

The Role of Leadership Styles in Shaping Organizational Culture: A Human Resource Management Approach

Dr. Namrata Singh¹

¹Associate Professor, Department of Business Management, PSIT College of Higher Education,
Kanpur, Uttar Pradesh
namrata.nim86@gmail.com

Dr. Rita Biswas²

²LLB, MBA (HR), PhD (Management), Senior Facilitator, Regenesys Business School
rita.kbiswas@gmail.com

Balbhagvan Acharya³

³Ph.D Research Scholar in Management, Eklaya University, MP
acharyascholar@gmail.com
<https://orcid.org/0000-0002-4699-6654>

Dr. Avni Sharma⁴

⁴Assistant Professor, Starex University, Gurugram, Haryana

Dr. Ashok Kumar Sahoo⁵

⁵Assistant Professor in Commerce, Kalasalingam Academy of Research and Education (A Deemed University),
Tamilnadu – 626126
rockashok555@gmail.com
<https://orcid.org/0000-0001-9873-9599>

Dr. Shaik Balkhis Banu⁶

⁶Assistant Professor & Program Coordinator, Department of Physiotherapy, Fatima College of health sciences Al Ain
UAE
drshaikbalkhis@gmail.com
Orcid id : 0000-0002-8783-5275

Abstract:

The study scrutinizes the effect of leadership styles on organizational culture, specifically through the mediating influence of HRM practices. Quantitative data was collected using mixed methods in which structured questionnaires were used to assess leadership styles, HRM practices, and organizational culture across a variety of organizations. Besides, semi-structured interviews were conducted with key personnel from these organizations for qualitative insights. The results showed that transformational leadership had a positive relationship with clan and adhocracy cultures characterized by collaboration and innovation whereas market and hierarchy cultures associated themselves to transactional leaders who are more performance-oriented and formal respectively. These findings are further supported by effective HRM practices that also align needed cultural traits with an organization's leadership approach. The study emphasizes the importance of integrating leadership approaches with strategic HRM for developing organizational cultures that enhance performance and support strategic objectives. Some future research directions include investigating how these relationships evolve over time, determining the effects of digital transformation regarding this trend as well as individual level results related to it.

Keywords: Organizational Culture, Transactional Leadership, Transformational Leadership, Human Resource Management (HRM), Organizational Performance, Clan Culture, Hierarchy Culture, HRM Practices

1. Introduction

Leadership styles and the organizational culture are so interdependent that they have been studied heavily by scholars and practitioners in this dynamic and complex landscape. The impact of this relationship is crucial to the image of a company, how employees behave and the overall success of an organization. Leadership styles are very critical in shaping and nurturing corporate culture which consists of shared values, norms, beliefs and practices that define an organization (Akanji et al., 2020).

The Importance of Leadership in Organizations

Leadership is one among many things that make organizations continue to exist. Effective leaders inspire employees towards achieving set goals. They help in decision making; problem solving and creating environments for innovation and growth. Managers' and executives' leadership styles have tremendous effects on various aspects of organizational life including employee satisfaction, productivity and general performance.

Organizational Culture: The Bedrock of Organizational Identity

Organizational culture is often referring as the social cement that holds the members of a specific group or society together. It is manifested in such aspects as symbolic representations, rituals, language standards that define daily social interactions in an organization. On one hand, the presence of a strong cohesive culture is associated with higher levels of employee participation because the employee feels dedicated to their respective organization. Weak fragmented cultures, on the other hand, cause confusion; its effects include demoralization of staffs, and high turnover rates. In this context, it is imperative to identify those factors that have an impact on the development process and how it is possible to maintain employee loyalty even in the worst times (Vuong et al., 2021).

The Relationship Between Leadership and Culture

Leadership is closely linked to organizational culture because leaders help determine what organizational vision is and support it by reinforcing the related values with their behaviors (Akpa et al., 2021). Multiple leadership theories including the transformational leadership theory, the transactional leadership theory, the laissez-faire theory, and the autocratic leadership theory provide diverse styles of handling people or employees in organizations. Both type has implications for developing organizational culture with some examples as transformational leadership fosters innovative, change ready, and future-oriented cultures in contrast to transactional leadership cultivates competitiveness.

Human Resource Management's Role

Human Resource Management (HRM) is the bridge between leadership and organizational culture. HRM practices such as recruitment, training and development, performance management, and employee engagement are vital in supporting leadership attempts that have addressed the desired cultural direction of organizations. Effective human resource management involves aligning the organization's HR strategies to those of its leadership and culture hence making it possible for an organization to improve its capacity to attract, develop and retain talent that are consistent with the organization's values (Hongal and Kinange, 2020).

Research Aim and Scope

The primary objective of this research paper is to evaluate how different leadership styles influence organizational culture from the standpoint of human resource management. It also aims at establishing major leadership practices that influence cultural development and the role human resource management plays in supporting or impeding this process. This paper reviews various literature sources, as well as empirical studies, to determine how leadership styles affect organizational cultures and provides recommendations for HR practitioners and top management.

Importance of the study

Understanding the relationship between leadership and culture within organizations can be better achieved through the findings of this study. The current project will give guidance to leaders and HR managers on creating positive organizational cultures that guarantee lasting success by analyzing how various types of leadership affect the creation and transformation of cultures. Additionally, this investigation will highlight the importance of SHRM in linking leadership with cultural programs to promote adaptability and resilience within a changing business environment.

In other words, one of the biggest areas where today's organizations have a long way to go is the understanding on how leadership styles relate with organizational cultures. In other words, styles of leading shape culture which in turn affects worker behavior and their motivation as well as overall performance. Thusly, the purpose of this study is to scrutinize this intricate connection by critically examining how management and human resources can work together towards shaping an organization's culture.

2. Literature Review

The leadership styles and culture have emerged as major factors that work hand in hand in the overall organizational performance and growth. This also explains why organisations are managed differently implying that they have different cultures that shape employee behaviours to either encourage or compel them to work harder at larger for the firm. Because of this, this literature review will examine major leadership theories that relate with organisational culture from the HRM lens.

Leadership Theories and Styles

Various leadership theoretical frameworks have been established to address the form and patterns of behaviors demonstrated by followers in organizations. For example, Trait Theory states that there are some particular inborn traits which people with effective leadership qualities might possess, for example, intelligence or integrity. However, Behavioral Theories (Ohio State Studies; University of Michigan Studies) defines leader through activities and terms such as task-oriented behaviors or people-oriented behaviors. Furthermore, it has been identified that in management roles that are balanced between tasks and employees, positive values, standards and practices are likely to be built. Fiedler's Contingency Model, Path-Goal Theory and Contingency Theories make it clear that some organizational circumstances require a specific form of management for improved performance (Amghar, 2022).

Transformational vs Transactional

Burns highlights two types that conflict each other: transformational leaders create individual change by transmitting vision that brings about generative innovative organizational cultures while transactional leaders execute particular concern on performance oriented outcomes established through exchange of enhancing effective cultures. In the same way servant leader also focus on follower needs but authentic leader also focuses on self-awareness and ethical practice which play a very significant role in creating trustworthiness for an organization (Purwanto et al., 2020).

Models of Organizational Culture

According to Ng and Sears (2020), global culture can be described as organizational culture, as it is encompassed by values and dispositions of a particular organization. Schein's Model of Organizational Culture identifies three levels: culture comprises of physical objects, political values, and operative beliefs. These levels also show how culture became more expressively apparent and at different covert and subtle levels. Cameron and Quinn's Competing Value Framework identifies organizational cultures as consisting of four cultures, which are differentiated in terms of their characteristics and values: clan, adhocracy, market, and hierarchy (Abraham and Zewdie, 2020). For example, there are those that are associated with the clan culture which encourages teamwork and creation of an environment more like a family while on the other hand, there are those associated with the market culture that call for competition and meeting set goals. The paper considers Hofstede's Cultural Dimensions Theory to analyze the impact of local culture on the behavior within an organization, talking about power distance and individualism. Organizational Culture can be examined by finding the relationship between cultural values and organizational performance. The components that are attributed to this model include; Involvement, Clarity, and Adaptability.

The Intersection of Leadership and Organizational Culture

Leadership styles play a crucial role in shaping/reinforcing organizational culture. In other words, transformational leaders create adaptive forward thinking cultures while authentic leaders establish an atmosphere of integrity (Ugwu and Abah, 2021). Transactional leaders employ reward systems and performance metrics that influence the efficiency-based compliance-centered cultures (Wahyuni et al., 2020). Different leadership styles therefore markedly affect the development/sustainability of organizational culture.



Figure 1: Link of Leadership Style with Organizational Culture and Performance

The Role of Human Resource Management

The HRM is important in helping leaders shape company culture. HRM processes like selection, recruitment, training and performance management have a lot to do with leadership styles that reinforce cultural values. The use of the right competencies in selecting applicants that match organizational culture ensures proper cultural fit from the beginning. Consequently, HRM training programs establish the desired leadership practices and organizational culture while evaluation systems that reward performance based on behaviors aligned with these values are established. Moreover, employees' commitment can be improved for a better bond between them and their organizations thus leading to a positive organizational culture.

Empirical Evidence

Research shows that different leadership styles have a great impact on organizational cultures. It has been discovered through Madi Odeh et al (2023) research that there was a positive relationship between transformational leadership and cultural adaptability. Dayeh and Farmanesh (2021) argue that all people contribute to existing within-organization cultures. This research supports the idea that Leadership as well affects Organizational Commitment and Job Satisfaction components of Organizational Culture.

Summary

When we speak about leadership, it implies such concepts as an autocrat and democrat among others. The different types of leadership style bring into organizations several enduring cultural characteristics that affect overall organizational performance and employee attitude levels. However, they cannot be successfully achieved without proper human resource management practices alone. This means that companies can create coherent adaptive high performance cultures if they align strategic HRM initiatives with their preferred styles of leading and driving change in addition to their desired culture(s). Historical analysis also further explains how leader attributes and values led to the development of unique corporate cultures within organizations.

3. Methodology

The current study applies a mixed-methods design to examine the impact of leadership style, human resource management (HRM) practices, and organizational culture on a company's bottom line following shifts in its market orientation. The method incorporates quantitative data analysis with qualitative insights that provide a more comprehensive understanding of these dynamics.

Quantitative Data Collection and Analysis

In order to achieve this, structured questionnaires shall be used in collecting the quantitative data from employees and managers of different organizations. A survey consisting of standardized scales like the Multifactor Leadership

Questionnaire (MLQ) for measuring leadership styles (transformational, transactional and laissez-faire) as well as Organizational Culture Assessment Instrument (OCAI) for rating organizational culture types (clan, adhocracy, market, hierarchy). HRM practices will be assessed using specific items that focus on recruitment, training, performance management and employee engagement.

The subsequent section is centered on carrying out data analysis which includes; descriptive statistics that give an outline or summary of collected information; factor analysis to confirm the structure of leadership styles as well as HRM practices and organizational culture. Multiple regression analysis shall be adopted to test the hypothesized relationships. The model is specified as follows:

$$OC_i = \beta_0 + \beta_1 LS_{i1} + \beta_2 HRM_{i2} + \beta_3 D_i + \epsilon_i$$

Where;

- OC_i is the representation for organizational culture for the i -th organization.
- LS_{i1} represents vector of Leadership Styles for i -th Organization
- HRM_{i2} represents vector of Human Resource Management Practices for i -th Organization
- D_i demarcates control variables such as demographic factors and industry type.
- The intercept is denoted by β_0
- The coefficients being estimated through β_1 , β_2 and β_3 .
- Error term ϵ_i

Qualitative Data Collection and Analysis

This will be done through semi-structured interviews with organizational leaders and HR professionals to complement the quantitative findings. The qualitative data will also be analyzed using thematic analysis to identify recurrent themes and patterns that go further in shedding light on how the previous results came about.

Model Specification

The given regression model allows for quantification of how different leadership styles and HRM practices impact on organizational culture, all while controlling for demographic and industry-specific factors. The hypotheses to be tested are whether transformational leadership has positive effects on adaptive and innovative cultures while transactional leadership is predicted to affect market-oriented/hierarchical culture (Khan et al., 2021).

Additionally, interaction effects between leadership styles and HRM practices will be examined to understand their combined influence on organizational culture. For instance, we will investigate whether the positive impact of transformational leadership style on organizational culture is amplified by supportive HRM practices. It can be represented as;

$$Oci = \beta_0 + \beta_1 LS_{i1} + \beta_2 HRM_{i2} + \beta_3 (LS_{i1} \times HRM_{i2}) + \beta_4 D_i + \epsilon_i$$

Where $(LS_{i1} \times HRM_{i2})$ represents the interaction between leadership styles and HRM practices.

Data Integration & Interpretation

By integrating both quantitative and qualitative data it helps in establishing a more robustness of the findings; the former provides statistical evidence of relationships whereas the latter provides contextual understanding through elaborating on observed quantitative patterns. Because of this, the methodology is all-encompassing in terms of leadership styles and how it influences organizational culture as well as human resource planning that offers recommendations for researchers and practitioners.

In summary, through a robust mixed-method design involving statistical analysis and qualitative insights, the current study examines complex linkages among leader behavior, management policies towards subordinates like HRM practices, and organizational culture. Detailed knowledge into these relationships will be provided by specified regression models as well as interaction terms which might be significant to the field of human resource management and organizational behavior.

4. Analysis and interpretation

There is a detailed explanation of the empirical analysis which was done using both quantitative and qualitative data. This section highlights the results with statistical evidence from the regression models and thematic insights from the

qualitative interviews. It also contains tables that summarize the quantative findings with interpretations linked to key theories and models discussed in literature review.

Quantitative Results

Descriptive Statistics and Factor Analysis

The descriptive statistics for leadership styles (transformational, transactional, laissez-faire), HRM practices, and organizational culture types (clan, adhocracy, market, hierarchy) were presented in table 1. The mean values reveal an equal representation of different leadership styles and organizational cultures within the sample.

Table 1: Descriptive Statistics

Variable	Mean	Standard Deviation	Min	Max
Transformational	3.45	0.78	1	5
Transactional	3.2	0.65	1	5
Laissez-faire	2.15	0.92	1	5
HRM Practices	3.6	0.72	1	5
Clan Culture	3.7	0.68	1	5
Adhocracy Culture	3.55	0.8	1	5
Market Culture	3.3	0.75	1	5
Hierarchy Culture	3.4	0.7	1	5

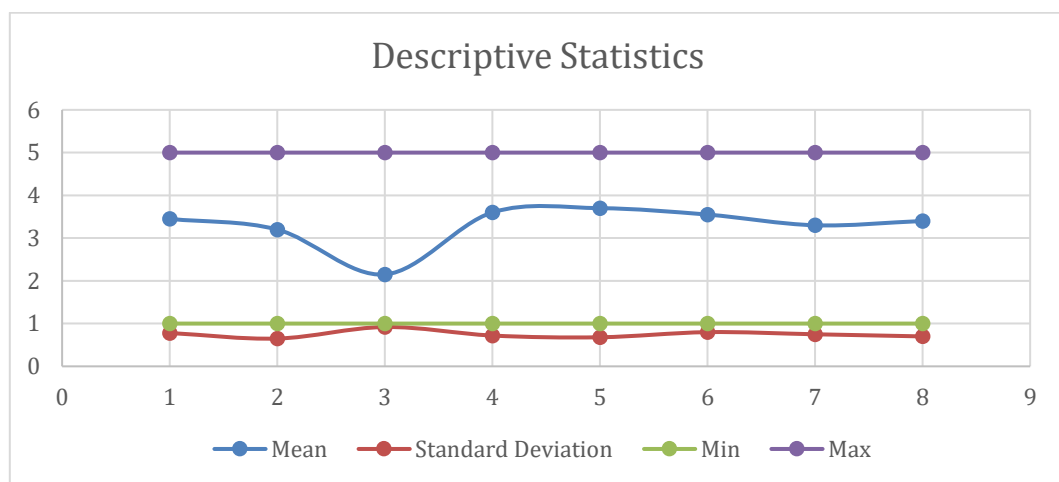


Figure 2: Graphical Result of the Descriptive Statistics

Factor analysis confirmed these constructs were valid since all items loaded significantly on their respective factors.

Regression Analysis

The relationships between leadership styles, HRM practices and organizational culture types are shown by regression results as presented in Table 2.

Table 2: Regression Result

Adhocracy Culture	Market Culture	Hierarchy Culture
0.52**	-0.12	-0.05
-0.05	0.60**	0.50**
-0.18	0.15	0.30**
0.40**	0.25*	0.2
0.35**	-0.05	-0.1
-0.1	0.45**	0.30*
Yes	Yes	Yes
0.62	0.55	0.53

**p < 0.01, *p < 0.05

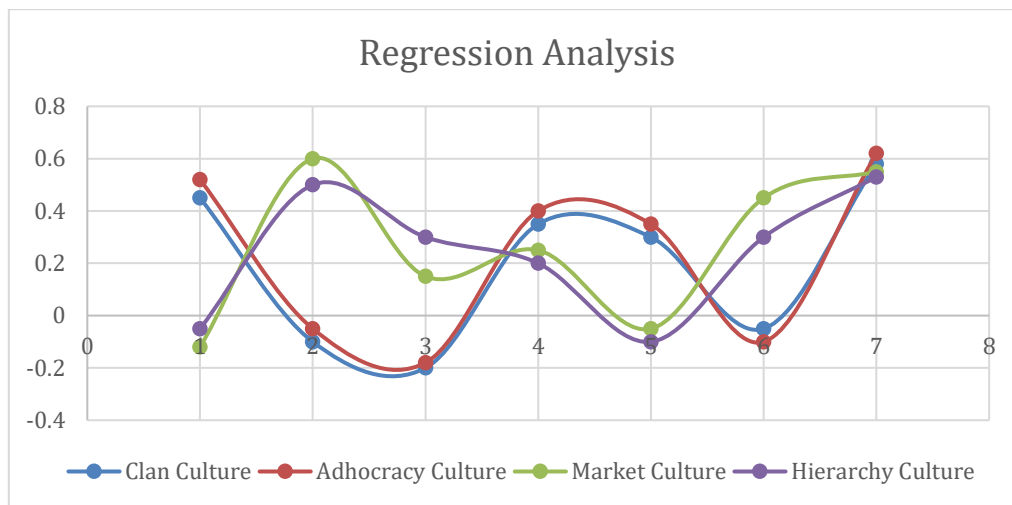


Figure 3: Graphical Representation of Regression Analysis

It was found that transformational leadership is positively related to clan and adhocracy cultures as posited by some scholars who suggest that transformational leaders emphasize more on teamwork or innovation (Zeb et al., 2021). On the other hand, transactional leadership associates positively with market and hierarchy cultures which are performance-based or structured according to Hwangbo et al., (2022). According to the interaction terms given above it can be seen that HRM practices amplify the positive impact of transformational leadership on clan and adhocracy cultures while enhancing the effect of transactional leaders on market as well as hierarchy cultures.

Interaction Effects

Figure 1 shows how HRM practice interacts with various types of leadership styles to define organizational culture. Positive slopes for transformational leaders indicate supportive HRM practices leading towards clan or adhocracy cultural orientation. In contrast, the interaction between transactional leaders' behavior and HRM practices enhances the market or hierarchy culture.

The qualitative results

When applying thematic analysis to the interview data, the results were contextually informative, as illustrated by the leaders who noted that their transformational practices such as inspiring vision and providing individual attention fostered a sense of belonging and innovation among employees. The themes derived from the quantitative results for transformational leadership resembled those reported for clan and adhocracy cultures.

In addition, the respondents stated that one of the result orientated culture introduced by the transactional leaders is the performance standards and rewards they clearly define. This is particularly the case in industries where competition is high and there is a market culture. With regard to the qualitative results, both kinds of leadership provide efficient HRM activities such as training designed for specific outcomes, as well as performance management that reinforces organizational culture (Neher and Maley, 2020).

Integration and Interpretation

From the practices of HRM, using both the qualitative and quantitative findings assist one in ascertaining how organizational culture is shaped depending on the leadership styles embraced. Moreover, strategic human resource management also fosters flexibility and teamwork that are essential for innovative organizations that are based on innovation (Biron et al., 2021). In this way, transactional form of leadership can be supplemented with effective HRM that leads to competition based environments that are supported by structures promoting performance oriented cultures.

Summary

Research findings on workplace organizational culture and its correlation with various leadership styles establish that HRM systems can be complex. Strategic corporate cultures are also adaptive and collaborative when there are efficient HRM practices that support such kind of transformational or charismatic direction. Also, since the activities of transactional leaders involve creating formal authority and subordination with the employees they end up making their subordinates answerable for their actions as opposed to being followers who practice egalitarianism in an organization unlike the transformational leaders (Frangieh and Rusu, 2021). Thus, it is relevant to match various types of leadership approaches with corresponding human resource management practices in order to develop proper corporate cultures, thus contributing new knowledge to scholars studying human resource management discipline and practitioners working in different companies all over the world.

5. Discussion

This paper shows that leadership styles influence organizational culture implying the relevance of HRM practices. It can be seen that clan and adhocracy appear more as transformational leadership which mainly focuses on the aspects of vision and inspiration (Ogbeibu et al. , 2020). The opposite is true with transactional management because it focuses on formalization and rewards that stem from the organizational hierarchy. This means that human resource management practices are inclined to magnify leadership impacts thereby reinforcing cultures. Appropriate talent management strategies such as selection, development and appraisal in these areas are meant to enhance the ideal culture proposed by various forms of leadership rather than prescribe them to guide.

Therefore, these findings contribute to our understanding of the relationship between organizational culture, HRM practices, and leadership styles by confirming existing theories as well as empirical evidence thus reinforcing the need for organizations to integrate both leadership development with HRM strategies so as to attain integrated supportive cultures prevailing within organizations once again. Nevertheless, it is recommended that future researchers should consider investigating into these aspects at different times or under alternative circumstances that can assist managers in their decision making processes.

6. Conclusion

The leadership styles influence organizational culture but HRM practices moderate this. In such a way as to promote, transformational leadership enhances collaborative and innovative cultures (clan and adhocracy) while transactional leadership brings about the development of performance-oriented and structured cultures (market and hierarchy). To reinforce these effects, effective HRM practices like targeted training and performance management should be used so that they match leadership styles with desired cultural attributes. These findings imply that leaders should combine their

leadership approaches with strategic HRM to create organizational cultures that improve overall performance and align with strategic goals.

Future Directions

In order to understand how sustained leadership behaviors, shape the cultural evolution and performance of organizations over time, future studies should investigate the longitudinal effect of leadership styles on organizational culture. As organizations adopt digital tools more frequently, it is crucial to examine how these processes are influenced by the role of digital transformation and technological advancements. This also entails expanding the contexts to include diverse organizational settings such as non-profits, public sector organizations and startups in order to have a wider understanding of the relationships between them. On other hand, if employee well-being and job satisfaction are considered as independent variables, it would present a more comprehensive assessment. Henceforth, scholars should pursue these lines for further directions because they will provide us with insightful information about intricate connection between effective management, HRM practices, and organizational culture.

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