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# Relation between organizational culture and transformational leadership

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## **ABSTRACT**

Organizational researchers have long debated the meaning and consequences of organizational culture but the relationship between culture and organizational performance is still not well understood. Organizational culture is the collective behavior of humans who are part of an organization and the meanings that the people attach to their actions. Culture includes the organization values, visions, norms, working language, systems, symbols, beliefs and habits. The purpose of this study is to investigate the effect of organizational culture on the relationship between transformational leadership among elementary school teachers. In present study, five 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, 150 questionnaires were used in analyses from total among elementary school teachers in Kermanshah. Canonical correlations indicated "a modernly high relationship between leadership and organizational culture. The author found that the cultural elements of accomplishment, recognition, and affiliation tend to be positively correlated with all aspects of transformational leadership. The findings supported that transformational leadership practices are positively correlated with a constructive organizational culture, and that transformational leadership practices predict organizational culture. The results of this study will ensure confidence in the practice of employing and developing transformational leaders so that an innovative and constructive organizational culture, vital for organizational survival in the 21st century, could be Accomplished. The advantages of a constructive organizational culture transcend financial outcomes such as return on investment and profitability.

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### Introduction

Culture represents the personality of an organization, having a major influence on both employee satisfactions and organizational successes. It expresses shared culture is a system of informal rules that spells out how People are to behave most of the time. It is important to note that while these and other methods can be used to Organizational culture is a shared set of meanings and values of the organization are linked to each other, Value system of the dominant forms distinction of being one of the other organization. In fact, the factor that determines the style and mood of doing that every newcomer in the sense that it strong enough to penetrate the consciousness of the soul He thought and behavior and organizational forms. This issue can be somewhat more complicated in cases where value congruence does not enhance performance at certain tasks South Studies states that culture can be an asset or asset or a liability. Culture is an asset because the common belief communication leading to the ease and savings, the decision is easy. It also matches the attitude and commitment, and in this case, lead to better performance and effectiveness of the organization are followed [1].

The nature and content of the main values of the impact of culture on organizational effectiveness.

If the dominant values, goals and strategies to support organizational culture is an important investment, and conversely, the wrong values into the culture of a debt. One of the fundamental issues including adaptive management

researchers have to consider how the impact of organizational culture on employee behavior. The main finding is that organizations evaluate heavily influenced by culture. In organizations with strong cultures; people have a sense of values and goals. The organization belongs to the people, dependency can be defined and linked in the sense of job involvement, and loyalty and belief in organizational values are replaced. There are three levels of organizational membership: accept, like the inner being The first element of the acceptance of others in their hands is a satisfaction relation The diversity of instruments used to measure values in organizations indicates lack of consensus on the values researchers feel are important. Self and highlights [2]. At this stage, the person will feel proud of belonging to the organization. Later, a member of the organization understands that internal and intrinsic values of the organization, so that makes him happy and satisfied. As is consistent with the values when it was said to belong to such an organization, the final stage is reached, then those who are members of the organization in which they are abundant confidence And they will not hesitate to safeguard and protect the organization. Organizational culture and programs should be designed to increase the membership of the organization's staff to provide. The culture is stronger, the more people, the more familiar corporate goals, cultural values, and accept the responsibility and commitment than they are. The satisfaction of employees with strong management to improve employee morale and motivation, Some of the problems inherent in normative and

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impassive scales can be, risk taking, guidance and leadership, coordination, management support, role He is regarded as the development of human society. Prevailing spirit of convention. they are natural rights and natural law thinking its precursors, or complete equality of rights between men and women has always similarities, but its main purpose is unfair discrimination in terms of recognition of human dignity, Establishing rights and social benefits anthem responsibilities and assignments that are based on a gender This means disappear completely penetrate the minds of women per sipper se is not considered to be a man and not a handicap have less rights or more of the population is limited not the man to be a man, Considered more valuable and admirable man and the rights and Privileges to be higher, Should not have any dignity, the same dignity and human Rights they recognized. Recent study "A Survey of Women's Employment in Iran's constitution And the Convention on the Elimination of Discrimination against Women Emphasized the importance of women's rights in society their mental health. "Followed up with further study and discussion, Issue of women's equality rights, Challenging job Consistent with the countries corrected or otherwise adjusted. This is true for the previously noted tendency [3]. normative value scores to produce artifact ally inflated relationships and interest in, the impact on organizational performance and effectiveness According to the model, making the organizational culture decades of creativity control, identity, reward system, tolerance and conflict communication patterns is explained, 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. One of the most important yet least understood questions is how organizational culture relates to organizational performance 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 [4] rather it is intrinsic. So, it mentions intrinsic attributes for leaders .After revealing the weaknesses of attributes theory in describing leadership, authors' attention was gradually changed toward those leadership styles which emphasized on leaders' behavior . Behavioral theories of leadership are looking for finding effective and unique attributes in leaders' behavior [5]. 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 [6].

Since late 1960s to early 1980s, many authors believed that leadership is a combination of all factors 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 [7]. 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 [8].

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 [9].

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 (Kline & Ivey, 2010: 248).

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 Transformational leadership model are devised by Bass (1985) and are being operational by Bass (1995). 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 (1978). Burns' idea was based on this assumption that transformational leadership increases the level of motivation/morale of bother subordinates and leaders. Transactional Leadership is based on bureaucratic authority and legitimacy within the organization. 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 expanded this model and determined the aspects of transformational leadership 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." [11].

Elverson (1992) believes this view allows a combination of the two elements, which can be found in the activities of many managers. Kennedy and Anderson (2005) defined transformational leadership as: "guiding through personal considerations, intellectual stimulation, inspiring motivation and idealistic penetration.

Leadership is therefore not seen as standing above or being able to change culture, but rather as trying to influence people's minds. While there are many leadership theories, two that have dominated the literature since the 1980s are Transformational Leadership and Transactional Leadership. Possessing a spiritual fascination in the view of followers is a main step in transformational leadership. Transformational leaders act as patterns for their followers so that the followers tend to imitate them and to shape their entities

It causes those transformational leaders to be respected, appreciated and trusted. It is determined by leaders' idealized behaviors and idealized attributes attributed to them by followers [12].

By challenging and giving meaning to the works of their followers, transformational leaders motivate them. Such leaders increase team morale 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 [13].

It includes intellectual promotion, rationality, logical thinking, recognizing the problems and resolving them precisely. Based on previous studies we do expect that transformational leadership displayed at the top of a firm positively affects the firm's performance; transformational leaders at the top of an organization articulate the specific, unique purposes of the firm and its various roles, goals and

ambition levels 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 [14].

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 Such leaders may spend a considerable time on educations and training Based on provided definitions on transformational leadership aspects, one can say that this type of leadership is motivational, excellent, logical and ethical[15].

Culture concept lies at anthropology and one find its impacts in the 19th century. So its emergence can be seen initially in anthropology and then in sociology. Common themes found in Transformational Leadership research include the leader's ability In the leadership literature there is ample evidence of a link between transformational leadership and perceived firm performances: The meaning of culture is broadly discussed and it is adequate to know that there are different and multiple concepts on culture. In spite of the fact that here is no unique and single definition for culture [16].

## **Organizational Culture**

Schein (1996), Mitchell and Yates (2002) addressed that values, beliefs and feelings shared by the groups in an organization are the basic assumptions of the organizational culture. Organizational culture is the feelings and understandings of members in the group and expresses in the organization. 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 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 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 [17].

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

According to Edgar Shine, organizational culture is common values and opinions among organizational members [18]

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 [19].

#### **Hypotheses**

## Main hypothesis

There is significant relationship between organizational culture and transformational leadership.

## Particular 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.

#### Research Methodology

To gather research data in the current study, questionnaire is preferred due to its ability to collect data from Respondents within a limited time frame. The instrument consisted three parts such as transformational leadership and organizational culture. The survey instrument is composed of questions relating to the following two constructs that include Transformational leadership and organizational culture. The conceptual definition of Transformational leadership construct was adopted from the work of Bass & Avolio et al (1995) Multifactor Leadership Questionnaire (MLQ form 5X) due to its wide acceptance.

The organizational culture scale was largely derived from the work of Quinn and Cameron; 1983.who recommended the Organizational Culture Assessment Instrument (OCAI) for evaluating the various phenomenons's associated with organizational culture.

## **Testing Research Hypotheses**

## Testing the main hypothesis

| $(\mathbf{H}_0)$  | Test<br>type          | sig   | α    | situation                |
|---|-----------------------|-------|------|--------------------------|
| There is no significant relationship between            | <i>x</i> <sup>2</sup> | 0.000 | 0.05 | H <sub>0</sub> (refused) |
| organizational culture and transformational leadership. | ~                     | 0.000 | 0.03 | (refused)                |

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

| (H <sub>0</sub> )   | Test type              | sig   | α    | situation                | Correla<br>tion<br>coeffici<br>ent |
|---|------------------------|-------|------|--------------------------|------------------------------------|
| There is no significant relationship between process oriented variable of organizational culture and transformational leadership. | Spearman's correlation | 0.000 | 0.05 | H <sub>0</sub> (refused) | 0.897                              |

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

| Testing minor hypothesis 2   |                        |       |      |                          |                         |
|--|------------------------|-------|------|--------------------------|-------------------------|
| $(\mathbf{H_0})$   | Test type              | sig   | α    | situation                | Correlation coefficient |
| There is no significant relationship between employee oriented variable of organizational culture and transformational leadership. | Spearman's correlation | 0.000 | 0.05 | H <sub>0</sub> (refused) | 0.669                   |

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 employee oriented variable of organizational culture and transformational leadership in 95% confidence level.

Testing minor hypothesis 3

| 1 esting minor hypothesis 5 |             |      |     |          |             |  |
|-----------------------------|-------------|------|-----|----------|-------------|--|
| $(\mathbf{H}_0)$            | Test type   | sig  | α   | situatio | Correlatio  |  |
|                             |             |      |     | n        | n           |  |
|                             |             |      |     |          | coefficient |  |
| There is no                 | Spearman'   | 0.00 | 0.0 | $H_0$    | -0.776      |  |
| significant                 | S           | 0    | 5   | (refused |             |  |
| relationship                | correlation |      |     | )        |             |  |
| between                     |             |      |     |          |             |  |
| profession                  |             |      |     |          |             |  |
| oriented                    |             |      |     |          |             |  |
| variable of                 |             |      |     |          |             |  |
| organizational              |             |      |     |          |             |  |
| culture and                 |             |      |     |          |             |  |
| transformation              |             |      |     |          |             |  |
| al leadership.              |             |      |     |          |             |  |

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 profession oriented variable of organizational culture and transformational leadership in 95% confidence level.

Testing minor hypothesis 4

| 1 esting minor hypothesis 4   |                        |      |     |                         |                                |  |
|---|------------------------|------|-----|-------------------------|--------------------------------|--|
| (H <sub>0</sub> )   | Test type              | sig  | α   | situatio<br>n           | Correlatio<br>n<br>coefficient |  |
| There is no significant relationship between open system variable of organizational culture and transformation al leadership. | Spearman's correlation | 0.00 | 0.0 | H <sub>0</sub> (refused | 0.913                          |  |

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 open system variable of organizational culture and transformational leadership in 95% confidence level.

Testing minor hypothesis 5

| Testing minor hypothesis 5   |                        |       |      |                          |                         |  |
|--|------------------------|-------|------|--------------------------|-------------------------|--|
| (H <sub>0</sub> )  | Test type              | sig   | α    | situation                | Correlation coefficient |  |
| There is no significant relationship between loose control variable of organizational culture and transformational leadership. | Spearman's correlation | 0.000 | 0.05 | H <sub>0</sub> (refused) | 0.721                   |  |

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 loose control variable of organizational culture and transformational leadership in 95% confidence level.

Testing minor hypothesis 6

| (H <sub>0</sub> )  | Test type              | sig   | α    | situation                | Correlation coefficient |
|--|------------------------|-------|------|--------------------------|-------------------------|
| There is no significant relationship between normative variable of organizational culture and transformational leadership. | Spearman's correlation | 0.000 | 0.05 | H <sub>0</sub> (refused) | -0.313                  |

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 normative variable of organizational culture and transformational leadership in 95% confidence level.

#### Conclusion

Over the years, leadership styles have been studied extensively in various contexts and with various theoretical foundations. While leaders have been traditionally seen in many cultures as those who have been advantaged by their heritage, but current theorists and researchers view leadership as learned behaviors for some time, researchers have advanced conceptual arguments about how strong grouped organizational cultures stifle creativity, innovation, and adaptability. 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.

The findings of this study will similarly assist the leadership of the organization in terms of leadership development, as it will be clear which type of leaders are required for the organization. In circumstances where the organizational analysis indicates a deviation from the required leadership style, appropriate interventions can be introduced.

One of the reasons attributed to the low performance is the organizational structure of that firm which remains static in the changed environment [8].

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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