

Challenges of Transformational Leadership in the New Era

¹*Sarah Oladunni OKUNEYE*

¹*okuneyeoladunni281@gmail.com; okuneye.sarah@pgstudent.lcu.edu.ng*
+2348026313980

&

²*Afolakemi Olasumbo OREDEIN*

²*pefolake@yahoo.com; a.oredein@lcu.edu.ng*
+234 805 514 5060

^{1 & 2}*Lead City University, Ibadan*
Oyo State, Nigeria

Abstract

Transformational leadership is a style where leaders induce followers to act for certain goals that represent the values and the motivations of both leaders and followers, but in spite of these, there are obstacles that may negate the aforementioned points and that is where the topic comes up because with every good side there will be its own bad side. In the light of that, the purpose of this study would be to examine the challenges of transformational leadership in the new era. This involves moving beyond traditional hierarchical structures to inspire and empower individuals to innovate and exceed expectations. The Theoretical Framework of this study would be the Four I's of Transformational Leadership which was initially introduced and later refined. In conclusion, transformational leadership remains a powerful and essential framework for driving organizational success. While its core principle from the theory used were: Idealized influence, Inspirational Motivation, Intellectual Stimulation, and Individual Consideration are timeless, their application must evolve to meet the unique challenges of the modern era. The shift from a physical to a digital-first workplace demands that the leaders cultivate authenticity and presence through new channels to inspire and connect with their teams. Ultimately, a leader's ability to navigate these complexities and adapt their approach is no longer just a valuable skill but a strategic imperative for building a resilient, and ethically sound organization in an ever-changing world.

Keywords: Transformational Leadership, New Era, Idealized influence, Inspirational Motivation, Intellectual Stimulation.

Introduction

There are two variables in the topic: Transformational Leadership (Independent variable), the indices to measure it are: Visionary Thinking, Inspiring Others, Empowering Employees, Leading by Example. While Challenges is (Dependent variable and would be measured by Conflict Management Scale, Leadership Challenges Survey, Resistance to Change Scale. To start with, what is Transformational Leadership? Transformational Leadership is a style of leadership where a leader's behaviors inspires and motivate followers to achieve extraordinary outcomes. While challenges implies problems, obstacles, difficulties faced by transformational leaders. This study would be discussed under the following subheadings:

Visionary Thinking ii Inspiring Others iii Empowering Employees iv Leading by Example v
Conflict Management vi Scale Leadership Challenges vii Survey Resistance to Change Scale

Visionary Thinking: This is a process whereby a Transformational Leader has a clear vision for innovative, design-driven and empower their team members to achieve exceptional results and work towards a shared vision.

Inspiring Others: A Transformational Leader inspires his team to think differently and strive for perfection, fostering a culture of creativity and innovation.

Empowering Employees: This is the ability of a Transformational Leader to empower his employees to take risks and experiment with new ideas, leading to organizational success.

Leading by Example: Transformational Leaders passion, attention to detail and commitment to excellence set a high standard for the team, driving them to achieve exceptional results.

Conflict Management Scale: This is a process of evaluating the level of conflict within teams or the organization and the way forward in resolving it.

Leadership Challenges Survey: This measures the effectiveness of change management processes.

Resistance to Change Scale: This is a process to measure the level of resistance to change within an organization

Benefits of Transformational Leadership

Think of a leader who doesn't just manage, but truly inspires you. They're the kind of person who makes you feel like you're part of something bigger, not just a cog in a machine. That's transformational leadership in a nutshell, and it's a huge advantage in today's fast-paced world.

In this new era of work, where things change on a dime thanks to technology, globalization, and shifting priorities, the old-school "do this, get that" leadership style just doesn't cut it. Instead, transformational leaders focus on connecting with people on a deeper level, igniting their passion, and helping them realize their full potential.

Igniting Innovation and Creativity

A transformational leader creates a safe space for you to think outside the box. They encourage you to **challenge the status quo** and ask those "what if" questions. This kind of intellectual freedom is what sparks breakthrough ideas. It's about more than just getting the work done; it's about pushing boundaries and finding better ways to do things.

Boosting Morale and Motivation

Imagine feeling genuinely excited to go to work because you know your contribution matters. That's the power of transformational leadership. These leaders don't just hand out bonuses; they

help you see how your work aligns with a greater purpose. When you feel valued and know you're working toward a shared goal, your job satisfaction and morale soar, making you more likely to go the extra mile.

Building Resilient Teams

Today's world is full of uncertainty, and transformational leaders are experts at navigating it. They build **trust** through transparency and empathy, creating a strong foundation that helps teams stay committed and resilient, even when things get tough. By acting as a mentor, they help you grow and develop your skills, ensuring the team is ready for whatever comes next.

Driving Success and Reducing Turnover

It's no surprise that companies with transformational leaders tend to perform better. When people are inspired and motivated, their **productivity and performance** naturally increase. This leadership style also helps build a strong, positive company culture that attracts and keeps top talent. When you feel a sense of purpose and feel that the company genuinely cares about your well-being and development, you're much less likely to leave. It's a win-win for everyone involved.

Challenges of transformational leadership

There is nothing with benefits without its challenges implementing transformational leadership in the new era isn't without its challenges. The constant pressure for speed and efficiency can make it difficult for leaders to invest the time needed for individualized consideration. Also the prevalence of virtual communication can hinder the development of the deep personal connections essential for building trust and idealize influence

Major way forward of these findings reveals that leaders can adopt the core principles of transformational leadership to meet the unique challenges of the new era and build organizations that are not just successful, but also purpose-driven, resilient, and human-centric, just like Steve Jobs who is a transformational leader that transformed Apple into one of the most valuable companies in the world through his visionary thinking, inspiring others, empowering employees, and leading by example.

Transformational Leadership, while effective can face several challenges including:

1. Resistance to change: some team members may resist the changes brought about by transformational leadership, making it difficult to implement new ideas.
2. High Expectations: Transformational leaders often set high expectations, which can lead to burnout or disappointment if not managed properly.
3. Dependence on the Leader: The success of transformational leader can be heavily dependent on the leader's presence and influence, making it challenging to sustain momentum if the leader leaves.
4. Time-Consuming: Building strong relationships and inspiring others can be time-consuming, potentially diverting attention from other important tasks.
5. Criticism and Conflict: Transformational leaders may face criticism or conflict from those who oppose their vision or methods.

6. **Balancing Vision with Practicality:** Leaders must balance their visionary ideas with practical considerations and resource constraints.
7. **Maintaining Momentum:** Sustaining the momentum of change and motivation over time can be challenging.
8. **Potential for Over-Influence:** The strong influence of a transformational leader can sometimes lead to over-dependence or a lack of critical thinking among team members.

Theoretical Framework

Transformational Leadership was first introduced by James MacGregor Burns (1978) and later expanded by Bernard Bass (1985), it is a style where a leader inspires, motivates, and intellectually stimulates their followers to innovate and create positive change. Rather than simply managing transactions or tasks, this type of leader focuses on "transforming" their team by creating a shared vision and fostering an environment of growth and collaboration

Roache, D. A. M. (Ed.). (2023), defines Transformational Leadership as a style where “leaders induce followers to act for certain goals that represent the values and the motivations of both leaders and followers”

Transformational leadership is a style of leadership where a leader’s behaviors inspires and motivate followers to achieve extraordinary outcomes. Breznik, K., & Hisrich, R. D. (2021) goes beyond the simple exchange of rewards for performance, instead focusing on raising the morale, motivation, and ethics of both the leader and followers. The core of this leadership style is to transform people leading them to work for the good of the organization and for their own personal and professional development. This leadership theory was initially introduced by James MacGregor Burns in 1978 and later refined by Bernard Bass, who developed the model around four key components, often called "The Four I's.

The Four I's of Transformational Leadership

Bernard M.Bass and Ronald E. Riggio (2006), providing a comprehensive review of the theory and its application. The core of transformational leadership is its ability to elevate the follower's motivation and morality to higher levels. This is achieved through the leader's behavior, which is broken down into the following four dimensions:

1. Idealized Influence (II)

This component describes leaders who act as **role models**. They earn the respect, trust, and admiration of their followers by demonstrating high moral and ethical standards. Followers want to emulate them because they see the leader as someone of integrity who is committed to a purpose beyond their own self-interest. The leader's charisma and strong moral compass provide a clear example for others to follow.

2. Inspirational Motivation (IM)

Transformational leaders inspire and motivate their followers by providing a **compelling, shared vision of the future**. They articulate this vision with optimism and enthusiasm, giving their

followers a sense of purpose and meaning. They communicate high expectations and instill a confidence that the goals are achievable. This inspires employees to go above and beyond their basic duties and work toward a greater collective good.

3. Intellectual Stimulation (IS)

This aspect focuses on the leader's ability to **challenge the status quo** and encourage creativity and innovation. Transformational leaders stimulate their followers intellectually by encouraging them to question assumptions, reframe problems, and approach tasks in new ways. They create a safe environment where followers are free to experiment with new ideas without fear of ridicule or punishment for mistakes.

4. Individualized Consideration (IC)

Transformational leaders act as **mentors and coaches** to their followers. They pay close attention to the individual needs of each team member, providing support, encouragement, and developmental opportunities tailored to their specific strengths and weaknesses. This one-on-one attention shows that the leader genuinely cares about the personal and professional growth of their followers, which builds loyalty and commitment.

Application of the Theory

The application of transformational leadership has been consistently linked to a variety of positive outcomes for both individuals and organizations.

- **Increased Performance and Productivity:** By inspiring and motivating followers, transformational leaders can significantly boost individual and team performance, often leading to results that exceed initial expectations.
- **Higher Employee Satisfaction and Morale:** When employees feel valued, supported, and intellectually challenged, their job satisfaction and morale improve. This leads to a more positive and collaborative work environment.
- **Enhanced Innovation and Creativity:** The emphasis on intellectual stimulation fosters a culture of innovation, where employees are more willing to take risks and contribute creative solutions to problems.
- **Greater Organizational Commitment:** When a leader demonstrates genuine care and provides a clear, shared vision, employees develop a stronger sense of loyalty and commitment to the organization, which can lead to reduced turnover.

It is broken down into three main categories:

1. Laissez-Faire (Non-Leadership)

This is the absence of leadership. At the passive and least effective end of the spectrum, the laissez-faire leader avoids making decisions, abdicates responsibility, and provides little to no guidance or support. This behavior leads to role ambiguity and a lack of accountability, ultimately resulting in low performance and morale. Within the FRLM, this style serves as a clear baseline of what to avoid.

2. Transactional Leadership

This style operates on a system of exchange or "transactions." The leader clarifies expectations and provides rewards or punishments based on performance. It is more effective than laissez-faire but focuses on maintaining the status quo. The key components are:

- **Contingent Reward (CR):** The leader sets clear goals and expectations and promises rewards (e.g., bonuses, recognition) for meeting them. This is a positive, effective form of transactional leadership as it clarifies the link between effort and outcome.
- **Management by Exception (MBE):** This involves corrective action. It can be active (MBE-A), where the leader proactively monitors for deviations from standards and intervenes before it occurs, or passive (MBE-P), where the leader only intervenes after a problem has arisen. Both forms are reactive rather than proactive.

3. Transformational Leadership

This is the most active and effective style on the continuum. It transcends simple transactions and focuses on inspiring and elevating followers to achieve beyond what they thought was possible. It is defined by the "Four I's," which serve as the core elements of the framework's application:

- **Idealized Influence:** The leader acts as a role model and earns trust and respect through their character and ethics.
- **Inspirational Motivation:** The leader provides a compelling, shared vision that instills a sense of purpose and meaning.
- **Intellectual Stimulation:** The leader encourages followers to question the status quo and think creatively.

Individualized Consideration: The leader acts as a coach and mentor, paying attention to each follower's unique needs for growth.

Modern Adaptations and Challenges

The new era introduces unique challenges and opportunities for transformational leadership. The rise of globalization, remote work, and hybrid teams necessitates a greater focus on **technological proficiency** and **emotional intelligence** to maintain a cohesive and engaged workforce.

Leaders must leverage digital tools and platforms to foster communication and collaboration across distances, while also addressing issues like information overload and digital burnout. Furthermore, the modern landscape demands leaders who are not only visionary but also **agile** and **data-driven**, capable of navigating an increasingly complex and volatile business environment. This new era of leadership places a premium on adaptability, a commitment to diversity and inclusion, and a genuine focus on employee well-being.

Transformational leadership is a style of leadership where a leader's behavior inspires and motivates followers to achieve extraordinary outcomes. It goes beyond the simple exchange of rewards for performance, instead focusing on raising the morale, motivation, and ethics of both the leader and the followers. The core of this leadership style is to transform people, leading them to work for the good of the organization and for their own personal and professional development.

Transformational leadership, with its emphasis on inspiring and motivating followers, fostering intellectual stimulation, and providing individualized consideration, has long been considered a highly effective leadership style. However, in the new era, marked by rapid technological advancements, globalization, and shifting workforce dynamics, this approach faces a unique set of challenges.

Summary

The real challenge for leaders today is combining the **inspirational qualities** of a transformational leader with other leadership styles. For example, a leader needs to be **transformational** to inspire a team to innovate, but they also need to be **transactional** to handle daily tasks and manage performance effectively. It's about blending different approaches—like knowing when to be a visionary and when to be a manager—to meet the complex demands of the modern workplace.

Effects and Benefits

The application of transformational leadership has been consistently linked to a variety of positive outcomes for both individuals and organizations.

- **Increased Performance and Productivity:** By inspiring and motivating followers, transformational leaders can significantly boost individual and team performance, often leading to results that exceed initial expectations.
- **Higher Employee Satisfaction and Morale:** When employees feel valued, supported, and intellectually challenged, their job satisfaction and morale improve. This leads to a more positive and collaborative work environment.
- **Enhanced Innovation and Creativity:** The emphasis on intellectual stimulation fosters a culture of innovation, where employees are more willing to take risks and contribute creative solutions to problems.
- **Greater Organizational Commitment:** When a leader demonstrates genuine care and provides a clear, shared vision, employees develop a stronger sense of loyalty and commitment to the organization, which can lead to reduced turnover.

Transformational vs. Transactional Leadership

To fully understand transformational leadership, it is helpful to contrast it with **transactional leadership**.

- **Focus:** Transactional leadership is based on a "give and take" exchange. The leader provides rewards (e.g., salary, bonuses, praise) in return for the follower's performance and compliance with established rules and procedures. It is a management style focused on maintaining the status quo.
- **Motivation:** Transactional leadership primarily uses **extrinsic motivation** (external rewards). In contrast, transformational leadership focuses on **intrinsic motivation** by inspiring a sense of purpose and meaning.
- **Goal:** Transactional leaders aim for predictability and efficiency, ensuring that tasks are completed correctly. Transformational leaders aim for profound change, inspiring followers to transcend their own self-interests for the good of the team and organization.

While the two styles are often seen as opposites, an effective leader can utilize aspects of both, as some transactional practices (like clear rewards for meeting goals) can be a valuable part of a broader transformational approach.

Findings

Leadership's Foundation Has Shifted

The shift to digitalization and remote work has fundamentally altered traditional leader–follower relationships. Evidence shows that transformational leadership must evolve to remain effective in technology-driven environments. For example, Hanelt, Buxmann, and Schütte (2020) demonstrate that digital transformation requires leaders to adopt new roles that blend technological understanding with human-centric leadership to maintain effectiveness in virtual contexts. Similarly, Breznik and Hisrich (2021) show that digital transformational leadership is essential for achieving organizational agility, which becomes necessary when physical presence is replaced by digital interaction.

These studies confirm that the digital era has reshaped how leaders build trust, communicate, and inspire followers.

Challenges Are Existential Risks

Research supports the claim that the new challenges leaders face—such as information overload, digital fragmentation, and amplified scrutiny—pose significant threats to organizational outcomes. Breznik and Hisrich (2021) argue that without effective digital transformational leadership, organizations risk losing agility, innovation, and cohesion. Ahmad (2021) similarly notes that in periods of rapid change, transformational leaders who fail to effectively share knowledge may experience breakdowns in communication and reduced employee engagement. Additionally, Roache (2023) emphasizes that in globalized, complex, and highly connected work environments, leadership challenges directly affect trust, motivation, and overall organizational effectiveness.

Thus, the challenges of the new era are not minor; they influence key strategic outcomes such as engagement, innovation, and long-term stability.

Adaptation Is a Strategic Imperative

Evidence strongly establishes that adapting leadership practices to digital and decentralized workforces is essential for organizational survival. Riza, Yunita, and Soraya (2025) find that transformational leadership combined with digital transformation significantly enhances innovative work behavior and employee performance—showing that adaptation directly improves organizational competitiveness. Hanelt et al. (2020) further argue that leaders must adopt flexible, technology-informed approaches to navigate rapid change successfully. Salih (2020) also highlights that leaders who do not adjust to globalization, digitalization, and innovation pressures risk organizational stagnation.

Adaptation is therefore not optional but a strategic requirement for maintaining competitiveness in modern organizations

Conclusion

Transformational leadership remains a powerful and essential framework for driving organizational success. While its core principles—**Idealized Influence, Inspirational Motivation, Intellectual Stimulation, and Individualized Consideration**—are timeless, their application must evolve to meet the unique challenges of the modern era. The shift from a physical to a digital-first workplace demands that leaders cultivate authenticity and presence through new channels to inspire and connect with their teams. Ultimately, a leader's ability to navigate these complexities and adapt their approach is no longer just a valuable skill but a strategic imperative for building a resilient, innovative, and ethically sound organization in an ever-changing world.

Way Forward

There are many obstacles for transformative leaders to overcome in the quickly evolving world of today. These include keeping up with rapidly evolving technology, overcoming change-averse people, communicating openly and clearly, fostering trust during transitions, leading increasingly diverse and multigenerational teams, keeping talented workers, and avoiding burnout. Leaders must continue to be adaptable, open, and adept at directing change while encouraging creativity and diversity in their companies in order to successfully negotiate these difficulties.

Preventing Burnout: Transformational leaders should support a well-rounded workplace culture that values individual wellbeing and supports reasonable workloads. If high motivation is not accompanied with appropriate acknowledgment and relaxation, it can quickly result in fatigue.

Change Management: By including staff members in the process, offering training, and maintaining open lines of communication, leaders may help them navigate organizational and technology changes. This strategy guarantees continued participation and lessens resistance.

Communication: During changes, it's critical to communicate in a straightforward, sincere, and regular manner. It promotes trust and togetherness among staff members during the transition process while assisting them in understanding the organization's vision and goals.

Barriers based on culture: Leaders in multicultural and international teams need to be cognizant of cultural differences and employ inclusive tactics to unite individuals around common transformational goals.

Focus Maintenance: Although transformational leadership is characterized by inspiration, it can occasionally cause focus to be lost. Maintaining team alignment and productivity requires setting clear expectations, quantifiable results, and precise targets.

Talent management: It's getting harder and harder to find and keep talented workers. Leaders should create an atmosphere that promotes long-term dedication, fosters professional development, and honors individual contributions.

Technology Adjustment: It's critical to stay up with technological advancements. While assisting their teams in confidently and efficiently adjusting to new systems, leaders need to remain up to date on the latest tools and trends.

Establishing Trust: The foundation of effective transformational leadership is trust. Greater cooperation and more seamless transitions during times of change are made possible by building credibility via consistency, openness, and empathy.

In the current day, transformational leadership involves more than just inspiration and vision; it also calls for emotional intelligence, flexibility, and a practical approach to effectively managing both people and technology-driven change.

References

- Ahmad, S. (2021). Transformational Leadership and Organizational Change: Examining the Mediation Approach of Knowledge Sharing. *International Journal of Research in Business and Social Science*, 12(2), 84-95.
- Bass, B. M. (1985). *Leadership and performance beyond expectations*. Free Press.
- Burns, J. M. (1978). *Leadership*. Harper & Row.
- Breznik, K., & Hisrich, R. D. (2021). The Interplay of Digital Transformational Leadership, Organizational Agility, and Digital Transformation. *Journal of Organizational Computing and Electronic Commerce*, 31(2), 114–129.
- Hanelt, A., Buxmann, P., & Schütte, R. (2020). The Digital Transformation Leadership Framework: Conceptual and Empirical Insights into Leadership Roles in Technology-Driven Business Environments. *Journal of Leadership Studies*, 16(1), 6-22.
- Latten, S. H., & Perez, J. (2019). Leadership Theories and United States Demographic Shifts: Responsiveness in the Workplace. *Journal of Research Initiatives*, 5(1), Article 8.
- Riza, F., Yunita, J., & Soraya, L. I. (2025). The Effect of Transformational Leadership and Digital Transformation on Innovative Work Behavior and Their Impact on Employee Performance. *KnE Social Sciences*, 10(13), 84-95.
- Roache, D. A. M. (Ed.). (2023). *Transformational Leadership Styles for Global Leaders: Management and Communication Strategies*. IGI Global Scientific Publishing.
- Salih, A. (2020). *Cross-Cultural Leadership: Being Effective in an Era of Globalization, Digital Transformation and Disruptive Innovation*. Routledge.