

# **THE EFFECT OF WORK ENVIRONMENT AND ORGANIZATIONAL CULTURE ON MANAGER'S TRANSFORMATIONAL LEADERSHIP STYLE WITHIN THE CHANGE OF COLLECTIVISM TO INDIVIDUALISM CULTURE**

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## **Abstract**

This study aims to explore the effect of work environment and organizational culture on manager's transformational leadership style. It is suggested that the transformational leadership style is more important than the other styles. Recently, it is believed that transformational leadership have a broader effect on organization outcomes such as managerial performance, individual creativity, team knowledge Sharing, employee well-being and safety performance, R & D performance, proactive employee's career satisfaction, subordinate affective organizational commitment, suit diverse national and cultural contexts, and so on. Various antecedents are expected to have significant effect on transformational leadership style such as leader's qualities (e.g., self-efficacy, values, traits, emotional intelligence); organizational features (e.g., organization fairness); and the leader's colleagues' characteristics (e.g., follower's initial developmental level), bureaucratization, centralization, pro-social motivation, professionalization, work environment and organizational culture. However, scholars argue that work environment and organizational culture have more significant effects on transformational leadership. Different collectivism and Individualism culture may have a different phenomenon on culture. Accordingly, it plausible to investigate the contribution of work environment and organizational culture on transformational leadership within the change of collectivism to Individualism culture.

**Keywords:** Work Environment, Organizational Culture, Manager, Transformational Leadership Style, Collectivism-Individualism Culture

## **INTRODUCTION**

Transformational leadership has rapidly become the approach of choice for much of the research and application of leadership theory. In many ways, transformational leadership has captured the imagination of scholars, of noted practitioners, and of students of leadership. Research on transformational leadership and related charismatic approaches has grown exponentially (Bass, 2006). A leader has very important role, because the success of an organization is determined by leadership style. Piccolo and Coquitt (2006) argued that transformational leadership has been two decades emerged as one approach to understanding the effectiveness of leads. Transformational leadership generates subordinate to a higher level of achievements (Burn, 1978; Bass, 1985; Lamidi, 2008; Şahin, Şahin, Gürbüz, Gürbüz, Şeşen, & Şeşen, 2017).

Transformational leadership represents a more appealing view of leadership compared to transactional leadership. Transformational leadership provides a better fit for leading today's complex work groups and organizations, where followers not only seek an

inspirational leader to help guide them through an uncertain environment but where followers also want to be challenged and to feel empowered, if they are to be loyal high performers (Bass, 2006). The collective action of transformation leadership generates empowering process to their subordinates by creating hope, optimism, and energy. This leadership style facilitates the redefinition of a people's mission and vision, makes a renewal of commitment, and restructures the systems for goal accomplishment (Roberts, 1985). On the one hand, transformational leadership is investigated within a comprehensive process model of leadership that incorporates its antecedents as well as its consequences. A series of models have been developed recently, which commonly assume that individual characteristics of the leader such as dispositions, influence leadership behavior, that in turn effect to the performance criteria. So far, the empirical evaluation of these models has not yet received sufficient attention (Krüger, 2012)

The work environment is generally defined as the social climate of an organization that may include physical environmental. A considerable number of researchers have argued that there is a constant interplay between organizational culture and leadership (Bass and Avolio, 1993; Schein, 1992; Trice and Beyer, 1993; Waldman and Yammarino, 1999). There are limited empirical studies examining the relation between leadership and culture as well as their joint effect on important organizational outcomes. Triandis (1995) characterized the individualist–collectivist constructs not as pure dichotomies, but rather as consisting of four attributes i.e.: definition of self, personal versus communal goals, importance of attitudes and norms as determinants of social behavior, and emphasis on transactional exchange versus relationships. In individualist cultures, the definition of self is independent from in-group membership, whereas in collectivist cultures, it is interdependent (Triandis & Gelfand, 1998). Hence, interaction of work environment and culture is plausible to promote transformation style of leadership.

## **LITERATURE REVIEW**

### ***Transformational Leadership***

Transformational leaders can be described as leaders [who] broaden and elevate the interests of their followers, generate awareness and commitment of individuals to the purpose and mission of the group, and enable subordinates to transcend their own self-interests for the betterment of the group (Seltzer et al. 1989). According to Burns (1978), transformational leadership can be seen when "leaders and followers make each other to advance to a higher level of moral and motivation." Through the strength of their vision and personality, transformational leaders are able to inspire followers to change expectations, perceptions, and motivations to work towards common goals. Later, researcher Bernard M. Bass expanded upon Burns' original ideas to develop what is today referred to as Bass' Transformational Leadership Theory. According to Bass, transformational leadership can be defined based on the impact that it has on followers. Transformational leaders, Bass suggested, garner trust, respect, and admiration from their followers.

According to Bass (1999), transformational leadership reflects a kind of leadership in which leaders move their followers beyond immediate self-interest through idealized influence (charisma), inspiration, intellectual stimulation, or individualized consideration. Transformational leadership raises followers' maturity-level and ideals plus concerns for achievement, self-actualization, and the well-being of others, the organization, and society (Bass, 1999).

### ***Work Environment***

According to Render & Heizer (2001), the work environment is a physical environment where employees work that affect the performance, safety, and quality of their work lives. According Sedarmayanti (2009) physical work environment is all that is around the workplace that can affect employees either directly or indirectly. Physical work environment can be divided into two categories, Environment directly related to employees (Such as: work center, chairs, tables and so on) and an intermediary environment or general environment may also be called a work environment affecting the human condition, such as temperature, humidity, air circulation, lighting, noise, mechanical vibration, odor, color, etc. Whereas the non-physical work environment is all the circumstances that occur related to employment relationships, either with superiors or with colleagues or relationships with subordinates.

### ***Organizational Culture***

According to Schein (1992), organizational culture is a basic pattern received by the organization to act and solve problems, form the staff who are able to adapt to the environment and to unite the members of the organization. Functions of Organizational Culture describe by Kreitner and Kinicki (2003) are included identify the organization, facilitate a collective commitment, increase the stability of the social system so that it reflects that perceived positive work environment and be strengthened, conflicts and changes can be manage effectively, and establish behavior by helping members realize the above environment. They also suggest the types of organizational culture are normative beliefs, and constructive culture.

### ***Individualism-Collectivism***

The organizational literature on cultures has often characterized individualism as a tendency or preference for working alone, whereas collectivism has been depicted as preferences for working in groups (Baba et al., 1996; Eby & Dobbins, 1997; Tan et al., 1998). The emphasis in individualist cultures is on personal needs, while in collectivist cultures, it is on obligations. Individualist cultures view attitudes as more important than norms, whereas in collectivist cultures, norms are more important than attitudes (Triandis, 1995). Hence, this study proposes:

**Proposition 1:** Work Environments contribute to the transformational leadership as a set of interconnection, determine, influence, and guide growth and action (Roget, 1962)

**Proposition 2:** Organizational Cultures promote transformational leadership. Progressive culture of organization is able to build the congruence actions of transformational leaders which able to their organizations accomplishment, intellectual stimulation, and individual consideration.

**Proposition 3:** The work environment and organizational culture create higher energy on transformational leadership.

## DISCUSSION

The purpose of this study is to examine the relationships and the impact between work environment and organizational culture on transformational leadership style. This study promotes three propositions. Consistent with previous research it is suggested a positive relationship between work environment and organizational culture on transformational leadership. However the degree of the effect may found vary. The change of collectivism to individualism culture may enrich the finding of outcomes.

## LIMITATION

In the present study, one of the most obvious limitations of this study is that this study is based solely on the opinions of researchers. The method used is still not feasible because it does not use empirical data at all. Since all three propositions still weak, because there was no empirical data to determine whether work environment and/or organizational culture have an effect on transformational leadership on the regard with collectivism to individualism culture. Various respondents' background may reach different findings.

## FUTURE RESEARCH

It suggested that scholars have to investigate the experimental and various empirical study of the effect of work environment and organizational culture on transformational leadership style associated with Collectivism to Individualism. These propositions could be tested in future studies.

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