

# Comparison of Transformational Leadership Models and Transactional Leadership Models

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## ABSTRACT

The purpose of this study is to obtain an overview of the application of transformational and transactional leadership in government agencies. And to find out empirical studies related to the comparison of the application of transformational and transactional leadership in government agencies. This study uses a Systematic Literature Review (SLR) research approach, namely conducting the process of identification, evaluation, and interpretation of all available research that is relevant to the formulation of the problem or topic area being studied. The results of the study can be concluded that the application of transformational leadership and transactional leadership in government agencies is a breakthrough and innovation in managing public organizations to achieve organizational goals. This is considered important to provide a more dynamic public organizational climate over time. On the other hand, it should be realized that transformational and transactional leadership each have advantages and disadvantages in their application. In the context of these two leadership styles, what should not be ignored is the influence of situational variables on the implementation of this leadership

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## 1. INTRODUCTION

Leadership is one of the determining factors for the success of an organization in achieving its goals. Leadership has shifted from time to time and is contextual in nature motivated by social, political and cultural developments that prevail at this time. The application of leadership is inseparable from the situational approach with the principle that there is no one leadership style that is best and universally applicable to all situations, organizations and environments. In other words, the selection of leadership styles in an organization can be dynamic and can also make shifts that are influenced by the existence of situational variable factors. On the other hand, the role of leaders is very large to support or realize between expectations and reality in the success of an organization or company to achieve goals (Wen, 2022).

A leader must have a strong leadership character in leading, where leadership can realize the ability to influence subordinates towards achievement for organizational goals (Robbins & Judge, 2019). Lately, it has often been discussed related to two leadership styles that are of concern to researchers, namely transformational leadership and transactional leadership (Armansyah, 2020). Transformational leadership is a leadership model by clearly communicating the intent of the organization's vision and goals, so that subordinates are able to identify and have a tendency to produce a strong influence on their subordinates. Leaders can also motivate subordinates and stimulate creativity to work better to achieve organizational goals. As a result, followers of

transformational leaders will feel trust, admiration, loyalty, and respect for their leaders, and motivated to do more than is expected of them (Bass dalam Armansyah, 2020).

For transactional leadership, it is a dynamic in the exchange between leaders and subordinates, and the leader monitors the development of subordinates to identify the rewards that will be given by subordinates. Transformational leadership can encourage others to grow and exceed expected standards (Bass dalam Armansyah, 2020). Transactional leadership is closely related to Goals Setting Theory, where a leader provides direction and goals in an organization by providing applicable rewards and punishments so that employees are motivated to complete their work (Rahmawati & Adiyatama, 2023).

In public leadership in government agencies, for example in the Regional Ranking Work Unit (SKPD), transformational leadership or transactional leadership can also be applied in the hope that the performance of the government agency has performance in public services. Research related to transformational leadership and transactional leadership has been done by many previous researchers. In the research conducted by Sarmawa (2020), explained that public and private institutions need leadership, either transactional or transformational, based on employee competence in terms of innovation and creativity to achieve the tasks of the institution. It was further explained that DAAM's efforts to explore transformational and transactional leadership styles have an impact on employee performance.

Research Novitasari et al., (2021), in his research, he concluded that transactional and transformational leadership has a positive influence on innovation performance. This study proposes a model to improve employee performance through improving leadership practices in increasing employee readiness to face the era of more sophisticated information technology developments from year to year. Research conducted by Karmila (2021), In his research, it is proven that transformational leadership makes a real contribution to employee job satisfaction, as well as transactional leadership makes a significant contribution to employee job satisfaction. Research Elviani & Adnyana (2023), It also proves that the contribution of transactional and transformational leadership has an impact on improving employee performance in public institutions.

Based on empirical studies on previous researchers, it can be concluded that transactional and transformational leadership has an impact on employee satisfaction and performance in an organization. On the other hand, the study of transactional and transformational leadership in public institutions still has limitations in in-depth studies. Previous research has discussed the relationship and influence between variables, while studies related to transactional and transformational leadership processes in public institutions are still minimal.

There are limitations in the previous research, so the latest in this study lies in the transactional and transformational leadership research reviewed in the implementation process. This leadership process study is important to be carried out with the aim of finding out the stages of the process of implementing transactional and transformational leadership in a public organization. Thus, a leader in public institutions in carrying out transactional or transformational leadership to improve agency performance to be better and have competitiveness with other agencies. Leaders are also expected to be able to collaborate transactional leadership with transformational leadership in managing human resources in their agencies. The purpose of this study is to get an overview of the application of transformational and transactional leadership in government agencies. And to find out empirical studies related to the comparative application of transformational and transactional leadership in government agencies

## 2. RESEARCH METHOD

This study uses the Systematic Literature Review (SLR) research approach, which is to carry out the process of identifying, evaluating, and interpreting all relevant research availability to the formulation of the problem or topic area being researched (Calderon & Ruiz, 2015). The purpose of this SLR research is to examine more deeply the application of transformational leadership and transactional leadership in government agencies.

The type of data in this study uses a type of qualitative data sourced from the results of previous research that has relevance to the theme of this research. The data source of this study is more oriented to secondary resources that have been processed by previous researchers and re-interpreted by combining several arguments, data and relevant facts. The collection of Systematic

Literature Review (SLR) research data is carried out in two ways, namely: documentation and literature study by conducting a review of literature sourced from articles in <https://www.mendeley.com>.

### 3. RESULTS AND DISCUSSIONS

#### **Transformational Leadership Concept**

In essence, transformational leadership can be applied to any agency, both for government and private agencies by paying attention to the conditional factors owned by the agency. On the other hand, studies related to transformational leadership have been carried out by several previous researchers, where transformational leadership makes a positive contribution to improving employee performance (Lakahing & Widodo, 2020; Putra, 2021; Sarmawa, 2020). Transformational leadership also has an impact on increasing work motivation, organizational citizenship behavior (OCB), organizational commitment and organizational culture (Aqsa, 2021; Putri & Sentoso, 2022; Sariwati et al., 2019; Tandelilin & Widyadana, 2023).

Transformational leadership at this time is considered appropriate to be applied in the disruptive era, which at this time is experiencing such a rapid shift from the development of information technology. According to Jamil Azzaini, who is the CEO of Kubik Leadership, explained that the right type of leadership to be implemented in the current conditions that are experiencing rapid changes in information technology is transformational leadership. In a disruptive era that is always changing so quickly, leaders are needed for change. Leaders must provide examples and examples for their subordinates and provide motivation to increase their subordinates' work commitment.

#### **Transactional Leadership Concept**

Transactional leadership is better known as managerial leadership that focuses on the role of supervision, organization, and team performance. Transactional leadership is a leadership style that encourages obedience to its followers by applying rewards and punishments in carrying out their activities. This leadership is different from transformational leadership, where leaders with a transactional approach have short-term goals and are not oriented to change the future. Leaders only pay attention to the work of their followers by minimizing mistakes and irregularities in their work. This leadership is considered effective for crisis and emergency conditions and situations (James & Ogbonna, 2013).

#### **Comparison of Transformational and Transactional Leadership**

Based on the results of research conducted by James & Ogbonna (2013) (James & Ogbonna, 2013) explained that transformational and transactional leaders have a difference, where transformational leaders are leaders who involve themselves with their subordinates and are focused on the needs of the organization, and have the potential to increase awareness of certain results and new ways of achieving work results. Meanwhile, transactional leaders are leaders who can provide real rewards for the work and loyalty of subordinates in carrying out their duties. Transactional leaders are more passive in providing motivation and more evaluation, while transformational leaders show active behavior and provide motivation for their subordinates. On the other hand, in government agencies, it is necessary to conduct an in-depth study in developing, adapting, and applying these two leadership styles.

This is based on the fact that these two leadership styles have their own advantages and disadvantages. Transactional leadership, while the best approach to maximizing operational efficiency, can fail in the areas of innovation, long-term strategy creation, and employee development. While transformational leadership, while best for creating strategies and driving organizational change, transformational leadership sometimes lacks attention to detail, as these leaders care less about workflows and day-to-day processes. This leadership also relies on the type of leader who can maintain a lot of motivation and enthusiasm for a long period of time.

#### 4. CONCLUSION

The application of transformational leadership and transactional leadership in government agencies is a breakthrough and innovation in managing public organizations to achieve organizational goals. This is considered important to provide a more dynamic public organization climate from time to time. On the other hand, it is necessary to realize that transformational and transactional leadership each have advantages and disadvantages in their application. In the context of these two leadership styles, what should not be ignored is the influence of situational variables on the implementation of leadership. This situational variable has an important role in the success of the two leadership positions and the situational variable that occurs between one agency and another will be in different situations. From the analysis of the advantages and disadvantages of these two leadership models, it is clear that more case studies are needed to examine the impact of the implementation of the leadership model which can later be known as effective and efficient leadership by paying attention to the situational variable factors of each research object.

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