

## The Impact of Leadership on Organisational Culture Transformation

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### ABSTRACT

The culture of an organisation is crucial to its identity and operations. In this abstract, the researcher will delve into the importance of leadership in the dynamic realm of organisational culture. This study draws attention to the complex function of leadership in hastening changes in organisational culture based on statistics and an exhaustive literature review. The research shows that leadership affects several significant areas. The article begins by exploring the function of leaders as cultural architects, whose job it is to define and communicate the guiding ideas, norms, and behaviour of an organisation so that everyone may work towards achieving its vision. Second, it explores the importance of leadership in fostering an atmosphere that values innovation, adaptability, and diversity. Because of this, businesses are better able to thrive in the dynamic business environment. This study also places a strong focus on leadership in relation to change management. Successful leaders' strategies for fostering a collective commitment to cultural transformation are examined. In addition, by shedding light on the ways in which ethical leadership aspects impact business culture, the study emphasises the role of ethical leadership in developing a moral compass for the organisation. In an age where global connectivity and social responsibility are on the increase, this research explores the possibilities and challenges that leadership faces in cultivating a culture that transcends boundaries, supports sustainability, and is socially responsible. Leadership, according to this comprehensive analysis, is involved in cultural transformation in two ways: as a cause and as a consequence. Because leadership and culture are interdependent, it is critical for leaders to adapt to and shape their organisations' evolving cultural context. Organisations across all industries may benefit from leadership methods that promote healthy workplace environments, boost organisational performance, and encourage cultural transformation. Both academics and professionals can benefit from the findings of this study.

**Keywords:** Leadership, organisational culture, Transformation, culture.

### INTRODUCTION

The foundation of every prosperous enterprise is the culture of the organisation, which consists of the values, conventions, and practices that are shared by its members. As if it were an unseen hand, it directs actions, moulds attitudes, and ultimately determines whether or not an organisation will be successful in the long run. In spite of the fact that it reflects the ideals and objectives of top management, the culture of an organisation gradually changes over the course of time as a result of both internal and external forces. Within the context of this ever-changing environment, leadership appears as a pivotal figure, one that is necessary for maintaining and even shaping the culture of the respective company. In the following, we will take a detailed look at the complex interaction that exists between people in leadership positions and the culture of an organisation. It is common known that leadership is the primary motivating component that constitutes the foundation of organisational development. Leadership that is strong has the ability to create a culture that is more flexible, innovative, and focused on the long term over the short term (Adin, 2021). On the other hand, if the senior management of an organisation does not fulfil their responsibility to mould the culture of the firm, the organization's values may become disconnected from its goals. Within the context of influencing the culture of an organisation, the purpose of this research is to investigate the myriad of facets that comprise the role of leadership. The purpose of this research is to investigate significant topics such as actively moulding culture, motivating individuals to dedicate themselves to cultural transformation, and ensuring that an organization's goal and vision are aligned for the organisation. In order to give a complete framework for understanding the complexities of this relationship, the researcher uses an

interdisciplinary approach by conducting a study of the current literature and adding principles from management, sociology, psychology, and literature on leadership studies (Adeinat & Abdulfatah, 2019).

## **BACKGROUND OF THE STUDY**

Research on Organisational Culture Change: The Critical Function of Leadership What makes up an organization's culture are the values, beliefs, and practices that everyone adheres to. It has an effect on workers' decision-making, interpersonal skills, and perspective on the job. A company's "personality" or culture is a major factor in how successful it is in the long run. The culture of an organisation changes throughout time due to both internal and external influences. A company's success hinges on its leadership's capacity to bring about a cultural shift. A company's culture can be positively or negatively impacted by the leadership style of its members. It is the leaders of an organisation who establish the norms for its communication styles, decision-making procedures, and acceptable and desirable standards. Not only do they set the tone for the whole team, but they also have a significant impact on the company's culture. In management and organisational studies, the influence of leadership on organisational culture is a research issue. In the 1980s, scholars like Edgar Schein, James Kouzes, and Barry Posner discovered that leadership had a significant impact on the culture of an organisation. It is clear that leadership must encourage cultural transformation for organisations to adapt to new technologies, changing society expectations, and changing commercial situations (Bauer et al., 2019).

Major transitions like mergers, reorganisations, or changes in strategic emphasis place a premium on leadership's ability to shape the culture. When this happens, individuals in charge must steer the cultural shift by establishing new standards of conduct that are in line with the ideal culture, defining success, and describing new values. The new principles will have more buy-in if upper management communicates with workers at all levels. Even while strong leadership is crucial, implementing a culture transition is difficult and frequently encounters opposition. Important strategic efforts that may be utilised to modify a company's culture over time include training, incentive systems, open communication, and role modelling. Rethinking long-held views rooted in the organization's past and changing habits are also part of the process (Engida et al., 2022).

## **PURPOSE OF THE STUDY**

In order to get an understanding of how leaders develop, preserve, or modify the values, behaviours, and practices that characterise an organisation, it is necessary to do research on the role of leadership in the process of altering organisational culture. The purpose of this study is to investigate how leaders start and facilitate cultural change, particularly in response to shifting company strategies and external problems. This will be accomplished by an examination of various leadership styles and the influence that these styles have on culture. Through the formation of a culture that encourages adaptation, cooperation, and creativity, it tries to get an understanding of how leadership contributes to the success of an organisation. The research also intends to give organisations with practical insights that can be used to enhance leadership competencies that are aligned with desired cultural objectives, which will eventually contribute to greater employee engagement, performance, and long-term sustainability. This study contributes to the enhancement of both academic knowledge and practical understanding, providing vital assistance for people in leadership positions and organisations that are attempting to successfully manage cultural transition.

## **LITERATURE REVIEW**

Articles like "How to Lead Organisational Culture transformation in a Hybrid World" have been popping up recently discussing the impact of leadership on such changes. In reverse chronological sequence, below are the following ten papers. This article takes a look at the advantages and disadvantages of hybrid work arrangements, along with how to lead a company's cultural shift in one of these types of environments. The book provides practical techniques to help employees adjust to change, such as modelling and conveying the ideal

culture and developing trust and relationships. The article delves into the ways in which leadership may foster an environment conducive to creativity. The author argues that leaders may encourage creativity by setting a good example, helping followers recover from setbacks, and recognising contributions when they are due. We will go over many methods in which leaders may promote diversity and inclusion in the workplace and why it is important for them to do so (Du & Yan, 2022). Some of the actions that leaders can take to encourage diversity and inclusion are to set a good example themselves, provide employees with opportunity to get exposure to other cultures and points of view, and insist that individuals be accountable for their actions and words. In this post, we'll look at how effective leadership may help build a workplace that encourages and facilitates employees' growth as professionals. According to the author, leaders may encourage a growth mindset in their staff by praising efforts, setting goals for success, and giving chances for promotion. The importance of leadership in fostering a healthy and happy workplace is discussed in this article. Among the many recommendations made by the author on how leaders may create healthier and more pleasurable workplaces for their employees are frequent vacations, an inviting atmosphere, and tools for dealing with stress and anxiety. Leadership as it relates to the future of employment is the subject of this essay. The author contends that CEOs must possess adaptability if they are to guide their companies through challenging times and remain competitive in an ever-evolving environment. Current leaders can benefit from the author's guidance on how to improve their mindset and abilities so that they can succeed in today's workplace. In this post, we'll look at why a sustainable culture is so important for any organisation, and how top management can help foster one. In order to demonstrate their dedication to sustainability, leaders should act sustainably, says the author. In addition, the author offers concrete recommendations on how corporate executives might make their workplaces more environmentally friendly. Leadership may pave the way for an environment that encourages innovation and adaptability, as discussed in this article. Executives, according to the author, should allow their staff members the freedom to try new things and the tools they need to think creatively. The author provides several actionable suggestions for CEOs looking to foster an environment of innovation and agility in their companies. This essay will go over why trust is so important at work and how managers can make it thrive. Leaders, the author contends, should be trustworthy people who set a good example for those they lead. Further, the author provides guidance to CEOs who wish to foster an environment of trust among their employees. This essay takes a look at how leadership may foster a customer obsession culture in the workplace. The author contends that CEOs should devote themselves entirely to their consumers and operate in a customer-centric manner. The author goes on to offer suggestions on how business owners might make their customers happier (Darmawan & Azizah, 2020).

## **RESEARCH QUESTION**

What is the impact of Transformational Leadership on Organisational Culture Change?

## **METHODOLOGY**

- **Research Design:**

The quantitative data analysis employed SPSS version 25. The odds ratio and 95% confidence interval were employed to evaluate the strength and direction of the statistical association. The researchers established a statistically significant threshold of  $p < 0.05$ . A descriptive analysis was conducted to ascertain the principal features of the data. Quantitative approaches are often utilised to evaluate data obtained from surveys, polls, and questionnaires, as well as data analysed by computing tools for statistical purposes.

- **Sampling**

An uncomplicated sampling technique was employed for the study. The research employed questionnaires to gather data. The Rao-soft software determined a sample size of 587. A total of 780 questionnaires were issued; 673 were returned, and 24 were discarded owing to incompleteness. A total of 649 questionnaires were employed during the study.

- **Data and Measurement**

A questionnaire functioned as the main data gathering tool for this investigation. Part A of the survey requested essential demographic information, while Part B utilised a 5-point Likert scale to collect responses about characteristics related to online and offline channels. A variety of sources, especially online databases, provided the secondary data.

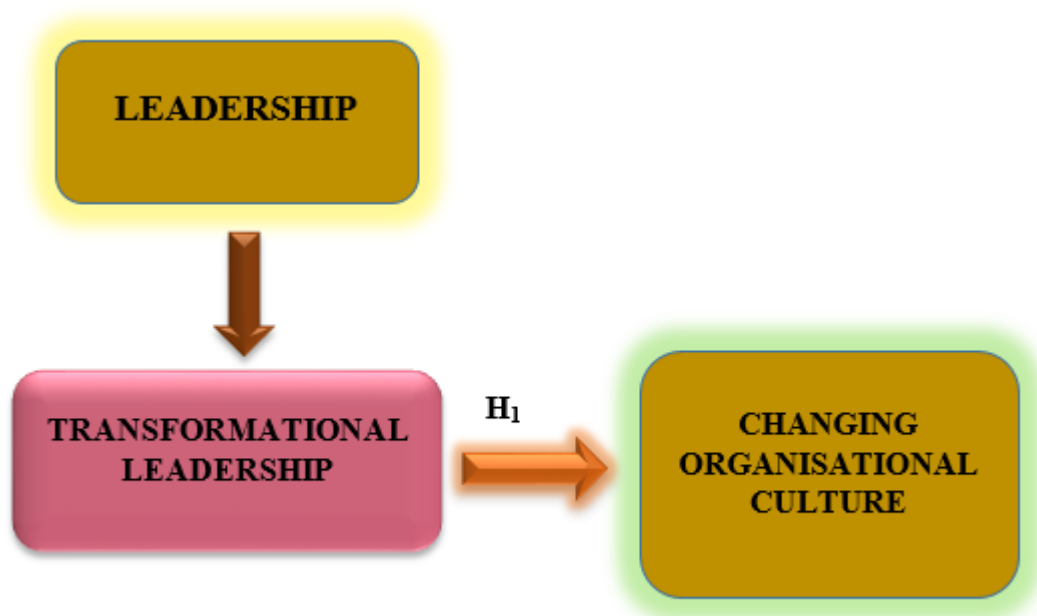
- **Statistical Software**

The statistical analysis was conducted using SPSS 25 and MS-Excel.

- **Statistical Tools**

Descriptive analysis was employed to comprehend the essential nature of the data. The researcher must analyse the data with ANOVA.

## CONCEPTUAL FRAMEWORK



## RESULT

- **Factor Analysis**

A common use of Factor Analysis (FA) is to uncover latent variables within observable data. In the absence of definitive visual or diagnostic indicators, it is customary to employ regression coefficients for assessments. In FA, models are crucial for success. The objectives of modelling are to identify errors, intrusions, and discernible connections. The Kaiser-Meyer-Olkin (KMO) Test is a method for evaluating datasets generated by multiple regression analyses. The model and sample variables are confirmed to be representative. The data exhibits redundancy, as seen by the statistics. Reducing the proportions enhances the clarity of the data. The KMO output ranges from zero to one. A KMO value ranging from 0.8 to 1 signifies a sufficient sample size. These delineate the allowable limits, as per Kaiser: The supplementary admission standards established by Kaiser are as follows:

A pitiful 0.050 to 0.059, below average 0.60 to 0.69

Middle grades often fall within the range of 0.70-0.79.

With a quality point score ranging from 0.80 to 0.89.

They marvel at the range of 0.90 to 1.00.

Table1: KMO and Bartlett's Test

Testing for KMO and Bartlett's

Sampling Adequacy Measured by Kaiser-Meyer-Olkin .982

The results of Bartlett's test of sphericity are as follows: approx. chi-square

df=190

sig.=.000

This confirms the veracity of claims made just for sampling purposes. Researchers employed Bartlett's Test of Sphericity to assess the significance of the correlation matrices. The Kaiser-Meyer-Olkin measure signifies that a score of 0.982 reflects sample adequacy. Bartlett's sphericity test produces a p-value of 0.00. A positive outcome from Bartlett's sphericity test signifies that the correlation matrix is not an identity matrix.

**Table 1: KMO and Bartlett's Test**

<b>KMO and Bartlett's Test<sup>a</sup></b>		
<b>Kaiser-Meyer-Olkin Measure of Sampling Adequacy.</b>		.982
<b>Bartlett's Test of Sphericity</b>	<b>Approx. Chi-Square</b>	7315.249
	<b>df</b>	190
	<b>Sig.</b>	.000
<b>a. Based on correlations</b>		

The Bartlett Test of Sphericity validated the overall significance of the correlation matrices. The Kaiser-Meyer-Olkin measure of sampling adequacy is 0.982. Researchers computed a p-value of 0.00 using Bartlett's sphericity test. The researcher acknowledges the invalidity of the correlation matrix, as Bartlett's sphericity test produced a significant outcome.

#### ❖ **INDEPENDENT VARIABLE**

##### • **Leadership**

Someone who can inspire their followers to work together towards a similar goal by giving them direction, clarity, and faith in the leader's abilities is a true leader. Leadership in research requires the ability to inspire, encourage, and challenge one's team to perform at a high level. Effective leadership creates cohesive teams by rallying team members around a common objective and encouraging them to build relationships with one another at work, which in turn increases output, creativity, and capacity to solve problems. One typical method to describe leadership is in terms of what a leader is capable of or does. Leadership isn't about the charm or competence of the leader; it's about the outcomes produced by the team as a whole. To restate, leadership is a shared responsibility that every team member can have a role in fostering. Every leader does this to a certain degree. Leadership entails giving others the freedom to do more than they could on their own. Anyone in a managerial, coaching, or teaching role may benefit from this. Though informal positions can foster great leaders, formal leadership positions can snare those who aren't up to snuff. This perspective sees leadership as more of a method than a personality characteristic. If you want to win people over and keep them loyal, show them what you're made of rather than just talk the talk. Leadership, it follows, does not come naturally. Because leadership is more often shown by deeds than words, it is a skill that can be developed. In what way specifically? Acquiring self-awareness is an essential first step. To be a good leader, you need to know yourself inside and out and be fully present in every situation (Bauer et al., 2019).

❖ **FACTOR**• **Transformational Leadership**

A type of leadership that is also known as managerial leadership, transactional leadership is a style of leadership in which leaders depend on incentives and punishments to elicit the best possible job performance from their subordinates. There is another name for this type of leadership, which is named organisational leadership. The objective of a leader who employs the transformational leadership style is to inspire and allow followers to think creatively and independently in order to move the organisation ahead. It is through the use of this approach that leaders are able to provide their employees with increased autonomy in decision-making, foster an environment that places a premium on creativity, and motivate everyone to work together towards a common objective. It is common for transformational leadership to be associated with long-term organisational change and expansion. This is because transformational leadership places a strong focus on personal development, collaboration, and capability. When it comes to the purposes of the organisation and the accomplishments of its employees, transformational leaders are unshakeable in their commitment (Baig et al., 2021).

❖ **DEPENDENT VARIABLE**• **Changing Organisational Culture**

Workplace behaviour is defined and shaped by an organization's culture, which encompasses its rules, procedures, values, and beliefs. A company's culture is reflected in the way its stakeholders, such as employees, customers, and vendors, see the business and its brand. "The act by which a major business or organisation modifies its operations or goals, commonly to adapt to and thrive in novel contexts or markets." It is the Cambridge English Dictionary. A company is experiencing organisational transformation when it shifts from its current state to its desired future one. Organisations are shared structures in which individuals with varying degrees of education, life experiences, viewpoints, hobbies, and views work together to produce a profit. The success of the organisation depends on the efforts of every single employee. Everyone needs to give it their all if the tasks are going to be finished in the allotted time. The culture of an organisation is its own set of practices. The ideas, concepts, policies, and values that make up an organization's culture. An organization's culture is nothing more than the sum of the experiences and perspectives of its employees throughout time. Culture is the sum of an individual's experiences with many stakeholders, both inside and outside the organisation. An further element that influences business culture is the manager's own method of interacting with employees. Staff members who have been with the same organisation for a while tend to develop their own set of standards and practices based on their personal experiences and the knowledge they've gained from one other. The workplace has become a more pleasant place for everyone thanks to these, which have been there for a while (Asbari et al., 2021).

➤ **Relationship between Transformational Leadership and Changing Organisational Culture**

A key component in moulding company culture is transformational leadership. Leaders that display a transformational leadership style inspire and encourage their followers to work together towards shared objectives, promote creativity and innovation, and cultivate a supportive work atmosphere. An organization's culture may and does change in response to transformative leadership. A transformational leader is one that creates an atmosphere of creativity, cooperation, and continual progress by inspiring and motivating their staff to go above and beyond. Aligning the organization's vision, values, and goals with the creation of a supporting culture is a key component of this leadership style, which is strongly related to altering organisational culture. To successfully drive cultural change, transformational leaders must inspire trust and commitment. They do this by establishing an atmosphere that encourages learning, adaptability, and a common goal. These leaders pave the way for an inclusive and collaborative culture by encouraging good connections and open lines of communication, two factors crucial to any successful cultural shift. The goal of

transformational leadership is to improve organisational performance, employee happiness, and long-term success by reshaping the organisational culture and guiding the organization's strategic direction (Daniel-Kalio & Ololube, 2019).

Subsequent to the above debate, the researcher proposed the following hypothesis to analyze the link between Transformational Leadership and Changing Organisational Culture.

***“H<sub>01</sub>: There is no significant relationship between Transformational Leadership and Changing Organisational Culture.”***

***“H<sub>1</sub>: There is a significant relationship between Transformational Leadership and Changing Organisational Culture.”***

**Table 2: H<sub>1</sub> ANOVA Test**

ANOVA					
Sum					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	39588.620	198	4655.517	891.178	.000
Within Groups	492.770	450	5.224		
Total	40081.390	648			

This inquiry will provide significant results. The F value is 891.178, signifying statistical significance with a p-value of .000, which is below the .05 alpha level. The hypothesis asserts: ***“H<sub>1</sub>: There is a significant relationship between Transformational Leadership and Changing Organisational Culture.”*** The alternative hypothesis is affirmed, whereas the null hypothesis is dismissed.

## DISCUSSION

The main goal of this research was to determine the relationship between transformational leadership and the cultures of public sector companies. set up. The results showed that the instruments used to measure the variables in this study were reliable. It appears that all dimensions of the Organisational Culture Inventory (OCI) and all practices of the Leadership Practice Inventory (LPI) are sufficiently reliable. It appears that this public service organisation has a very constructive culture, according to the descriptive statistics. According to the literature, all organisations have a dominant culture that differentiates them from one another. These results support that claim. Successful company cultures are characterised by normative attitudes and characteristics that promote achievement, self-actualization, humanistic support, and a sense of belonging. The characteristics of an effective business culture include stronger bonds between employees, more collaboration across departments, and overall organisational success. Because these characteristics advance both group and individual objectives, a constructive culture has a positive influence on organisational performance, which is critical for public service organisations. That transformative leadership is favourably associated with organisational culture is one of the hypotheses of this study. Despite showing no correlation with passive/defensive or aggressive/defensive culture dimensions, this study's results demonstrate that transformational leadership is substantially linked to a constructive organisational culture. Using the Pearson Coefficient Correlation, a statistical test that is significant at the 0.01 level, this finding was verified. This supports studies that investigated the synergistic effects of transformative leadership styles and organisational culture on output. The results are associated with a study that investigated the factors contributing to a pleasant work environment in sports companies. This sort of culture is created by the leader's attributes and views, according to the study. The culture of a company may be influenced by transformational leaders.

## CONCLUSION

According to studies, an organization's culture is greatly impacted by its leadership team. The organisational culture is the bedrock of every organisation and has a significant impact on its success, adaptability, and longevity. But leadership, via its inception, development, and upkeep, becomes the driving force behind this cultural fabric. Leaders have a vital role in fostering cultural transformation: The most important thing for leaders to do is to always act and believe in the right way. Second, they make the new culture's significance and its future trajectory crystal evident. Collaboration and dialogue: When leaders make the change's objectives and their role in them crystal obvious, followers are better equipped to adjust to the new normal. Fourthly, leaders empower their employees by having them take an active role in and responsibility for the cultural reform effort. Last but not least, it is their duty to enforce the new culture's norms and regulations. As a sixth point, leaders help their employees adapt to change by giving them tools and guidance. (7) Flexibility: Good leaders are open to feedback from their followers and aren't hesitant to make adjustments when necessary. 8. Maintaining Dedication: Leaders should remain committed and persistent while they work to change the culture, as this process might take some time. Changing corporate culture is a challenging but necessary endeavour if we are to evolve, stay competitive, and foster a healthy work environment. Involvement from all parties, leadership from competent individuals, and the constant reinforcement of moral ideals are all necessary. Leaders' actions and behaviours mould cultural norms, attitudes, and practices. Leaders set the tone, communicate the vision, and provide moral guidance, all of which contribute to an organization's cultural development. A climate where leaders connect with key stakeholders, communicate well, and set a good example may be conducive to cultural development.

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