

Transactional and Transformational Leaderships in Islamic Perspectives

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Subject Area : Leadership

Abstract

This study examines transactional and transformational leadership styles from an Islamic viewpoint. Islam does not view transactional leadership or leadership based on rewards and punishments as appropriate. In addition, Islam endorses Transformational Leadership while placing greater emphasis on the attainment of Al Falah. This study develops a framework for Islamic leadership based on a number of factors, including exemplary character, collaboration and interaction with others, fundamental skills, and intelligence

Keywords: Transactional Leaderships, Transformational Leadership, Islamic Leadership

INTRODUCTION/BACKGROUND

One of the internal factors that influence the success of any organization is leadership, including the leadership process at each level of the organization, competencies, and actions of the leader. It is undeniable; the change of a leader will bring changes in the performance, direction, and purpose of a unit, team, division or the organization as a whole. Good leadership in an organization can improve the performance of its members, while the opposite is true. Thus, it is not mistaken that leaders and leadership are always popular topics to be discussed in many works of literature, researches and discourses. This study aims to provide a brief explanation of leadership theories, in particular, the transactional and transformational leadership styles.

The study looks at the perspectives of Islam in observing the two styles of leadership. It also provides an explanation of how the concept of Islamic leadership has developed. This paper is expected to provide an overview of the basic framework in building effective leaders in accordance with what is taught by Islam. The general focus of this study includes interpreting leaders, reviewing theories and styles of transactional and transformational leadership, and the formulations of leadership according to the standpoints of Islam.

METHODOLOGY

This study is a library-oriented research. The researchers studied The Holy Quran, Sunna, and available published works of literature, journal,

and magazine in this topic to develop the view of Islam concerning the transactional and transformational leadership. The study has been structured in the light of the research objectives.

RESULT AND DISCUSSION

Leaders and Leadership

According to Robbins & Judge (2013), leadership refers to the ability to influence a group toward the achievement of goals. While Gibson et al. (1991) describe leadership as an attempt to use a type of non-coercive influence to motivate others through communication toward realizing shared goals. Barnet (2006) explains leadership as a process by which one individual influences others toward the attainment of groups or organizational goals. Leadership broadly includes the process of influencing others to determine organizational goals or the relationship of interaction between followers and leaders in achieving common goals. Leadership has three fundamental elements, namely: (1) leader, (2) follower, (3) certain situations that connect the leader and follower to interact together. All three interact in a process. This very general understanding of leadership is also in line with the ideas of Muslim scholars. Ali (2009) describes leadership as a process of influencing, which is shared naturally, where a leader and followers are involved in certain activities to achieve common goals. In another study, Jamil (2015) explained leadership as a person's ability to lead a group of individuals to complete a particular mission, pay attention for their followers with the aim of succeeding in the management process and reducing errors. From the various definitions above, the element contained in each of these definitions is to influence. Therefore, the simple definition of

leadership, looking at the essence of the above definitions, is an attempt to influence the group and achieve a common goal. A true leader is always a person who has strong principles of communication, assertiveness, and dynamism in their personality. A leader has sincerity towards commitment and has a positive attitude while living his personal and professional life. Leadership is seen as a means of motivating and guiding people in ways and directions that are planned in such a way that it becomes the organization's main concern; it makes changes to organizational improvement.

In contrast to the notion of leadership that has been developing so far, understanding leadership in Islam has an additional element, which is the aspect that underlies the leadership itself. Leadership in the Islamic perspective is a way of leading based on Sharia provisions. The leadership model in Islam always emphasizes the concept of *Al Falah*, which is a success in everyday life in this world and in the hereafter. Therefore, successful leaders are those who achieve the goals of *Al Falah* through their role as leaders (Ahmad & Fontaine, 2011). Leadership in Islam will be discussed further in the following discussion.

Transactional and Transformational Leadership

Sultana et al., (2015) explained the vision of Transactional Leadership based on transactions conducted between leaders and followers. A transactional leader sees human relations are just a chain of transactions. The root of this leadership style is a reward, punishment, economic exchange, emotional and physical exchange, and other "transactions". To better understand this leadership style, a leader is leading the organization and telling

the followers what their obligations are as they get a salary for it. Transactional leaders apply a substitute model, where rewards are given for good or positive results while bad efforts or unsatisfactory results will lead to punishment and sanction. This kind of leadership is also recognized as managerial leadership since the focus of this leadership style is on the responsibilities of administration, organization and group performance; transactional leadership is a leadership style where leaders encourage adherence to the followers through reward and punishment. Transactional leaders provide instructions for upholding a chain of rules and regulations; their approach does not aim for improving or developing the current condition and change the future.

Wollah and Soegoto (2015) describe transformational leadership as a way to influence others so that they are willing to bring out their best abilities and skills in the value creation process. Transformational leaders are leaders who inspire their followers to set aside their personal interests and have extraordinary influential abilities. Sultana et al. (2015) explained in more detail that the role of transformational leaders not only provides inspiration by motivating their followers, but they are leaders who must be present and always there to convince and guide their followers until they achieve the shared vision and goals. A transformational leader is someone who inspires followers to achieve satisfying and extraordinary results.

Components of Transactional and Transformational Leadership

According to Bass's (1997) observations, Transactional leadership uses three components in its application. The first component is contingent

reward, which is a method of awarding and punishing the followers with the aim of realizing the vision, mission and goals of the organization. Transactional leaders arrange mutually agreed contracts and make recommendations provided for positive results and successful performance, as well as drafting sanctions and penalties for failure. Active management by Exception is the second component in transactional leadership and is applied by observing followers and taking action according to their performance. Transactional leaders are actively involved in implementing policies to keep all followers away from mistakes and avoid errors. Passive management by Exception is the third component. This component encourages leaders not to take any action until serious problems occur. Transactional leaders fully observe the followers and are not involved in certain situations, until they become severe.

In Transformational Leadership, a transformational leader is required to master four components that are often called the Four I's with the aim of achieving all organizational goals. The first component is Idealized Influence; this influence considers the characteristics of a leader towards the relationships with the workers. This aspect includes a leader's behavior that makes subordinates respect and wants to imitate their leaders. Leaders are required to have character qualities that make subordinates admire and protect them. The parable of good behavior that can be applied to this dimension is discipline to work on time. The second component is called inspirational motivation. Leaders are required to motivate and inspire followers, present and link common goals, encourage workers to contribute the best and provide shared vision and mission. Further, the

leader will provide a challenge to inspire employees' morals at work. The key to inspiring and motivate the follower is to build confidence (optimism) and enthusiasm of subordinates while leading them to accomplish the organization's goals. The third component is intellectual stimulation. This dimension demands a leader to bring innovations and bright ideas to solve organizational problems. This dimension guides a leader to advocate for innovative strategies to run the organization in the future. The last component is called individualized consideration. Leaders will always accept ideas and include followers in the decision-making process. The leader guides and helps to optimize the potential of followers by providing facilities and building the environment needed for them to develop.

Transactional and Transformational Leaderships in Islamic Views

Alsarhi et al. (2014) argue that Islam does not support a transactional leadership approach for the reason that the transactional approach focuses only on motivating followers through intrinsic and extrinsic rewards based on performances. A Muslim leader, after conducting a good performance will not wait to be rewarded. A Muslim leader considers the process of accomplishing tasks and responsibilities as a means to worship the almighty God. In a study conducted by Hoque et al. (2013) the Prophet was decisive in applying the commands of Allah even with his relatives, especially in matters of great sin. One example of the firmness of the Prophet was when in Medina, the Prophet ordered to cut off the hand of the thief. Some companions think that punishment will not be done because the person is a distant relative of the prophet. When the Prophet saw this, he said, "If my daughter Fatimah is guilty,

she will not survive" (Al Bukhari). Injustice always leads to turmoil and conflict, but at the same time, justice must be forged with compassion. In Islamic organizations, both managers and owners must be aware and sincere in ensuring justice for all. This story illustrates the motivation of the Prophet by giving strict sanctions for those who do not stand for the commands of Allah and His Messenger. The Islamic leadership literature does not mention considerably or make similarities to the transactional leadership approach for the reason that Islam does not see leadership style from a transactional perspective or lead based on imposing rewards and punishments. However, the absence of deep taught in this matter indicates new research fields that can be started with the goal to ensure the existence of Islamic standpoints.

Observing from an Islamic perspective, transformational leadership adopts a deeper approach to engagement and provides opportunities for groups to work and help one another. The leader's job is to give the best to whom he or she leads and transform society in a good direction for the realization of the vision and mission. It is evidenced that the Prophet Muhammad transformed the society in the Arabian Peninsula, bringing the light of Islam into the society. The Prophet motivated the companions to reject the established order and fight for the establishment of an Islamic state, which in the future could become the center of world civilization for fourteen centuries. The Islamic and Western approaches to transformational leadership have in common that both approaches accept transformational leadership because they emphasize the core of various leadership characteristics such as individual, inspirational, and intellectual traits. However, in terms of differences,

the transformational approach is more prominent in Islam than in the west because the Islamic approach encourages cooperation and mutual assistance, helping to improve society in order to get a better life.

The Prophet Muhammad as a transformative leader was very concerned about the differences that exist in each of his followers while at the same time being mentors, providing training and advising. The Prophet also helped with providing the needs of his followers for achievement and self-actualization through "intellectual and spiritual rethinking". The Prophet always stimulated his followers to improve their intellectuality, by always paying attention to their followers and whom they lead (Beekun, 2012).

Building a Framework of Islamic Leadership

According to Mohamed (2012), the Prophet applied the ideal concept of leadership by highlighting his noble and most important qualities, namely honesty, trustworthy, conveying and openness (*tabligh*) and the latter was working with innovation and creativity (*fathanah*). This leadership is proven to form a quality civilization with exemplary and full of integrity. Here are some tips and ways Muslim leaders motivate their followers:

1. A leader must accept responsibility for carrying out his duties and obligations in accordance with the interests of his religion and organization. A leader does the task with full trust and caution, avoid wasting time, eager to learn and make an apology when guilty. A leader is the protector of rights that will be received by his employees.
2. A leader must be seen by his followers as part

of them, outside the context of work, and will be seen as a leader in the context of professional life.

3. A leader must not underestimate employees who have differences in skin, race, religion, or preferences. He or she must treat all followers equally.

Jamil (2015) made an effort to create a leadership formulation in Islam that could be used and applied, regardless of place and time. This formulation is divided into four basic frameworks, which are then broken down into several leaders' traits. Here is the basic framework of Islamic leadership.

The first and most important framework is the leader's character as a role model. A true leader must be a person who has a character that can present himself as a role model and a reference in acting for his subordinates. These characters include their assertiveness, honesty, reliability, selflessness, ethics, loyalty to the organization, passion, moderation, humility, justice and mercy. These characters are important attributes that must be possessed by someone in their personality as the leader of an organization, company or country. Leaders become role models for the team and capable to solve existing problems. The second framework is the ability of leaders to collaborate and interact with followers. A leader will always consider his subordinates and will not give excessive burden, beyond the limits of the subordinates. Leaders are required to motivate each member in the organization so they can work their best and improve their quality. Not only motivates, but a leader will train each member to develop. Leaders are required to delegate each task and obligation to members who have the capability to

implement it. Moreover, leaders are able to make effective decisions to solve every problem after consultation with all involved parties and relevant stakeholders. At the end of the work period, leaders are required to provide an assessment and evaluation, which is then used to improve the work system so that all management process activities can proceed according to what has been planned. The third framework is to discuss the basic competencies that must be owned by each leader. A good leader is a competent leader in his field and specialization. Leaders demonstrate the capabilities to be a reference and guidance for each work processes. Leaders are required to have integrity and become dynamic who adapt and adjust to the fast changing of conditions and the occurrence of crisis. In daily life, leader communicate effectively in every process of organization. Becoming a leader means having the power to influence. Accountability of a leader will always be the main concern in the eyes of various groups. Therefore, leaders must have the courage and determination in determining every attitude and action. He will walk with consistency in doing well all the time. The final framework is the level of intelligence and the way to see the future. This includes leader's competence in the relevant character discipline. Leaders must have strong emotional intelligence, not easily influenced by thoughts that can have a negative impact. He is a visionary figure, has far-sightedness. At the end of the office term, the leader is required to succeed in choosing his successor and transferring his duties and responsibilities.

CONCLUSION

Leadership is the ability of a person to lead a group of individuals to accomplish certain

missions, fostering subordinates with the goal of succession management so that mistakes can be avoided. Leadership is seen as a means of motivating and guiding people to what already planned in such a way that it becomes the organization's main concern; it basically makes changes to organizational improvement. In the context of Islam, leadership means guiding the organization towards the realization and achievement of common goals and creating a system where there are satisfaction and prosperity or *al-Falah*, for everyone (Jamil, 2015). Islam supports the transformational leadership approach while giving more significance to the attainment of *al-Falah*. Islam rejects the transactional leadership approach that leads based on reward and punishment. A Muslim leader will not wait to be rewarded and to be punished in implementing his tasks and duties and responsibilities but will do it in a sincere way as a worship to the Almighty God.

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