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THE IMPLICATIONS OF TRANSFORMATIONAL AND TRANSACTIONAL LEADERSHIP ON ORGANIZATIONAL COMMITMENT

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ABSTRACT

This research is a literature review that examines various literatures on the implication transformational and transactional leadership. The purpose of this research is to find out the implications of transformational and transactional leadership on organizational commitment; similarities and differences behaviors of transformational and transactional leadership towards organizational commitment. The method used in this research is integrative literature review which assesses, criticizes, and synthesizes different literatures to create new theoretical framework. This research finding shows that transformational and transactional leadership have implications on the commitment of each employee to the values and goals of the organization. Transformational leadership builds long-term relationship while transactional leadership builds short-term relationships with subordinates based on shared goals and rewards are given when subordinates are able to achieve goals and vice versa sanctions are given if the goals cannot be achieved. Creative and innovative behavior is not the main thing but status quo is important.

Keywords: *Organizational Commitment, Transformational Leadership, Transactional Leadership*

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INTRODUCTION

Leadership is a very fundamental area of interest for every organization, an organization without an effective leader is like a plane without a pilot, a leader without an organization is like water without a container. Leaders and organizations are two sides of a coin, they need each other and cannot be separated. Various research results show that effective leadership can inspire subordinates and improve performance (Mirsultan & Marimuthu, 2021). In principle, leadership transmits values to provide opportunities for all human elements fairly and equitably to develop their competencies in order to be able to improve individual and organizational performance. Many leadership theories discussed by scientists and presented in various literatures, but basically shared leadership is seen as a meta-theory of leadership. Shared leadership is built on the philosophical assumption that everyone is able to share the burden and responsibility of leading (Kleefstra, 2019). In today's post-modern business world, organizations face several dynamic problems.

Organizations need leaders not only have competence but also the willingness and motivation to learn and adapt to changes in the external environment. Modern world is characterized by very fast changes and increasingly competitive society. Organizations must have the capacity to adapt to the changing environment to achieve competitive advantage. Innovative leadership roles are needed to deal with the uncertainty of the changing organizational environment. The inability to innovate raises the risk of organizational failure to achieve the desired goals. Therefore, leaders must be able to create a climate of innovation to increase competitiveness and organizational sustainability (Alharbi, 2021). Organizations are forced to search for effective and innovative leaders to be able to adapt to a new, highly dynamic work environment.

Transformational leadership is able to develop an innovative culture and significantly influences the achievement of employee performance and commitment to organizational values (Agha et al., 2019). The domain of transformational leadership is increasing the maturity and motivation of subordinates through inspiration and interaction between leaders and subordinates which aims to build mutual trust and motivation (Lai, 2019). Another leadership style that is interesting to examine is the transactional leadership style. This leadership style is not contradicted with the transformational leadership style but complements and reinforces each other. Theories about transactional leadership styles can be found in various leadership literatures, such as (Mwakajila & Nyello, 2021) that transactional leadership style is oriented towards subordinate compliance and expects rewards.

This research is a conceptual-theoretical study of transformational and transactional leadership and their implications on organizational commitment. The references adopted are up-to-date research results in the field of human resources management and human capital regarded as a very strategic element in every organization, both government organizations and private organizations (Kamase & Gani, 2020). Human resources is the main driver of effectivity and efficiency of organizations. No matter how sophisticated the organization's technology is, the competence of human resources or human capital, especially soft competence plays a very fundamental role to increase the productivity and competitiveness of the organization. The level of employee commitment is a critical factor for the sustainability of the organization. To function effectively, the organization must be able to retain qualified workers who are committed to the values and goals of the organization (Ahmed et al., 2021).

Thus, commitment of human resources is the key word to achieve organizational productivity and competitiveness in the current digital era. (Benazir & Iqbal, 2015) reveals that commitment of human resources to organizational values is a determinant factor, not only productivity and loyalty but also customer satisfaction, organizational reputation and stakeholder values. The commitment of human resources to the values and goals of the organization is not born but is made facilitated by leadership style. In this context, leadership style is an umbrella for the formation of the commitment of the human element to sustainable organizational values and goals.

Transformational and transactional leadership styles in an organization have a strategic role and very essential to further studied. Human resource studies continue to undergo transformation along with the findings and practices of researchers and practitioners in the field of human resources. In this context, organizational commitment is one of the explicit and implicit features and energies of the workforce that has strategic meaning for large and small-scale organizations. Some experts provide an understanding of organizational commitment, such as (Raman, 2021) writes that organizational commitment as affiliation, self-identity and workforce involvement in organizational values and goals and is a determinat factor for effectiveness, productivity and performance.

Organizational commitment is the psychological bond of each individual to the vision and mission of the organization (Nishanthi & Perera, 2020). Leadership has a very vital role in the achievement of individual and team organizational performance (Alnesr & Ramzani, 2019). Leadership style has relationship with the formation of individual commitment to organizational values and goals, transformational leadership has relationship with workforce commitment to organizational effectiveness and productivity (Nishanthi & Perera, 2020). Other researchers also found that workforce commitment affects organizational performance and productivity (Meeme Julius M'Lingera & Kiende Hellen Guantai, 2020). In addition, transformational and transactional leadership also have relationship with individual commitment to the organization (Djamaludin & Ali, 2019).

Based on the above description, this research attempts to answer (1) does conceptually and theoretically transformational leadership have implications on organizational commitment? (2) does conceptually and theoretically transactional leadership have implication on organizational commitment? and (3) do conceptually and theoretically transformational and transactional leadership have similarities and differences behaviors of towards organizational commitment?

LITERATURE REVIEW

Organizational Commitment

Winning the competition between enterprises is very much determined by the commitment of workers in the organization. How to mobilize the commitment of workers to increase productivity and organizational performance requires the right leadership competencies. Many research results reveal that employee commitment has a positive effect on organizational performance (Zhao & Sheng, 2019). Organizational commitment has at least three components: normative, instrumental and emotional (Seco & Teixeira, 2019). The concept of organizational commitment is a concept that has recently been frequently studied by management scientists for the interest of knowledge enrichment on human behavior. It is a very decisive element for performance and productivity to push organizational competitiveness.

This is why each individual in an organization should have commitment to work collectively to achieve organizational goals and ojective. Without individual and collective commitment the organization is faced with potential failure. It is so precious commitment is regarded as the heart of the organization (Butali & Njoroge, 2020). Commitment indicates an emotional bond and loyalty to the organization (Zeuch, 2016) while (Waheed Akhtar et al., 2017) writes that organizational commitment is a strong individual self-identity and loyalty to organizational values and goals. Individual commitment to organization is a leadership style-facilitated behavior change. Organizations strive consistently and continuously to increase individual commitment as persistent efforts to improve work efficiency and productivity (AKSOY et al., 2018). In principle, commitment is a characteristic, trait or personality that influences organizational behavior in the decision-making process at various management levels (Ziapour et al., 2017). Organizational commitment is an individual's attitude towards organizational values and emotional ties to achieve organizational goals (Az, 2017). Organizational commitment can

increase individual participation in the decision-making process and demonstrate essential behaviors to assess individual intentions towards achieving organizational targets (Az, 2017).

Organizational commitment consists of three dimensions: affective commitment, continuous commitment and normative commitment, Mayer and Allen (1991) rewritten (Rusu, 2013). Affective commitment is the most consistent element and has a significant effect on organizational outcomes. A similar view is expressed by (Syafi, 2019) that affective commitment is a form of emotional involvement in organizational values and changes. Meanwhile (Gulluce et al., 2016) defines affective commitment as an emotional commitment that integrates with the organization. Affective commitment is not passive loyalty to the organization (Seco & Teixeira, 2019). The second dimension of organizational commitment is continuance commitment. Mayer and Allen in (Az, 2017) define continual commitment is consideration of costs when leaving the organization. Continuity commitment as a perception of financial and non-financial costs if leaving the organization (Hamidi et al., 2017). Furthermore (Henderson & Manag, 2019) defines continuance commitment as a high opportunity cost when leaving the organization. Considerations of financial or non-financial cost and benefits determine whether or not someone leaves the organization. (Nishanthi & Perera, 2020). The last dimension is normative commitment as a sense of responsibility of the workforce towards the organization (Butali & Njoroge, 2020).

Thus, normative commitment is a labor bond to the values and goals of the organization based on a sense of responsibility and feelings of obligation as an inseparable part of the organization. Hence, organizational commitment is a positive attitude and psychological bond of each individual towards the goals and values of the organization. The relationship of each individual with the organization can be harmonious and productive if each individual provides support, care and positive contribution to the development and sustainability of the organization and on the other hand the organization provides proportional benefits commensurate with the quality of life of each individual. In this sense, people and the organization have mutually beneficial relationship.

Transformational Leadership

Leadership has a vital role in the process of forming organizational commitment, competitiveness and sustainability of the organization. The role of the leader is very strategic in every organization, both government and private organizations. For that reason, leaders have the competence and integrity to be able to instill vision, mission, trust, commitment, and values in every individual in the organization. To achieve these goals, leadership style is very decisive. Leadership is the process by which individuals/leaders influence the behavior and actions of others to achieve desired goals (Paraskevi et al., 2021). Leadership as an effort to involve others to complete work in an effort to achieve goals (Nair et al., 2021). To achieve organizational goals requires the right leadership style, one of which is a transformational leadership style.

The transformational leadership was introduced by James McGregor Burns in 1978. Burns analyzes the ability of leaders to understand employee inspiration for commitment and ethics. (Seco & Teixeira, 2019). Since then, there has been a lot of literature and research examining transformational leadership that proposes various concepts, including (Kazmi & Naaranoja, 2013) defining transformational leadership as the ability to transform the ability of the workforce, team performance and the company's potential to achieve the expected results. Tung (2016) cited by (Agha et al., 2019) states that transformational leadership can develop an innovative culture and is a very decisive factor for organizational performance. Transformational leadership is an effort to empower subordinates or others to complete tasks innovatively and creatively and not to be *status quo* (Elshanti, 2017). Transformational leadership as the ability to internalize organizational cultural values to all individuals in the organization that can provide mutual benefits between individuals and the organization consistently and sustainably (Asrarudin et al., 2020). Transformative leaders put forward the values of togetherness and partnership between leaders and their subordinates. Reciprocal-productive relationships like this are mutually beneficial emotional

relationships. Interactive relationships with subordinates or other people build mutual trust, loyalty, inspire, develop commitment, and self-control to push organizational performance (Dargahi, 2017). There are three ways to improve organizational performance through transformational leadership roles (Chen & Peng, 2017): first, the adaptability and speed of the organization to respond to changes in the external environment; second, using strategic innovations that are beneficial for organizational development; and third, encouraging workers to find creative ways to solve organizational problems.

This is why, transformational leadership is a leader who can form a strong group identity; enhance cooperative relations; and a role model for all individuals to establish harmonious relationships, mutual respect and care among group members in order to be a productive group. For that purpose, transformative leader should understand the needs, values, and aspirations of each individual to form harmonious and productive relationships between individuals to achieve organizational goals and values. This leadership style empowers and engages subordinates in creative and innovative processes that promote growth and change rather than maintaining the status quo (Mohamed & Otman, 2021). In fact, this leadership builds individual interests with collective interests to achieve transcendental goals through increasing morale, motivation and performance.

Transactional Leadership

Leadership style is a manifestation of a leader's behavior in carrying out his leadership. Transactional leadership style is one of the interesting leadership styles to be studied conceptually-theoretically. Leadership style in this study is defined as a relatively consistent pattern of behavior in motivating, directing and influencing others to achieve the desired goals. There are several factors that can influence a person's leadership behavior, including cultural background, education, and the situation (Djamaludin & Ali, 2019). Transactional leadership is the leader's ability to understand and fulfill subordinates' needs after completing the task (Chiang & Wang, 2012). Other researchers (Hamstra et al., 2014; Lai, 2019) defines transactional leadership as a reciprocal relationship between leaders and subordinates in which the leader expects shared goals to be achieved and subordinates expect rewards in return to job performance. While (Kateb & Ramanathan, 2019) reveals that transactional leadership is the ability to provide tangible and intangible benefits to subordinates in returns to performance.

In this case the leader motivates subordinates with a positive or negative behavioral approach to achieve the shared goals. Positive behavior is the award or recognition by the leader to subordinates for the achievement of agreed targets while negative behavior is a sanction or punishment given to subordinates for failure to achieve goals. Another perspective (Mugizi et al., 2019) Transactional leadership is also called managerial leadership style, in this case the leader emphasizes compliance with the agreement to obtain rewards and punishments.

Thus, transactional leaders work according to the rules, procedures, and norms that apply in the organization. In other words, this style of leader forms relationships with subordinates based on short-term interests. Transactional leaders in principle use various incentives to increase the motivation of subordinates, rewards and punishments are performance instruments. The focus of this leadership style is discipline and task completion. This leadership style is the chain of command where the leader becomes dominant, empathy, creativity and innovation are not essentials (Alharbi, 2021). Transactional leadership style behavior is determined by two components, namely management-by-exception (active) and contingent reward (Mwakajila & Nyello, 2021). Management-by-exception is a practice in controlling and monitoring activities by leaders to achieve desired outcomes while contingent reward is a managerial activity in providing incentives based on the results achieved. These two components are very influential on the performance of individuals and organizations that push organizational competitiveness.

METHODOLOGY

This study is qualitative research and the method used is integrative literature review which systematically analyzing, evaluating, and synthesizing relevant scientific research results on transformational and transactional leadership and their implications on organizational commitment to find a solid basic for development of sciences, technology and the development of new theories (Snyder, 2019).

Data collection

Data and information in this research are adopted from various national and international scientific journals published from 2012 to 2021 about transformational and transactional leadership and organizational commitment.

Data analysis

This research examines the literature on the concepts, theories and research results on transformational leadership, transactional leadership styles and organizational commitment which is partially analyzed and evaluated to find out the implications of transformational and transactional leadership on organizational commitment. Evaluating in this study is defined as a process of assessing, selecting, criticising, and supporting the attributes of transformational and transactional leadership and their implications on organizational commitment. While analysis is defined as an effort to compare, equate, differentiate various concepts and theories on transformational and transactional leadership and their implications on organizational commitment.

RESULT AND DISCUSSION

Relationship between Transformational Leadership and Organizational Commitment

Organizational commitment and leadership style are important and decisive factors (Alnesr & Ramzani, 2019). Leadership is an integral part of the work environment that can influence the attitudes and behavior of workers in any organization (Belias et al., 2015). In other words, leadership behavior has a strategic role for effectiveness and efficiency at all levels of organizational management. Leadership attitudes and behaviors have a very broad impact on productivity, performance and competitiveness of the organization. To form organizational commitment requires the right leadership style. Transformational leaders are role models for their subordinates (Schmitt et al., 2016). Transformational leaders are considered as charismatic leaders who are able to direct and influence subordinates to achieve the organization's vision and mission (Choi et al., 2016). A relevant view is also put forward by (Mugizi et al., 2019) that transformational leaders can increase self-confidence, workforce expectations and change behavior to strengthen commitment to organizational values and goals. Transformational leadership emphasizes the relationship between leaders and subordinates on the basis of moral, inspirational and trustworthiness to achieve common goals.

James McGregor and Bernard M. Bass (1985) cited by (Choi et al., 2016) reveals that there are four dimensions as characteristics of transformational leadership: idealized influence; inspirational motivation; intellectual stimulation; and individualized consideration. Each dimension has different meaning and way of influencing other people or subordinates. Idealized influence describes that the leader is considered as a role model, motivator and can build relationships with other people or subordinates on the basis of trust and mutual respect (Meeme Julius M'Lingera & Kiende Hellen Guantai, 2020). Inspirational motivation is the leader's ability to motivate others to achieve the expected goals. In this case, the leader has the capacity to clearly explain the vision, mission of the organization (Bayram & Dinç, 2015). Intellectual stimulation

shows that transformative leaders provides challenges and introduces creative and innovative ways to complete a job with an unusual effective method (Abouraiia & Othman, 2017). Individualized consideration, in this principle the leader provides trust and mutual respect between the leader and subordinates. Leaders provide direction or coaching, mentoring and attention to others or subordinates (Pongpearchan, 2016).

Based on the concept review, it is necessary to clasify functional attributes, accompanying attributes and implications of transformational leadership as follows:

Table 1. Attributes of Transformational Leadership

Functional Attributes	Accompanying Attributes	Implications/Impact
Idealized influence	Trust	Build creativity, innovation, and courage to think and get the job done differently
	Vissions	All employees have the same long-term goals
	Shared risk	Collegial work, failure to achieve targets is not merely a failure of subordinates
	Mutual respect	Initiative, responsibility and participation in solving problems can be built
	Integrity	Honesty, fairness, transparency and accountability are the basis of the relationship between leaders and subordinates
Inspirational motivation	Committed to objectives	Leaders and subordinates work together to achieve goals
	Role model	Fostering subordinates' trust in the leader and building the authority of the leader
	Enthusiastic	Encourage enthusiasm and curiosity of subordinates
	Communication	Build mutual understanding, cooperation, solidarity, empathy, and responsibility
Intellectual stimulation	Rasonality	Transfer of knowledge and skills to subordinates to solve problems effectively and efficiently
Individual consideration	Attention to individuals	Cultivate recognition and trust in the leader
	Problem solving	Solutive approach to problems does not depend merely on the leader, developing creative and innovative behavior to solve problems or minimize risk
	Listening	Subordinates feel valued and recognized for their existence, performance, productivity and loyalty
	Mentoring	Difficulties or obstacles experienced by subordinates can be managed
	Empowering	The potential of subordinates is developed and managed to increase productivity and performance

Notes: analyzed from cited resources

The table of functional attributes and accompanying attributes of transformational leadership above shows that the functional attribute of idealized influence has five accompanying attributes, each of which has implications. Accompanying attribute of trust has implications for creativity, innovation and the courage to think differently from leader to complete tasks. Mutual trust is a very strong glue between leaders and subordinates that fosters a sense of belonging, loyalty, discipline and commitment of subordinates to the values and goals of the organization.

Accompanying attribute of vision has implications on the common goals of all in the organization, being able to unite all human resource competencies to form a unified force in achieving the long-term goals of the organization.

Accompanying attribute of shared risk has implications for collegiality and solidity in work, not blaming each other if targets fail to be achieved. Thus, creating a conducive work environment to build courage, self-confidence, creativity and innovation of subordinates carrying out their obligations is increasingly awakened, not overshadowed by the fear of being penalized if they are unable to achieve their goals.

Accompanying attribute of mutual respect has implications for the courage to take the initiative, responsibility and cooperation to complete tasks and obligations, understand each other's strengths and weaknesses and build positive synergy in team work to produce the desired outcome.

Accompanying attribute of integrity has implications on being honest, fair, transparent and accountable as the principle of the relationship between leaders and subordinates. The principle of integrity sustains productive relationships and builds long-term sustainable commitments. The functional attribute of inspirational motivation has 4 accompanying attributes, each of which has an implication. Accompanying attribute of commitment to goals has implications for productive collaboration and positive synergy between leaders and subordinates to achieve organizational goals. Such collaboration lasts for a long time as long as the organization exists.

Accompanying attribute of role model has implications for the growth of leadership authority because subordinates regard the leader as a role model. In this context, the policy or direction of the leadership is considered a collegial decision, respected and obeyed by subordinates to guarantee it can run effectively. The consistency of a mutual trust relationship between the leader and subordinates breeds subordinates' compliance and loyalty to collegial policies which in principle creates a long-term commitment of subordinates to the values and goals of the organization.

Accompanying attribute of enthusiasm has implications on the spirit of subordinates to be curious about changes in the internal and external environment of the organization. This encourages initiative and quick response to find way out to resolve the possible negative impact of the changes to ensure the effectiveness of policies in a sustainable effort towards the achievement of organizational goals.

Accompanying attribute of communication indicates that communication is an effective medium for establishing productive trusting relationships, mutual understanding, cooperation, solidarity, empathy, and responsibility which have implications for ongoing commitment to organizational values and goals. The functional attributes of intellectual stimulation consist of three accompanying attributes.

Accompanying attribute of rationality shows that the productivity of a trusting relationship between leaders and subordinates is characterized by the transfer of knowledge, skills, and transformative behavior to increase the competence of subordinates to complete their tasks effectively and efficiently. Accompanying attribute of personal attention shows that every individual in the organization gets the same treatment on the principles of fairness and transparency, thereby creating mutual trust.

Accompanying attribute of solving problems has implications on the solutive approach to problems, not merely depending on the leader, developing creative and innovative behavior in solving problems or minimizing risk. The functional attribute of individual consideration has three accompanying attributes.

Accompanying attribute of listening indicates that the leader has the ability to hear and appreciate initiatives, criticisms, and input from subordinates which has implications on productivity, loyalty, and commitment to organizational values and goals. Accompanying attribute of mentoring means that the leader has competencies to overcome subordinates' obstacles in an effort to complete tasks effectively and efficiently to achieve organizational competitiveness.

Accompanying attribute of empowering indicates that the leader utilizes the competencies of each individual in the organization to achieve productivity and performance. Based on the review, transformational leadership has implications on the commitment of each individual to the values and goals of the organization, building mutually beneficial emotional relationships between leaders and subordinates, developing the intellectual abilities of subordinates and leadership regeneration as a moral agent. Commitment to organizational values and goals is long-term and sustainable rather than short-term goal-oriented. This finding is in line with research results (Mohamed & Otman, 2021) confirming that transformational leadership is a significant resource

that can affect organizational commitment and performance as well as (Mango, 2018) reveals that the outcome of transformational leadership is achieving workforce commitment and performance.

Some of the research results above show that transformational leadership is a leadership model that can change the management of internal organizational resources and placing the productive behavior of human resources as essential to improve performance and commitment. This perspective is in line with statement of (Liu et al., 2015) that transformational leadership is the behavior of leaders who build interactive relationships on the basis of strong mutual trust and shared values. It is further explained that this reciprocal relationship on the basis of this partnership provides opportunities for subordinates to think creatively in solving problems based on intellectual stimulation.

Relationship between Transactional Leadership and Organizational Commitment

As described in the theoretical framework that the role of leadership is very essential to achieve organizational goals. Behavioral theorists explain that leadership behavior is not the leader's property (knowledge and skills) but emotional attribute that determines the success and effectiveness of leadership (Sahin G & K, 2016). It was further explained that one of the most important leadership roles is the emotional role whose purpose is to meet the social and psychological needs of the workforce. Transactional leadership is a leadership style based on a reward and punishment approach. Transactional leadership assumes that the workforce has low self-motivation or even no self-motivation at all. Therefore, rewards or incentives play an important role in building work motivation as stated by (Mugizi et al., 2019) that rewards (incentives) are the main motive for achieving goals and punishment as a motive for compliance.

The main characteristic of transactional leadership is the reciprocal relationship between the leader and subordinates on the basis of mutual agreement. The leader determines the goals to be achieved, if the workforce is able to achieve the goals then he or she will be rewarded and vice versa if the goals are not achieved he or she will be punished (Rodrigues & Ferreira, 2015). Transactional leadership has implications for commitment to task values, not commitment to organizational values and goals (Mwakajila & Nyello, 2021) but nevertheless can affect individuals, group and organizational performance. The commitment of the workforce to the task is short-term based on the agreement between the leader and subordinates. This collective agreement ends when the goals or objectives assigned by the leadership have been achieved. Because the relationship between the leader and subordinates is transactional, the result oriented becomes the main focus, the greater the incentives or recognition given by the leader, the higher the commitment and loyalty of subordinates (Mugizi et al., 2019). Thus, if the incentives or rewards given are low then the commitment and loyalty of subordinates are also low or in other words the level of commitment is determined by the amount of incentives promised/given. (Alharbi, 2021) argues that transactional leadership can increase enthusiasm and motivation, but empathy, creativity and innovation are difficult to develop. This concept is in line with the research results by Asiimwe et al., (2016) and Dzomonda et al., (2017) rewritten by (Mwakajila & Nyello, 2021) that transactional leadership has positive and significant effect on business performance but has no effect on business performance corporate finance where creativity and innovation are indispensable. Reciprocal relationship between leaders and subordinates can increase productivity and motivation but empathy, creativity and innovation do not get adequate proportion (Alharbi, 2021). Bass & Avolio (1997) quoted by (Rana et al., 2016) mentions that there are three components of transactional leadership: (1) *contingent reward*, defined as an award or incentive given by the leader to subordinates in return to achievement; (2) *active management by exception* which mean that continuous control or supervision of subordinates to make sure targets can be achieved; and (3) *passive management by exception* which indicates that leadership involvement is needed when subordinates experience hardship or mistakes in completing tasks. Based on the

review, it is important to categorize functional attributes, accompanying attributes, and implications of transactional leadership as follows:

Table 2. Attributes Transactional Leadership

Functional Attributes	Accompanying Attributes	Implications/Impact
Contingent reward	Reward and punishment	Reward is provided if the target is achieved and penalty is given if workforce fails to achieve the target. Committed only to short-term tasks rather than adherence to organizational values and goals.
	Result oriented	Doing various ways and sometimes can ignore ethics
	Incentives	The bigger the incentive, the higher the motivation
Active management by exception	Direct control	Strict supervision to ensure shared goals can be achieved
	Short-term oriented	Continuity of work and the negative impact of achieved goals are not concerns of management
	Creativity is not priority	Thinking and behaving creatively is not the main priority
	Leaders and subordinates hard to develop	The leader's relationship with subordinates on the basis of a short-term agreement
	Leaders could be bottleneck	The creativity and courage of subordinates do not develop well
Passive management by exception	Leader intervenes if needed	Involvement of the leader is needed only when subordinates are not able to complete the work or do not achieve the target Higher risk of job security then the greater failure to reach the target

Notes: Analyzed from cited resources

Table 2 shows that transactional leadership has three functional attributes: contingent reward, active management by exception and passive management by exception. Contingent rewards have three accompanying attributes: reward and punishment, result-oriented, and incentives; active management has five accompanying attributes: direct control, short-term goals, creativity is not a priority, leaders and subordinates are difficult to develop, and leaders become bottlenecks; and passive management has one accompanying attribute: leader involvement when needed.

Accompanying attributes of reward and punishment have implications in which incentive is provided if the subordinate is able to achieve the goals and conversely sanctions is given if the goals cannot be achieved. This has more impact on the commitment of subordinates to the organization, subordinates are only committed to their duties and responsibilities given by the leader. Accompanying attributes of results-oriented indicates that subordinates are motivated to work hard to be able to achieve the goals/targets who sometimes ignores ethical and aesthetic to avoid sanctions. This condition has an impact on the implications of subordinates' short-term commitment to the organization.

Accompanying attributes of incentive has implications on motivation, the greater the incentives promised by the leader, the higher motivation and vice versa the fewer incentives, the lower motivation of subordinates to achieve goals.

Accompanying attributes of direct control has impact on the psychological pressure of subordinates in carrying out their obligations which potentially curb creativity and innovation development. Such work environment does not support the courage of subordinates to take initiative and risks to cope with the challenges.

Accompanying attributes of short-term goals have implications for the relationship between leaders and subordinates in accordance with shared goals and ignores the negative impact

of achieving the goals. Such relationship does not have implications for the long-term commitment of leaders and subordinates to the organization.

Accompanying attributes of creativity is not a priority has implications for restraining creative and innovative thinking in completing tasks-maintaining the status quo is important. Accompanying attributes of leaders and subordinates are difficult to develop. In this sense creative and innovative behavior is not a priority so is difficult to develop because of direct supervision by leaders.

Accompanying attributes of leader becomes bottleneck, this is because the leader control subordinates directly in carrying out their duties, status quo is more important than creativity. Accompanying attributes of leadership involvement when needed, in this case the leader intervenes in a job when subordinates make mistakes. The leader does not provide consistent and continuous advocacy to complete the task that can constrain transfer of knowledge and technology. It can be concluded that transactional leadership builds short-term relationships with subordinates based on shared objectives. Rewards or incentives are given when subordinates are able to achieve goals and vice versa sanctions are given if the goals or objectives cannot be achieved. Such relationships creativity and innovation are not the priority but status quo is important.

Based on the description of functional attributes and accompanying attributes above, it can be concluded that transactional leadership builds short-term relationships with subordinates based on shared goals and objectives. Rewards are given when subordinates are able to achieve goals and vice versa sanctions are provided if the goals or objectives cannot be achieved. Such relationships, creative and innovative behavior are not the main thing but *status quo* is important. Therefore, the transactional leadership style has implications for short-term tasks rather than long-term commitment to organizational goals and values. This finding is reinforced by research results, among others (Zhu et al., 2012) that transactional leadership implies a commitment to the value of the task rather than a commitment to organizational values and goals.

However, it can affect individual, group and organizational performance. The commitment of the workforce to the task is short-term based on the agreement between the leader and subordinates. This agreement ends when the goals or objectives assigned are achieved. Being relationship between leaders and subordinates is transactional, the result-oriented becomes the main focus, the greater the incentives or recognition given by the leadership, the more commitment and loyalty of subordinates will be (Mugizi et al., 2019). This concept is in line with research results of Asimwe et al., (2016) and Dzomonda et al., (2017) recited by (Mwakajila & Nyello, 2021) revealed that transactional leadership has a positive and significant effect on business performance but does not affect the company's financial performance in a challenging business environment where creativity and innovation are needed. Other researcher (Alharbi, 2021) argues that transactional leadership can increase morale and motivation but empathy, creativity and innovation are difficult to develop. Based on the description indicates that the transactional leadership has implications for short-term tasks rather than long-term commitment to organizational goals and values.

Transformational and Transactional Leadership with Organizational Commitment

Leadership behavior and trust are very fundamental attributes for the workforce commitment to organizational values and goals. Leadership is defined as the ability to motivate, direct, guide, support, and influence the activities of subordinates to achieve the expected goals (Rodrigues & Ferreira, 2015).

Transactional and transformational leadership are different conceptually but related each other and uncontradictory. Transactional leadership is based on a reward and punishment approach and transformational leadership based on emotional binding. How to influence and motivate subordinates to achieve goals is determined by the behavior of the leader (Hamstra et al., 2014). Transformative leaders influence subordinates intellectually to see challenging future with new

perspectives while transactional leaders influence subordinates based on shared goals (Hamstra et al., 2014).

In this case transformational leadership is the behavior of leaders who are able to develop the intellectual competence of subordinates while transactional leadership is the ability of leaders to build compliance based on mutual agreements. Northouse (1997) cited by (Djamaludin & Ali, 2019) reveals that the purpose of transformational and transactional leadership is the effectiveness of managing activities to increase commitment and avoid turnover. (Mugizi et al., 2019) provide a different perspective that transformational leadership places mutual relationship, transforming subordinates into leaders as moral agents while transactional leadership builds relationships with subordinates according to the principle of mutual benefits based on contracts. Different view is expressed by Barbuto (1997) who is quoted by (Mohamed & Otman, 2021) that relationship between transformative leaders and subordinates increases morale and motivation while transactional leaders establish a status quo relationship with subordinates. Transformational leadership is more effective than transactional leadership, but these two leadership styles have the same principle, namely changing human behavior (Bush, 2018).

Table 3 below presents the similarities and differences between transformational and transactional leadership behaviors.

Table 3. Similarities and differences of Transformational and Transactional Leadership

Transformational Leadership Behaviors vs Transactional Leadership Behaviors		
Similarities Behaviors	Differences Behaviors	
	Transformational Leadership	Transactional Leadership
Transformational and Transactional Leadership	Transformational Leadership	Transactional Leadership
Motivating and guiding subordinates to achieve goals	Directing and guiding subordinates to observe future changes	Directing and motivating to achieve the shared goals
Manage activities effectively to increase commitment, productivity, and performance	Develop the intellectual potential of subordinates	Increase short-term productivity
	Building mutually beneficial relationships	Build relationships based on shared goals
	Creating leader as moral agent	Increase motivation and productivity

Notes: Analyzed from cited resources

Table 3 indicates that both transformational and transactional leadership have the same behaviors: influencing, motivating, guiding, and managing activities effectively to achieve organizational goals. However, transformational leadership has behavioral differences with transactional leadership. Transformational leadership influences and directs subordinates towards future changes and challenges. In this case, subordinates are motivated to be able to adapt to changes in the internal and external environment of the organization which are sometimes unpredictable while transactional leadership is motivated to achieve shared goals along with the premise that if subordinates are able to achieve goals then they will be given rewards and on the contrary sanctions are given if they fail achieve the goal.

Transformational leadership seeks to develop intellectual competencies to be able to adapt to the development of the very dynamic internal and external environment of the organization. It is expected that subordinates will be able to take advantages of advances in communication and information technology to improve organizational capabilities and competitiveness. In other words, transformational leadership builds mutually beneficial relationships, futuristic, and has the

ability to anticipate future changes while transactional leadership seeks to encourage and develop the ability of subordinates to increase productivity.

Thus, transactional leadership is oriented towards the achievement of shared goals and changes in the present rather than in the future. Another different behavior is that the transformational leadership has the ability to create leader as moral agent. Creating leaders who carry out their leadership based on ethics and become role models for everyone while transactional leadership has the ability to influence subordinates to have high motivation to increase productivity based on short term-oriented.

CONCLUSION

This research concludes that Transformational leadership has implication on the long term and sustainable commitment of each individual to the values and goals of the organization, building mutually beneficial emotional relationships between leaders and subordinates, developing intellectual abilities of subordinates and creating leaders as moral agent; Transactional leadership builds short-term relationships with subordinates based on shared goals. Rewards are given when subordinates are able to achieve the goals and vice versa sanctions are given if the goals or objectives cannot be achieved. Such relationships creative and innovative behavior are not the priority but status quo is important; Both transformational and transactional leadership have the same behaviors: motivating, guiding, and managing activities effectively to achieve organizational goals; and transformational leadership seeks to develop intellectual competence of subordinates to be able to adapt to the development of the internal and external environment of the organization which is very dynamic, build mutually beneficial relationships, futuristic and has the ability to anticipate future changes while transactional leadership seeks to encourage and develop the abilities of subordinates to increase productivity based on short-term goals-oriented.

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