



A REPORT ON IMPACT OF LEADERSHIP STYLES ON ORGANIZATIONAL CULTURE

Mrs. Teena Thomas, Assistant Professor, Department of B.Com .CA Sri Krishna Adithya College of Arts and Science, Coimbatore

ANAND P, Department of B.Com .CA , Sri Krishna Adithya College of Arts and Science, Coimbatore

ABSTRACT

This report explores the dynamic relationship between leadership styles and organizational culture, aiming to understand how various leadership approaches influence the values, behaviors, and overall environment within organizations. Leadership plays a pivotal role in shaping and sustaining organizational culture, impacting employee motivation, productivity, communication patterns, and decision-making processes. The study categorizes leadership styles—such as transformational, transactional, autocratic, democratic, and laissez-faire—and analyzes their respective effects on organizational culture through theoretical frameworks and real-world case studies. Findings suggest that adaptive and participative leadership styles tend to foster a positive, innovative, and collaborative culture, while rigid or authoritarian styles may lead to resistance, low morale, and cultural stagnation. The report concludes by emphasizing the need for leaders to align their leadership approach with organizational values and strategic goals to cultivate a thriving and resilient workplace culture.

INTRODUCTION

Organizational culture, comprising the shared values, beliefs, and practices within a company, plays a crucial role in shaping employee behavior and overall organizational performance. One of the most significant influences on this culture is leadership style. Leaders, through their behavior and decision-making approaches, set the tone for the culture within their organizations. Whether a leader adopts a transformational, transactional, or laissez-faire style can deeply affect how an organization functions and how its culture develops.

Understanding how different leadership styles impact organizational culture is vital for leaders aiming to cultivate a positive and effective work environment. By aligning their leadership approach with the desired cultural outcomes, leaders can enhance employee engagement, drive organizational success, and create a thriving workplace culture. Ultimately, the most successful



leaders are those who can adapt their leadership styles based on the needs of their workforce, industry, and organizational goals.

STATEMENT OF THE PROBLEM

The effectiveness of leadership styles significantly influences organizational culture, shaping employee behavior, motivation, and overall workplace dynamics. However, there is often a lack of clarity about how specific leadership approaches such as transformational, transactional, or laissez-faire impact the development of a positive, innovative, and cohesive organizational culture. This report seeks to address the gap by analyzing the relationship between leadership styles and their effects on organizational culture, aiming to provide insights that can guide leaders in fostering productive and thriving work environments.

OBJECTIVES OF THE STUDY

- To Identify and recommend best practices for leaders to align their leadership approach with desired cultural outcomes and organizational goals.
- To Examine various leadership styles transformational, transactional, and laissez-faire and their specific impacts on shaping organizational culture.
- To Assess how different leadership styles influence key cultural aspects such as employee engagement, motivation, and overall organizational performance.

SAMPLE SIZE

- Here 110 samples are used.

TOOLS FOR ANALYSIS

- The simple percentage method is an analytical tool used to express data as a percentage of the total, allowing for easy comparison and interpretation of proportions within a dataset.
- ANOVA (Analysis of Variance) is a statistical method used to compare the means of three or more groups to determine if there is a significant difference between them. It



helps analyze the impact of one or more independent variables on a dependent variable by measuring variance within and between groups.

- Likert Scale Analysis is the process of analyzing data from a Likert scale, which measures attitudes, opinions, and perceptions using a series of statements where respondents indicate their level of agreement on a 5 or 7 point scale.

5 SCOPE OF THE STUDY

- Analyze the various leadership styles, including transformational, transactional, autocratic, democratic, and laissez-faire, and their characteristics.
- Examine the key elements of organizational culture, such as shared values, beliefs, norms, and practices.
- Study the influence of leadership styles on organizational culture and their role in shaping workplace dynamics.

LIMITATIONS OF THE STUDY

- Leadership styles and organizational culture are both complex and subjective concepts, making it difficult to measure their impact accurately.
- It is often challenging to establish a clear cause-and-effect relationship between leadership style and organizational culture, as many other variables influence culture.
- Organizational culture evolves over time, and leadership styles can change, making it difficult to capture the impact at a single point in time.

REVIEW OF LITERATURE

- **Smith, J., & Williams, R. (2024)** This study explores the impact of transformational leadership on organizational culture in fast-changing industries. The research emphasizes how transformational leaders shape cultures that prioritize innovation, employee engagement, and collaboration. These leaders inspire and motivate employees through a shared vision,



which fosters a culture of openness and adaptability. The study concludes that transformational leadership is essential for creating an organizational culture that can successfully navigate technological disruption and stay competitive. Additionally, transformational leadership helps in developing a workforce that is resilient and aligned with the company's long-term objectives.

- **Green, L., & Baker, M. (2023)** This research investigates how leadership styles impact organizational culture in remote and hybrid work environments. The study finds that transformational and servant leadership are particularly effective in building a culture of trust and collaboration in remote settings. These leaders focus on maintaining clear communication and fostering inclusivity. The research highlights that transactional leadership, which is task-focused and performance-driven, struggles to maintain engagement and cohesion in remote work cultures. The paper suggests that in remote settings, leadership styles must adapt to keep organizational culture strong and employees engaged.

COMPANY PROFILE

Brocade India Polytex Limited, established in 2011, is a prominent manufacturer specializing in internationally structured polypropylene bags tailored to meet diverse packaging requirements across various industries. Over the years, the company has emerged as a leader in its field, serving a wide array of discerning domestic and global clients.

Mission and Vision

Brocade India Polytex Limited's mission is to achieve the highest level of perceived customer satisfaction through continuous professional and innovative processes, delivering supreme quality products in real-time. The company envisions providing high-end, quality products to customers in an environmentally sustainable manner, focusing on value maximization and perfect customer satisfaction through excellence.

ANALYSIS AND INTERPRETATION



TABLE 1: Alignment between the leadership styles and organizational goals

CONTENT	RESPONDENTS	PERCENTAGE
REGULARLY	51	46.4%
OCCASIONALLY	38	34.5%
RARELY	13	11.8%
NEVER	8	7.3%
TOTAL	110	100%

Interpretation:

The table shows how often leadership styles align with organizational goals among 110 respondents. Most (46.4%) regularly see alignment, while 34.5% occasionally do. Only 11.8% rarely and 7.3% never see alignment, suggesting a generally positive perception of leadership's connection to organizational goals.

CHART 1: Alignment between the leadership styles and organizational goals

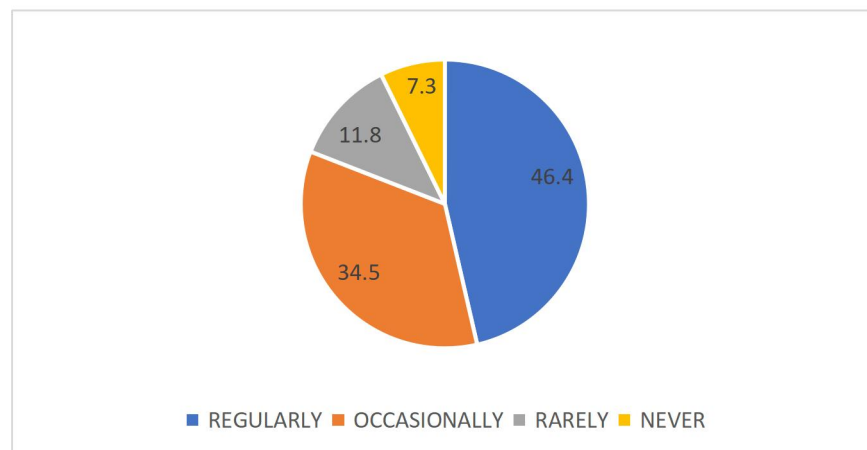




TABLE 2: Factors that influences leadership decisions

Null Hypothesis: There is no significant difference in the mean scores of perceived influence among the four factors: strategic priorities, team input, market insights, and leadership approach, on leadership decision-making.

Alternative Hypothesis: At least one of the four factors (strategic priorities, team input, market insights, and leadership approach) has a significantly different mean score regarding its perceived influence on leadership decision-making.

CONTENT	RESPONDENTS	MEAN SCORE	STANDARD DEVIATION
STRATEGIC PRIORITIES	44	4.10	0.70
TEAM INPUT	33	3.80	0.80
MARKET INSIGHTS	20	3.40	0.90
LEADERSHIP APPROACH	13	3.90	0.75
TOTAL	110	3.86	

SOURCE	SUM OF SQUARES	DF	MEAN SQUIRE	F-VALUE	P-VALUE
BETWEEN GROUPS	6.91	3	2.30	3.83	0.012
WITHIN GROUPS	63.69	106	0.60		
TOTAL	70.60	109			



RESULT: The p-value of 0.012, which is less than the typical significance level of 0.05. This means we reject the null hypothesis and accept the alternative hypothesis.

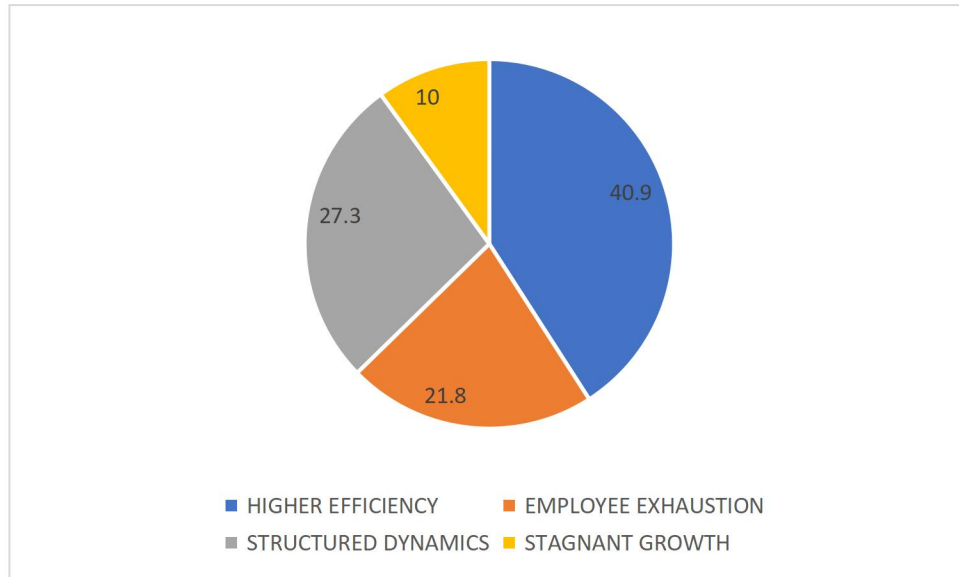
TABLE 3: Cultural impact of transactional leadership

CONTENT	RESPONDENTS	PERCENTAGE
HIGHER EFFICIENCY	45	40.9%
EMPLOYEE EXHAUSTION	24	21.8%
STRUCTURED DYNAMICS	30	27.3%
STAGNANT GROWTH	11	10%
TOTAL	110	100%

Interpretation:

Regarding transactional leadership's cultural impact, 40.9% report higher efficiency, and 27.3% see structured dynamics. However, 21.8% experience employee exhaustion, and 10% note stagnant growth. This suggests transactional leadership can boost efficiency but may negatively impact employee well-being and growth.

CHART 3: Cultural impact of transactional leadership



Interpretation:

Strategic priorities (mean 4.10) are perceived as most influential, market insights (3.40) least. ANOVA ($F=3.83$, $p=0.012$) confirms significant differences. Team input and leadership approach show moderate influence, suggesting varying importance of these factors in leadership decisions.

TABLE 4: Cultural impact of transformational leadership

CONTENT	RESPONDENTS	PERCENTAGE
HIGHER ENGAGEMENT	48	43.7%
STRUCTURED PERFORMANCE	27	24.5%
AUTONOMOUS RISK	23	20.9%



MIXED CONSISTENCY	12	10.9%
TOTAL	110	100%

Interpretation:

Transformational leadership's cultural impact, as reported by 110 respondents, is primarily seen in higher engagement (43.7%) and structured performance (24.5%). Autonomous risk-taking is noted by 20.9%, while 10.9% observe mixed consistency. This suggests transformational leadership fosters engagement and structured performance, with some impact on risk-taking.

CHART 4: Cultural impact of transformational leadership

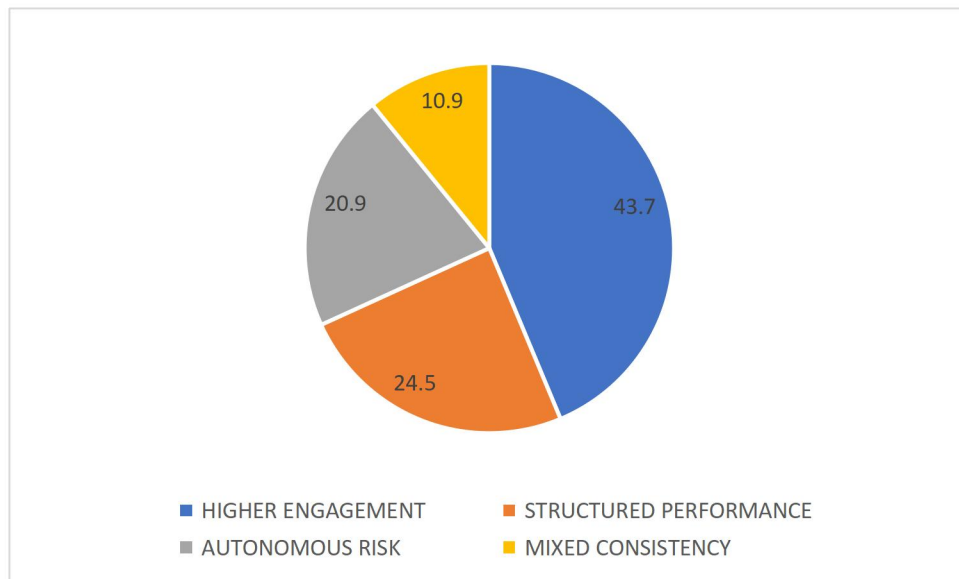


TABLE 5: Key leadership insights

CONTENT	RESPONDENTS	PERCENTAGE
SHARED VISION	44	40%

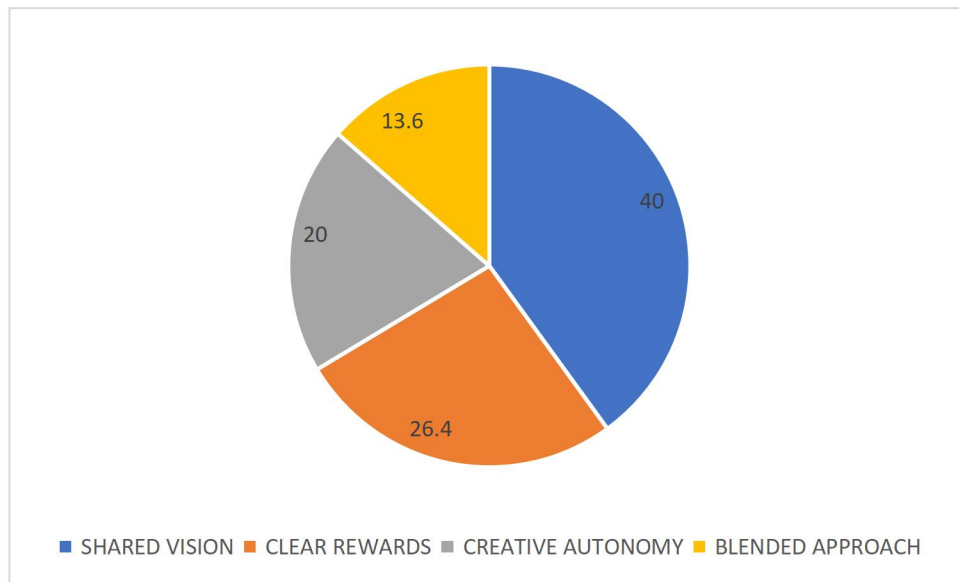


CLEAR REWARDS	29	26.4%
CREATIVE AUTONOMY	22	20%
BLENDED APPROACH	15	13.6%
TOTAL	110	100%

Interpretation:

Key leadership insights from 110 respondents reveal that a shared vision is most valued (40%), followed by clear rewards (26.4%) and creative autonomy (20%). A blended approach is preferred by 13.6%. This highlights the importance of vision, reward systems, and autonomy in effective leadership.

CHART 5: Key leadership insights



FINDINGS



1. A majority (80.9%) of respondents perceive alignment between leadership styles and organizational goals, though regular alignment is seen by less than half.
2. Strategic priorities strongly influence leadership decisions, while market insights are comparatively less influential, despite significant differences shown by ANOVA.
3. Transactional leadership yields higher efficiency (40.9%) and structured dynamics (27.3%), but also employee exhaustion (21.8%) and stagnant growth (10%).
4. Transformational leadership primarily drives higher engagement (43.7%) and structured performance (24.5%), with some impact on autonomous risk (20.9%).
5. Shared vision (40%) is most valued in leadership, followed by clear rewards (26.4%) and creative autonomy (20%), indicating key motivational factors.

SUGGESTIONS

1. Enhance communication and training to bridge the gap between perceived occasional alignment and the desired regular alignment for improved organizational success.
2. Enhance the use of market insights in decision-making by providing better data and training to leverage their potential impact on strategic outcomes.
3. Balance transactional approaches with supportive strategies that prioritize employee well-being and development to mitigate negative impacts and foster sustainable growth.
4. Leverage transformational leadership to boost engagement and performance while further exploring its influence on risk-taking for a balanced cultural impact.
5. Prioritize communicating a compelling vision, establishing transparent reward systems, and fostering autonomy to enhance leadership effectiveness and employee motivation.

CONCLUSION

The impact of leadership styles on organizational culture is profound, influencing key aspects such as employee engagement, motivation, and overall organizational performance. Through this study, it has been observed that different leadership styles transformational, transactional, and laissez-faire affect workplace dynamics in distinct ways.



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