

THE IMPORTANCE OF A TRANSFORMATIONAL LEADERSHIP MODEL IN MANAGING ORGANIZATIONAL CULTURE

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ABSTRACT

In today's world conditions, everything can change very quickly. Change management is a series of systematic and complex processes that must be carried out by an organization to survive. Changes in the organization must be able to be managed properly to achieve the goals desired by the organization. Besides that, the organization as a complex unit also consists of various cultures. In this case, one of the right steps, so that management of organizational change can be managed properly, is by determining change leaders with transformational leadership models. Through review journals, a significant positive relationship between transformational leadership and the management of change within the organization will be presented.

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1. Introduction

Leaders have an essential position in the organization. In an organization, it is necessary to have a leader to be able to direct and influence of each member of the organization. The leader is someone who has responsibility for the sustainability of the organization. They must guide and manage their members to achieve the goals of the organization. In carrying out his leadership duties, a leader has different lead patterns and styles.

Leadership is one of the processes affecting a group of people to achieve common goals (Northouse, 2013; Yukl, 2011). According to Santoso (2019), in the Asian region, leadership patterns tend to be motivated by the spirit of religion, belief, and social values embraced by the community. Leadership is seen as something very close to the culture that grows and develops among the people. So that often makes leadership patterns in Asia referred to as cultural leadership. Another case with leadership in the West is using an organizational perspective that is more formal and rational. In this leadership pattern, leadership in the West focuses on the success of an organization to be able to reach a wider market by using the resources they have (Santoso, 2019). Leaders play an essential role in any changes that occur within an organization. However, how the characteristics of the leader are ideal in managing and executing changes in the organization? The question is increasingly driven by the fact that there is currently a generational change in the labor force.

Many employees of the millennial generation began to have roles and positions within the organization. The emergence of a new generation, of course, also becomes a

challenge for a leader in understanding the dynamics within the organization. The cultural differences embraced by the new generation will make a pattern shift in the changes that will be done right. An ideal leader is expected to be able to place themselves well and set the right change strategies for the organization. This will greatly affect the sustainability of the organization. Given that, every change made by a leader and member of the organization has a goal to realize the survival of the organization.

According to Northouse (2013), the main function of leadership is to create change and movement within the organization, while the main function of management is to provide order and consistency with the organization. Based on these functions, leadership is one of the essential things that will help the organization continue to live and carry out their activities.

2. Literature Review

Leadership Across Culture

As explained in the previous section, each region tends to have a certain leadership style. The leadership style possessed by a leader is not only formed from the personality that is in the leader but also influenced by the culture adopted by the surrounding community. According to Martin and Siehl (1983), culture abroad matters because it covers all aspects of internal and external relations, culture is also profoundly able to influence individual actions without the individual being aware of it. Based on this explanation, it can be seen that culture becomes a factor that affects individuals specifically in carrying out an action. In general, culture is also ultimately

able to influence one's leadership style, especially when they want to make decisions and resolve problems.

Furthermore, if talking about contexts within an organization, there must be a culture that is inherent and becomes the identity of the organization. According to Carlstrom and Ekman (2012), organizational culture is based on a set of values, assumptions, beliefs, and behaviors that vary and how cultures are collectively involved in the change, employees, and performance. Culture in an organization is not formed on one particular value that exists but various kinds of values adopted by members of the organization. Cultural diversity within an organization will certainly enrich the organization's perspective to establish the right organizational culture. This is the responsibility of a leader in determining the shared culture that will be believed and applied by each member of the organization.

A leader who is responsible for an organization that accommodates cross-cultural employees is expected to be able to manage that diversity well. A leader who is responsible for an organization that accommodates cross-cultural employees is expected to be able to manage that diversity well. According to Sarros et al. (2005), because the world is constantly changing, organizations must be able to understand and have a culture that is easy to accept change. Of course, this is also a challenge for cross-cultural leadership because change will occur very often. Cross-cultural leadership is challenged to be more dynamic in looking at culture in general, both from internal and external aspects in order to be more sensitive to the demands of change.

Transformational Leadership Style

One of the popular theories built by leadership in the West is the model of transformational leadership theory. Conger (2002), views transformational leadership as the leadership that goes beyond incentives for performance, to develop and encourage workers intellectually and creatively, as well as to transform their own concerns into an essential part of the organization's mission. In this view, transformational leadership has an important role in influencing members within the organization and involving members to contribute to the organization consciously. In addition, transformational leadership also provides a perspective that organizational leaders are also responsible for being leaders of changes that will occur within the organization.

According to Kirkan (2011), transformational leadership is a leadership pattern used by leaders to change the current situation by following those who follow the organizational problem through inspiration, persuasion, and excitement to achieve a higher understanding of the vision for the realization of shared goals within the organization. Besides that, transformational leaders act as agents of change by stimulating and changing motivation, attitude, and increasing the trust of their members (Busari et al.,2019).

Based on this understanding, transformational leadership does not only give the view that a leader is responsible for the process of executing changes, but also responsible for causing sensitivity to change, planning changes, and keeping the spirit of change so that it remains in or organization. This certainly makes the leadership role in this transformational model far broader. The leader is not only required to decide on

change without a strategy and careful consideration. However, transformational leaders are also required to be able to sensitise and involve each member of the organization to participate actively in a better organizational change.

In addition to impacting its members, transformational leadership also impacts on leaders. From Keevy and Perumal's (2014), the application of the transformational leadership style makes leaders more empathetic. A sense of empathy from the leader is also very necessary to bring the relationship between the leader and its members closer. The close relationship that exists between leaders and members will facilitate the organization in getting employee support to make a change.

Organizational Change Management

Change is something that is often seen as very complex. Change involves many factors that must be considered. Even so, change is not something that can be avoided. Changes that are considered complex only need to be managed properly in order to be more effective and efficient. Bilal (2004) defines change management using the best way to make changes in stages to achieve organizational goals identified by responsibilities determined by the intended change. According to Lucey (2008), the procession with the development, change management is seen as a permanent aspect of the organization and opportunities for organizations to increase productivity, profits, and competitive advantage of them. An increasingly dynamic world and exposure to globalization is indeed moving faster and ever-changing. This makes all organizations too required to be able to move quickly and keep changing to adjust to existing environmental conditions.

In managing change, of course, agents are needed to be ready to make these changes. According to Meter (2009), managing organizational change is often not possible without change leaders or agents, organizational culture, and the commitment of those involved in the change process, regardless of the nature of the actions needed. In managing change, leaders have an important role in determining the direction of change. Leaders are challenged to be able to build organizational culture and commitment from each member of the organization to change. Leaders who are unable to place themselves and determine the appropriate direction of change will have negative impacts on organizational productivity. Management organizational changes also meant that the organization could continue to adapt to the times that the survival of the organization can be assured.

According to Tuchman and Anderson (1997), management of organizational change is defined as the process of moving an organization from a previous condition to a better condition through a transition process. Anderson and Anderson (2010), to get a satisfying result from an organizational change, need leaders who have the capability to overcome critical areas: content, people, and processes. Many leaders are able to deal with the content of change but failed in overcoming people and processes. Bass (1985) states that change is a fundamental characteristic of transformational leadership, as in the current leadership literature, transformational change is based on changes that will be made in the behavior and attitudes of members. Based on the understandings related to the management of change, it is known that management of change is very closely related to

transformational leadership that encourages each member to make changes according to personal needs and individual development.

3. Research Method

The method used in this research is a literature review. The discussion material used is the result of transformational leadership research on managing organizational culture that has been carried out in Jordan Insurance and the public sector in the United Arab Emirates.

4. Result and Discussion

Organizational Change Management through Transformational Leadership as A Change Leadership

Management of changes in organizations is a systematic process sequence and involves many aspects in it. In each process sequence, the presence of a change leader is needed to lead the change. In a study conducted at a Jordania insurance company by Alqatawenh, a relationship between two variables was conducted, namely transformational leadership and change management. Transformational leadership variables are then divided into 4 measurement aspects, namely ideal influence; inspirational motivation; intellectual stimulation; and empowerment. In the study there were 4 hypotheses tested using the T test.

The first hypothesis examines the relationship between the ideal effect on change management which shows a significant correlation at $\alpha = 0.05$ with Pearson's correlation coefficient is 0.302 and sig value is 0.000. The second hypothesis examines the relationship between the effect of inspirational motivation on change management which shows a significant correlation at $\alpha = 0.05$ with Pearson's

correlation coefficient amounting to 0.307 and sig value 0.000. The third hypothesis examines the relationship between intellectual stimulation to change management which shows a significant correlation at $\alpha = 0.05$ with Pearson's correlation coefficient amounting to 3.20 and sig value 0.000. While the fourth hypothesis examines the relationship between empowerment to change management which shows significant correlation results on $\alpha = 0.05$ with Pearson's correlation coefficient equal to 0.276 and sig value 0.000. Based on the four hypothesis, it can be concluded that there is a significant positive correlation between transformational leadership (with 4 dimensions) on change management in Jordania insurance companies.

Almost similar research was carried out in the public sector at the United Arab Emirates to examine the relationship between leaders of change to corporate culture and management of change. The study concludes that change leaders have a positive and significant effect on the three dimensions of organizational culture: clans, adhocracy, and hierarchy and have a positive effect on the two dimensions of change management, namely sudden changes and planned changes. In addition, study conducted by Saripudin and Rosari explain that leadership which include spiritual values has relationship with enhancing employees spritual well-being which in the end improve level of work engagemnet. Eventually, work engagemnt will give huge change in organizations (Saripudin, & Rosari, 2019;2018).

Based on the research findings above, it is known that the existence of transformational leadership and leaders in change is very influential on the course of the change

management process itself. Change leaders are responsible for the successful management of organizational changes that are carried out together with each member of the organization. The following are steps that can be taken to achieve successful organizational change management according to research conducted by Ian Smith (2006).

a. Ensure readiness for change

Readiness in this change can be done by communicating changes to each individual within the organization and involving them in these changes. Communication is so important to make each individual understand about their goals. Leaders have to make sure that everyone in the organizations is ready for change through the communication. So that later every element in the organization is able to prepare itself for change.

b. Plan for change

Changes that will be made in an organization must be planned carefully because it will have an impact on every aspect in the organization. Planning is also the important part of the change management. Every individual in organization may take their own position to help organization designing their plan for change.

c. Lead change

The existence of good and sustainable leadership is needed to lead a change in the organization. Every leader must be able to place themselves and make good decisions in order to achieve effective change. Leader is the essential in effective change management. Leader may deliver the effective change management through their ability to manage people and organization.

d. Manage change

Management of change is important in realizing effective change. Changes must be managed wisely so that the main objectives of these changes can be realized and so that each member of the organization can carry out changes with focus.

e. Support change

Every change that will be made must be supported by the existence of basic infrastructure and resources that are able to encourage effective change. Besides, every individual in the organization have to take any effort to support the change management.

f. Deal with resistance to change

The existence of resistance to changes that will be made by the organization is a natural thing. Resistance is not something that can be avoided, but resistance to change can be minimized and managed so as not to hinder the occurrence of changes and the achievement of the objectives of these changes.

g. Communicate effectively

Effective communication is the key, so that change can run smoothly. Creating a conducive situation for communication will encourage openness at every level in the organization.

h. Follow through, evaluate, learn

Change is a long-term process that will continue. Every change will certainly result in a number of situations that are not expected so that each change factor must be able to evaluate each change process that is carried out and learn from everything that happens in the changes that have been made so that future changes will be much better.

i. Attend to the human factor

Human resources within the organization are the subject and object of the changes that will be made by the organization. So that human resources must

be very concerned about its existence because it will determine the success and failure of a change.

5. Conclusion

Changes that occur in organizations depend on the figure of the leader. The leader greatly influences the success or failure of change. A change can work if there is a change leader in the organization. A change leader has a big challenge in realizing effective change in the organization. Change leaders can use organizational culture as a means to make change management. Leader of change is a very important role in determining the direction of management changes that will be carried out by an organization so that one effective leadership model that is closely related to the management of organizational change is a model of transformational leadership.

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