

**Title of the paper/ article: -**

**“Leaders role in shaping organizational culture”**

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**Declaration: -**

This qualitative research work is based on the OCAI and leadership skill questionnaire. For the secrecy matter name of the organization kept closed. I (Shalmali Gadge) have not published this article elsewhere.

## **Abstract: -**

The culture of an organization can be seen as a set of core characteristics that are collectively valued by all members of that organization. Culture is both dynamic phenomenon that surrounds us at all times, being constantly enacted and created by our interaction with others and shaped by leadership behavior. The objective of this **qualitative study** was to investigate the association between different type of organizational culture and leadership behavior. General Manager who had successfully brought their organization through organizational culture change like retrenchment, acquisition etc. were interview and included as a **case study**. **Purposive sample method** was used while collecting the data from **Nashik based middle and large-scale organizations**. Leadership behavior questionnaire was used for the same.

Finding: - Generally and with a few exceptions leadership behavior was found to be significantly related to organizational commitment, and culture played an important role in moderating this relationship.

Values: -This article contributes to the existing pool of knowledge on the relationships between leadership behaviors, organizational culture, employee's performance and attrition rate.

**Key Words: - organizational culture, leadership behavior, commitment.**

## **“Leaders role in shaping organizational culture”**

**Mrs. Shalmali Gadge**

### **Introduction: -**

The organization can become great only if it recognizes people in the organization as main factor looking; for effectiveness of activity and competitiveness of organization. This is not easy to build a fair competitive strategy for organization. It must be counted all kind of resources including psychological ones. Organizational culture is powerful and changing it is difficult. Because people in the organization are carefully selected based on their compliance with the exiting culture. Culture exerts itself through the actions and thinking of thousands of people. To change culture one needs to change all these people. The organization's culture develops in large part from its leadership while the culture of an organization can also affect the development of its leadership. For example, transactional leaders work within their organizational cultures following existing rules, procedures, and norms; transformational change their culture by first understanding it and then realigning the organization's culture with a new vision and a revision of its shared assumptions, values, and norms (Bass, 1985).

Culture are taught by its leadership and eventually adopted by its followers. At one extreme a leader accepts no deviation from standard operating procedures, managing-by exception in a highly transactional fashion while at the other extreme another leader rewards followers when they apply rules in creative ways or if they break them when the overall mission of the major distinguishing feature in these companies, their most important competitive advantage, the factor that they all highlight as a key ingredient in their success. The sustained success of these firms has had less to do with market

forces than company values; less to do with competitive positioning than personal beliefs; less to do with resource advantages than vision. Name the most successful firms you know today, from large behemoths to entrepreneurial start-ups--for example, Coca Cola, Disney, General Electric, Intel, McDonalds, Merck, Microsoft, Pixar, Rubbermaid, Sony, Toyota. Without exception, virtually every leading firm has developed a distinctive culture that is clearly identifiable by its employees. This culture is sometimes created by the initial founder of the firm (e.g. Disney). Sometimes it is developed consciously by management team who decide to improve their company's performance in systematic ways (e.g. G.E.). Simply stated, successful companies have developed something special that supersedes corporate strategy, market presence, or technological advantages. They have found the power that resides in developing and managing a unique corporate culture.

Parenthetically, most organizational scholars now recognize that organizational culture has a powerful effect on the performance and long-term effectiveness of organizations. Empirical research has produced an impressive array of findings demonstrating the importance of culture to in enhancing organizational performance (for reviews see Cameron & Ettington, 1988; Denison, 1990; and Trice & Beyer, 1993).

Several scientific study that report a positive relationship between dimensions of organizational culture and organizational effectiveness. For those interested in the scholarly evidence that supports our assessment procedures and culture change method. Effective organizations require both tactical and strategic thinking as well as culture building by its leaders. Strategic thinking helps to create and build the vision of an agency's future. The vision can emerge and move forward as the leader constructs a culture that is dedicated to supporting that vision. The culture is the setting within which the vision takes hold. In

turn, the vision may also determine the characteristics of the organization's culture. The characteristics and qualities of an organization's organization is best served. How leaders react to problems, resolve crises, reward and punish followers are all relevant to an organization's culture as well as how the leader is viewed both internally by followers and externally by clients/customers. To reiterate, the culture affects leadership as much as leadership affects culture. Leaders who are concerned about organizational renewal will seek to foster organizational cultures that are hospitable and conducive to creativity, problem solving, risk taking, and experimentation. First, there is an articulation of the changes that are desired. Next, the necessary changes in structure, processes, and practices are made and are widely communicated throughout the organization. Finally, new role and behavioral models are established and reinforced that become symbols of the "new" culture. When trying to promote cultural changes in an organization, leaders should first understand and respect the past.

Transformational leaders have been characterized by four separate components or characteristics denoted as the 4 Is of transformational leadership (Avolio, Waldman, and Yammarino (1991). These four factors include idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration.

Leaders create mechanisms for cultural development and the reinforcement of norms and behaviors expressed within the boundaries of the culture. Cultural norms arise and change because of what leaders focus their attention on, how they react to crises, the behaviors they role model, and whom they attract to their organizations. Returning to it for inspiration, instruction, and identification of past objectives, principles, and strategies that still must be maintained. Gardner (1990) point out that leader needs to understand and appreciate the "interweaving of continuity and change" for long-term purposes

and values. One way to change organizational culture is to change the mental models of employees in the organization. Mental models are the beliefs, images and stories, which people carry in their minds about other people. For example, “the organization exists to make money” is the mental model held by a majority of employees in an organization. This mental model might be useful in the short-term, but it could be dangerous in the long-term. Once organization become reasonable successful, people get complacent and organization starts ignoring customers and competition. But problem is that mental models are hard to find. Experiment conducted by Stanford Psychologist Leon Festinger in 1957 show that People change their mindsets only when they see the purpose of changing; when they are convinced about the purpose. Any leader can change it the way the Jack Welch did at General Electric, Dick Brown the CEO of EDS did between 1998 and 2003.

Promotions should be made to ensure that these older values could survive despite the necessary changes. To transform them, the main thing employees’ need is enough time proper skill set.

### **Theoretical review: -**

Organizational culture was defined as a system of homogeneous beliefs of the members of organization, that separates the organization from the others [5], as set of opinions, persuasions and norms of behavior [6], as mode of the organizational behavior including rituals, traditions, ceremonies an organizational attitudes [7], as a set of opinions, persuasions and norms of behavior [8], set of dominant values and norms, that determines employees’ behavior and employee relations within an organization [9], as reflection of values, beliefs, and orientations, customs, traditions, and management styles used in selection and motivation of the employees [10], as etiquette and other attitudes of community determining behavior and interpersonal relations of employees [11]. Many other researchers provide analogous descriptions of

organizational culture. According to O. Shein [12] organizational culture reflects people's relations to themselves, relations to others, relation to institutions, to society, nature and to the universe. Organizational culture is the model of keystone assurances discovered and developed by people solving jointly the problems concerned with necessity to survive in the environment. And because the model was effective, it must be rendered to new members as an exclusive method to realize, feel and solve the problems of the group such aspects of organizational culture as elements of external environment, general predominant understanding of culture within organization, rules and roles in organization. There still is no single and agreeable for all investigators definition of organizational culture as well as general culture. Kroeber and Kluckholm 55 years ago collected 164 definitions of culture, summarizing of which Burca, Fletcher and Brown [4] defined the main characteristics of culture that culture is: descriptive, dynamic subjective and that the culture is learned. According to them the main groups of elements of culture are material, social, religious, aesthetic and language. According to R. Fletcher culture is the total way of life in a society.

A. Vasiliauskas [14] stresses out that very often symbols are the main mean of identification of organizational culture. According to Stoner, Freeman and Gilbert [15] organizational culture is set of such definitions appropriate for the members of particular organization as: norms, values, attitudes, confidences.

S. Robbins [16] determine main characteristics of organizational culture: personal initiative, tolerance to risk, singleness, level of integration, management support, control, motivation system, identity; and compensation system. P. Kotler [17] points out that most companies' say their cultures are about the same things understanding customer service, excellence.



## Shaping Culture

An organization exists only because of the people who are a part of it and those people both shape and interpret the character and culture of the organization. Leaders in particular formulate a viewpoint about the organization and the values that can help people achieve the organization's mission, vision and goals. Once a healthy culture is established, leaders use a variety of techniques to maintain a strong culture that provides both smooth internal integration and external adaptation. Leaders can use organizational rites and ceremonies, stories, symbols and specialized language to enact cultural values. Organizational cultures can be divided into 4 different categories namely ---

1. Clan culture follows at Motek where employees care about each other and the company.
2. Adaptability culture a good example of an adaptability culture is 3M Corp. where leaders encourage experimentation and risk-taking where they are encouraged to defy their supervisors if necessary to pursue a promising idea.
3. Achievement Culture is characterized by a clear vision of the organizational goals. Sible, which sells complex software systems. Employees who perform and meet stringent goals are handsomely rewarded; those who don't are fired. Every six months the bottom 5% are axed.
4. Safeco Insurance has functioned well with a bureaucratic Culture. . In a highly innovative and satisfying organizational culture we are likely to see transformational leaders who build on assumptions such as: people are trustworthy and purposeful; everyone has a unique contribution to make; and complex problems are handled at the lowest level possible. Leaders who build such cultures and articulate them to followers typically exhibit a sense of vision and purpose. They align others around the vision and empower others to take greater

responsibility for achieving the vision. Such leaders facilitate and teach followers. They foster a culture of creative change and growth rather than one, which maintains the status quo. They take personal responsibility for the development of their followers. Their followers operate under the assumption that all organizational members should be developed to their full potential. There is a constant interplay between culture and leadership.

### **Methodology: -**

The objective of this **qualitative study** was to investigate the association between different type of organizational culture and leadership behavior. 5 different General Manager who had successfully brought their organization through organizational culture change like retrenchment, acquisition product Innovations etc. were interview and included as a **case study**. **Deliberate sample method** was used while collecting the data from **Nashik based middle and large-scale organizations**. For the secret matters names were kept closed just organization A, B...to G was mentions. Leadership behavior questionnaire and Organizational Culture Assessment Instrument (OCAI) was used for the same.

OCAI questionnaire is divided in six clusters. Each part consists of four statements amongst which the respondents are to divide one hundred points. The four statements are linked to the four quadrants. The first phrase can be placed in quadrant **A (Family)**, the second phrase can be placed in quadrant **B (Adhocracy)**, **C (Hierarchy)**, **D (The Market Culture)**. The six clusters of phrases are the following:

- Dominant Characteristics
- Organizational Leadership
- Management of Employees
- Organizational Glue

- Strategic Emphases
- Criteria of Success

Scores given to each quadrant are totaled and the averages are transposed onto the graph. The graphs are a visual representation that can be easily interpreted and compared with other outcomes. In order to be able to determine not only the current as well as desired organizational Culture, a set of two questionnaires has been handed out. The questionnaire has been distributed amongst the departmental head and 5 employees from each organization. Total 210 sets of questionnaires were handed out through all organizations. The current and desired organization culture and leadership trend (by employees) and required organization culture (by management and employees) was the analyzing outcome.

### Conclusion: -

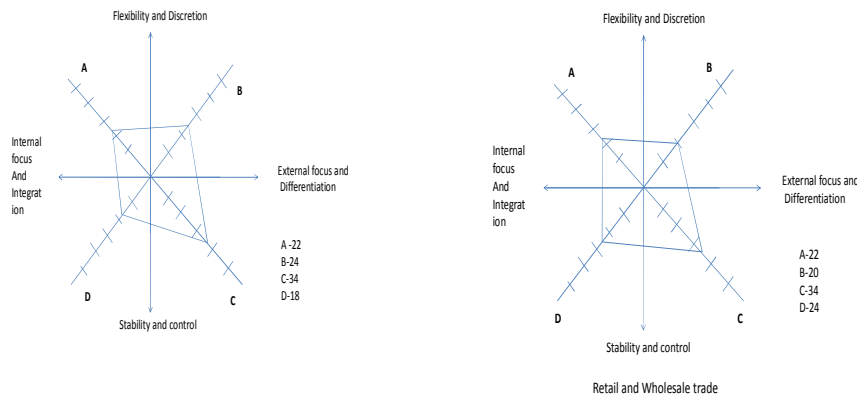


Fig 1 and Fig 2 respectively mention about service sector and retail Trade Company.

In Fig1 Organizational culture lies between Clan (Family) cultures (A) -22, The Adhocracy culture (B)- 24, The Market culture (C)-34, The Hierarchy culture (D)-18.

In Fig2 Organizational culture lies between Clan (Family) cultures (A) -22, The Adhocracy culture (B)- 20, The Market culture (C)-34. The Hierarchy culture (D)-24.

In the service sector and the Retail trade sector come up with almost same result except. The Adhocracy culture, The Hierarchy culture. Analysis shows that service sector employees are not very much satisfied with leaders problem solving attitude application of quality tools, measuring of appraisal etc. Here the requirement of adaptability and bureaucratic Culture leadership strategies.

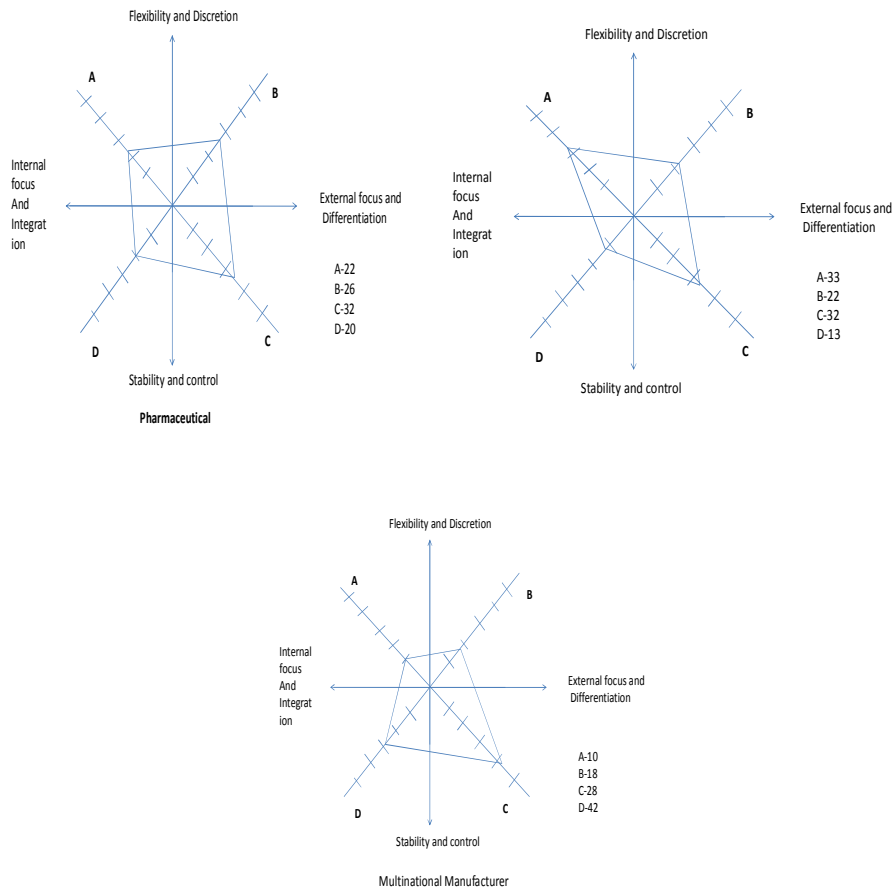


Fig 3, Fig 4 and Fig 5 respectively mention about pharmaceutical, automobile sector and Multinational manufacturer Company. In Fig3 Organizational culture lies between Clan (Family) cultures (A) -22, The Adhocracy culture(B)- 26, The Market culture (C)-32. The Hierarchy Culture (D)-20.In Fig4 Organizational culture lies between Clan (Family) cultures (A) -33, the Adhocracy culture (B) - 22, The Market culture (C)-32, The Hierarchy culture (D)-13.

In Fig5Organizational culture lies between Clan (Family) cultures (A) -20, The Adhocracy culture (B)- 18, The Market culture (C)-28, The Hierarchy culture (D)-42.From management point of view Family feeling largely contributes to the working atmosphere amongst personnel. While maintaining the family culture other three parameters are well managed by good leadership skill. Leaders role are very important manage the hierarchy and at the same there should be friendly atmosphere. Hierarchy is absolutely necessary. Process, procedure and line-management increase the clarity. From organization to organization thing changes so no standard leadership qualities required or can be suggested.

Investigation discovered that there were opportunities for improvement of organizational culture in many of organizations investigated.

To improve the situation in organizations investigated it is necessary:

1. Safeguard soundness and brightness of work compensation system.
2. Design and implement career planning system.
3. Deeply investigate existing culture, to find most effective elements.
4. Foster the system of values, attitudes and norms of behavior by creating effective teams.
5. Entrust more procurement and responsibilities for employees in most organizations.

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