

## The Impact of Transformational and Transactional Leadership Styles on the Motivation and Academic Performance of Students at University Level

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**Abstract:** *The purpose of this study was to find the relationship between transactional and transformational leadership styles with the motivation and academic performance of the students at university level. Quantitative analysis approach was used in which 400 students from different universities participate. Microsoft excel sheet and SPSS 17 was used to analyze the results. Results indicate that the relationship between both of the leadership styles with motivation and academic performance exists. But relationship between transformational leadership style and motivation was found to be greater. On the other hand transactional leadership style was found to have greater impact on the academic performance of the students. Motivated students were also found to be performing better academically. This study was conducted in a city but the results could be more generalized after increasing the population up to a country.*

**Key Words:** *Leadership style; Transformational leadership style; Transactional leadership style; Motivation; Performance.*

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### 1. Introduction

Leadership has always been a contentious issue among the researchers. Thousands of books and hundreds of researches have been done on this topic (Awan & Mahmood, 2010). Burns (1978) stated that "Leadership is one phenomenon that is mostly observed and least understood on the earth". People are vital to organizational life and for certain outputs they put their efforts in synchronized way. When people work together to accomplish some tasks, then they work in groups. And each member of the group is affected by the other member. While doing so ultimately, leadership roles develop formally or informally. Within formal groups leaders are structured to organize the activities, motivate the members, assign tasks and achieve the targets.

Robbins (2005) defines leadership as "*process of influencing a group towards the achievements of goals*". Numerous activities are included in the leadership role and it would be very helpful to understand these activities with the context of organization (Awan and Mahmood, 2010). Regardless of the contradiction of the leadership role, it is important for all the organizations to have a leader among them. Robbins (2005) defines leader as "*someone who can influence others and who has managerial authority*". As Prophet Muhammad (Peace be upon him) said, "If there were three in a trip, they must appoint a leader from among them" (Reported by Abu Dawud). The performance of any individual can be set by the performance of the leader. If the leader's performance is high then the performance of the groups will also be high (Drucker, 1996). Those individuals are considered to be the great leaders who change themselves according to the demand of the situations. These individuals can adopt the pattern of leadership according to the needs (Miner, 2006). In recent times there is a need of leaders and leadership abilities in the organizations (Zenger & Folkman, 2002).

The present study is conducted to find out the impact of transformational and transactional leadership style on the academic performance and motivation of the students at university level. For the study educational sector was chosen because this is the prime sector that acts as a nurse for the future of young generation.

## 2. Review of Past Studies

### 2.1 Concept of Leadership

Leadership has always been the subject of human study. This topic has been explored by researchers, philosophers and historians time and again (Bass, 1990a; b). A wide range of literature is available on this topic including "Epics of Gilgamesh" this is perhaps the oldest book of Sumerian civilization. This is the story of a great leader king (2500-2750 BC) having imaginary powers. Another historical book "The Prince" by Niccolò Machiavelli (1513) discusses the phenomenon of political system and leadership. This book teaches that how a king can get the advantage by behaving like lion and fox (Scott, 2004). The king should be clever like a fox and brave like a lion is the crux of the story.

In twentieth century, trait theories on motivation and leadership were started and after that researchers and philosophers start working on the formal theories of leadership. From 1920 -1960 researchers try to find the leader's personality and character of leadership (Adair, 1984). To lead in the formal organizations, Frederick Taylor (1856-1915) was the first who developed the theory of leadership. He gave the idea to increase the output of the organization by using scientific parameters. Taylor's theory revolves round the concept of machine metaphor (Hoy & Hoy, 2006). Elton Mayo through his famous Hawthorn study criticized Taylor and gave a new concept that humans have physical as well as psychological needs and social relationship at workplace. Stephen Covey was another writer who contributed in this field through his famous book "*Seven Habits of Highly Effective People*" (Covey, 1989).

Behavioral theory of leadership was started after world war two. This theory gave new dimensions to the leadership, which negates the personal characteristics (traits) of leadership. The American scientists gave the idea that, human beings can be predicted and explained scientifically like other things. Firstly this study was done by University of Iowa; their approach was to find the best style of leadership. They made out three styles of leadership (a) democratic (b) autocratic and (c) laissez-fair. Autocratic leaders dominate the team members; they maintain servant master relationship (Adair, 1984). A democratic leader consults his team before taking any decisions (Starrat 2001). Another study was conducted at University of Michigan and they find two more styles of leadership i.e. (a) job centered and (b) employee centered. This research contained a drawback of having no proper pattern of behavior for good leadership. In 1950's two-dimensional model of leadership behavior was developed by the University of Personnel research board (Hughes et al., 2002).

The shortcomings of the behavioral theory stimulate other researchers to find more in the field of leadership (Bass & Stogdill, 1990). Vecchio (1995) argued that, researchers realized that behavioral theory did not address the appropriate issue of leadership. According to the situational leaders, leadership is all about situations i.e. situational factors determine that who will appear as leader and effective leaders change themselves according to the situations and development of the followers (Bass & Stogdill, 1990).

Max Weber perhaps the first who gave the idea of charismatic leadership in 1947 (Hoy & Miskel 2001; Lussier & Achua 2001). Charisma is a form based on influence on follower's perception that is gifted with exceptional characteristics. By using charisma style, leaders ignite followers to produce exceptional results. Thus charisma is the ability to influence major modifications in the thinking style and behavior of organization's member for commitment building and achievement of goals.

Judge and Piccolo (1978), were pioneers to introduce the idea of (a) laissez-fair (b) transformational and (c) transactional leadership style. This concept was further developed by Bass and Avolio (1990).

### *2.2 Transformational Leadership Style*

Transformational leadership does not represent the exchanges between leaders and followers. Both Bass (1985) and Burns (1978) indicate that transformational leaders work with justice and integrity. Burns called those values as end-values which can not be exchanged and negotiated. This type of leadership results high level of performance and motivation (Bass, 1985).

Perhaps the concept of Charisma (Weber, 1947) and transformational leadership (Burns, 1978) are very close to each other in their meanings. Charismas are the leaders who by force accomplish the tasks from their followers (weber, 1947) and same is the case with transformational leaders (Bass, 1985). Thus charisma and transformational leaders have similar characteristics. There are five dimensions characteristics of transformational leaders i.e. (a) idealized influence (attributed) (b) idealized influence (behavioral) (c) inspirational motivation (d) intellectual stimulation and (e) individualized consideration (Robbins, 2005).

### *2.3 Transactional Leadership Style*

Transactional leadership represents those exchanges in which both supervisor and subordinates influence on each other (Yukl, 1981). Simply transactional leaders follow the rule of consideration (something in return). These leaders work with coordination of their followers so that they can be rewarded and praised also (Kellerman, 1984). Effective transactional leaders fulfill the expectations of their followers and get the desired results from them.

Burns (1978) and Bass (1985) discuss the levels of transactional leaders. Burns (1978) argued that there are two ranges of transactional leadership i.e. obvious (jobs for votes, subsidies for campaign contribution) and less obvious (respect, commitment and exchange of trust). Similarly Bass (1985) considered that transactional leaders have a variety of transactions available to them. They use there transactions (e.g. working overtime for a period vacation) to achieve the outcomes of the organization.

### *2.4 Leadership Style and Performance*

Recent Meta analysis of a study conducted in for-profit sectors by Lowe, Kroeck, and Sivasubramaniam (1996), indicates that there is a positive and significant relationship between both transactional and transformational leadership style and performance. Rowold and Roahmann (2009) also found that both of the leadership styles (transactional and transformational) are positively related with the performance. This would match with the theory of Bass (1985), "theory of leadership" (Riggio, Bass, and Smith Orr, 2004). Many researchers concluded that transactional leadership style has greater impact on the performance as compared to the transformational leadership style (Clover, 1990; Deluga, 1992; Marshall et al., 1992; Masi

and Cooke, 2000; Medley and Larochelle, 1995; Sparks and Schenk, 2001). Thus these two hypotheses were proposed:

- H1: Transformational leadership style is positively associated with academic Performance.  
 H2: Transactional leadership style is positively associated with academic Performance.

### 2.5 Leadership Style and Motivation

Over the past two decades only transformational leadership style was in action and numerous researches have been conducted on this style (Antonakis and House, 2002). Burns (1978), gave the idea that leadership style can be studied as transformational and transactional, which was latterly explored by the Bass and Avolio (Bass and Avolio, 1994; Avolio and Bass, 2002, 2004). Both the researchers try to explore these styles with different variables. They also study these leadership styles as motivator and found the positive relationship between both of the leadership styles and motivation (Bass, 1997). Many other researchers observed that higher motivation is due to the transformational leadership style instead of transactional leadership (Clover, 1990; Deluga, 1992; Marshall et al., 1992; Masi and Cooke, 2000; Medley and Larochelle, 1995; Sparks and Schenk, 2001). Thus these hypotheses were proposed:

- H3: Transformational leadership style is positively related with motivation.  
 H4: Transactional leadership style is positively related with motivation.

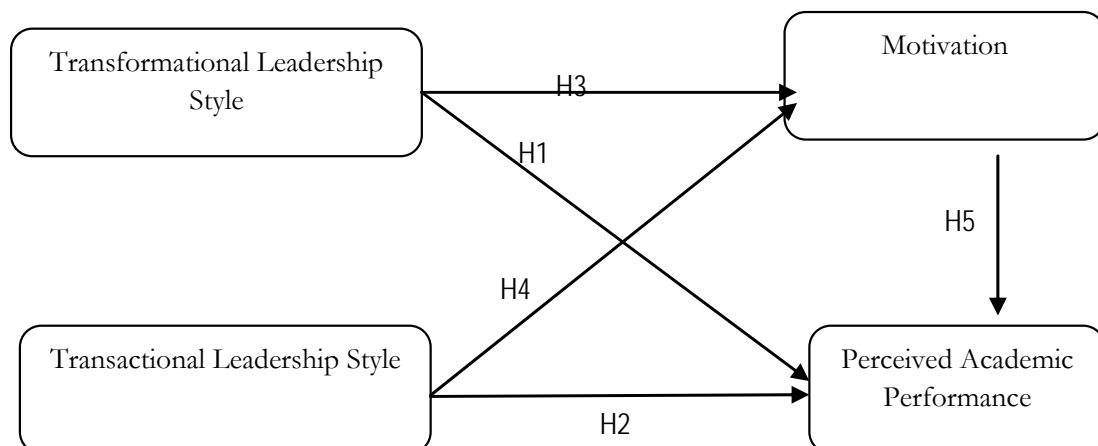
### 2.6 Motivation and Perceived Academic Performance

Motivation is the driving force behind the actions of employees. There are different forms of motivation including, extrinsic, intrinsic, achievement and psychological motivation (Sansone and Harackiewicz, 2000; Joe et al., 1998). Performance is the individual's capability of doing tasks and it is affected by many variables. Usually motivation and behavior are the variables that affect the individual's capability to perform tasks (Cummings and Schwab, 1973).

Isaac, Zerbe and Pitt (2001) while working on the relationship of leadership style and motivation concluded that, when leadership motivate the followers then followers can achieve high level of performance. Thus this hypothesis was proposed:

- H5: There is positive association between motivation and academic performance.

### 3. Research Model



### 3.1 Method

#### 3.1.1 Population and sample

Two stage stratified sampling was used to obtain a representative sample. The sampling frame was established from the web site of higher education institutes and universities. The list of universities along with their web address is available with the web of Higher Education Commission. There are total 133 universities recognized by HEC out of which 41 are in Punjab. Out of 41 universities 22 are public and remaining 19 are private. At first stage 6 public and 5 private universities were selected on the basis of simple random sampling. In the second stage to represent the universities of public and private sector 500 questionnaire were distributed, out of which 400 responded us back (response rate = 80%).

#### 3.1.2 Description of the Instrument

There are numerous researches available on leadership. Many researchers linked leadership styles with motivation and performance. Questionnaires under the head of leadership were adapted from the research of Avolio and Bass (1995). The questionnaire on motivation and perceived performance was self administered. These questionnaire were developed on five point likert scale starts form 1 (strongly disagree) till 5 (strongly agree). The reliability of questionnaires on motivation was 0.73 (Alpha value) and the reliability of perceived performance was 0.71 (Alpha value).

## 4. Data Analysis and Findings

**Table 1: Descriptive Statistics**

	Mean	Std. Deviation
Transactional	2.7012	0.645
Transformational	2.6971	0.588
Motivation	3.9115	0.761
Performance	3.9229	0.799

Table 1 shows the mean and standard deviation of the leadership style (transformational and transactional), motivation and perceived performance of the subjects which were evaluated on the basis of five points Likert scale ranging from strongly disagree to strongly agree.

Figures of the table identifies that the mean score of transformational (M=2.6971) and transactional (M=2.7012) leadership style is near to neutral. On the other hand the mean score of motivation (M=3.9115) and performance (M=3.9229) indicates that students are motivated with the leadership styles and this motivation increases their performance as well. This indicates that most of the participants were satisfied with their academic performance.

**Table 2: Pearson Correlation**

	Performance	Motivation	sig. (2-tailed)
Transactional	0.443**	0.496**	0.00
Transformational	0.379**	0.499**	0.00
Motivation	0.770**	1	0.00

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Results of Pearson correlation are shown in table 2. The table indicates the relationship among two leadership styles (Transactional and Transformational), motivation and academic performance of the students of higher education.

Findings of the table show that there is a positive and significant relationship between transactional leadership style and motivation ( $r=0.496$ ,  $p<0.01$ ). Similarly transformational leadership style is also positively and significantly related with motivation ( $r=0.499$ ,  $p<0.01$ ). Thus the impact of transformational leadership style on motivation of the students is greater as compared to the transactional leadership style. This also shows that justice and integrity bring motivation among students at university level.

Findings of the table also indicates that transactional leadership style is positively and significantly associated with the perceived academic performance of the employees ( $r=0.443$ ,  $p<0.01$ ). Transformational leadership style is also positively and significantly related with perceived academic performance of the students ( $r=0.379$ ,  $p<0.01$ ). The findings revealed that transactional leadership style has greater impact on the perceived academic performance of the employees as compared to the transformational leadership style. Crux of the finding is that interrelation or exchange of comments between students and the teachers enhances the performance of the students.

Findings of the research also indicates positive and significant relationship between motivation and academic performance ( $r=0.770$ ,  $p<0.01$ ). This means that to increase the academic performance of the students, universities should motivate them.

**Table 3: Independent Simple t-test on Motivation of Students**

variables	N	Mean	S.D	T
Male	289	3.8385	0.820	3.693
Female	111	4.1411	0.697	

In table 3 independent t-tests is used to find the motivation level among the students on the basis of gender. The findings of the table show that there is difference in mean score of male and female students. Mean score of female students (4.1411) is much greater then that of male students (3.8385). Thus finds revealed that female students are more motivated as compared to the male students.

## 5. Conclusion

Transformational and transactional leadership style helps to understand the leadership in a much broader context and at different organizational level and functions (Bodla and Nawaz, 2010). The basic theme of the research was to explore the relationship of leadership styles (i.e transactional and transformational) with motivation and performance of the students at university level. Both transactional and transformational leadership styles were found positively and significantly related with motivation and performance. Further transformational leadership style was found to have greater impact on the student's motivation. Here our findings match with the findings of previous researchers i.e. (Marshall et al., 1992; Medley and Laroche, 1995; Masi and Cooke, 2000). On the other hand transactional leadership style was found to enhance the performance of the students. Here our findings match with the findings of previous studies i.e. (Clover, 1990; Deluga, 1992; Sparks and Schenk, 2001). It is also found that motivated students perform better as compared to non motivated students.

### 5.1 Future direction and limitation of the study

In the present study only two leadership styles (i.e. transactional and transformational) were studied to see

their impact on the motivation and performance of the students. In future other leadership styles i.e. laissez-faire must be considered. Further this study was conducted in the educational sector but, there is also need to explore which leadership style motivates the employees of industrial sector and increase their performance as well.

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