Studying the Relationship between Organizational Culture Aspects and Transformational Leadership

1Seyed Reza Razavi Saeedi, 2Mojtaba Nik Aeen and 3Seyed Ali Mousavi Biuki

1Ph.D. Student in Public Administration, College of Farabi, University of Tehran.
2M.A. Student in International Marketing, Faculty of Management, University of Tehran.
3M.A. Student in Public Administration, Islamic Azad University Central Tehran Branch.

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ABSTRACT

Present paper studies the relationship between organizational culture aspects and transformational leadership in an organization. Organizational culture is an affecting factor on organizational performance and leadership is considered as a vital element for organizational success. Therefore, it is highly important to study the relationship between these two affecting factors on organizational performance. In present study, six organizational culture aspects devised by Hafstede are used and their relations with leadership are measured. This is a survey – type descriptive research and data collection method is field study by using questionnaire. On this basis, 50 questionnaires were used in analyses from total 50 distributed questionnaires in Qom Municipality. The findings indicate that organizational culture plays a vital role in creating and maintaining the necessary context for transformational leadership style since it shapes those values and beliefs which govern and dominate the organization.

Key words: organizational culture, transformational leadership, Hafstede cultural aspects

INTRODUCTION

Today, almost all organizations are facing with a dynamic environment where its main attributes include rapid technological changes, lower lifecycle of production and globalization [12]. Four decades ago, the concern of organizations and authors was leadership and they attempt to make this phenomenon practical by some academic criteria [10]. Greenberg and Baron believe that leadership is a process by which one can penetrate others and such penetrations help to achieve his/her aims [9]. Transformational leadership is a new approach on leadership and a few researches are conducted on this issue inside the country. In recent years, high attention is paid to test new managerial model for transformational leadership [16]. During past 20 years, some studies are conducted to prove how this leadership style leads into an increase in individual and organizational performance [29]. Transformational leadership is able to motivate employees by inspiration and stimulate their creativity. Likewise, it increases their job confidence, commitment and performance [30].

On the other hand, organizational culture reflects some hidden model of leadership behaviors in an organization [18]. Hence, the need to proper leadership style which can adjust and remedy organizational culture in achieving organizational aims seems vital in organizational success. Thus, we plan to explain an evolutional path of leadership theories from individual attributes theory to transformational leadership and enounce organizational culture. After describing these items completely, we analyze the relationship between transformational leadership constituents and organizational culture.

Theoretical Basics:

Studying the Background of Leadership Theories:

In any era, scientists look at leaders and their attributes differently. Therefore, many studies are conducted in recent century. Hence, leadership theories have passed a high fall and rise route.

Individual Attributes Theory:

According to many scientists, leadership discussions were begun by this theory which was evolved in a few years. In preliminary studies, it was known as Great Man Theory and it was a common theory between 1930 through 1940s. It states that leadership cannot be learned [9] rather it is intrinsic. So, it mentions intrinsic attributes for leaders [2].

Gibson et al., defined four limitations of this theory as follow:
1. New attributes are always considered;
2. There is no effective relationship between individual attributes and leadership;
3. The lack of a contingent factor is felt;
4. There are no guidelines to increase effective leaders [26].

Behavioral Theories:

After revealing the weaknesses of attributes theory in describing leadership, authors’ attention was gradually changed toward those leadership styles which emphasized on leaders’ behavior [9]. Behavioral theories of leadership are looking for finding effective and unique attributes in leaders’ behavior [28]. This approach believes that leader is built not to born as a leader naturally. Therefore, the foundation of this theory is in contrary to the assumptions mentioned in leadership attributes theory [33]. These theories include following studies:
1. Studies by Ohio University;
2. Studies by Michigan University;
3. Group dynamism studies by Kurt Lewin;
4. Quadruple management systems by Likert;
5. Management (leadership) network by Blake and Mouton [17].

Contingency Theories:

Since late 1960s to early 1980s, many authors believed that leadership is a combination of all factors [9] and then the factor of position (situation) was entered into leadership discussion as another factor. Those theories which emphasize on leadership position and situation are known as contingency theories [33]. According to Edgar Shine, managers should be good recognizers and use proper leadership methods and techniques to penetrate into their employees’ behavior proportionate to their environment’s contingencies [34]. Overall, these theories emphasized on resilience [2].

Leadership Contingency Theories Include:
• The Fielder Model;
• Leader – Member Exchange Theory;
• Path – Goal Theory;
• Leader – Participation Model by Vroom and Yetton [28];
• Leadership Contingency Theory by Hersey and Blanchard [17].

These theories believe that the efficiency and effectiveness of each leadership style us depended on its proper conditions and believe that the existence of a superior leadership style which can be relevant in all fields is fully rejected.

Transformational Leadership:

This is one of the most popular conceptual frameworks in leadership. On the other hand, transformational leadership is appreciated in many studies due to its positive aspects like positive relationship with employees’ satisfaction, performance, motivation and commitment [23]. Transformational leadership behavior shows that most active and effective type of leadership so that leaders have close relations to their staff and give them the motivation to perform their jobs more efficiently. They change the attitudes, beliefs and values of their staff [29].

Transformational leadership model is devised by Bass [5] and is being operational by Bass and Avolio [6]. James McGregor Burns was the first one who used transformational leadership in his book titles “Leadership”. Rapidly, this term was used in organizational management field [10].

Theories and studies on transformational leadership were initially introduced by Burns. Burns’ idea was based on this assumption that transformational leadership increases the level of motivation/morale of bother subordinates and leaders [13]. Burns determined that a transformational leader looks for potential motivation among followers and to satisfy their higher needs. Following to Burns’ studies, Bass provided a model on leadership in 1985 that prescribed transitional and transformational leadership for stable and transformational positions of the organization respectively. According to Bass, transformational leader is referred to someone who enhances followers’ capability, motivates them for a performance higher than expectations and encourages them to follow collective aims rather than pursuing personal transient interests. In 1995, Bass and Avolio expanded this model and determined the aspects of transformational leadership [15]. They defined transformational leadership in this way: “transformational leadership is realized when a leader motivates the follower for a joint vision, encourages them toward achieving drawn perspective and provides them with necessary resources for growing their potentiality.”

Kennedy and Anderson [21] defined transformational leadership as: “guiding through personal considerations, intellectual stimulation, inspiring motivation and idealistic penetration.

The Indicators of Transformational Leadership in the View of Bass and Avolio:

In this paper, the aspects of transformational leadership are explained in the view of Bass and Avolio as the conceptual framework of transformational leadership.
Fig. 2: The indicators of transformational leadership in the view of Bass and Avolio
Sources: Bass et al., [6].

**Idealized Attributes:**

Possessing a spiritual fascination in the view of followers is a main step in transformational leadership [16]. Transformational leaders act as patterns for their followers so that the followers tend to imitate them and to shape their entities. These indicators include:

1. Inspiring honor and proud to members for cooperation and contribution with members;
2. Refusing personal tendencies in the excess of the group;
3. Acting in a manner which leads into the respect by other people [6].

**Idealized Behaviors:**

It causes that transformational leaders to be respected, appreciated and trusted [6]. It is determined by leaders’ idealized behaviors and idealized attributes attributed to them by followers. This factor includes following traits:

1. Talking about the most important values and beliefs;
2. Clarifying the importance of strong feeling toward an aim;
3. Paying attention to spiritual and ethical resources of decisions [6].

**Inspirational Motivation:**

By challenging and giving meaning to the works of their followers, transformational leaders motivate them. Such leaders increase team morale [6] particularly through showing the empathy and optimism as well as involving followers in providing future perspectives and having high expectations in addition to motivate them [11].

**Intellectual Stimulation:**

It includes intellectual promotion, rationality, logical thinking, recognizing the problems and resolving them precisely. A leader who uses intellectual stimulation tries to show new solutions for old problems and encourages the followers to reformulate the problems and intellectual curiosity. It requires that leaders encourage followers to provide new and creative approaches on doing the jobs and to lead them toward restudying traditional solutions [4].

**Personal Consideration:**
Transformational leaders pay a special attention to the needs of each follower since they act as a coach to achieve the success and growth. Grown followers enhance the level of their potential capabilities continuously [6]. Such leaders may spend a considerable time on educations and training [31]. Based on provided definitions on transformational leadership aspects, one can say that this type of leadership is motivational, excellent, logical and ethical.

*Culture Concept:*

Culture concept lies at anthropology and one finds its impacts in the 19th century. So its emergence can be seen initially in anthropology and then in sociology. The meaning of culture is broadly discussed and it is adequate to know that there are different and multiple concepts on culture [7].

In spite of the fact that here is no unique and single definition for culture, majority of experts agree that:

- Culture is a generality expanded further than the sum of its parts.
- Culture includes some issues discussed by anthropologists, such as protocols and signs.
- Culture is established socially; that is, it is found and preserved by a group of people who have formed together a society [22].

*Organizational Culture:*

When we talk about culture, it is generally felt that culture is a set of common general values and attributes available in all laws, products, symbols, philosophy and behaviors that describe the organization [14] while organizational culture is a complicated issue which shows organizational memory, impacts on the current situation of the organization and transfers the past of the organization to its future [19]. Culture grows where a group of people live and have joint problems and enemies. Culture is social or normal glue which adhere various components of an organization [3].

Various definitions are provided by authors on organizational culture and one can say that almost each definition tries to look at this issue from a new angle. Below, some definitions are provided:

- According to Edgar Shine, organizational culture is common values and opinions among organizational members [24].
- French has provided the same definition on unofficial organization for organizational culture. He believes that an organization is like an iceberg that the major part of it is invisible. According to this definition, organizational culture is underwater part of this iceberg [25].

*Hafstede’s Model:*

To compare varied organizations, Hafstede introduces an organizational culture with six aspects:

1. Process oriented – results oriented
2. Employee oriented – job oriented
3. Parochial – professional
4. Open system – closed system
5. Loose control – tight control

*Research Conceptual Model:*

Conceptual model is shaped by considering theoretical basics and international theoretical literature. On this basis, organizational culture is considered as independent variable and transformational leadership as the dependent one. Conceptual model is depicted in below figure.
Hypotheses:

Major Hypothesis:
There is significant relationship between organizational culture and transformational leadership.

Minor Hypotheses:
1. There is a significant relationship between process oriented variable of organizational and transformational leadership style.
2. There is a significant relationship between employee oriented variable of organizational and transformational leadership style.
3. There is a significant relationship between profession oriented variable of organizational and transformational leadership style.
4. There is a significant relationship between open system variable of organizational and transformational leadership style.
5. There is a significant relationship between loose control variable of organizational and transformational leadership style.
6. There is a significant relationship between normative variable of organizational and transformational leadership style.

Methodology:
In terms of methodology, this is a survey – type descriptive research. Data collection method is field study by using questionnaire. In present study two questionnaires are used that one measures organizational culture and the other measures transformational leadership. The quantity of questions is as below:

<table>
<thead>
<tr>
<th>Variable</th>
<th>The quantity of questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Culture</td>
<td>24</td>
</tr>
<tr>
<td>Transformational leadership</td>
<td>20</td>
</tr>
</tbody>
</table>

The validity of the questionnaire is confirmed by elites’ opinions. To measure the reliability of the questionnaire, Chronbach’s alpha is used according below table:

<table>
<thead>
<tr>
<th>Variable</th>
<th>α</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Culture</td>
<td>0.734</td>
</tr>
<tr>
<td>Transformational leadership</td>
<td>0.801</td>
</tr>
</tbody>
</table>

Testing Research Hypotheses:

Testing the major hypothesis:

<table>
<thead>
<tr>
<th>(H0)</th>
<th>Test type</th>
<th>sig</th>
<th>α</th>
<th>situation</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is no significant relationship between organizational culture and transformational leadership.</td>
<td>$x^2$</td>
<td>0.000</td>
<td>0.05</td>
<td>$H_0$ (refused)</td>
</tr>
</tbody>
</table>

By conducting Chi2 test P-value = 0.000 and comparing to $\alpha = 0.05$, $H_0$ is refused and the contrary hypothesis is supported. It means that there is a significant relationship between organizational culture and transformational leadership in 95% confidence level.

Testing the Minor Hypothesis:

Testing minor hypothesis 1:

<table>
<thead>
<tr>
<th>(H0)</th>
<th>Test type</th>
<th>sig</th>
<th>α</th>
<th>situation</th>
<th>Correlation coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is no significant relationship between process oriented variable of organizational culture and transformational leadership.</td>
<td>Spearman’s correlation</td>
<td>0.000</td>
<td>0.05</td>
<td>$H_0$ (refused)</td>
<td>0.897</td>
</tr>
</tbody>
</table>

By conducting Spearman’s test, P-value = 0.000 and comparing to $\alpha = 0.05$, $H_0$ is refused and the contrary hypothesis is supported. It means that there is a significant relationship between process oriented variable of organizational culture and transformational leadership in 95% confidence level.
Testing minor hypothesis 2

<table>
<thead>
<tr>
<th>(H₀)</th>
<th>Test type</th>
<th>sig</th>
<th>α</th>
<th>situation</th>
<th>Correlation coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is no significant relationship between employee oriented variable of organizational culture and transformational leadership.</td>
<td>Spearman’s correlation</td>
<td>0.000</td>
<td>0.05</td>
<td>H₀ (refused)</td>
<td>0.669</td>
</tr>
</tbody>
</table>

By conducting Spearman’s test, P-value = 0.000 and comparing to α = 0.05, H₀ is refused and the contrary hypothesis is supported. It means that there is a significant relationship between employee oriented variable of organizational culture and transformational leadership in 95% confidence level.

Testing minor hypothesis 3:

<table>
<thead>
<tr>
<th>(H₀)</th>
<th>Test type</th>
<th>sig</th>
<th>α</th>
<th>situation</th>
<th>Correlation coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is no significant relationship between profession oriented variable of organizational culture and transformational leadership.</td>
<td>Spearman’s correlation</td>
<td>0.000</td>
<td>0.05</td>
<td>H₀ (refused)</td>
<td>-0.776</td>
</tr>
</tbody>
</table>

By conducting Spearman’s test, P-value = 0.000 and comparing to α = 0.05, H₀ is refused and the contrary hypothesis is supported. It means that there is a significant relationship between profession oriented variable of organizational culture and transformational leadership in 95% confidence level.

Testing minor hypothesis 4:

<table>
<thead>
<tr>
<th>(H₀)</th>
<th>Test type</th>
<th>sig</th>
<th>α</th>
<th>situation</th>
<th>Correlation coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is no significant relationship between open system variable of organizational culture and transformational leadership.</td>
<td>Spearman’s correlation</td>
<td>0.000</td>
<td>0.05</td>
<td>H₀ (refused)</td>
<td>0.913</td>
</tr>
</tbody>
</table>

By conducting Spearman’s test, P-value = 0.000 and comparing to α = 0.05, H₀ is refused and the contrary hypothesis is supported. It means that there is a significant relationship between open system variable of organizational culture and transformational leadership in 95% confidence level.

Testing minor hypothesis 5:

<table>
<thead>
<tr>
<th>(H₀)</th>
<th>Test type</th>
<th>sig</th>
<th>α</th>
<th>situation</th>
<th>Correlation coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is no significant relationship between loose control variable of organizational culture and transformational leadership.</td>
<td>Spearman’s correlation</td>
<td>0.000</td>
<td>0.05</td>
<td>H₀ (refused)</td>
<td>0.721</td>
</tr>
</tbody>
</table>

By conducting Spearman’s test, P-value = 0.000 and comparing to α = 0.05, H₀ is refused and the contrary hypothesis is supported. It means that there is a significant relationship between loose control variable of organizational culture and transformational leadership in 95% confidence level.

Testing minor hypothesis 6:

<table>
<thead>
<tr>
<th>(H₀)</th>
<th>Test type</th>
<th>sig</th>
<th>α</th>
<th>situation</th>
<th>Correlation coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is no significant relationship between normative variable of organizational culture and transformational leadership.</td>
<td>Spearman’s correlation</td>
<td>0.000</td>
<td>0.05</td>
<td>H₀ (refused)</td>
<td>-0.313</td>
</tr>
</tbody>
</table>

By conducting Spearman’s test, P-value = 0.000 and comparing to α = 0.05, H₀ is refused and the contrary hypothesis is supported. It means that there is a significant relationship between normative variable of organizational culture and transformational leadership in 95% confidence level.

**Conclusion:**

The main inspiration of this study is to acquire a depth and comprehensive recognition on the relations between the cultural aspects over organization and their relations to transformational leadership style. Understanding the relations between leadership and organizational culture improves the effectiveness of leadership and valuable information for the
organization because that the definition of organizational culture aspects and adapting with transformational leadership can be a potential strategy to improve organizational performance. As seen in present paper, an integrated and comprehensive cognitive framework on such variables in the organizations are not provided especially in Iran and most statements by different connoisseurs are dispersed and unilateral.

One may say that a main achievement of present paper is to attract researchers’ minds to a different view on organizational culture and leadership. In most conducted researches on these two issues, types of organizational culture are used to measure the existing culture in an organization while six aspects of organizational culture introduced by Hafstede are used for the first time in present paper. Below, some results are studied more precisely based on research hypotheses.

A review on findings of present study conducted to study the relationship between organizational culture aspects and transformational leadership reveals that as confirmed by theoretical literature, various aspects of culture in the organization can impact on transformational leadership differently. Overall, due to shaping values and beliefs over an organization, organizational culture plays a vital role in creating and keeping the necessary context for transformational leadership. The results of supplementary studies indicate that the correlation between process oriented variable of organizational culture and transformational leadership is positive and significant. In the meantime, it is a strong correlation due to achieved coefficient. Therefore, one can conclude that more attention to processes and techniques than results and ramifications in an organization would enhance transformational leadership.

Employee oriented variable has also a direct and strong relationship to transformational leadership. It means that respecting to people in an organization more than their tasks is compatible to transformational leadership. In present study, the relationship between profession oriented variable and transformational leadership was reverse which indicates that transformational leadership has a direct relation to parochial.

The aspects of open system and loose control have a direct relationship to transformational leadership so that the relation of open system is very strong. To establish an open system, the organizational structure should be flexible so that it can be compatible to surrounding environment.

One of the reasons attributed to the low performance is the organizational structure of that firm which remains static in the changed environment [1].

Another trait of a flexible organizational structure is the loose control which is effective in transformational management. Finally, normative variable has a reverse and weak relationship with transformational leadership.

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