

Do you know the transformational versus transactional leadership capabilities of your managers – and why does it matter?

One of the attributes of successful managers is that they possess a finely balanced combination of transformational leadership skills and transactional leadership skills. This enables them to drive difficult change effectively (*transform* businesses or teams), and to conduct “business as usual” efficiently (*transact* with their staff and others).

Recently a large Australian organisation of nearly 6000 employees ran a climate survey on all staff and a 360 feedback process on 300 its managers. The results revealed an interesting phenomenon – a supervisor profile strong in transformational leadership but weaker transactional capabilities.

“So what” you say?

The problem is, transformational leadership skills can only be effective in the presence of transactional leadership skills – the latter is a prerequisite for the former. Where transactional leadership skills are not present, transformational leadership skills are a *latent* quality.

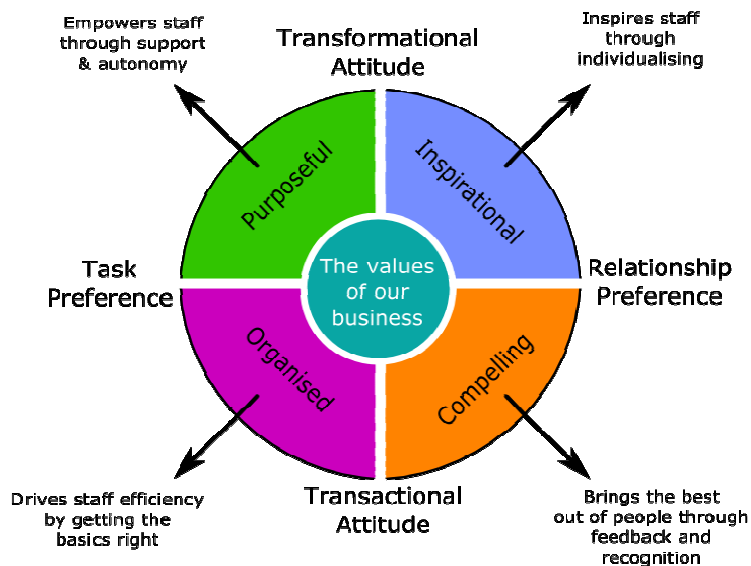
So the results of this survey indicate a management profile that is personable, but not necessarily effective. (Note: “Effective” does not mean “harsh” or bullying. It means possessing the foundation skills expected of managers at any level).

In general terms, transformational capabilities make managers purposeful and inspirational. Transactional capabilities make them organised and compelling (see model).

The diagnostics that measure transformational leadership capabilities vary in content, but typically we would define a transformational leader as someone who:

1. Excels at complex, difficult change.
2. Demonstrates unwavering resolve to produce great long term results.
3. Takes responsibility for poor results and admits mistakes
4. Supports people, especially when things don't go to plan
5. Takes the time to understand a person's individual needs and aspirations
6. Has a genuine interest in helping people to develop themselves
7. Demonstrates humility

On the whole, transformational leaders are viewed more positively and are more successful in their careers. They have also better relationships with their own managers and make more of a contribution to the organisation than do those who are only transactional.



Managers rated high in transformational leadership behaviours are associated with higher perceived levels of purpose, adaptability, involvement and consistency compared to their transactional counterparts.

But none of these positives can be fully realised without transactional leadership skills in the form of:

- An ability to get the management basics right – planning, organising, resourcing, communicating and so on;
- An ability to interact effectively with people – listening, giving constructive feedback, taking criticism and acting on it positively.

You might want to ask:

1. Does your business's leadership framework adequately assess and support both transformational and transactional leadership?
2. How do you rate as a manager on the transformational and transactional leadership scale?
3. How do the managers in your business rate? Are the transformational attributes of some managers losing impact because of a lack of transactional capabilities?