



***WHAT IS THE  
DIFFERENCE BETWEEN  
TRANSACTIONAL &  
TRANSFORMATIONAL  
LEADERSHIP?***



**BAKJAC CONSULTING**  
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# WHAT IS THE DIFFERENCE BETWEEN TRANSACTIONAL & TRANSFORMATIONAL LEADERSHIP?

If you have worked for a Manager or Leader in the past whose only focus is to supervise your role, and ensure your performance, then you know what it's like to work for a **Transactional Leader**.

These leaders are only concerned with maintaining the status quo and considering the progress that needs to be made on a day to day basis. If they impart information, it is only through training - a one way flow of information.

Transactional Leadership operates within existing boundaries like process, structures and goal setting. This kind of leadership can feel stifling for many individuals who want growth and opportunity.

However, if you have had the opportunity to work with a **Transformational Leader**, your experience is likely to be a lot different.

Transformational Leaders work to enhance the motivation and engagement of individuals. They work toward not just a goal, but a vision and their purpose is to direct their team toward that vision. Transformational Leadership challenges the current state and is change-oriented. Leaders of this type embrace challenges and assist their team to see the opportunities within a challenge. They are not afraid of trying and failing and see the potential in the opportunity to try new things and encourage their team to do the same.

If you have worked in either of these two environments, you will instantly recognise the difference.

## TRANSACTIONAL LEADERSHIP

- Promotes compliance with existing organisational goals and performance expectations through supervision and the use of rewards and punishments.
- Task and outcome oriented. Especially effective under strict time and resource constraints and in highly-specified projects, this approach adheres to the status quo and employs a form of management that pays close attention to how employees perform their tasks.
- Reacts to problems as they arise.
- Work within existing organisational culture.
- Reward and punish in traditional ways according to organisational standards.
- Appeal to the self-interest of employees who seek out rewards for themselves.
- Akin to the common notions of management



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## TRANSFORMATIONAL LEADERSHIP

- Focuses on increasing employee motivation and engagement and attempts to link employees' sense of self with organisational values.
- This leadership style emphasises leading by example, so followers can identify with the leader's vision and values.
- Focuses on individual strengths of employees and on enhancing their capabilities and their commitment to organisational goals, often by seeking their buy-in for decisions.
- More likely to address issues before they become problematic.
- Emphasize new ideas and thereby "transform" organisational culture.
- Attempt to achieve positive results from employees by keeping them invested in projects, leading to an internal, high-order reward system.
- Appeal to group interests and notions of organisational success.
- Adheres more closely to what is considered to be leadership.

So which type of Leader do you want to be?

Do you want to be reactive or proactive?

Do you want to be bureaucratic or charismatic?

Do you want to focus on planning and execution or innovation?

Do you want to attract followers by putting your own self-interest in first place?

Or, do you want to stimulate followers by setting group interest as a priority?

**The choice is yours.**

## MICHELLE BAKJAC



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As Director of Bakjac Consulting, she is a member of the International Coach Federation (ICF) and a member of Mental Toughness Partners and an MTQ48 accredited mental toughness practitioner.

Michelle assists individuals and organisations to develop their mental toughness to improve performance, behaviour and wellbeing.



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