

TITLE: An Investigation of the Relationship Between Transformational Leadership and Constructive Organizational Culture

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OBJECTIVE: The purpose of this study was to examine the relationship between transformational leadership behavior and constructive organizational culture to determine if leadership does predict culture, and to determine the amount of variance in culture accounted for by leadership.

METHODOLOGY: The sample consisted of a random sample of fifty percent of the population of all employees (N=386) from a pharmaceutical company who worked in business support (finance, legal, data processing, etc.) inside sales and marketing areas. The response rate was 76 percent. Participants completed the Organizational Culture Inventory (Cooke & Lafferty, 1994), the Leadership Practices Inventory-Observer, and provided demographic information. The typical respondent was a non-manager (72%), female (57%), Caucasian (89%), and formally educated (81% had an associates or bachelor's degree). Nearly 60 percent were between 30 and 49 years of age.

KEY FINDINGS: Regression analysis showed that the independent variable LPI Total (all five leadership practices combined) was significantly predictive of the dependent variable constructive organizational culture, accounting for 27.2 percent of the overall variance. A similar result was found using correlational analysis ($r = .52$). Stepwise regression indicated that most of the variance in constructive organizational culture was accounted for by the leadership practices of Enabling and Challenging. Although only these two leadership practices were predictive of a constructive organizational culture, all five leadership practices were directly (significantly) correlated with the dependant variable $R > .45, p < .01$. LPI scores from females were significantly higher on all five leadership practices than scores from males. There was no significant differences in perceptions of organizational culture between managers and non-managers.

“The findings supported that transformational leadership practices are positively correlated with a constructive organizational culture, and that transformational leadership practices predict a constructive organizational culture” (p. 74).