Who are better leaders; Transformational vs Transactional Leaders? Women vs Men?

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Abstract:
There are numerous leadership theories and which leadership style is the most effective is often debated. Gender has been implicated as playing a significant role, as stereotypical feminine characteristics are similar to transactional leadership characteristics. Previous studies have also implicated transformational leadership as the most effective style, thus suggesting that women would be better leaders. However, there are an increasing number of studies that would suggest that gender plays a minimal role. Likewise, the organizational context would appear to be a significant driver of which type of leader emerges; rather than a single leadership style of transformational or transactional, a combination of both is likely the most effective.

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Introduction

Which leadership styles is the most effective in various organizations has been studied over the past several decades. In the past, leaders have used agentic styles of transactional leadership, however as societal norms evolve, how a leader leads has also changed. As such, new theories have emerged, including the collaborative and mentoring style of transformational leadership. As leaders demonstrate these different styles, there is a debate on which type of leader is the most effective. Further adding to this debate, is question of whether gender plays an impactful role in leadership. Thus, questions arise: which leadership style is more effective? Is there a difference between how men and women lead? And if so, who is more effective?

Some have debated that women have led in a predominantly transformational style whereas men have followed more transactional methods of leadership, thus providing plausible explanation of the differences observed. Yet others have debated that gender has little impact, and that it is rather the inherent transactional and transformational leadership characteristics that are instrumental in determining effectiveness. So, what are the factors that determine effectiveness? Perhaps answering the question does not include the answer of he/she nor either/or. Perhaps the answer includes a leader who incorporates the characteristics of both leadership styles, regardless of gender.

Transformational vs Transactional Leadership

In order to review why some leaders are more effective than others, the predominant theories of transformational and transactional leadership need to be reviewed.

Transformational leadership theory can be defined as “a leadership approach that creates positive changes amongst followers, by enabling them to share a common vision, goal and/or beliefs with their leader”(1). First described by James Burns, it is a type of leadership wherein the leader envisions future changes, shares their vision with their group, and through motivation, collaboration, mentoring, and encouraging performance are able to attain the envisioned goal and thus benefiting the “greater good” of the organization (1,2). Bernard Bass further elaborated on transformational leadership by describing the leader’s inherent characteristics; including ethical behavior, respect, trust, empathy, compassion, communicative, team-work and intellectually
stimulating. These characteristics are reportedly highly influential and leaders will often act as mentors and role models, while they effectively communicate and collaborate with their followers (1,2,3).

It can be argued that transactional leadership is the opposite to transformational leadership. Transformational leadership can result in dynamic leader-follower relationships and pathways towards a goal can be adapted to the interests of the followers. Transactional leadership, on the other hand, maintains the premise that the leader-follower relationship is static and based on a pre-determined set of objectives and expectations which are set by the leader (2,4,6,7). The relationship is further influenced by an exchange of rewards for merit and performances, or remediation and penalties for errors (6). Rather than the leader’s character motivating changes, it is these extrinsic motivators that are the influential factors (2,4,8,9). Clearly these two leadership styles are different and Burns often described them to occur independently, although Bass has suggested that both types of leadership can occur simultaneously within an individual leader; the expression of their characteristics dependent on the context and the need for change (2,5,8).

Assessing a leader’s efficacy can be subject to perception biases thus objective measures are necessary, hence the utility of Bass’ Multifactor Leadership Questionnaire (MLQ) (1,3,5,6,8). Used in leadership development and research, the MLQ is a validated 45-question survey that rates the five transformational characteristics (including confidence, respect, inspirational motivation, intellectual stimulation, and individualized consideration), and two transactional characteristics (including reward-based and remediation-based management) across 3 outcome scales, including productivity, generation of extra effort and satisfaction (1,3,4,5,8). Using the MLQ, numerous meta-analyses have demonstrated that transformational leadership is more effective than transactional leadership, and that organizations benefitted from this type of leadership (3,5). Based on these reports one could argue that all leaders should therefore by transformational, thus resulting in no differences amongst leaders. However, when one assesses business, political and academic leaders, it does remain a fact that there are differences in leadership styles and effectiveness. Thus, the question remains; why?
Women vs Men Leaders

There is an ongoing debate as to whether gender plays a role in leadership. Who are more effective as leaders; men or women? The rationale for examining gender differences in leadership styles is based on the premise that the individual attributes of the leader will vary according to the individual’s gender. The adage of “Think Leader. Think Male” is based on the perception that effective leadership is the prototypical man with the agentic characteristics of confidence, dominance, aggressiveness, competitiveness, decisiveness, assertion, task-orientation and self-direction; characteristics congruent with the stereotypical male-gender (4,6, 9).

Conversely, a stereotypical female leader’s characteristics include the communal traits of empathy, nurturing, interpersonal sensitivity, collaboration and negotiation (4,6,7,10).

Assuming these gender stereotypes are truancies, the “feminine” model of leadership and transformational leadership have intersecting characteristics. In self-reporting MLQ studies, a spectrum of women leaders ranging from leaders in business, accounting, management firms, academia, medicine and politics, reported a using transformational leadership style. Studies of male and female business leaders, further reported these gender-stereotypical characteristics; agentic characteristics were predominantly associated with men while communal and collaborative behavior was predominantly associated with women (4,6). The self-reported skills used by women leaders included, mentoring/coaching, motivation/inspiration, participative decision-making/collaboration, individualized consideration and interpersonal interactions (5,6,9,10). While, these studies also reported women leaders using transactional contingent-reward behavior, it was less frequent and also reported to be less effective (8,10,11).

These studies and their implications, however, seem paradoxical. If we rely on the information that women leaders lead with more “feminine” transformational traits, and if leadership studies are reporting that organizations would benefit more from transformational leadership styles, then it would stand to reason that women, as transformational leaders, are more effective than their male counterparts (1, 4, 6, 7).

Yet women less frequently hold leadership positions. While the gender disparity has been narrowing over the past several decades women leaders are still significantly fewer than men. In Canada and the US, approximately 50% of the workforce are comprised of women yet only 11% of women are in senior executive positions; and as of 2015, there was only 1 female CEO of a
company listed on the Toronto Stock Exchange and in 2017 only 6.4 percent of the Fortune 500 companies’ CEOs were women (9,10,12). Similarly, a 2017 educational study, reported 50.7% of US graduates as women yet there remained an under-representation in faculty positions, departmental directors and deans of institutions (9,11). Furthermore, in healthcare and medicine, close to 80% of Canadian healthcare workers are reported as women, yet hospitals, especially the academic, tertiary and research-focused hospitals, are led by predominantly men CEOs (8,9,10,12).

Assuming the characteristics of transformational leadership and the female stereotype intersect, and assuming that transformational leaders are the better leaders, why are there not more women leaders? Perhaps, gender plays a nominal role, and effective leaders can be both transformational and transactional in their styles, regardless of gender.

**Duality of Transformational and Transactional Leadership?**

Management teams are more becoming more gender-diverse, and there are increasing meta-analyses reporting organizations with both male and female leaders are performing better. While some studies have also indicated that transformational leadership is the more effective style of leading the organization, it still remains that the transactional contingent-reward behavior can still be used effectively (15,16,17,18).

Gender likely has little to do with effective leadership. Increasingly, studies have reported contradictory results regarding gender and leadership; some studies report gender-congruent transformational and transactional leadership characteristics, while, others have reported leadership characteristics that are incongruent with gender (4,6,13,14). The minimal influence by gender is further supported by a meta-analysis of 162 studies which reported that the leadership of women and men were not substantially different, while another met-analysis of 99 independent studies also supported that there were no significant gender differences in perceived leadership effectiveness when the organizational contexts were considered (11,15,16,17).

It is also possible that effective leadership, may comprise of both transformational and transactional styles, as previously described by Bass. In the Dual Leadership theory, rather than differentiating between transformational vs transactional leadership styles, effective leaders,
regardless of gender, will demonstrate different leadership styles depending on the organizational context (8). Thus, an effective leader would have both communal (otherwise known as “feminine”) and agentic (otherwise known as “masculine”) characteristics depending on the situational need (13, 17, 18). Therefore, managers can adapt their leadership style in order to provide appropriate and effective responses to changing environments and align with the organization’s objectives and demands.

**Conclusion**

There are numerous leadership theories and which style of leadership is the most effective has been debates. Organizational context would appear to be a significant driver of which type of leader emerges; transformational, transactional or both. Effective leaders can use both transformational and transactional leadership will be influenced by the needs of the organization, regardless of the leader’s gender. Furthermore, as societal norms evolve, previously held assumptions, gender stereotypes and differences will continue to lessen, and men and women leaders will be viewed as equally effective whether it be in business, politics, academia or healthcare.

**References**


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