

A Review on Leadership and its Role in Organizational Culture

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Abstract— Besides many factors which contribute to an impressive and strong organizational culture, leadership is considered to be one of the important one. In today's world from an organization's point of view a leader is the one who can not only bring a change in the employees attitude and perceptions in a positive way but also bringing a dynamic change in the culture which is in the well-being of the employees. Leaders may be of different types, the style of leadership may vary but it definitely affects the way a culture of an organization is formed. It can either be positive or negative depending upon the role a leader has to play. The aim of this study is to explain and highlight how an effective leadership have an impact on organizational culture and how it can help the organization in a positive way.

Key words: Organizational Culture, Leadership

I. INTRODUCTION

A detailed examination of the literature brings out the facts that there exists a strong relationship between organizational culture and leadership. Various dimensions of organizational culture and its literature throws light on the important roles the leaders play in creating and maintaining change.

With the changing trends in the global market, evolution of new methods and technologies it becomes very important for any organization to stay competitive and this will happen only if the organization brings in change. The organization needs to improve in various ways and effective leadership can prove to be boon serving this purpose.

The paper begins with a brief review of literature about the two concepts taken in this paper i.e Organizational Culture, leadership and how both of them are related to each other.

In the end the paper presents its conclusions and recommendations based on the reviewed literature.

II. REVIEW OF LITERATURE

A. Organizational Culture

The concept of organizational culture is very well described through various works done by different researchers. Organizational Culture is a concept seen as a shared values and beliefs which helps to shape up the behaviour of employees in an organization (Kotter and Heskett, 1992). Cummins (1989) defined organizational culture as a drive which recognizes the efforts put up by the employees in an organization, provides an understanding as to how to achieve certain goals and how these goals are interrelated.

Schein (1990) explained the overall phenomenon of an organization which includes rituals, values, mission, goals etc. On the other hand, Klein (1996) made the place of organizational culture as the base of all the organizational activities which have an overall impact on the effectiveness, products and services of an organization. Schein (2004) again defined organizational culture as a force which is so dynamic that it keeps revolving and engaging itself and is

shaped up by the behaviour, gestures and attitudes of its employees.

It can also be defined as the basic pattern, assumptions, and the way an organization reacts on solving a problem and utilizing an opportunity. In (1997) Mahler explained an organizational culture which is a result of combination of various factors which influence the national culture, those events that happened in the past, experience held by the members of the organization based on the earlier work environment.

Organizational culture differs from organization to organization and there is no one way in which we can explain the culture of an organization. On one hand, some organization places importance to its recruitment, selection, compensation and training dimensions while on the other hand, some feel career development, pay for performance should be the priority.

Others play a support system to its employees by providing welfare activities like medical benefits, crèche facilities, canteen etc. The culture of an organization not only sustains the present employees but also helps to attract the future staff. An organization can help the employees by guiding them in the right direction and installing in them the ethical values.

Even though there are many dimensions which explain organizational culture the major ones are given by Hofstede (1980) and Schein (1985).

Hofstede (1980) named four dimensions related to organizational culture which are as follows:

- 1) Power Distance: The extent to which less powerful members of an organization feels that the power is distributed equally
- 2) Uncertainty Avoidance: The extent to which the members feel they are worried by certain situations which they want to avoid
- 3) Individualism/Collectivism: Extent to which members feel they are on their own or belong to some group
- 4) Masculinity/Femininity: Where certain factors like money and success is opposed by other factors like care and quality of work life.

B. Leadership

A leader is the one who act as a catalyst in bringing a positive change in the organization. A leader should not only lead but also who coordinates guides and understands the needs of its followers. In the book Good to great written by Collins (2001) has explained leaders at 5 levels which are as follows:

- Level1- Individual who is highly capable
- Level2- who contributes as a team member
- Level3- who acts as a competent manager
- Level4- who act as an effective leader

In (2002) in the book the leadership Challenge, the authors Jim and Barry, identified five practices which

explains an effective leadership. These practices are as follows:

- Creating a model
- Inspire others to share a common vision
- Accepting the challenges
- Letting others to act
- Encouraging others

Leaders play a very important role in the organizational culture. In the year 2005 in a study conducted by Gallup organization it was discovered (Buckingham and Coffman) that it was the manager and not the pay and perks which matters in building a strong culture.

C. Organizational Culture and Leadership

The role of leadership cannot be overlooked in determining various aspects of employees. When the world economic crisis occurred many organization also suffered, this increased the need for effective leadership and a strong organizational culture Earle (1996).

Many changes occurred and the organizational thinkers thought that there is an urgent need to bring back the trust, and influencing the employees to achieve common goals which is possible only through an effective leadership (Northouse,2007).

In a study conducted it was observed that both leadership and organizational culture has a great impact on organizational commitment along with bringing job satisfaction Lok (1999) Crawford (2001). It is observed that if employees feel that their leader is trustworthy, then the employees will follow his directions in accomplishing the organizational goals.

The relationship between organizational culture and leadership is well understood in many studies which has mentioned that transformational leadership can bring a positive organizational culture (Bass, B.M and Avolio, B.J, 1993,).

Schein (2004) Leaders create culture and based on this there are few theoretical perspectives which explains that culture arises out because of three processes which are:

- Socio Dynamic Theory
- Leadership theory
- Organizational Learning

The orientation and characteristics implemented by the leaders will be shown in the culture adopted by him/her in their organization. Leaders who use autocratic style will be show a top down approach in its culture whereas in an organization where the leader is a good team player and welcome participation of others will develop an organizational culture which is open and decentralised (Nahavandi, A. and Malekzadeh, A.R., 1993)

The power given to leaders to take decisions related to various processes, systems etc. is because of an effective organizational culture. A leader can create culture by determining the hierarchy, monitoring and relationship networks.

III. CONCLUSIONS AND RECOMMENDATIONS

Based on reviewed literature it is very clear that definitely there is a relationship which exists between organizational culture and leadership. The different styles of leadership affect the culture differently. The change brought in the

culture totally depends on the leader who can make it either positive or negative. The culture of an organization is influenced by the leaders who make the major decisions for any organization.

Even though many studies have been conducted role of particular styles of leadership with respect to organizational culture has not been studied much in detail which leaves a scope for further improvement. The culture is linked with leadership but a link between organizational culture, leadership and organizational change can also be studied in detail.

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