LEADERSHIP AND ORGANIZATIONAL CULTURE IN SMALL COMPANIES

ABSTRACT

Purpose: To evaluate the relationship between organizational culture and the leadership performed by managers of micro and small companies.

Methodology: The research has a quantitative and descriptive approach. Self-administered questionnaires applied to managers were used as a data collection instrument, resulting in a sample of 82 respondents. For data analysis, descriptive and correlational techniques were used.

Results: The results showed that the transactional leadership style was the most perceived in managers and the type of current predominant culture was the clan culture. When testing the conjectured hypotheses, different relationships between organizational culture and its dimensions were found with leadership styles. Clan culture showed correlation with all dimensions.

Practical implications: In practical terms, the research will be able to contribute to the micro and small companies of intimate fashion and their managers, presenting new perspectives of management and development of competitive strategies, from the understanding of the leadership styles of the managers and the organizational culture of the company.

Originality: Based on the research found, it appears that both organizational culture and leadership have been component variables of some mediation and moderation models that relate personal and organizational variables, but publications have not been identified in the literature that directly investigate the culture and its relationship with leadership styles in small textile companies.

Keywords: Organizational culture; Leadership; Small companies.
RESUMO

Objetivo: Avaliar as relações entre cultura organizacional e a liderança desempenhada pelos gestores de micro e pequenas empresas.

Metodologia: A pesquisa possui abordagem quantitativa e descritiva. Utilizou-se como instrumento de coleta de dados questionários autoaplicáveis aplicados aos gestores, resultando em uma amostra de 82 respondentes. Para a análise dos dados foram utilizadas técnicas descritivas e correlacionais.

Resultados: Os resultados evidenciaram que o estilo de liderança transacional foi o mais percebido nos gestores e o tipo de cultura atual predominante foi a cultura clã. Ao testar as hipóteses conjecturadas, se encontrou relações diferentes da cultura organizacional e suas dimensões com os estilos de liderança. A cultura clã mostrou correlação com todas as dimensões.

Implicações práticas: Em termos práticos, a pesquisa poderá contribuir para as micro e pequenas empresas de moda íntima e seus gestores, apresentando novas perspectivas de gerenciamento e desenvolvimento de estratégias competitivas, a partir do entendimento dos estilos de liderança dos gestores e da cultura organizacional da empresa.

Originalidade: Com base nas pesquisas encontradas, se verifica que a tanto a cultura organizacional quanto a liderança têm sido variáveis de componentes de alguns modelos de mediação e moderação que relacionam variáveis pessoais e da organização, mas não foram identificadas na literatura publicações que investiguem diretamente a cultura e sua relação com os estilos de liderança em pequenas empresas do ramo têxtil.

Palavras-chave: Cultura organizacional; Liderança; Pequenas empresas.

1 INTRODUCTION

In Brazil, according to data from the Instituto Brasileiro de Geografia e Estatística (IBGE) and Fundação Getúlio Vargas presented by the Brazilian Service for Support to Micro and Small Companies (SEBRAE, 2021), Micro and Small Companies (MSEs), listed in around 8.9 million, account for 53.4% of the Gross Domestic Product (GDP) of commerce, 22.5% of industry and 36.3% of the service sector, employing 52% of the formal workforce.

Such data reinforce the importance of MSEs for the Brazilian economy as a whole. This study will be developed with managers of micro and small underwear and beachwear companies located in Ilhota in the State of Santa Catarina. The growth of the textile industry in the State of Santa Catarina occurred especially in the region of Blumenau and the Vale do Rio Itajaí, which includes the city of Ilhota, which became known as the capital of Santa Catarina for underwear and beachwear. Title granted by State Law No. 12,473, of December 11, 2002.

Based on the scenario described, it is clear that the underwear and beachwear sector is diversified, dynamic and highly competitive. In this sense, Le and Lei (2019); Silva, Paschoalotto and Endo (2020) lead to the understanding that human capital is one of its most important assets, with leadership identified as one of the main resources of high performance organizations. In this line of thought, Rengel and Ensslin (2020) emphasize that, in addition to investing in knowledge, organizations need to have professionals who have specific skills and characteristics, whose leadership conditions allow them to mobilize resources and capabilities of their subordinates in favor of strategic objectives of the organization and, consequently, aiming at organizational performance.

In this organizational context, the importance of organizational culture is also considered, as according to Ali Taha, Sirková and Ferencová (2016) it permeates all levels and sectors of companies, exerting influence from the behavior of employees and managers to the elaboration of strategies, as well as organizational performance. MacQueen (2020), in turn, add that it reflects the way each organization learned to deal with its environment. In the conception of Góis and Lucca (2020),
culture is one of the most important resources that inform business strategies and shape the values and missions of organizations.

Leadership in organizations has undergone changes considering the changes in the new context of the 21st century. The characteristics and behaviors that emerge influence the behavior of the leader’s relationship quality. For Ivan and Terra (2017), the leader is vital in organizational dynamics as he is the instrument for monitoring the changes in society, in order to act intra and inter organizationally.

Albloshi and Nawar (2015) report that leadership has been researched and has generated interest in recent decades due to the increasingly dynamic global market. For Silva, Paschoalotto and Endo (2020) it is a topic that arouses the interest of organizations, as it is believed that it can be one of the possibilities for managers to break with traditional views and make work more rewarding for both themselves and their team. In this sense, Wegner, Tontini, Costa, Muller Junior and Silva (2021) leadership conducted with dialogue and conversations of diverse opinions, enables an environment of ideas that is also favorable for innovation. Studying their styles enables a better understanding of social dynamics and collective achievements (Sousa, Rocha, 2019; Lunardi, Degenhart & Zonatto, 2019; Soardo, Fanton & Júnior, 2020; Lucatelli, Tormen-Ferreira, Alberton & Marinho, 2021).

Given the above, the present research will seek to answer the following guiding question: What are the relationships between organizational culture and leadership performed by managers of micro and small companies of underwear and beachwear in Ilhota/SC? Therefore, the general objective was defined to evaluate the relationship between organizational culture and the leadership performed by managers of micro and small companies of underwear and beachwear in Ilhota/SC. Studying and understanding organizational culture makes it possible to clarify several results at the organizational and individual levels, for this reason, its relevance in organizational studies (Giorgi, Lockwood, & Glynn, 2015; Machado, Maranhão & Pereira, 2016). Paz, Ferandes, Carneiro and Melo (2020), in turn, approach organizational culture as a system that must be considered to implement policies, guidelines and actions in favor of the worker who, in turn, is committed to the achievement of goals, survival and growth of the organization.

After finishing the introduction, the article continues with the theoretical discussion followed by the hypotheses and, in the sequence, the outline of the methodology, analysis of the results and final considerations are presented. Finally, the references used are highlighted.

2 THEORETICAL DISCUSSION AND RESEARCH HYPOTHESES

2.1 Organizational Culture

The concept of culture allows the understanding of different results at the individual and organizational levels, thus being considered a central theme in organizational studies and more specifically for the management area (Giorgi, Lockwood & Glynn, 2015; Machado, Maranhão & Pereira, 2016). Paz et al (2020, p. 9) highlight that “The identification of the cultural profile of organizations has proved to be one of the main tools for managing the organizational context and has generated a large number of studies aimed at better understanding the culture/management relationship”.

From the 1980s onwards, studies on this topic gained prominence and national and international research continues to be carried out (Frăticiu, Mihăescu & Andănuț, 2015; Paiva, Pio & Ferraz, 2016; Vilela, Barale & Santos, 2017; Tarifa & Almeida, 2018; Silva, Castro, Santos, & Lima Neto, 2018; Di Stefano, Scrima & Parry, 2019; Machado, Theiss & Niciejewska, 2021; Junges, Orlandi,
However, Chatman and O’Reilly (2016) emphasize that even with the diversity of studies on the subject, its understanding is still complex, since its study can be based on the paradigms of anthropology, sociology, psychology or even the social sciences.

A company’s culture begins with the founder or pioneer leader who articulates and implements particular ideas and values such as a vision, philosophy or business strategy (Esper & Cunha, 2015). In this sense, Wiewiora and Kowalkiewicz (2018) emphasize that when these ideas and values lead to success, they become institutionalized and an organizational culture emerges that reflects the vision and strategy of the founder or leader.

Among the different approaches to culture, this study will use the model of Cameron and Quinn (2006). It is noteworthy that this model was chosen because, according to the aforementioned authors, it manages to offer a diagnosis of important aspects of the organization’s culture profile, in addition to allowing the analysis of the relationships between cultural typologies and other dimensions of the organizational context, being in this study, the leadership styles. In addition, this instrument has already proven both reliability and content validity (Hartnell, Ou & Kinicki, 2011).

The assessment and identification of an organization’s cultural characteristics, from Cameron and Quinn’s (2006) perspective, is carried out using the Organizational Culture Assessment Instrument (OCAI). The OCAI is based on the Competitive Values Framework (CVF) which, in the organizational environment, serves to identify “stages of life cycle development, organizational quality, theories of effectiveness, leadership roles, and leadership roles, human resource managers and management skills” (CAMERON, QUINN, 2006, p. 31).

The model of competitive values, in order to explain the differences in values that guide the different standards of effectiveness of organizations, works with four groups of organizational values, as shown in Figure 01.

![Cultural Typology According to Cameron and Quinn](source)

As seen in Figure 01, from these dimensions, the authors highlight the formation of the four quadrants that originate the model of competitive values. Each quadrant brings together a group of organizational effectiveness indicators, using flexibility, stability and internal and external focus as parameters.
2.2 Leadership

The concept of leadership is in a continuous process of transformation, hence the difficulty in identifying it with a single definition (Day & Harrison, 2007). It changes according to the approach adopted, depending on the focus of the researchers’ line of study, and by individual perspectives and their aspects of interest (Campos, Araújo, Moraes, & Kilimnik, 2013). Crozatti (1998) already emphasized that in an organization, in order for the team and employees to carry out their activities on time and with higher quality, it is necessary to have a professional who is aligned with the values, vision and mission of the company and who manages these teams.

For Yukl (2010), leadership has been defined in terms of behavior, influence, interaction patterns, role of relationships and occupation of an administrative position, listing some representative definitions in the last fifty years: a) it is the increase of influence over a mechanical submission with the company’s routine guidelines; b) is the process of influencing the activities of an organized group towards the achievement of an objective; and, c) it is a process of giving purpose to the collective effort and provoking the desire to expend this effort to achieve the proposed objective.

The definitions of leadership styles are related to the individual’s process of choosing which style will adapt to the individual and organizational needs of the leader and the led (Silva, Nunes, & Andrade, 2019). Studies by Lunardi, Desenhard and Zonatto (2019) guide that such styles should be considered as an important variable in the organizational context, since they are dynamic and can influence and direct the suitability of individuals’ behavior.

Continuing, the context of this new leadership is presented in more detail, since from the model of Bass and Avolio (2004) the styles contemplated in the present study will be: transformational, transactional and laissez-faire leadership. It should be noted that the choice of this model, the Multifactor Leadership Questionnaire (MLQ), is justified because it has been widely used in national and international research on leadership (Dias & Borges, 2015; Silva, 2015; Hermosilla, Amutio, Costa & Páez, 2016; Somenzari, Ramos, & Sacomano Neto, 2017; Vasconcelos, Rocha & Souza, 2018; Ahmad & Ejaz, 2019; Neves, & Coimbra, 2019; Rodrigues et al. 2019; Soardo, Fanton & Júnior, 2020; Rajbanshi, 2020) of which way, considered a reliable and effective instrument.

In the transformational leadership style, the leader inspires his subordinates to be creative, and in certain cases innovative in order to solve problems that may arise in the company. It concerns the process of influence that leaders have, generating the commitment of those they lead, fostering their ability to go beyond their own limits in favor of the goals of the group or the firm. (Bergamini, 2009). Individuals facing a transformational leadership style should be encouraged in the workplace (Rezende, Carvalho Neto & Tanure, 2014).

Transactional leadership is characterized by Burns (1978) as a relationship of superficial ties, which are based on an exchange of interests focused on personal goals, while transformational leadership deeply inspires the followers to dedicate themselves to the maximum to achieve organizational goals, establishing a relationship of trust between those involved.

Laissez-faire leadership, which is also known as liberal, according to Bass and Bass (1993) is marked by the lack of responsibility in the posture of leaders, passing responsibilities to the led, they refuse to make decisions and end up interfering when a bigger problem arises, so that the objective is reached, otherwise this lack of posture is recognized in this style. Unlike transactional and transformational leadership, Escandon-Barbosa and Hurtado-Ayala (2016) explain that in this style, it is not possible to find a work environment with defined objectives, as the person in charge does not assume any action plan and postpones decision making, ignoring their responsibilities.
2.3 Relationships between Constructs

The way leaders focus their attention, react to crises, what their role models are and who they attract to their organizations, cultural norms are created (Bass & Avolio, 2004). Thus, the characteristics and qualities of an organizational culture are taught by its leaders and eventually adopted by its followers. In this sense, Junges et al. (2021) emphasize that developing leadership is seen as one of the main sources of sustainable competitive advantage, placing it as one of the pillars of corporate culture.

When analyzing the influence of culture on leadership, it is noticed that standards change, however, one must analyze how leadership influences organizational culture and employee behavior. According to Ogbonna and Harris (2000) leadership can influence the culture within the organizational environment, so that employees can change the way they analyze and behave within the organization, through the way in which leadership is passed on to employees. According to Barreto, Kishore, Reis, Baptista and Medeiros (2013) the comparison made between leadership and organizational culture is that one depends on the other for the efficient development of products and services.

In the Review, the literature suggests that there is an influence of leadership on organizational culture. The studies by Ogbonna and Harris (2000) pointed out that the leadership style influences culture and that it influences organizational performance. Krishnan (2001) complements by showing that achieving high performance is possible through transformational leadership, in which the leader encourages his followers for ever greater results. For the aforementioned author, high performance can be achieved by transforming the values, attitudes and motives of its followers.

The theoretical study by Groff, Marschner and Sané (2013) sought definitions about human intangible assets in the organizational environment, namely organizational culture, leadership and internal communication. The results showed that the organizational culture adds the values of the organizations and the involved and outstanding employees and the leader able to mediate, lead and stimulate their team proactively, and communication despite the technology spread its methods, it is still necessary that the dialogue is practiced in a frank and collectivist way.

Gonçalves, Trevisol, Lopes and Soethe, (2015), in turn, investigated leadership styles and what type of organizational culture is present in a higher education institution. The results indicated that the clan culture was the one that most represents the institution studied, according to its respondents and the leadership style of its managers is represented by transformational leadership.

Considering that the culture of an organization influences the behavior of its professionals, Reis and Azevedo (2015) investigated the relationships between cultural types and the authentic action of people in companies. The results indicated that certain organizational culture profiles (clan and innovative cultures) are positively related to authenticity at work, tending to favor the expression of authenticity. Other organizational culture profiles (result and hierarchical cultures) are negatively related and may inhibit the expression of authenticity.

Examining the joint effect of leadership styles and the exploratory culture of organizational learning on learning enterprise resource planning systems in the assimilation process was the objective of the research by Shao, Feng and Hu (2017). The findings revealed that the influence of transformational leadership on organizational learning was strong, but mediated by the learning culture, and that of transactional leadership on organizational learning was weak, but direct.

Somenzari, Ramos and Sacomano Neto (2017), in turn, sought to identify and correlate the predominant types of leadership and culture of two national organizations, one public and the other private. The research findings allowed us to conclude that the clan culture is compatible with the
transformational leadership style, whereas the market culture is not compatible with this leadership style.

The study by Kumar and Upadhaya (2020) researched the mediation between organizational culture in the relationship between servant leadership and work-family enrichment. Information was collected from 223 teachers in northern India. The results confirmed the mediating effect of organizational culture. The effect of motivation, leadership and organizational culture on job satisfaction of 155 employees of a company located in Indonesia was investigated by Paais and Pattiruhu (2020). The results showed that job satisfaction is influenced by 57.4% of the variables motivation, leadership and culture, while the variables of employee performance are influenced by 73.5% of the variables of motivation, leadership, culture and job satisfaction.

Anning-Dorson (2021), in turn, evaluated in 292 SMEs in Ghana, how innovative organizational culture and innovative leadership generate market flexibility for small and medium-sized companies in the service sector. Findings suggest that while organizational culture and leadership can influence a service firm’s performance, it is more feasible to use these resources at the firm level to build market flexibility capability. This means that when culture and leadership drive flexibility, the service company is able to connect, coordinate and synchronize functional units to take advantage of new products and market opportunities.

Madi Odeh, Obeidat, Jaradat, Masa’deh and Alshurideh (2021) studied the perception of 379 employees of Dubai service companies on the effect of transformational leadership style through the mediating effect of adaptive culture on organizational resilience. Study results supported that transformational leadership is positively associated with adaptive culture and company resilience and significantly impacts them, and adaptive culture partially mediates the effect of transformational leadership on organizational resilience.

Based on the exposed studies, the following hypotheses were formulated:

\[ H_1 \] – The type of organizational culture is positively related to the transformational leadership style that managers manifest.

\[ H_2 \] – The type of organizational culture is positively related to the transactional leadership style that managers manifest.

\[ H_3 \] – The type of organizational culture is negatively related to the laissez-faire leadership style that managers manifest.

### 3 METHODOLOGY

This study was carried out with a quantitative, descriptive, survey and cross-sectional approach, with the objective of evaluating the relationship between organizational culture and the leadership performed by managers of micro and small underwear and beachwear companies in Ilhota/SC.

The research universe consisted of 96 underwear and beachwear companies located in the municipality of Ilhota in the state of Santa Catarina linked to the Commercial and Industrial Association of Ilhota/SC, resulting in a sample of 82.

The data collection instrument consisted of two questionnaires. The first, to measure managers’ perception of organizational culture, we chose to use the model proposed by Cameron and Quinn (2006). The second part of the questionnaire dealt with the self-assessment of leadership style based on Bass and Avolio’s *Multifactor Leadership Questionnaire* (2004).
The data collection instrument was structured digitally, with the help of Google forms, which allows answering the questionnaire through a link. Initially, a pre-test was performed. The questionnaire link was sent to 2 professors in the area and 5 managers from the underwear and beachwear companies, in order to verify if the questionnaire was appropriate for the respondents.

After the recommended adjustments, an email was sent to the secretary of the Commercial and Industrial Association of Ilhota/SC on November 18, 2021 requesting that the link be sent to the list of entrepreneurs who are linked to the Association. On November 30, 2021, the secretary sent the email again to all associates. Still in search of more respondents, individual or private emails were sent based on contact information found on the companies’ website. Noting that all contacts had already been made, it was noted that the form was no longer receiving responses and on December, 8, 2021 the deadline for completion was closed.

Descriptive statistics were used to evaluate the distributions of the variables, with tests of absolute frequency (n), relative frequency (%), mean (m), median (md), standard deviation (sd), minimum (min) and maximum value (max), skewness (a) and kurtosis (k).

Internal consistency was verified by Cronbach’s alpha test (Cronbach, 1951). The analysis consisted of performing the adjustment based on the correlation that an item presented with the others, including the impact of its removal on the final index in each of the constructs, to avoid poor internal consistency with low indices, and high with indices of collinearity (Taber, 2018). After calculating the indices, they were classified with values below 0.01 being poor, between 0.01 and 0.20 of little reliability, between 0.41 and 0.60 reasonable, between 0.61 and 0.80 as substantial and between 0.81 and 1.00 as almost perfect internal consistency (Landis & Koch, 1977).

The scale correction of the competitive values model consisted of determining each of the four cultures from the average of items A, B, C or D of each of the six dimensions presented. The procedure followed the indications of Cameron and Quinn (2011) also for the presentation of the results. With the correction of the instrument, the indicators that would be treated as variables in the following steps were defined.

As a way of verifying the validity of operationalized indicators, the bias of the common method (Sharma, Yetton & Crawford, 2009; Kimura, 2015) was computed using exploratory factor analysis with the principal axis extraction method, without rotation, and with a fixed factor, as well as the procedure described as Harman’s single-factor test (Podsakoff, MacKenzie, Lee & Podsakoff, 2003).

Comparisons of categories by sociodemographics were performed using the Kolmogorov-Smirnov test to verify the normality of distributions and the Levene test to assess heteroscedasticity as assumptions. Subsequently, differences were verified between pairs of variables using the Wilcoxon W test, between independent pairs using the Mann-Whitney U test, and between more than two categories using the Kruskal-Wallis test. And to test the hypotheses, that is, to correlate the constructs and their dimensions, Spearman’s rho test was used.

All analyses were performed using R language (R Core Team, 2021) with the aid of jamovi (The Jamovi Project, 2021) and psych (Revelle, 2019) softwares. In all cases, the significance level adopted was 0.05.
4 RESULTS

4.1 Sample Characterization

A total of 82 participants was obtained in the survey. Of these, 46 (56%) declared they were male and 36 (44%) were female. In terms of education, 22 (27%) declared having completed elementary school, 43 (52%) had completed high school and 17 (21%) had completed higher education.

Regarding the classification of companies in which the participants worked, it was found that 40 (49%) were micro-companies, 18 (22%) were small companies and 24 (29%) were medium-sized companies. With regard to the form of administration, 62 (76%) were mentioned as family members, 10 (12%) as professional and 10 as mixed (12%). As for the sector of activity, 39 (48%) work in industry, 12 (15%) in commerce and 31 (38%) in both sectors. And finally, regarding the number of employees in the companies, the average found was 12.48 (md = 11, sd = 5.75, min = 3, max = 32).

4.2 Reliability and Validity of Instruments

The organizational culture construct used an instrument called the competitive values model (Cameron & Quinn, 2011). The scale of this instrument is the ipsative scale, a scale in the multidimensional forced-choice format. It is designed to obtain an ordering of items by the respondent in order to contribute to the resistance to the falsification of the answers, making it difficult to attribute a greater value to itself in each construct contained in each item (Welter & Capitão, 2007). This is done to increase the external validity of the instrument. On the other hand, as the sum of the values of the items in the dimensions is always the same, it is not recommended to carry out factor analysis (Dunlap & Cornwell, 1994).

As the instrument defines its correction to guarantee its psychometric properties (Cameron & Quinn, 2011), to perform the reliability analysis, the four indicators obtained from the instrument were adopted for clan, innovative, market and hierarchical culture. In addition, one of the dimensions of the analysis continuum in the proposed instrument classifies clan and innovative cultures belonging to a flexibility and freedom sub-dimension and market and hierarchical cultures to the stability and control sub-dimension, thus, to carry out the reliability analysis the scales of clan and innovative cultures were reversed. The result revealed a Cronbach’s alpha of 0.62 for the organizational culture scale revealing substantial internal consistency.

Regarding the leadership styles instrument, the reliability analysis revealed an internal consistency level of 0.76, also substantial.

With the internal consistency of both instruments verified and accepted, the Harman test was performed to verify the bias of the common method. The procedure consisted of a factor analysis using the principal axes extraction method without any rotation, loading the variables into a single factor. The result showed a percentage of accumulated variance of 33.02%, below the recommended threshold of 50%, which indicates instrument validity.

4.3 Relationships between Culture and Leadership Style

The original instrument proposes a representation of the results that can be seen in Figure 02. The thicker continuous line represents the current organizational culture and the thicker dotted line represents the ideal organizational culture.
The differences between the current and ideal organizational culture can be seen in Table 1.

Table 1. Difference between current and ideal organizational culture

<table>
<thead>
<tr>
<th>Culture</th>
<th>M</th>
<th>Md</th>
<th>Dp</th>
<th>Diff</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clan</td>
<td>Current</td>
<td>2.51</td>
<td>2.33</td>
<td>0.60</td>
<td>1.42</td>
</tr>
<tr>
<td></td>
<td>Ideal</td>
<td>1.29</td>
<td>1.33</td>
<td>0.32</td>
<td></td>
</tr>
<tr>
<td>Innovative</td>
<td>Current</td>
<td>2.66</td>
<td>2.67</td>
<td>0.40</td>
<td>1.00</td>
</tr>
<tr>
<td></td>
<td>Ideal</td>
<td>1.52</td>
<td>1.67</td>
<td>0.23</td>
<td></td>
</tr>
<tr>
<td>Market</td>
<td>Current</td>
<td>2.07</td>
<td>2.00</td>
<td>0.16</td>
<td>0.33</td>
</tr>
<tr>
<td></td>
<td>Ideal</td>
<td>1.77</td>
<td>1.67</td>
<td>0.16</td>
<td></td>
</tr>
<tr>
<td>Hierarchical</td>
<td>Current</td>
<td>2.48</td>
<td>2.50</td>
<td>0.32</td>
<td>0.83</td>
</tr>
<tr>
<td></td>
<td>Ideal</td>
<td>1.63</td>
<td>1.50</td>
<td>0.20</td>
<td></td>
</tr>
</tbody>
</table>

Note. m: mean. md: median. dp: standard deviation. diff: difference current minus ideal. p-value: significance level. *** p < 0.001

Table 2. Correlations between leadership styles and current organizational culture

<table>
<thead>
<tr>
<th>Leadership Styles</th>
<th>Current Culture</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Clan</td>
</tr>
<tr>
<td>Transformational</td>
<td>Rho</td>
</tr>
<tr>
<td></td>
<td>p-value</td>
</tr>
<tr>
<td>Transactional</td>
<td>Rho</td>
</tr>
<tr>
<td></td>
<td>p-value</td>
</tr>
<tr>
<td>Laissez-faire</td>
<td>Rho</td>
</tr>
<tr>
<td></td>
<td>p-value</td>
</tr>
</tbody>
</table>

Note. rho: indicator of Spearman Correlation. p: significance level
All cultures had a significantly higher average at the current time compared to the ideal perceived by the participants. And the biggest difference found was in the clan culture (diff = 1.41, p < 0.001). In this way, the analyzes were carried out with the current organizational culture.

Table 2 shows the correlations between leadership and current organizational culture for the entire sample. No significant correlations were found.

Subsequently, analyses were carried out between the correlations between leadership and current organizational culture with sociodemographic variables. When analyzing them, it was found that in the correlations stratified by the sex of the participants, no significant differences were found.

In the correlations between leadership and current organizational culture in the categories of the participant’s training variable, the respondents who reported elementary school level were the only ones who showed significant corrections. Transactional leadership showed a positive relationship with clan culture (rho = 0.61) and a negative relationship with market culture (rho = -0.46).

This characteristic shows that the clan culture offers broader spaces for negotiation between company leaders and their employees, which in itself reflects a phenomenon in which leaders must realize the limitations of their subordinates and find ways to mediate these limitations by finding ways on how to encourage those who are led to overcome such differences. According to Cameron and Quinn (2006) in clan culture, authority flows very well when it emanates from members committed to the system for a long time.

This generates a process of psychological empowerment of leaders through the discovery of these limitations, and encourages such leaders to focus on them and prioritize these needs in order to create a psychological contract between the leader and the company’s employees (Kumar & Upadhaya, 2020), something that in itself results in a psychologically familial bond, similar to a clan, as opposed to a professional, market-oriented environment, where the main focus is established as the production of results, a context in which a transactional leadership is proves more difficult to satisfy both sides.

Subsequently, the correlations between leadership and current organizational culture were analyzed in the categories of the company’s classification variable, and significant correlations were found in small companies. Clan culture showed a positive correlation with transformational (rho = 0.53) and transactional (rho = 0.48) leadership, and a negative correlation with laissez-faire (rho = -0.50). And the hierarchical culture showed negative correlations with transformational (rho = -0.52) and transactional (rho = -0.55) leadership.

These results demonstrate that in terms of leadership, organizations that have a clan-type organizational culture are positively more willing to accept leaders who can foster a process of transformation of this organizational culture in order to adapt it to the demands of the organizational environment. In this context, they may have resilience in a competitive environment.

Transformational leaders per se are those who best offer ideas for dealing with difficulties in times of crisis, such as economic crises, conflicts, and worldwide problems such as pandemics, such as the current Covid-19 pandemic. Transformational leadership, according to Avolio, Walumbwa and Weber (2009), involves a leader who manages to change his followers, inspiring them in such a way that leads them to superior performance (overriding, if necessary, their personal interests in favor of the interests of the organization). organization).

In the conception of Madi Odeh et al. (2021) transformational leaders help companies respond to shock situations, creating effective mechanisms in terms of motivating employees to have a clear vision of what they are facing, well-established strategies, strengthened beliefs and goals that are agreed upon by all. These factors help to face risks and deal with external pressures coming from the dynamics of the environment, among other important issues.

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- 644 -
The correlations between leadership and current organizational culture in the categories of the variable form of company administration showed that companies that have a form of professional management showed a negative and significant correlation between transactional leadership and innovative culture (rho = -0.71). Companies with mixed management showed a positive correlation between transactional and market (rho = 0.71), and a negative correlation between laissez-faire and market (rho = -0.71).

This result demonstrates that companies with mixed management already have an awareness that transactional leadership works at certain points as a means of ensuring consistency, albeit forced, between leaders and employees in the name of achieving the company’s objectives, although this characteristic does not have the means to ensure effective long-term results. Transactional leadership is quite common in organizations, and it occurs when the follower successfully performs the task requested by the leader and the leader, in turn, gives him something in return, which may be of an economic, political or psychological nature (Almada & Policarpo, 2016). There is a strong relationship between performance and reward, reinforcing the character of exchange and the ability to negotiate in relationships (Fernandes, Souza Júnior & Moraes, 2020).

The existing competitiveness in the market requires companies to act reliably and with operational excellence, which is a great challenge, especially for small and medium-sized companies that have several resource limitations, whether human, financial or infrastructure (Pozo & Tachizawa, 2016). Companies with mixed management can, at first, maintain a transactional leadership to adapt values and cut edges in the organizational culture, and after that, migrate to a transformational leadership scenario, in order to empower the company’s employees about how they think, act and experience their work (Anning-Dorson, 2021).

The correlations between leadership and current organizational culture in the categories of the company’s sector of activity showed a single significant and positive correlation was found in companies that operate both in commerce and industry, it was between the transactional leadership style and the clan culture (rho = 0.37).

A possible explanation for such a correlation can be presented when talking about issues of the effect of motivation, leadership and organizational culture on employee satisfaction and performance. Since one of the factors to be considered especially with regard to companies whose leaders employ a transactional leadership style in dealing with employees is to pay attention to whether or not employees are motivated to perform their functions within the company, or have their recognized merit within the work environment. According to Cameron and Quinn (2006), clan culture flows very well when it emanates from members committed to the system for a long time.

In this way, the transactional leader needs to deal with this especially by creating an organizational culture that motivates employees to perform their work efficiently and productively while satisfying their needs in every way, under the risk of lack of employee motivation eventually generating problems for the company’s performance and capacity, as well (Paais & Pattiruhu, 2021).

The correlations between leadership and current organizational culture in the categories of the company’s number of employees showed that companies with more than 12 employees showed positive and significant correlations between transformational leadership and clan culture (rho = 0.52), transactional and clan culture (rho = 0.61), transactional and innovative (rho = 0.40) and laissez-faire and market (rho = 0.40). And negative and significant correlations between laissez-faire and clan (rho = -0.49), transformational and market (rho = -0.41), transactional and market (rho = -0.46), and between transactional and hierarchical (rho = -0.41).

Such results can be considered as a reflection of phenomena related to issues addressed in other parts of this analysis, ranging from the issue of servant leadership and work-family enrichment
as a way to resolve organizational conflicts (Kumar & Upadhaya, 2020), through issues of adaptation and adequacy of organizational culture to improve performance (Anning-Dorson, 2021) to the issue of employee motivation and satisfaction with their work (Paais & Pattiruhu, 2021), in which both transformational and transactional leaders come to deal with these issues when they assume the leadership of companies and become aware of their reality and their context in the organizational environment.

Chart 1 presents the evidence that supports the study’s hypotheses.

Chart 01. Summary of the evidence of the study hypotheses

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Culture</th>
<th>Leadership Style</th>
<th>Meaning</th>
<th>Evidences (rho) / category</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 - The type of organizational culture is positively related to the transformational leadership style that managers manifest</td>
<td>Clan</td>
<td>Transformational</td>
<td>+</td>
<td>0.53 / small company, 0.52 / larger than 12 workers</td>
<td>Supported</td>
</tr>
<tr>
<td></td>
<td>Innovative</td>
<td>Transformational</td>
<td>+</td>
<td>No significative correlations</td>
<td>Refuted</td>
</tr>
<tr>
<td></td>
<td>Market</td>
<td>Transformational</td>
<td>+</td>
<td>-0.41 / larger than 12 workers</td>
<td>Refuted</td>
</tr>
<tr>
<td></td>
<td>Hierarchical</td>
<td>Transformational</td>
<td>+</td>
<td>-0.52 / small company</td>
<td>Refuted</td>
</tr>
<tr>
<td>H2 - The type of organizational culture is positively related to the transactional leadership style that managers manifest</td>
<td>Clan</td>
<td>Transactional</td>
<td>+</td>
<td>0.61 / primary school, 0.48 / small company, 0.37 / both in commerce and industry, 0.61 / larger than 12 workers</td>
<td>Supported</td>
</tr>
<tr>
<td></td>
<td>Innovative</td>
<td>Transactional</td>
<td>+</td>
<td>-0.71 / professional administration, 0.40 / larger than 12 workers</td>
<td>Partially Supported</td>
</tr>
<tr>
<td></td>
<td>Market</td>
<td>Transactional</td>
<td>+</td>
<td>-0.46 / primary school, 0.71 / mixed administration, -0.46 / larger than 12 workers</td>
<td>Partially Supported</td>
</tr>
<tr>
<td></td>
<td>Hierarchical</td>
<td>Transactional</td>
<td>+</td>
<td>-0.55 / small company, -0.41 / larger than 12 workers</td>
<td>Refuted</td>
</tr>
<tr>
<td>H3 - The type of organizational culture is negatively related to the laissez-faire leadership style that managers manifest</td>
<td>Clan</td>
<td>Laissez-faire</td>
<td>-</td>
<td>-0.50 / small company, -0.49 / larger than 12 workers</td>
<td>Supported</td>
</tr>
<tr>
<td></td>
<td>Innovative</td>
<td>Laissez-faire</td>
<td>-</td>
<td>No results</td>
<td>Refuted</td>
</tr>
<tr>
<td></td>
<td>Market</td>
<td>Laissez-faire</td>
<td>-</td>
<td>-0.71 / mixed administration, 0.42 / larger than 12 workers</td>
<td>Partially Supported</td>
</tr>
<tr>
<td></td>
<td>Hierarchical</td>
<td>Laissez-faire</td>
<td>-</td>
<td>No results</td>
<td>Refuted</td>
</tr>
</tbody>
</table>

Nota. rho: significative Spearman correlation

Regarding the hypotheses formulated, the first (H1), which sought to identify the relationship between organizational culture and the transformational leadership style that managers manifest, it is observed that only the type of organizational culture clan is positively related to the style of style. Transformational leadership, with the other styles being refuted. These results converge with Dias and Borges (2015) in which leaders feel that team performance is directly influenced by transformational leadership.
The positive relationship with the clan culture may be associated with the fact that its members share their values and beliefs in an interactive way, mainly because the show is mostly made up of family businesses, in which, normally, the management style, if based on flexibility, consensus and participation, with a strong predominance of teamwork as a way to achieve organizational results and effectiveness (Beuren, Politelo & Martins, 2016). It should be noted that in the clan culture there is a high degree of trust between the leaders and the led, the responsibility associated with an enlightened mentality of its members, who convert to a family culture. Thus, the success of this modality is based on the development of people and teamwork linked to commitment and duty (Cameron, & Quinn, 2011). The leader’s role, then, is to promote participation, commitment and loyalty in the organizational context (Goñcalves et al. 2015).

In the second hypothesis (H2), referring to the relationship between organizational culture and transactional leadership style, the clan culture was supported and the innovative and market culture partially supported and the hierarchical culture was refuted.

Cameron and Quinn (2011) emphasize that in the innovative culture the organization has proactive characteristics in relation to the environment in which it is inserted, agile in the face of external challenges, and with an entrepreneurial performance of its members. The ability to take risks is also inherent to their way of acting, manifested by their leadership. It values the pioneering spirit of leadership, which has a visionary and risk-oriented profile. Success lies in the investigation of new products that become references in their market (Cameron & Quinn, 2011). Gonçalves et al. (2015) emphasizes that this culture values the pioneering spirit of leadership, which has a visionary and risk-oriented profile.

These results suggest that the type of organizational culture, which by the very strength of the name, is directed to the market, is willing under certain conditions, depending on the education of the employees or the size of the company, to accept leaders who sometimes focus more on achieve consensus among employees in periods of contingency, as transactional leaders do, or be willing to go to great lengths to monitor employee capacity, as in laissez-faire leaders. In the market culture, according to Machado, Maranhão and Pereira (2016), the organization is oriented towards results and greater productivity, with priority being given to meeting market demands. Consequently, the profile of the members is competitive and focused on results. From this perspective, the role of leadership is focused on achieving organizational objectives that materialize in profit-based effectiveness (Gonçalves et al. 2015).

Finally, in the third postulated hypothesis (H3) that sought to verify whether organizational culture is negatively related to the laissez-faire leadership style that managers manifest, it was found that the clan culture was sustained, the market culture partially sustained and the cultures innovative and hierarchical ideas were refuted.

It is noteworthy that companies with hierarchical organizational culture are not able to obtain positive correlations with any leadership style. Fernandes et al. (2018), highlight that the culture of hierarchy emphasizes the internal dimension of the organization, characterized by a formal and structured work environment at various hierarchical levels. This cultural type is based on values based on long-term stability, predictability and efficiency and, therefore, its rules, procedures, tasks and functions are, in general, integrated and stable. Regarding leadership, its role is one of coordination, organization and monitoring.

In this context, as mentioned earlier, it is interesting to pay attention to the fact that new leadership styles have emerged that will actually provide organizations with efforts to adapt to the needs of the organizational environment and the challenges imposed by them in achieving this adaptation and at the same time to acquire organizational resilience through such adaptation.
This leads to a greater consideration of these leadership styles such as servant leadership, in which the leader is concerned with creating an environment where all those who work in the same freely express their concerns, leading to greater concerns about the well-being of others. Psychological being (Kumar & Upadhaya 2020). Humble leadership, on the other hand, a leader takes a step forward by allowing himself to be open to criticism, listening to suggestions and appreciating the capabilities of his employees to strengthen the ability of those being led to align their goals in tune with the company’s goals (Ali, Li, Durrani, Shah & Khuram, 2021).

This scenario alone would generate the desired organizational resilience within the competitive environment in which companies review their concepts of organizational culture, analyze the pros and cons of their organizational culture values and, depending on the context, adapt their values in order to survive in the market environment. This is reflected in the question of how to choose the appropriate leadership style to achieve this objective, and depending on the situation, among other things, creating structures that eventually allow these objectives to be implemented (Madi Odeh et al., 2021).

5 FINAL CONSIDERATIONS

Leadership is the ability to converge the goals and objectives of those being led with those of the organization and adapt their leadership style to the variables present in order to achieve the goals and objectives of the company. Organizational culture, in turn, influences the objectives, strategies and conduct of members, and therefore is a potential source of competitive advantage. In this sense, the general objective of this study was to evaluate the relationship between organizational culture and the leadership performed by managers of micro and small companies of underwear and beachwear in Ilhota/SC.

Regarding the perception of managers about leadership styles, it was found that the predominant style is transactional, followed by transformational. Transactional leadership is related to the fulfillment of tasks and activities with shared objectives that result in the performance expected by the manager, consisting of an exchange relationship, as advocated by Burns (1978). In the specific context of micro and underwear and beachwear companies in Ilhota/SC, the responsibility of leading a sector, often with attributions very different from their training or competence, can be characterized as a limiting factor for the manager. In this case, the transactional leader develops reward-based behavior to deliver the expected result.

As for the type of current culture, it was noticed that the clan culture is the most evident in the organizations studied. It is opportune to observe that the micro and small companies of underwear and beachwear of Ilhota/SC have simple structures and directions and, taking into account that, in their majority, they are familiar, it is to be expected that the influence of managers and owners be very present.

On the other hand, it is believed that their presence is a central element in the construction and maintenance of the culture of these companies, through business management practices, people management actions, recognition practices, interpersonal relationships, vision building, strengthening of values, implementation of rites and other elements related to the crystallization of culture. Due to this proximity, it is inferred that the leadership style is an intervening element in the characteristics of the culture, whether clan, innovative, market or hierarchical.

When testing the conjectured hypotheses, different relationships were found between organizational culture and its dimensions with leadership styles. Clan culture showed correlation with
all dimensions. In clan culture, leaders tend to assume a participatory posture, offering support and facilitating interaction, trust and loyalty (Cameron & Quinn, 2006). This is in line with the theory of transformational leadership, in which managers develop a relationship of trust and engagement with those they lead, considering the values and mission of the organization.

The innovative culture, in turn, showed a partial relationship only with the transactional leadership style. In the innovative culture, leaders tend to be entrepreneurial and idealistic, take risks, like to predict the future, and are concerned about obtaining resources, support and external image (Cameron & Quinn, 2006). In transactional leadership, the main focus is the link between performance and reward, therefore, Rezende, Carvalho Neto and Tanure (2014) also state that transactional leadership is very common in organizations, that is, it indicates the essential and sustaining link between the individual, group and organizational interests.

The type of market culture showed a partial relationship with the transactional and laissez-faire leadership style. In market culture, leaders tend to be directives, achievers, competitors, goal-oriented and are constantly providing resources and encouraging productivity (Cameron & Quinn, 2006). According to Escandon-Barbosa and Hurtado-Ayala (2016) the laissez-faire leadership style grants autonomy to the members, and the leader only intervenes when he deems it necessary.

Finally, the last type of culture analyzed, the hierarchical one, was not related to any of the leadership styles. In the hierarchical culture, leaders tend to be conservative in relation to problems of a technical nature (Cameron, & Quinn, 2006). This differs from the clan culture, which is mainly characterized by a friendly workplace, where people share both personal and professional experiences. In this sense, Dias and Borges (2015) point out that the leader’s performance is subject to numerous factors, that is, the leader’s characteristics are shaped to the circumstances presented to him, while for Chammas and Hernandez (2019) the exercise of leadership is linked to the communication of the leader and the led, with the aim of the leader understanding the desires of his subordinates and, thus, performing his function correctly.

Given the above, it appears that each level of the organization requires planning to provide an organizational vision of the desired purposes and it is through leadership that the future vision of the organization is created. Silva, Nunes and Andrade (2019) clarify that planning makes use of normative devices in order to assist in the achievement of future goals and objectives and assist in the deliberation of solutions.

Regarding limitations, it is noteworthy that both the type of culture and the leadership style emerged from the perceptions of the same respondents; this aspect may have made the distinction between “what is” and “what could be” unclear. Another relevant point, specifically regarding leadership styles, is that the answers are based on the managers’ perception, it would be appropriate to compare this information with the leaders’ own perception regarding their performance and characteristics.

In view of the limitation on the perception of leadership style, it is suggested as a future study the investigation of styles from the opinion of leaders, in order to understand more clearly the relationship between leader and led. In addition, as it is a quantitative research, it is suggested the use of other data collection instruments to deepen the study. Furthermore, qualitative studies can contribute to a better understanding and comprehension of the constructs addressed in this research. Considering the findings of this research, it is believed that it is interesting to add other constructs or substitute in similar research. For example, competencies, organizational climate and culture, among other topics related to the individual’s relationship with his/her work environment.
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<th>Contribution</th>
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<th>[Author 2]</th>
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<td>2. Development of hypotheses or research questions (empirical studies)</td>
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<td>7. Statistical analysis</td>
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<td>8. Analysis and interpretation of data</td>
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<tr>
<td>9. Critical revision of the manuscript</td>
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