
- Creates significant change in both followers and organizations
- Creates and shares knowledge at the individual and group levels
- Emphasize the importance of group values and focus on collective interests

Transactional leadership

- Caters to the self-interest self of followers by rewarding specific behaviors and performance that meets with the leader's expectations and punishes behavior and performance that does not meet expectations
- Leaders are described as task- and reward-oriented, structure, and passive
- Involves specific contractual arrangements with followers that provides them with benefits that satisfy their needs and desires in exchange for meeting specified objectives or performing certain duties
- Promotes stability
- Exploits knowledge at the organizational level
- Focuses on defining roles and task requirements and giving rewards that are contingent on task fulfillment

Through strong communication and collaboration, transformational leaders inspire their staff, putting challenging goals in place that promote creativity and increase morale. Disadvantages There is Too Much Focus on the Bigger Picture Often, transformational leaders tend to overlook details, preferring instead to focus on the bigger picture. There can also be a tendency to avoid administrative work, meaning that certain protocols or processes can be missed (such as saving receipts from purchases for accounting purposes). Therefore, this type of leadership requires high levels of support from more organised and detail-oriented team members in order to maintain a transactional focus. It Can be Risky and Disruptive Transformational leaders use their charisma to serve as role models for their employees and the organisation at large. They utilise their energy to demonstrate how to achieve goals and accomplish tasks, and they aren't afraid to take risks. However, if you go too far with your risk-taking, then your actions can become detrimental to the team and the organisation. Frequent change can also become disruptive and is, therefore, more likely to produce adverse outcomes if it happens regularly. It Puts Increased Pressure on Team Members One advantage of transactional leadership is that it places all semblance of pressure and accountability on the leader. Transformational leadership, however, distributes accountability across the group. While this gives staff autonomy over their roles and responsibilities, some individuals might find this working style too taxing, leaving them feeling overwhelmed or even in some cases, exploited. It Can Lead to Employee Burnout In a similar vein to the above point, too much weight on your employees' shoulders can cause long-term personnel issues. If high levels of sustained productivity are needed to achieve a particular vision, or there are ambitious deadlines in place, then this can quickly lead to employee burnout.

Transformational Leadership

Advantages	Disadvantages
Lower the turnover cost	Negative leaders-Negative impact
Motivating employees	Put pressure on employees.
Open communication system	Employee burnout
Create an ethical environment	Need continuous communication
Flexible	Need continuous feedbacks
Boost morale	Lose individual focus
Treat employees individually	

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Continual Communication is Needed A transformational leadership style can only be successful if you maintain open lines of communication with team members to transfer the vision of a task. For this to happen, close, regular communication must be maintained, as well as constant feedback and team meetings to keep enthusiasm levels high.



Not only is this exhausting for team leaders, but if employees sense that communication isn't happening, or begin to feel out of the loop, then they may lose interest in their tasks - and therefore their commitment to the vision. --- Transformational leaders have the power to take teams to brand new heights – but there is also always the possibility for things to head in the opposite direction. To motivate your employees and keep them focused on achieving a common goal, you need to be convincing in your role. If followers lose faith in your leadership, or they do not share the vision that you are trying to sell, then, put simply, this leadership style will not succeed. What do you think?



Is transformational leadership the best way forward in the modern business world?



Or are the risks too high? Let us know your opinions in the comment section below.