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CSR: A Transformational and a Transactional Perspective

Abstract

As the trend has been a progressive rationalization of the concept, it is arrayed from transactional leadership and transcends into transformational role. Corporate Legitimacy is a challenge and hence transactional and transformational leadership should be facilitative to each other, which needs to be aligned with a focus on integrity across the bode-well board alternative themes. Transformational leadership is about changing the trends. It can be defined as a leadership that transforms organizations broadly in the backyard of their values, standards and ethics, which is specified in a nutshell within the framework of this short flyer.

Keywords: CSR, Transactional, Business, Leadership and Transformational.

Introduction

In fact ability, integrity and benevolence mark a strong socio-theoretic phenomena of Corporate Social Responsibility. Motivation, dedication, participation, innovation and creativity provide further illumination. These are always at front-line of the leadership formation and shapes the transfer of leadership from wobble patterns to specified forms. The conceptual framework of Corporate Social Responsibility reached to its zenith through the alternative themes of stakeholder considerations, business ethics and corporate citizenship (Weiss, 1994; Carroll, 1993). Transformational leadership is about changing the trends. It could be described as a leadership that transforms organizations broadly in the backyard of their economic pulses, which modulates around the centre of values, standards and ethics.

It underlies a new vision. In leadership, it has been echoed in the conceptual framework of organizations, since the times of Max Weber. Burns observed that transformational leadership is inextricably linked with higher order values and the acceptance and impact of those actions by their followers. It brings a significant change. And in panoptic view, transactional leadership is characterized by reward and transformational leadership is characterised by charisma. The method of transformational leadership can be effective in terms of Triple Bottom Line approach, the baseline investigation it can draw (as a method for measuring sustainability) across people, planet and profit; in terms of various dimensions viz. sustainability, equity and viability. Transformational leadership was extended to the corporate context by Bass.

It transcends into an interface of collective good. This diversifying trend extends the central arguments of the phenomena of Corporate Social Responsibility towards a more moving era. In contemporary world, certain vital themes of responsibility take precedence over others, themes such as the nature of leadership, the relationship between the individual and the society, the structure of corporate institutions, the role of corporate legitimacy and possibility of a social transformation. Actually before the discovery of a new frontier of transformational leadership (House, 1977) transactional leadership was considered as the meaningful dyadic leadership. This kind of leadership (Yukl, 1999)in fact, only helps employees to meet their basic work requirements and caters to maintain the organizational status quo.

The transition occurred. Transformation leadership (Bryman, 1992) helps both leaders and their followers to elevate motivation and amplifies organizational interests collectively. (Podsakoff). In its ideal form, certain leadership theories are significantly related to social innovations and ethical paradigms (Brown &Trevino 2006). Bass holds the erudite view; as according to him, transformational leadership should be blended to the transactional interaction. A transactional leadership isakin to a human relationship where the dominant holds the command of work plan and obligations for its followers. At the other end of the spectrum, a transformational partnership is characterized by mapping reciprocal obligations and which are characterized by the practice of equity, transparency and accountability towards the collective good in the long run.

True, empathy is yet another aspect. Relationships most often begin in a more transactional way and move and transcend into transformational leadership.(House and Shamir, 1993). Bass, 1985conceptualizestransactional and transformational attributes as distinct dimensions. Thus a manager may exhibit characteristics of both. Hoyt and Blascovich, 2003 thinks that transformational and transactional leadership styles might be needed to accomplish different aspects of the leadership role.

Rogers also yields to the view that there are two distinct leadership styles i.e. transactional and transformational.

A Pan View

The significance of Triple Bottom Line for organisations has emerged through the global climate of views. Corporate Social Responsibility is evolving central to the firm's strategic posture and vital to its multiplexes and superettes. In an increasing number of companies, Corporate Social Responsibility and Sustainability have become cross-cutting themes that are deeply integrated with modern forms of strategies and leaderships. The fact is that the need of social responsibility has bestowed an important and transactional role for business leaders.

In fact, enterprises have noted that social responsibility is good for business health; and health and hygiene, the wildlife, biodiversity and the natural resources. As globalization continues, politicians and the public at large are focusing their growing expectations on the corporate sector, particularly on multinational companies and large enterprises. The wrong and illegal diversions and white-collar crimes are done through a mischievous workout and need to be controlled. It is a highly reprehensible dimension which represents a serious threat to any corporate image and goodwill.

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Interface of Society, Leadership and Business

The leadership helps in shaping the overall interface of society, leadership, business organizational strategies and practices. There exists a vital nexus between transformational and transactional leadership. (Avolio & Bass, 1995). It should be optimized. In case of multinational enterprises, the same have several implications as their actions and irresponsible omissions can have far reaching consequences beyond their immediate natural environment.

Triple Bottom Line drives change and awakes probity of human relationships. In the light of its significance in a panning movement; companies and organisations should fulfil their obligations in the light of state of the art and advanced-integrated strategies. Nowadays, business implies that organisations would render and enforce their decisions in the light of social, environmental and economic responsibilities.

In sum, the transfer of leadership from transactional to transformational stance might depend upon the aims and objectives of an organisation. The stakeholders of a

corporation are the individuals and constituencies that contribute to its revenue generation, incentives for change, innovation and developmental activities and they are therefore vital in its collective good wisdom. They form a thumping expression of a more active role played by corporations in the contemporary world of Corporate Social Responsibility. Integrity in leadership is crucial. (Kanungo &Mendonca, 1996).

The relationship between the business sector and the society has been viewed in terms of social contract too. (Donaldson, 1982).Today, despite a growing number of turbocharged themes, corporate scams have undermined trust in global corporations and business houses. The breakdown needs to be set-off through a strategic transactional HRM to transformational HRM along various trajectories. Modern Leadership challenges demand development of adaptive leadership groundwork. (DeRue & Wellman, 2009).

Conclusion

There could be several points of view, however the hallmark of the new ideas underlies in sustainable and eco-friendly practices. Intelligent actions and effective policy regimes for organisations can help to improve and boost the sustainable practices. Population explosion and rapid economic development hints increase in competitive landscape of responsibility and leadership. In order to better visualize the priority and outcomes of our actions, we should use efficient and strategic frameworks with clear thinking and creative wisdom. The opportunity is to avail collective good beyond transactional human relationships and develop transformative praxis through integrity, benevolence and creativity.

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