

**Uliana Motorniuk**

*Candidate of Economic Sciences, Associate Professor,  
Associate Professor at the Department of Foreign Economic and Customs Activities  
Lviv Polytechnic National University*

**Marta Terebukh**

*Candidate of Economic Sciences, Associate Professor,  
Associate Professor at the Department of Economics of Ukraine  
Ivan Franko National University of Lviv*

**Khrystyna Peredalo**

*Candidate of Economic Sciences, Associate Professor,  
Associate Professor at the Department of Foreign Economic and Customs Activities  
Lviv Polytechnic National University*

## **PROBLEMS AND PROSPECTS FOR THE DEVELOPMENT OF TRANSFORMATIONAL MANAGEMENT UNDER MODERN CONDITIONS**

### ***Summary***

*An organization in which transformational management takes place is an organization that uses the transformation process to achieve its goal. The concept of management as a management apparatus covers the transformation process management system and managers-leaders of different levels who make management decisions regarding the implementation of transformations. Transformational management acquires particular importance in the context of the intensification of foreign economic ties of organizations and in the context of adaptation to the volatility of the external environment. A review of a number of literature sources on the development of transformational management in modern conditions was carried out. The comparison of transactional and transformational leadership was carried out. The features of the development of transformational management in modern conditions were investigated. The functions of a transformational leader were identified as follows. The following main problems have been found: insufficient level of structuring of transformational management technology; low level of transformational leadership development. The decisions to solve these problems were proposed: improvement of transformational management technology and development of transformational leadership.*

### **Introduction**

Management processes, affecting the development of the economy, are at the same time transformed under the influence of economic factors. The main thing in the new management paradigm is the new quality of management. Achieving the new quality of management is always ensured by the use of advanced ideas, more sophisticated tools, techniques and organizational forms of management. As the quality of

management now acts as a factor of systematic organization of activity of the enterprise, which ensures its competitiveness and efficiency.

Transformational management arose as an objective condition and need for knowledge about management of organizational transformations [1].

Transformational management is a process-oriented management, which constitutes an independent field of management science, the object of which are organizational transformational processes in all their diversity, and which are carried out in all spheres of human life.

The current conditions of functioning of companies have led to a dramatic change in the paradigm of doing business. The transformation of enterprises has influenced all elements of the management system and led to an objective need to introduce management innovations that allow you to adapt promptly to enterprises to changes in the environment.

Under the changing conditions of economic realities, the management phenomenon has undergone significant changes related to the need to exercise effective management. As shown above, the formed knowledge economy led to changes in the mode of being the phenomenon of management. The new modus of being, which we define as a mode of "assistance", is primarily aimed at improving efficiency by promoting innovative processes, revealing the creative potential of the individual. The way of realizing this task is to give freedom in professional activity, and such freedom has multiple dimensions.

The specificity of the modern world economy forces organizations to revise approaches to management. The intensity of competition, improving the requirements for product quality require the introduction of progressive management technologies capable of effectively solving business problems. Today, such solutions are needed to allow people, information and business processes to effectively manage all areas of the enterprise.

## **Chapter 1. Literature review**

In the new social paradigm, not only technologies and values have undergone changes, but also the principles of management, power as a phenomenon of social existence, and even the concept of wealth. Technological and ideological transformations have changed even the foundations of human reproduction as a biological and anthropological type. The formation of the "information society" and, as a result, the knowledge economy has determined the emergence of new styles of management, implementation of politics, professional activity, family, and consciousness. For example, the Spanish researcher of the information society Castells expresses the opinion that in the field of the knowledge economy at the beginning of the 21st century a new civilizational paradigm has been formed – digital or network civilization [1; 2].

As a type of activity and a process of making management decisions, transformational management is a set of procedures as components of the general technological scheme of managing transformations in organizations. This set includes separate areas of management activity, which are often defined as management functions. Moreover, each of the areas is divided into stages that are performed in a

certain sequence. The composition of management functions and tasks can be regulated depending on the level of the transformation system (macroeconomic level, industry, enterprise, system of institutions, intra-organizational institute, separate transformation project or private development) and the conditions of its functioning. The implementation of each of the management tasks or the implementation of a separate management function is invariably associated with the adoption of certain management decisions. This most responsible and often repeated element of management constitutes the essence of the manager's activity in the transformation process. Management involves the establishment of certain requirements for the level of justification of management decisions, methods and procedures for their preparation, adoption and implementation. As a type of activity, transformational management involves the distribution of tasks and the assignment of procedures to their specific executors – managers at various levels.

Transformational management as a transformation management apparatus involves the structural design of the transformational sphere. Transformational processes arise and are carried out by communities of people who consciously coordinate their activities to achieve certain goals. Each such community of individuals in management is called an organization. The organization for which the transformational process is characteristic (or in which it occurs) will be called a transforming organization. A transforming organization is a type of organization that achieves the goal of its functioning through transformations [3].

The concept of management as a transformation management apparatus for a transforming organization has institutional significance and includes: first, the existing transformation management system, usually with a hierarchical structure and consisting of specialized management bodies; second, the institute of managers-leaders of various levels, acting as management subjects, endowed with limited powers to make and implement management decisions and having a certain responsibility for the results of the organization's functioning [4; 5].

Thus, to understand the nature and dynamics of transformation processes in an organization, it is necessary to characterize the main driving forces of these transformation processes. The sociocultural approach allows us to identify four worldview and cultural determinants, the interaction of which sets the direction for the processes of development and transformation. The following concepts can be considered as such determinants: pragmatism, realism, holism and humanism. The dynamic balance between these elements should be realized at the level of the individual, the organization and society as a whole. In this case, the balanced interaction of the above-mentioned elements ensures the organic and self-developing integration of the individual, the company and society.

In general, the formation of an effective transformation management system is a complex task that requires a comprehensive approach to its solution [6; 7].

From the point of view of some authors, it is more expedient to divide transformation management tools into external and internal. Internal measures are implemented by the management of the business entity. The use of external tools involves the involvement of third-party organizations in the implementation of the agreement [8; 9].

In 1973, James W. Downton substantiated the theory of transformational leadership, which was expanded by James Burns in 1978. This concept was continued in 1985 by researcher Bernard M. Bass, who developed methods for assessing the level of transformational leadership. With the help of this model, it became possible to motivate leaders to develop leadership by their own example [10].

Despite the fact that the transformational leadership model dates back to the 1970s, it is actively used in practice. The problem is only in adapting to the volatile external environment in combination with the operating environment. This problem is especially relevant for technologies that are rapidly developing with the use of innovations [11].

J. Burns considers the process of transformational leadership to be one in which there is mutual assistance between leaders and followers in order to achieve a better motivational and moral state.

Transformational leadership engages leaders and their followers in an interaction that enables them to lift each other to higher levels of motivation and morality, according to the theory of J. Burns. Both leaders and their followers are transformed as their goals are intertwined. This view presents leadership as a constantly changing process. In this case, both leaders and followers change as well as the situations and organizations in which they are involved.

The rapid changes that occurred in the late twentieth century made transformational leadership a very popular theory because the leader and the group hope that together they can control the changes, directing them in the most favorable direction for all participants in the event.

An important factor in the development of transformational management in an enterprise is the level of emotional intelligence of its top management and personnel [12].

An important property of making a management decision taking into account the behavioral approach is the readiness of the business entity to make decisions in conditions of uncertainty, which involves taking risks, which, on the one hand, actualizes the specific activity of the entity in the process of choosing alternatives, self-regulation in the implementation of risky management decisions by it, on the other hand, these are more separate mechanisms of influence of dispositional prerequisites, in particular, forecasting one's own capabilities, the presence of potential – both economic, taking into account the specifics of the business entity's activities, and the intellectual and personal potential of the entity making the management decision [13; 14].

Conceptually, transformational leadership is divided into four categories; namely: personal approach, intellectual stimulation, idealized influence, and inspirational motivation. Personal approach depends on leaders understanding and developing followers' needs, and personalizing interactions through support that takes the form of coaching and mentoring. Through intellectual stimulation, leaders encourage followers to question the status quo and think strategically to become more creative and innovative in relation to the organization, and to seek out their own development needs. Idealized influence is the ability to convey a sense of purpose to followers in order to earn their respect. Inspirational motivation is concerned with articulating a

compelling vision and proposing actions to achieve it. These approaches suggest that transformational leadership has the ability to enhance followers' personal growth, independence, and empowerment within the context of organizational goals [15; 16, p. 34].

Highly effective people are flexible enough. Their plans serve them, not own them. They make weekly plans, adapt them daily, and don't change them on a whim [17].

When making a decision, a transformational leader should not forget that it can be improved, refined and changed. In other words, transformational management requires flexibility, because any decision is made 80%, and 20% remains to maintain maneuverability [18].

In general, transformational management is an important element of management system of any organization [19].

Some scientific works focus on the organizational aspects of transformational management. In particular, in [20, p. 35], analytical methods and tools used in the mentioned process were streamlined. In this study, a model of organizational transformational management with a detailed description of individual stages is proposed.

## **Chapter 2. The peculiarities of transformational management development under modern conditions**

In the process of transformational management applies a well-known methodology of continuous improvement called the Deming cycle. This model involves four consecutive stages: planning, execution, review, and adjustment.

The cyclical approach is aimed at managing organisational change and improvement processes in a structured and dynamic way. It allows you to systematically analyse the current situation, introduce innovations, evaluate their effectiveness and make the necessary adjustments.

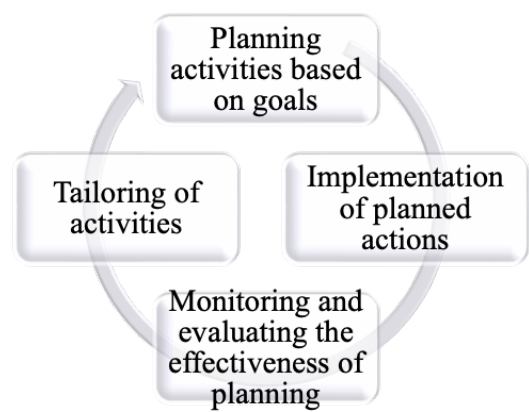
It is this methodological approach that ensures management flexibility and continuous development of the organisation in a changing environment.

This approach is a continuous improvement methodology that consists of four interrelated stages. First, a detailed action plan is developed and then implemented consistently. The next step is a thorough analysis of the results obtained: measuring efficiency and studying the achieved indicators. The final stage involves adjusting the previous goals and making the necessary changes based on the insights gained.

The method is characterised by its cyclical nature: each subsequent planning cycle takes into account the experience and knowledge gained during the previous stages, which ensures continuous improvement of the process and its quality.

The PDCA methodology is an effective strategic management tool for businesses seeking systematic development. It is an algorithm of sequential actions designed to streamline improvement processes. Metaphorically, this approach can be compared to the movement of a wheel that overcomes an ascent: each revolution means progress towards solving a specific problem. Each individual cycle of the methodology corresponds exactly to one stage of solving a management problem, creating a logical sequence of continuous improvements [21].

At Ukrainian enterprises, there is an understanding among the management team that the effective use of the PDCA cycle requires proper training for all managers. Visualisation of results and involvement of all participants in the improvement process are key to the successful application of this tool. This cycle is universal and is used in various areas of the university to achieve strategic goals and improve performance.



**Figure 1. Model of transformational management, based on PDCA methodology**

*Source: [21]*

Transactional leadership prevails at Ukrainian enterprises, which is a barrier to the development of transformational management in the organisation (Table 1). Transformational leadership also occurs in the organisation, but its level of development is insufficient to solve the problems of transformational management in the context of intensified foreign economic relations.

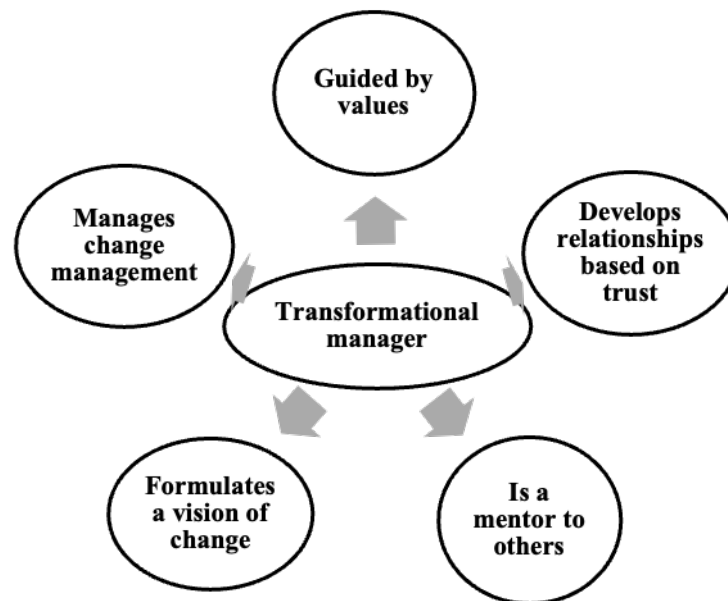
Table 1

Comparison of transactional and transformational leadership	
Transactional leadership	Transformational leadership
Rational	Irrational (+rational)
Focusing on strategic goals and principles	Focussing on practical results and current activities
Vision and actions	Objectives and relationships
Passive and reactive	Active and proactive
Working with a template	Stimulates innovation and change
Preserves the values and rules	Changes organisational culture
Focusing on individual interests	Focusing on collective interests
Supports competition	Supports teamwork and cooperation

*Source: [7]*

A transformational leader is a visionary who goes beyond the day-to-day tasks to guide his or her team to achieve strategic goals. Unlike a transactional leader, who focuses on short-term results and control, a transformational leader creates a culture of innovation, development and mutual support. A transformational leader is a mentor who develops the potential of each team member. He does not just delegate tasks, but

also inspires and supports his employees in their professional growth. Figure 2 shows the main functions of a transformational leader at modern enterprises.



**Figure 2. Functions of a transformational leader at modern enterprises**

*Source: developed by the author based on [23]*

Transformational leadership is a partnership based on mutual trust and respect, where the leader is not only a manager, but also a mentor and colleague. The intensification of the university's foreign economic relations is accompanied by an expansion of the range of problems that need to be solved within the framework of transformational management. The results of the analysis conducted in the previous paragraphs of this paper suggest the following problems:

- lack of a structured transformation management system and transformational management technology;
- insufficient level of employee motivation for the development of transformational management;
- narrow range of application of transformational management methods;
- lack of a methodology for determining the criteria for the effectiveness of transformational leadership;
- insufficient level of qualification of employees involved in the development of transformational management; organisational culture and emotional intelligence of employees and corporate culture in the organisation;
- lack of conditions for developing the creative potential of the staff;
- insufficient level of information and analytical support for transformational management, etc.

The key problems of transformational management in modern conditions are: the inconsistency of the existing approaches to the implementation of transformational management and insufficient level of development of transformational leadership.

These problems may in the future cause a decrease in the overall efficiency at modern enterprises.

The results of the analysis conducted in the previous sections of this paper allowed us to identify the problems of transformational management at modern enterprises. In this section, attention was focused on the problems that are of paramount importance and ways to solve them were proposed.

The first is the improvement of transformational management technology of transformational management at modern enterprises with the new realities of the organisation's functioning, namely the modern conditions.

The second is related to the imperfection of the transformational leadership system of organisations. At the same time, the criteria for identifying transformational leadership at modern enterprises turned out to be a weak link in the system.

To solve the first problem, modern enterprises should develop a technology of transformational leadership, bringing it in line with the new conditions, namely, the intensification of foreign economic relations.

To solve the second important problem of transformational management at modern enterprises, the management of organisations is recommended to develop a system of indicators for identifying transformational leadership.

At modern enterprises we can observe elements of both transactional and transformational leadership. However, in the context of new challenges and intensification of foreign economic activity, the management of the organisation should develop transformational leadership in order to solve the problems of transformational management. The essence of the proposed measures is described in more detail in the following paragraphs of this section.

In modern conditions, for Ukrainian businesses it is necessary to revise the model of transformational leadership. The transformational management model, shown graphically in Figure 3, is designed to help guide the process of transformational management through the:

1. Audit of business processes, HR processes and end-user needs.
2. Carrying out investment analysis at all stages of the process.
3. Alignment of staff structure, processes, policies and support assets.
4. Business strategies.
4. Using organisational culture to implement transformational management.
5. Measuring investment efficiency for both business and HR, as well as rebalancing.
6. Level of investment to support the next period of change.

Awareness of one's own knowledge gaps and critical rethinking of established ideas is an important tool for overcoming challenges and creating innovative business strategies. This approach can be the result of the effective use of the transformational management model.

A team of employees is a key factor in a successful organisational transformation, as it is people who develop, implement and sustain change at every organisational level. Effective HR management is becoming a crucial factor for implementing and supporting transformation management processes.



The human resources management plays a central role in the implementation of organisational transformations, controlling virtually all mechanisms to support change. The effectiveness of the HR department in managing the pace of innovation and transformation directly affects the company's competitiveness. The main task of HR professionals is to create conditions for continuous creative development and ensure strategic alignment within the organisation. To successfully achieve this goal, most companies should pay special attention to attracting, developing and retaining diverse talented professionals, creating a truly unique human potential.



**Figure 3. Model of transformational management**

*Source: [6]*

In general, for modern enterprises, personnel development is one of the main areas of activity.

The management of modern enterprises is proposed to implement the technology of transformational management according to the stages presented in Figure 4. This technology is based on a systematic approach and consists of eight stages that must be completed in order to eliminate and prevent future problems of transformational management, in particular, in the context in modern conditions

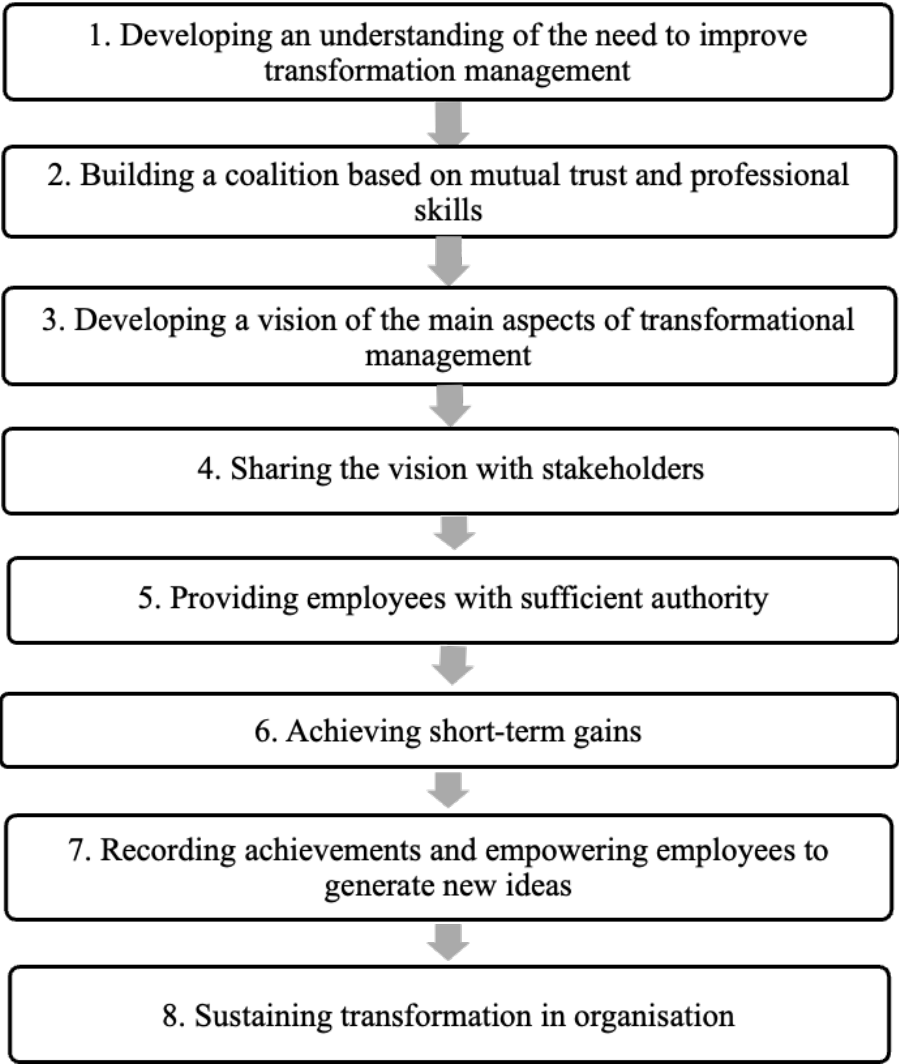
1. Create an atmosphere of urgency for change. The management team needs to create a clear understanding among all employees that continuing to operate under outdated business models will inevitably have serious negative consequences and threaten the organisation's continued existence.
2. Formation of a powerful support team. To successfully overcome the challenges in the process of transformational management, modern enterprise needs to create an influential management coalition that will bring together key leaders and stakeholders capable of ensuring effective implementation of changes.

The members of the transformation team must be deeply motivated and convinced of the need for the planned transformation, demonstrating sincere commitment to the

common goal and mutual trust. At the same time, to lead change effectively, they must possess not only professional competence, but also a position of authority in the organisation, backed by an impeccable reputation, influential social connections and appropriate formal authority to lead the transformation process.

3. Vision as a central component of transformational management. It is a kind of connection between the present and the future state, which sets the direction and aligns the efforts of all participants. The best vision for the staff should be feasible, clear, simple, motivating, and dependent on the situation.

4. Communicating the vision to stakeholders. Communicating your vision to all members of team is crucial, as everyone needs to understand the essence of transformation and take on a certain part of it. If communication about the vision is inadequate and inconsistent, it can create difficulties in implementing transformational management in the context of intensified foreign economic activity.



**Figure 4. Transformational management technology**

*Source: [21]*

5. Providing employees with the necessary opportunities and powers to overcome potential obstacles. Management of modern enterprises should actively identify and remove barriers that may arise in formal organisational processes, structural constraints, and in the subjective perception of employees. Such a comprehensive approach is aimed at creating an environment where each employee feels like an active participant in the transformation process, being able to implement their professional competences and skills to the maximum extent possible.

6. Providing short-term results involves achieving tangible improvements, winning and communicating victories, and recognising and rewarding those involved.

7. Continuously strengthening and consolidating positive changes by creating a sustainable internal development dynamic. It is important to view each achievement not as an end goal, but as an intermediate step for further transformations, encouraging employees to constantly generate new initiatives and creative approaches. This strategic approach helps to maintain the pace of transformation and create an environment of continuous improvement.

8. Fixing new approaches in the company.

As already said, there are informal groups in the organisation under study. From the point of view of transformational management, special attention should be paid to these groups, in particular:

- recognise their existence (since informal groups are an objective phenomenon);
- be able to listen to the opinions and visions of the group members, exert influence on them by engaging them in joint activities;
- involve the leaders of such groups in the development of management decisions;
- ensure free and rapid circulation of truthful information (to avoid gossip).

### **Chapter 3. Development of transformational leadership**

Solving the problems of transformational management at modern enterprises largely depends on the leadership qualities of managers, which in turn determines the development of transformational leadership of the organisation under study.

The results of the research conducted in the previous sections of this paper suggest that transformational leaders are able to motivate people to work collectively and beyond their own interests through many dimensions of transformational leadership, such as charisma, intellectual stimulation, individual attitude and inspirational motivation. Transformational leadership has an important and valid impact on an employee's commitment to the organisation.

Transformational leadership behaviour at modern enterprises should stimulate employee engagement and provide a clear vision of the organisation's goals and an understanding of how valuable their contribution is to achieving them. In the long run, this will help to engage employees as they are confident in the connection between their efforts and the future of their organisation.

Through intellectual stimulation, leaders can cultivate a work environment that fosters creativity, innovation, and employee autonomy. By challenging employees to think critically and find innovative solutions, leaders can enhance job satisfaction and engagement, thereby contributing to the overall success of modern enterprises.

Transformational leadership plays a crucial role in enhancing affective organizational commitment among employees at modern enterprises. By prioritizing the individual needs and aspirations of their followers, transformational leaders can foster a strong sense of psychological ownership and loyalty to the organization's goals.

By inspiring and motivating their followers, transformational leaders can cultivate a deep sense of affective commitment among employees at modern enterprises. This form of commitment, rooted in emotional attachment and a sense of belonging, is more likely to lead to positive outcomes, such as increased job satisfaction, productivity, and retention.

To develop transformational leadership at modern enterprises, it is necessary to substantiate the most important qualities that a leader of this type should possess.

First of all, it is necessary to outline the four main components of transformational leadership [22]:

1. Individual approach to subordinates.
2. Stimulation of thinking.
3. Inspiring motivation.
4. Influence of charisma and personal qualities of the leader.

The management of modern enterprises is offered a methodology for identifying transformational leadership (Table 2), which is based on a survey of employees regarding the qualities of their managers.

Using the listed indicators, it is recommended to create a questionnaire for employees of modern enterprises in order to identify the transformational leadership style in this organization.

The practice of foreign and domestic companies demonstrates that transformational leadership style directly affects employee performance and the success of the organization as a whole. These findings can be used by the management of modern enterprises to improve leadership qualities and increase the efficiency of the university.

The concept of transformational leadership, in spite of its popularity, has its shortcomings. Critics point to the excessive idealization of this leadership style, ignoring potential negative manifestations, and the subjectivity of subordinates' assessments.

Although transformational leadership is a valuable tool, its effectiveness depends on the specific situation and the personality of the leader.

In the context of this measure, the management of modern enterprises is recommended to pay attention to the role of mentoring and tutoring as part of the leader's individual approach to the employee. It should be noted that this organization is actively developing mentoring and tutoring, so the recommended measure will contribute to this development under modern conditions.

As a mentor or tutor, a manager should motivate an employee to work effectively. To do this, it is recommended to:

1. Establish an emotional connection: Establish a trusting relationship with the subordinate, understand his individual characteristics and needs.

2. Individualize the approach: Focus on specific tasks and situations that require special attention.
3. Provide clear feedback: Objectively evaluate the performance of tasks, highlighting strengths and indicating possible improvements.
4. Determine next steps: Specifically formulate tasks for further work and provide the necessary support.

Table 2

Recommended indicators of transformational leadership style  
at modern enterprises

Component of transformational leadership	Transformational leadership indicator
Individual approach to employees	He is personally engaged in mentoring and training of employees
	Sees me first and foremost as an individual, not just a member of a group
	Attentive to my needs, aspirations and abilities
	Helps to build my strengths
Stimulating critical thinking	Takes into account critical comments when solving current tasks
	Looks for different ways to solve problems
	Helps to consider the problem from different perspectives
	Suggests considering new ways to accomplish current tasks
Inspiring motivation	Talks about the future with optimism
	Talks with enthusiasm about what you need to achieve
	Formulates a compelling vision for the future
	Emphasizes the importance of collective understanding of goals
	Instills confidence in achieving the set goals
Influence of charisma and personal qualities of the leader	Talks about his most important values and beliefs
	I am proud to be associated with him/her
	Builds my focus
	Puts the group’s interests before his own
	It makes me want to respect him
	Considers the moral and ethical qualities of his decisions
	Demonstrates authority and self-confidence

Source: developed by the author based on [22]

Mentoring is often seen as a problem-solving tool rather than a development tool. Managers usually resort to mentoring only when an employee repeatedly makes mistakes or breaks the rules. This approach not only demotivates the employee, but also does not guarantee a long-term solution to the problem. Mentoring should be a proactive process that aims to prevent problems and develop the employee’s potential.

In order to develop transformational leadership at modern enterprises, it is necessary to create an environment that will stimulate the intellectual development of employees. This includes, in particular, actively involving employees in discussing current issues and taking into account their critical comments.

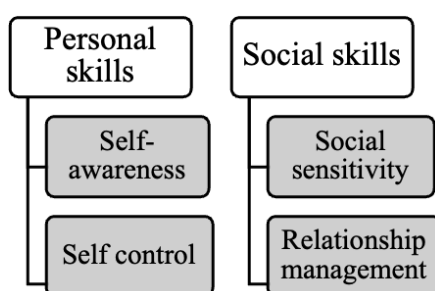
To involve the team in the planning process, you can use the following steps:

1. The leader makes, promotes his plan and announces it.
2. The leader presents ideas and invites team members to express themselves.
3. The leader presents a preliminary plan for the team to consider, which needs to be changed.
4. The leader formulates the problem for the team, listens to the suggestions of team members and based on them creates a plan.
5. The leader outlines the task and invites the team to create a plan for its implementation.

To achieve the success of organization, it is important to develop emotional intelligence among all employees. Interpersonal intelligence is especially important, which contributes to effective teamwork and the achievement of common goals.

Internal intelligence is a person's ability to create an accurate and true model of his personality, including strengths and weaknesses, values, feelings and motives. This model helps a person better understand themselves, accept their quirks, and more effectively realize their potential.

Improving the transformational management requires taking into account the components of the emotional intelligence of the transformational leader (Figure 5).



**Figure 5. Components of the emotional intelligence of the transformational leader**

*Source: developed by the author based on [22]*

Building strong relationships with other people requires developing the ability to understand their emotions and needs (interpersonal intelligence). And to achieve your goals and be happy, you need to know yourself well and be able to manage your emotions (inner intelligence).

Emotional intelligence is the ability to manage one's emotions, motivation, and behavior to achieve goals, even in the face of adversity. People with high levels of emotional intelligence are able to control impulses, delay gratification, and remain calm in difficult situations. This is especially important for those who strive to achieve high results in their careers.

Each aspect of emotional intelligence is a separate important skill that is necessary for effective leadership. They are closely related and influence each other. For example, if a leader cannot recognize his emotions, he will have difficulty controlling them. And when emotions take over, this can negatively affect his relationships with those around him.

Self-awareness is the starting point for developing emotional intelligence in leadership. Understanding oneself allows a leader not only to better understand others, but also to more effectively manage their own emotions. This, in turn, is a key factor in successfully managing relationships in a team.

Effective leadership is a harmonious combination of self-awareness and social awareness. Understanding one's emotions, values, and goals helps a leader navigate difficult situations and make informed decisions. And the ability to empathize and understand the feelings of others allows him to create an atmosphere in which every team member feels heard and supported.

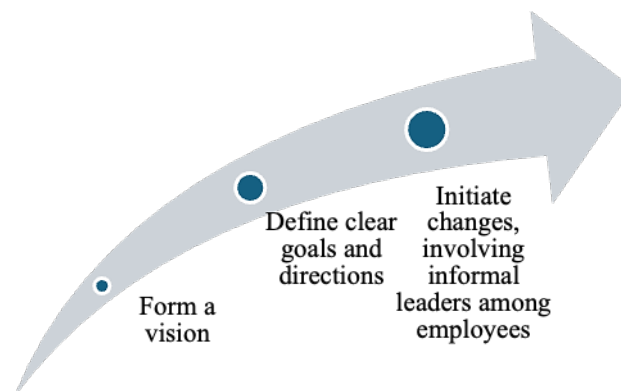
Emotional response in the team is not an accident, but the result of purposeful actions of the leader. His leadership style, consisting of many interconnected elements, creates an atmosphere in which people feel motivated and supported.

For the successful transformation the following steps can be suggested:

- 1) Form a vision of the university's development prospects.
- 2) Define clear goals and directions.
- 3) Initiate changes, involving informal leaders among employees.

The recommended stages of the process of becoming a transformational leader for modern enterprises are shown in Figure 6.

Practice shows that when organizations are faced with the need for radical change, they often turn to external experts. The reason is simple: such leaders bring new ideas, are not burdened by internal politics, and are able to mobilize the team to achieve new goals.



**Figure 6. Stages of the transformational leader formation process for modern enterprises**

*Source: [21]*

Even if a company has leaders, their capabilities may be limited by the scale of the changes required. When the situation becomes critical, companies look for leaders who have experience in successfully transforming similar organizations and can offer new, unconventional solutions.

Transformation is always a certain risk that can temporarily slow down a company's development. However, it is often the changes that allow a company to adapt to new market conditions and ensure its long-term survival.

## Conclusions

First of all it should be noted that the issues related to the implementation of transformational management are reflected mainly in the works of foreign authors, most of which are devoted to transformational leadership as an important element of the transformational management system.

Transformational management arose as an objective condition and need for knowledge about management of organizational transformations.

Transformational management is a process-oriented management, which constitutes an independent field of management science, the object of which are organizational transformational processes in all their diversity, and which are carried out in all spheres of human life.

An organization in which transformational management takes place is an organization that uses the transformation process to achieve its goal. The concept of management as a management apparatus covers the transformation process management system and managers-leaders of different levels who make management decisions regarding the implementation of transformations. Transformational management acquires particular importance in the context of the intensification of foreign economic ties of organizations and in the context of adaptation to the volatility of the external environment.

The following main problems of transformational management of enterprises in modern conditions have been found: imperfection of the transformational management model; low level of transformational leadership development. The decisions to solve these problems were proposed: the improvement of transformational management technology and development of transformational leadership.

## References:

1. Castells M. The Rise of the Network Society, The Information Age: Economy, Society and Culture, Vol. I. / Castells M. Cambridge, MA; Oxford, UK: Blackwell (1996) (second edition, 2000). 306 p.
2. Vasylyk Na. (2024) The system of creative management in the organization: the essence and components. *International Science Journal of Management, Economics & Finance*, vol. 3, no. 6, pp. 80-89.
3. Urakov D.V. (2014). Transformational management as a means of transforming society. Available at: <http://int-konf.org/konf042014/778-urakov-d-v-transformacyniy-menedzhment-yak-zasb-peretvo-rennya-socumu.html>
4. Gordienko L.Y. (2007) Institutional approach to the management of transformation processes at the enterprise. *Scientific works of Donetsk National Technical University. Series: economic*, vol. 31-2 (117), pp. 29-35.
5. Mazur V.S. Transformational aspects of management in modern management. Collection of materials of the IX scientific and practical conference of students and faculty "Trends and prospects of anti-crisis development of Ukraine: socio-economic, humanitarian, environmental and legal spheres", issue 9, Novovolynsk. April 14-15, 2014. pp. 102-109.
6. Richard R. Bahner and Linda K. Stroh (2004). The Transformation Management Model: A Total Evaluation Route to Business Change Success. *Problems and Perspectives in Management*, vol. 2(4).
7. Burns, James MacGregor. (1978). *Leadership*. New York: Harper & Row.



8. Khadzhynov I., Shkurat M. (2018). Transformation of the personnel management system of international companies. *Problems of the systematic approach in the economy*, vol. 6, pp. 33-40.
9. Babchinska O. I. (2019), Key aspects of the modern paradigm management at an enterprise, *Efektivna ekonomika*, vol. 5. Available at: <http://www.economy.nayka.com.ua/?op=1&z=7037>. DOI: <https://doi.org/10.32702/2307-2105-2019.5.30>
10. Gordienko L.Y. (2011). *Management of organizational transformations: theoretical and methodological foundations and management tools: monograph*. Kharkiv: KNEU Publishing House, 440 p.
11. What is transformational leadership? A model for motivating innovation. Available at: <https://www.cio.com/article/228465/what-is-transformational-leadership-a-model-for-motivating-innovation.html>
12. Komarnytska N., Knyaz S., Shpak N. (2015) The peculiarities of enterprise innovational activity management system. *Econtechmod. An international quarterly journal*, vol. 4, no. 1, pp. 45–50.
13. Matveeva O.M., Bondarenko O.M., Duksenko O.P. (2021) Risk analysis in the process of making managerial decisions taking into account the behavioral approach. *Business Inform*, no. 3, pp. 219-225. DOI: <https://doi.org/10.32983/2222-4459-2021-3-219-225>
14. Jiatong W., Wang Z., Alam M., Murad M., Gul F., Gill S.A. (2022). The Impact of Transformational Leadership on Affective Organizational Commitment and Job Performance: The Mediating Role of Employee Engagement. *Frontiers in Psychology*, vol. 13.
15. Boiko O.V. (2015). Transformational leadership as a conceptual basis for the formation of leadership competence of future officers of the Armed Forces of Ukraine. *Viiskova osvita*, vol. 2, pp. 32-40.
16. Davids I., Appiah K., Davids G., Ofori F. N. K. (2021). The Effectiveness of Transformational Leadership: A Qualitative-Based study on Millennial perceptions in South Africa. *Archives of Business Research*, vol. 9(5), pp. 28-46. DOI: <https://doi.org/10.14738/abr.95.10191>
17. Ebrahimi P., Mousa R.C, Roohbakhsh N., Shaygan J. (2017) Transformational and transactional leadership: Which one is more effective in the education of employees' creativity? Considering the moderating role of learning orientation and leader gender. *International Journal of Organizational Leadership*, no. 6, pp. 137-156. DOI: <https://doi.org/10.19236/IJOL.2017.01.10>
18. Adizes Ichak. (2004). *The Ideal Executive: Why You Cannot Be One and What To Do About It*. Santa Barbara, The Adizes Institute Publications.
19. Gordienko L.Y. (2016) Place of transformational management in the system of management sciences. Modern problems of enterprise management: theory and practice: materials of the international scientific and practical conference, (Kharkiv, March 24-25, 2016). Kharkiv: NTMT Publishing House, pp. 41-44.
20. Evdokimov V.V., Gordopolov V.Yu., Nord G.L. (2019) Organizational aspects of analysis in the conditions of transformational management. *Problems of theory and methodology of accounting, control and analysis, dD*, vol. 2(43), pp. 35-48. DOI: [https://doi.org/10.26642/pbo-2019-2\(43\)-35-48](https://doi.org/10.26642/pbo-2019-2(43)-35-48)
21. Van Den Berg, Gerben and Pietersma, Paul (2015). *25 Need-To-Know Management Models*. Pearson Education The Limited, 224 p.
22. Goleman D., Boyatzis R., McKee, Annie (2013). *Primal Leadership: Unleashing the Power of Emotional Intelligence*. Boston, Massachusetts, Harvard Business Review Press.