

# Comparing responsible leadership with transactional leadership



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The main purpose of this paper is to compare and contrast the dimensions of responsible leadership with transactional leadership. Therefore, this paper will start off with giving the definition on both of the leadership styles. Then, it will be followed by analysing the six dimensions of responsible leadership which will be use to compare and contrast with transactional leadership. The dimensions comprise of the roles the leader fulfils, the relationship between the leader and follower, the values that derived from the relationships, the ethical perspective, the responsibilities while making decisions and finally, the sustainability.

## **DEFINITION OF RESPONSIBLE LEADERSHIP AND TRANSACTIONAL LEADERSHIP**

Responsible leadership has been defined as ‘ the art of building and sustaining morally sound relationship with all relevant stakeholders of an organisation’ (Maak & Pless 2006, p. 5). Transactional leadership is described as ‘ leaders and followers being in an exchange relationship’ (Dubrin, Dalglish & Miller 2006, p. 105).

## **COMPARING AND CONTRASTING THE TWO LEADERSHIP STYLES**

The first dimension to be compare and contrast is the role of responsible leadership. According to Maak and Pless (2006), the roles of responsible leadership are being a servant, steward, citizen, visionary, story-teller and meaning enabler, coach, architect and change agent. All these eight roles are supposed to act interdependently with each other as a whole. Moreover, according to Dachler (cited in Maak and Pless 2006, p. 107), ‘ all these roles are relational, that is, they concern specific responsibilities or activities vis-

a'-vis relational processes in the construction of organisational realities'. A responsible leader fulfils being accountable for everyone within their surroundings to have a positive social interaction between both inside and outside the organisation. On the other hand, a transactional leader role is just to help the subordinates by clarifying them the role and task requirements to attain designated outcome and what they will receive in return.

Another dimension is the relationship between a leader and the followers. In the context of responsible leadership, followers mean the stakeholders, whereas transactional leadership means just the subordinates. Responsible leadership is more suited with the twenty first century, this is due to today's ways of business interaction; the networking structures. Leaders and the stakeholders are of equal status where the stakeholders do not need to depend on the leader fully and have ultimate power or authority to achieve stated vision. Maak and Pless (2006, p. 104) wrote that ' leadership legitimacy does not come with position, status, reward or power'. As for transactional leadership, it is more into hierarchical order, where the leader is seen as on the top and in charge of everything. And as for the subordinates, they need to follow what the leader says. Status and power plays its role. As stated in Hood (2003, p. 267) ' transactional leadership is based on bureaucratic authority and legitimate power in the organisation'.

Relationships lead to another dimension for being a responsible leader that is in terms of its values. Some of the values are made up of honesty, empowerment and friendliness. Responsible leaders need to communicate effectively with their stakeholders as to respect and create positive friendly

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environment with each other. The leader needs to ensure that everyone are treated fairly and equal where their needs and interests are taken into account. Being an honest leader build the culture of trust that proves to motivate and inspire others by Caldwell and Dixon (2009), and as by doing so may create a long lasting intimate relationship (loyalty) which is relatively important for making future deals (ingredients of integrity). Pless (2007, p. 450) state that ' responsible leadership manifest itself in defining moments, in which leaders have to make fundamental decisions with long-term effect on people, environment and/or the future of the organization'. As for delegating responsibilities, it is connected in the form of empowerment as it yields high trust, productive communication between individuals and teams (Rommel 2004).

As for the values of transactional leadership, the relationship of friendliness build is only for short-term period as when the goal is achieve successfully then the transaction is complete, which neglects ' the importance of people in creating long-term wealth'. Cameron (2003) and Senge (2006) cited in Caldwell and Dixon (2010, p. 97). Therefore, the trust given by the leader to the subordinates are only in the duration of the task is suppose to be completed, where in term of empowerment, it is lacking but do exist. The leader must make sure the followers are aware and being clarified of their tasks to be carried out efficiently with awards attached to it which can be said as the driven motivator. As proven by Houghton and Yoho (1005, p. 76) ' theorists have suggested that the directive and transactional styles will result in low levels of empowerment among followers'.

The fourth dimension of responsible leadership is ethics. Ethics can be defined as ‘code of moral principles and values that governs the behaviours of a person or group with respect to right or wrong’ (Samson & Daft 2009, p. 174). By looking at the definition, it can be said that morality is considered to be a significant quality to have as a leader. Moreover, there are two out of four values based founded by Rokeach’s (1973) cited in Hood (2003) that are significantly related to ethical practises, that are social and morality-based values. Social values include such items as freedom and equality, and morality-based values include politeness, helpfulness, affection, and forgiveness.

Responsible leaders, their ethics lies on both since as stated before, socially, the stakeholders do not need to depend on the leader, they are free and of equal status as the leader. In term of morality, making an ethical judgement considering the situation and condition of the stakeholders is regarded as a norm for a responsible leader because it is their ethical desires to serve others. As Pless (2007, p. 438) states, ‘responsible leadership research examines the leadership dynamics in the context of stakeholder society and includes the ethical perspective’. They are responsible to heed for the stakeholders’ needs and interest (Pless 2007). As for transactional leaders, their ethics basically just lie on the morality-based values. This is because, the subordinates have no freedom and dedicated to what the leader wishes, and also basically they do their job respectively in order to attain stated goal with the help of the leader.

The fifth dimension of responsible leadership is responsibilities. A

responsibility here means ‘the ethics of what the leader does’ (Maak & Pless <https://assignbuster.com/comparing-responsible-leadership-with-transactional-leadership/>

2006, p. 35). This part relates to the previous dimension where it can be said that ethics played a major part in being a responsible leader; the heart. Leader is responsible for decision-making. The case of making a tough decision is a common thing that a leader would have gone through. The responsibility is related to one's ethics of making the right or wrong decision. One has to take a look at different scopes before deriving a verdict. Hence, the issue of trust should also be bear in mind while making decision. As the relationship of trust is build between leader and followers, then as a leader, one is responsible to behave and make decision ethically. This applies to both types of leadership and they need to act morally and be responsibly. The main difference is only to who does the leader is held responsible while making an ethical decision. As a responsible leader, they have a bigger scope whom to deal with that is the stakeholders. As for transactional leaders, the followers only consist of the subordinates in the organisation.

The final dimension of responsible leadership is sustainability. The sustainability issue can be in the form of having sustainable relationships and also the future. As stated in Maak (2007, p. 329) ' it takes responsible leadership and responsible leaders to build and sustain a business that is of benefit to multiple stakeholders'. To have sustainable relationships, as a responsible leader, it requires them to include the stakeholders before claiming conclusions to ensure ethically sound decision making. Maak (2007, p. 331) states ' key to responsible leadership is thus the ability to enable and broker sustainable, mutual beneficial relationships with stakeholders, to create stakeholder goodwill and trust and ultimately a trusted business in society'. As to reach sustainable future, responsible leaders should have a

shared business vision to be reached together with the stakeholders. Maak (2007, p. 334) writes 'in a stakeholder society an agreeable vision would need to include the aspiration to be (come) and inclusive, responsible, and active business in society'. In contrast, sustainable relationships cannot be reached in transactional leadership since to reach beneficial relationships it involves number of stakeholders. Furthermore, the vision that is practiced in transactional leadership style is only to reach the stated goal which is clearly not sustainable as it is not forward looking to the future.

## CONCLUSION

In conclusion, the six dimensions of responsible leadership that is being used to compare with transactional leadership are the roles, relationships, values, ethics, responsibilities and sustainability. As for the roles, there are eight interdependent roles of responsible leaders, and for transactional leaders, they only need to clarify the tasks to their subordinates with rewards attached to it. Secondly, relationships between leader and followers are being considered. The followers in responsible leadership are the stakeholders which consist of both inside and outside the organisation. Whereas for the transactional style, the followers are only within the organisation that is the subordinates. Thirdly, the values of honesty, empowerment and friendliness have been touched. Honesty between the leader and the follower build a culture of trust, however the period of trustiness between those two leadership styles differ. That is, responsible leadership will last longer than the transactional leadership style because responsible leaders are thinking ahead of time for making future deals. And as for empowerment, responsible leadership results higher than

transactional leadership style. Fourthly are the ethical perspective in terms of social and morality-values. Responsible leaders' ethics is derived from both but transactional only from the morality-values. Fifthly, it is the responsibilities of decision making where the responsible leaders have to take into account of a wider range of people rather than the transactional leaders while making any judgement. And finally, the sustainable issue of having a sustainable relationships and future which turns out only achievable in a responsible leadership style and not transactional leadership.