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The Relation between Transformational Leadership and Organizational Culture (Case study: Medical school of Ilam)

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Abstract

Today, the leaders play an effective role in the development of the organizations. Therefore, "leadership" is a subject on which many experts are focused. Leadership takes root of social influence process. Cultures are created by the leaders. Moreover, persons are also influenced by the leaders.

Purpose: this study is aimed to investigate the effect of transformational leadership on the organizational culture.

Method: this is a theoretical / descriptive study in which data was gathered using structural equations modeling.

Findings: According to the results, there is a meaningful relation between transformational leadership and organizational culture. Moreover, organizational culture is affected by factors such as hopeful influence, inspirational motivation and personal observations. On the other hand, intellectual encouragement has no influence on the organizational culture.

Keywords: Transformational leadership, organizational culture, organization, inspirational motivation.

1-Introduction

Since the recent century has been accompanies with a new wave of changes, the organizations are bound to move toward such changes in order to be succeed. Transformational leadership is the main factor by which the environmental changes of the organizations become coordinated. It is one of the leadership paradigms which enable the employees to develop the organizational

performance in such agitated environment. In other words, the key factor paid attention by the organizations is culture. Evidences show that leadership and organizational culture are the two main scientific factors investigated by the experts (Black, 2003).

2. Statement of issue

In the recent technological era, organizations are faced with some political, social and cultural changes. Since the organization's success depends on the organizational leadership, the role of the leaders is of great importance. Recent developments have changed the attractive leadership to the transformational leadership which emphasizes on the enabling of the employees in order to develop the independent organizational performance (Kark 2004). Transformational leadership prepares the foundation of long – term organizational changes by which the main goals are achieved. Investigation of transformational leadership dates back to 1978. Bronz (1978) concluded that transformational leaders encourage persons to do excellent works and they are able to prepare reliable paths for the new organizations. Moreover, such leaders scrutinize the changes of the organization (Rabinz, 1996. P. 484). Transformational leadership is based on four aspects: (1) Purposeful influence, (2) intellectual encouragement, (3) Inspirational motivation and (4) encouraging supports (Bess& Rejio, 2006). Regarding the influence of leadership on the creation of organizational changes, culture is mentioned as the main factor having influence on. In sum, organizational culture refers to a set of values, beliefs and prepositions suggested by the members of a society or an organization (Gahareb& Ergenilia, 2007). Bernard argues that survival of the organizations depends on the culture presented by the transformational leaders. The current study is aimed to investigate the relationship between transformational leadership and organizational culture.

3- Theoretical framework

3-1- transformational leadership

Leadership is the main issue investigated by the experts because the leaders play a key role in the organizational transformation. Leadership takes root of a social influence process. Culture is made by the leaders. On the other hand, leaders have influence on the people. During the current time, called transformational era, people have tendency to know the role of transformational leadership. For the first time,Barrens(1978) presented the term "transformational leadership" in the political negotiations (Barenz, 1968; Elkinz & Cler, 2003). Barrens argued that the transformational leadership helps persons to have influence on their cooperators, supervisors and inferiors. Such leadership may not be an ordinary phenomenon (Yukel, 1382. P. 496). Bernard Bess defines transformational leadership as a process through which organizational commitment is created and the employees are enabled. Under the influence of transformational leadership, persons are encouraged to follow group objectives instead of personal advantages (Karuk, 2004. P. 161). Transformational leaders change the society and the followers through their speeches and deeds. Such leadership is fulfilled when the leaders encourage their followers think about something out of personal advantages and when they make them aware of future goals and missions. The transformational leader tries always to balance personal and group objectives in order to make the followers enable to seek the correct path. They try to change the beliefs and values of the organization in order to achieve goals proportional to environmental situation (Istin

& HamFriz, 2003). Bess divided transformational leadership into four elements:

3-1-1 Purposive influence

Transformational leader cherishes the feelings of respect and loyalty among the followers and emphasizes on the importance of strong commitment for reaching organizational goals (Oslo & Gamosla, 2008). In other words, purposive influence helps the leaders to treat the followers kindly (Moogli, 2003).

3-1-2- Intellectual encouragement

By encouraging the mind, transformational leaders challenge the creativity of the followers (Avolovi et al, 2004). In other words, the followers are encouraged to reveal new approaches for solving organizational problems (Moogli, 2003). In such condition, the new approaches are presented in order to develop the organization (Oxin, Partoal & Spritzer, 2005).

3-1-3- Inspirational motivation

Inspirational motivation describes the leaders whose commitment is increased through helping the followers to participate in future programs (Pooper, 2000, p.208).

3-1-4- Individual observations

This is the factor by which the leaders help the followers to reach their desired requirements and develop their unique potentiality (Horvitz et al, 2008). The leader acts as a trainer and encourages the followers to seek the best tendencies (Bess & Rejive, 2006, P. 7).

3-2- Organizational culture

Since the transformational leaders are always worried about the fluctuation of the organization, they seek the culture proportion to the creativity, problem solving, risk – taking and experimentation (Bess & Au live, 1993). From organizational perspective, organizational culture is similar to a strong chain by which an organization becomes stable (Kurt & Charismas, p.647; Bidokhti, 2000, p.7). The organizational culture is made of values on which the intra organizational behaviors are shaped. Moreover, the organization's members intervene in such values. In reality, organizational culture reflects some of hidden behavioral patterns of the leaders (Grainer, 1983). Organizational culture influences on the success of trades (FelipeMcEwen, 2004, p. 624-625). Furthermore, it creates a group identity by which the members can agree with policies, missions and goals of the organization.

Organizational culture acts as a social controller and improves the dominant values and behaviors (Barbosa & Kardosa, 2007, p. 278). There are many evidences that organizational culture is divided into several aspects.

3-2-1- group (supportive) culture

Group culture coincides with humanitarian assistances and emphasizes on the creation of a friendly environment for the employees of an organization. The organization in which there is such culture is the best place for being in communication with each other as the members of a family (Cameron & Coin, 2006, p.66).

3-2-2- Developmental (entrepreneurial) culture

Developmental culture focuses on the entrepreneurial behaviors of the employees and their commitment to the organizational development, risk – taking and creativity. In such conditions, the employees are encouraged to take more risks and achieve new innovation resources.

3-2-3- beaurocratic (hierarchical) culture:

The organizations having hierarchical culture focus always on the establishment of formal laws and regulations. In such organizations, the employees are obliged to take special responsibilities (Katler & Kwin, 2001; Tsu et al, 2006).

4- Review of literature

Investigating the relation between leadership style, culture and organizational commitment of armed forces, Karaminia, Salimi & Amini (2010) concluded that there is a direct relation between transformational leadership style and organizational culture. Moreover, there is a converse relation between the free leadership style and organizational culture. In his study, "investigation of the relation between transformational leadership and organizational culture", Aghaz (2008) concluded that although the leaders call themselves "transformational", the followers don't accept it. In other words, there is no relation between culture and leadership style. In their study "The investigation of the relation between organizational culture and transformational leadership styles", Rayj& Hosseini (2000) concluded that it is necessary to regard the definition of special leadership styles and application of such styles to organizational culture as the best strategy for increasing organizational performance. Results show that culture can affect variously on the different leadership and management styles. In sum, organizational culture plays a key role in creating a suitable field for the organization's leadership styles. Moreover, evidences show that there is a positive relationship between transformational leadership and elements such as the employee's commitment, job stress, job satisfaction, creativity, affective intelligence and organizational citizenship behavior (Bryson, 1998; Uccle, 1989; Smith et al, 1983; Bess, 1985).

Model 1 - Meaningful model of the research
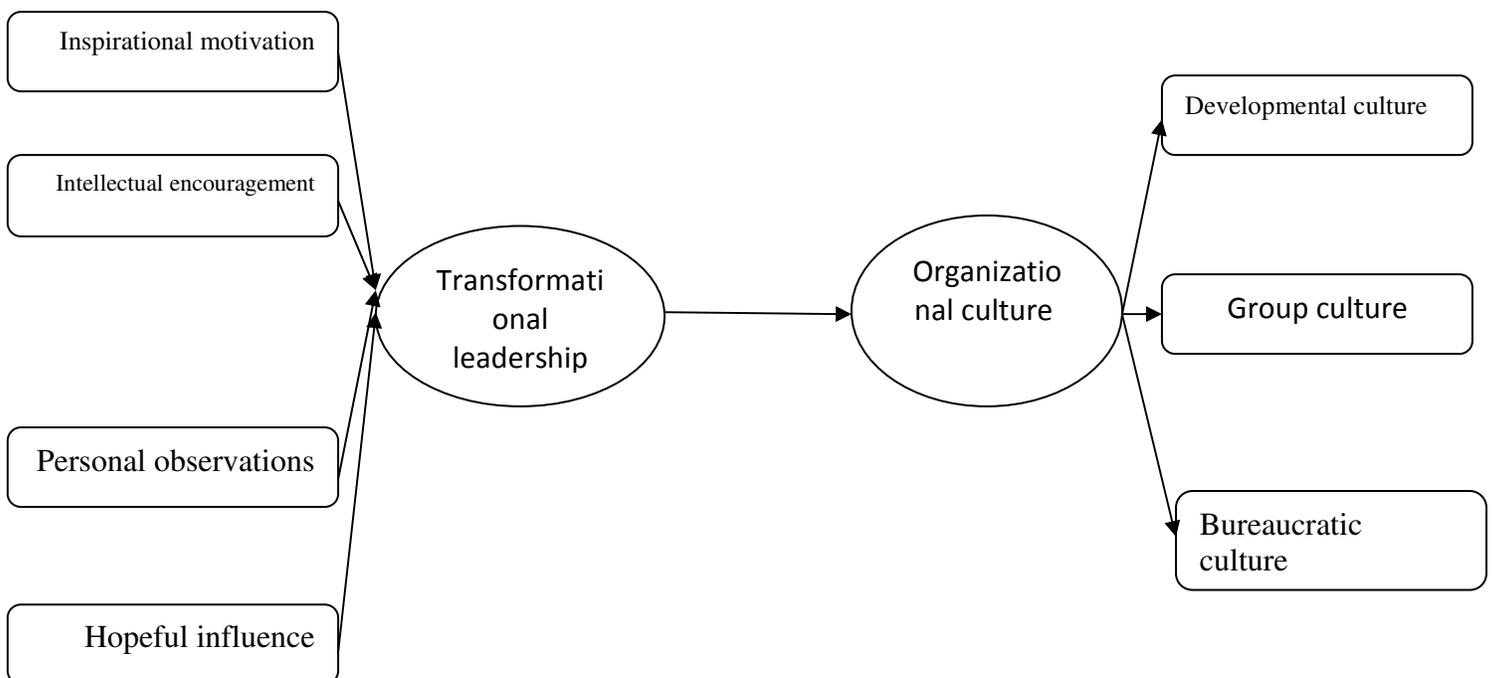
5- Research methodology

Since we aim to determine the relation between the variables of transformational leadership and organizational culture, this is an application – descriptive study based on the structural equation modeling. The relation between the variables was investigated due to several methods from which the structural equation modeling is of importance (Sakkara, 1997). In this study, the two variables transformational leadership and organizational culture are regarded as the independent and dependent variables, respectively. Data was gathered by use of the questionnaire.

6- Research hypotheses

6-1- Main hypothesis

The transformational leadership is affected by the organizational culture.

6-2- sub – hypotheses

Sub hypothesis 1: The organizational culture is affected by hopeful influence

Sub – hypothesis 2: The organizational culture is affected by inspirational motivation.

Sub – hypothesis 3: The Organizational culture is affected by intellectual encouragement.

Sub – hypothesis 4: The Organizational culture is affected by personal observations.
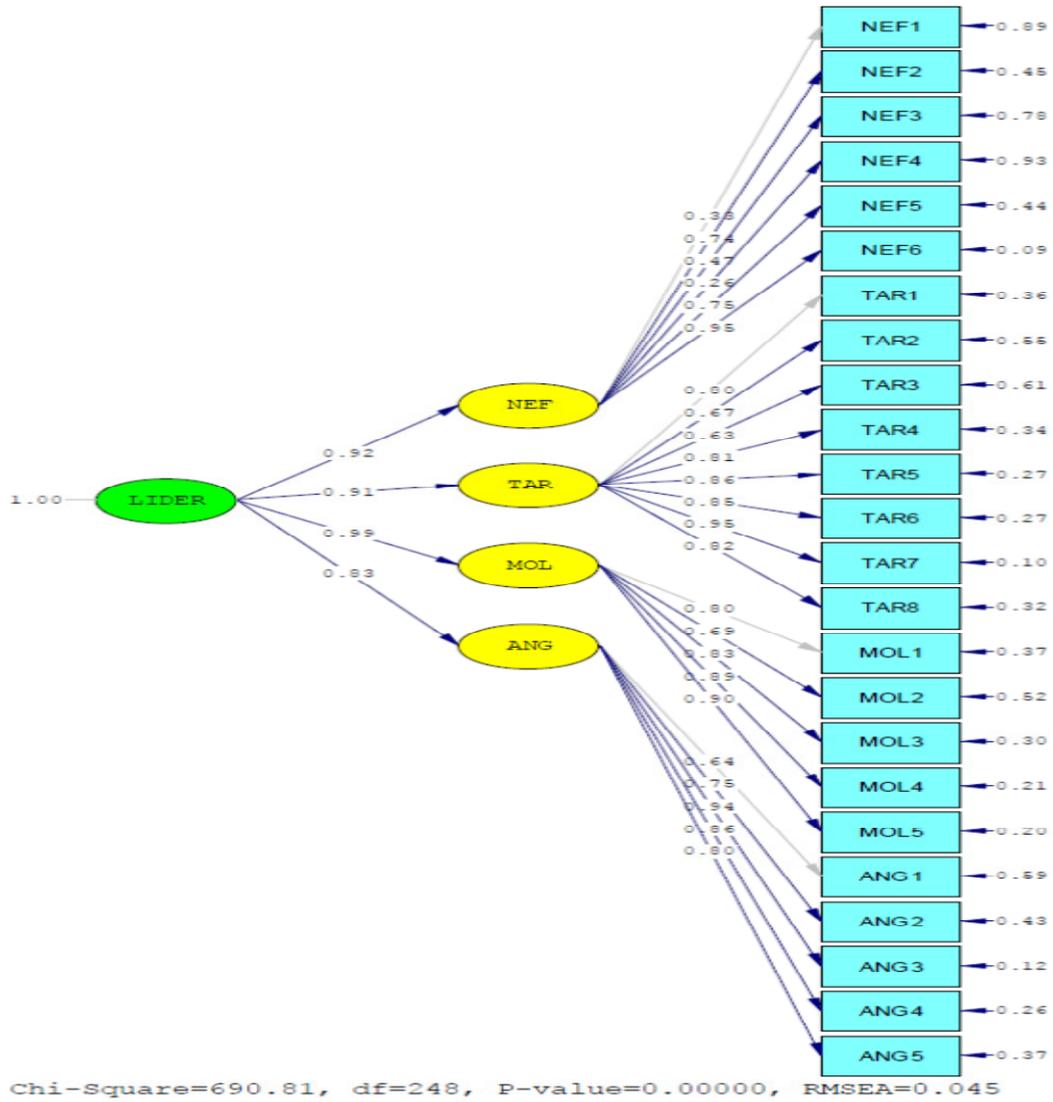
Population included 206 faculty members of Elam's medical sciences university who were selected as the sample.

7- Data analysis

The Lizrel software and the structural equation modeling were used for analyzing the gathered data. The structural equation modeling includes two parts: factorial analysis and path analysis.
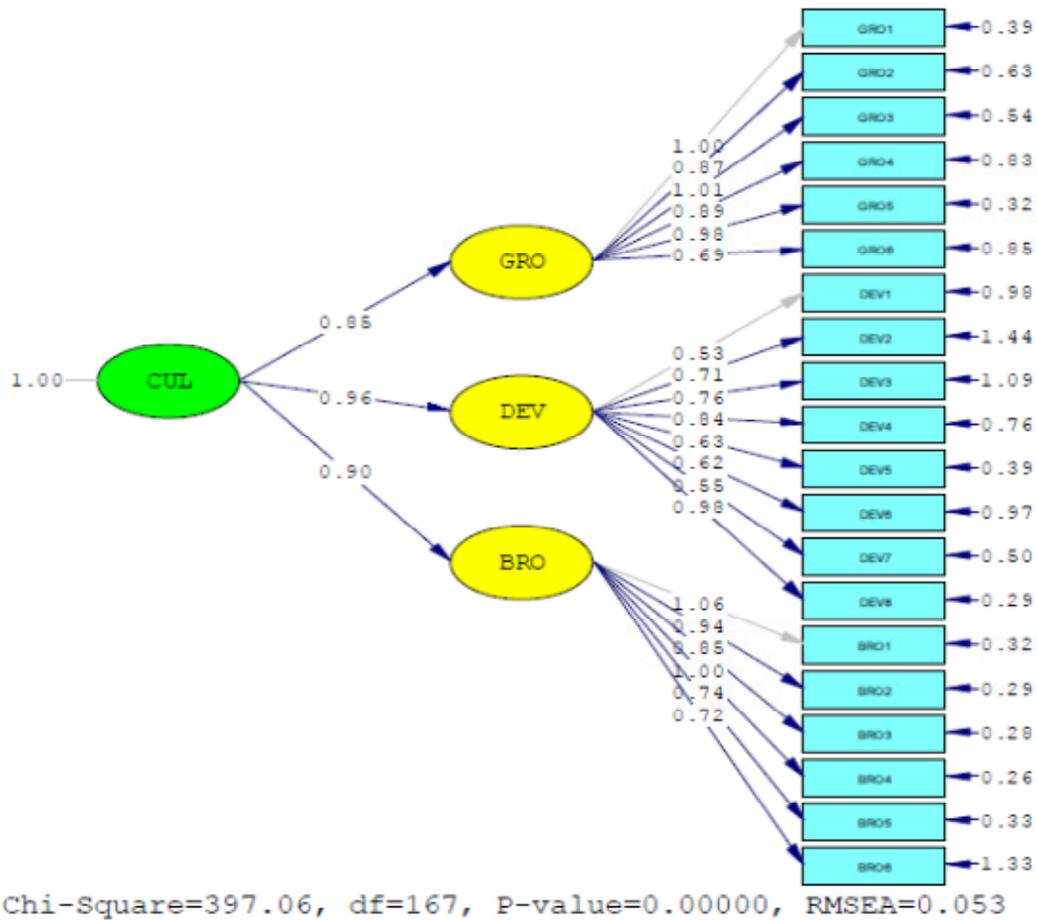
7-1- In confirmed factorial analysis, the main hypothesis is that there is a relationship between each factor and some variables presented by the author. In total, the confirmed factorial analysis technique is used in order to test the hypotheses. In this study, the first and second steps of factorial analysis are used.

7-2- Factorial analysis relative to the independent variable (transformational leadership)

NEF1	0.89
NEF2	0.45
NEF3	0.78
NEF4	0.93
NEF5	0.44
NEF6	0.09
TAR1	0.36
TAR2	0.66
TAR3	0.61
TAR4	0.34
TAR5	0.27
TAR6	0.27
TAR7	0.10
TAR8	0.32
MOL1	0.37
MOL2	0.52
MOL3	0.30
MOL4	0.21
MOL5	0.20
ANG1	0.59
ANG2	0.43
ANG3	0.12
ANG4	0.26
ANG5	0.37

Chi-Square=690.81, df=248, P-value=0.00000, RMSEA=0.045

As shown above, all of factors are relatively high. The rectangles and ovals show the available variables. Moreover, the ovals show that there is a meaningful relation between the questions and the factors. From the above figure, it becomes clear that which questions determine the factors. The loads of the factors show that there is a correlation between personal observations and transformational leadership.

7-3- Factorial analysis relative to the dependent variable (organizational culture)

GRO1	0.39	
GRO2	0.63	
GRO3	0.54	
GRO4	0.83	
GRO5	0.32	
GRO6	0.85	
DEV1	0.98	
DEV2	1.44	
DEV3	1.09	
DEV4	0.76	
DEV5	0.39	
DEV6	0.97	
DEV7	0.50	
DEV8	0.29	
BRO1	0.32	
BRO2	0.29	
BRO3	0.28	
BRO4	0.26	
BRO5	0.33	
BRO6	1.33	

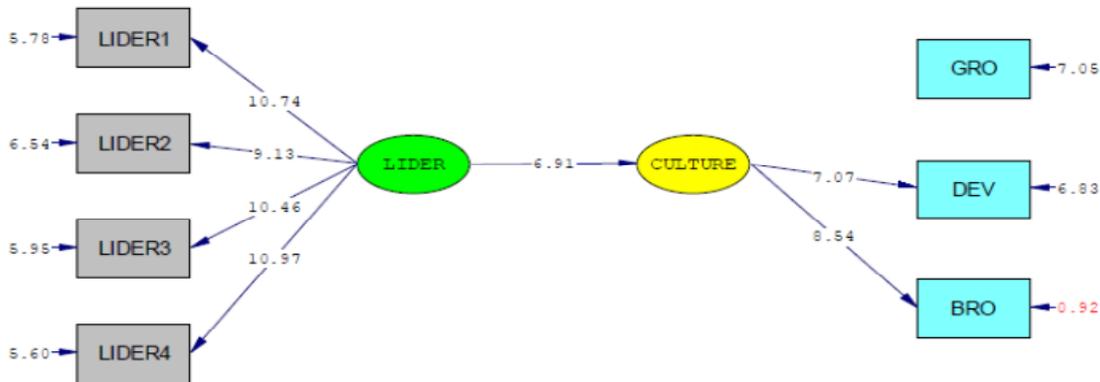Chi-Square=397.06, df=167, P-value=0.00000, RMSEA=0.053

As seen above, all factors have a meaningful relationship. Due to the results, the factorial analysis model is confirmed. Moreover, the factorial loads show that there is a meaningful relationship between developmental culture and organizational culture.

Model 2: The standard approximate model
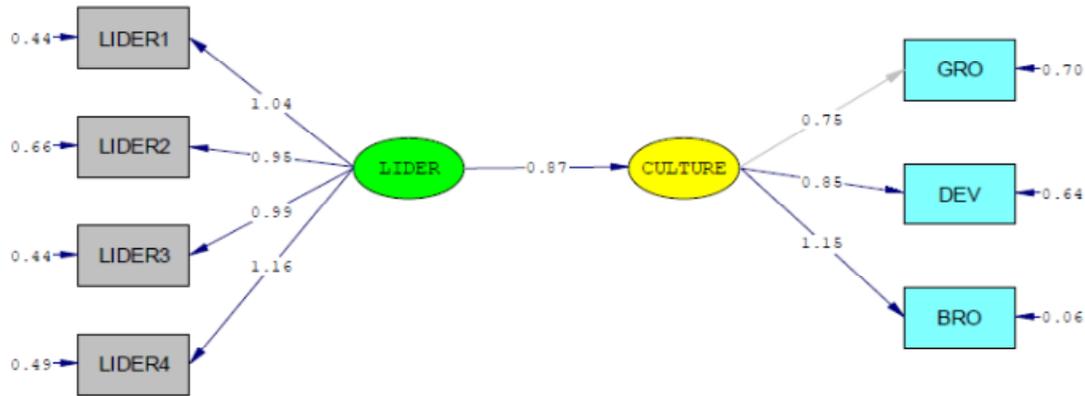
Chi-Square=74.75, df=17, P-value=0.00000, RMSEA=0.069

Model 3: The meaningful coefficients model

Chi-Square=47.75, df=17, P-value=0.00000, RMSEA=0.069

By meaningful coefficients, we mean the double correlational and confirmed numbers (between the two variables).

The more such coefficients, the more the influence of independent variable on the dependent variable will be. Moreover, meaningful coefficient is referred to the values between – 1/96 and + 1/96. Such coefficient is used for confirmation or rejection of the research hypotheses. When the number is bigger than 1/96, the independent variable has more influence on the dependent one.
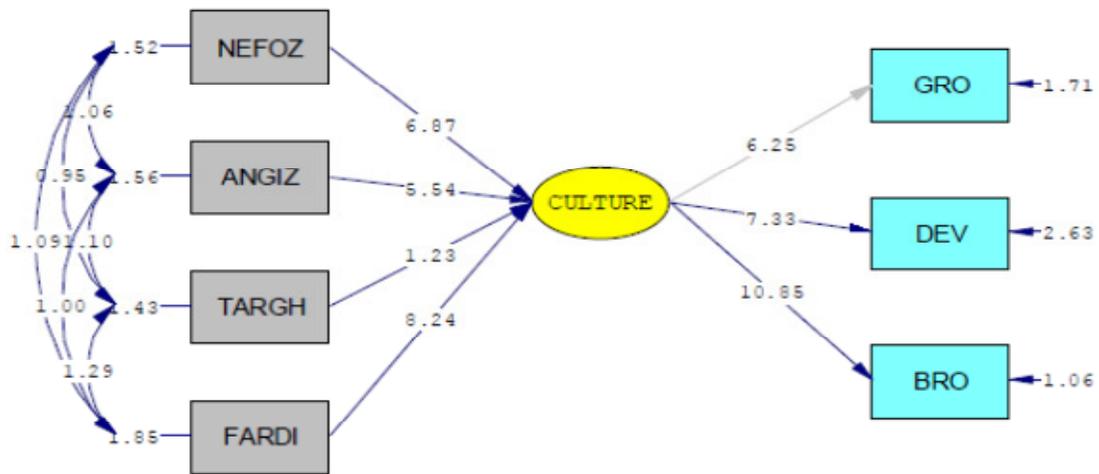
8- Examination of the hypotheses

From the above mentioned, the main hypothesis is accepted because the meaningful number (6/91) related to the relationship between transformational leadership and organizational culture is bigger than 1/96.

Model 4: The standard evaluation model
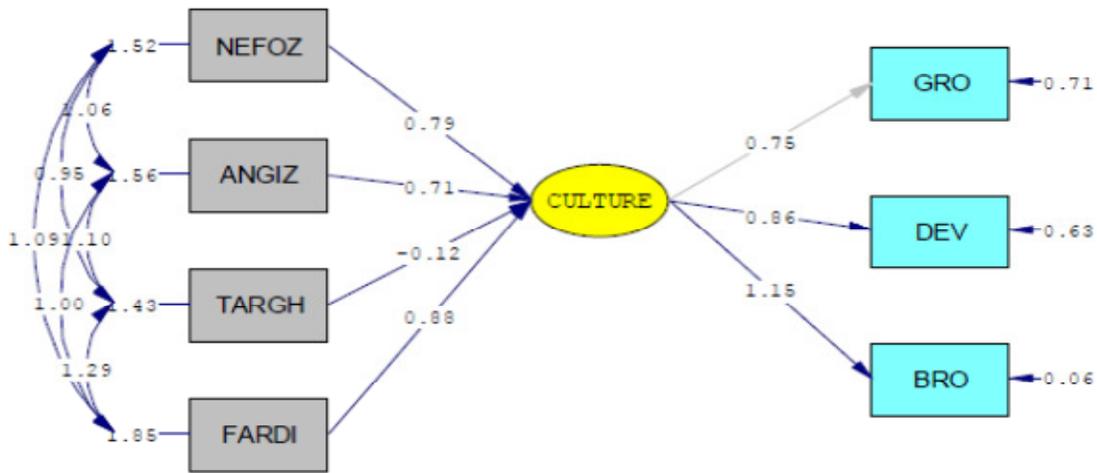
Chi-Square=22.81, df=8, P-value=0.00167, RMSEA=0.058

Chi-Square=22.81, df=8, P-value=0.00167, RMSEA=0.058

9- The results of sub – hypothesis test

Sub hypothesis	Independent variable	Dependent variable	T - value	Result
1	Hopeful influence	Organizational culture	6/87	Rejected
2	Inspirational motivation	Organizational culture	5/54	Rejected
3	Intellectual encouragement	Organizational culture	1/23	Accepted
4	Personal observation	Organizational culture	8/24	rejected

As seen in the table above, the t – value relative to the sub – hypotheses 1,2 and 4 is bigger than 1/96 and it means that there is a meaningful relationship between such factors and organizational culture. On the other hand, the t – value relative to the third sub – hypothesis is below 1/96 and it means that there is no relationship between the factor intellectual encouragement and organizational culture. In other words, organizational culture is not affected by the intellectual encouragement.

10- Conclusions

As a new paradigm, transformational leadership has a remarkable influence on the development of organizational culture. During the recent decades, the authors have emphasized on the culture and leadership as the two main factors influencing on the organization's performance. There are many evidences showing that there is a relationship between organizational culture and transformational leadership. The results of the current study revealed that the factors such as hopeful influence, inspirational motivation and personal observations affect on the organizational

culture. On the other hand, intellectual encouragement has no influence on the organizational culture.

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