

The Impact of Transformational Leadership and Organizational Culture on CSR

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Bachelor of Science

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Advanced International Management

Submitted to Eva Aileen Jungwirth-Edelmann, MA

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Affidavit

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Abstract

Topic: The impact of transformational leadership and organizational culture on CSR

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Content: The ongoing shifts in the world currently cause the emergence of substantial leadership changes in confronting today's crisis situations in society, business, governance and on an individual level. The importance of appropriate modern leadership, which will facilitate adaptation whilst also providing adequate empowerment and support to people is vitally demanded, to be efficient in constantly evolving global circumstances. Thus, this thesis aimed main aim was to determine the relationship between transformational leadership and organizational culture with regard to triggering the emergence of social change for the good of the society, environment and sustainable business operation, thereby influencing and encouraging CSR implementation.

Qualitative research was conducted in a form of semi-structured interviews of experts in the fields of leadership and transformational leadership to obtain an essential knowledge and broader perspective of transformational leadership and its influence. Thorough analysis of existing literature was carefully carried out prior to primary data collection. The findings revealed, that transformational leadership is positively related to shaping organizational culture and is indirectly linked to emphasizing and encouraging CSR implementation in organizations. Although, it important that a leader has genuine and ethical intentions as well as capability to empower, communicate vision and guide subordinates. Moreover, the leader must be a role model figure to provide safe environment to individuals, motivate necessary self-transformation and build strong relationship. However, the direct impact of transformational leadership on CSR was not observed in both literature and unit of analysis , which implies further research. Likewise, long-term impact of practicing transformational leadership has to be further established.

Supervisor: Eva Aileen Jungwirth-Edelmann, MA

Table of Contents

Affidavit	2
Abstract	3
Table of Contents	4
List of Tables	6
List of Figures.....	8
List of Abbreviations	9
1 Introduction	10
1.1 Motivation and cognitive interest.....	10
1.2 Outline of thesis: Main aim, secondary aims, research questions, and hypothesis	12
1.3 Limitations	13
2 Literature Review.....	15
2.1 Leadership Theory.....	15
2.1.1 Leaders vs Managers.....	17
2.1.2 Leadership Components	18
2.1.3 Leadership Continuum Theory	19
2.1.4 Common Leadership Styles	19
2.2 Transformational Leadership	21
2.2.1 Transformational Leadership Components.....	22
2.2.2 Impact of Transformational Leader on Followers	23
2.2.3 Challenges of Transformational Leadership.....	24
2.3 Organizational Culture	25
2.3.1 Culture.....	26
2.3.2 Layers and Levels of Culture.....	26
2.3.3 Organizational Culture and Leadership.....	30
2.3.4 Organizational Culture and Innovation	30
2.4 Corporate Social Responsibility	31

2.4.1	Types of CSR	32
2.4.2	Carroll's Pyramid of CSR	34
2.4.3	CSR Integration in Organizations.....	35
2.4.4	CSR and Transformational Leadership	37
2.4.5	Implications to CSR Implementation.....	39
3	Methodology	41
3.1	Aim	41
3.2	Research Design	42
3.3	Units of Analysis.....	44
3.4	Data Collection and Analysis	44
3.5	Participants	45
3.5.1	Selection Criteria	45
3.5.2	Construction of interviews	46
4	Summary and interpretation of the interviews	52
4.1	Summary and Interpretation	55
5	Conclusion	77
	Bibliography.....	79
	Appendices	87
	Appendix 1 - Interview Ziegler	87
	Appendix 2 – Interview Bieler-Stütz.....	96
	Appendix 3 – Interview Bepalova	104
	Appendix 4 – Interview Palmer-Scott	109
	Appendix 5 – Interview Taylor	115
	Appendix 6 – Interview Blane	121

List of Tables

Table 1. Complex systems leadership theory overlayed with main leadership theories	15
Table 2. Leadership Styles Definition	18
Table 3. Elements of Organizational Culture	26
Table 4. Types of CSR responsibilities	33
Table 5. Comparison of Related Characteristics of TFL and CSR	36
Table 6. Types of Qualitative Research Method Designs	40
Table 7. Interview Participants	51
Table 8. How do you perceive a good and effective leadership style	54
Table 9. Overall, how would you describe the leadership style applied in your company	55
Table 10. What would you suggest to improve	56
Table 11. What past events most influenced the leadership approach in your organisation	57
Table 12. In what way does this leadership style affects subordinates and employees attitudes	58
Table 13. Can you briefly describe, how it would make you feel to work in the organization with a leadership style encouraging active participation, collaborative thinking and innovative practices	60
Table 14. In your opinion, in what way motivating and encouraging employees to change their self-interests in order to achieve greater organizational good affects employees	61

Table 15. Please briefly describe your experience with transformational leaders and how has this affected your working experience, if such experience occurred63

Table 16. What aspects of transformational leadership are different from the other leaders you have encountered in your career64

Table 17. Do you perceive transformational leadership effective in shaping strong organizational culture65

Table 18. Have you experience organizational transformation or innovation in the company you are working in67

Table 19. How would you describe essential CSR initiatives of a successful sustainable organisation68

Table 20. In your opinion, how significant is the role of a leader in encouraging a creation of a socially responsible organisation70

Table 21. Can you provide a suggestion or an example under which leadership style, CSR implementation in an organization is particularly effective71

Table 22. Does your company have specific environmental and society-related requirements for product/service? If yes, what are they72

Table 23. Are CSR activities implemented in your organisation, encouraged more by a leader or influenced by external factors such as society pressure, increased competition, government regulations.....73

Table 24. In what way does the leaders view on sustainability in your organisation affects the employee’s attitude towards CSR74

Table 25. What are the long-term impacts of CSR implementation in your organisation75

List of Figures

Figure 1. Levels of Conceptualization for Leadership Processes	14
Figure 2. Tannenbaum & Schmidt. Continuum of Leadership Behaviour	17
Figure 3. Four I's of Transformational Leadership.....	20
Figure 4. Components of 'culture' definition.....	23
Figure 5. Three levels of uniqueness in human mental programming	24
Figure 6. The Onion - Manifestation of Culture at Different Levels of Dept	26
Figure 7. Dimensions of Organisational Culture	27
Figure 8. The UN's 17 Sustainable Development Goals	30
Figure 9. Three Major Types of CSR	31
Figure 10. Carroll's pyramid of CSR	32
Figure 11. Levels of Institutional drivers	34
Figure 12. Framework of CSR Initiatives	35
Figure 13. The proposed conceptual research model	41
Figure 14. What of the following characteristics are the most important ones in making a good leader	59

List of Abbreviations

CSR – Corporate Social Responsibility

TFL – Transformational Leadership

OC – Organizational Culture

SDGs – Sustainable Development Goals

ESG – Environmental, Social and Governance

HR – Human Resources

1 Introduction

The purpose of this chapter is to introduce and describe the chosen research topic for the thesis. The reader will gain a deeper insight into the motivation and cognitive interest behind researching the subject matter of transformational leadership and organizational culture with regard to CSR implementation, as well as obtain an outline of the thesis, which will clarify the main and secondary aims of the research. Furthermore, both research questions and hypothesis will be outlined followed by thorough description limitations of the research study.

1.1 Motivation and cognitive interest

Human beings are complex organisms both on physiological and psychological levels. In times of crises, rising uncertainty, economic instability, and global disasters it is challenging for individuals to operate on their own without having a relevant mentor figure and outside support, or being devoid of a joint community with shared values. As of today, the demand for the "right" leadership patterns is high, as the majority of people including business leaders fail to adapt and react timely to unknown circumstances. Notably, in the year 2020, the world has seen drastic shifts in the global economy, society, and human behavior due to the arising pandemic crisis. The pandemic has worsened stress and ambiguity, resulting in individuals feeling deprived of a sense of security, particularly after the global population had to face self-isolation under strict regulations. Moreover, existing war conflicts and ongoing global instability play a critical role in the rising uncertainty of people's planning horizon. Frequently, leadership failure develops in critical circumstances, and as a result, many people lose confidence in the stability of their future and faith in current leaders.

It lies in the nature of humans in crisis to fall back on more autocratic leadership styles, where leaders provide clear direction and ultimate authoritarian control over decisions. Yet, in times of disasters and shifts in a global world, people-oriented leaders influencing the need for change while providing security and support for their followers is of utmost importance. In particular, the leadership style that is closely related to change is transformational leadership, which is used to deal with crisis situations as a driving force towards the achievement of necessary alteration.

Transformational leaders bring out the good in followers by transmitting high ethical values stimulating them to develop and innovate in favor of collective organizational vision. This is especially important in today's progressive world, where every individual, particularly business leaders, needs to adapt to constant technological advances, environmental regulations, and societal innovations.

Any crisis requires a leader's resilience, adaptation, and ability to navigate followers to facilitate organizational changes. Effective 21st-century leaders recognize the importance of prioritizing their followers by providing information and support during a critical situation. The shared responsibility of the leader and the employee in the organization facilitates the formation of a more crisis-resistant community by providing resources to cover people's basic needs and make them feel safe. Therefore, the importance of leadership will be further identified on the subject of organizational culture, as it is formed both on the individual and group levels, which can be internally affected by the leader.

The effect of any business operations comes at a cost, therefore social and environmental issues need to be considered at the core of every business. Crisis situations can be perceived as a trigger and an opportunity to change entrepreneurial business activities. Nowadays, the trend of development of Corporate Social Responsibility (CSR) practices is a driving force towards the emergence of addressing social, ethical, and environmental challenges, as businesses' purpose is to operate in society and in favour of people (Donaldson & Walsh, 2015). Greater societal goals can only be achieved collectively, in association with environmental prosperity. Such objectives can be reinterpreted from a business perspective as leader's and organization's ability to sustain the business in the long run despite the ongoing transformation of the role any organization plays in the society. Initially, CSR was more of a choice of businesses in terms of its implementation. Currently, non-participation in CSR activities is deeply criticized and can cause a loss of consumers as many prefer more sustainable and socially responsible companies. Hence, it is crucial to recognize the impact of organizational culture effort towards CSR goals.

1.2 Outline of thesis: Main aim, secondary aims, research questions, and hypothesis

The main aim of this thesis is to examine and address the relationship between transformational leadership and organizational culture as well as to determine its impact on organizational culture attitudes towards the implementation of CSR practices. A review of relevant theoretical and quantitative research is established throughout the research to empirically investigate transformational leadership's impact.

The secondary aims of this thesis are to provide clear step-by-step implications regarding the analysis fulfillment to answer and address the main aim. Therefore, the following secondary aims are indicated:

1. The first secondary aim provides an overview of the definitions surrounding the concept of leadership and defines transformational leadership, in order to assess how the leadership role altered through the years, examine challenges to current leadership styles, determine the advantages and disadvantages of transformational leadership as well as observe its main components aiming to address further implications to transformational leadership theory including its potential effects.
2. The second secondary aim reflects the assessment of theoretical concepts on the topic of organizational culture as well as outlines the definition of culture and what it is used for, more specifically provides the implications of organizational culture to deliver an overview of various types and structures of organizational culture whilst addressing the development of organizational culture and its significance to gain a deeper insight into the relationship between organizational culture and leadership, more explicitly transformational leadership.
3. The third secondary aim contributes to the assessment of the CSR topic and aims to provide the definition of CSR as well as to explain types of CSR practices and theories in order to further examine the importance of CSR, its benefits and drawbacks, which then allows to address methods of CSR implementation, define

categories of CSR to further examine its connection to organizational culture and leadership, in particular, transformational leadership.

The following research questions have been derived from the above mentioned:

- 1) How does transformational leadership compare to other leadership styles and what impact does it have on followers?
- 2) How can aspects of organizational culture be formed and developed under transformational leadership style and in what way does it shape collective organizational culture attitudes?
- 3) What are the long-term impacts of CSR implementation in organizations with regard to the innovation of its organizational culture?
- 4) How does the consolidation of transformational leadership theory executed in accordance with organizational culture, impacts the implementation of CSR practices in organizations?

Therefore, based on the information defined the thesis aims to answer the following formulated hypothesis:

Hypothesis:

'The combination of transformational leadership style shaping and developing the organizational culture and follower's attitude triggers the need for social change and has a positive impact on the implementation of CSR practices in organizations.'

1.3 Limitations

Despite the fact that research has been conducted thoroughly, several significant limitations need to be systematically considered when concluding the outcomes of the research.

Firstly, there is a limitation in terms of time, as it is limited to the thesis research process, which will impact the extent of data analyzed, as not every reliable source can be assessed and included. Additionally, limited accessibility of literature remains

a limitation, since many large databases are expensive to use and not every source is accessible through available libraries and internet resources. Nevertheless, the structure of the study, critical analysis of secondary literature sources, further assessment of primary data such as interviewing experts' allow negative impacts to be minimized.

Another limitation is finding experts for interviews which is dependent on their availability and access to expert candidates. The following constraint will be reduced by early scheduling of several interview meetings and timely communication with the selected candidates. Moreover, expert opinions are difficult subject to independently ensure non-subjective examination, as interviewed experts can be affected by the influence of the leader or human factors such as health conditions. The possible negative outcomes of certain interviews will be minimized by conducting additional interviews upon the necessity such as having insignificant amount of data.

Furthermore, another significant limitation for this research is lack of essential expertise in the field related to psychological and physiological areas of education as it is not directly related to International Management. The existing expert publications and articles are also a subject to change in terms of reducing research gaps and human error. Therefore, despite the critical thinking analysis and additional secondary and primary data research, confirmation bias and information bias can still remain as a possible limitation because of a researcher not being an expert in the field.

Lastly, lack of potential data is another constraint, as the human psyche is a complex topic to examine under limited circumstances since it is continually researched by experts. The misunderstanding of broader concepts as part of the research gap will be minimized by critical analysis of expert interviews and existing literature publications to provide general links to the research topic of psychological and physiological concepts of the given study.

2 Literature Review

The following chapter reflects the literature review of the bachelor thesis research paper which analyses in detail the concepts of transformational leadership (TFL), organizational culture (OC), and Corporate Social Responsibility (CSR). The relationship will be observed from the perspective of correlations and parallels between transformational leadership and organizational culture in connection with the implementation of CSR practices in organizations. Additionally, constraints of each research concept will be explained in order to thoroughly address the hypothesis and research questions.

2.1 Leadership Theory

The evolution of the leadership role emerged in recent years, as in order to make leadership of any kind possible in a complex and hypercompetitive environment, leaders are required to go through transformational process to adapt their context-specific leadership skills to existing businesses (Metcalf & Benn, 2013; Angus-Leppan et al., 2010). Factors such as global pandemic in 2020, the rising environmental awareness, war conflicts, global crisis and overall political instability revealed the need of adaptive, effective, ethical, and sensible leadership practices.

The research focus of leadership is led by having a dyadic formal relationship between the assigned leader or manager, and his or her subordinates (Angus-Leppan et al., 2010). The conceptualization of dyadic relationship refers to the interaction between individuals, usually consisting of two parties' communication. Linden et al. (2016) defined dyadic relationship as a process of key social interactions between any leader and organizational group members such as "leader-follower, mentor-protégé, teammate-teammate, co-worker-co-worker" under the influence and involvement of the measurement factors such as "interdependence, exchange and reciprocity" (p.140-155).

Additionally, leadership is often viewed from a power relationship perspective, as a leader is an authoritative figure to his or her followers (Northouse, 2016). Moreover, according to Yukl (2013) leadership is also conceptualized by levels of processes

(Figure 1) including an intra-individual process explaining the theory, role, behavior, knowledge, individual skills and traits, motivation and personality of a leader; a group process that is viewed from a group-level perspective assessing the influence of a leader and the team and its collective performance; and likewise observed as an organizational process that involves larger scope of groups involved in organizational culture.

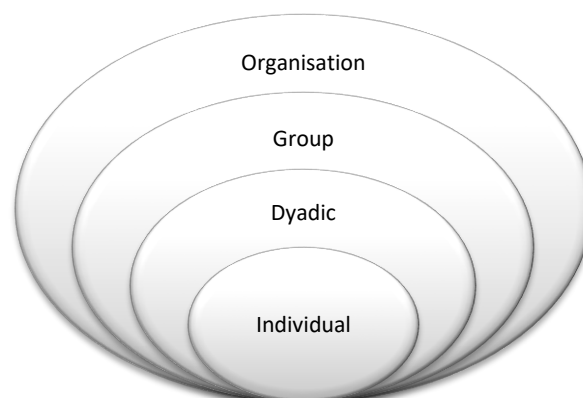


Figure 1: Levels of Conceptualization for Leadership Processes
Source: Yukl, 2013

Leadership can be defined in numerous ways due to global and cultural differences, however for this thesis the following definition will be used - “leadership is the process of influencing others to understand and agree about what needs to be done and how to do it, and the process of facilitating individual and collective efforts to accomplish shared objectives” (Yukl, 2006, p. 7). Leader is associated with influence, guidance, motivation, and accomplishment and is defined as an individual, whose primary responsibility is to perform the specialized leadership role influencing followers to attain organizational objectives (Yukl, 2013). The core of leadership is to provide a vision and inspire the followers by incorporating the process of facilitating accomplishment of shared objectives as well as ensuring commitment of individual and cooperative efforts (Yukl, 2006).

Some researchers perceive that leaders are born to be leaders, while others are critical of such views and think that anyone can become a leader (Northouse, 2016). In order to be a leader, an individual is required to have a particular set of traits and characteristics, which are adapted to leadership styles, theories, concepts, organizational philosophy, and approach. The key variables to take into consideration whilst assessing leadership are characteristics of the leader, the follower, and the

situation; that are primary basis of the five classified leadership approaches - trait approach, behavior approach, power-influence approach, situational approach, and integrative approach (Yukl, 2013). The complexity of the leadership perception and its styles variety can be viewed in Table 1, that represents the evolution of leadership styles based on the common existing theories.

Leadership Styles		
Autocratic Bureaucratic Ethical Moral	Transformational Complexity Emergent	Collaborative Participative Shared Authentic Visionary Stakeholder
Description		
<i>Attractor Basin Found:</i> Leadership of Convergence – stability of human social structure through time	<i>Search for Attractor Basin:</i> Leadership of Variety – process of experimentation, challenging ideas, innovation	<i>Attractor Basin Found:</i> Leadership of Unity – stability through norms, “one team, one organization”
-----Human Perception of Time ----->		

Table 1: Complex systems leadership theory overlayed with main leadership theories
Source: Metcalf & Benn, 2013

Therefore, it is hard to define the exact viewpoint of leadership from many existing conceptualizations and classifications of the topic, as leadership is observed both from a perspective of an individual having a particular set of skills, but it is also viewed as a process. Northouse (2016) states that process view involves interaction between a leader and a follower, whilst trait view of leadership emerges height, intelligence, extraversion, fluency and other traits as variables in the relationship.

2.1.1 Leaders vs Managers

Leaders are often associated with having a right mix of skills and stimulation of followers to willingly give up their own interests for the greater good (Yukl, 2013), while managers are guidance for people in terms of organization of tasks followed by disciplinary set of rules. Bennis & Nanus stated, that “managers are the people who do things right, and leaders are people who do the right thing” (1985, p.21).

The fundamental differences of both processes underlie in its characteristics, although managing and leading are not mutually exclusive nor equivalent. The main functions of management defined by Fayol (1916) are associated with planning, coordinating, supervising, and monitoring, whereas leadership is about control, change, and progress (as cited in Northouse, 2016). Thereupon, leaders are responsible for setting a vision in organization, shaping its culture and cohesion, motivating and empowering groups, inspiring and innovating proactive changes. Managers, on the other hand, seek to organize people into teams whilst breaking down challenges into achievable steps, solve problems, maintain control and resources, enforce results and specific instructions as well as disciplines (Northouse, 2016). Additionally, leaders set strategies focusing on a bigger picture, whilst managers at the same time establish timetables, agendas, procedures, and rules to get people to solve immediate duties. Nevertheless, both roles are equally important in any organization to be successful, as leading and managing creates an appropriate balance of maintained organizational authority.

2.1.2 Leadership Components

In order to conceptualize the topic for further research, Northouse (2016) identifies four leadership components, since leadership is a complex process involving many factors, practices and observed theories, that is currently still not defined upon universal agreement.

Leadership can be perceived as a continuous process, which must involve influence and occur in a group aiming to reach common goal (Northouse, 2016). Moreover, influence is a key factor of leadership process, as it comes from both within and outside of the firm from stakeholders' system of behavior other than an individual performance scope (Frooman 1999, as cited in Metcalf & Benn, 2013). Consequently, trust is a fundamental aspect of leadership, which in combination with implemented organizational change results in higher motivation of employees, empowerment and participation in organizational change processes to comply with latest trends in the organization (Islam et al., 2021).

Likewise, leadership only occurs in a collective group of people, that share and work towards achieving mutual organizational purposes and common goals. Yukl (2012) stated that leaders can support the creation of creative and entrepreneurial organizational culture, provide resources to facilitate development of products or services in addition to sponsorship opportunities that allow acceptance of innovative proposals.

2.1.3 Leadership Continuum Theory

Tannenbaum & Schmidt (1973) proposed a continuum model of leadership that breaks down seven existing leadership styles and corresponding behaviour by the degree of the exerted power of an individual in a leader's position over his or her followers. The model represented in Figure 2, reveals how the person in leadership position should lead the organisation in relation to the subordinates. The model proposes that the decisions should be balanced between the degree of authority a leader owns, and the subsequent degree of freedom the follower has.

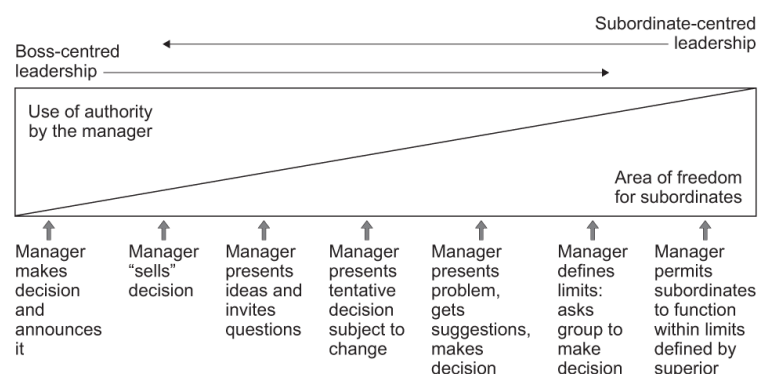


Figure 2: Tannenbaum & Schmidt. Continuum of Leadership Behaviour

Source: Tannenbaum & Schmidt, 1973

The model facilitates categorization of many existing leadership styles according to classification of each style based on the level of authority and balance of freedom extremes existing between a leader and the followers. However, according to the authors of the publication, there is a limitation to this model, as neither extreme of leaders maintaining or releasing control is absolute (Tannenbaum & Schmidt, 1973).

2.1.4 Common Leadership Styles

The intricacy and diversity of theories involving leadership is a constraint in its determination, as broad level of examination involves 65 unique categorization

methods (Fleishman et al., 1991, as cited in Northouse, 2016), which does not allow to state a specific mix of scripted skills an effective leader is required to have in order to be successful. The common leadership styles were defined in Table 2, however there is no particular leadership style, which proved to be remarkably effective.

Leadership Style	Definition
Situational leadership	Situational leadership implies that leaders should change the degree to which they are commanding or supporting the follower to meet their needs on a constant basis
Directive leadership	Directive leadership characterizes a leader who gives followers instructions about their task, including what is expected of them, how exactly it must be done, and then states clear deadlines for when it should be completed.
Supportive leadership	Supportive leadership is based on being approachable as a leader and includes a leader's focus on the well-being and needs of followers.
Participative leadership	Participative leadership consists of encouraging followers to take part in the decision-making processes.
Achievement-oriented leadership	Achievement-oriented leadership is illustrated by a leader challenging their followers to work at the highest possible level.
Transformational leadership	Transformational leadership is the process where a leader engages with others to connect and raise the level of motivation and morality in both the leader and the follower
Transactional leadership	Transactional leadership refers to leadership models, which focus on the exchanges between leaders and their followers.
Servant leadership	Servant leadership implies a leadership style, where a leader strongly focuses and pays attention to the needs of employees.
Authentic leadership	Authentic leadership is an interpersonal process created by leader and a follower engaging together for cooperative achievement of efforts.
Adaptive leadership	Adaptive leadership implies followers encouragement to face challenges to achieve further success.

Table 2: Leadership Styles Definitions

Source: Northouse, 2016

The main implicated difference to leadership styles, is that transformational, charismatic, and visionary leadership inspire change in its followers, while ethical and authentic leaders focus more on the ethical contribution of its followers (Chen et al., 2020). It also appears that for an organization to accomplish the effective institutional CSR practices, both transformational and transactional leadership are essential (Du et al., 2013). Consequently, it is argued, that leaders, who have traits and attributes such

as “the vision, enthusiasm, and determination for change” are considered to be applying transformational, charismatic, and visionary leadership styles (Chen et al., 2020, p. 4). Moreover, according to DeGroot et al. (2000) authentic leadership, ethical leadership and transformational leadership styles have been connected to CSR and corporate sustainability both directly and not explicitly (Angus-Leppan et al., 2010).

2.2 Transformational Leadership

Transformational leadership was widely supported, encouraged, and implemented globally in recent years since it is argued to be initiative-taking by developing a strong communicative connection between the role model leader and the followers. Fitzgerald and Schutte (2010) defined transformational leadership as a leadership style that is designed to build relationships with employees, considering their needs and assisting them in reaching their potential by presenting clear organizational mission and vision, thereby motivating employees to achieve good corporate results (as cited in Alrowwad et al., 2017). Bass argued that transformational leadership is one of the best practices to develop the group performance, that encourages followers to have doubt in common beliefs by intellectually stimulating them to solve issues in advanced ways (Bass, 1985; Bass, 1997; as cited in Du et al., 2013).

The transformational leader is the one who enunciates a future vision of the subordinates through intellectually stimulating and challenging their followers, taking into account individual differences and diversity among employees (Du et al., 2013). The transformational theory described by Bass (1985) can be summarized as a leader’s transformation of the follower’s values, morale, perceptions, vision, ideology, and expectations according to existing trends and norms (Alrowwad et al., 2017). According to Bass and Steidlmeier (1999), transformational leaders are highly ethical and focused on values (as cited in Du et al., 2013). The motivation is communicated based on inspiring the followers to change and evolve through challenge. The followers are inspired by the leader who brings them the feeling of purpose and value, which would further satisfy the needs of both individual and organizational units (Groves & LaRocca, 2011).

2.2.1 Transformational Leadership Components

Bass' (1985) Transformational Leadership Theory summarizes four components of transformational leadership: individual consideration, intellectual stimulation, inspiration or idolization of the leader and inspiration by the leader. The following components are often referred to as four I's of transformational leadership which are displayed in Figure 3.

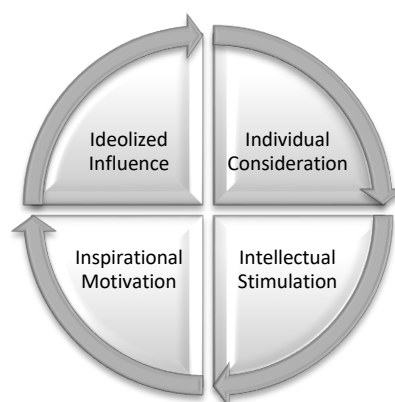


Figure 3: Four I's of Transformational Leadership
Source: Northouse, 2016

Idealized Influence (II) refers to the leadership where a leader is becoming a role-model figure displaying the ideal attributes (Bass, 1985).

Individual Consideration (IC) implies that a leader provides a safe environment and supportive climate for the followers considering their individual needs (Northouse, 2016).

Intellectual Stimulation (IS) represents leadership where a challenging task is distributed by a leader in order to achieve individual or collective, creative and innovative contribution (Bass, 1985; Northouse, 2016).

Inspirational Motivation (IM) means giving a follower a certain highly expected vision or goal which is meant to be achieved under emotional communication and mentorship of a leader (Bass, 1985; Northouse, 2016).

Consequently, the above stated four components of transformational leadership contribute to greater impact on followers, since outcomes, accomplishments and ultimate performance of the subordinates goes beyond what is expected of them and communicated by the leader (Northouse,2016).

2.2.2 Impact of Transformational Leader on Followers

Transformational leadership includes a leader's capability to not only have moral and ethical values, but also a capacity to be aware of organizational needs and power to create organizational long-term growth. Each transformational leader has unique individual factors in one's development and skills capacity (Lamm et al., 2021) and according to Bass & Avolio (1993) such leader seeks to reframe the future (as cited in Du et al., 2013). This can be observed from a perspective that transformational leaders aim to transform their followers into true leaders (Walumbwa et al., 2008, as cited in Angus-Leppan et al., 2010).

The main principle of transformational leadership is a change-oriented effort to inspire the followers by raising their consciousness for the sake of contribution to a greater good, which encourages further innovative thinking. According to the Social Bond Theory described by Hirschi (1969), the connection between the leader and the follower eliminates the obstacles to achieve the objective of the organization by diminishing the negative employees' approach (Islam, 2021). Moreover, transformational leadership when applied appropriately can assist in developing organizational and team learning from successes and failures (Baumard & Starbuck, 2005, as cited in Yukl, 2012). Collective vision can also be affected under the influence of transformational leadership by stimulating followers to look beyond self-centeredness for the sake of the collective and organization (Groves & LaRocca, 2011).

Sharma & Krishnan (2012) highlighted the specific importance of the impact of transformational leadership that sustains the attitude of the followers towards the organizational changes (as cited in Islam, 2021) particularly since transformational leaders are often associated with innovation (Shin & Zhou, 2003; as cited in Angus-Leppan et al., 2010) and altruistic ethics (Du et al., 2013). Moreover, organizational culture effectiveness can be directly influenced by transformational leadership by bringing the feeling of purpose due to the rising employees' performance, their feeling of purpose, value and perception of the difference they can make in organization (Kahn, 1990, as cited in Nazir et al., 2021).

2.2.3 Challenges of Transformational Leadership

The clarity of transformational leadership concept is difficult to determine to the present day, since each transformational leader has a unique individuals' factors in his or her development and skills (Lamm et al., 2021). Moreover, it is crucial to distinguish between the organizations where transformational leadership can be applied, as "academic and business organizations differ in terms of hierarchies" (Hershanova & Cementina-Olpoc, 2013, p. 12). Although the topic is widely examined there is no established nor guided framework for transformational leadership implementation in organizations. Furthermore, most of the existing research is often funded and focused on leadership from a military, cultural and political perspective, rather than business organizations (Northouse, 2016).

Additionally, there is no indication according to Walumbwa et al. (2008) that transformational leaders are aware of their own motivation and values, which is true for authentic leaders, who aim to create a personal identity that followers associate with (as cited in Angus-Leppan et al., 2010; Metcalf & Benn, 2013). Leaders' characteristics such as charisma, moral values and level of ethicalness are difficult to measure and assess, since it seems unlikely that leaders themselves are aware of their actual level of sincerity.

Transformational leadership or leadership of any kind can be perceived as "power", which can be often abused to satisfy the interest of leader if not applied ethically. It is argued that many leaders used the transformational leadership to satisfy their personal needs such as "profit generation, shareholder returns, and personal wealth" (Groves & LaRocca, 2011, p. 37). Moreover, transformational leadership requires developmental change either on the individual or organizational levels. Any changes are difficult to execute, especially when it comes to experiencing and sustaining organizational transformation, which could lead many followers be incapable of contributing to change immediately and suffer from uncertainty, fear, stress and lack of security (Hershanova & Cementina-Olpoc, 2013).

2.3 Organizational Culture

Organizational culture is a set of norms, beliefs and values of the organization, which lie in the fundamental principles of organization's stability, existence and development, therefore facilitating its adaptation to changing environment and external circumstances (Yukl, 2013). Culture in particular is formed at the basis of determining the goal of the organisation and determining how the organisation will implement it through their operation (Giberson et al., 2009) and is likewise defined as the stock of knowledge shared by the members in a particular organization (Ferine et al., 2021). Figure 4 displays the components of the culture, which allows us to form a broader definition of the concept.

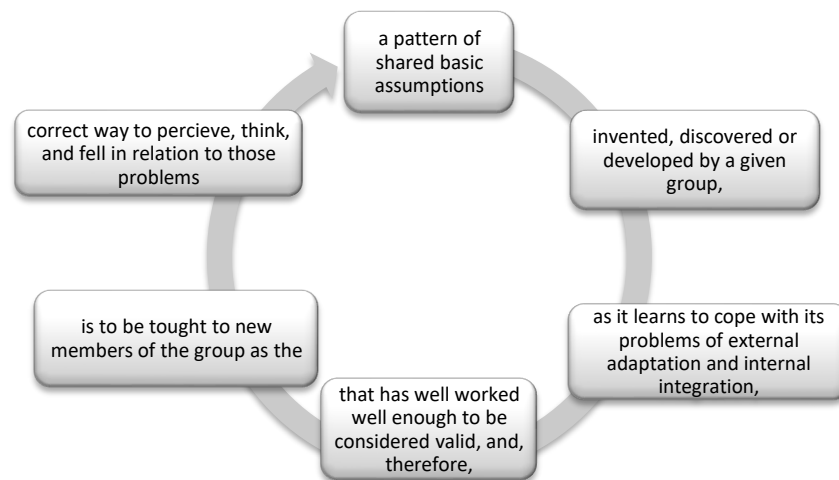


Figure 4: Components of 'culture' definition

Source: Schein, 1991

According to Hapden-Turner & Trompenaars (2020) culture is associated with people, who are seeking to solve continuous problems and dilemmas as an organized group of people who are pursuing to enhance their effectiveness through an engagement in a collective problem-solving process. The vast complexity of culture can be diminished by various observed components of the concept explanation, as existing definitions of culture derive from metaphorical, anthropological, and sociological meanings depending on various kinds of social systems and distinguished based on common categories, mental programming, dimensions, and notions (Hofstede, 2012; Groysberg et al., 2018; Hofstede et al., 2010).

2.3.1 Culture

The observation of culture from a human mental programming perspective is learned and dependent on the social environmental factors, as culture is part of both individual and social constructs, as displayed in Figure 5 (Hofstede, 1994 as cited in Spencer-Oatey, 2012).

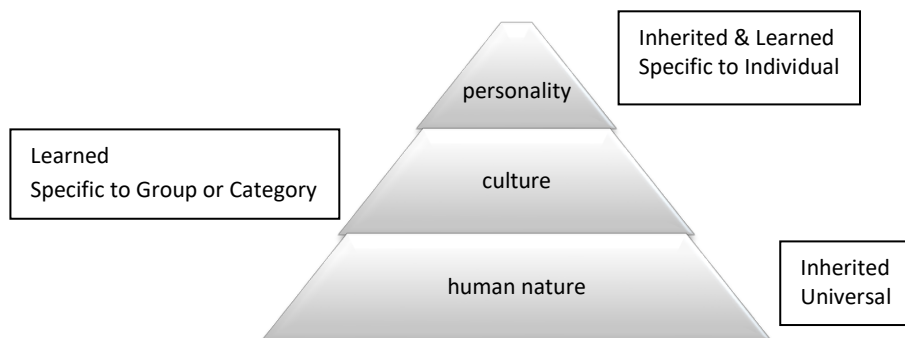


Figure 5: Three levels of uniqueness in human mental programming
Source: Spencer-Oatey, 2012

The culture of an individual is derived from the inherited collective environment, whilst **human nature** is what every individual globally has in common such as inherited basic functioning models.

Personality is a deeply unique feature of any individual's characteristics. It can be argued that social interactions a person has and his or her social circle, forms the individual's culture through transmission of norms, values and experiences (Hofstede et al., 2010).

Culture plays a crucial role in organizational transformation processes (Bhuiyan et al., 2020) based on the level of the perspective of professional culture denotes a particular function within organization (Hapden-Turner & Trompenaars, 2020).

2.3.2 Layers and Levels of Culture

There are several implications to culture: conceptual sharing, dynamics, stability implication, and implied patterning modeling all aspects of group life (Schein, 1991). It is often the case in modern world, that mental programming and cultural differences overlap causing the conflicting behavior of an individual in new situations (Hofstede et al., 2010). Culture is part of every group, and factors such as boundaries,

values, morale, religion, philosophy, race, ideology, and family are naturally independently classified to the specific individual (ibid.).

Consequently, every cultural group in addition to the mental programming corresponds to the following levels of culture:

- **A national level:** country or multiple countries for people, who migrated.
- **A regional level:** including ethnic, religious and linguistic affiliation.
- **A gender level:** born female or male
- **A generation level:** according to age group
- **A social class level:** education and professional opportunities
- **An employment level:** corporate and organizational development in the organization

(Hofstede et al., 2010)

Culture is often established based on the type of the social system it is categorized for, particularly at the culture levels such as national, corporate and professional (Hapden-Turner & Trompenaars, 2020). Due to the fact that the topic of research is related to the international management field of education, the culture will be examined from a business perspective, therefore being organizational (corporate) culture.

As stated by Hofstede, national cultures mainly differ in terms of the level of values, whilst the organizational cultures differ in terms of practices such as symbols, heroes, and rituals (Hofstede 1980; Hofstede et al. 1990, as cited in Hofstede, 2012). Cultural differences are inevitable at the core of any culture and can be observed in the common framework for the manifestation of cultural differences (Hofstede et al., 2010). Hofstede (2012) proposed the culture layers model displayed in Figure 6, as the skins of an onion, which can be explained the following way:

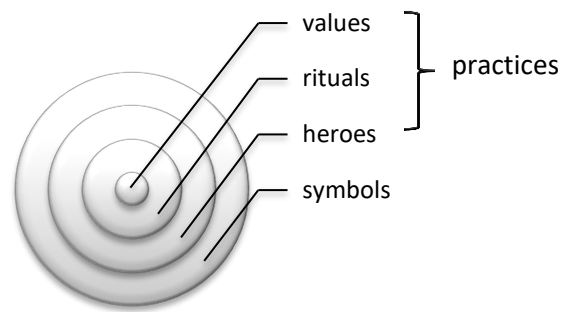


Figure 6: The Onion - Manifestation of Culture at Different Levels of Depth

Source: Hofstede et al., 2010

The specification of organizational culture on the levels of depth emphasizes inevitability of cultural differences in any organization over time (Hofstede et al., 2012). More specifically, human principles are acquired unconsciously early in our lives until the age of ten to twelve including symbols, heroes, rituals and values; whereas the conscious process begins gradually during learning process of new practices in organizations throughout the rest of people's lives (ibid).

<i>Elements of Organizational Culture</i>	<i>Description</i>	
Symbols	Particular words, images, objects or gestures that are shared by an organization	All three concepts are part of the practices applied in the organization
Heroes	Individuals, who are perceived as role models in terms of behavior and are highly respected	
Rituals	Cultural activities and practices that are essential for such organization	
Values	Feelings and tendencies to indicate the collective or individual belonging to the negative or positive side, which are at the core of culture	

Table 3: Elements of Organizational Culture

Source: Hofstede et al., 2010; Hofstede, 2012

Organizational culture is a collection of the systems of shared meanings, ideologies behaviour, values and beliefs of those within the organization (Groysberg et al., 2018; as cited in Muzondiwa et al., 2022; Bhuiyan et al., 2020). Organisational culture impact not only influences and coordinates employees attitude, behaviour and level of acceptance towards a change in organisation (Ferne et al., 2021), but also guides its member thereby holding the organization together (MacIntosh & Doherty, 2010;

Gordon & DiTomoso, 1992; Glaser et al., 1987; Pettigrew, 1979; as cited in Bhuiyan et al., 2020).

Denison and Mishra (1995) categorized organizational culture based on four characteristics: involvement, consistency, adaptability, and mission (as cited in Bagga et al., 2022). However, Robinson & Coulter (2012) proposed in their research a seven dimensions model of organizational culture including attention to detail, outcome orientation, people orientation, stability, team orientation, aggressiveness, innovation and risk taking – all the above-mentioned dimensions ranging from high to low depending on the cultural differences of an organization. As displayed in Figure 7, each cultural dimension independently shapes the way employees work in accordance with the organization’s personality (as cited in Robbins & Coulter, 2012).

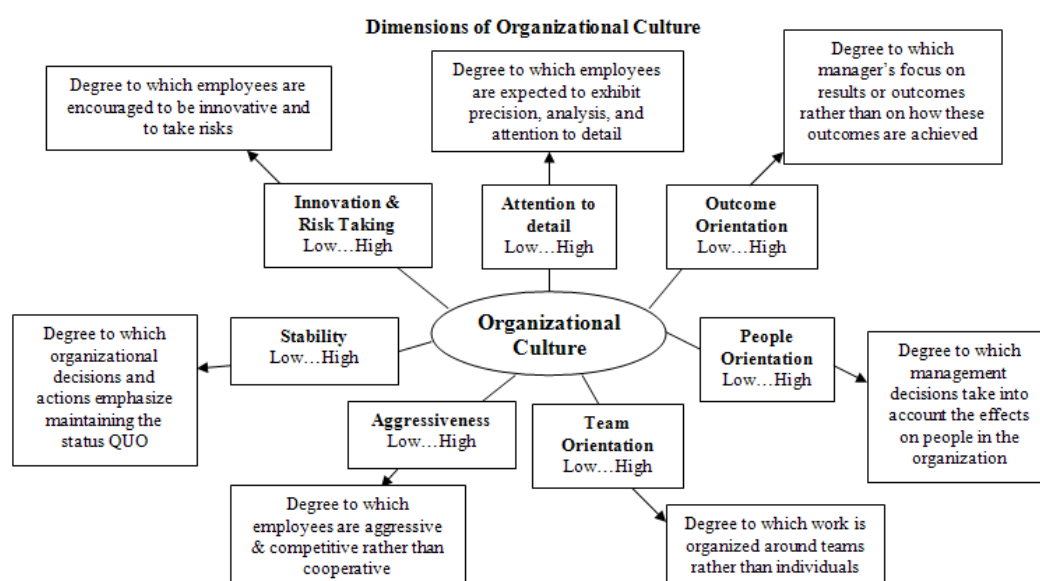


Figure 7: Dimensions of Organisational Culture
Source: Robbins & Coulter, 2012

The recognition of underpinning organizational dimensions is of utmost importance for an organization to be effective and achieve organizational goals, since all organizational functions must fit within the external and organizational environment, although according to contingency theory, there is no implied existing claim of the best way to lead an organization (Harney, 2016; as cited in Muzondiwa et al., 2022; Vidal et al., 2017).

2.3.3 Organizational Culture and Leadership

According to Burke (2017) the central purpose of organisation's existence is to maintain the stability and growth for longevity (as cited in Egitim, 2022). One of the core elements of organisational culture is leadership, which implies authority, managerial ability and contribution to the overall success of an organisation (Tsai, 2011). According to Bass and Avolio (1992) the culture of any organisation derives from its leaders and influences their future development (Muzondiwa et al., 2022). Likewise, the role of leaders in shaping organizational culture is extremely significant because the degree of leader's openness to new experiences tends to create a high adaptability of organizational culture (O'Reilly et al., 2014, as cited in Ferine et al., 2021).

Moreover, the overall organisational performance depends on the alignment of the values of the company, organisational strategy, the leader and employees (Hofstede et al., 2010). The organisational values are in fact shaped by the conscious and unconscious actions of the person in leadership position, that are shared by the members of the organisation upon their personal justification and association with fundamental principles of an organisation (Groyberg et al., 2018). It is foreseeable, that organisational culture and leadership are inextricably linked, thereby high-performing organisation under effective leadership, where leaders are aware of the embedded multiple cultures and dynamics within an organisation, is able to influence the process of necessary change and consequently shape a thriving organisation (ibid.).

2.3.4 Organizational Culture and Innovation

Since the 1990s, organizational culture plays a crucial role in the research focused on organizational sustainability, cultural change and transformation of business organizations (Howard-Grenville, 2006; Lok and Crawford, 1999; as cited in Ketprapakorn & Kantabutra, 2022). Innovative changes in organizations refer to a degree of employees encouragement to participate in innovation and risk-taking (Robbins et al., 2013, p. 512; as cited in Bhuiyan et al., 2020). Technological advances and increased world competitiveness contribute to driving trend of innovation and

redesign of external environment in order to ensure immediate organizational adaptation and its future development (Egitim, 2022). However, change is only feasible in organizational culture with a strong leadership, as factors such as rate and dynamic of change affect the degree of employees and organizational culture readiness for an innovation to take place (Bagga et al., 2022). Moreover, as stated by Tjosvold (2018) to operate in any organization is to be in a dispute, thereby it is crucial to maintain hierarchy and power-distance relationship to ensure harmony of the organizational operation (as cited in Ferine et al., 2021; Egitim, 2022).

The concept of organizational culture innovation can be considered especially effective under transformational leadership, as the leader has both ethical and moral principles, emotional intelligence, and has long been related to organizational performance through individual studies and meta-analyses (DeGroot et al., 2000, as cited in Angus-Leppan et al., 2010). Moreover, organization culture with an innovative approach allows and shapes stakeholders perception of sustainable procurement and contributes to integration of CSR practices in internal structures of an organization enhancing employees capacity and consumer confidence (Bhuiyan et al., 2020; Low et al., 2020, Upadhaya et al., 2018, as cited in Adzimah et al., 2020).

2.4 Corporate Social Responsibility

The development of Corporate Social Responsibility (CSR) was evident since the businesses transitioned to the 21 century and moved towards strategic realizations of protecting and improving society's welfare along with prosperity and development of the business (Carroll, 2015). Corporate Social Responsibility (CSR) was defined by Waddock (2004) as a "the broad array of strategies and operating practices that a company develops in its efforts to deal with and create relationships with its numerous stakeholders and the natural environment" (p.10). According to Kotler and Lee (2005, p. 3) CSR constitutes of a company's initiatives to improve community well-being through flexible allocation of corporate resources (as cited in Lee et al., 2019). Moreover, the connotation of CSR practices towards the emergence of addressing social, ethical and environmental challenges comes from the association of institutional CSR drivers with national business systems such as political, financial,

educational, labour and cultural (Matten and Moon, 2008; as cited in Angus-Leppan et al., 2010).

2.4.1 Types of CSR

Businesses and organizations are embracing CSR actions related to engagement in sustainable business practices seeking to reduce their negative environment related footprint by addressing UN's Sustainable Development Goals (SDGs), which state major worldwide challenges (Waddock, 2008, as cited in Du et al., 2013; Balon et al., 2022). United Nations share 17 SDGs, represented in Figure 8, aim to tackle deprivations and poverty, improve health standards and access to education, minimize the inequality, challenge climate change, preserve nature as well as natural resources, while stimulating economic growth by collective actions of UN members (2020).



Figure 8: The UN's 17 Sustainable Development Goals
Source: United Nations, 2020

Previously, main focus of businesses lied within profit generation, however, nowadays environment is one of the major elements of any business due to its influence on current global business trends, competitive advantage and generated profit (Hussain et al., 2022). Consequently, three major types of CSR are defined as economic, social, and environmental implying a wider scope of socio-economic responsibility context, which can be viewed in Figure 9 (Alvarado Herrera 2008; as cited in Hussain et al., 2022; Jonker & de Witte, 2006).

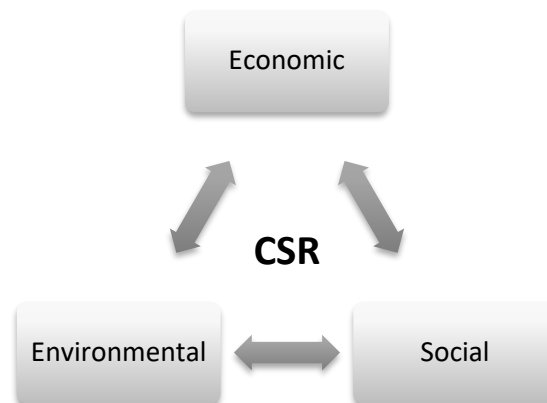


Figure 9: Three Major Types of CSR

Source: Hussain et al., 2022

Moreover, recently CSR has also been classified into two approaches – implicit and explicit, depending on the organisation’s institutional influence, which was developed from a perspective of macro level comparison of CSR approaches of European and US business systems (Matten & Moon, 2005, Matten & Moon, 2008; as cited in Angus-Leppan et al., 2010).

Implicit CSR of an organisation refers to an implicit element of established framework of the corporation that does not describe values such as norms-driven methods as part of organization’s Corporate Social Responsibility and is represented by mandatory and expected values, norms, and rules of a specific corporation.

Explicit CSR whereas refers to the organizations, that communicate their CSR policies and practices to existing stakeholders as well as use the CSR strategy as a tool to adapt its business value and meaning, which is voluntarily based on strategic decisions of an organization.

(Angus-Leppan et al., 2010)

Corporate Social Responsibility literature has also described technical and institutional CSR activities (Godfrey et al. 2009, as cited in Du at al., 2013). Technical CSR refers to the CSR activities of an organization, which target the businesses’ primary stakeholders, whereas institutional CSR activities target secondary stakeholders (ibid). Stakeholders have been defined by Freeman (1984, p. 46) as “any group or individual who can affect or is affected by the achievement of the organization’s objectives”, who therefore have a significant interest in an

organization, its success as well as capability to influence and improve the firm organization (as cited in Riano & Yakovleva, 2019).

2.4.2 Carroll's Pyramid of CSR

Carroll (1996) proposed a wider scope of CSR activities in organization based on legal, ethical, economic and philanthropic responsibilities (as cited in Lii & Lee, 2012). The following CSR components were categories based on the expectations, requirements, and desires from the society, and can be observed graphically in Figure 10.

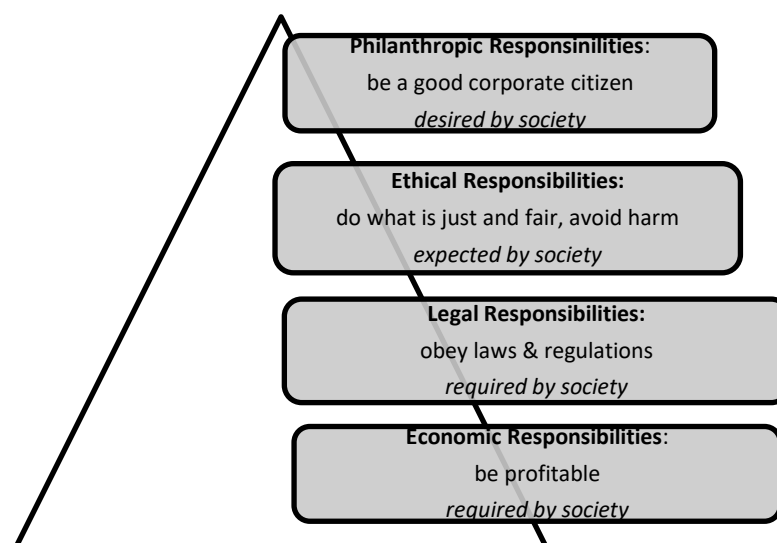


Figure 10: Carroll's pyramid of CSR
Source: Carroll, 2016

The principal implication of the model proposed by Carroll (2016) is that for businesses to be considered as socially responsible and complying with philanthropic, ethical, legal and economic responsibilities is of utmost significance. Four conceptually independent components are related and compose a framework of businesses responsibility to the society (ibid.). Therefore, organizations should contribute to activating the businesses aspects of improving and protecting society by creating positive benefits, and avoiding negative effects the organization is creating (Carroll, 2015). Table 4 represents the description of a foundation and nature of organizations' responsibilities according to Carroll's pyramid of CSR.

CSR Responsibilities Type	Description
Philanthropic	refers to voluntary contribution to the betterment of society and improvement of the overall quality of life
Ethical	requires organizations' acknowledgement of societal values and norms through appropriate firm behavior
Legal	denotes organizations' fulfillment of economic responsibility within a legal framework
Economic	specifies the obligations of an organization to be productive, profitable, and economically viable

Table 4: Types of CSR responsibilities

Source: Lii & Lee, 2012

Despite the fact, there is no indicated legal obligations for businesses to apply CSR in the organization, since the amount and nature of these activities are voluntary and commonly guided by business's desire to participate in social activities, the tendency is increasingly changing among stakeholders (Carroll, 2015). Particularly, since not only economic, but also social and ethical responsibility aspects are more frequently expected from companies, as CSR awareness and expectations of consumers, employees, shareholders, and the public gradually progressed (ibid.).

2.4.3 CSR Integration in Organizations

Donaldson and Walsh (2015) stated, that businesses purpose is to operate in the society and in favor of people. Since, CSR is related to a company's social obligations and performance, at the organizational level, cultural standards are assumed to drive various attitudes towards CSR initiatives (Lee et al., 2019; Linnenluecke et al., 2007, as cited in Angus-Leppan et al., 2010). In particular, CSR activities that are exhibited in organizations tend to improve societal welfare through business activities ranging from society outreach to eco-friendly practices and sustainability implementation (Du et al., 2013). However, it is crucial to differentiate types of CSR initiatives of a business based on which part of the industry and social environment an organisation is (Rangan et al., 2015).

Socio-ecological innovations are associated with essential change, that primarily take place upon collective agreement from negotiations and decision-making process within a society (Wagner & Andreas, 2012). Angus-Leppan et al. (2010) proposed a four-level model of institutional drivers (Figure 11), which impact the implementation of CSR initiatives. The four drivers are: national business systems, which are considered as institutional drivers and constitute of political, cultural, labour and educational systems which further affect the organisational field, the organisation and the individual with an organisation (Matten & Moon, 2008; as cited in Angus-Leppan et al., 2010).

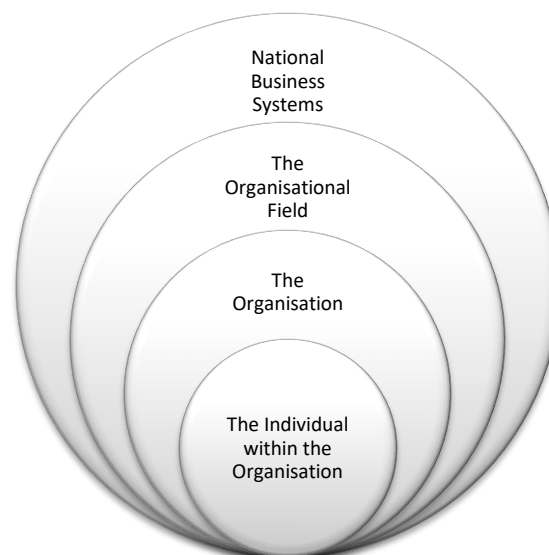


Figure 11: Levels of Institutional drivers

Source : Angus-Leppan et al., 2010

Practical approaches and theories to CSR vary based on organisational goals, business activities, management criteria and governance (Mosca & Civera, 2017). However, CSR needs to be implemented and integrated in all functions of an organisation despite its size – including managers and employees at all levels, engagement of stakeholders, shareholders and partners, upon consistent interaction, engagement and information-sharing processes (ibid.) Likewise, organisational culture and strategy should include CSR goals as part of company's formal logic in order to orient and guide the employees and consumers through shared organisational norms as well as to align business's CSR activities, purpose, and values (Groysberg et al., 2018; Rangan et al., 2015). The potential framework for CSR initiatives in an organisation

can be observed in Figure 12, including coherence with existing CSR practices, business practices and stakeholders' demand.

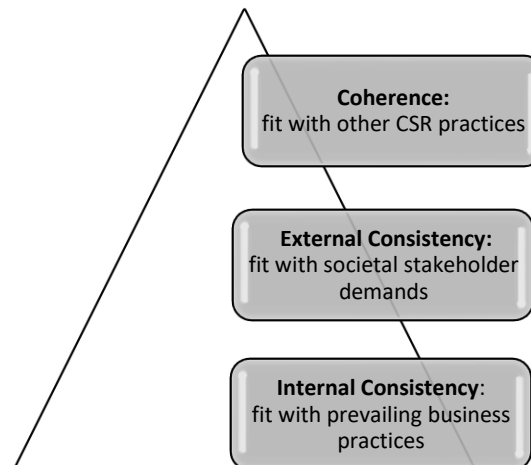


Figure 12: Framework of CSR Initiatives Fit

Source: Yan et al., 2011

Moreover, in order for any organisational CSR initiatives to be implemented, public support and engagement are essential for the overall customers' awareness of social problems to facilitate behavioural changes of the society (Bhattacharya and Sen 2003; Du et al. 2010, Du et al., 2015; as cited in Lee et al., 2019). Consumers' association with organization's CSR initiatives can be viewed as company's image of being socially responsible as well as the perception fulfillment of its social liability and capacity to meets consumers' expectations (ibid.). All of the above-mentioned factors are influenced by managers or leaders, who form business and corporate strategy of an organization (Angus-Leppan et al., 2010).

2.4.4 CSR and Transformational Leadership

The relationship between the leader and its follower towards the CSR values implicates the willingness of compliance with CSR principles to ensure the responsibility and ethicalness of leadership (Groves & LaRocca, 2011). According to Waldman's argument the most appropriate leadership style for organizations' implementing CSR strategies is strategically driven and does not require maintaining an integrity to personal values, however leadership styles are often context specific (as cited in Angus-Leppan et al., 2010). The implications of theory applied predict the connection between transformational leadership and CSR through Social Learning Theory and the role of follower self-concepts (Groves & LaRocca, 2011).

In particular, the integration and implementation of CSR practices is interconnected with transformational leadership, since it has a strong link with innovation, organizational performance, and strategic CSR (Angus-Leppan et al., 2010; Metcalf & Benn, 2013). Moreover, transformational leaders change followers and are associated with improving their values and ideals towards achievement of collective goal, rather than an individual one. Furthermore, transformational leaders initiate and transmit substantial changes in organizations by raising the consciousness level of each individual and transcending them from their own self-interests for the sake of greater good (Northouse, 2016). According to De Ruiter et al., CSR and transformational leadership can also be linked through being goal-driven strategies, given that “developing a learning goal orientation strongly affected the ability of leaders to initiate and facilitate CSR activities” (2018, p.872). The Table 5 represents main characteristics of Transformational Leadership (TFL) and Corporate Social Responsibility (CSR) observed upon examination of existing literature. The comparison suggests, that both TFL and CSR can be strongly emphasized, corresponded and linked based on the similarities in observation of two approaches related to change.

Transformational Leadership (TFL) Source: Northouse, 2016	Corporate Social Responsibility (CSR) Source: Hancock, 2005
advocating change	progressive operating business philosophy
needs and constraints of others are of central priority	central focus is global well-being and prosperity
attention to the needs and growth of followers	attention to role of an organization in society in tackling social and environmental issues
strong emphasis on needs, values, morals, and motivation of the followers	wider social focus related to long-term social, corporate and environmental responsibility
effective vision and empowerment are communicated to followers	promoting socially responsive and environmentally friendly guiding principles
emphasis on follower’s development in a way which fits the needs of today’s organizational group and entire cultures	maximizing the benefits and minimizing the negative aspects of organization on the society
transformation of corporate values to fulfill higher standards of justice, equality and moral values	aims to reconcile organizational profit generating motive to fulfill social obligations

Table 5: Comparison of Related Characteristics of TFL and CSR

Transformational leaders empower followers by exhibiting strong and ethical ideals towards the achievement of the greater goals (Kuhnert, 1994; as cited in Northouse, 2016). Meanwhile, CSR ideology drives businesses and organizations to apply set of mandatory and voluntarily principles, norms, and rules to address issues of stakeholders, contribute to achievement of eco-satisfying goals and tackle social challenges (Angus-Leppan et al., 2009; Hussain et al., 2020).

However, transformational leadership can be viewed as a diminishment from the organization's CSR ability to create value for the firm, since the link between transformational leadership and established CSR is not constant across all organizations (Du et al., 2013). Whereas, transformational leaders are nevertheless associated with ethical climate of the organization, morale actions of the followers as well as rising follower's consciousness level about importance and value of specifically communicated goals addressing high-level needs (Bass, 1985; as cited in Northouse, 2016).

2.4.5 Implications to CSR Implementation

The vagueness and broad context complexity of CSR makes it problematic as a defined practice, since it is a continuously shifting ideology based on the leaders ability to play as sense makers in an organization (Angus-Leppan et al., 2010). Moreover, CSR practices are often complex and different types of CSR are difficult to distinguish, since the lines between different styles are blurred (Lee et al., 2019). In addition, CSR cannot be precisely measured considering traditional methods and there is no specific explanation of CSR despite the available studies as well as there is little academic CSR literature on the role of leadership in connection applied to CSR (Hussain et al., 2022; Waldman & Siegel, 2008, as cited in Angus-Leppan et al., 2010). Additionally, Corporate Social Responsibility (CSR) of the organization can be manipulated, as the submitted CSR efforts are not only driven by ideological thinking towards social change, but also by generated business returns, which can be potentially secured upon CSR engagement and compliance (Du et al., 2013).

However, institutional CSR can generate positive organizational long-term effects such as brand image and effective stakeholder relationships (Du et al., 2013). CSR as

part of the business model can contribute to cost saving of a firm, impact its reputation status, its profit, and efficiency level (Mosca & Civera, 2017). It can also be viewed from a perspective of re-energizing and riving of the existent businesses (Hancock, 2005). Moreover, some organisational risks can be mitigated upon CSR compliance having an impact on business results and development (Rangan et al., 2015). Furthermore, realization of CSR practices in organisations provides businesses with a capability to adapt to competitive business environments, develop stronger corporate governance as well as partnerships and relationships with suppliers, governmental institutions, and distributors, in addition to enhancing consumer loyalty (Riano & Yakovleva, 2019).

3 Methodology

The following thesis chapter will provide a reader with a detailed description of the methodology and chosen research approach applied throughout the research establishment and development process. The formation of research topic, aim, research questions and hypothesis as well as completed thorough research on existing literature publications established a basis for the formulation and construction of the interview questions for primary research, which will be assessed in the following section.

Subsequently, the methodology chapter will briefly clarify the common research methods and describe three existing research designs in order for the reader to gain insights into the nature of research problem, data gathering, processing, analysis and evaluation of findings based on the methodological choice. Furthermore, the in-depth description of the analysis, evaluation, summarization, and assessment of the conducted interviews with earlier formulated questions will be followed in accordance with the hypothesis and main aim of the research. Furthermore, the obtained data will be concluded to formulate an overall conclusion and outcomes of the thesis research.

3.1 Aim

The main aim of this thesis is to determine the relationship between transformational leadership and organizational culture consolidated together in shaping follower's attitudes towards social change, organizational innovation, as well as its contribution to the enhancement of the implementation of CSR practices in organizations. Consequently, various established secondary aims have been addressed in detail backing the main aim of the research and defined to further investigate the primary research goal. The thesis targets the assessment of the relationship between transformational leadership regarding organizational culture and how it affects the formation of a particular organizational culture attitudes triggering the need of innovation under transformational leadership and the corresponding influence on CSR implementation.

3.2 Research Design

There are three acknowledged approaches to research design which are: quantitative, qualitative, and mixed methods (Creswell, 2014). It is important to distinguish between the different approaches before proceeding with the study in order to reach logical conclusion by observing the research objectives spanning the step-by-step plan from comprehensive assumptions to detailed procedures of gathering, analyzing, and interpreting the data (ibid). According to Creswell (2014) the concrete distinction between three research approaches is made by philosophical worldview assumptions, research strategies, designs and methods used.

Qualitative research approach is used to examine human and social behavior focusing on examination and connotation of individual meaning. Data is collected in a natural setting to investigate context of the study problem by interviewing or observing participants and gathering various forms of data for further administration of the information. In particular, the researcher contributes to the obtainment of the greater picture of the research issue. Qualitative research designs are phenomenology, grounded theory, ethnographies, case study and narrative research.

Quantitative research approach involves investigation of theories through relationship assessment between variables. The numerical data variables are tested and analyzed by statistical methods and further interpreted using the statistical analysis techniques. Quantitative research designs include experimental and non-experimental designs such as questionnaires and structured interviews.

Mixed methods research approach integrates both qualitative and quantitative data collection methods combining two designs for thorough understanding of the research problem. The incorporation of mixed methods approach allows open-ended and close-ended data to be collected, integrated and analyzed, strengthening the argumentation of the research outcome by comparing various data types. Mixed methods inquiry forms include either explanatory sequential, exploratory sequential, transformative, embedded, convergent or multiphase designs.

(Creswell, 2014)

A qualitative research approach was chosen for this thesis. Detailed assessment of qualitative research designs represented in Table 6, revealed the need to use phenomenological research design for the thesis research, as it involves conduction of expert interviews based on individual’s lived experience in order to evaluate main aim of the research.

Qualitative research design	Characteristics
Narrative research	Summarizes the studies of individual’s and researcher’s live experience in a form of a narrative
Phenomenology research	Involves conducting interviews observing individual’s lived experience highlighting philosophical and psychological assumptions
Grounded theory	Describes the general hypothetical theory of process, act or interaction based on the categorized views of participants
Ethnography	Illustrates shared patterns of a group performance, language, and acts in a collective by observation process and interviews in natural surroundings
Case Studies	Evaluates thorough examination of the case over the sustained time frame and assessed action

Table 6: Types of Qualitative Research Method Designs
Source: Creswell, 2014

Furthermore, the proposed conceptual model (Figure 13) was created reflecting the literature and research hypothesis. The model assumes that transformational leadership relates positively to organizational culture attitudes and has a positive association with CSR, while the proposed mediator variable is CSR, that lies between transformational leadership and organizational culture attitudes.

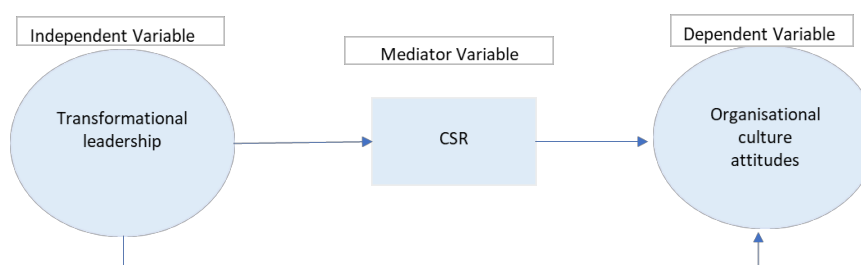


Figure 13: The proposed conceptual research model

Subsequently, the qualitative approach chosen allows researcher to conduct in-depth interviews with experts to gather knowledge and theoretical information regarding the impact of transformational leadership and organizational culture on CSR in organizations, which was not observed formerly in the literature review process from a participant's perspective and explanation of personal unique experience and issues to conduct further evaluation of the research topic.

3.3 Units of Analysis

The units of analysis used in the thesis research are exemplified in the expert individuals with whom interviews were performed aiming to prove the research hypothesis. In particular, a research analytical unit on an individual level of each interviewee was investigated on the subject of employee or in some cases CEO perceptions, attitudes, knowledge, opinions, experience and actions. The reasoning behind the chosen unit of analysis lies in the researcher's aim to assess the employee's or leader's from different companies and industries, perception on transformational leadership style with regard to organizational culture formation as a catalyst of CSR development and implementation in organizations. An analysis of the experts in entrepreneurship, business innovation, leadership and international management intends to contribute to association of existing information of individual's perspective of the phenomenon. In addition, the consistency upon selection of relevant expert individuals to the research objectives, will enable thorough analysis of the data obtained from expert perspectives derived from interviews.

3.4 Data Collection and Analysis

The interview objectives are to conduct interviews with 5 experts, which is according to Creswell (2014) the typical starting sample size for phenomenology research, that ranges from three to ten participants. The interview questions will be prepared and constructed based on the outcomes of the literature review, thereby ensuring interview structure, content, and avoidance of feasible missed details. The questioned experts will be in the field of international management, corporate social responsibility, business innovation and sustainability as well as leadership. The in-person interviews are planned to be conducted by means of any appropriate online

platform for the interviewee and via e-mail internet platform. Consequently, the interviews will be recorded and transcribed to facilitate evaluation and examination of gathered data. Furthermore, the data will be categorized and examined to conclude the analysis outcomes. This will be done by assessment of all interviewee's feedback and comparison of responses with regard to additional evaluation of results with previously completed literature review. Additionally, the results will be observed for correlations of the existing relationship between examined variables in order to contribute to existing research regarding the impact of transformational leadership and organizational culture on Corporate Social Responsibility in organizations.

3.5 Participants

Initial data collection objective was to interview 5 experts, although there were a total of 6 expert interviews conducted with professionals specializing in leadership development, company management and governance, HR management consultancy, business and organizational transformation, coaching, communication and customer success.

3.5.1 Selection Criteria

Appropriate range of participants for expert interviews is of utmost importance for the qualitative research approach chosen for primary data collection of this bachelor thesis research. Therefore, great care and careful consideration were key factors of the selection process of each interviewee. The participants were chosen through the online research publications platforms, LinkedIn and from the author's network in the field of International Management. The criteria for interviewee candidacy was based on professional experience, level of knowledge and expertise information in the fields of leadership, transformational leadership, organizational culture, sustainability, CSR, and organizational innovation. However, there is a limitation in terms of interviewee's personal background and possibility of biases, since the individual's meanings, interpretations and experiences will shape and affect the direction of the research.

3.5.2 Construction of interviews

The focus of this research data collection is conduction of qualitative in-depth interviews with experts to continue with further interpretation and emergence of data patterns. There are various forms of qualitative interviews depending on its structure, nonetheless general interview guide approach was selected to base the interview questions on the research topic, while at the same time proving focused conversation, that still allows for adaptability in terms of asking follow-up questions (Turner, 2010). Consequently, the qualitative emergent design was applied to ensure flexibility of the initially pre-developed interview questions, as there were cases, where additional questions were needed to clarify and obtain supplementary information (Creswell, 2014). This is the common practice in primary research, and is referred to as semi-structured interviews, which was chosen to ensure appropriate level of preparedness, flexibility of interview development and extended communication with an expert regarding the interviewee professional experience (Roulston & Choi, 2017).

The construction of transparent research questions was the main element in the interview design. In order to gain maximum information and appropriate knowledge from participant's experience, questions were formed in a neutral tone and worded including key terms of the research to avoid misunderstanding (McNamara, 2009; as cited in Turner, 2010). Therefore, a combination of open-ended and close-ended questions was asked in the interviews conducted. The purpose behind asking close-ended questions was to gain key knowledge into the topic, which would then be described in detail by asking follow-up open-ended questions to reflect deeper into the analyzed phenomenon. Interview questions were asked and transcribed in English. The interviews lasted in the range of 30 to 45 minutes and were conducted via separate online meetings via Microsoft Teams. In order to avoid complications due to interviewee being in a different time zone, the asynchronous-email interview was performed with some of the interviewees in order to ensure flexibility. This was done by preparing a editable word-document with the same set of questions, which an interviewee could fulfill at their own speed and capacity. In case of misunderstanding

or emergence of follow-up questions, the interviewee was contacted additionally via email.

The interview structure is represented below, which consist of questions and reasoning behind asking these questions. The respondents expert opinions and data will be classified based on the research section, coded and organized into categories in order to draw meaningful conclusions in the upcoming chapter.

Question Block 1 – Introduction

Q1: Could you please introduce yourself with your first name?

Q2: Could you please state your age?

Q3: Could you please state your nationality?

Q4: Could you please indicate your occupation?

Q5: To which industry it is related?

Q6: Please briefly describe what is your position and role at work?

Q7: How long have you been working in this field?

Q8: Could you please indicate the nature of the business you are working in?

The following list of questions was asked for multiple purposes. Mainly, those questions were intended to serve as a smooth introduction to the main questions of the interview to set a relaxed interview tone. Moreover, the questions allowed to gain essential knowledge into the interviewee's background and professional experience as well as to potentially estimate the degree of expertise in the upcoming questions regarding leadership, corporate social responsibility and organizational culture, to be prepared to rephrase the interview questions upon necessity.

Question Block 2 – Leadership, Transformational Leadership and Organizational Culture

Q1: How do you perceive a good and effective leadership style?

This question was asked to find out the interviewee perspective of the ideal leadership style based on his/her professional and personal experience.

Q2: Overall, how would you describe the leadership style applied in your company?

Q3: What would you suggest to improve?

Q4: What past events most influenced the leadership approach in your organisation?

By asking these questions, the main focus was to evaluate the leadership style of the company in which an interviewee works. Therefore, leadership impact was analysed on the subject of organisational culture and employee attitudes. Furthermore, the interviewee experience can be addressed as the basis of how a leadership approach needs to be implemented in organisations in order to be effective. Moreover, the leadership approach fluctuations can be established if the company experience pivotal moments, that required extensive leadership influence.

Q5: In what way does this leadership style affects subordinates and employees attitudes?

Furthermore, the role of leadership style was addressed by this question, in order to figure out how a leader forms the organisational attitudes and opinions of employees and consequently shapes the organisational culture environment.

Q6: What of the following characteristics are the most important ones in making a good leader? Please, highlight.

- a. Self-awareness
- b. Patience
- c. Acceptance
- d. Resilience
- e. Empathy
- f. Ability to motivate and inspire
- g. Honesty
- h. Flexibility
- i. Readiness to Innovation
- j. Communication and Active-listening

The purpose of asking this question is to investigate the most common, preferred and essential characteristics of a good leader in general in the eyes of experts.

Q7: Can you briefly describe, how it would make you feel to work in the organization with a leadership style encouraging active participation, collaborative thinking and innovative practices?

By asking this question, the extent to which an interviewee views the characteristics of transformational leadership in organisations is analysed, reflecting on his/her personal opinion regarding organisational innovation and experience across working in industries with different leadership styles applied.

Q8: In your opinion, in what way motivating and encouraging employees to change their self-interests in order to achieve greater organisational good affects employees?

This questions aims to identify the connections and potential relationship between key characteristic of transformational leadership and subordinates. Furthermore, this question is examining the experts opinion on the topic of workplace environment and their attitude towards transformational leadership practices applied in organisation.

Q9: Please briefly describe your experience with transformational leaders and how has this affected your working experience, if such experience occurred.

The purpose of this question is to examine the impact a transformational leader has on the employees and subordinates. Moreover, the question aims to gain insights into the leader-follower relationship from a previous experience of expert's interaction with transformational leadership as an employee.

Q10: What aspects of transformational leadership are different from the other leaders you have encountered in your career?

The purpose of asking this question is to investigate how transformational leaders are perceived by employees and the overall impact the transformational leader has in comparison to any other leadership style. Moreover, by asking this question, possible differentiative characteristics of effective transformational leader can be extracted.

Q11: Do you perceive transformational leadership effective in shaping strong organisational culture? In what way?

This question has related reasoning as question 9, although this question explicitly specifies the addressed relationship between transformational leadership and organisational culture.

Question Block 3 – Corporate Social Responsibility

Q1: Have you experience organisational transformation or innovation in the company you are working in? Please, briefly describe it.

This questions served as an introduction to the complex topic of Corporate Social Responsibility, in order to smoothly transition from the topic of leadership and organisational culture. Moreover, this question presumed to reveal the interviewee's experience with innovation, business transformation and the impact it has on the company. In addition, background knowledge can be gained as of potential reasons behind innovative business transformation.

Q2: How would you describe essential CSR initiatives of a successful sustainable organisation?

The essentiality of sustainable businesses in the long-term operations is of great significance, due to that reason the experts were asked this question to identify their perception of sustainable organisations, investigate the vital characteristics of sustainable organisations and how the implementation of CSR business practices contributes to the firm's overall success.

Q3: In your opinion, how significant is the role of a leader in encouraging a creation of a socially responsible organisation?

Question 3 was asked to investigate the level of importance of a leader in relation to creating, forming, developing and further operating of a socially-responsible business.

Q4: Can you provide a suggestion or an example under which leadership style, CSR implementation in an organization is particularly effective?

This question aimed to address the relationship between CSR implementation and the leadership style. In particular, the purpose of this question was to link

transformational leadership to CSR initiatives implemented in organisations, since the topic is associated with organisational transformation, innovation and business ethics.

Q5: Does your company have specific environmental and society-related requirements for product/service? If yes, what are they?

Question 5 was asked to fulfil the general level of involvement of the expert in the topics of innovation, Corporate Social Responsibility and Organisational Transformation as well as to understand the interviewee's working and professional experience with environmentally conscious and sustainable organisations. Moreover, this question was summoned to gain knowledge into the most commonly implemented CSR practices in business organisations nowadays.

Q6: Are CSR activities implemented in your organisation, encouraged more by a leader or influenced by external factors such as society pressure, increased competition, government regulations?

The complexity of CSR implementation is a controversial topic, since it involves both external and internal factors as well as leader's capacity to influence and motivate the organisation's personnel towards the necessary transformation. Therefore, the purpose of this question is to assess which factors are common in organisations when it comes to organisational application of sustainable practices.

Q7: In what way does the leaders view on sustainability in your organisation affects the employee's attitude towards CSR?

The reasoning behind asking this question lies in the investigation of leader's impact and influence on CSR implementation and consequently its effect on the attitude caused among the employees in the firm and organisational culture as a whole.

Q8: What are the long-term impacts of CSR implementation in your organisation?

This question was asked to determine what long-term impacts the successful implementation of CSR practices has on the organization, where the expert works, in order to further investigate the importance of CSR.

4 Summary and interpretation of the interviews

The following chapter reflects the researcher interpretation of the questions asked in the interviews conducted. Furthermore, the data extracted will be analyzed upon its recording and transcription to ensure further comparison and interpretation of expert responses from different fields. The experts were asked the same set of questions, even though for some of them it was not directly related to their field of specialty, but it was of interest of a researcher to gain broader expert opinion to assess their professional experience. Therefore, this section will cover the most significant and frequent response tendency to draw relevant conclusions. Furthermore, the data analyzed will be compared to the extensive literature review.

Full Name	Age	Nationality	Occupation	Workplace	Industry	Working Experience in years	Expertise Category
Eva Ziegler	57	Austrian	Independent Brand and Marketing Consultant Senior Marketing Executive	Freelancer Self-employed	Hospitality Fashion Digital Marketing transformation	10	Business Innovation Transformational Leadership
Teresa Bieler-Stütz	42	Austrian	Founder, owner, and managing director of a small company	Self-employed Interim Executive at TBSConsulting-AT	Consultancy services Advisory specializing on ESGs, HR and compliance management	10	ESGs Corporate Sustainability Leadership
Irina Bepalova	29	Israeli	Customer Success Team Lead	IoT company Webbing	IoT Management Communication and connectivity	2	Leadership Communication Customer Success
Tracy Palmer-Scott	59	British	Transformational Coach and Facilitator	Tracy Palmer-Scott Transformational Coaching	Senior Leadership C suite Senior Team leadership	23	Transformational Leadership Coaching
Tim Taylor	60	British	Chief Visionary Officer Co-founder of Brilliant Buttons	Brilliant Buttons	Ed-tech Coaching support	30	Leadership Coaching Organizational Culture
Hugh Blane	63	American	Executive Coach Leadership Consultant Book Author	Claris Consulting	Leadership Consultant Business Development	35	Consulting Coaching Leadership

Table 7: Interview Participants

Table 7, which can be observed above, represents the interviewee's responses to the introductory questions. The experts were classified into categories based on their level of knowledge relevant to the research study topic. Mainly, all of the interviewed participants were in leadership positions or were tightly involved with leadership in their careers. This implies, that responses given were more thorough and detailed for the interview part concerning leadership and organizational culture, than on the topic of CSR, since only two out of six respondents had direct knowledge in corporate sustainability, CSR and ESGs. Moreover, four out of six interviewees were female, and accordingly, the other two were male. Therefore, there are several implications to consider in terms of the level of inequality at work, gender specific experience at work, more female other than male perspective of the topic. Moreover, the objective of the research was not to focus on female specific experience, but it was aiming to rather obtain a sample, which would generalize the population. However, the outcomes of gathered data can provide insights and findings assuming an emphasis of female perception of leadership, organizational culture and CSR.

The participants were between 29-63 years old, implying that the perspectives of generations of Boomers, Generation X and Generation Y were taken into account, thus ensuring a broader scope of interpretations and points of view based on individual experts' experience. Therefore, the quality and scope of the results gathered allowed to make meaningful conclusions and assumptions. Moreover, this was also impacted by the participants being from various different countries – Austria, Israel, Britain and the US, which was important for research in terms of assessing whether the leadership impact remains the same regardless of ethnicity, race and geographic location. Therefore, the language chosen for conducting interviews was

English to ensure appropriate interpretation of data as well as to avoid information being rephrased, lost or unable to translate. Although, this might had an impact on some of the respondents capacity to explicitly respond to the question, but during the interview process this was illuminated by rephrasing a question, asking a follow-up question or requesting to further elaborate. Workplaces and industry of respondents were very different for each individual, who participated, thus enabling to retrieve various viewpoints and collect a broader range of information on leadership style applied with regard to organizational culture and CSR attitude across different industries. Two of the respondents were related to the field of transformational leadership, leadership in general and ESGs consultancy, one respondent works in communication and customer satisfaction area, another two respondents are focusing on transformational leadership coaching, and lastly, another respondent is an expert in business transformation. Moreover, Mr. Blane in addition to providing coaching and consultancy services on leadership, is a writer of a book “7 Principles of Transformational Leadership”, thus further allowing to provide a more critical, detailed and insightful perspective of transformational leadership, although the author has limited knowledge of CSR. Moreover, Mrs. Ziegler is a freelancer and Mrs. Bespalova is an employee in a leading connectivity company, whereas, Mrs. Bieler-Stütz, Mrs. Palmer-Scott, Mr. Blane and Mr. Taylor are all founders or co-founders of the companies, which provides an extensive knowledge, experience, information from within business operation revealing related issues and processes. Moreover, three of the respondents have worked in the field of leadership for over 20 and in one case 30 years. Two of the respondents have worked in the industry for 10 years and another one for two years, providing both different views and level of experience.

4.1 Summary and Interpretation

Interviewee	Answers to Q1: “How do you perceive a good and effective leadership style?”
Ziegler	“ There is a level of cultural sensitivity that is required, (...) driven by and for transformations (...), a level of optimism is critical, (...) optimism and positivity drive the productivity of the team. (...) people-centered leadership is a key (...) leading by example, (...) collective type of leadership towards the team, and more like a servant leadership style (...); having a clear vision and being a very good storyteller of this clear vision is important. “
Bieler-Stütz	“It's cooperative, respectful, based on trust and it gives a visionary outlook and the framework to all the managers and employees below this leader.“
Bespalova	“(...) having a clear vision and target of what the company wants to achieve and hiring a team of knowledgeable and people-oriented professionals to get us there. “
Palmer-Scott	“An individual who has high levels of self-awareness, and emotional intelligence and creates psychological safety. (...) engage with their team, know and understand the leaders that report into them, empowering them and setting them up for success. “
Taylor	“(...) high levels of employee engagement. (...) lead to collaboration and teamwork being the norm and encouraging people to be more responsible and reliable. “
Blane	“(...)ability not to be primarily driven by ego. (...) Accountability (...) Empowerment (...)allowing employees to be at their best and do their best (...)pursue the highest standard possible. Learning.(...) Integrity.(...) Collaboration. (...) ability to persevere during difficult times, to pick ourselves up and start all over again. “

Table 8: How do you perceive a good and effective leadership style

Most of the respondents shared the view on what should constitute a good and effective leadership style. The majority of the respondents empathized the idea of a leader being visionary-led, encouraging cooperative efforts, empowering employees whilst being able to also self-reflect. The answers did not notably differentiate from what has been earlier observed in the existing literature research. Hence one can say, that leadership oriented on and existing in favour of people and collective is effective, when leaders are able to connect with employees and communicate it to their subordinates, although it still depends on individual’s perspective, as some might require more guidance, than others.

Interviewee	Answers to Q2: “ Overall, how would you describe the leadership style applied in your company?”
Ziegler	“ I think it has something to do with, who is the CEO, (...) the way she treated us was very much at eye level, it was collective way kind of effort that (...) put us together in a way of really collaborating as a cross-functional team, before the organization was very hierarchical, was very much patriarchic. “
Bieler-Stütz	“I hope it's based on trust, mutual cooperation, involvement, engagement, and I fully respect and rely on my employees as a leader.“
Bespalova	“Macro management with a bit of chaotic change of strategy and priorities that requires much flexibility.“
Palmer-Scott	“(…)Transformational approach.“
Taylor	“Coaching, supportive and results focused.“
Blane	“It's rooted in three things: We love deeply; our work, our customer, and our employees. We learn daily; continually striving to improve, learn, and grow. We live boldly; we move outside our comfort zone and do something to serve the greater good of the people who most matter to us. “

Table 9: Overall, how would you describe the leadership style applied in your company

The responses of the interviewees revealed, that different leadership styles were applied in the organizations they work in. Especially, it is important to highlight, that four of the six respondents have their own companies, therefore they chose their leadership approach based on organizational culture, individual preferences and capacity. However, the reliability of responses can be thus affected by a lack of critical perspective of the actual leadership approach applied, rather than the expected leadership style. Hence, it can be more effectively described by the employees to whom this leadership is applied in the organisation. There were observed aspects such as cooperation and employee support that several interview respondents agreed upon. The leadership style applied in organizations as reflected in the literature likewise varies from organisation to organisation based on characteristics, size and industry the organisation operates in.

Interviewee	Answers to Q3: “ What would you suggest to improve?”
Ziegler	“(…) the CEO being of a certain caliber these days and also putting the right team in place, and then having a clear vision of where you want to go (…) to motivate the whole organization, (…) be the role model (…).”
Bieler-Stütz	“I (as a leader) always plan to improve because I think it's a constant learning journey, but I really try to get the feedback as honest and straightforward as it can be, with a deep relationship basis (…) I also try to do external leadership courses to improve myself.”
Bespalova	“To communicate properly company’s vision and have a better communication in general between different departments.”
Palmer-Scott	“(…) training, coaching guidance, and (…) mentoring. (…) focus on moving from a transactional form of leadership to a relational style. Developing Emotional Intelligence and enabling individuals to understand how to build trust that is authentic and lasting. Being honest, open, authentic, and courageous. (…) Developing their self-awareness to become the leader they are able to be.”
Taylor	“(…) build a Leadership Support System to engage and align all team members (…) to contribute to their organization’s leadership.”
Blane	“How to live boldly. (…) feel passion and love for their work, fellow employees, and customers.”

Table 10: What would you suggest to improve

Likewise, the proposed improvements to leadership applied varied due to initially different leadership approach chosen in organisation. The responses have also revealed not only the suggested improvement applied towards their organisation, but also a general perspective of what current leadership style interviewers frequently encounter. However, every respondent agreed, that the improvement is essential and that there is always room for development. Moreover, frequently factors such as communication, employee mentoring, motivation and engagement, as well as support are aspect, that require additional consideration for further enhancement.

Interviewee	Answers to Q4: “ What past events most influenced the leadership approach in your organisation?”
Ziegler	“(…) intent to transform it into the leading worldwide luxury bridal portfolio company; (…) what happened there was (…) put a completely new leadership team in place.”
Bieler-Stütz	“(…) based on the experience - realizing who I do not want to be as a leader (…).”
Bespalova	“Our company doubled its’ size in the last year.”
Palmer-Scott	“(…) The recognition that the old leadership style of ‘command and control’ does not work. (…) The expectations of Millennials and Gen Z has meant the style has needed to change (…).”
Taylor	“Witnessing so many examples of poor leadership that lead to talented people leaving organizations either frustrated or exhausted. (…)”
Blane	“(…)A business reversal I experienced in 2009 put me on a different trajectory with a different value set and a greater desire to serve.”

Table 11: What past events most influenced the leadership approach in your organisation

In this case, interviewee responses were equally divided into two perspectives – one implying, that the leadership style was affected by the recognition of previously failed, old leadership styles or understanding of which leader a person does not want to become. The other perspective was that a leadership style had to be adjusted because of the emergence and influence of external factors – such as organizational transformation in terms of its size and scope of operations, and business and economic reversal factors. The comparison of the literature with given responses did not reveal major differences, since it is often the case, that the leadership style is adjusted under crisis and critical factors or upon the need to innovate as well as recognizing that old leadership styles are no longer relevant nor effective in modernized world.

Interviewee	Answers to Q5: “ In what way does this leadership style affects subordinates and employees attitudes?”
Ziegler	“(…)It is on a very different level from what the company’s mission was. (…) this purpose was developed together with the whole leadership team and then (…) we created corporate values. (…) engaged the whole company in finding examples, seeing whether this resonates, not resonates (…) the whole company somehow involved in endorsing this as our future values for the company (…).”
Bieler-Stütz	“I think a lot because if leadership style enables them to be their best self at work (…). They feel trusted, (…)they have a feeling of being safe where they are, so they can speak up - that they can't fail, that they can learn from that, and they can always ask for direction, for feedback, for prolonged timelines. (…) that affects the way you work and the way you behave. I think the quality of the work improves (…).”
Bespalova	“Leadership style defines company’s vibe and culture. It is crucial to have a company that sees an employee as a part of the success and takes care of their well-being.”
Palmer-Scott	“(…) impacts their self-belief and self-esteem, their ability to grow, develop and achieve at a higher level than they thought possible. (…) enables them to grow, develop their own sense of self-awareness (…).”
Taylor	“(…) greatly impact employee engagement and productivity. When leadership practices are poor, employees at all levels are cynical about perceived bias, organizational politics, and the lack of control over how feedback is used. The consequences of employee cynicism include decreased job performance, decreased organizational commitment, and increased turnover intention.”
Blane	“(…)they see a leadership style role modelled by a leader. (…) subordinates and employees see this behavior and seek to emulate it. From a behavior perspective, this is incredibly powerful as it builds the leader’s credibility and communicates an indirect message as to what’s important. (…) is set as an ideal. (…)”

Table 12: In what way does this leadership style affects subordinates and employees attitudes

All the respondents agreed, that leadership plays a significant and crucial role in shaping the attitudes and developing overall organizational culture, like the literature has revealed, that leadership is one of its main components and is derived from the individual’s capacity to adapt this organizational culture to necessary change (Tsai, 2011; Bass and Avolio, 1992, as cited in Muzondiwa et al., 2022; O'Reilly et al., 2014, as cited in Ferine et al., 2021; Groyberg et al., 2018). The results revealed, that it impacts employee’s engagement rate, overall personnel involvement in organisation

and their ability to develop, provide results and commit to the overall organizational success. Moreover, it also influences their self-esteem and self-awareness, because leaders are perceived as role models and thus their behavior is reflected in the subordinates' actions. Hence one can argue, that leader is the developer, foundation and representation of the employees and then culture he or she forms.

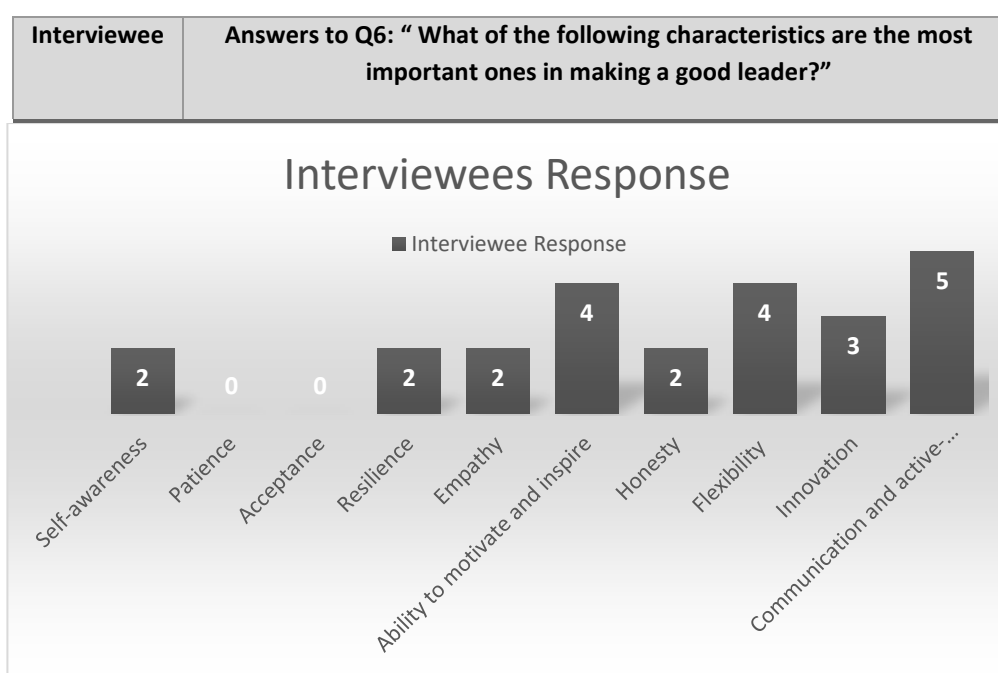


Figure 14: What of the following characteristics are the most important ones in making a good leader

Since the participants each named unlimited amount of characteristics, the revealed results can only be observed tendency wise. The communication and active-listening was the only characteristic mentioned by almost every respondent, therefore revealing the same outcome as the literature, since ability to explicitly communicate what is required is essential for any leader. Moreover, flexibility as well as ability to motivate and inspire were also mentioned by four out of six interviewees. Innovation was highlighted by half of the respondents. Whereas, resilience, self-awareness, empathy and honesty were each concluded by only 2 respondents. Subsequently, the

literature indicated, that leadership is complex and especially good leadership remains universally undefined, as there are various characteristics to take into consideration such as different leadership styles, theories and concepts (Northouse, 2016; Yukl, 2013). Hence, the communication and ability to communicate is a critical factor in leadership and the impact it further has. Although in order to implement it, there is a significant amount of patience required, and acceptance of both internal and external factors is of utmost importance, which was not considered by any of the interviewees.

Interviewee	Answers to Q7: “Can you briefly describe, how it would make you feel to work in the organization with a leadership style encouraging active participation, collaborative thinking and innovative practices?”
Ziegler	“ It would make me feel I belong there because it is in line with my values. What I believe is, a good culture, a culture that resonates with me, and I believe this culture sets you up for success in today's times.”
Bieler-Stütz	“I would love to work there. That's exactly my aim for how I want to be treated, and that's how I like to be encouraged as well because that is what brings an organization forward.”
Bespalova	“(…) 70% of my day is spent at work. As gen Y, it is very important to me to enjoy my time, feel that I make an impact and self-develop in my role. The above mentioned factors are a must for me in the workplace.”
Palmer-Scott	“I would feel a sense of belonging and commitment, sense of loyalty, a sense of growth and development (….)being able to see my future, my self-esteem and self-confidence will increase and I will be motivated. I will be engaged and want to stay at the organisation and grow with it.”
Taylor	“ It feels invigorating; when the team are humming, and everyone is in a state of flow, it feels like anything is possible. ”
Blane	“ Quite simply, fully alive and in deep flow at work.”

Table 13: Can you briefly describe, how it would make you feel to work in the organization with a leadership style encouraging active participation, collaborative thinking and innovative practices

Based on the results shown, all of the experts interviewed would love to work in organisation, where the leadership approach encourages active participation, collaborative thinking and innovative practices. The respondents were explicit that it would encourage them to contribute to work, make them feel like they belong and

valued and most importantly, make them motivated to bring the organisation forward and facilitate its development as well as individual’s professional self-development at the same time. Furthermore, these are all characteristics associated and related to transformational leadership, hence, it can be argued, that all of the interviewees would feel comfortable working in an organization where transformational leadership is applied. The literature also revealed similar tendency, where under the influence of the above mentioned factors, people were motivated and encouraged, as well as their overall productivity rose (Baumard & Starbuck, 2005, as cited in Yukl, 2012).

Interviewee	Answers to Q8: “In your opinion, in what way motivating and encouraging employees to change their self-interests in order to achieve greater organisational good affects employees?”
Ziegler	“(…) I’m not a big believer of that, you can’t change totally employees. I think you can twist them a bit, but you can’t change them (…).”
Bieler-Stütz	“Well, that depends if they’re used to that. (….)the leadership role here is to guide them to come to this point (….) it’s based on relationship and trust. (….) it’s a matter of how you ask them to do things (….) It helps them learn, grow, but only if you allow them to really do it. (….) You are always the role model. You set the culture as a leader (…).”
Bespalova	“It leads to sustainable growth. (….) the company is set for success. It also helps to reduce employee turnover and maintain a healthy compensation structure. (….) Once you invest in employees’ satisfaction, you can save a lot on financial compensation.”
Palmer-Scott	“(…) core factor when building trust, with low self-orientation the individual demonstrates humility, shows an interest in others, and is authentic. The impact of this is others’ perception of you and how (….) difficult conversations can be held, (….) challenges they can be much more easily and quickly overcome. (….)”
Taylor	“ I do not think you should hire people whose self-interests are not aligned with your organisation. (….) Hiring the right people is healthier than trying to change someone’s self-interests.”
Blane	“(…) we as human beings, are hard-wired to focus on our own self-interest. A leader’s job is to make and shape the customer’s best interest and what is in each employee’s self-interest. (….) The things that change and shape culture best are organizational values, (….) Leadership can be instrumental in shaping an employee’s self-interest. So the bottom line is values, processes, and rewards. There are many dynamics that shape culture,(…).”

Table 14: In your opinion, in what way motivating and encouraging employees to change their self-interests in order to achieve greater organizational good affects employees

The responses to this question were particularly different, since some of the respondents shared the view, that you are able to change employee’s self-interest to achieve a greater organizational good, whereas others perceived that it is not likely. Respondents, who were in favour of this idea described that upon trustworthy, well-established relationship between a leader and the follower, it has a positive impact in terms of how it affects employee learning, growth, and allows for difficult conversations to be taken and held appropriately, thus impacting a company’s success. The other two experts were very critical of the perspective, that a leader can convince employees to change their self-interest. In particular, one expert concluded, that it would be more sensible to hire employees whose values align with the organizational interest, other than trying to change them. However, the literature observed on transformational leadership implies that under its successful implementation, each individual in organisation can transcend their self-interests upon improvement of individual values and rising consciousness level (Northouse, 2016).

Interviewee	Answers to Q9: “Please briefly describe your experience with transformational leaders and how has this affected your working experience, if such experience occurred.”
Ziegler	“ I thrive with transformations. It's something that (...) I was actually looking for and I was actively recruited to join (...). That's exactly what resonates with me and who am I, as a person (...).”
Bieler-Stütz	“Transformational leadership, (...) should be common knowledge to be able to do it, and it shouldn't be even named with different wording. (...) is an oxymoron because I expect every leader to be able to handle the transformation (...) people need to learn that leadership is transformation. Otherwise, no change can happen (...). So, if you're not able to handle transformation, I think you're not a leader, then you're a manager.”
Bespalova	“My current company allows me to grow in my role. My co-founder, (...) is a role model to me. (...) His trust in me, constructive feedback, and eagerness to listen to my needs and ideas helps me feel a part of the company’s growth and success. We do the magic together.”
Palmer-Scott	“(…) My work as a transformational coach involves helping people to better themselves and their lives by bringing about necessary changes,

	which means I focus on how clients see themselves and the impact this has on those around them.(...) I relate to people and stay connected. The coaching is done ‘with my clients’ not ‘to my clients’ (...). Stepping out of their comfort zone is where the magic happens. Being a ‘success coach’ is all about helping clients to solve major life and business challenges, offering world-class support, and ultimately helping clients succeed beyond what they ever thought possible.(...)”
Taylor	“(...)leaders engage with and influence others — by paying attention to their needs, raising their motivation, and providing an ethical framework for decisions. I have designed many training programmes (...)capable of transforming organisations. The challenge is always the same, managers making time to change their behaviours to deliver lasting organisational benefits. ”
Blane	“ Transformational leadership is not theoretical or intellectual for me. It is something that is hardwired in both my personal and my professional life. (...) it required an individual transformation that would eventually lead to the organizational change that I desired. I am now a co-collaborator with my clients to help them experience the personal transformation necessary that leads to the organizational transformation(...). It's a boat load of fun.”

Table 15: Please briefly describe your experience with transformational leaders and how has this affected your working experience, if such experience occurred

Generally, most of the experts either encountered transformational leadership in their career or work in the field of transformational leadership or as a transformational leader. Only one of the experts stated, that transformational leadership should be a common sense approach, which every leader can learn how to deal with, otherwise the person is not capable of being a leader, but is a manager instead. This can be explained by a possible misunderstanding of transformational leadership, since there is much more to it, than just encouraging transformation. Overall, the interaction with transformational leadership was generally positive, and had a significant impact both on individual level in terms of personal transformation, and organizational level leading to company’s success and development.

Interviewee	Answers to Q10: “ What aspects of transformational leadership are different from the other leaders you have encountered in your career?”
Ziegler	“ The key ingredients are endurance, patience, and the ability to really see it through (...) is a way to lead an organization, where you need to create a new type of vision first to transform, so you need a new

	purpose. Then, you need to rally the whole organization behind this (...) then motivate, and engage the whole organization (...)."
Bieler-Stütz	"They have the vision, (...) It gives you a good framework that you understand, how you can (...) decide how to move forward. In terms of what is allowed, what is expected and what is the ultimate goal. (...) transformative leadership in itself to give a vision and guidance."
Bespalova	"I had experience with autocratic leadership, which did not suit my personality. I like to think in my position and feel that I share responsibility, rather than taking orders and completing tasks."
Palmer-Scott	"Other' leaders use a command and control approach, focused upon KPIs and business results. Transformational leaders focus on creating a memorable and magnetic workplace culture by enabling employees to know and understand the company values, behaviours and stories, the part they play in bringing them alive. (...)growing, motivating, and inspiring the people in their teams."
Taylor	" Often organisations (...) still filled with domineering leaders who push for results, pace-setting their way to success. Some leaders are coaches, and many more are managers who focus on maintaining the status quo."
Blane	" Transformational leadership is too often understood intellectually and theoretically, and it differs from other leaders I've encountered in this way. Most people talk about transformation, but very few are willing to do the deep, scary, and threatening work of undergoing an individual transformation.(...) Transformational leadership(...) is rooted in a transformation from the inside outward as opposed to something from the outside inward."

Table 16: What aspects of transformational leadership are different from the other leaders you have encountered in your career

The table 16 responses revealed major characteristics of transformational leadership, which makes this leadership approach stand out and differentiate from other approaches, which connects all expert responses together. The dominant characteristic was having a clear vision, which according to the existing literature is the core of leadership, and in particular is led by transformational leaders (Yukl, 2006). Moreover, many respondents put emphasis on mentoring, guiding the transformation from within, emerging the creation of a new purpose and the importance of clearly communicating it to the whole organization enabling employees to understand and share the responsibility, rather than completing tasks only for the sake of results achievement. The observed literature revealed the confirmation of the findings, as

transformational leadership is significantly different from many leadership styles, especially the ones oriented on order, extreme leader authority and as a consequence strong control of employees in organisation.

Interviewee	Answers to Q11: “ Do you perceive transformational leadership effective in shaping strong organisational culture? In what way?”
Ziegler	“I think leadership style needs to be authentic and credible to the organization. You are the role model. So whatever you want the organization to stand for (...) you need to reflect this type of values on a daily basis in all types of situations. Then, over time people will see that's the way how to do it and then adapt their behavior accordingly. (...) it's not just communication. I think you need to be an outstanding storyteller and to really emotionally connect with your employees (...).”
Bieler-Stütz	“Absolutely. I think that's the key responsibility of a leader to do that. Transformative leaders are rare, (...) Culture is always based on the tone from the top, (...) the leader defines the culture by 100%, if the top leader is able to do it (...).”
Bespalova	“(...) Transformational leadership is a lot about delegation and relying on employees. Not each employee might find themselves a good fit for that. I think it suits better small and mid-sized companies.”
Palmer-Scott	“Yes, it attracts talent, and retains talent as it creates loyalty. The ethos created produces a strong, productive team that has trusting relationships, able to have open, candid, dialogue and constructive conflict. They are committed and are able to make decisions, hold themselves accountable and cross-functionally act as allies. It provides a platform for psychological safety and by being emotionally intelligent, managers and individuals understand the importance of adjusting the filters and behaviours they have naturally within them to ensure fruitful, success-driven conversations are held. Two-way and 360-degree feedback plays a big part. Transformational leadership creates psychological safety, which enables free exchanges, sharing of ideas, and the ability to make mistakes.”
Taylor	“ All leadership behaviours or styles shape culture. Transformational leadership is rarely practised by everyone in a given organisation. It is naive to think that any organisation practises one leadership style. For those managers that do, they need to be wary of its downsides; the main weaknesses are that it can become too conceptual and often misses the task focus that some employees need to achieve results.”
Blane	“ Yes, it can. It's not a guarantee, but it certainly increases the odds of shaping strong organizational culture. What changes organizational culture are values, processes, desires for a mission, and a vision, which are shaped and formed by leaders.”

Table 17: Do you perceive transformational leadership effective in shaping strong organisational culture

Most of the interviewees believed, that transformational leadership can be effective in shaping strong organizational culture. Only one respondent emphasized, that transformational leadership will fit most small or middle-size companies, as it requires a strong emotional connection with subordinates as well as a significant level of delegation of tasks. Moreover, another interviewee also stated, that transformational leadership is rare in today's world, and is not practiced by everyone in organisation. There was a frequent tendency of interviewees to state, that leader is the one, who is responsible for forming and shaping the culture, and that it is mainly communicated from the top of the organisation. Although, it is of utmost importance for a transformational leader to communicate and connect with employees, build a trusting relationship and constructive dialogue, encourage feedback exchange and sharing of ideas. The literature reflected, that transformational leadership is particularly effective in shaping organizational culture through employee stimulation for the better, assist in learning even through failures, which are not punished (Baumard & Starbuck, 2005, as cited in Yukl, 2012; Groves & LaRocca, 2011). Moreover, transformational leadership encourages change, innovative approaches, raises overall organizational personnel performance, as people feel their impact and contribution to the difference they bring to an organisation (Islam, 2021; Kahn, 1990, as cited in Nazir et al., 2021). Hence, one can say, that transformational leadership can be beneficial for individuals who seek to build a strong organizational culture, although the above- mentioned factors need to be taken into consideration as one's capacity to implement them in real-life situations.

Interviewee	Answers to Q1: "Have you experience organisational transformation or innovation in the company you are working in? Please, briefly describe it."
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Ziegler	“I have experienced it over the last 15 years in various different companies. I’ll give you an example: (...) the goal of one of the companies was to go fully plastic-free for the employees, not just in terms of the consumer, but also on the internal side of the company,(...) these strategies go both ways and it's not just the outward facing component. (...) I think, you really have to foster courage to implement any transformation”
Bieler-Stütz	“Yes. (...) I think it's different in all companies because their approaches are completely different and their starting point is completely different. I'm not sure you can really measure transformation. (...) That's what makes it so hard for transformation to be really grabbable or tangible. That's why it's hard to explain how transformation showed itself at the end of such a process, but I think people can only tell you how they feel differently after that. (...) The transformation process has no end.”
Bespalova	“I did experience a switch from small to mid-sized company that was a result of entering new markets and niches. This caused many changes: some employees could not adjust to the transformation; the change requires agile thinking from employees since we are in the transition where clarify is at risk; you find yourself working more hours since there is more responsibility.”
Palmer-Scott	“In a previous career (...) the recognized banking managerial style was command and control, I achieved my coaching accreditation in 1987 and immediately used this style of management with my teams which had a hugely positive impact (one that was different to others at the time) and meant I had a happy, motivated, engaged team, etc. and we consistently exceeded all of our targets.”
Taylor	“In Brilliant Buttons, we are on a mission to disrupt the nature of coaching using technology – this means that we are constantly looking for new ways to break the mould. This brings its own kind of stress. For some team members, it feels unstable, too hard to control and can lead to tension. (...)”
Blane	“Yes, here are two examples. The first is a university in California that seeks to infuse the entrepreneurial mindset into its accounting function. Think about the mindset of most accountants and bookkeepers (...) what we’re doing is educating people. The second one is with a major Fortune 500 bank and their cyber security team. These employees, non-unlike the university are very technically trained individuals who have fear about the next attack that could take their bank down. So this is a fear-based culture which degrades the level of innovation and risk taking. In this client we’re working to take technically brilliant individuals, and have them think strategically and embrace failure(...).”

Table 18: Have you experience organisational transformation or innovation in the company you are working in

The organizational transformation was experienced by every individual, who was interviewed, despite the industry, career position or time factors. Undoubtedly, the scope and level of transformation are different from organisation to organisation,

which was mentioned by the majority of the respondents. However, some of the responses revealed, that transformations are challenging, stressful, technically hard to implement, involve various risks and lead to possible tension. Nevertheless, transformation at the end lead to result and generally are appreciated and felt by individually in organizations. Despite this fact, most of the organizational transformation processes are relatively hard to measure and make it grabbable for employees due to being a long-term process. Thus, this provides a research gap in terms of how to assess the process of transformation, as likewise stated by many respondents transformational process has no end and requires new ways of adapting.

Interviewee	Answers to Q2: “How would you describe essential CSR initiatives of a successful sustainable organisation?”
Ziegler	“First we have renamed CSR into ESG (...) you need to audit because you need to know where you stand as a company (...), the strategy needs to be developed again (...) it's also part of the leadership and an essential element is that you have initiatives as an integral pillar of your business strategy. (...)”
Bieler-Stütz	“ I think they are not CSR measures. I think they're fully holistic ESG initiatives. (...) CSR has this, unfortunately, bad connotation that they buy themselves free of guilt if they do some sponsorships or donations. (...) CSR (...) never have any strong project management focus, so people do not believe in them. (...) When we have to look at CSR initiatives only, they can be successful – sometimes you gain branding image campaigns or some press releases, but they would be stand-alone initiatives.”
Bespalova	“ CSR needs to be an important part of (...) sustainable companies. CSR needs to focus on employee engagement, green initiatives, and company’s vision.”
Palmer-Scott	“Regular team CSR activities that align with company values and behaviours, driven from within the team and owned. Owned and driven by and from within the team rather than the managers.”
Taylor	“ I believe the concept of doing good in the world and positively impacting your society are leadership imperatives. (...) serve to ground the people you work with and provide pause to appreciate how decisions create a ripple effect.”
Blane	“(…)CSR and ESGs are the subject areas where (transformational leadership could be beneficial.(…)”

Table 19: How would you describe essential CSR initiatives of a successful sustainable organisation

Interestingly, two of the respondents referred to organizational CSR activities as ESGs initiative, which imply Environmental, Social and Governance initiatives. The reason for such transition is that employees find it easier to understand ESGs, as they are measurable in traditional methods. Whereas CSR are complex and often used by organizations for the purpose of enhancing reputation through greenwashing, which people have a tendency to no longer believe. Although, what most of the participants agreed upon is that CSR or ESG initiative have to align with overall business , organizational strategy or its vision and be an integrated into every business operations aspect and activities in order to be effective. Likewise, the literature confirmed the findings, since CSR has to be integrated to all functions, departments, stakeholders, shareholders, managers and employees at all level and any size of organisation in order to be effectively managed and implemented as well as be part of organizational culture, business activities, purpose, mission, values and norms (Mosca & Civera, 2017; Groysberg et al., 2018; Rangan et al., 2015). Therefore, it is a crucial component in addition to being discrete and intentional when contributing to economic, societal and environmental activities, which imply that businesses should operate for people’s good, other than only for the purpose of profit generation.

Interviewee	Answers to Q3: “In your opinion, how significant is the role of a leader in encouraging a creation of a socially responsible organisation?”
Ziegler	“The CEO has to drive the whole thing, hold the flag and march in the direction with this and then engage again the whole organization. (...) Eventually, it will become bottom-up once the culture is alive, but to install the culture it has to come from the leaders(...).”
Bieler-Stütz	“100% responsibility. Again, it's a top-down process. (...) People rely on that, they follow what the leader says. So, 100% the responsibility of the leader to make it successful. People can start up grassroots initiatives,(...). It takes a lot more energy, than it would compared to when it comes from the top with a real, honest belief.(...)”
Bespalova	“I think CSR leads to a lot of extra costs in the short-term perspective. If company’s leadership does not support it, there is not much to do.”

Palmer-Scott	“The role of the leader for this is to be inspiring, give the big picture, clarity of company vision and values. The teams (and individuals within the team) must own it so that it is driven authentically and with passion from within.”
Taylor	“ A single leader’s impact will depend on the role they play in the organisation.(...) Leaders set priorities.(...) However, I have seen many companies where CSR is delivered by volunteers working on their own(...).led by a leader who has been given agency by the people who volunteer.”
Blane	“(…)leaders shape and form culture and that culture shapes people’s behaviour, and it is our behaviour that creates the outcomes we get. Leaders in turn have a massive role in shaping culture, and if in fact, an organization values social responsibility then yes, a leader has a role in that.(…)”

Table 20: In your opinion, how significant is the role of a leader in encouraging a creation of a socially responsible organisation

Similarly, as well as forming and shaping organizational culture, leader has a 100% responsibility in driving the creation of a socially responsible organisation, as revealed by the responses of interviewees, displayed in Table 20. However, the organizational values had to be reflected in terms of valuing social responsibility in order to ensure the necessary level of commitment and employee engagement supporting the initiatives. Furthermore, the literature supported the view that a leader plays a role in CSR encouragement and creation of a socially responsible business, if the implementation is strategically-driven and leadership is ethical, although CSR are relatively hard to measure in organizations as the initiatives are mainly context-specific (Groves & LaRocca, 2011; Angus-Leppan et al., 2010; Lee et al., 2019). Therefore, although the leader clearly has a significant role in encouraging CSR, there is a lack of research in terms of how CSR activities of an organisation can actually be independently measured and evaluated.

Interviewee	Answers to Q4: “Can you provide a suggestion or an example under which leadership style, CSR implementation in an organization is particularly effective?”
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Ziegler	“I think that the super important factor in that whole strategy setting is that you make it measurable because what you don't measure you cannot improve.(...) It is crucial to set yourself targets to measure progress towards these targets(...).”
Bieler-Stütz	“Yes, it's communication. So, if the top leadership management understands what is meant under those CSR or ESG initiatives, what they are intending to do, what is its value to the company and (...) They need to believe that it's the appropriate, right, and important thing to do, and talk about it constantly.”
Bespalova	“(…) effective when a leader believes in their importance and puts them as priority. A lot of CSR activities require time taken from work. If we want all employees (...) workload needs to be arranged to allow free time to do it. It's quite rare in the companies I saw. Also, a leader needs to believe in employees' well-being and see them as humans, and not machines.”
Palmer-Scott	“Leaders who are inspirers and helpers (Insights Discovery Personality Preferences) are ideal styles.”
Taylor	“ Not one style is more or less responsible for CSR.”
Blane	“Transformational leadership, when fully embraced, encourages innovation and development with and through the understanding that there is a lifecycle to every product and service inside an organization(...).”

Table 21: Can you provide a suggestion or an example under which leadership style, CSR implementation in an organization is particularly effective

None of the interviewees were able to identify and state which of the existing leadership styles is the most effective or related to CSR implementation in organizations. The characteristics such as leader’s being able to inspire, believe in and prioritize responsibility, communicate and understand how to implement CSR whilst also integrating it into everyday business activities as well as measure progress towards its achievement, were mentioned among the respondents. One of the respondents highlighted the importance of transformational leadership on innovation and development, but it is not directly related to CSR. The existing literature also does not present a concrete leadership style, which would be particularly important with regard to CSR, although transformational and transactional leadership are strongly related to essential institutional CSR activities (Du et al., 2013).

Interviewee	Answers to Q5: “Does your company have specific environmental and society-related requirements for product/service? If yes, what are they?”
Ziegler	“Yes, I have given myself a mantra, which was that I only wanted to do things that matter with people who care. (...) I picked the projects that I think make a difference in this world with people who are believers, passionate, and motivated, (...) doing things that are meaningful to make the world a better place.”
Bieler-Stütz	“All of them. We are evaluating our potential customers if we agree to work with them. (...) On the other hand, we do that internally - we care for our diverse team, we care for speak-up culture, and we have our own set of standards to commit ourselves to environmental goals and social goals. For example, we commit 1% of our revenues to NGOs, that's our part of social responsibility. We also educate other people, (...) so that we can provide insights of the companies to young people because that's how we can really change the world.”
Bespalova	“Our service is data connectivity that we sell. (...) and does not have special regulations.”
Palmer-Scott	“ My company is made up of one individual (me), I offer reduced fees and pro-bono to some individuals.”
Taylor	“ We aim to have a very low carbon impact. We also aim to bring leadership tools and concepts to more children and people in 3rd world economies.”
Blane	“We are a small coaching and consulting firm, so we don't have a CSR program specifically. What we do have is a deep responsibility to love one another and to love our clients.”

Table 22: Does your company have specific environmental and society-related requirements for product/service? If yes, what are they

According to table 22, half of the responses revealed company’s environmental and society-related requirements for its operations, whereas the other half stated that due to the organisation being in a relatively environmentally-friendly industry, or being a small size company those organizations did not implement any related initiatives nor consider to apply such initiatives in the near future.

Interviewee	Answers to Q6: “Are CSR activities implemented in your organisation, encouraged more by a leader or influenced by external factors such as society pressure, increased competition, government regulations?”
Ziegler	“Well, sure. I mean on the one side, I think the objectives are the rules from the outside, which give a certain let's say framework,(...) provide a level of orientation around the topic.”

Bieler-Stütz	“ At the moment, it's fully the internal motivation to do so. (...) it's completely internal at the moment, but I think this will change coming from all these external regulations from the European Union right now (...). Nevertheless, I think to have it done successfully, you have to follow through with the very internal motivation, that this is the good and really important thing to do. (...) people are really, really critical of that if you do that and you do not mean it.”
Bespalova	“(…)encouraged by the HR department and the fact that we grew as a company. I do not see our leadership encouraging those, but they definitely support the activity.”
Palmer-Scott	“ Not applicable to my company.”
Taylor	“ Encouraged by the leaders and developed by our whole team.”
Blane	“We haven't set up CSR because we believe that the three pillars of our work: loving deeply, learning daily, and living boldly, shape and form all of our decisions.(...)”

Table 23: Are CSR activities implemented in your organisation, encouraged more by a leader or influenced by external factors such as society pressure, increased competition, government regulations

The results displayed in table 23 are very different for every interviewee, which was an unexpected tendency to observe. Two of the respondents did not have any CSR initiatives set. The other two respondents indicated, that CSR initiatives in their organizations are encouraged by a team, in one case with leadership involvement and in other case without leader’s direct participation other than supporting the implemented activities. Another expert described their fully intrinsic motivation to implement CSR initiatives, whereas the other interviewee respondent stated that the external factors provide a framework and orientation to base further CSR activities and further as a leader encourage their execution. However, the research reveals that CSR are commonly driven by business return motivation and brand image enhancement motivation, ideological thinking and ethical motivation to contribute, society and consumer pressure as well as legal pressure and consequences (Du et al., 2013; Kuhnert, 1994; as cited in Northouse, 2016; Carroll, 2015; Carroll, 2016).

Interviewee	Answers to Q7: “In what way does the leaders view on sustainability in your organisation affects the employee’s attitude towards CSR?”
Ziegler	“The leader’s view of sustainability is usually the reflection of the company’s views of sustainability. It’s part of the strategic view (...). The leader can start to impact employee behavior by setting examples and ensuring that people will move with you in this direction and then execute the initiatives. (...) since you make people think, understand the value, and then they move together with you, not just the strategy written on paper.”
Bieler-Stütz	“Fully again, they cannot be successful without the commitment of the company and the leaders, as I said it’s a top-down process.(...) People like guidance (...).”
Bespalova	“(...) we use the transformational leadership and give a lot of independence to the employees, I think that we support CSR activities based on personal beliefs more than anything. (...) had implemented CSR activities like recycling or communal activities in the company long before the company started having official CSR activities.”
Palmer-Scott	“This is the shadow of the leader, if a leader is seen to be promoting, discussing in an inclusive manner, it will impact employee’s attitude.”
Taylor	“I think we set the tone and the direction – also CSR requires resources, time and money, and people need to be given scope if the CSR activities are being sponsored by the company as opposed to employee volunteer groups.”
Blane	“N/A”

Table 24: In what way does the leaders view on sustainability in your organisation affects the employee’s attitude towards CSR

The leader is a driver of employee’s attitude and a catalyst shaping their opinion on organizational topics, in this case CSR. Most of the respondents have proposed that the leader’s view is reflected in the company’s view, and thus in fact employee’s view, again emphasizing the top-down process of commitment requiring extensive communication and honest drive to discuss and implement it in an organisation. One of the respondents did not have expertise in CSR and preferred to leave out this question. Another respondent explained, that in their organisation, leader does not participate in CSR encouragement and it is rather a voluntarily involvement motivated by a team’s personal beliefs. The literature also stresses the impact of a leader in formation of employee’s attitude towards organizational matters.

Interviewee	Answers to Q8: “What are the long-term impacts of CSR implementation in your organisation?”
Ziegler	“ If you start ESG in your organization, it is a long-term commitment(...). I think without the long-term commitment, you don't drive change because these changes are not short-term changes for a company to transform.(...) A key element,(...) is the long-term reporting of success stories in these years that are passing to keep the motivation up. Another key is to be successful for the generations to come. (...) because Gen Z is also setting the trends for Millennials, Boomers, and all the generations behind.”
Bieler-Stütz	“I think, that the biggest long-term impact we have is our vision. Our vision is that we create all of our products based on ESG criteria, to have an impact on everyone we work with, and that’s, I think, a big impact, that we can offer.(...)”
Bespalova	“(…) I see the long-term impact as employee retention, positive company image in the international arena, a chance to align our activities with our mission.”
Palmer-Scott	“ Not applicable to my company.”
Taylor	“ Long-term commitments signal stability and longevity (...)these long-term commitments could be a source of comfort. ”
Blane	“N/A”

Table 25: What are the long-term impacts of CSR implementation in your organisation

Table 25 reveal each individual’s perspective of CSR or ESG implementation and the impact it possesses with regard to the organization they work in. Two of the respondents could not address this question, as they do not have established CSR initiatives in their organizations. However, the other four interviewees responded implying the perspective, that CSR implementation is only feasible and possible with a long-term view and commitment. Experts mentioned impacts such as employee retention, stability, positive company image and reputation, success and longevity of a business for future generations. The literature proposes long-term impacts similar to what was mentioned and described by the experts interviewed, but additionally points out the effect on the stakeholder trust and strong relationship, impact on profit and overall reputation, business revitalization as well as minimization of potential organizational risks (Mosca & Civera, 2017; Hancock, 2005; Rangan et al., 2015).

5 Conclusion

The research aim and objective of this thesis had the ambition to examine the significance of transformational leadership in forming, shaping and developing an organizational culture with regard to enhancing CSR implementation in organizations. The intent was to gain a deeper and thorough understanding of transformational leadership impact and capability to impact subordinates. Moreover, the main aim was to investigate the relationship between transformational leadership and organizational culture attitudes consolidated as a catalyst triggering the need of implementing CSR initiatives and practices.

The results of both the examination of theoretical part and practical analysis revealed, that indeed a transformational leadership has an impact on organizational culture and can in fact initiate and sustain positive organizational culture attitudes towards CSR implementation in organizations. Despite the fact, that transformational leadership has not been directly identified on the subject of affecting the CSR implementation by established units of analysis, which failed to indicate the relationship and potential associations. Yet, by identifying and taking into account indirect connections and links identified on the subject of leadership and CSR, the researcher infers acceptance of the research hypothesis.

The research revealed, that transformational leadership when compared to other leadership styles identified in the literature review part, is significantly different from other leadership approaches. Particularly, in terms of the leader's level of self-awareness and self-reflection, ability to communicate vision and drive change by encouraging individuals to transcend and transform from within on an individual level

to further contribute to the achievement of the goal or vision set. Moreover, unlike other leaders, transformational leaders are deeply associated with ethicalness, empathy and empowerment. These factors play a critical role in forming an effective organizational culture, which a transformational leader, like any leader, has the full capacity of shaping. Nonetheless, transformational leadership initially implies the achievement of a greater good for the sake of society, community or organization. Thereupon, the followers and subordinates feel the sense of belonging, contribution, influence and value they bring towards collective success.

Furthermore, when it comes to CSR, it is important to consider the limitation, that the vast complexity of its definite implementation measurement does not allow to formulate the exact implication under which leadership style CSR initiatives are particularly effective and meaningful. However, considering characteristics such as innovation, focus empathizing global well-being, change ideology, and transformation of business activities in addition to the overall goal to fulfil social, environmental and business obligations, it allows one to connect it with transformational leadership due to the scope of similarities between the two approaches.

Nevertheless, further research needs to be conducted on the subject of transformational leadership's impact on CSR implementation, as no direct links were observed. Furthermore, additional evaluation is needed to assess the effectiveness of transformational leadership with regard to organizational culture development. Additional research will contribute to diminishing existing research gaps and contribute to the creation of an effective modern leadership approach leading towards overall prosperity.

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Appendices

Appendix 1 - Interview Ziegler

Full name: Eva Ziegler

Age: 57

Nationality: Austrian

Occupation: Independent Brand and Marketing Consultant, previously worked as Senior Marketing Executive and Chief Marketing Officer

Workplace: Freelancer consulting small enterprises

Industry: Hospitality, Fashion, Clothing, Start-ups

Working Experience: 10 years

Ariana Vorobeva: How do you perceive a good and effective leadership style?

Eva Ziegler: There is a level of cultural sensitivity that is required so that you can adapt to the different cultures around the globe. I would say the modern leadership style is very much driven by and for transformations. I think also in today's times, a level of optimism is critical, that you have a positive outlook on the future, and you are leaving a bad mood outside because optimism and positivity, drive also the productivity of the team. I think also that people-centered leadership is a key one these days meaning that we're really leading by example, engaging your team, and that you're seeing employees actually not as your reports, but as they are on an eye level with you. So it's a more kind of collective type of leadership towards the team, and more like a servant leadership style that is, I think, the most effective these days. In addition, I would say having a clear vision and being a very good storyteller of this clear vision is important.

Ariana Vorobeva: Overall, how would you briefly describe the leadership style applied in your company?

Eva Ziegler: I think it has something to do with, who is the CEO, it starts very much there. Who is the CEO of such organization and transformation, because the CEO plays a very critical role of on the one side having a clear vision, but on the other side also,

she put in place an executive committee of key subject matter experts of finance, HR, marketing, chief marketing officer - all the departments. And I think the important thing was also that the way she treated us was very much at eye level, it was a very much a collective way kind of effort that put that together, which was very different and she also tried to put us together in a way of really collaborating as a cross-functional team, before the organization was very hierarchical, was very much patriarchic.

Ariana Vorobeva: What past events most influenced the leadership approach in your organisation?

Eva Ziegler: In the freelance work, I supported startups, where, it was young people with compelling, very sustainable ideas. One is like an organic cosmetics line. The other one is a fully sustainable, clean food concept. So, the idea itself for the business is already totally sustainable, so they don't need to transform. It was more about helping them with basic elements, especially on the brand-building side, the storytelling side, the process side - things from the big companies that you help them with, to how to be successful in establishing their business idea, and especially being able to communicate that business idea. I was part of the transformation of the Pronovias group, the intent was to transform it into the leading worldwide luxury bridal portfolio company. So it was a very different, intent of what was already there, and lifting that more local, very successful already, but more locally driven into a more global, international, modern type of direction. And, what happened there was that private equity put a completely new leadership team in place.

Ariana Vorobeva: What would you suggest to improve?

Eva Ziegler: I think it starts with the CEO being of a certain caliber these days and also putting the right team in place, and then having a clear vision of where you want to go. The CEO was a fantastic storyteller to motivate the whole organization, and then really walk the talk, meaning she's the role model for that whole new direction.

Ariana Vorobeva: In what way does this leadership style affects subordinates and employees attitudes?

Eva Ziegler: The transformation starts off with the team and then with the development of a purpose. So we were a purpose-led company, so the purpose was not to sell the maximum amount of wedding dresses, but the purpose was actually that we, we are creating joy. It is on a very different level from what the company's mission was. Then, I think very important is that this purpose was developed together with the whole leadership team and then, we were a value-driven company, so we created corporate values. First, they were created and then formed again with the leadership team, but then we also engaged the whole company in finding examples, seeing whether this resonates, not resonates, etc. So that when they were launched, the whole company was somehow involved in endorsing this as our future values for the company. So purpose and values-led, I think, with a clear vision is and was the starting point.

Ariana Vorobeva: What of the following characteristics are the most important ones in making a good leader? Please highlight a few based on your choice.

- a. Self-awareness
- b. Patience
- c. Acceptance
- d. Resilience
- e. Empathy
- f. Ability to motivate and inspire
- g. Honesty
- h. Flexibility
- i. Innovation
- j. Communication and Active-listening

Eva Ziegler: All right. One thing definitely is, the super important one is resilience. I would say, in terms of resilience - it's emotional resilience, intellectual resilience, and physical resilience. So that means when you encounter a thing that didn't go right the first time, you go back up and you try again because there's a lot of also trial and error. The other one, I think is innovation because the world is changing so fast, I think you need an innovative mindset to try out new things and be the leader in your sector.

And then, communication and storytelling to engage the whole organization. Absolutely important.

Ariana Vorobeva: Can you briefly describe, how it would make you feel to work in the organization with a leadership approach encouraging active participation, collaborative thinking, and innovative practices?

Eva Ziegler: It would make me feel I belong there because it is in line with my values. What I believe is, a good culture, a culture that resonates with me, and I believe this culture sets you up for success in today's times.

Ariana Vorobeva: In your experience, in what way motivating and encouraging employees to change their self-interests to achieve a greater good affects employees and organisational culture?

Eva Ziegler: Changing self-interest. I'm not a big believer of that, you can't change totally employees. I think you can twist them a bit, but you can't change them. So, if for example, a person says I don't care about sustainability and then the company says, but our let's say strategy is all about sustainable, ethical solutions. It might be that over the long run the employee will feel it's not my company anymore and leave. I don't believe a company can change employees, really change employees. I think you can tweak them a bit, but not change them.

Ariana Vorobeva: Please briefly describe your experience with transformational leadership and how has this affected your working experience, if such experience occurred.

Eva Ziegler: I have joined in the last 15 years all companies that wanted to transform. So I thrive with transformations. It's something that, on the one side, I was actually looking for and I was actively recruited to join transformations. That's exactly what resonates with me and who am I, as a person. I believe that certain transformations are not successful because, for example, in retail because you are too short-term focused. It's all about fast success, meaning that you're not having enough long-term vision or give it enough years to really evolve. Then, people switch strategies, and instead of figuring out these things, and keeping the strategy you've set out - you're

back to where you were, destroying the part of the value just created. That for me is an element, which I have seen.

Ariana Vorobeva: What aspects of transformational leadership are different from the other leaders you have encountered in your career?

Eva Ziegler: The key ingredients are endurance, patience, and the ability to really see it through. Transformational leadership is a way to lead an organization, where you need to create a new type of vision first to transform, so you need a new purpose. Then, you need to rally the whole organization behind this. So the idea is how you then motivate, and engage the whole organization behind this transformation through, for example, employee engagement and employee engagement programs.

Ariana Vorobeva: Do you perceive transformational leadership effective in shaping strong organisational culture? In what way?

Eva Ziegler: I think leadership style needs to be authentic and credible to the organization. You are the role model. So whatever you want the organization to stand for - if you want to have respect, if you want to be innovative, if you want to be collaborative. You as a leader need to reflect this type of values on a daily basis in all types of situations. Then, over time people will see that's the way how to do it and then adapt their behavior accordingly. I would really also want to emphasize the idea of storytelling, so it's not just communication. I think you need to be an outstanding storyteller and to really emotionally connect with your employees, so people then wake up in the morning, and have a clear idea of why they are going to this company and what their role is. Employee engagement and trust are also core elements.

Ariana Vorobeva: In your opinion, how transformational leadership encourages innovation and development within an organization?

Eva Ziegler: Well, I think that with the strategy and with initiatives, that you are launching, you need to be open to trying out new things, that the company has never done, before you are actually pioneering a lot of fields. I think also a failure culture is something that is a key element so that failures are not being punished, but actually taken as a way to learn, improve, and do it better next time. Innovation is also

fostered, for example, by opening up to the whole organization because innovation doesn't have to come just from marketing, but it comes from any part of the organization so that you have initiatives, which are being asked through the whole organization, meaning that it's like a co-creation of ideas.

Ariana Vorobeva: Have you experienced organizational transformation or innovation in the company you are working in? Please, briefly describe it.

Eva Ziegler: I have experienced it over the last 15 years in various different companies. I'll give you an example: the goal of one of the companies was to reduce packaging waste to make it 100% more sustainable. So packaging was one thing to transform to make it more sustainable and plastic free. But then, onto the employee's side, we were also looking to ensure that also towards the company's internal side, we also had initiatives to become plastic-free such as replacing normal plastic water bottles and reducing plastic straws. So, the goal was to also go fully plastic-free for the employees, not just in terms of the consumer, but also on the internal side of the company, these strategies go both ways and it's not just the outward facing component. In the bridal industry, for example, we were pioneering things like - we created eco-friendly dresses to get more sustainable dresses. We did a second life to the wedding dress – to encourage, let's say a more sustainable opportunity, that once you got married, you can give back the dress and have other brides enjoying that dress. I think, you really have to foster courage to implement any transformation.

Ariana Vorobeva: How would you describe essential CSR initiatives of an effective and successful sustainable organization?

Eva Ziegler: First we have renamed CSR into ESG - equality, social, and governance. The first thing is that you need to audit because you need to know where you stand as a company in the different fields of environment, the social side in terms of the community and employees, and then the governance in terms of processes. Then, the strategy needs to be developed again with the Cross-Functional Steering Group to create a whole new function - the Chief Sustainability Officer, who will be part of the executive committee. I think an important part is that it's also part of the leadership and an essential element is that you have initiatives as an integral pillar of your

business strategy. It's not something separate. I think it's super important that it touches all parts of the business from product to marketing, from sales to the supplier structure, and the sourcing. It has to be integrated into the totality of the business strategy.

Ariana Vorobeva: In your opinion, how significant is the role of a leader in encouraging a creation of a socially responsible organisation?

Eva Ziegler: The CEO has to drive the whole thing, hold the flag and march in the direction with this and then engage again the whole organization. The second thing, on the equality side, for example, equality in pay, equality in gender in terms of gender split of the leadership roles is very much was very much the CEO driven thing. It's a top-down thing in my eyes from what I have seen. Eventually, it will become bottom-up once the culture is alive, but to install the culture it has to come from the leaders, and then once it's there, it certainly nurtures itself top down and bottom-up.

Ariana Vorobeva: Can you provide a suggestion or an example under which leadership style, CSR implementation in organization is particularly effective?

Eva Ziegler: I think that the super important factor in that whole strategy setting is that you make it measurable because what you don't measure you cannot improve. In the end, the journey is a long journey, it's not like something that you do for a few months. It's more of a multiyear and probably never-ending journey. It is crucial to set yourself targets to measure progress towards these targets, which is a super important component in the implementation.

Ariana Vorobeva: Do you as a freelancer have specific environmental and society-related requirements for product/service or CSR practices? If yes, briefly describe how they are implemented.

Eva Ziegler: Yes, I have given myself a mantra, which was that I only wanted to do things that matter with people who care. That is my overarching sentence of picking what I engage with these last two years, and accordingly, I picked the projects that I think make a difference in this world with people who are believers, passionate, and

motivated, like yourself - doing things that are meaningful to make the world a better place.

Ariana Vorobeva: Are CSR activities implemented in your organisation, encouraged by a leader or influenced more by external factors such as society pressure, increased competition, government regulations?

Eva Ziegler: Well, sure. I mean on the one side, I think the objectives are the rules from the outside, which give a certain let's say framework, which might order and create a level of a maybe burning platform such as a particular requirement of CO2 emissions reductions by a certain year. I think also that what you shouldn't forget is the United Nations Sustainability Charter. I have also seen those sustainability goals coming back in the company's sustainability reports, so also these types of outside frameworks provide a level of orientation around the topic.

Ariana Vorobeva: In what way does the leader's views on sustainability in your organization affect the employee's attitude towards CSR?

Eva Ziegler: The leader's view of sustainability is usually the reflection of the company's views of sustainability. It's part of the strategic view of what you want to do and what you want to achieve as a company also in terms of employees - what behaviors you are trying to encourage by changing some context. The leader can start to impact employee behavior by setting examples and ensuring that people will move with you in this direction and then execute the initiatives. This all makes good sense since you make people think, understand the value, and then they move together with you, not just the strategy written on paper.

Ariana Vorobeva: What is the impact of the long-term commitment to CSR initiatives in your organization?

Eva Ziegler: If you start ESG in your organization, it is a long-term commitment because the targets are set in a way that you achieve them, for example from now to 2030, and then the targets and milestones are broken down year by year. I think without the long-term commitment, you don't drive change because these changes are not short-term changes for a company to transform. The long-term view is critical.

However, you have to achieve small targets in the short term, so it is not overwhelming and makes the whole thing achievable. A key element, I think is also important, is the long-term reporting of success stories in these years that are passing to keep the motivation up. Another key is to be successful for the generations to come. For example, Gen Z is actually looking to buy from companies that reflect their own values based on their point of view on sustainability and social responsibility as well as how engaged the company is with these topics. On the one side, the likelihood that these people will buy from you is starting to slide and the second point is also the likelihood that these people will want to work for this company is also sliding. So you're doing it also in the sense of being an attractive employer for Gen Z as well as being an attractive brand for them because Gen Z is also setting the trends for Millennials, Boomers, and all the generations behind. So that's why you need to carefully monitor what is coming with Gen Z, and you can see very much that ESG is a core component.

Ariana Vorobeva: Thank you very much for participating and contributing to the research. It was really interesting to hear about your experience.

Appendix 2 – Interview Bieler-Stütz

Full name: Teresa Bieler-Stütz

Age: 42

Nationality: Austrian

Occupation: Self-employed, the founder, owner, and managing director of a small company with three employees

Industry: Consultancy. Providing external services, advisory, and support in terms of consultancy to other companies from 25 employees to around 25,000, with the Specialty on sustainability ESGs, HR services, and compliance management systems.

Working Experience: 10 years

Ariana Vorobeva: How do you perceive a good and effective leadership style?

Teresa Bieler-Stütz: It's cooperative. It's respectful. It's based on trust and it gives a visionary outlook and the framework to all the managers and employees below this leader.

Ariana Vorobeva: Overall, how would you briefly describe the leadership style applied in your company? For example: transformational, delegative, authoritative, transactional, democratic, laissez-faire, or servant leadership style.

Teresa Bieler-Stütz: I hope it's based on trust, mutual cooperation, involvement, and engagement, and I fully respect and rely on my employees as a leader.

Ariana Vorobeva: What past events most influenced the leadership approach in your organization?

Teresa Bieler-Stütz: Basically it's based on the experience - realizing who I do not want to be as a leader, but I think it's a lot based on personality. I believe in humankind as having everything they need to do, and if I hire them, I trust and believe that they offer me everything they can with their full potential.

Ariana Vorobeva: What would you suggest to improve?

Teresa Bieler-Stütz: I always plan to improve because I think it's a constant learning journey, but I really try to get the feedback as honest and straightforward as it can be, with a deep relationship basis, because you can only learn from the other one if you respect the other person giving you that feedback. Feedback is a gift, and if you treat it like that, I think you can learn a lot on a constant basis, but of course, I also try to do external leadership courses to improve myself.

Ariana Vorobeva: In what way does this leadership style affects subordinates and employees attitudes?

Teresa Bieler-Stütz: I think a lot because if leadership style enables them to be their best self at work, I think they can live up to that. They feel trusted, and I think, they have a feeling of being safe where they are, so they can speak up - that they can't fail, that they can learn from that, and they can always ask for direction, for feedback, for prolonged timelines. I think that affects the way you work and the way you behave. I think the quality of the work improves, if the leadership style you have is based on trust.

Ariana Vorobeva: What of the following characteristics are the most important ones in making a good leader? Please highlight a few based on your choice.

- a. Self-awareness
- b. Patience
- c. Acceptance
- d. Resilience
- e. Empathy
- f. Ability to motivate and inspire
- g. Honesty
- h. Flexibility
- i. Innovation
- j. Communication and Active-listening

Teresa Bieler-Stütz: Communication and active listening are, I think, the most important ones. Empathy, but not only empathy, it needs to be combined with the

honest interest that this person can evolve, because only empathy will ruin you. And the third one would be, then, I think flexibility, but not in terms of handling a lot of topics at the same time. Well, that's also important, but from a leadership perspective - it's flexibility towards the person you're interacting with because they all need something different towards their needs - their life cycle needs in terms of characteristics, personality traits, wishes, and opportunities. I think it's the individual goal to meet flexibility needs in how you treat them, and every day it is different.

Ariana Vorobeva: Can you briefly describe, how it would make you feel to work in the organization with a leadership approach encouraging active participation, collaborative thinking, and innovative practices?

Teresa Bieler-Stütz: I would love to work there. That's exactly my aim for how I want to be treated, and that's how I like to be encouraged as well because that is what brings an organization forward.

Ariana Vorobeva: In your experience, in what way motivating and encouraging employees to change their self-interests to achieve a greater good affects employees and organisational culture?

Teresa Bieler-Stütz: Well, that depends if they're used to that. If you just say, for example, working is based on innovation, trust, and encouragement to decide on your own, I think they might not be able to do so, if you just tell them to. I think the leadership role here is to guide them to come to this point. As I said, it's based on relationship and trust. But I think it's a matter of how you ask them to do things, then it absolutely affects them daily. It helps them learn, and it helps them grow, but only if you allow them to really do it. So not just talking about it, but really allowing them to do that. Not to tell them what to do or how to do, but ask them, what they would suggest. You are always the role model. You set the culture as a leader. No one else does. It's your culture.

Ariana Vorobeva: Please briefly describe your experience with transformational leadership and how has this affected your working experience, if such experience occurred.

Teresa Bieler-Stütz: That's a tough one. Transformational leadership, I think, should be common knowledge to be able to do it, and it shouldn't be even named with different wording. I think transformation knowledge in itself is an oxymoron because I expect every leader to be able to handle the transformation. So, transformative leadership, I think, is key. But people need to learn that leadership is transformation. It always is. Otherwise, no change can happen, and we are constantly confronted with uncertainty. So, if you're not able to handle transformation, I think you're not a leader, then you're a manager.

Ariana Vorobeva: What aspects of transformational leadership are different from the other leaders you have encountered in your career?

Teresa Bieler-Stütz: They have the vision, so it shows you where the ship will sail to. It gives you a good framework that you understand, how you can as an employee or a manager below that, or a leader below that, decide how to move forward. In terms of what is allowed, what is expected and what is the ultimate goal. And I think that's transformative leadership in itself to give a vision and guidance.

Ariana Vorobeva: Do you perceive transformational leadership effective in shaping strong organisational culture? In what way?

Teresa Bieler-Stütz: Absolutely. I think that's the key responsibility of a leader to do that. Transformative leaders are rare, unfortunately. So this is nothing that we think is constantly there, but we need to help them learn that. Culture is always based on the tone from the top. So if the top leader is not a transformative or visionary leader, the culture cannot be transformative or innovative. As a definition of the transformative leader, the leader defines the culture by 100%, if the top leader is able to do it. If only someone below that level is aiming for transformation, I think it's hard for this person and frustrating. They can of course influence the culture below themselves, but it's limited.

Ariana Vorobeva: In your opinion, how transformational leadership encourages innovation and development within an organisation?

Teresa Bieler-Stütz: That depends on the person, who is the leader. If the vision and the aim of the transformation is innovation, then it enables innovation. If the aim is something else, like elaborating new products that are not based on innovation, or you're not just administrating something, then it will not lead to innovation, but I think it's a side effect in some way or the other. A little bit of innovation will always appear if the ultimate goal is transformation and transformative leadership, but it's hard work. The culture is not done overnight if you really have to do transformations - it's hard work, it's a long process, and that's what I mean by the vision. So transformation by itself is, I think, not a leadership trait. It leads toward transformation, but I think it is visionary leadership that is the key to that.

Ariana Vorobeva: Have you experienced organisational transformation or innovation in the company you are working in? Please, briefly describe it.

Teresa Bieler-Stütz: Yes. That depends on the company, I think it's different in all companies because their approaches are completely different and their starting point is completely different. I'm not sure you can really measure transformation. You can see differences in people's behaviour, they might start to decide differently, and they might have new products. They might also have innovation in a way of doing things completely different from before, but I think you cannot really measure it. That's what makes it so hard for transformation to be really grabbable or tangible. That's why it's hard to explain how transformation showed itself at the end of such a process, but I think people can only tell you how they feel differently after that. I'm not sure, that they can tell you what exactly has changed. From my experience, what they always say, is that the leadership has changed. So that the leader was replaced, and the new one came in with a very charismatic, visionary leadership. That's what they realize because then they can see in a way of having more clarity on where the journey might lead. They can see more structure, most probably, more clarity on decisions that they follow through, but that is not really tangible. The transformation process has no end.

Ariana Vorobeva: How would you describe essential CSR initiatives of an effective and successful sustainable organisation?

Teresa Bieler-Stütz: I think they are not CSR measures. I think they're fully holistic ESG initiatives. If you really go into the deep definition of CSR, it's limited to the social impact you have. If you go for the holistic ESG approach, having integrated also the environmental, social, and governance parts, these initiatives are more successful, because people can understand them. CSR has this, unfortunately, bad connotation that they buy themselves free of guilt if they do some sponsorships or donations. And that's why CSR initiatives are nice, but never have any strong project management focus, so people do not believe in them. That's why this terminology has been changed to ESG lately, so people can understand it better and especially the management. It is more tangible – people have clear goals, KPIs to measure, and clear timelines on what needs to be delivered and they can measure it. When we have to look at CSR initiatives only, they can be successful – sometimes you gain branding image campaigns or some press releases, but they would be stand-alone initiatives.

Ariana Vorobeva: In your opinion, how significant is the role of a leader in encouraging a creation of a socially responsible organisation?

Teresa Bieler-Stütz: 100% responsibility. Again, it's a top-down process. If the leader does not believe in these initiatives, CSR programs, or ESG programs - it is not part of the company's strategy, and if this is the case, it has a limited impact on what you could achieve. People rely on that, they follow what the leader says. So, 100% the responsibility of the leader to make it successful. People can start up grassroots initiatives, so if you say we think or we believe, it is important, but it's hard work. It's frustrating. It takes a lot more energy, than it would compared to when it comes from the top with a real, honest belief. So, it is not just the box activity.

Ariana Vorobeva: Can you provide a suggestion or an example under which leadership style, CSR implementation in organisation is particularly effective?

Teresa Bieler-Stütz: Yes, it's communication. So, if the top leadership management understands what is meant under those CSR or ESG initiatives, what they are intending to do, what is its value to the company and talk about it to the employees, they don't have to do it themselves. So the operational implementation is somewhere else, but

they need to believe in what they do. They need to believe that it's the appropriate, right, and important thing to do, and talk about it constantly.

Ariana Vorobeva: Does your company have specific environmental and society-related requirements for product/service or CSR practices? If yes, briefly describe how they are implemented.

Teresa Bieler-Stütz: All of them. We are evaluating our potential customers if we agree to work with them. It might sound odd, but it is like that. If we think, they do not respect environmental or social standards, we do not work with them. On the other hand, we do that internally - we care for our diverse team, we care for speak-up culture, and we have our own set of standards to commit ourselves to environmental goals and social goals. For example, we commit 1% of our revenues to NGOs, that's our part of social responsibility. We also educate other people, that's why for example, all of our team members participate in interviews for universities. I, especially, teach at universities so that we can provide insights of the companies to young people because that's how we can really change the world.

Ariana Vorobeva: Are CSR activities implemented in your organisation, encouraged by a leader or influenced more by external factors such as society pressure, increased competition, government regulations?

Teresa Bieler-Stütz: At the moment, it's fully the internal motivation to do so. I hire people if they have the same mindset, that ESGs is important, otherwise, we might not really work well together. So it's completely internal at the moment, but I think this will change coming from all these external regulations from the European Union right now, and this has to change. Big companies will be forced to think about it at least. Nevertheless, I think to have it done successfully, you have to follow through with the very internal motivation, that this is the good and really important thing to do. Sustainability is emotional, we should not forget about that. Sustainability is something that touches the heart of people, and if they feel betrayed, or that something is not genuine and authentic, they do not believe anything you say anymore. So, this is a very critical thing to jump on the train that passes by and say,

okay, we are sustainable now, but people are really, really critical of that if you do that and you do not mean it.

Ariana Vorobeva: In what way does the leaders views on sustainability in your organisation affect the employees attitude towards CSR?

Teresa Bieler-Stütz: Fully again, they cannot be successful without the commitment of the company and the leaders, as I said it's a top-down process. We might neglect that, we might ignore that, but it is what it is, unfortunately. People like guidance, and if you are not a role model as a leader, what do you think they should do? They have no idea, and then, they do what they think is okay. Can it be successful? Maybe, but I think it's not very well-steered because if you want to have a very specific outcome, it is a leadership responsibility to do so.

Ariana Vorobeva: What is the impact of the long-term commitment to CSR initiatives in your organisation?

Teresa Bieler-Stütz: I think, that the biggest long-term impact we have is our vision. Our vision is that we create all of our products based on ESG criteria, to have an impact on everyone we work with, and that's, I think, a big impact, that we can offer. Our products are based on the deep belief, that the ESG movement is important and that we want to do it as honestly as we can. That doesn't mean we will save the world, but we can try.

Ariana Vorobeva: Thank you very much for your contribution, for sharing your expertise from within the company operation processes, and thank you very much again for a participating.

Appendix 3 – Interview Bespalova

Full name: Irina Bespalova

Age: 29

Nationality: Israeli

Occupation: Customer Success Team Lead. I lead a team of customer success managers. We are a focal point for B2B customers of the company. I am in charge of strategic customers, creating new processes and improving the existing ones, and guiding the team in daily activities and issues.

Industry: IoT, Management, Communication and connectivity

Working Experience: 2 years

Ariana Vorobeva: How do you perceive a good and effective leadership style?

Irina Bespalova: Leadership is different from management. A good and effective leadership style is having a clear vision and target of what the company wants to achieve and hiring a team of knowledgeable and people-oriented professionals to get us there.

Ariana Vorobeva: Overall, how would you briefly describe the leadership style applied in your company? For example: transformational, delegative, authoritative, transactional, democratic, laissez-faire or servant leadership style.

Irina Bespalova: Macro management with a bit of chaotic change of strategy and priorities that requires much flexibility.

Ariana Vorobeva: What past events most influenced the leadership approach in your organisation?

Irina Bespalova: Our company doubled its' size in the last year.

Ariana Vorobeva: What would you suggest to improve?

Irina Bespalova: To communicate properly company's vision and have a better communication in general between different departments.

Ariana Vorobeva: In what way does this leadership style affects subordinates and employees attitudes?

Irina Besimalova: Leadership style defines company's vibe and culture. It is crucial to have a company that sees an employee as a part of the success and takes care of their well-being.

Ariana Vorobeva: What of the following characteristics are the most important ones in making a good leader? Please highlight a few based on your choice.

- a. Self-awareness
- b. Patience
- c. Acceptance
- d. Resilience
- e. Empathy
- f. Ability to motivate and inspire
- g. Honesty
- h. Flexibility
- i. Innovation
- j. Communication and Active-listening

Irina Besimalova: Ability to motivate and inspire, flexibility, innovation and lastly communication and active-listening.

Ariana Vorobeva: Can you briefly describe, how it would make you feel to work in the organization with a leadership approach encouraging active participation, collaborative thinking and innovative practices?

Irina Besimalova: I understand that 70% of my day is spent at work. As gen Y, it is very important to me to enjoy my time, feel that I make an impact and self-develop in my role. The above mentioned factors are a must for me in the workplace.

Ariana Vorobeva: In your experience, in what way motivating and encouraging employees to change their self-interests to achieve a greater good affects employees and organisational culture?

Irina Beshpalova: It leads to sustainable growth. If everyone tries to achieve a common goal, the company is set for success. It also helps to reduce employee turnover and maintain a healthy compensation structure. Salary costs add a lot to the company budget. Once you invest in employees' satisfaction, you can save a lot on financial compensation.

Ariana Vorobeva: Please briefly describe your experience with transformational leadership and how has this affected your working experience, if such experience occurred.

Irina Beshpalova: My current company allows me to grow in my role. My manager, who is also a co-founder, is a role model to me of someone who works hard to build a great workspace with a product that brings value to the world. His trust in me, constructive feedback, and eagerness to listen to my needs and ideas helps me feel a part of the company's growth and success. We do the magic together.

Ariana Vorobeva: What aspects of transformational leadership are different from the other leaders you have encountered in your career?

Irina Beshpalova: I had experience with autocratic leadership, which did not suit my personality. I like to think in my position and feel that I share responsibility, rather than taking orders and completing tasks.

Ariana Vorobeva: Do you perceive transformational leadership effective in shaping strong organisational culture? In what way?

Irina Beshpalova: I think it depends on what we define as a strong organisational culture. Transformational leadership is a lot about delegation and relying on employees. Not each employee might find themselves a good fit for that. I think it suits better small and mid-sized companies.

Ariana Vorobeva: In your opinion, how transformational leadership encourages innovation and development within an organisation?

Irina Beshpalova: It does so by: giving employees independence; building trust among them; focusing on vision, and not tasks

Ariana Vorobeva: Have you experienced organisational transformation or innovation in the company you are working in? Please, briefly describe it.

Irina Bepalova: I did experienced a switch from small to mid-sized company that was a result of entering new markets and niches. This caused many changes: some employees could not adjust to the transformation; the change requires agile thinking from employees since we are in the transition where clarify is at risk; you find yourself working more hours since there is more responsibility.

Ariana Vorobeva: How would you describe essential CSR initiatives of an effective and successful sustainable organisation?

Irina Bepalova: CSR needs to be an important part of the cultural organization in sustainable companies. CSR needs to focus on employee engagement, green initiatives, and company's vision.

Ariana Vorobeva: In your opinion, how significant is the role of a leader in encouraging a creation of a socially responsible organisation?

Irina Bepalova: I think CSR leads to a lot of extra costs in the short-term perspective. If company's leadership does not support it, there is not much to do.

Ariana Vorobeva: Can you provide a suggestion or an example under which leadership style, CSR implementation in organisation is particularly effective?

Irina Bepalova: CSR implementation is particularly effective when a leader believes in their importance and puts them as priority. A lot of CSR activities require time taken from work. If we want all employees who are willing to participate join different activities, their workload needs to be arranged to allow free time to do it. It's quite rare in the companies I saw. Also, a leader needs to believe in employees' well-being and see them as humans, and not machines.

Ariana Vorobeva: Does your company have specific environmental and society-related requirements for product/service or CSR practices? If yes, briefly describe how they are implemented.

Irina Bepalova: Our service is data connectivity that we sell. It is quite a product that does not do a lot of harm to the nature, and does not have special regulations.

Ariana Vorobeva: Are CSR activities implemented in your organisation, encouraged by a leader or influenced more by external factors such as society pressure, increased competition, government regulations?

Irina Bepalova: CSR activities are encouraged by the HR department and the fact that we grew as a company. I do not see our leadership encouraging those, but they definitely support the activity.

Ariana Vorobeva: In what way does the leaders views on sustainability in your organisation affect the employees attitude towards CSR?

Irina Bepalova: Since we use the transformational leadership and give a lot of independence to the employees, I think that we support CSR activities based on personal beliefs more than anything. People that are interested in making the world a better place had implemented CSR activities like recycling or communal activities in the company long before the company started having official CSR activities.

Ariana Vorobeva: What is the impact of the long-term commitment to CSR initiatives in your organisation?

Irina Bepalova: My organisation has recently started implementing CSR activities. I see the long-term impact as employee retention, positive company image in the international arena, a chance to align our activities with our mission.

Ariana Vorobeva: Thank you very much for your expert contribution, honest and very critical insights regarding the leadership and Corporate Social Responsibility!

Appendix 4 – Interview Palmer-Scott

Full name: Tracy Palmer-Scott

Age: 59

Nationality: British

Occupation: Transformational Coach and Facilitator

Industry: I work across all industries, predominantly focusing upon senior leadership; C suite, and senior executives within senior leadership teams, to improve their leadership effectiveness

Working Experience: 23 years

Ariana Vorobeva: How do you perceive a good and effective leadership style?

Tracy Palmer-Scott: An individual who has high levels of self-awareness, and emotional intelligence and creates psychological safety. It is important for the leader to engage with their team, know and understand the leaders that report into them, empowering them and setting them up for success.

Ariana Vorobeva: Overall, how would you briefly describe the leadership style applied in your company? For example: transformational, delegative, authoritative, transactional, democratic, laissez-faire or servant leadership style.

Tracy Palmer-Scott: There is only me in my company, with my clients I use a transformational approach.

Ariana Vorobeva: What past events most influenced the leadership approach in your organisation?

Tracy Palmer-Scott: I can speak with regards to my experience with my clients and what has influenced their leadership approach: The recognition that the old leadership style of 'command and control' does not work (it never did), they choose now to adopt a 'coach as leader' style. The expectations of Millennials and Gen Z has meant the style has needed to change to show them there is a career path, growth, and development is possible which creates loyalty and therefore employee/talent retention.

Ariana Vorobeva: What would you suggest to improve?

Tracy Palmer-Scott: Again, speaking from my observations and experience with clients: Focusing upon the 'middle manager' positions, these individuals have often been promoted from within, without any training, coaching guidance, or mentoring, and are expected to be able to jump straight into the role and 'be a good manager'. Quite often 'imposter syndrome' takes root and limiting beliefs are created and deepened, impacting their ability to be good managers. A focus on moving from a transactional form of leadership to a relational style. Developing Emotional Intelligence and enabling individuals to understand how to build trust that is authentic and lasting. Being honest, open, authentic, and courageous (which means they have to show vulnerability – which they are trained by their managers to understand as a weakness rather than a strength). Developing their self-awareness to become the leader they are able to be.

Ariana Vorobeva: In what way does this leadership style affects subordinates and employees attitudes?

Tracy Palmer-Scott: It impacts their self-belief and self-esteem, their ability to grow, develop and achieve at a higher level than they thought possible. Employees often 'get in their own way' which leads to incorrect assumptions about their abilities by leaders. Impact and perception is the key here, leaders that have high self-awareness are able to have critical feedback conversations with individuals that enables them to grow, develop their own sense of self-awareness, and receive feedback as a development tool.

Ariana Vorobeva: What of the following characteristics are the most important ones in making a good leader? Please highlight a few based on your choice.

- a. Self-awareness
- b. Patience
- c. Acceptance
- d. Resilience
- e. Empathy

- f. Ability to motivate and inspire
- g. Honesty
- h. Flexibility
- i. Innovation
- j. Communication and Active-listening

Tracy Palmer-Scott: Self-awareness, Resilience, Empathy, Ability to motivate and inspire, Flexibility, and lastly, communication and active listening.

Ariana Vorobeva: Can you briefly describe, how it would make you feel to work in the organization with a leadership approach encouraging active participation, collaborative thinking and innovative practices?

Tracy Palmer-Scott: I would feel a sense of belonging and commitment, sense of loyalty, a sense of growth and development which feeds into me being able to see my future, my self-esteem and self-confidence will increase and I will be motivated. I will be engaged and want to stay at the organisation and grow with it.

Ariana Vorobeva: In your experience, in what way motivating and encouraging employees to change their self-interests to achieve a greater good affects employees and organisational culture?

Tracy Palmer-Scott: Self-orientation is the core factor when building trust, with low self-orientation the individual demonstrates humility, shows an interest in others, and is authentic. The impact of this is others' perception of you and how as a result, difficult conversations can be held, when there are challenges they can be much more easily and quickly overcome. Enabling the individual to understand the impact and perception they have on others is the key to unlocking employees' desire to change their self-interests.

Ariana Vorobeva: Please briefly describe your experience with transformational leadership and how has this affected your working experience, if such experience occurred.

Tracy Palmer-Scott: I am a transformational coach and understand the impact on others: success is 80% mindset and 20% skill. My work as a transformational coach involves helping people to better themselves and their lives by bringing about necessary changes, which means I focus on how clients see themselves and the impact this has on those around them. My clients and business partners tell me there is a certain magic in everything I do - I look people in the eye and take in their story – it's how I relate to people and stay connected. The coaching is done 'with my clients' not 'to my clients' which requires a certain level of commitment and hard work on my client's part. Stepping out of their comfort zone is where the magic happens. Being a 'success coach' is all about helping clients to solve major life and business challenges, offering world-class support, and ultimately helping clients succeed beyond what they ever thought possible. Clients regularly recommend me to others and describe me as their 'hot spot', the one person that they take with them when they progress to another role, organization, country.

Ariana Vorobeva: What aspects of transformational leadership are different from the other leaders you have encountered in your career?

Tracy Palmer-Scott: Other' leaders use a command and control approach, focused upon KPIs and business results. Transformational leaders focus on creating a memorable and magnetic workplace culture by enabling employees to know and understand the company values, behaviours and stories, the part they play in bringing them alive, and how they can guide this. Organizational human beings, growing, motivating, and inspiring the people in their teams.

Ariana Vorobeva: Do you perceive transformational leadership effective in shaping strong organisational culture? In what way?

Tracy Palmer-Scott: Yes, it attracts talent, and retains talent as it creates loyalty. The ethos created produces a strong, productive team that has trusting relationships, able to have open, candid, dialogue and constructive conflict. They are committed and are able to make decisions, hold themselves accountable and cross-functionally act as allies. It provides a platform for psychological safety and by being emotionally intelligent, managers and individuals understand the importance of adjusting the

filters and behaviours they have naturally within them to ensure fruitful, success-driven conversations are held. Two-way and 360-degree feedback plays a big part.

Ariana Vorobeva: In your opinion, how transformational leadership encourages innovation and development within an organisation?

Tracy Palmer-Scott: Transformational leadership creates psychological safety, which enables free exchanges, sharing of ideas, and the ability to make mistakes.

Ariana Vorobeva: Have you experienced organisational transformation or innovation in the company you are working in? Please, briefly describe it.

Tracy Palmer-Scott: Not Applicable as this is my own company. In a previous career (many years ago) as a Bank manager, (1980 to 1999), the recognized banking managerial style was command and control, I achieved my coaching accreditation in 1987 and immediately used this style of management with my teams which had a hugely positive impact (one that was different to others at the time) and meant I had a happy, motivated, engaged team, etc. and we consistently exceeded all of our targets.

Ariana Vorobeva: How would you describe essential CSR initiatives of an effective and successful sustainable organisation?

Tracy Palmer-Scott: Regular team CSR activities that align with company values and behaviours, driven from within the team and owned. Owned and driven by and from within the team rather than the managers.

Ariana Vorobeva: In your opinion, how significant is the role of a leader in encouraging a creation of a socially responsible organisation?

Tracy Palmer-Scott: The role of the leader for this is to be inspiring, give the big picture, clarity of company vision and values. The teams (and individuals within the team) must own it so that it is driven authentically and with passion from within.

Ariana Vorobeva: Can you provide a suggestion or an example under which leadership style, CSR implementation in organisation is particularly effective?

Tracy Palmer-Scott: Leaders who are inspirers and helpers (Insights Discovery Personality Preferences) are ideal styles.

Ariana Vorobeva: Does your company have specific environmental and society-related requirements for product/service or CSR practices? If yes, briefly describe how they are implemented.

Tracy Palmer-Scott: My company is made up of one individual (me), I offer reduced fees and pro-bono to some individuals.

Ariana Vorobeva: Are CSR activities implemented in your organisation, encouraged by a leader or influenced more by external factors such as society pressure, increased competition, government regulations?

Tracy Palmer-Scott: Not applicable to my company.

Ariana Vorobeva: In what way does the leaders views on sustainability in your organisation affect the employees attitude towards CSR?

Tracy Palmer-Scott: This is the shadow of the leader, if a leader is seen to be promoting, discussing in an inclusive manner, it will impact employee's attitude.

Ariana Vorobeva: What is the impact of the long-term commitment to CSR initiatives in your organisation?

Tracy Palmer-Scott: Not applicable to my company.

Ariana Vorobeva: Thank you very much for your expert contribution and informative insights regarding the leadership topic, specifically transformational leadership topic!

Appendix 5 – Interview Taylor

Full name: Tim Taylor

Age: 60

Nationality: British

Occupation: Chief Visionary Officer, Co-founder, and Chief visionary officer for Brilliant Buttons – Main focus is to ensure our products and services remain aligned with our vision and that our internal culture enables every member of our team to thrive and grow

Industry: Ed-Tech

Working Experience: 30 years

Ariana Vorobeva: How do you perceive a good and effective leadership style?

Tim Taylor: Almost every CEO, business owner, or ambitious manager wants to see high levels of employee engagement. Engaged employees are more emotionally committed to the business, its vision, and its mission. Engaged employees have a great attitude; they go the extra mile for customers and colleagues. These factors lead to collaboration and teamwork being the norm and encouraging people to be more responsible and reliable.

Ariana Vorobeva: Overall, how would you briefly describe the leadership style applied in your company? For example: transformational, delegative, authoritative, transactional, democratic, laissez-faire or servant leadership style.

Tim Taylor: Coaching, supportive and results focused.

Ariana Vorobeva: What past events most influenced the leadership approach in your organisation?

Tim Taylor: Witnessing so many examples of poor leadership that lead to talented people leaving organisations either frustrated or exhausted. I aim to build a great workplace and help other executives do the same thing.

Ariana Vorobeva: What would you suggest to improve?

Tim Taylor: I advocate for CEOs and other leaders to build a Leadership Support System to engage and align all team members and allow everyone to contribute to their organisation's leadership.

Ariana Vorobeva: In what way does this leadership style affects subordinates and employees attitudes?

Tim Taylor: The most significant factor affecting employee engagement is the leader. A leader's ability to form authentic connections with team members, assess their self-awareness, and comprehend their individual sense of responsibility can greatly impact employee engagement and productivity. When leadership practices are poor, employees at all levels are cynical about perceived bias, organisational politics, and the lack of control over how feedback is used. The consequences of employee cynicism include decreased job performance, decreased organizational commitment, and increased turnover intention.

Ariana Vorobeva: What of the following characteristics are the most important ones in making a good leader? Please highlight a few based on your choice.

- a. Self-awareness
- b. Patience
- c. Acceptance
- d. Resilience
- e. Empathy
- f. Ability to motivate and inspire
- g. Honesty
- h. Flexibility
- i. Innovation
- j. Communication and Active-listening

Tim Taylor: Self-awareness is the foundation for personal development – great leaders need to be continuously improving their skills and impact – this cannot happen if they do not have the tools to maintain self-awareness. Active listening is a core leadership capability - again, this is a skill that requires practice and review every week. Leaders

must remain open and curious about how others see the world. Listening to customers and employees provides valuable insights that can lead to innovation and sustained success. Inspiring and Communication go hand in hand with a leader's ability to create and share their vision of the future, the culture they want to foster and the opportunities they see in the future. The other attributes could be collected under the heading "living your core values."

Ariana Vorobeva: Can you briefly describe, how it would make you feel to work in the organization with a leadership approach encouraging active participation, collaborative thinking and innovative practices?

Tim Taylor: It feels invigorating; when the team are humming, and everyone is in a state of flow, it feels like anything is possible.

Ariana Vorobeva: In your experience, in what way motivating and encouraging employees to change their self-interests to achieve a greater good affects employees and organisational culture?

Tim Taylor: I do not think you should hire people whose self-interests are not aligned with your organisation. The freedom to express who you are is critical to high performance and feeling satisfied with your work and contribution. Hiring the right people is healthier than trying to change someone's self-interests.

Ariana Vorobeva: Please briefly describe your experience with transformational leadership and how has this affected your working experience, if such experience occurred.

Tim Taylor: Assuming the definition, that transformational leadership is a process whereby leaders engage with and influence others — by paying attention to their needs, raising their motivation, and providing an ethical framework for decisions. I have designed many training programmes and participated in global projects aimed at building managers capable of transforming organisations. The challenge is always the same, managers making time to change their behaviours to deliver lasting organisational benefits.

Ariana Vorobeva: What aspects of transformational leadership are different from the other leaders you have encountered in your career?

Tim Taylor: Often organisations reward results without considering how the leader achieves them. The workplace is still filled with domineering leaders who push for results, pace-setting their way to success. Some leaders are coaches, and many more are managers who focus on maintaining the status quo.

Ariana Vorobeva: Do you perceive transformational leadership effective in shaping strong organisational culture? In what way?

Tim Taylor: All leadership behaviours or styles shape culture. Transformational leadership is rarely practised by everyone in a given organisation. It is naive to think that any organisation practises one leadership style. For those managers that do, they need to be wary of its downsides; the main weaknesses are that it can become too conceptual and often misses the task focus that some employees need to achieve results.

Ariana Vorobeva: In your opinion, how transformational leadership encourages innovation and development within an organisation?

Tim Taylor: This depends on the scope of the transformation. Innovation comes in many forms, from developing new processes to ground-breaking products or, most elusive, disrupting business models. The tenets of transformational leadership in practice certainly lay the foundation for innovation. However, enabling a team to break paradigms requires the authority and scope of their work to be framed in ways that allow time to investigate ideas. Fun and playfulness help innovation but for many organisations incorporating this approach maybe outside what senior leaders feel comfortable endorsing.

Ariana Vorobeva: Have you experienced organisational transformation or innovation in the company you are working in? Please, briefly describe it.

Tim Taylor: In Brilliant Buttons, we are on a mission to disrupt the nature of coaching using technology – this means that we are constantly looking for new ways to break

the mould. This brings its own kind of stress. For some team members, it feels unstable, too hard to control and can lead to tension. At an organisation level, we must balance innovation and change with the need to profit or make positive cashflows. Business scale based on repeatability. Innovation by nature is disruptive.

Ariana Vorobeva: How would you describe essential CSR initiatives of an effective and successful sustainable organisation?

Tim Taylor: I believe the concept of doing good in the world and positively impacting your society are leadership imperatives. CSR initiatives also serve to ground the people you work with and provide pause to appreciate how decisions create a ripple effect.

Ariana Vorobeva: In your opinion, how significant is the role of a leader in encouraging a creation of a socially responsible organisation?

Tim Taylor: A single leader's impact will depend on the role they play in the organisation. Many leaders at all levels impact CSR every day. Leaders set priorities, so in this way, they are often the go-no-go component. However, I have seen many companies where CSR is delivered by volunteers working on their own time to make a difference. These groups are led by a leader who has been given agency by the people who volunteer.

Ariana Vorobeva: Can you provide a suggestion or an example under which leadership style, CSR implementation in organisation is particularly effective?

Tim Taylor: Not one style is more or less responsible for CSR.

Ariana Vorobeva: Does your company have specific environmental and society-related requirements for product/service or CSR practices? If yes, briefly describe how they are implemented.

Tim Taylor: We aim to have a very low carbon impact. We also aim to bring leadership tools and concepts to more children and people in 3rd world economies.

Ariana Vorobeva: Are CSR activities implemented in your organisation, encouraged by a leader or influenced more by external factors such as society pressure, increased competition, government regulations?

Tim Taylor: Encouraged by the leaders and developed by our whole team.

Ariana Vorobeva: In what way does the leaders views on sustainability in your organisation affect the employees attitude towards CSR?

Tim Taylor: I think we set the tone and the direction – also CSR requires resources, time and money, and people need to be given scope if the CSR activities are being sponsored by the company as opposed to employee volunteer groups.

Ariana Vorobeva: What is the impact of the long-term commitment to CSR initiatives in your organisation?

Tim Taylor: Long-term commitments signal stability and longevity – I imagine, but don not know for certain, that these long-term commitments could be a source of comfort.

Ariana Vorobeva: Thank you very much for your expert contribution and a critical insights regarding the leadership topic!

Appendix 6 – Interview Blane

Full name: Hugh Blane

Age: 63 years

Nationality: American

Occupation: Executive coach and Leadership consultant to technology executives, entrepreneurs, and university presidents. I am the primary business development leader for our company.

Industry: Coaching and Consulting

Working Experience: 35 years

Ariana Vorobeva: How do you perceive a good and effective leadership style?

Hugh Blane: There are eight traits and effective leadership from our perspective:

1. Humility is the ability not to be primarily driven by our ego.
2. Accountability that we do what we say we will do.
3. Empowerment is about allowing employees to be at their best and do their best work.
4. Excellence is rooted in everything we do, and we pursue the highest standard possible.
5. Learning is rooted in daily learning about the work that matters most to us and the people that matter most to us.
6. Integrity is that we are people of our word, similar to accountability.
7. Collaboration is where we bring smart and talented people together and have them collaborate to create excellence.
8. Grit is the ability to persevere during difficult times, to pick ourselves up and start all over again.

Ariana Vorobeva: Overall, how would you briefly describe the leadership style applied in your company? For example: transformational, delegative, authoritative, transactional, democratic, laissez-faire or servant leadership style.

Hugh Blane: It's rooted in three things: We love deeply; our work, our customer, and our employees. We learn daily; continually striving to improve, learn, and grow. We live boldly; we move outside our comfort zone and do something to serve the greater good of the people who most matter to us.

Ariana Vorobeva: What past events most influenced the leadership approach in your organisation?

Hugh Blane: Several events have done that. A business reversal I experienced in 2009 put me on a different trajectory with a different value set and a greater desire to serve.

Ariana Vorobeva: What would you suggest to improve?

Hugh Blane: How to live boldly. There are many employees who are overworked, over-scheduled, overburdened, and are living lukewarm and timid lives. What is always on my mind is how I can help my client's employees live boldly...to feel passion and love for their work, fellow employees, and customers.

Ariana Vorobeva: In what way does this leadership style affects subordinates and employees attitudes?

Hugh Blane: Transformational leadership affects subordinates and their attitudes in two significant ways. The first is that they see a leadership style role modelled by a leader. When a leader articulates a style of leadership that is transformational and not transactional, and then behaves in ways that are consistent with that ideal, subordinates and employees see this behaviour and seek to emulate it. From a behaviour perspective, this is incredibly powerful as it builds the leader's credibility and communicates an indirect message as to what's important. The second way this impacts employees is that if transformational leadership is the way that leadership is done in an organization, transformation is communicated in emails, talks, presentations and is discussed with regard to client engagements, and professional development conversations, and is set as an ideal. By that, I mean that the communication and words used by leaders send a direct message as to what's important.

Ariana Vorobeva: What of the following characteristics are the most important ones in making a good leader? Please highlight a few based on your choice.

- a. Self-awareness
- b. Patience
- c. Acceptance
- d. Resilience
- e. Empathy
- f. Ability to motivate and inspire
- g. Honesty
- h. Flexibility
- i. Innovation
- j. Communication and Active-listening

Hugh Blane: Ability to motivate and inspire, Honesty, Flexibility and Innovation

Ariana Vorobeva: Can you briefly describe, how it would make you feel to work in the organization with a leadership approach encouraging active participation, collaborative thinking and innovative practices?

Hugh Blane: Quite simply, fully alive and in deep flow at work.

Ariana Vorobeva: In your experience, in what way motivating and encouraging employees to change their self-interests to achieve a greater good affects employees and organisational culture?

Hugh Blane: I believe it's Peter Drucker, who said " Culture eats strategy for breakfast." I personally think employees; maybe, we as human beings, are hard-wired to focus on our own self-interest. A leader's job is to make and shape the customer's best interest and what is in each employee's self-interest. By that I mean, are there compensation or rewards inside the organization, and rewards for an employee excelling with regards to a customer. The things that change and shape culture best are organizational values, which I have referred to earlier. If the leadership style is effective in bringing organizational values to life, then yes, transformational leadership, as well as other leadership styles can be instrumental in shaping an

employee's self-interest. So the bottom line is values, processes, and rewards. There are many dynamics that shape culture, and I don't know that I would feel comfortable saying that transformational leadership by itself would be better than another in that regard.

Ariana Vorobeva: Please briefly describe your experience with transformational leadership and how has this affected your working experience, if such experience occurred.

Hugh Blane: Transformational leadership is not theoretical or intellectual for me. It is something that is hardwired in both my personal and my professional life. When I had my business reversal in 2009, it required an individual transformation that would eventually lead to the organizational change that I desired. I am now a co-collaborator with my clients to help them experience the personal transformation necessary that leads to the organizational transformation required by the marketplace. It's a boat load of fun.

Ariana Vorobeva: What aspects of transformational leadership are different from the other leaders you have encountered in your career?

Hugh Blane: Transformational leadership is too often understood intellectually and theoretically, and it differs from other leaders I've encountered in this way. Most people talk about transformation, but very few are willing to do the deep, scary, and threatening work of undergoing an individual transformation. Most other leadership development courses and curricula are about doing something. Transformational leadership is about being something, and it is rooted in a transformation from the inside outward as opposed to something from the outside inward. I hope this makes sense.

Ariana Vorobeva: Do you perceive transformational leadership effective in shaping strong organisational culture? In what way?

Hugh Blane: Yes, it can. It's not a guarantee, but it certainly increases the odds of shaping strong organizational culture. What changes organizational culture are

values, processes, desires for a mission, and a vision, which are shaped and formed by leaders.

Ariana Vorobeva: In your opinion, how transformational leadership encourages innovation and development within an organisation?

Hugh Blane: Transformational leadership, when fully embraced, encourages innovation and development with and through the understanding that there is a lifecycle to every product and service inside an organization. The world around us is continuously transforming. Where I live, we have a transition from rainy season to 90° weather. The trees in my backyard are in bloom, so they have transformed from leafless to green and luscious. The more leaders understand that they are in constant evolution and transformation, transformation d into every nook and cranny of the organization. And by doing so, we welcome the opportunity to improve and transform what we do in the service of others.

Ariana Vorobeva: Have you experienced organisational transformation or innovation in the company you are working in? Please, briefly describe it.

Hugh Blane: Yes, here are two examples. The first is a university in California that seeks to infuse the entrepreneurial mindset into its accounting function. Think about the mindset of most accountants and bookkeepers. It is a black-and-white mindset that thinks sequentially, and none of the employees have ever been an entrepreneur. This is quite the transformation. So what we're doing is educating people as to what entrepreneurship looks like, what the benefits are to being entrepreneurial, and creating a small virtual business in the department to hopefully impact the financial well-being of the university. The second one is with a major Fortune 500 bank and their cyber security team. These employees, non-unlike the university are very technically trained individuals who have fear about the next attack that could take their bank down. So this is a fear-based culture which degrades the level of innovation and risk taking. In this client we're working to take technically brilliant individuals, and have them think strategically and embrace failure. Both of these projects are quite exciting.

Ariana Vorobeva: How would you describe essential CSR/ESG initiatives of an effective and successful sustainable organisation?

Hugh Blane: That's not really my area of expertise, as CSR and ESGs are the subject areas where transformational leadership could be beneficial, but speaking specifically about CSR/ESGs is a question you should ask someone with direct expertise.

Ariana Vorobeva: In your opinion, how significant is the role of a leader in encouraging a creation of a socially responsible organisation?

Hugh Blane: The short answer is that leaders shape and form culture and that culture shapes people's behaviour, and it is our behaviour that creates the outcomes we get. Leaders in turn have a massive role in shaping culture, and if in fact, an organization values social responsibility then yes, a leader has a role in that. I think there are too many companies that take social responsibility as an intellectual construct or idea and do it for the optics of being socially responsible but are not really committed to it. One of the companies I am thinking of is Starbucks here in Seattle. They spend a significant amount of time and money on social responsibility and yet in our current culture Starbucks, which was the first company of its kind to ever pay for part-time employees' education, was one of the first companies to provide healthcare for part-time employees, and even provided retirement benefits for part-time employees. They were seen as the poster child for social responsibility and are now experiencing tremendous pressure for unionization. So, here in Seattle, what is defined as socially responsible is a moving target and something a lot of organizations see as hard to achieve.

Ariana Vorobeva: Can you provide a suggestion or an example under which leadership style, CSR implementation in an organization is particularly effective?

Hugh Blane: CSR and ESGs are the subject areas where transformational leadership could be beneficial.

Ariana Vorobeva: Does your company have specific environmental and society-related requirements for product/service or CSR practices? If yes, briefly describe how they are implemented.

Hugh Blane: We are a small coaching and consulting firm, so we don't have a CSR program specifically. What we do have is a deep responsibility to love one another and to love our clients.

Ariana Vorobeva: Are CSR activities implemented in your organisation, encouraged by a leader or influenced more by external factors such as society pressure, increased competition, government regulations?

Hugh Blane: We haven't set up CSR because we believe that the three pillars of our work: loving deeply, learning daily, and living boldly, shape and form all of our decisions. With that said, I don't have direct experience and can't answer your questions thoughtfully, so I'd like to leave it as this.

Ariana Vorobeva: Of course, thank you very much for your honesty and straightforwardness. I appreciate your participation and willingness to share valuable insights on the topic of transformational leadership!