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**Organizational Cultural Traits: The Relationship between Transformational Leadership Style and Corporate Members' Attitudes**

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**Abstract**

***This study investigates the relationships between transformational leadership styles, organizational culture, and members’ attitudinal outcomes on their level of job satisfaction, organizational commitment, and trust in management. This study was conducted on corporate members at the managerial levels, with a total of 364 responses (n = 364) from the selected government-linked companies (GLCs) which are currently in the GLC Transformation Program controlled by GLIC (government-linked investments companies) such as Khazanah Nasional, an investment holding arm of the government of Malaysia and also constituents of Putrajaya Committee GLC High Performance (PCG). The samples of respondents were also extended to the GLCs listed in the main board of the Kuala Lumpur Stock Exchange (KLSE). Hierarchical multiple regression analysis was used to investigate the relationships. Hierarchical multiple regression analysis was used to investigate the relationships.***

***The results of this study showed that cultural traits were positively demonstrated as a mediator in linking the relationship between transformational leadership styles and corporate members’ attitudinal outcomes. The traits of culture practiced in an organization through leadership are the main elements to designing and strategizing the way an organization works in order to deliver tangible and sustainable results in the future. This study contributes to the dynamics of the causative relations between leadership styles, cultural traits and managerial attitudes in the organization .***

**Introduction**

Leadership is a vital component in order to ensure the longevity or survival of any organizations’ performances and to remain competitive in the ever demanding business environment. This situation has also extended its demand on the leaders in the industry to motivate others within their capacity based on the set vision of the potentials that can be accomplished. The study of leadership is not a recent topic of discussion in the business world since it is seen as impressive when the practiced styles of leadership are capable to cause impingement on culture in the organization as claimed by Yafang, Shih-Wang and Hsien-Jui (2009) and Casida (2008) as well as on the organizational results (Robbins and Davihizar, 2007 and DeGroot, Kiker and Cross, 2000). In this streamline, rapid changes in terms of information exchange processes, technological advancements, and higher demands in the competition due to globalized business entity and open market situations, Malaysia as a developing nation is exposed to more intense competition from other countries. Importantly, a necessary adjustment is needed in organization cultural setting by the leaders in the process to influence on the attitudinal outcomes of the corporate members. As studies on leadership progressed and expanded, it became apparent that leadership constitutes culture of organization (Schein, 1985; 1990). Therefore, given the importance of organizational culture and its effects on corporate performance and corporate members’ attitudinal outcomes, it is deliberately an exciting business topic in both academia and articles. Positioning itself toward a developed nation status, the government of Malaysia had announced on the transformation program of Government-linked corporations (GLCs) as to ensure Malaysia reach its target by tackling issues or causes to revive on its productivity, to develop human capital and to embark on effective industrialization strategies. This paper investigates the mediating role of cultural traits in determining the impact of transformational leadership style on the corporate members’ satisfaction in their jobs, commitment and trust in the corporate management in the selected GLCs under the GLCs Transformation Program and those GLCs which are listed in the Main Market of Bursa Malaysia or Kuala Lumpur Stock Exchange (KLSE). We begin with an outline of the research background. We then overview on the methodology applied, sampling, results and conclusion and future research recommendation.

**Background**

The study of leadership maintain as an active field of inquiry due to its long term practice as well as large body of academia referring to it (Goleman, Boyatzis and McKee, 2002). And this field of research continues to revive as number of new theories and models continue to be acquainted (Abbas and Yaqoob, 2009). Leadership has been recognized as a fundamental of influence (Krause, 2004; Mumford and Licuanan, 2004).

It is a series of systematic action whereby an individual has the ability to generate ideas, feelings, and actions of others. The act of leadership is the ability to make a great and tenacious effort to strive to get others toward the same direction and to provide on the common and collective exertion. It is a series of action in supporting others toward goal-acquirement by making it feasible to other in attempt to encourage a collaborative and teamwork environment (Jaskyte, 2004). Therefore, organizational leaders have to function as a counselor to alleviate in anticipating prospective events, to alleviate in revoking achievements, to actuate and to exert their followers. As Goldstein and Ford (2002, p. 271-272) stated:

“…the more global competencies are expected to not only predict behavior across wide variety of tasks and settings but also provide the organization with a set of core characteristics that distinguish the company from others in terms of how it operates its business and treat its employees”.

Nowadays, leaders are required to engage in substantiating high performing organizational teams, in attempt of attaining distinguished challenges than before. A prevalent recurrence in the study of leadership was the study of leadership styles (Moore and Rudd, 2006, p.6). Casimir (2001) defined styles in leadership as a pattern of intensiveness, to indicate by the frequency or intensity of specific behaviours or attitudes which a leader demonstrates based on his or her various occasions. Various styles of leadership are acquired in different conditions and leaders need to know the best time to demonstrate the best approach, and how to express their abilities to influence others in respond to shared organisational goals (Armandi, Oppedisano and Sherman, 2003). It is essential for leaders to correspond accordingly in order to fit into changes in organizational setting and to strategically manage the task force.

The two primary styles of leadership are known as transactional and transformational. Jung and Avolio (2002, p.2) describe the two styles of leadership as:

“The main focus of transactional leaders is on setting goals; clarifying the link between performance and rewards; and providing constructive feedback to keep followers on task…In contrast, transformational leadership involves developing a closer relationship between leaders and followers, one based more on trust and commitment than on contractual agreements”.

Both types of leadership namely; transactional and transformational have been the topic of interest to many researchers and adapting to either of the styles able to justify the success of the organization (Laohavichien, Fredendall and Cantrell, 2009).

Importantly, both of these styles provide deviating results in assorted organizational circumstances. In this particular concern, Eid, Johnsen, Bartone and Nissestad (2008) argued that even though the leadership styles such as transformational and transactional leadership has been researched for the last 15 years and great amount of studies have examined potential relationships between leadership and effectiveness (Argyris, 1991; Fiedler and Chemers, 1984; Burke, Stagl, Klein, Goodwin, Salas and Halpin, 2006), as well as between leadership and organisational change (Harris, Leithwood, Day, Sammons and Hopkins, 2007; Argyris, 1993; Cronin, 1996; Gilmore, 1988; Rosen, 1969; Schruijer, 1999), yet there’s still only a small amount of studies that have examined the relationship between organisational culture and leadership styles. Ironically, organizational culture researchers ascribe small amounts of an organization’s culture to leadership (Bass and Avolio, 1990; Schein, 1992; Trice and Beyer, 1993 in Willcoxson and Millett, 2000; Waldman and Yammarino, 1999).

On the other hand, studies have also identified that culture in organization is mutually connected to the members of an organization, and it affects on their attitudes (Robbins, 2005). This shows that well practiced culture is a core value which is shared among organizational members as well as creates an impact on their attitudes or behaviors. As Angandi and Naik (2011, p. 55) commented that “if employees’ behavior and culture is good it helps them to manage turnaround time and adjust with the new task”.

**Research Framework**

A theoretical framework refers to a conceptual model of how one theorizes the links between several factors which have been identified as elementally critical to the problem (Sekaran, 1992; Sekaran and Bougie, 2010). Based on the documentation of past research in the identified problem area, the framework has been proven to be logically sound.

By developing the theoretical framework as shown in **Figure 1.0,** it serves as guidance as the research questions are fine-tuned, measurement methods are selected and statistical analyses are determined. The theoretical framework discourses the interrelatedness among the variables, in which amount of the variables that are deemed to be integral into the dynamics of the situation being investigated such as in this current research study.

**Figure 1.0**

**Dependent Variable *(Y)***

Corporate Members’ Attitudinal Outcomes:

Job Satisfaction in their work environment

(Spector, 1985)

Commitment to their assigned tasks and organization

(Mowday, Steers and Perry, 1979)

Trust in their Managers/Upper Management

(Treadway, Hochwarter, Ferris, Kacmar, Douglas, Ammeter and Buckley, 2004)

**Mediator *(M)***

Cultural Traits Practiced in the organization:

Involvement

Consistency

Adaptability

Mission

(Denison and Mishra, 1995)

**Independent Variable *(X)***

Transformational Leadership Styles:

Idealized Influence (attribute)

Idealized Influence (behavior)

Inspirational Motivation

Intellectual Stimulation

Individualized Consideration

(Bass and Avolio, 1997)

**Figure 1.0** above demonstrates the examination process on the relationship between the perceived style of leadership and attitude outcomes as mediated by cultural traits. This current study considers a model as indicated above that proposes some independent variable *(X)* is correlated with some dependent variable *(Y)* not only due to it influences a direct effect on dependent variable, but because it justifies changes in the dependent variable.

According to MacKinnon, Lockwood, Hoffman, West and Sheets (2002) that psychologists refers this condition as *X 🡪 M 🡪 Y* relationship known as “mediation” or “indirect effect” of *X* on *Y* through *M.* These causal relationships are represented in **Figure 1.1** below.

**Figure 1.1**

**XM *(a)* MY *(b)***

**XY *(c’)***

Source: MacKinnon, Lockwood, Hoffman, West and Sheets (2002)

The causal steps as described in **Figure 1.1** above is apparently descended from the scholarly work of Judd, Baron and Kenny and which is most utilized by social science researchers. Howell (2002, p. 575) summarized the criteria to undertake mediation process as follows:

1. X must be correlated with Y (Direct Effect – *c’*);
2. X must be correlated with M (Indirect Effect – *a*);
3. M must be correlated with Y, holding constant any direct effect of X on Y (Indirect Effect – *b*);
4. When the effect of M on Y is removed, X is no longer correlated with Y (full mediation) or the correlation between X and Y is reduced (partial mediation).

**Figure 1.1** indicates that there is a direct effect relating X to Y and a mediated effect by which X indirectly affects Y through M. In relation to this current study, several of the Malaysian Government-linked companies (GLCs) involved in service industry were randomly selected. Therefore, through the selected methods, the outcomes of employees’ perceptions on their immediate superiors’ style in leadership and cultural traits in organization were investigated.

This can be rigorously tested as the hypotheses were developed to examine whether the theory of leadership styles, cultural traits and organizational (employees) attitudes/outcomes as conceptualized in the theoretical framework significantly positive and valid through the application of an appropriate and validated statistical technique and analyses in the context of GLCs in Malaysia.

The hypotheses are as follows:

**Ho1.** Transformational leadership styles are not significantly associated with the corporate members’ attitudinal outcomes.

**Ha1.** Transformational leadership styles are significantly associated with the corporate members’ attitudinal outcomes.

**Ho2.** Transformational leadership styles are not significantly associated with the cultural traits.

**Ha2.** Transformational leadership styles are significantly associated with the cultural traits.

**Ho3.** Traits in culture have no significant influence in determining the corporate members’ attitudinal outcomes.

**Ha3.** Traits in culture have significant influence in determining the corporate members’ attitudinal outcomes.

**Ho4.** Traits in culture do not function as a mediator in the relationship between transformational leadership styles and corporate members’ attitudinal outcomes.

**Ha4.** Traits in culture do function as a mediator in the relationship between transformational leadership styles and corporate members’ attitudinal outcomes.

**Methodology**

A quantitative method of analysis was selected and served as guidance in this research study. Quantitative research is defined as a formal, objective, systematic process in describing and testing relationships and analyzing cause and consequence interactions between variables selected (Burns and Grove, 1993). This method is to construct and employ statistical models, new theories, hypotheses in response to the intended research condition and objective. Survey method is practical for descriptive, explanatory and exploratory research and thus it was applied in order to fit into the objective of this research study. In this quantitative study, an association between the independent variable of leadership styles, cultural traits serve as the mediator and the dependent variable of job satisfaction, organizational commitment and trust in management were put to test. The questionnaires have been distributed to the respective organizations by courier services and by hand since May 2009.

The unit of analysis refers to the specific entity or sample that is being studied in any research study (Yurdusev, 1993). Thus, in relation to this study, the unit/ departmental managers (N=364) of the selected GLCs under the GLC Transformation Program as well as the GLCs which are listed in the Main Market of Bursa Malaysia were the unit of analysis.

This research study seeks valuable information of these individuals with regards to cultural traits and leadership styles and as to how it reflects corporate members’ attitudinal outcomes. A set of questionnaires were developed. These questionnaires solicit the perceptions by the organizational members toward its current cultural traits and leadership styles practiced.

There are five reliable and valid instruments of measurement employed in this current study: (1) the Multifactor Leadership Questionnaire (MLQ) 5X by Bass and Avolio (1997); (2) Job Satisfaction Survey by Spector (1985); (3) Organizational Commitment Questionnaire by Mowday, Steers and Porters (1979); (4) Trust in Management by Treadway, Hochwarter, Ferris, Kacmar, Douglas, Ammeter and Buckley (2004) and (5) Denison Organization Cultural Survey (DOCS) by Denison and Mishra (1995). The five point-Likert scales were applied for each segment in the questionnaire. The survey was solely on voluntary basis and the anonymity and confidentiality level is maintained at all time.

**Data Analysis**

A pilot, or feasibility study, refers to a small study designed to the logistics and data gathering prior to an actual study, in order to improve the quality and efficiency of the research study. Pilot study is a tool to identify any difficulty pertaining to wordings and level of understanding upon the questionnaires (Salant and Dillman, 1994).

The researchers carried out the pilot study in order to reveal any deficiencies in the proposed research and therefore it can then be addressed before extended on the large scale studies. The selected instruments in a form of survey questionnaires were applied to test and distributed personally to a group of administrators (N=35) with a minimal academic qualification of a bachelor’s degree from various departments in one of the public University and a private college.

The Coefficient alpha is applied in this research study in order to measure the internal consistency of the selected instrument or to assess the reliability level of the constructs. Cronbach’s alpha *(α)* is a reliability coefficient that indicates how sufficient the items in a set are positively complemented to one another (Sekaran, 2000; Sekaran and Bougie, 2010). This proves that Cronbach’s alpha was computed to ensure the reliability of all measurement scales. **Table 1.0** reflects on this process in comparison to the previous research.

**Table 1.0 Pilot-Test Analyses**

|  |  |  |
| --- | --- | --- |
| ***Variables*** | ***Previous Research***  ***(a)*** | ***Pilot-Test***  ***(a)***  ***N=35*** |
| **Multi-factor Leadership Questionnaire (MLQ) Leadership Style**  - Bass and Avolio (1997) | | |
| * Idealized Influence (Attributed) * Idealized Influence (Behavioral) * Inspirational Motivation * Intellectual Stimulation * Individual Consideration | 0.77  0.69  0.82  0.74  0.78 | 0.793  0.812  0.825  0.821  0.837 |
| **Organizational Culture Questionnaire (OCQ)**  -Denison and Mishra (1995) | | |
| * Involvement * Consistency * Adaptability * Mission | 0.72  0.75  0.76  0.77 | 0.869  0.721  0.790  0.828 |
| **Job Satisfaction (JS)**  -Spector (1985) | | |
| * Supervision * Contingent Rewards * Operating Procedures * Co-workers * Nature of Work * Communication | 0.82  0.76  0.62  0.60  0.78  0.71 | 0.773  0.824  0.749  0.768  0.850  0.809 |
| **Organization Commitment (OC)**  **-** Mowday, Steers and Porter (1979) | 0.90 | 0.718 |
| ***Trust in Management (TIM)***  -Treadway, Hochwarter, Ferris, Kacmar, Douglas, Ammeter and Buckley (2004) | 0.87 | 0.712 |

As shown in **Table 1.0,** the alpha coefficient for five components selected is *p* > 0.70, suggesting that the components of each have relatively high internal consistency. The scoring of a reliability coefficient of 0.70 or higher is considered “acceptable” in most social science research situations.

Secondly, Validity makes a concept measurable (Sekaran, 2000; Sekaran and Bougie, 2010) and it refers to a process of producing the desired results, the act of deriving logical conclusions from premises known or inferences also in a proposal in deriving into conclusions. Thus, in response to the statement above, the current research provides the results for each instrument selected as shown in **Table 1.1** below.

**Table 1.1 Factorial Analyses**

|  |  |
| --- | --- |
| ***Variables*** | **Factorial Analysis**  **(KMO)**  ***N*=35** |
| **Multi-factor Leadership Questionnaire (MLQ) Leadership Style**  (Bass and Avolio, 1997) | |
| * Idealized Influence (Attributed) * Idealized Influence (Behavioral) * Inspirational Motivation * Intellectual Stimulation * Individual Consideration | 0.697  0.674  0.786  0.622  0.780 |
| **Organizational Culture Questionnaire (OCQ)** (Denison and Mishra, 1995) | |
| * Involvement * Consistency * Adaptability * Mission | 0.602  0.566  0.510  0.529 |
| **Job Satisfaction (JS)** (Spector, 1985) | |
| * Supervision * Contingent Rewards * Operating Procedures * Co-workers * Nature of Work * Communication | 0.724  0.737  0.707  0.731  0.815  0.757 |
| **Organization Commitment (OC)** (Mowday et al., 1979) | 0.591 |
| ***Trust in Management (TIM)*** (Treadway et al., 2004) | 0.692 |

The pilot study or pre-test which has been conducted by the researcher has proven that the scores for each of the selected components are above *p* > 0.05 (KMO test) and is considered as highly validated. Thus, the survey questionnaires for the main study are similar as applied in the pilot test.

**The Statistical Test Results: Main Study**

The Statistical Package for Social Sciences (Version-17) was used in data analysis. The Pearson product moment coefficients (*p*-value) were adapted to justify the relationship between independent and dependent variables as well as the mediator variables. The bivariate correlations and linear regression analyses were applied in an attempt to describe the benefactions of the independent variables with regard to corporate members’ attitude scores which is the dependent variable.

In addition to this, a four-step hierarchical multiple regression analysis (Baron and Kenny, 1986; Judd and Kenny, 1981; MacKinnon, Lockwood, Hoffman, West and Sheets, 2002; MacKinnon, 2008) was applied to determine whether the selected variable (Denison Cultural Traits) mediates the relationship between overall transformational leadership styles and cultural traits on the members’ attitude outcomes.

Like most statistical analysis or tests, it relies upon certain assumptions with regards to the variables chosen. Thus, the four common assumptions of multiple regressions tested are (1) Normal distribution; (2) Linearity of independent and dependent variables; (3) Homoscedasticity or homogeneity or uniformity of variance and (4) Multicollinearity. It was found that the variables selected fairly fit into the criteria’s for each of the assumptions mentioned. Overall, a probability of 0.05 (*p* < 0.05) was obtained and the null hypotheses (*Ho* = 0) were rejected for all four hypotheses.

The graphs as illustrated below represent the outcomes of the mediation analysis using findings in multiple regressions to determine that Cultural traits will play a role as a mediator to strengthen the relationship between Transformational leadership styles and organizational members’ attitudes (job satisfaction, organizational commitment, and trust in management).

**Graph 1.0**

**CULTURAL TRAITS**

**(0.200\*\*\*) (0.405\*\*\*)**

**TRANSFORM LEADERSHIP**

**JOB SATISFACTION**

**0.144 (0.220\*\*\*)**

In reference to **Graph 1.0** above, where *βa* = 0.200 (the standardized beta coefficient of the IV 🡪 M (with all controls in the equation); *βb* = 0.405 (the standardized beta of the M 🡪 DV (with IV and controls in the equation); *βc* = 0.144 (the coefficient of the IV when the mediator and controls are in the equation); and *βc’* = 0.220 (the coefficient for the IV when the controls are in the equation but the mediator has not been entered). Usually each coefficient is marked \* to indicate p < .05, \*\* for p < .01, and \*\*\* for *p* < 0.001.

Based on the illustration and values computed, it has resulted in *X* remains significant (whereby both *X* and *M* are both significantly predict *Y*), and the finding support partial mediation. Therefore, hypothesis null four (Ho4) is rejected and hypothesis four (Ha4) is supported.

**Graph 1.1**

**CULTURAL TRAITS**

**(0.200\*\*\*) (0.446\*\*\*)**

**TRANSFORM LEADERSHIP**

**COMMITMENT**

**0.049 (0.136\*)**

In reference to **Graph 1.1** above, where *βa* = 0.200 (the standardized beta coefficient of the IV 🡪 M (with all controls in the equation); *βb* = 0.446 (the standardized beta of the M 🡪 DV (with IV and controls in the equation); *βc* = 0.049 (the coefficient of the IV when the mediator and controls are in the equation); and *βc’* = 0.136 (the coefficient for the IV when the controls are in the equation but the mediator has not been entered).

Based on the illustration and values computed, it has resulted in *X* remains significant (whereby both *X* and *M* are both significantly predict *Y*), and the finding support full mediation.Therefore, hypothesis four (H4) rejected the null hypothesis and hypothesis four (H4) is supported.

**Graph 1.2**

**CULTURAL TRAITS**

**(0.200\*\*\*) (-0.339\*\*\*)**

**TRANSFORM LEADERSHIP**

**TRUST IN MGMT**

**0.302 (0.334\*\*\*)**

In reference to **Graph 1.3** above, where *βa* = 0.200 (the standardized beta coefficient of the IV 🡪 M (with all controls in the equation); *βb* = - 0.339 (the standardized beta of the M 🡪 DV (with IV and controls in the equation); *βc* = 0.302 (the coefficient of the IV when the mediator and controls are in the equation); and *βc’* = 0.334 (the coefficient for the IV when the controls are in the equation but the mediator has not been entered).

Based on the illustration and values computed, it has resulted in *X* remains significant (whereby both *X* and *M* are both significantly predict *Y*), and the finding support partial mediation. Therefore, hypothesis four (H4) rejected the null hypothesis and hypothesis four (Ha4) once again is supported.

The overall hypotheses in this particular section have proven that organizational culture function as a mediator in bridging the link between leadership and corporate members’ attitudinal outcomes. This is indicated through the smaller value of the statistical results after the inclusion of cultural trait components on the effect of leadership and attitudinal outcomes.

**Theoretical and Practical Implications**

Previous studies have examined on the relationship between (1) leadership and performance (e.g. Nicholls, 1988; Quick, 1992; Simms, 1997; Howell and Avolio, 1993; Bycio, Hackett and Allen, 1995) and (2) between culture and performance (Scholz, 1987; Denison, 1990; Krefting and Frost, 1985; Lewis, 1994; Lim, 1995), (3) leadership and organizational culture (e.g. Schein, 1992; Bass, 1985; Brown, 1992; Bass and Avolio, 1993) and (4) the association between the three components by Ogbonna and Harris (2000); Parry and Proctor-Thomson (2003); Xenikou and Simosi (2006).

However, the attempt of this study is different from previous studies as aforementioned, whereby leadership styles and job satisfaction (e.g. Voon, Lo, Ngui and Ayob, 2011; Riaz and Haider, 2010; Gill, Flaschner, Shah and Bhutani, 2010), leadership styles and organizational commitment (e.g. Gao and Bai, 2011; Marmaya, Hitam, Torsiman and Balakrishnan, 2010; Nazarudin, Omar-Fauzee and Latif, 2008), and leadership styles and trust in management (e.g. Chu, Yang and Chen, 2011; Dirks and Ferrin, 2002; Gillespie and Mann, 2004; Podsakoff, MacKinzie and Bommer, 1996) were examined independently. This has reflected on the nature of relationship effect of the three components and suggests that the organizational cultural traits mediate the relationship between transformational leadership styles and corporate members’ attitudinal outcomes on job satisfaction, organizational commitment and trust respectively.

A theoretical interpretation of this finding is not to conclude that leadership styles are not important in relation to employees’ attitude but somewhat to prove that organization cultural traits also do emerged as a filter and result as main predictor to the corporate members’ attitudinal outcomes compared to a direct link between leadership and attitudes. The results may be arise differently compared to the studies made by previous studies in terms of geographical location, cultural and ethnic backgrounds, level of education, business environment, developed or developing country and job experiences.

Practically, through this study an organization’s culture is unique in relation to core values, priorities and behaviors amongst others. These qualities of culture in addition to organization system, structure and policies is determined by leaders. It is within these policies and organizational structure that determines organizational behaviors as a whole. Organizational culture is seen as an important factor builds an organization (Martins and Terblanche, 2003).

Therefore, the upper echelons of Malaysian GLCs must give effective feedback and training to their leaders and managers in order to obtain effective and efficient operational activities of the organization. It is imperative that leaders and managers be taught on the importance the culture has on the daily operational activities of an organization. Leaders need to discover what kinds of culture are favorable to an organization’s growth and focus on strengthening positive work culture. This phenomenon may be helped further when the leader is viewed upon favorable by members of an organization.

It is interesting to see what and how culture promotes what kinds of attitudes with regards to the whole organizational leader-member spectrum in the race for survival and ownership of resources of today’s challenging and demanding business environment. This research suggests that by understanding the cultural traits of those involved shall further enhance understanding of what an effective leadership will look like.

**Recommendation and Future Research**

In relation to this, the management and leadership training to current and future leaders could enhance their understanding and creating appropriate culture in organization or departmental units, as well as to improve and motivate on employees’ level of job satisfaction, commitment and trust. Schein (2004) states that leaders must understand cultures to lead an organization, and Block (2003) concurs, leaders who understand culture will move the organization towards success.

Leaders may potentially be able to improve on performance by working closely on organization or subgroup culture (Adkins and Caldwell, 2004). Leadership must be led by a realistic vision of what types of culture enhance level of performance and to systematically work towards strengthening or even to create desired cultural traits. This study focuses on three components of employees’ behavior outcomes. Future research is suggested to examine on other elements of behavior such as turnover motivation, organizational citizenship behaviors, in-and extra role behavior and innovative behavior. An extra mile could be considered in looking into the influence of Transformational leadership styles toward corporate reputational capital in terms of intangible resources and people management for sustainable competitive advantage or even the effect of sub-culture to the organization.

On the other hand, this research can be replicated across different Malaysian industrial backgrounds (i.e. Education, Medical, Banking, SMEs, Military, Police, Nursing and many other). This research suggests that future studies to be undertaken to gauge the different leadership styles in different organizational culture settings (i.e. Malay and Non-Malay family owned companies) or to make a comparison in the similar or dissimilar industries among developing countries in the same region or an international companies such as Western companies or developed Asian countries that operates in Malaysia. Thus, with the suggestions provided it is hoped that more new theories, ideas and models can be introduced and applied as well as it enhances the organizational effectiveness and sustainability.

**Conclusion**

Organizational culture is seen as the critical tool which shapes the way the organization operationalised. To adopt the organizational culture with strategy is a potent means in order to gain competitive advantage and industry or leadership. A highly effective business organization invariably has a high performing organizational culture that has the ability to align well, internally and externally to support the overall objectives of the organization.

This study expects to uncover the link between leadership-culture and how it affects GLC members’ behaviors with regard to their job satisfaction, commitment and trust in management. Organizational culture shapes organizational member experience which lead to their behavior, and thus we need to understand of the cultural boundaries of leadership due to a business world has become a global market place.

This research study is motivated by the many theories on leadership and culture. It is further motivated by the lack of studies in the Malaysian context and the researcher is optimist that the findings of this present study will act as a catalyst for further improvement on leadership in the Malaysian GLCs in response to the GLCs Transformation Program.

Transformational leaders are crucial to bring improvement to organizational member’s behaviors and further they have the ability and drive to motivate others to realize vision and mission set by the organization. They also assist others to become more creative, innovative, and promote such new ideas which allow organizational growth and adaptive to changes. This may be achieved through effective communication and mutual respect and the disposition of the transformational leaders.

Further, transformational leaders have the surpassing perspective due to their position in the organization by acquiring the dynamics of the culture, what need to be remained, and what need to be changed. This is the intrinsic feature of successful organization regardless of their business background by empowering and engaging their corporate members, building their organization through teamwork, and developing organizational member capabilities at all levels.

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