

Transformational And Transactional Leaders In Higher Education

Lloyd Moman Basham*

The purpose of the study was primarily concerned with exploring the major issues that are confronting presidents of higher education and determining if transformational or transactional leadership practices and concepts are warranted in addressing their issues. The study attempted to determine if presidents or institutions of higher education are taking the path to success and if they take charge with a transformational or transactional leadership style.

Field of Research: Management

1. Introduction

This study is concerned with the traits and characteristics of presidents of institutions of higher education who are considered transformational and transactional leaders. The study adds current data to the published and perceived characterization of leaders in higher education and their approaches to changing the learning environment at their institutions. This study addresses the significance and current widespread appeal of transformational leadership and its practical application to higher education. But, equally importantly, it profiles the group and individual qualities that are necessary for individuals to have as their acumen in order to introduce a climate of change utilizing transformational and/or transactional leadership.

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The following research questions provided foundation data for this study and for decision makers of higher education as they seek to improve the environment for institutions of higher education.

1. What are the major issues confronting college presidents?
2. Are the major issues confronting college presidents susceptible to transformational leadership practices and concepts?
3. Are the major issues confronting college presidents susceptible to transactional leadership practices and concepts?

This study seeks to identify those processes that begin with the higher institution's presidents and their willingness to embrace transformation and transactional leadership practices. It seeks to identify what combinations of leadership applications present an environment for change and transition. The study consists of five sections. Section 1 provides an introduction to the study.

*Lloyd Moman Basham, College of Business, Texas A&M University-Commerce
Email: Lloyd_Basham@tamu-commerce.edu

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Section 2 is a review of the literature with an emphasis on transformational and transactional leadership, and Chapter 3 explains the method of procedure and research design. Section 4 presents the discussion of the findings. Conclusion and limitations of the study are included in section 5.

2. Literature Review

The growing consensus among educators and policy-makers is that the current process of education must change dramatically. A different approach is needed to prepare today's leaders to meet tomorrow's challenges. The new structure should enhance preparation, allowing for innovation and futuristic thinking in a collaborative setting (Rodriguez, 1999).

Americans, at all levels, have had great faith in the power of education to improve their quality of life. Education has been viewed as an escape route from poverty, an antidote to intolerance born of ignorance, a primary source of national prosperity, and the foundation of democracy (Swail, 2003). Scientific and technological advances have intensified in the past two decades and for the first time in human history created a truly global community. Modern telecommunications have linked all the corners of the planet as never before. Like the technology that helped create the emerging worldwide marketplace, the global community is in a dynamic period of change. Business communications, capital and financial services, research, and educational programs increasingly move across national borders. The pace of change will accelerate, and the urgent need for highly educated men and women who possess competence, perspective, human values, and political courage will increase (New England Board of Higher Education, 1991).

The current prevailing view of management theory is that highly centralized management is generally ineffective and inefficient in the face of rapidly changing environments, such as those faced by organizations in the "knowledge industry." Rather, those closest to the market and production processes are likely to have the best information and ideas about what directions to take or changes to make and how to do this in a timely fashion. Their efforts can be usefully guided by budget discipline, that is an overall spending target, and by indicators of movement toward desired results. But such indicators should be oriented toward measuring total spending and its results (outcomes), rather than toward counting how many of a particular input are used or how resources are deployed by the units, (e.g. colleges and departments), who are nearest to the market and the productive process (Feinberg, 2005). A possible environment created by the transformational leader as president of the institution.

The president, as the chief executive officer of an institution of higher education, is measured largely by his or her capacity for institutional leadership. The president shares responsibility for the definition and attainment of goals, for administrative action, and for operating the communications system which links the components of the academic community. The president represents the institution to its many publics. The

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president's leadership role is supported by delegated authority from the board and faculty. This degree level of delegation is the key element for establishing leadership (Crawford, 2003).

As the chief planning officer of an institution, the president has a special obligation to innovate and initiate. The degree to which a president can envision new horizons for the institution, and can persuade others to see them and to work toward them, will often constitute the chief measure of the president's administration (Leithwood, 1992).

The president is expected, with or without support, to infuse new life into an institution. The president may at times be required, working within the concept of tenure, to solve problems of obsolescence. The president will necessarily utilize the judgments of faculty but may also, in the interest of academic standards, seek outside evaluations by scholars of acknowledged competence (Leithwood, 1992).

It becomes the duty of the president to insure that the standards and procedures in operational use within the college or university conform to the policy established by the governing board and to the standards of sound academic practice. Also incumbent on the president is ensuring that faculty views, including dissenting views, are presented to the board in those areas and on those issues where responsibilities are shared. Similarly, the faculty should be informed of the views of the board and the administration on like issues (Leithwood, 1992).

The president is largely responsible for the maintenance of existing institutional resources and the creation of new resources, has ultimate managerial responsibility for a large area of non-academic activities, is responsible for public understanding, and, by the nature of the office, is the chief person who speaks for the institution. In these areas and others, the president's work is to plan, organize, direct, and represent. Transactional presidents perform these functions of management. At the same time they focus on keeping the institution running smoothly and efficiently. In contrast, the transformational president will also perform these functions with empowered and authoritative delegated teams while being visionary and concerned about charting a mission and direction. Thus, the president's position, by its responsibilities, is the key strategic source within a higher education institution from which leadership, and more specifically, transformational leadership should originate (Leithwood, 1992).

Higher education is at a crossroads where it must redefine its mission accompanied with measurement standards as to how it is going to meet the needs and obligations to citizens demanding higher education in the 21st century. Higher education should take into account the impact of globalization/internationalization, the development of information and advance communicative technologies, the rapid change in demand in employment, and the critical need for highly qualified educators who have practical experience in their discipline. As higher education continues to realize enrollment expansion, educators, state governments, and business should begin working in a partnership atmosphere (Alexander, 2000). This might begin with transformational

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leaders as presidents of institutions of higher education who comprehend the situation and provide visions of the changes and directions that will be necessary to achieve this atmosphere.

Overview of Leadership and Its Application to Education

Historically, organizations have been viewed as learning systems in which success depends on the ability of leaders to become direction-givers and on the organization's capacity for continuously learning (Garret, 1987). Transformational leaders tend to have the attributes to learn across their specialist discipline. Transactional leaders are usually at the top of their functional specialty and have limited perspective to see that change is needed and what the consequences may be for continuing the same practices (Bass, 2003).

Elements of quality leadership are existent within every functional activity with representatives serving in any capacity that can influence change. Quality leadership is demonstrated if effective results are recognized and realized. Traits that define effective leadership are included in either a category of group or individual. Group traits include collaboration, shared purpose, disagreement with respect, division of labor, and a learning environment. Individual traits include self-knowledge, authenticity/integrity, commitment, empathy/understanding of others, and competence (Astin & Astin, 2000). (See Table 1)

Table 1: *What is Effective Leadership?*

Group Qualities	Individual Qualities
Shared purpose—reflects the shared aims and values of the group's members; can take time to achieve.	Commitment—the passion, intensity, and persistence that supplies energy, motivates individuals, and drives group effort.
Collaboration—an approach that empowers individuals, engenders trust, and capitalizes on diverse talents.	Empathy—the capacity to put oneself in another's place; requires the cultivation and use of listening skills.
Division of labor—requires each member of the group to make a significant contribution to the overall effort.	Competence—the knowledge, skill, and technical expertise required for successful completion of the transformation effort.
Disagreement with respect—recognizes that disagreements are inevitable and should be handled in an atmosphere of mutual trust.	Authenticity—consistency between one's actions and one's most deeply felt values and beliefs.
A learning environment—allows members to see the group as a place where they can learn and acquire skills.	Self-knowledge—awareness of the beliefs, values, attitudes, and emotions that motivate one to seek change.

Source: Astin & Astin, (2000)

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Note. From "Leadership Reconsidered: Engaging Higher Education in Social Change," by A.W. Astin and Helen S. Astin, 2000, Non-Published Report, Chapter II, p. 10-15. Copyright 2000 by W. K. Kellogg Foundation. Adapted with permission.

Transformational Leadership

Transformational leadership is the current focus of concepts relating to organizational leadership. These concepts are based on vision statements that provide the directional path for the organization. In addition, the vision statement should be supplemented with a mission statement that energizes and inspires all members of the organization as they pursue obtainable organizational objectives. The vision and mission statements establish the long term goals of the organization and are the basis for the organization's strategy and identification of methods for implementation of the strategy.

Transformational leaders who develop and communicate a vision and a sense of strategy are those who "find clear and workable ways to overcome obstacles, are concerned about the qualities of the services their organization provide, and inspire other members to do likewise" (Swail, 2003, p.14). Transformational leaders encourage development and change.

Historical definitions of transformational leaders have depicted the leaders as heroes, with accompanying charismatic personalities expressing and promoting a mission of major organizational change. Heightened scholarly attention surfaced in the 1990s addressing the merits and theories of transformational leadership. This increased interest by society in transformational leadership was driven by two major undercurrents. The first was the evolution of cynicism and disillusionment with the very idea of leadership and the changing climates of opinion endorsing various versions or types of leadership. The second was the constantly changing leadership styles that were the "order of the day" as attempts to adapt to the wider cultural and economic shifts and development occurring in society. Therefore, interest and research in transformational leadership began to boom (Bass & Avolio, 1993). The transformational leader is still a long way from being the leader for every situation and, as a result, few empirically documented case examples of capturing the transformational leaders' acumen exist.

Transformational leadership is value driven. The leader sets high standards and purposes for followers, engaging them through inspiration, exemplary practice, collaboration, and trust. Transformation leadership aims at responding to change quickly and at bringing out the best in people. Such leadership is change-oriented and central to the development and survival of organizations in times of environmental turmoil, when it is necessary to make strategic changes to deal with both major threats and opportunities. It derives its power from shared principles, norms, and values. Leaders who encourage and support transformation share power are willing to learn from others, pay specific attention to intellectual stimulation, and equate the individual's

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need for achievement and growth (Ramsden, 1998; Caldwell & Spinks, 1999; Bass & Avolio, 1993).

The transformational leader may be needed in the scholarly community (Bass & Avolio, 1990; Leithwood, 1992, Sergiovanni, 1990; Silins, 1994). A key factor is the introduction of entrepreneurialism to the public sector. This is due to higher education institutions attempting to adapt to the economic and organizational shifts in their environment. The last two decades declining support for higher education from its traditional sources of funding emphasizes this point. As a result, major short term goals have been established, and day-to-day focus has shifted to an environment of institution marketing or business development, and the focus is not on students.

Transformational leadership is essential within higher education so that adaptation can be completed to meet the constantly changing economic and academic environment. Leaders who encourage and support transformation leadership share power, are willing to learn from others, and are sensitive to each team member's needs for achievement and growth (Gous, 2003).

Transactional Leadership

Transactional leadership is centered on exchanges and based on two factors: contingent rewards and management by exception. Contingent rewards are the exchanges between leaders and subordinates in which effort by subordinates is exchanged for specific rewards, such as salary and benefits, bonuses, or other incentives. A job description, which becomes the understanding of the leader and subordinates, states the job to be executed and what benefits the employee will receive in the performance of the duties of that job. The other factor that is prevalent, management by exception, is the oversight that involves corrective criticism, negative feedback, and negative reinforcement. The common method is applying the evaluation of the job performance with the stated proposed corrective performance that is presented as the solution, the prevention of an occurrence of something not wanted, or desired different actions in the performance of the job (Connor, 2004).

Transactional leaders control by their interest in and need for output, and utilize this output to maintain the status quo. Transactional leaders demonstrate a passive style when utilizing management by exception with their interface with employees or subordinates. This passivity is present when employees do not receive recognition for their positive contributions to the organization but instead become the focal point of attention when errors/disconnects occur or when a problem presents itself. Transactional leaders provide clear goals and objectives with a short term scope or application and do not have a major interest in changing the environment or culture except when or where problems occur. The relationship that develops between the transactional leader and the subordinate is primarily an unwritten agreement that the purpose of the follower is to carry out the wishes of the leader (Burns, 1978). Transactional leaders outline very specifically and clearly what is required and expected

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from their subordinates. This type of leader and their subordinates usually share a common understanding of the goals and expectations. The environment is highly structured with an emphasis on managerial authority. This creates a climate of non-creativity and lack of creative expansion of the organization due to the assumption that people are largely motivated by simple rewards for specific job performance. In many cases this results in lack of improvement in job satisfaction. The major disadvantage of utilizing this model is that it does not take into account people's desire for self-actualization (Dollak, 2008).

Comparison of Transactional and Transformational Leadership

To some degree – and as alluded to earlier – transactional leadership might be characterized as a leadership of the status quo. Leaders draw authority from established power relationships. Transformational leadership by contrast is a leadership of change – change within leaders themselves, within their subordinates, and within the organization of which they are a part.

Transactional leaders provide subordinates with something they want in return for something the leader seeks. To be effective, a transactional leader must be able to realize and respond to subordinates' changing needs and wants. Kuhnert and Lewis (1987), as cited in Carlson and Perrewe, (1995) suggest that there are two levels of exchange: lower order and higher order. The former is based on the exchange of material goods and privileges, such as performance-based pay bonuses and paid access to airline lounges for business travelers. The latter are less common and maintain follower performance through exchanges of trust, loyalty, and respect.

Transformational leadership draws from deeply held personal value systems. Transformational leaders bring followers together to pursue collective ambitions by expressing and disseminating their personal standards. While transactional leadership can most certainly bring about constructive outcomes within an organization, transformational leadership is held to promote performance beyond expectations by drawing from charisma, consideration, motivation, and stimulation (Carlson & Perrewe, 1995).

This current study highlights the identity of effective leadership in higher education by applying a matrix of group qualities and individual qualities to an expert panel of leaders in higher education. A Delphi study was used to obtain consensus and to determine if leadership utilized, either transformational or transactional or both, has in fact been effective or can be effective. (See Table 1).

3. Methodology and Research Design

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This Delphi study was designed to determine the expressed acumen, traits, and characteristics common to the expert panel, who may be considered transformational or transactional leaders and are presidents of institutions of higher education. A three - round Delphi technique of inquiry was used to survey a panel of presidents of higher education institutions who may be considered transformational or transactional.

The communication channels were postal service, email, and telephone. The instrument was questionnaires that require numerical forced ranking of statements. The instrument was tested by obtaining the forced ranking from the expert panel. Questionnaires had formulated inquiries as to the building of relationships reflecting the interactive, mutual, and shared nature of transforming leader behaviors. Questionnaires were structured for anonymity, and communication to the expert panel was by mail.

The participants (i.e. experts) consisted of a panel of individuals with an anticipation of an acceptance rate of 35 to 75%, with a goal to obtain a concluding participating panel corresponding with Clayton's (1997) rule of thumb that 15-30 people are an adequate panel size.

Population

The population was presidents of accredited higher education institutions in the United States as listed in the 2007 Higher Education Directory®, the 25th anniversary edition as published by Higher Education Publications, Inc. This is a directory of accredited postsecondary, degree-granting institutions in the United States recognized as accrediting bodies by the U.S. Secretary of Education and by the Council for Higher Education Accreditation. This directory includes both public and private higher education institutions.

The names of presidents associated with these institutions of higher education who were selected as expert panel members came from this directory. An institution was chosen utilizing a random numbering selection criterion from the Random Number Generator in Excel™ software. The president listed as associated with this random selected institution became the targeted prospective expert panel member.

The summary results of the three invitations were a total of 300 offerings with an expert panel of 52. This represented a 17% positive acceptance from the total offerings. This

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expert panel of 52 members was deemed adequate based on the anticipated attrition rate of 35 to 70%, which would result in a goal to obtain a concluding participating panel corresponding with Clayton's (1997) rule of thumb that 15-30 people are an adequate panel size. Each member was assigned a unique number for researcher accounting and tabulation responses. This unique number was used throughout all three of the rounds of ranking which allowed for ease in the summarization of data.

4. Discussion of Findings

Final ratings resulted in 25 (61%) of the indicators receiving a median rating of 6 or less, indicating that the panelists agreed or strongly agreed the indicator was applicable, and 23 indicators (56%) reached a level of statistical consensus with an IQR of 2 or less. Indicators reaching the highest and strongest level of consensus were 8 representing 20% of the total indicators.

5. Conclusion and limitation

Based on the findings of this study, the following conclusions were drawn:

- The climate and relationships with an atmosphere and environment of both transactional and transformational leadership within higher education requires further research.
- The distinction between transactional and transformational leadership practices and concepts in higher education may not be as clear as traditionally believed.
- University presidents recognize the critical need for devoting time in providing all stakeholders of their higher education institution with a vision, purpose, and with values that result in a clear and consistent direction.
- University presidents recognize that establishing an environment of excellence in the performance of their institution for higher education inspires trust in their leadership as well as energizes the complete organization including faculty, staff, and students.
- University presidents realize that their major challenge in introducing change at their institutions of higher education is the traditional and historical structures of culture with its accompanying policies and procedures.
- Both transactional and transformational leadership practices and concepts will have to be applied at an institution of higher education to ensure change due to the reluctance of tenured faculty and staff to consider changes due to personal impact.
- The situation and environment of reduction in state and/or government funding to higher education will require critical application of transactional and transformational leadership practices and concepts to ensure that an institution of higher education succeeds in its purpose of learning.

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- For an institution of higher education to be successful, its president must have the individual quality of commitment demonstrated with passion, intensity, and persistence which will supply the energy to momentum, and motivate and stimulate the stakeholders to strive toward a group effort.
- A university president's competency in knowledge, leadership skills, and technical expertise is necessary to ensure the successful completion of a transformational effort.
- The attribute of authenticity must reside within the university president's acumen so that there is consistency between his/her actions and most deeply felt values and beliefs.

The following limitations pertain to this study:

1. Research did not include management theory, as presented in business colleges by educators or by management practitioners or theorists, prior to 1965.
2. Restrictive boundaries were placed by the researcher on phenomena relating to institutions of higher education whose purpose is the development of technical skills, commonly referred to as technical schools, even though many of these have now become accredited and offer both bachelor and master's degrees.
3. Restrictive boundaries were placed by the researcher on training schools developed by corporate America whose programs may have become accredited to offer degrees.
4. The selection of the Delphi method in itself imposed limitations relating to the kind of communication process that was utilized. A major challenge included the selection of the people with expertise in the problem and where they might be located.

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