

# Transformational, Visionary, and Charismatic Leadership

by Sophia



## WHAT'S COVERED

In this lesson, you will learn to identify the characteristics of transactional, transformational, and charismatic leadership. Specifically, this lesson will cover:

## 1. Leadership Styles

Many organizations struggling with the need to manage chaos, to undergo a culture change, to empower organizational members, and to restructure have looked for answers in “hiring the right leader.” Many have come to believe that the transformational, visionary, and charismatic leader represents the style of leadership needed to move organizations through chaos.

### 1a. Transactional Leadership Style

Leaders who subscribe to the notion that “if it ain’t broke, don’t fix it” are often described as transactional leaders. They are extremely task-oriented and instrumental in their approach, frequently looking for incentives that will induce their followers into a desired course of action (Yukl, 1981). These reciprocal exchanges take place in the context of a mutually interdependent relationship between the leader and the follower, frequently resulting in interpersonal bonding (Kellerman, 1984). The transactional leader moves a group toward task accomplishment by initiating structure and by offering an incentive in exchange for desired behaviors.

### 1b. Transformational & Visionary Leadership Styles

The **transformational leader**, on the other hand, moves and changes (fixes) things “in a big way”! Unlike transactional leaders, they don’t cause change by offering inducements. Instead, they inspire others to action through their personal values, vision, passion, and belief in and commitment to the mission (Burns, 1978). Through charisma (idealized influence), individualized consideration (a focus on the development of the follower), intellectual stimulation (questioning assumptions and challenging the status quo), and/or inspirational motivation (articulating an appealing vision), transformational leaders move others to follow.

The transformational leader is also referred to as a visionary leader. **Visionary leaders** are those who influence others through an emotional and/or intellectual attraction to the leader’s dreams of what “can be.” Vision links a present and future state, energizes and generates commitment, provides meaning for action, and serves as a standard against which to assess performance (Daft, 2018). Evidence indicates that vision is positively related to follower attitudes and performance (Baum et al., 1998; Howell & Frost, 1989). As pointed

out by Warren Bennis, a vision is effective only to the extent that the leader can communicate it in such a way that others come to internalize it as their own (Bennis, 1989).

As people, transformational leaders are engaging. They are characterized by extroversion, agreeableness, and openness to experience (Judge & Bono, 2000). They energize others. They increase followers' awareness of the importance of the designated outcome (Pillai et al., 1999). They motivate individuals to transcend their own self-interest for the benefit of the team and inspire organizational members to self-manage (become self-leaders) (Manz & Sims, 1987). Transformational leaders move people to focus on higher-order needs (self-esteem and self-actualization). When organizations face a turbulent environment, intense competition, products that may die early, and the need to move fast, managers cannot rely solely on organizational structure to guide organizational activity. In these situations, transformational leadership can motivate followers to be fully engaged and inspired, to internalize the goals and values of the organization, and to move forward with dogged determination!

Transformational leadership is positively related to follower satisfaction, performance, and acts of citizenship. These effects result from the fact that transformational leader behaviors elicit trust and perceptions of procedural justice, which in turn favorably impact follower satisfaction and performance (Pillai et al., 1999). As R. Pillai, C. Schriesheim, and E. Williams note, "when followers perceive that they can influence the outcomes of decisions that are important to them and that they are participants in an equitable relationship with their leader, their perceptions of procedural justice [and trust] are likely to be enhanced" (Pillai et al., 1999). Trust and experiences of organizational justice promote leader effectiveness, follower satisfaction, motivation, performance, and citizenship behaviors.



#### TERMS TO KNOW

##### **Transformational Leader**

A leader who moves and changes things "in a big way" by inspiring others to perform the extraordinary.

##### **Visionary Leader**

A leader who influences others through an emotional and/or intellectual attraction to the leader's dreams of what "can be."

## **1c. Charismatic Leadership Style**

Ronald Reagan, Jesse Jackson, and Queen Elizabeth I have something in common with Martin Luther King Jr., Indira Gandhi, and Winston Churchill. The effectiveness of these leaders originates in part in their **charisma**, a special magnetic charm and appeal that arouses loyalty and enthusiasm. Each exerted considerable personal influence to bring about major events.

It is difficult to differentiate the charismatic and the transformational leader. True transformational leaders may achieve their results through the magnetism of their personality. In this case, the two types of leaders are essentially one and the same, yet it is important to note that not all transformational leaders have a personal "aura."

Sociologist Max Weber evidenced an interest in charismatic leadership in the 1920s, calling **charismatic leaders** people who possess legitimate power that arises from "exceptional sanctity, heroism, or exemplary character" (Eisenstadt, 1968). Charismatic leaders "single-handedly" effect changes even in very large organizations. Their personality is a powerful force, and the relationship that they forge with their followers is extremely strong.

The charismatic leadership phenomenon involves a complex interplay between the attributes of the leader and followers' needs, values, beliefs, and perceptions (Conger & Kanungo, 1987). At its extreme, leader-

follower relationships are characterized by followers' unquestioning acceptance; trust in the leader's beliefs; affection; willing obedience to, emulation of, and identification with the leader; emotional involvement with his or her mission; and feelings of self-efficacy directed toward the leader's mission (House & Baetz, 1979). This can work to better the welfare of individuals.

➞ **EXAMPLE** Charismatic leader Lee Iacocca saved thousands of jobs through his dramatic turnaround of a failing corporate giant, the Chrysler Corporation.

It also can be disastrous.

➞ **EXAMPLE** Another charismatic leader, David Koresh, led dozens and dozens of men, women, and children to their fiery death in Waco, Texas.

Individuals working for charismatic leaders often have higher task performance, greater task satisfaction, and lower levels of role conflict than those working for leaders with considerate or structuring behaviors (Howell & Frost, 1989). What are the characteristics of these people who can exert such a strong influence over their followers? Charismatic leaders have a strong need for power and the tendency to rely heavily on referent power as their primary power base (House, 1977). Charismatic leaders also are extremely self-confident and convinced of the rightness of their own beliefs and ideals. This self-confidence and strength of conviction make people trust the charismatic leader's judgment, unconditionally following the leader's mission and directives for action (Willner, 1984). The result is a strong bond between leader and followers, a bond built primarily around the leader's personality.

Although there have been many effective charismatic leaders, those who succeed the most have coupled their charismatic capabilities with behaviors consistent with the same leadership principles followed by other effective leaders. Those who do not add these other dimensions still attract followers but do not meet organizational goals as effectively as they could. They are (at least for a time) the Pied Pipers of the business world, with lots of followers but no constructive direction.



#### REFLECT

What are the defining characteristics of the three main leadership styles described in this tutorial?



#### TERMS TO KNOW

##### Charisma

A special magnetic charm and appeal that arouses loyalty and enthusiasm.

##### Charismatic Leader

A person who possesses legitimate power that arises from "exceptional sanctity, heroism, or exemplary character."



#### SUMMARY

In this lesson, you learned about the characteristics associated with different types of **leadership styles**. You learned that **transactional leaders** are extremely task-oriented and instrumental in their approach, offering incentives in exchange for desired behaviors. A **transformational leader**, on the other hand, moves and changes things "in a big way," inspiring others to action through their personal values, vision, passion, and belief in and commitment to the mission. This type of leader is also referred to as a **visionary leader**, who influences others through an emotional and/or intellectual attraction to the leader's dreams of what "can be." You also learned about the **charismatic leader**, like Martin Luther King, Jr., whose effectiveness originates in part in their charisma, a special magnetic

charm and appeal that arouses loyalty and enthusiasm. In this type of leadership, followers' unquestioning trust in and obedience to the leader can result in transformational positive change—or in some cases, disastrous outcomes.

Best of luck in your learning!

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