

University of Wales Trinity Saint David
Leadership and Management Theory and Practice
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Transactional Leadership

Transactional leadership believes in addressing goals set by employees motivating them to work for achieving the objectives while paving a successful path to complete their journey. The primary focus of the transactional leadership approach involves directing employees to adhere to their own aims and appealing to their interests. Transactional leadership theory believes in providing employees with something they need in exchange for a requirement that the organisation or the leader puts up. This leadership approach posits that if employees are not self-motivated and require a push to work as well as a redefined structure, leaders are supposed to monitor and instruct to initiate improvements followed by efficient work and performance development. Transactional leadership creates a sense of value and fairness within employees since it serves equal importance to the developmental framework of every employee working within an organisation. This is an easy approach involving recognitional rewards and can be understood or maintained by general leaders. However, a transactional leadership style lacks focus on the building of healthy relationships between employers and their employees (Rosenbach, 2018). Moreover, it is difficult to award all employees based on their performance and initiates a discouraging behaviour towards creativity in the absence of long-term visions.

Leadership Perspectives of Jack Welch

Jack Welch had an unorthodox and unique leadership style and his qualities contributed to the effective management of employees serving the organisation. Welch had been known for demanding and charismatic leadership approaches. He believed in pursuing employees to enhance their capabilities regarding organisational development encouraging them to achieve their set goals or objectives while taking risks. Jack Welch preferred the power of decentralisation to reduce the count of conflicts between the state and central governments (Harvard Business Review, 2020). Moreover, decentralisation supported Welch in addressing local issues and enabled individuals to have an idea of their own set of problems while gaining knowledge on overcoming the same. Welch provided his managers with the authority to practice autonomous behaviour within GE and granted ownership to their departments or

own businesses. Jack Welch never believed in creating boundaries for his employees and restricting their contribution to organisational development and self-improvement.

In his opinion, Welch stated that bureaucratic frameworks of organisations and traditional hierarchical structures with a large count of authoritative figures hindered the creative and innovative advancements of General Electric. It was under his leadership and management guidance that GE implemented a major count of changes for initiating a sense of positive attitude among employees (Fernández-Aráoz, 2020). Welch immediately flattened the organisational structure of GE and broke down silos between various departmental units operating within the business. Jack Welch even implemented one efficient system of rigorous performance management that had been designed in order to determine and promote the best talents that existed in GE. He believed in recruiting potential candidates with capabilities to meet the requirements of the organisation may be serving. Moreover, “Rank and Yank” or the “vitality curve” had been the key management framework implemented by Jack Welch in GE for ranking employees according to their levels of performance.

Attributes of Leadership

Leadership needs to be of a collaborative approach allowing leaders to adapt to a collective or cooperative measure while effectively leading teams towards success. Efficient leaders are required to be accountable in terms of mistakes committed by team members. It is the responsibility of capable leaders to accept their own mistakes and take immediate as well as humble actions to initiate appropriate solutions contributing to resolving the unprecedented situation at hand (Indeed, 2023). Moreover, leaders have to be courageous, efficient listeners and effective communicators in order to motivate potential employees to take risks that may or may not benefit organisations.

Jack Welch’s Leadership Qualities

Jack Welch had been an unorthodox and unique leader who believed in keeping employees motivated in order to initiate organisational development and effective self-improvement. He believed in the scientific management of employees and overruled autocratic leadership styles and discouraged the practice of negative charismatic leadership. Instead, Jack Welch possessed a charismatic quality and attracted employees based on his charm and positive attitude towards their working structures and operational success within General Electric. Moreover, Welch believed in encouraging employees with appropriate awards, rewards and recognition that they deserved from time to time (Welch and Byrne, 2001). In terms of his

demanding approach to leadership, Welch believed in an equal division of work for employees on the basis of their fields of specialisation so that they may be comfortable in completing the tasks allotted or assigned to them. Jack Welch initiated a proper structure with his transformational leadership style and initiated planning, organising, commanding, coordinating and controlling the entire operating system at GE. Moreover, he valued his employees and performed activities that would reveal a better understanding of the abilities of workers serving GE. Moreover, his leadership qualities reviewed him as a responsible leader with qualities such as accountability, focus and empathy.

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