



## A RELATIONSHIP BETWEEN LEADERSHIP QUALITIES OF THE EMPLOYEES AND ORGANISATIONAL CULTURE IN IT COMPANIES – A STUDY WITH REFERENCE TO CHENNAI

N. Unnamalai Sangeetha\*      Dr. Sakthivel Murugan\*\*

\*Ph.D Scholar Mother Teresa Women's University.

\*\*Professor in Charge, Dhanraj Baid Jain College, Chennai.

### Introduction

Leadership and culture are two sides of the same coin; neither can really be understood by itself. On the one hand, cultural norms define how a given nation or organizations will define leadership—who will get promoted, who will get the attention of followers. On the other hand, it can be argued that the only thing of real importance that leaders do is to create and manage culture; that the unique talent of leaders is their ability to understand and work with culture; and that it is an ultimate act of leadership to destroy culture when it is viewed as dysfunctional. If one wishes to distinguish leadership from management or administration, one can argue that leadership creates and changes cultures, while management and administration act within a culture. Culture is the result of a complex group learning process that is only partially influenced by leader behavior. But if the group's survival is threatened because elements of its culture have become maladapted, it is ultimately the function of leadership at all levels of the organization to recognize and do something about this situation. It is in this sense that leadership and culture are conceptually intertwined.

Organisational culture refers to a set of values and beliefs in an organisation. It is expressed nonverbally and has deep roots. Organisational culture is a basic assumptions pattern that teaches new members how to perceive, think about and feel the problems. Here the role of leaders provide an open environment to try new ideas and are sensitive about learning process, changing attitude and job process (Rosen 1996). Leadership is a process whereby an individual influences a group of individuals to achieve a common goal (Northouse 2004). Leadership is the ability to secure desirable actions from a group of followers. It is concerned with the getting things done through subordinates. The success of every industrial enterprise is dependent upon the quality of its leadership.(Taormina2008) rightly point out in his study that by virtue of the authority of their positions, leaders have considerable freedom to decide how their organizations will be run, and can thus be expected to play a major role in influencing the culture of an organization.

Robbins (2006) states that organizational culture is a common perception held by members - members of the organization and become a system of shared meaning, while Schein (2004) states that organizational culture is a pattern that contains the basic assumptions are realized and studied by members of the group in relation to organizational problem solving. Hofstede (1980) further defines organizational culture as a pattern of thoughts, feelings and actions of a social group that distinguishes with other social groups. Susanto (2008) states that an organization's culture is not only understood the value of the system alone but also used as a handle human resources in performing its obligations and behavior in organizations.

Despite numerous references to a relationship between leadership and organizational culture in the academic and popular literature, little systematic research has been conducted to examine the specific nature of this relationship (Block, 2003). Several different leadership theories have developed over the years that approach leadership from a variety of perspectives. Initially, the focus was on the traits possessed by great leaders (Bass, 1985), and the skills required to be effective as a leader (Katz, 1955 as cited in Northouse, 2004). The theories that brought the focus into culture as a byproduct of leadership centered on transformational leadership. Northouse (2004) notes that "transformational leadership is a process that changes and transforms individuals". This process drives and defines the culture in the new organisation under the leadership of an individual who often is identified as possessing charisma (Bass, 1985; Burns, 1978). It is the work of Bass (1985) and Burns (1978) that defined most of the initial work in the field and laid the groundwork for Edgar Schein (1985) to focus on culture as the fundamental role of the leader in bringing about and solidifying the implementation of change in an organization. The main purpose of this paper is to show the linkages and inter-relationship among the leadership and organizational culture.

### Literature Review

Transformational leadership and organizational culture are significantly related to product innovation. All the dimensions of national culture have a significant relationship with transformational and transactional leadership styles whereas there were mixed relationships between national culture dimensions and the passive leadership style. Transformational style of leadership seems to result in more innovative and dynamic practices in public sector organizations. Leadership plays a significant role in enhancing organizational culture. Correlations revealed that proactive culture preferred more compared to other organisational culture irrespective of style of leadership. The relationship between leadership and innovation and that culture is crucial to enable innovation ambidexterity and further, that leadership and culture work in conjunction with each other to generate innovation.



### Leadership and Organisational Culture

Sanjeev K. Sharma and Aditi Sharma(2010) in his research conceptualized the eight cultural values and beliefs: openness, confrontation, trust, authenticity, proaction, autonomy, collaboration, and experimentation. Leadership styles have been determined in terms of initiation, consideration and charismatic variables. Results show a positive association between cultural values and charismatic leadership styles. Peter Lok, John Crawford(2004) identified that the combined samples, innovative and supportive cultures, and a consideration leadership style, had positive effects on both job satisfaction and commitment. Also, an “initiating Structure” leadership style had a negative effect on job satisfaction for the combined sample. Participants’ level of education was found to have a slight negative effect on satisfaction, and a slight positive effect on commitment. Nor Hazana Abdullah, Nor Aziati Hamid, Alina Shamsuddin and Eta Wahab(2014) found that both transformational leadership and organizational culture are significantly related to product innovation. This finding substantiates previous findings and lends supports to the important roles of both constructs in Sme’s development

Shivani Mishra & Dharmesh Raykundaliya(2011) revealed that proactive culture preferred more compared to other organisational culture irrespective of style of leadership. Kwasi Dartey-Baah, Kwesi Amponsah-Tawiah, Victoria Sekyere-Abankwa(2011) observed that leadership and organisational culture play a very important role in the performance of public sector organisations and in particularly the transformational style of leadership seems to result in more innovative and dynamic practices in public sector organisations. Ethem Duygulu1 and Emir Özeren2(2009) explored the most significant finding of the study is that adhocracy culture has been found as a common variable for all firms within the sample in explaining innovativeness. Hsing-Er Lin 1 and Edward F. McDonough suggested that the way in which leadership affects innovation is complex. The findings suggest that this is a considerable oversimplification of the relationship between leadership and innovation and that culture is crucial to enable innovation ambidexterity and further, that leadership and culture work in conjunction with each other to generate innovation.

Alireza Nazarian and Peter Atkinson , World Applied Sciences(2013) indicate that all the dimensions of national culture have a significant relationship with transformational and transactional leadership styles whereas there were mixed relationships between national culture dimensions and the passive leadership style. Siti Zaleha Abdul Rasid, Mohd. Aizat Abdull Manaf and Farzana Quoquab(2013) explored that results reveal that leadership and organizational culture significantly affect organizational commitment. Moreover, leadership plays a significant role in enhancing organizational culture. On the other hand, organizational culture mediates the relationship between leadership and organizational commitment. Kristina Jaskyte(2004) examined the relationships between leadership and cultural variables. Positive relationships among transformational leadership, organizational values, and cultural consensus (degree of agreement among employees on those values) indicate that leadership practices employed in this sample created strong cultural consensus around values that may inhibit innovation. Hai Nam Nguyen, Sherif Mohamed(2009) examined that only transformational leadership behaviors are positively related to knowledge management practices; and the moderating effect of organizational culture was found to be statistically insignificant.

### Gaps in the Literature

After reviewing national and international literature pertaining to leadership qualities and organisational culture the researcher identified three predominant gaps namely

1. What are the factors influencing leadership qualities of the employees.
2. Is there any sub factor of organisational culture.
3. What type of relationship that exist between leadership qualities of the employees and their organisational culture.

The researcher intended to answer these three predominant gaps to cultivate the present research. **Objectives of the study**

1. To identify the factors of leadership qualities of employees in the IT co’s.
2. To analyse the existing organisational culture in the study domain.
3. To find the relationship between leadership qualities and organisational culture.

**Hypothesis:** There is no significant relationship between organisational culture and leadership qualities of the employees.

### Research Methodology

The study is based on both primary and secondary data. The primary data is collected through a structured questionnaire consist of organisational culture variables in likert’s 5 point scale which ranges from strongly agree to strongly disagree. The researcher circulated the questionnaire to the top five IT companies in and around Chennai. Infact , the researcher circulated 250 questionnaires and able to obtain only 175 filled in responses through convenient sampling method. The sample size justification is done through significant variance obtained in factor analysis.

### Data Analysis

The researcher exploited both univariate and multivariate statistical techniques. The researcher used factor analysis, one-way analysis of variance and linear multiple regression analysis.



### Analysis and Discussion

The researcher applied factor analyses the principle component method to identify the lead qualities of the employees as well as the organisational culture. The results are clearly present below.

**Table 1: Employees perception on leadership and culture**

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	11.096	25.217	25.217	7.158	16.269	16.269
2	4.116	9.355	34.572	6.471	14.706	30.975
3	2.749	6.247	40.819	3.653	8.301	39.276
4	2.343	5.324	46.143	2.684	6.100	45.376
5	2.081	4.730	50.873	2.419	5.497	50.873

Extraction Method: Principal Component Analysis.

The Table 1 allows inferring that 44 variables of Employees perception towards leadership and culture followed in their IT and ITES companies are classified into 5 major factors. These variables explain cumulative total variance of 50.873 per cent. This leads to the following relationship between leadership styles and organizational culture through linear multiple regression analysis as stated below

The influence of five leadership characteristics of independent factors on the dependent factor organizational culture is measured in the following model summary table

**Table 2: Model Summary – organizational culture**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.533(a)	.284	.279	.43917

a) Predictors: (Constant), Transformational leadership, participative leadership, servant leadership, dynamic leadership, dictatorial leadership

From the above table, it is found that R-square value = 0.533, adjusted R-square is 0.279 shows that the independent variables are 53.3% variance over the organizational culture a dependent factor. This leads to the further verification of fit of regression out of unique dependent and multiple independent variables.

**Table 3: ANOVA –Job insecurity**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	41.015	4	10.254	53.165	.000(a)
	Residual	103.184	535	.193		
	Total	144.200	539			

a Predictors: (Constant), Transformational leadership, participative leadership, servant leadership, dynamic leadership, transfer, dictatorial leadership

From the above table it is found that the F-value 53.165, P-value = 0.000 are statistically significant at 5 percent level. This implies the regression fit is significant and the leadership factors significantly influenced the organizational culture . The individual influence of leadership factors is estimated through the following co-efficient table

**Table 4: Coefficients – organizational culture**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta	B	Std. Error
1	(Constant)	.860	.169		5.086	.000
	TL	.168	.048	.158	3.542	.000
	PL	.075	.046	.086	1.654	.099
	SL	.164	.055	.161	2.984	.003
	DL	.269	.045	.263	5.955	.000
	DEL	.085	.049	.089	1.854	.103

a Dependent Variable: job insecurity

From the above table it is found that Transformational leadership (t=3.542, p=0.000), servant leadership (t=2.984, p=0.003), dynamic leadership (t=5.955, p=0.000) are significant influencing the towards organizational culture. Therefore, it can be concluded that the employees perceived that the leadership qualities with in them changes even the culture of the organization.



### Findings and Conclusion

The present research clearly revealed there is a deep and positive relationship between leadership qualities and organisational culture of employees in IT companies. Among the leadership qualities it is found that participative leadership and servant leadership are highly predominant among the employees to increase profitability and productivity. It is further concluded that Transformational leadership, Participative leadership and servant leadership create significant influence on optimistic conducive culture, knowledge oriented culture, career development oriented culture and productivity oriented culture. It is further identified that leadership qualities of the employees is replete with productivity culture.

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