

Leadership, Management and Transformational Leadership

Leadership is not defined by position or title. It is the process of influencing people toward a shared purpose, direction and desired outcome. *Leadership can be taught and learned.*

“Leadership is a process whereby an individual influences a group of individuals to achieve a common goal.” – Peter Northouse

Leadership Theories

There are eight popular theories that help explain what leadership is, who becomes a leader and how leadership develops.

1. **“Great Man” Theories:** Leaders are born, not made.
2. **Trait Theories:** Leadership is associated with certain inherent qualities and characteristics.
3. **Contingency Theories:** Effective leadership depends on environmental and organizational variables.
4. **Situational Theories:** Effective leaders adapt their style to the situation.
5. **Behavioral Theories:** Leadership behaviors can be learned through teaching, practice and observation.
6. **Participative Theories:** Effective leadership incorporates the input and participation of others.
7. **Management Theories:** Leadership operates through structure, performance expectations, rewards and consequences.
8. **Relationship Theories:** Leaders motivate and inspire people toward a shared purpose and higher good.

Management vs. Leadership

Management	Leadership
Controls	Aligns
Produces order	Produces change

Effective organizations need both strong management and strong leadership. The challenge is knowing which is needed and when. Each fulfills different organizational functions. Neither is better than the other; both are essential.

When do you need to manage, and when do you need to lead?



Managers vs. Leaders

MANAGEMENT

Produces Order & Consistency



Planning and Budgeting

- Establish agendas
- Set timetables
- Allocate resources



Organizing and Staffing

- Provide Structure
- Make job replacements
- Establish rules and procedures



Controlling and Problem Solving

- Develop incentives
- Generate creative solutions
- Take corrective action

LEADERSHIP

Produces Change & Movement



Establishing Direction

- Create a vision
- Clarify big picture
- Set strategies



Aligning People

- Communicate goals
- Seek commitment
- Build teams and coalitions



Motivating and Inspiring

- Inspire and energize
- Empower subordinates
- Satisfy unmet needs

Source: John P. Kotter

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Management & Leadership:

Different Focus, Different Contribution



Management tends to emphasize

- Planning
- Structure
- Processes
- Coordination
- Resource allocation
- Execution
- Measurement
- Problem solving



Leadership tends to emphasize

- Vision
- Direction
- Alignment
- Influence
- Change
- Engagement
- Empowerment
- Inspiration

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Transactional vs. Transformational Leadership

Transactional leadership creates clarity around expectations and performance. Transformational leadership moves people beyond compliance toward commitment, growth and shared purpose.

Transactional and transformational leadership are not mutually exclusive. Effective leaders use elements of both depending on the people, circumstances and desired outcomes.



Transactional Leadership

Transactional leadership focuses on the exchange between leaders and employees, using clear expectations, rewards and consequences to drive performance. It emphasizes directing people, managing resources, maintaining accountability and getting the job done. Motivation is primarily external with employees encouraged to meet expectations in exchange for desired rewards or to avoid negative consequences.

Positive Outcomes	Potential Limitations
• Clear expectations and responsibilities • Greater accountability • Consistent performance • Efficient execution • Predictable results • Achievement of short-term goals • Clear rewards and consequences • Motivated behavior for rewards	• Compliance rather than commitment • Reliance on external rewards • Less employee ownership • Reduced initiative and innovation • More top-down decision-making • Siloed thinking and behavior • Focus on individual or departmental goals over organizational goals • Less attention to development and long-term growth

Transformational Leadership

Transformational leadership is the ability to motivate, inspire and bring people together toward higher levels of performance. It focuses on vision, shared purpose and long-term goals while empowering individuals to grow and perform at their fullest potential. Transformational leaders build trust, increase motivation and engagement and align individual interests with team and organizational goals.

Positive Outcomes	Potential Limitations
• Greater innovation	• Vision without sufficient execution
• Stronger alignment between people's talents and their roles	• Insufficient attention to operational details
• Higher collaboration and teamwork	• Change fatigue
• Increased motivation and engagement	• Unrealistic expectations
• Greater individual growth and development	• Overdependence on the leader
• Higher levels of trust	• Risk of groupthink or reduced critical thinking
• Stronger commitment to organizational goals	• Overemphasizing emotions

Effective leaders balance vision, purpose, engagement and inspiration with clarity, accountability, execution and results.



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