

## The Influence of Leadership in Transforming Organisational Culture

*Han Chao, Mrutyunjay Sisugoswami*

<sup>1,2</sup>*Lincoln University College, Petaling Jaya, Malaysia*

### ABSTRACT

One of the most important aspects of any organization's identity and how it functions is its culture. In this abstract, the Researcher will explore how leadership is essential in the ever-changing world of organisational culture. Based on a comprehensive literature analysis and supported by data, this research highlights the multi-faceted role of leadership in accelerating organisational culture shifts. Leadership has an impact on several important areas, as shown by the research. At the outset, it delves into the role of leaders as cultural architects, who articulate and disseminate the organization's fundamental principles, standards, and conduct in service of its goals and vision. Secondly, it delves into how leadership plays a crucial role in creating an environment that encourages creativity, flexibility, and inclusion. This, in turn, helps organisations to flourish in a constantly changing commercial world. Leadership is also heavily emphasised in this study as it pertains to change management. Furthermore, the study highlights the significance of ethical leadership in establishing a company's moral compass by illuminating the ethical elements of leadership's influence on culture. This research delves at the potential and obstacles that leadership encounters in fostering a culture that goes beyond borders, embraces sustainability, and is socially responsible in an era where global connectedness and social responsibility are on the rise. It is important for leaders to both respond to and influence the changing cultural milieu of their organisations because of the two-way nature of the link between leadership and culture. Leadership strategies that drive cultural change, enhance organisational performance, and foster a positive workplace environment contribute to the long-term success and sustainability of organisations in diverse sectors. This research offers valuable insights for scholars and practitioners alike.

**Keywords:** Transformational leadership, Organizational culture, Adaptability, change management.

### INTRODUCTION

A company's culture—its members' commonly held beliefs, norms, and practices—is the bedrock of any successful business. As an invisible hand, it guides decisions, shapes attitudes, and decides the ultimate success or failure of an organisation. Although it reflects the values and goals of upper management, an organization's culture evolves throughout time in reaction to internal and external influences. In this dynamic landscape, leadership emerges as a key figure, essential for sustaining and even influencing the culture of the organisation. In what follows, we'll take a close look at the intricate relationship that exists between leadership and business culture. Leadership, as is well acknowledged, is the driving factor underlying organisational development. Strong leadership has the potential to inspire a more adaptable, creative, and long-term-oriented culture. Conversely, if top management shirks their duty to shape company culture, the organization's principles may become disjointed from its objectives. This study aims to discover the numerous dimensions of leadership's function in order to alter the culture of an organisation. This research seeks to address important subjects such as actively shaping culture, inspiring dedication to cultural transformation, and assuring congruence with an organization's mission and vision. The Researcher takes an interdisciplinary approach by reviewing the existing literature and incorporating concepts from management, sociology, psychology, and leadership studies into order to provide a comprehensive framework for understanding the intricacies of this interaction (Wiroonrath et al., 2024).

## BACKGROUND OF THE STUDY

Organisational Culture Change Study Context: Leadership's Crucial Role The culture of an organisation is its shared set of values, beliefs, and practices. It influences how employees think about their work, interact with coworkers, and make choices. The "personality" or culture of an organisation greatly influences its long-term success. Internal and external factors both contribute to the gradual but steady evolution of company culture. The ability of a company's leadership to effect cultural change is crucial. Leadership styles have the power to shape an organization's culture for better or worse. Norms for the organization's communication styles, decision-making processes, and acceptable and desired standards are set by its leaders. In addition to laying the groundwork for the rest of the team to follow, they are crucial in shaping the culture of the organisation. The impact that leadership may have on company culture is a topic of study in management and organisational studies. Researchers from the 1980s, such Edgar Schein, James Kouzes, and Barry Posner, found that leadership greatly affects organisational culture. In order for businesses to adapt to changing business conditions, new technology, and shifting societal expectations, it is evident that leadership must promote cultural transformation (Udin, 2024).

The leadership's capacity to mould the culture is crucial at times of significant change, such as mergers, reorganisations, or shifts in strategic focus. When this occurs, it is the responsibility of those in positions of leadership to guide the cultural transition by defining success, outlining new values, and encouraging behaviour consistent with the ideal culture. To further garner support for the new ideals, senior management should speak with employees at all levels. Despite the recognised importance of leadership, cultural shift is challenging and often meets resistance. Training, incentive systems, open communication, and role modelling are all important strategic initiatives that may be used to transform the culture of a business over time. It also involves breaking habits and rethinking long-held beliefs that stem from the organization's history (Sudibjo & Prameswari, 2021).

## PURPOSE OF THE STUDY

The objective of this study is to investigate the connection between leadership and the culture of an organisation by analysing the strategies that leaders employ in order to bring about cultural transformations, the challenges that they face, and the outcomes of their efforts, including those that are successful and those that are unsuccessful. The purpose of this study is to shed light on the link between leadership styles and business culture in order to assist managers and executives in better adapting to shifting market conditions and improving the performance of their teams.

## LITERATURE REVIEW

One of the several recent articles on the subject of leadership's effect on organisational culture transformation is How to Lead Organisational Culture transformation in a Hybrid World. The next 10 papers are listed in reverse chronological order of publication. This article examines the pros and cons of a hybrid work configuration, as well as the leadership of organisational culture change in such a setting. Modelling the ideal culture, communicating it, and building trust and connections are all practical strategies included in the book to assist employees in adapting to change. How leadership may help create a creative atmosphere is explored in the essay. According to the author, leaders may foster innovation by providing a safe space, supporting individuals when they make mistakes, and giving credit when credit is due. In this piece, we'll discuss the importance of leaders promoting diversity and inclusion in the workplace, as well as several ways they may achieve so (Savović & Babic, 2021). The author discusses specific measures that leaders may do to promote diversity and inclusion, including as modelling inclusive conduct, giving staff opportunities to learn about different cultures and perspectives, and holding people responsible for their words and deeds. The importance of strong leadership in creating a work setting that supports and promotes workers' professional development is explored in this article. Leadership, as the author explains, may foster a development mentality in

employees by rewarding hard work, challenging employees to overcome obstacles, and providing opportunities for advancement. This article explores the role of leadership in creating an environment where employees' health and happiness are valued. The author offers a number of suggestions on how leaders may make their workplaces healthier and more enjoyable for their staff, including providing a pleasant environment, taking regular vacations, and providing resources to cope with stress and anxiety (Rizvi & Garg, 2021). This article explores leadership in relation to the future of work. The author argues that leaders need to be adaptable in order to steer their firms through turbulent times and keep up with the ever-changing nature of the workplace. In order to thrive as leaders in the modern workplace, the author provides present leaders with practical advice on how to enhance their skills and mind-set. This article discusses the importance of a sustainable culture and the role of leadership in creating one within an organisation. Leaders, according to the author, need to show their commitment to sustainability via what they do. The author also provides specific suggestions for what business leaders may do to create a greener workplace. This article explores the ways in which leadership may create a work setting that is conducive to creativity and flexibility. The author argues that leaders should provide their employees with a safe space to experiment and all the resources they need to be innovative. The author outlines many practical steps that CEOs may do to encourage innovation and agility inside their organisations. This article will discuss the importance of trust in the workplace and how leaders may create an atmosphere where it flourishes. The author argues that leaders must be trustworthy themselves and provide a good example for their followers. The author goes on to offer advice for CEOs who want to create a culture of trust among their staff. An examination of the role of leadership in creating a culture that promotes customer obsession at work is presented in this article. The author argues that chief executive officers should act in a customer-centric manner and commit themselves fully to their consumers. Further, the author suggests ways in which company leaders could increase happiness among their clientele (Purwanto et al., 2023).

## RSEARCH QUESTION

- What is the effect of decision-making ability on changing organisational culture?

## METHODOLOGY

- Research Design:**

The quantitative data analysis utilised SPSS version 25. The odds ratio and 95% confidence interval were utilised to assess the magnitude and direction of the statistical link. The researchers determined a statistically significant criterion of  $p < 0.05$ . A descriptive analysis was performed to identify the key characteristics of the data. Quantitative methods are frequently employed to assess data derived from surveys, polls, and questionnaires, as well as data processed by computational tools for statistical analysis.

- 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 served as the primary data collection instrument for this study. Part A of the survey solicited fundamental demographic information, whereas Part B employed a 5-point Likert scale to gather responses about attributes associated with online and offline channels. A multitude of sources, particularly internet databases, supplied the secondary data.

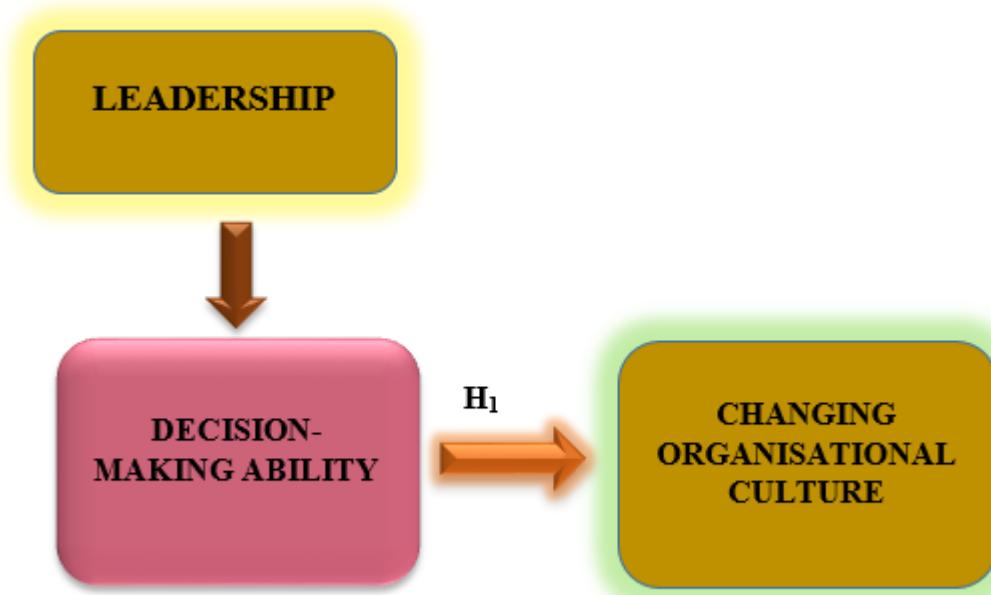
- Statistical Software**

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 prevalent use of Factor Analysis (FA) is to identify hidden variables within visible data. In the lack of clear visual or diagnostic signs, it is standard practice to utilise regression coefficients for evaluations. In FA, models are essential for success. The aims of modelling are to detect mistakes, intrusions, and discernible linkages. The Kaiser-Meyer-Olkin (KMO) Test is a technique for assessing datasets produced by multiple regression analyses. The model and sample variables are affirmed to be representative. The data demonstrates redundancy, as seen by the statistics. When the proportions are reduced, the data becomes more intelligible. The KMO output varies between zero and one. A KMO value between 0.8 and 1 indicates an adequate sample size. These specify the permissible boundaries, according to Kaiser: The additional admittance criteria set out 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 validates the authenticity of assertions made just for sampling reasons. Researchers utilised Bartlett's Test of Sphericity to determine the significance of the correlation matrices. The Kaiser-Meyer-Olkin metric indicates that a value of 0.982 denotes sample adequacy. Bartlett's sphericity test yields a p-value of 0.00. A favourable result from Bartlett's sphericity test indicates that the correlation matrix is not an identity matrix.

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

KMO and Bartlett's Test <sup>a</sup>		
<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 confirmed the general significance of the correlation matrices. The Kaiser-Meyer-Olkin metric of sampling adequacy is 0.982. Researchers calculated a p-value of 0.00 using Bartlett's sphericity test. The researcher recognises the correlation matrix's invalidity, since Bartlett's sphericity test yielded a significant result.

❖ **INDEPENDENT VARIABLE**

- **Leadership**

A leader is someone who can motivate their followers to achieve a common objective by providing them with vision, purpose, and a shared sense of purpose. If the researcher want to be a strong leader, the researcher need to be able to inspire, motivate, and challenge researcher's team to do their best. Cohesive teams are the result of strong leadership that unites members around a shared goal and fosters workplace connections that boost productivity, innovation, and problem-solving abilities. What a leader does or can do is a common way to define leadership. Leadership is ultimately about the results achieved by a group of individuals working together, regardless of how competent or charismatic any one leader may be. To rephrase, leadership is something that all members of an organisation can help with. To an extent, every leader does the same thing. Leadership is empowering people to achieve what they are capable of beyond what they might do alone. This applies to executives, sports coaches, and educators alike. Formal leadership positions can be a trap for ineffective leaders, while informal roles can be a breeding ground for exceptional leaders. Leadership, in this view, is more of a process than an identity trait. People are more impressed by a person's deeds than by their words or position when it comes to establishing trust and loyalty. Extrapolating from that, leadership is not innate. Leadership is a talent that can be honed as it is more commonly demonstrated through actions than words. Just how? A crucial initial stage is learning about oneself. In order to lead effectively, one must be self-aware and present in every moment as one's truest, most genuine self (Pasha & Ur Rehman, 2020).

❖ **FACTOR**

- **Decision-Making Ability**

The ability to make a well-informed and reasonable choice is known as decision-making abilities. At work, someone who is adept at making decisions may take stock of the situation, compare it to the company's present and desired states, and then select the one that will lead to the greatest results. Skills that allow the researcher to make decisions are talents that can assist the researcher in becoming a leader in the business. Having the ability to make sound

judgements may assist save time, enable the most efficient use of resources, and guarantee that the organisation is headed in the right direction for sustained success. Learning how to make sound judgements in the workplace helps to forge stronger relationships with staff members and brings about major enhancements to the overall atmosphere of the office. This article will give an explanation of what decision-making talents are, as well as a list of some instances, instruction on how to enhance these skills, and an examination of how to highlight them while the researcher are looking for a job. The capacity to choose the optimal choice from a set of possibilities is a hallmark of strong decision-making abilities. Consistently making sound judgements aids in reaching the company's objective. Analysing the potential benefits and drawbacks of each option is an important part of the process. The ability to control one's own biases is a hallmark of good decision-makers. Management is expected to make outstanding decisions by using data and facts rather than their gut feelings, according to employers (Lasrado & Kassem, 2021).

#### ❖ **DEPENDENT VARIABLE**

- **Changing Organisational Culture**

What defines and shapes employee conduct in the workplace is the organization's culture, which includes its values, beliefs, attitudes, processes, and regulations. How stakeholders, including workers, clients, and suppliers, perceive the company and its brand is a reflection of its culture. "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." The Cambridge English Dictionary. When a business moves from its existing condition to one it hopes to achieve in the future, it is undergoing organisational transformation. An organisation is a shared structure where people with diverse experiences, perspectives, interests, and levels of education work together to generate income. Every employee's contribution is crucial to the organization's success. For the duties to be completed within the given time limit, everyone must provide their utmost. A company's culture is its own way of doing things. An organization's culture is comprised of its values, policies, principles, and ideas. The culture of an organisation is merely the product of long-term interactions amongst its personnel. The individual's interactions with both internal and external stakeholders constitute the culture. A manager's unique approach to working with staff members is another factor that shapes company culture. When people work for the same company for a long time, they usually come to their own norms and standards based on what works for them and what they understand from one another. These have been in place for quite some time, and they have helped make the workplace a more pleasant environment for everyone (Helmi & Sari, 2021).

#### ❖ **Relationship between Decision-Making Ability and Changing Organisational Culture**

Both the culture of an organisation and the leadership of its members have a substantial impact on the decision-making process, which is then reflected in the performance of the organisation. All of the environments inside a particular organisation that govern the connections and interactions that take place amongst workers are included in the concept of organisational culture. Any successful organisational transformation must take into account the connection between decision-making capacity and evolving organisational culture. Leaders and managers with strong decision-making abilities are able to steer their organisations towards success by making well-informed and impactful choices. Changes in organisational culture need deliberate, persistent action in the form of strategic decisions that promote the intended improvements in attitudes, norms, and practices. Organisations need leaders with good decision-making skills to help them overcome cultural obstacles, find the best solutions, and make the changeover. Making good judgements may encourage transparency, teamwork, and flexibility, whereas making bad decisions might lead to reluctance, uncertainty, or inaction. Consequently, the capacity to make rational judgements is critical for organisations when they undergo cultural transformations (Hamid et al., 2022).

Following the aforementioned argument, the researcher proposed a hypothesis to examine the relationship between Decision-Making Ability and Changing Organisational Culture.

***"H<sub>01</sub>: There is no significant relationship between Decision-Making Ability and Changing Organisational Culture."***

***"H<sub>1</sub>: There is a significant relationship between Decision-Making Ability and Changing Organisational Culture."***

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

ANOVA					
Sum	Sum of Squares	df	Mean Square	F	Sig.
<b>Between Groups</b>	39588.620	220	4655.517	865.659	.000
<b>Within Groups</b>	492.770	428	5.378		
<b>Total</b>	40081.390	648			

This investigation will provide substantial results. The F value is 865.659, indicating significance with a p-value of .000, which is below the .05 alpha threshold. The hypothesis posits: ***"H<sub>1</sub>: There is a significant relationship between Decision-Making Ability and Changing Organisational Culture."*** The alternative hypothesis is accepted, whereas the null hypothesis is rejected.

## DISCUSSION

Finding out how public sector organisations' cultures relate to transformative leadership was the driving force behind this research set up. The reliability of the instruments employed to measure the variables in this study was demonstrated by the results. There seems to be sufficient levels of dependability for all Leadership Practice Inventory (LPI) practices and all organisational culture inventory (OCI) dimensions. Based on the descriptive data, it seems that this public service organisation has a very constructive culture. These results provide credence to the literature's assertion that all organisations have a dominating culture that frequently sets them apart from one another. The most effective organisational cultures, have normative attitudes and traits that foster accomplishment, self-actualization, humanistic encouragement, and belonging. Better connections amongst workers, more cross-departmental cooperation, and overall organisational success are hallmarks of a positive company culture. Constructive culture impacts organisational effectiveness, which is necessary in public service organisations, because these traits promote both organisational and individual goals. Organisational culture is positively correlated with transformational leadership, according to this study's hypotheses. The results of this study show that transformational leadership is significantly associated with a constructive organisational culture, even though it was not associated with passive/defensive or aggressive/defensive culture dimensions. The statistical investigation, which utilised the Pearson Coefficient Correlation, which is significant at the 0.01 level, validated this conclusion. This lends credence to research that looked at how transformational leadership styles and company culture interact to boost productivity. The findings are related to a research that looked at positive company culture in sports organisations. The study concluded that the traits and beliefs of the leader were the ones responsible for creating this kind of culture. Transformational leaders may shape the culture of their organisations. By engaging in transformational leadership approaches such as process challenge, vision inspiration, action enablement, way-setting, and heart-encouraging,

## CONCLUSION

As Researchers investigation has shown, the leadership team plays a crucial role in influencing the culture of an organisation. The success, flexibility, and durability of an institution are greatly affected by its organisational culture, which is the foundation of its identity. Leadership, on the other hand, becomes the engine that propels this cultural fabric via its creation, evolution, and maintenance. The role of leaders in promoting cultural transformation is crucial: First and foremost, leaders must constantly demonstrate the ideal behaviours and beliefs. Second, they explain the importance of the new culture and give a clear picture of where it's going. Coordination and communication: When leaders clearly explain the change's goals and how they fit into them, people are better able to adapt to the new circumstances. (4) Empowerment: Leaders encourage employees to actively participate in and own the cultural transformation initiative. Fifthly, they are responsible for making sure that everyone follows the rules of the new culture. Sixthly, leaders provide assistance to their staff by providing them with resources and direction while they adjust to the changes. (7) Adaptability: Effective leaders may change their ways based on what their followers tell them and aren't afraid to ask for criticism. 8. Staying Committed: Leaders must stay dedicated and tenacious throughout the process of changing culture, which might take time. Evolving, remaining competitive, and cultivating a healthy work environment all necessitate changing organisational culture, which is a difficult but essential undertaking. It calls for a concerted effort from everyone involved, the guidance of capable leaders, and the consistent reinforcement of moral principles. Cultural norms, attitudes, and practices are shaped by the behaviours and acts of leaders. The cultural growth of an organisation is guided by its leaders, who establish the tone, share the vision, and offer the moral compass. Cultural transformation may thrive in an atmosphere where leaders communicate clearly, lead by example, and actively engage with important stakeholders.

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