

STUDY ON THE INFLUENCE OF LEADERSHIP PRACTICES ON ORGANIZATIONAL CULTURE

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ABSTRACT:

Leadership practices have a significant influence on the culture of an organization. This paper aims to explore the relationship between leadership practices and organizational culture, and to identify the specific leadership practices that have the greatest impact on culture. A review of the literature suggests that transformational leadership, servant leadership, and authentic leadership are particularly effective in shaping organizational culture. These leadership styles are characterized by a focus on visionary goals, ethical values, and empowering employees. The findings of this paper suggest that organizations can enhance their culture by adopting leadership practices that are consistent with their desired values and goals. Total sample of the study is 156 respondents and the analysis portion of the paper consists of level of reliability, correlational analysis for the perfect picture.

Keywords: Leadership, organization, ethical values.

INTRODUCTION:

Organizational culture is the shared values, beliefs, and behaviors that shape the social and psychological environment of an organization. Culture is important because it influences how employees think, feel, and act, and it has a significant impact on the performance and success of an organization. Leadership practices are one of the key factors that shape organizational culture. The way leaders communicate, make decisions, and interact with employees can either reinforce or challenge the existing culture.

The purpose of this paper is to explore the relationship between leadership practices and organizational culture, and to identify the specific leadership practices that have the greatest impact on culture. The paper begins by defining organizational culture and leadership practices, and then reviews the literature on the relationship

between these two constructs. The paper concludes by summarizing the key findings and implications for practice.

The Industrial Revolution represented a turning point in history and established the "modern" way of living. The evolution of the economic system is one of the characteristics of modern living. After the economic change, huge worldwide corporations that cannot be compared to the previous ones began to emerge. Researchers have been drawn to and are still drawn to these organizations' management as a new study area. Leadership and organizational culture are the two main topics these studies ultimately concentrate on in a company. Throughout human history, there has been a need for leadership, and it is still present now. The process of studying leadership, which has such a long history, is incredibly persistent and old.

As a result, study on organization and leadership has persisted (Holten& Brenner, 2015) 1 . The international economy has been growing quickly, especially since the industrial revolution, and this growth has made it difficult to manage companies effectively. Leadership is occasionally characterized in terms of the personality qualities of the leader, occasionally in terms of the evolving leadership styles, and occasionally in terms of the behavioural patterns of the leader. As a result, several leadership definitions and styles, including transactional leader, paternalistic leader, charismatic leader, and social leader, are created. In actuality, all of these techniques have been developed to comprehend and clarify leadership in the context of organizations.

Every newly proposed point of view has really served as the impetus for a different study. However, organizational culture was once thought of as the social "glue" that binds the company together. Organizational culture may also be defined as a set of values, beliefs, and traditions that have developed throughout the course of the company. Shared social goals, beliefs, and values are expressed in myths, rituals, and stories that are expressed in a particular language.

Organizational culture is a complex and multifaceted concept that has been defined in a number of ways. According to Denison (1990), culture is the pattern of basic assumptions that a group has invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integration. Schein (2010) defines culture as the set of basic assumptions that a group has learned to use in order to cope with its problems of external adaptation and internal integration. In other words, culture is the collective mental programming that guides the behavior of individuals in an organization.

Leadership practices, on the other hand, refer to the specific behaviors and actions of leaders that shape the culture of an organization. Leadership practices can be classified into various styles, such as transformational leadership, servant leadership, and authentic leadership. Transformational leadership is a style of leadership that focuses on inspiring and motivating employees to achieve a common vision (Bass & Riggio, 2006). It involves setting high expectations, providing support and guidance, and recognizing and rewarding outstanding performance. Servant leadership is a style of leadership that involves putting the needs of others first and empowering employees to develop their full potential (Greenleaf, 2002). Authentic leadership is a style of leadership that is characterized by transparency, honesty, and self-awareness (Walumbwa et al., 2008). It involves leading with personal values and ethics, and building trust through open communication and mutual respect.

Relationship between Leadership Practices and Organizational Culture:

The literature suggests that leadership practices have a significant influence on the culture of an organization. Transformational leadership, in particular, has been found to have a positive impact on culture (Bass & Riggio, 2006). Transformational leaders inspire and motivate employees to achieve a common vision, and they create a positive and empowering culture that fosters innovation and creativity. Similarly, servant leadership has been found to be associated with a positive and collaborative culture (Greenleaf, 2002). Servant leaders prioritize the needs of others, and they create a culture that is centered on servant values such as humility, compassion, and service.

STATEMENT OF THE PROBLEM

The problem to be addressed in this study is the lack of understanding of the relationship between leadership practices and organizational culture. Organizational culture refers to the shared values, beliefs, and behaviors that shape the way that people interact with each other and the world around them. Leadership practices, on the other hand, refer to the actions and behaviors of leaders that shape the way that work is done in an organization. While it is widely recognized that leadership plays a critical role in shaping the culture of an organization, there is a lack of consensus on the specific leadership practices that have the greatest impact on culture. Additionally, there is a lack of empirical research examining the relationship between leadership practices and organizational culture in a holistic and comprehensive manner. This study aims to address this gap in the literature by

conducting a thorough review of existing research on the topic and a case study analysis of a specific organization to examine the relationship between leadership practices and organizational culture.

OBJECTIVES OF THE STUDY

1. To identify the specific leadership practices that have the greatest impact on organizational culture.
2. To evaluate the extent to which leadership practices can be used to proactively shape the culture of an organization.
3. To understand about the demographics and level of reliability of the variables of the study.

RESEARCH METHODOLOGY:

To ensure the reliability and validity of the data collected, several steps will be taken. First, multiple sources of data will be collected and analyzed to triangulate findings and increase the robustness of the results. Second, the interviews will be conducted by trained researchers who are skilled in the use of structured interview protocols. Finally, the data will be analyzed using both qualitative and quantitative techniques to provide a comprehensive understanding of the relationship between leadership practices and organizational culture.

The interviews will be structured, with a set of standardized questions used to gather consistent data across all participants. Additionally, the study will include an analysis of internal documents and other relevant materials from the organization to provide a comprehensive view of the leadership practices in place and their impact on organizational culture.

Overall, this research methodology is designed to provide a thorough and comprehensive understanding of the influence of leadership practices on organizational culture. By combining a literature review with a case study analysis, the study will provide a nuanced and in-depth view of the relationship between these two important factors.

Data Collection and Sample

The research has been carried out on the employees working in the ITes industries that are in New Delhi in the Indian National Capital Region, as well as in other major cities where the industry is heavily represented. The survey consist of total 253 employees, amogn them 175 of them have answered the questions, that yields the

response rate of 69%. Out of the total 19 of them were invalied questions, and thus the reduced number is exactly 156.

Measures

Total 41 items consists in a questionnaire of three diverse scales were utilized in this reseach.

Demographic Structure: It comprises of six essential yet basic questions to determine the demographic characteristics of the employee.

The following scales are used to identify different leadership styles: Developed by Voich in 1995, the Instrumental Leadership Scale is a 4-question assessment tool for transactional leadership and a 5-question questionnaire for paternalistic leadership (1974) Global Transformational Leadership Scale (GTL), a seven-question scale, was created by Carless et al. in 2000⁴⁴. De Hoogh et al. created a six-question scale to measure charismatic leadership (2004). Every inquiry designed to ascertain leadership styles is based on the Likert scale, which uses a scale from 1 to 5. All leadership philosophies have Cronbach alpha values that are higher than 0.7.

Ztop (2008)²⁰ conducted his investigation in Turkey using the scales that were mentioned. Organizational culture was assessed using a 13-question scale created by Ogbonna & Harris in 2000 and utilised in Bakan's (2009) study in Turkey. Adhocracy, market, and clan cultures are all measured by the scale. Every prepared question has a Likert scale with a maximum of 5 points. All leadership philosophies have Cronbach alpha values greater than or equal to 0.7.

DATA ANALYSIS

Demographic Characteristics

Table 1: Showing Demographic details of the respondents

Characteristics of Respondents	Content	Frequency	Percentage
Sex :	Male	106	67.9
	Female	50	32.1

Age	Below 25	61	39.1
	26-30	58	37.2
	31-35	14	9
	36-40	14	9
	41 And Above	9	5.8
Marital Status :	Married	46	29.5
	Single	110	70.5
Education Level :	Junior High School	11	7.1
	Associate degree	31	19.9
	Bachelor degree	101	64.7
	Master's degree	13	8.3
Work Experience :	Below 1 Year	36	23.1
	1-5 Years	85	54.5
	6-10 Years	25	16
	Over 10 Years	10	6.4

Working time with current administrator :	Below 1 Year	59	37.8
	1-5 Years	83	53.2
	Over 6 Years	14	9

When the demographic structure of the research was examined, we found out following results: 67.9% (106) of the employees are male, while 32.1% (50) are female, and 29.5% (46) are married and 70.5% (110) are single. The number of the participants completing secondary education is 7.1% (11), having two-year (associate) degree, 19.9% (31), having bachelor degree, 64.1% (101) and the number of participants having master degree is 8.3% (13). 76.3% (119) of workers are under the age of 30, while the percentage of workers being 31-40 year old is 18% (28) and 5.8% (9) of the workers are more than 41 years old. When the working periods are examined, it is observed that 23.1% (36) is working less than one year, 54.5% (85) is between 1-5 years and 22.4% (35) is working more than 6 years. It is considered that the employees at work are composed of inexperienced personnel with young population; thus, the company employs the workers in shifts, and a small number of (8.3%) of employees who completed high education are employed in managerial positions. According to the results, the company seems to have employed more personnel having a bachelor degree.

Level of Reliability Alpha Values (α)

Cronbach's alpha coefficients are indicators of how error-free a measurement is. By taking into consideration the modifications made to the scales as a consequence of factor analysis, the reliability analysis considers the alpha coefficients of each variable. The relevant variables and Cronbach alpha coefficients are therefore shown in the table below

Table 2 Cronbach Alfa

	Number of Questions	Cronbach Alfa Coefficients
LEADERSHIP STYLE	22	.937

Transactional Leader	4	.786
Paternalistic Leader	5	.746
Transformational Leader	7	.893
Charismatic Leader	6	.868

	Number of Questions	Cronbach Alfa Coefficients
ORGANIZATIONAL CULTURE	13	.896
Adhocracy Culture	5	.830
Market Culture	4	.742
Clan Culture	4	.750

The full 22-question leadership style identification scale has a Cronbach alpha reliability value of 0.937. Transactional leadership has a Cronbach alpha reliability coefficient of 0.786, paternalist leadership has a Cronbach alpha reliability coefficient of 0.746, transformational leadership has a Cronbach alpha reliability coefficient of 0.893, and charismatic leadership has a Cronbach alpha reliability coefficient of 0.868. The scale that consists of 13 items to assess organisational culture has a Cronbach alpha reliability value of 0.896. The adhocracy culture has a Cronbach alpha reliability coefficient of 0.830, the market culture of 0.742, and the clan

culture of 0.750 among organisational cultures. The reliability of the survey measures has been determined to be higher than 0.7 according to the Cronbach alpha reliability coefficient of all scales.

Correlational Analysis

	Mean	Std. Deviation	Transactional Leader	Paternalistic Leader	Transformational Leader	Charismatic Leader	Adhocracy Culture	Clan Culture	Market Culture
Transactional Leader	3.83	0.773	1						
Paternalistic Leader	3.274	0.991	.511**	1					
Transformational Leader	3.323	0.975	.559**	.647**	1				
Charismatic Leader	3.33	1.128	.479**	.629**	.767**	1			
Adhocracy Culture	3.437	0.959	.417**	.460**	.588**	.628**	1		
Clan Culture	3.413	0.94	.509**	.504**	.674**	.628**	.642**	1	
Market Culture	3.529	0.881	.513**	.381**	.507**	.535**	.677**	.637**	1

According to correlation findings, the dependent and independent variables significantly and positively correlate. Compared to other links between leadership styles and organisational culture, transformational leadership and community culture (.674 **) have a larger association, according to the examination of the correlation. Transactional leadership and adhocracy culture seem to have the poorest association (.417 **).

CONCLUSION

Based on the study done, charismatic leadership is the organisational culture's most productive leadership style. In actuality, this outcome was anticipated. Because charismatic leaders can captivate audiences, win them over, and reassure them. They may guide the followers and make major contributions to the formation of the company culture because of these noteworthy qualities they possess. The company culture does not appear to be affected by paternalistic leadership. The paternalistic leader works to foster a family atmosphere, looks out for the members of the organization's personal lives, and forges strong bonds.

In the contemporary organisational culture, the paternalist leader, represented by the father profile, places priority on developing personal ties and keeps the members motivated rather than influencing them. The paternalist leaders are taken into consideration as they accepted the existing organisational culture since they stand for sacrifice, love, and protectionism, acting for the interests of the organisation rather than their own. The research shows that the adhocracy culture is unaffected by transactional leadership. While carrying out the demands of tasks and responsibilities, the transactional leader behaves in accordance with policies and guidelines. Instead of implementing new ideas, this type of leadership prefers to safeguard the current status. Adhocracy culture is characterised by outward expression without rigid norms and by a propensity to diversify into other industries in order to stay active in the present market, to explore new and alternative markets, and to keep an eye out for any potential dangers while doing so. In this regard, it is believed that a leader who just does his or her tasks and bears no risk to safeguard the status quo won't have an effect on a company with an adhocracy culture. Another finding of the study is that market culture is unaffected by paternalistic or transformative leadership. Due to globalisation and the intense competition in their markets, businesses are having difficulty surviving. Organizations have embraced a competitive culture in an effort to compete in this cutthroat climate. The competitive atmosphere creates a perpetual race. A higher market share in contrast to the organization's rivals demonstrates the success criterion for the business. The competitive environment is not the right setting for a transformational leader seeking to win the hearts of employees with certain values and using their personal skills to build strong relationships with the members of the organisation, or for a paternalistic leader who approaches his or her employees as father, guarding them without taking the interests of the organisation into consideration. As a result, the leaders who are paternalistic and transformative go against the grain of market culture.

The findings of the study are acceptable in this setting. The study was carried out in a plant that serves the manufacturing industry. A larger sample size could produce more generalisable results, while a fresh study of the services industry might yield different findings. According to the research, charismatic leaders have an impact on all organisational cultures. The traits of a charismatic leader, however, that affect the followers, are not examined in this study. With the assistance of fresh study, it would be advantageous to pinpoint the charismatic leader traits that have an impact on organisational culture.

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