Why Not Transactional Leadership: James Downton’s Rebel Leadership Considered

Central to the concept of transformational leadership that has dominated traditional leadership discourse since the 1980s is the relegation of transactional leadership to a secondary, decidedly inferior status. In James Macgregor Burns’ 1978 Leadership, transactional leadership was equated with political horse-trading: swapping jobs for votes or subsidies for campaign contributions. All leaders, Burns admitted, did some of this. Still, as the examples indicate, an aura of shadiness if not outright mendacity hung over the transactional exchange.

Transformational leadership provided moral elevation; transactional leadership operated at a considerably lower level.

With no apparent hesitation, that theme of dismissing transactional leadership was endorsed by management scholars. The exchange process, in which rewards would be meted out in return for agreed-upon performance, could bring about “changes of degree,” but not the type of fundamental realignment that was apparently called for.1 Transactional leadership, Bernard Bass insisted, could be “a prescription for mediocrity,” especially “if the leader relies heavily on passive management-by-exception, intervening with his or her group only when procedures and standards for accomplishing tasks are not being met.” To complete this equation of transactional leadership with bad management, Bass insisted that “such a manager espouses the popular adage, ‘If it ain’t broke, don’t fix it.’ He or she stands in the back of the caboose of a moving freight train and says, ‘Now I know where we are going.’”2 Transactional leaders were aware of “what is right, good, important, and beautiful” and are able to elevate, a word frequently associated with transformational leadership, “followers to go beyond their self-interests for the good of their group, organization, or society.” Conversely, transaction leaders manage “outcomes and aims for behavioral compliance independent of the ideals a follower may happen to have.”3

Does the success of a corporate enterprise truly depend on the elevation of employees to some higher order? Does effort on behalf of organizational success rely on the replacement of self-interests on the part of followers? Do “authentic transformational leaders” in fact ever set aside their own self-interests on behalf of some greater good? And are contingency rewards based on the expectation of contracted performance necessarily the enemy of high performance? To the original transformational leadership advocates – and “advocates” is what they were – the answers to these questions were self-evidence: yes, yes, yes, and yes. That’s not to say, however, that these were settled matters in the broader discourse.

Sociologist James Downton is often erroneously credited with introducing the concept of transformational leadership.4 He did not. In his study of leadership within rebellious political groups, he did insist that transactions, with the inherent reciprocity of benefits and obligations,

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4 Take a look at the Wikipedia entry on Downton.
recognized the independence of all parties to the transaction. That was true, at least, for what Downton called “positive transactions” in which individuals consciously weighed alternative modes of behavior and made an informed, consensual choice. In Downton’s view, the transactional paradigm recognized that followers had their own legitimate interests, both economic and psychological, that might not be entirely congruent with those of the leader. But once a positive leader-follower bond was forged, groups were situated to make the kinds of adaptations and changes required of a dynamic external environment.

As is apparent from his book title, Rebel Leadership: Commitment and Charisma in the Revolutionary Process, Downton focused not on business organizations but on mass political movements. Specifically, he sought to analyze the leader-follower dynamic in various “rebellious” situations, ranging from the Russian Revolution to the Black Muslim movement in the United States. Downtown saw his work in juxtaposition with a popular book by Eric Hoffer, The True Believer. As so many others of his generation, Hoffer was moved to consider the twin totalitarian mass movements of Nazism and Communism. All fanatical mass movements, he suggested, regardless of their particular ideological positions, were the same on one key regard. They were fueled by a fanatical and misguided urge on the part of followers to achieve some degree of self-esteem.

Downton was not convinced of the universality of Hoffer’s conclusion. Rather than looking at Hitler and Stalin, two obvious targets for condemnation, Downton wondered whether people in rebellious political movements might be acting as rational human decision makers whether than irrational fanatics. To help arrive at an answer, Downton looked at the exchange that lay at the heart of all leader-follower engagements and suggested that transactional leadership contained the capacity to mobilize and energize followers to a rational commitment to a leader and to the purpose of that leader’s calling. Downton’s book preceded by five years the first appearance of the transformational paradigm in Burns’ Leadership. He is not in any sense, therefore, rebutting the transactional/transformational dichotomy contained in that work. There is no denying, however, that he positions the transactional leader-follower exchange as, potentially at least, in a far more positive light.

And what of charisma, that force which was claimed by transformational leadership as its exclusive domain? Not so, suggested Downton. Charisma was at base an exchange, he insisted, with a psychological basis. In recognizing the “manifestly transcendental authority” of a leader, the follower offers both deference and affection. Although the attribution of transcendence may be irrational, the terms of ghee exchange are understandable. The follower moves closer to an ideal and becomes socialized into a larger group. Even the notion of radical change can be seen as an element of transactional leadership as the follower willingly adopts the leader’s new model of behavior.

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5 James V. Downton, Jr., personal correspondence with author, 1 August 2014.
Dennis Tourish’s assessment of the “dark side” of transformational leadership noted a tendency on the part of the original theorists to extol the virtues, indeed the moral superiority, of so-called heroic individuals who could, in a more critical light, be seen as macho bullies, intent on cajoling others to fall into line. My own work demonstrated the degree to which that tendency was present in the original transformational leadership literature.

This proposed paper is part of my larger, ongoing project to assess discourse on the topic of leadership, primarily in business organizations, as it unfolded in the 20th century. I am writing a book, tentatively titled, *Speaking of Leadership: Appraising the Discourse* (Cambridge University Press, 2015). My methodical paradigm is intellectual history. Intellectual historians look at ideas as expressed by intellectuals. The sociohistorical context of the ideas must be appreciated by the intellectual historian. However, an appreciation of the context in which transformational leadership appeared does not divest the historian of a responsibility to offer a critical weighing of its tenability.

My intention is to present this work in the spirit of both advocacy and inquiry. I am advocating a perspective that holds that the elevation of transformational leadership over transactional leadership is unwarranted. There is nothing inherent “superior” or preferred about being transformational and nothing inferior about being transactional. Furthermore, posing them as dichotomous types assumes there is a tradeoff between the two, an assumption that is unwarranted. In terms of inquiry, I am looking forward to learning from the reaction of other participants, both to the content of my argument and to the application of historical methodology to the analysis of leadership.

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