THE IMPACT OF LEADERSHIP AND CHANGE MANAGEMENT STRATEGY ON ORGANIZATIONAL CULTURE

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Abstract

In this paper, we present the impact of leadership and change management strategy on organizational culture. At first, we present the notion of culture. There are many attempts to describe "organizational culture", many of which are presented in this paper. After an assessment of organizational culture, the role of leader is pinpointed. We favor the view that strategic leadership needs to be transformational if it is to serve the organization. Afterwards, the notion of change is focused on. Changing a culture is a large-scale undertaking and all of the organizational tools for changing minds will need to be put in play. To change or to manage corporate culture one has to be able to define and therefore pinpoint exactly what it is one is trying to change. The evidence in this study suggests that leadership is associated with organizational culture, primarily through the processes of articulating a vision and to a lesser extent through the setting of expectations. The nature of this paper is explorative and theoretical, aiming at providing a bibliographical tool for further research. Thus, aim of this paper is a critical bibliographical review of important terms in the field, as well as showing the interdependencies of these terms. Finally, with that paper, we offer managers and researchers a model on emphasizing the importance of Management Strategy.

Introduction

In our current environment of global communication, rapid change and instant access to information can be important to an organization's survival. The topics of leadership and organizational culture have always attracted interest from academics and practitioners. Much of the interest is based on claims that both leadership and culture are linked to organizational

performance. However, "little critical research has been done to understand the links between the two concepts" (Ogbonna and Harris, 2000, p. 766)

To our knowledge, research regarding organization cultures in Greece is limited. Thus, the purpose of the current study is to present a critical bibliography in the field of leadership and Organizational Culture. In order to do that, we had to research the effect of several factors, and employees' perceptions of organizational culture.

The primary objective of this study is to model the interaction between organizational culture and change, showing the ways in which a leader's knowledge of organizational culture affects the process of change. A critical examination of the literature in the fields of organizational culture and leadership finds that the two areas have been linked to organizational performance.

Researchers have examined the links between leadership styles and performance and also between organizational culture and performance. Furthermore, numerous aspects of the organizational culture literature allude to the role of leaders in 'creating' particular types of culture (Schein, 1992). Equally, the literature on leadership suggests that the ability to work within a culture is a prerequisite to effectiveness.

Despite the linking of culture and leadership in many parts of organization theory, little critical research has been done to understanding the links between the two concepts and the impact that such an association might have on managerial effectiveness. The absence of critical literature is vast given the numerous references to the importance of the two concepts in the functioning of organizations (Schein, 1992). Thus, the aim of this paper is to provide empirical evidence of the links between different types of organizational culture and managerial effectiveness.

The central objectives of this article are to illustrate the basic notions of Management Strategy and Organizational Culture. In particular,

- We highlight terms such as "Organisational Culture", which as necessary to managers and entrepreneurs in order to create new values, especially in times of economic change.
- We develop a holistic framework, which centers on the interdependencies within leadership and organizational Culture.
- We aim at giving managers and researchers a "language" for some terms that can create reflection and dialogue on the subject.

This paper will focus on how to achieve a functional strategy for a business strategic change. The recommendations in the conclusion will not be prescriptive, but will provide an opportunity for organizations to embody what is best suited to their culture.

So, while change management depends on leadership, till today there has been little integration of these two in literature. The important role

leaders play in the change process has been pointed by change theorists, but there is still no research that focuses on the relationship between leadership and change. Thus, the aim of this article is to find some parallels between the change literature and the leadership literature.

LITERATURE REVIEW

The literature review in this paper is presented in four stages. First, the notion of culture and specifically organizational culture is discussed. Second, research into leadership is examined and finally studies combining organizational change and organizational change strategies are presented.

Culture

Culture is the sum of the beliefs that shape norms of behavior and dictate the ways things get done in an organization. It is not like a skin that an organization can discard as it selects a new organizational culture that is perceived to have strategic fit with its commercial strategy. Hofstede (2001) thinks that culture is the collective programming of the mind that distinguishes the members of one group from another. Others consider culture as a system of shared values (Deshpande and Webster 1989). Understanding culture can be useful in two ways. First, cultural insight provides awareness of the extent to which organization members are willing to accept change and a cultural assessment is likely to determine the root cause of the problems that need stronger performance.

Culture is the sum of the beliefs that shape behavior and dictate the ways things get done. A parallel definition of culture (Burke, 1994) emphasizes on the meaning of events that are occurring in the workplace, and how they influence how ways of doing things are introduced.

An organization with the best strategy in the world, but a culture that won't allow it to make that strategy happen is doomed from the beginning. The importance of culture for managements lies in the fact that culture may constrain business organization or may create opportunities and affect marketing and product development (Blake and Laurence 1989). We must say here that culture is ultimately held and maintained collectively by all members of an organization and it acts as a moderating variable with respect to the implementation of change.

Organizational Culture

There are numerous attempts to describe organizational culture. When we speak of that term, we refer to the meanings inherent in the actions of organizational commerce and discourse. An early description of organizational culture was given by Silversweig and Allen (1976, p.33), as 'a set of expected behaviors that are generally supported within the group'.

Some years later, it was also pointed out that organizational culture represents the set of norms in an organization.

Furthermore, organizational culture is an important determinant of climate. It is one of the most important elements of a successive organization. This term entered the management literature in the late 70's. Later, it became "corporate culture", a term which gained popularity from the work of Peters and Waterman (1982). It is true that a corporate culture can have a huge impact on an organization's work environment. Their main ideas suggest that functional corporate culture contributes to business success. This is why so much research has been done to pinpoint exactly what makes an effective corporate culture and how to change a culture that isn't working.

Experts in organizational behavior use the concept of culture to describe how members of groups understand their world and their place in it. Since Schein (1992) published the book *Organizational Culture and Leadershi*p, more researchers have recognized culture as a multidimensional concept. One of the most detailed definitions is presented by Schein (1992). According to him, (1992, p.3) "Organizational culture is the pattern of basic assumptions that a group has invented, or discovered in learning to cope with its problems of external adaptation and internal integration, and that have worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems". According to him organizational leaders are a key source of influence on organizational culture (Schein, 1992).

Organizational culture has consistently emerged as a pivotal variable in determining the success of efforts to implement change in an institution. In that field, Peters and Waterman (1982) pointed out that the key features of successful companies are mainly cultural, that is they are about values and states of mind. These shared values by people in a group can be so persistent, that continue to exist even when the membership of the group has changed.

Organizational culture is one of many situational moderators essential in determining leadership effectiveness. Furthermore, this notion represents all those elements that "glue" together the members of an organization. Consequently, it affects the operationalization of the organization. So, besides scholars, organizational culture has also the attention of companies and managers.

Organizational culture is one of the most difficult dimensions of change management and involves both formal and informal structural components. These cultures are not uniform or static. They evolve over time and it seems reasonable that all cultural systems will exhibit continuous changes punctuated on occasion by more radical changes (Weick and Quinn, 1999).

According to Mumford, Scott, Gaddis and Strange (2002), organizational culture represents collective social construction over which leaders have substantial control. This term is widely viewed as a source of competitive advantage to businesses. It can be described as a group of basic assumptions (Schein 1986), shared norms, that assists its members to cope with problems, thus providing a smooth running of the company. How change occurs within organizations will be influenced by the fact that cultures are underpinned by deep assumptions that are shared (Schein, 1992).

Organizational culture focuses on the shared behavioral expectations and normative beliefs in work units. In this respect, Amabile (1998) proposes that, by influencing the nature of the organizational culture, leaders can influence organizational members' attitude to work and motivation. Then the challenge is to select a set of actions that are feasible within the capacity of the organization to absorb change. Arriving at a decision about the right amount of pressure to be applied to achieve a change in culture is a balancing act described by Amabile (1998).

Defining an organization's culture requires being able to identify common organizational references. For many researchers, organizational culture is the link between corporate success and effective organization (Peters and Waterman, 1982). Others suggest that organizational culture is a multivariate phenomenon and the various factors which comprise the concept must be identified (Beyer and Trice 1987).

Organizational change typically originates from two primary sources including change resulting from external or internal environmental factors that are outside the leader's control and change resulting from a planned implementation. In order for an organization to be successful both external and internal environment should be considered. Gregory (1983) supported this view and proposed that when the external environment is subject to frequent change, a strongly homogeneous culture may make it difficult for the organization to adapt. Thus, strategies suggested by Ott (1989) are appropriate.

Organizational culture is an important internal environmental aspect that can lead an organization either to success or failure. Evidence has shown that it expresses the internal environment of an organization and reflects the extent of agreement between managers and employees assumptions (Aycan, Kanungo and Sinha, 1999). Furthermore, analysis of the organizational culture helps identify the structure of the organization and the beliefs of the employees, which are essential elements in the implementation of leadership.

Finally, Belias and Koustelios (2013) studied the organizational culture of Greek banking institutions. They showed that the dominant organizational culture of the institutions were hierarchical while employees preferred the clan type.

Assessment of Organizational Culture

Evidence showed that the assessment of the organizational culture may help assisting the establishment of the changes, either structural or technological (Cabrera, Cabrera and Barajas, 2001). In 21st century, as more and more universities enter into new arrangements, the need to assess organizational cultures becomes crucial. This term has proved difficult to define, but several of its important components are agreed on by most researchers. These include the norms, assumptions and beliefs shared by organizational members, as mentioned earlier. Due to the abstract nature of these elements, there is a challenge for external researchers who want to assess organizational culture. It is even difficult for members of an organization to describe their own culture.

What's more, top managers can detect mismatches between the present organizational culture and the culture they desire to establish. Thus, the assessment may help them to better design a potential change either in the culture of the institution or in an administrative manner (Cabrera et al., 2001).

Finally, the assessment of organizational culture is significant since it affects employees job satisfaction (Koustelios 1991), job performance and organizational change. Furthermore, organization culture was found to be strongly associated with organizational leadership corporate performance, knowledge acquisition and organizational learning (Liao, Chang, Hu, Yueh, 2012).

Typology of Organizational Culture

There are many attempts to classify organizations according to their type of organizational culture. The difficulty in identifying a typology of organizational cultures is acknowledged, since it's difficult to categorize beliefs of individuals.

According to Hofstede (1991), the behavior of an individual in the work place is influenced by three cultures: national, occupational and organizational. The first one involves the values that have been given by the family. The second is formed during school and professional life. While national culture is difficult to change during lifetime, the other two cultures may change.

The most notable efforts in that field were made by Cameron and Quinn(2006). They found that many studies of organizational cultures share many common characteristics and so there is a considerable overlap in studies. Cameron and Quinn(2006, p.105) also mentioned that "it is possible to identify a desired culture and to specify strategies and activities designed to produce change, but without the change process becoming personalized, without individuals being willing to engage in new behaviors, without an

alteration in the managerial competencies demonstrated in the organization, the organization's fundamental culture will not change".

Leadership

Change models of leadership have gained the interest of managers and scholars because of their promise of extraordinary organizational outcomes. In that field, much is written about leadership qualities and types of leadership (Bass and Avolio, 1994). For example, Bass (1985) states that leaders must promote change by creating vision. Generally, leaders must possess a clear understanding of the strategic objectives for their organization, identify the actions needed to reach those objectives and conduct an analysis of the organizations existing ideologies.

Strategic leadership needs to be transformational if it is aimed to serve the organization. In many instances, the type of leadership required to change culture is transformational, because culture change needs much energy and commitment to achieve outcomes. Theories of transformational leadership emphasize that change is accomplished through the leader's implementation of a unique vision of the organization through powerful personal characteristics designed to change internal organizational cultural norms (Hatch, 1993). What's more, transformational leaders must operate from a foundation of high morality and ethical practices and have a fundamental understanding of the complex factors that make collective effort possible in an organization.

Leadership and organizational culture are widely believed to be linked in the process of change (Schein, 1986). A corporate leader who encourages continuous learning and favors change helps to define an organizational culture that is flexible. Rather than fearing condemnation for suggesting different directions, employees in this kind of environment will feel free to express their innovative opinions, leading to higher productivity.

Strategic leaders have the best perspective where knowledge is concerned to see the dynamics of the culture, what should remain and what needs alteration. According to Kouzes and Posner (1987, p. 30) when facing significant change, "Leadership is the art of mobilizing others to want to struggle for shared aspirations". Leaders therefore must be skilled in change management processes if they want to act successfully as agents of change.

Leaders are recognized as exerting a dominant influence on the direction of cultural norms and basic assumptions in institutional settings. Van Knippenberg and Hogg (2003) argue that in high salience groups, leadership effectiveness is intensely influenced by how prototypical the leader of the group is perceived to be by his employees. The social identity perspective may be important when examining leadership and power, but it is by no means the only perspective.

An understanding of culture and how to transform it, is a crucial skill for leaders trying to achieve strategic outcomes in the management of an institution. The role of the leader in adapting culture was discussed by Ott (1989), who claimed that this may be done through a number of processes including staff selection, socialization, removal of deviating members and communication mechanisms. Furthermore, the competing values framework points out the contradiction and dynamics of the organization. It also implies that people at the managerial level must be able to perform dynamic behaviors.

The main task of management today is the leadership of firm change. Good strategic change leadership involves instrumental roles and big interpersonal skills. Good change leaders find out the important dimensions of change leadership. Being able to balance the roles depends mainly on whether a leader has certain qualities needed for good change leadership. Finally, strong skills support these key change leadership qualities.

Leadership's problems

An adaptive work environment requires the adaptive leader to control direction, protection, conflict and norms within the organization's systems. The three required elements of leadership are ability to influence, a common goal and employees that are willing to work toward the vision. However, even having all three elements in place, there is no guarantee that effective leadership can be practiced. Leaders often encounter resistance to their efforts to redirect an organization. Davy et al. (1988, p. 58) suggest that "the only certain thing about organizational and change is that nothing is certain'. Furthermore, they estimate that 'employee problems' are responsible for between a third and half of all merger failures.

To operate co-creatively, leaders and people need to put their first priority on the needs of the customer and to align as an enterprise team that works collaboratively across internal boundaries in service to that customer. Nadler, Thies and Nadler (2001) think that too many leaders make the mistake of thinking that they can change individual behavior in an organization by changing its culture. They suggest that for effective cultural change to occur there is the need for the active engagement of the CEO and executive team. Top leaders must assume the role of chief architect of the change process.

As mentioned before, change resides at the heart of leadership. Indeed, nearly two decades ago, Bass (1994) defined leaders as agents of change, whose acts affect other people more than other people's acts affect them. In that field, Valikangas and Okumura (1997) advocate that one of the strongest motivations and sources of power for leadership is internalization, meaning the acceptance of leadership influence that is congruent with the

behavioral motives of followers. Change that is executed by coercive power or for calculated gain in certain roles is not likely to be followed. They believe that the fact that individuals resist change is partly as a result of the leader's failure to grasp what motivates followers to change their behavior.

Leaders' actions, words and behaviors have to resonate within national culture, organizational culture and the individual employee's background and beliefs. One of the most common difficulties stems from what might be called 'cultural differences'. These differences, particularly at the top management level, are most likely to influence how the change is managed. Pondy and Huff (1988) claim that the implementation of any change process often has problems because it is improperly framed by top management. The human factors involved should guide any change process. They argue that framing strategies affect cognitive acceptance of organizational change.

Finally, it seems that how the leader intervenes depends on how he thinks the system works (Malby, 2006). Some amount of time pressure and possibly competition appears to be facilitative. On the other hand, too much pressure appears to lead to wrong solutions. Thus, an organization's important values and strategic objectives will impact on individuals' perceptions of their environment (Michela, Lukaszwski and Allegrante, 1995).

Why Change

There are different factors as time, scope and others that should be considered before making the change. It is crucial for company managers to understand and change the organization effectively. For example, understanding the right time for change is an important issue. In the time of crises the organizations react faster than the time of longer strategic developments that may happen from time to time.

Scope is a second important section. In this section managers have to consider the degree of change that they want to apply within their company. It's also important to clarify that resources available for the change which consist of cash, time (Pettigrew, 1987)and number of people involved, are important. These are the facts that should be considered before changes are made.

Of course, after that managers have to design the solution for their problem. Change path is necessary for the organization and extend and speed of change are two important factors that shall be given attention. Change start point will refer to where and when the change should be developed. Change style is the style of implementation chosen by manager and there is no fix formula for that. It could be top down approach or the opposite. Technical, political and cultural interventions are the mechanism to be

deployed. Finally, the team, the leader and even consulting should be clear before the change.

Cultural Change

Changing a culture is a large-scale undertaking and eventually all of the organizational tools for changing minds will need to be put in play. To change or to manage corporate culture one has to be able to define and therefore pinpoint exactly what it is one is trying to change. In the area of organizational change management the attention of academic researchers and practicing managers has been focused on three principal questions: what changes, why changes, and when changes(Pettigrew, 1987). Finally, all significant organizational transformations require some level of corporate culture change.

As mentioned before, cultural change is concerned with beliefs, traditions and human behavior within the organizational structure. It is well Known that As Michela and Burke (2000) claim, to change culture, we must first understand it. Goffee and Jones (2001) propose that cultural change may often happen as subtle shifts within elements that characterize a particular culture.

It is also important to understand cultural change as involving strategic change. Sathe and Davidson (2000) suggest that culture change consists of changing people's minds as well as their behavior. The manner in which the culture change for each individual is evoked also has an important impact on the result and the consequences for each individual.

So far, it has been obvious that cultural change by its very nature is rather nebulous. Hatch's (2000) model of organizational culture change emphasizes the roles of both leaders and followers in creating and changing organizational culture. In general, these changes are moving away from traditional control, where leaders set rigid requirements, lead through fear.

The problem associated with culture and cultural change is the fact that everything is cultural. Cultural change was also discussed by Weber (1978), who attributed it to charismatic interventions of a unique and idiosyncratic sort. Furthermore, Weber thinks that a top executive's role as the main source of information is conferred by their important role in shaping culture.

Finally, any management team involved in cultural change efforts requires an understanding of what the new cultural assumptions and behaviors of both management and staff should be to support the successful implementation of an organizational strategy. Fishman and Kavanaugh (1989) suggest that the culture of an organization and how people respond to change is influenced substantially by the behaviors of the leader. *Thus, implementing cultural changes is not simple: it involves re-moulding*

behavior and it's a major change management *challenge, taking a great deal of time and hard work from everyone involved.*

Organizational Change

Change is an inevitable part of existence for individuals and organizations and is a factor faced by leaders in the workplace when dealing with adaption to a dynamic business environment. According to Terry, Carey and Callan, (2001) it is true that an organizational change may create job insecurity to individual self-esteem. Thus, the adaptive leader's first step in dealing with change centers on understanding its affect on individuals. Buono, Bowditch and Lewis (1985) claim that the subjective impressions of the individuals involved should be the primary focus in studies of organizational culture and of the changes that occur in business.

As mentioned earlier, change is extremely dynamic and consequently, the change management process must also be adaptive. Cartwright and Cooper (1996) claim that the degree of constraint placed on individuals when a change from one culture type to another is in progress, will depend on the cultures being merged. They relate this to the four culture types (power, role, task/achievement and person/support) proposed by Harrison (1972) and propose that merging some of these forms of culture is likely to help an easier transition than the blending of others. Finally, the direction of the change in culture will affect the level of constraint placed on individuals.

Changing an organization's culture is one of the most difficult leadership challenges. That's because an organization's culture comprises an interlocking set of goals, processes, communications practices and assumptions. In that field, Cartwright and Cooper (1996) claim that during times of organizational change, such as rapid growth or a merger, most organizations will move to more strict control by imposing a greater level of constraint and reducing the freedom individuals have to make decisions. They further suggest that it is important that employees at all levels become involved in the change. In that domain, they proposed a continuum to show the relationship between cultural types and the effect on the levels of autonomy that each culture type placed on individuals.

Galbraith (1977) adds to this model by proposing that, for an individual, there are two basic types of motivation, extrinsic and intrinsic, that can be provided by leaders. Selecting the right one is important, especially in times of extensive change such as a merger. Extrinsic motivation results when individual behavior is a result of factors external to the individual such as power exercised by leaders to bring about pressure to perform. This form of motivation results in individuals feeling compelled to engage in behavior for an outside source. On the other hand, intrinsic

motivation is associated with active engagement in tasks because people find them interesting and is associated with an individual's need for competence and autonomy. As such, this kind of motivation is associated with some degree of self management and a sense of satisfaction associated with performing the task.

Finally, there are different kinds of changes that companies will face during their life time. Sometimes there are internal problems occurring that needs to be solved or external. The conclusion reached here is that organizational changes are initiated due to either internal or external causes. So, two types of organizational change have been differentiated according to the criterion of cause: organizational development and adaptation (Porras and Robertson, 1987)

Organizational change strategies

Strategic change is a way of changing the objectives of the company in order to obtain greater success. There is no certain magic formula to do the job and of course it is not always leading to success. The practice of strategy execution has been thoroughly researched and documented in the past decades by academics. Consequently, there is no shortage of suggested approaches and principles for achieving successful strategy execution. When classifying organizational change strategies almost all authors start with Chin and Benne (1969), who recognized three basic ways to implement change: rational empirical, power coercive and normative re-educative. This classification has been supplemented many times.

Finally, a useful strategy must consider (Crawford, 2013):
- the organizations current capabilities
- the organizations' competencies and
- the agreed change management model for the needed change of the organization

Employees

Helping employees through change is not an easy task. It requires formal programs that must be introduced gradually and managed with care. When cultural change happens, employees become aware that the measuring tools for performance and loyalty change suddenly. This threat to old organizational lifestyles leaves members in a state of defensiveness accentuated by low levels of trust within the institution and cultural shock.

Individual resistance to change is one of the primary reasons that change initiatives fail at all levels. Mirvis (1985) claims further that employee reactions pass through four stages: (1) disbelief and denial, (2) anger and resentment, (3) emotional bargaining beginning in anger and ending in depression, and (4) acceptance. Unless these different stages are

recognized and dealt with, employees will resent change, will have difficulty reaching the acceptance stage, and the risk of failure is increased significantly.

Furthermore, an individual's reaction to change will be influenced by situational appraisals that will reflect the individual's cognitive evaluation regarding how a situation will affect his or her level of wellbeing (Lazarus and Folkman, 1984). An individual's emotional or affective experience during a change process impacts their commitment to facilitating a successful organizational change and their behavioral contributions to the change effort (Huy, 2002). More specifically, individuals' positive affective reactions to change positively influence commitment to change (Herscovitch and Meyer, 2002). On the other hand, individuals' negative affective reactions to change positively influence behavioral resistance to change.

Social identity theorists (Haslam and Platow, 2001) would argue that a shift from the personal towards the relational level of identity is appropriate in an analysis of leadership in organizational contexts. That theory focuses on the notion of the self concept that comes from memberships in social groups and contrasts with personal identity.

Finally, the influence of leaders rests on how others regard them. According to Weber (1978), leaders in this sense are lent prestige when employees believe in them, and are willing to accept their decisions. Conger and Kanungo (1988) point that leaders need to understand that management refers to processes of controlling, while leadership is the process of motivating people to change.

Organizational Crisis (merger)

It's hard to argue with the idea that company leaders play a vital role in successful mergers and acquisitions. In times of organizational crises like a merger, most organizations will tighten control to effect change and place a greater degree of constraint on the individuals.

Mergers and acquisitions almost always involve some level of transformational change and disruption. Covin, Sightler, Kolenko and Tudor (1997) claim that individuals of an acquired firm will feel the impact of a merger more strongly with associated specific behavioral outcomes. For example, individuals from an acquired firm in a merger may suffer from feelings of worthlessness and may feel inferior because of loss of autonomy.

Success in aligning strategy, leadership and organizational culture can lead to profitable growth after a merger or acquisition. In that field, programs are presented as departures from an organization's past fail because the cognitive structures of members constrain their understanding of the new initiatives.

Our thesis

From the bibliographical research done above, we can conclude that leadership impacts more on organizational culture than culture influences strategies. So, the most fruitful success strategy is to begin with *leadership* tools, including a vision of the future, cement the change in place with *management* tools, such as role definitions and control systems and use the pure *power* tools of punishments as a last resort, when all else fails. What's more, the most profound strategy for shifting an organizational culture is offering multi-day leadership retreats cascaded through the organization. These retreats blend organization performance with a focus on personal growth and relationship skills.

To sum up, strategic change brings so many challenges. These include time required to develop, implementation of the plan as well as assign people to come with strategies. There are different methods that can assist organizations in solving these challenges, which need great support and involvement of senior management to be successful. Besides that, there is a need of design team to define the basics of the change. Finally, strategic changes sometimes comes to be vital for the organizations, but beside the implementation of the change, time and people in the organization are very important.

Furthermore, our point of view is that that companies make efforts to innovate their processes in order to achieve growth and to improve profit margins. Thus, implementing Organizational Change is one of the most crucial, but least understood skills of leaders nowadays. After the literature review, we feel that some of the negative responses to changes are caused by leaders' not understanding the importance of communicating a change message.

More generally, we have drown several significant theoretical and practical implications from this paper. The most important is the usefulness of further research into relations between organizational culture and organizational change strategies. In this article, a theoretical view of the relationships among transformational leadership, organizational culture and climate for organizational innovation was developed. This paper has also shown that there is a theoretical basis for the assumption that organizational culture is one of the factors in selection of organizational change management strategies. Of course, it is necessary to empirically test this assumption by testing the hypotheses generated in this paper.

Overall, the linkages found in this study among specific leadership behaviors, organizational culture suggest that it may be possible to develop more theories about proximal determinants of organizational cultures dealing with change. This paper also implies the need to expand research to other aspects of organizational change. It is necessary to explore whether

organizational culture impacts the character of the change process and to what extent. It is also necessary to identify if and how the culture impacts the efficiency of the change process and its success.

From this paper an assumption also emerges that there may be a feedback effect of organizational change strategy on organizational culture. The question is 'can the application of a certain organizational change strategy imply changes of organizational culture and if so, how'? Finally, the paper has pointed out the need to explore the impact of organizational culture on other elements of organization and management, such as leadership style, motivation, and reward system.

Practically, we can recommend this paper to company management which is planning organizational changes, to help with choosing the management strategy for change that is compatible with the culture of their organization. This will contribute to the success of the change process. In order for this to be possible they must have a good knowledge of the culture of the organization as well as of the available organizational change strategies.

Conclusion

As mentioned before, the evidence in this study suggests that leadership is associated with organizational culture, primarily through the processes of articulating a vision, and to a lesser extent through the setting of high performance expectations and providing individual support to workers Thus, generally speaking, the key to choose the right approach to culture change is to Know how organizations function. As social systems comprising work, people, formal and informal systems, organizations are resistant to change and designed to neutralize the impact of attempts at change. Although culture change is necessary in creating and reinforcing organizational transformation, our position is that making necessary structural changes may serve as the initial intervention for shifting culture.

Also, the findings of this study are consistent with research that indicates that vision is a major facet of leadership and is associated with organizational culture (Bass and Avolio, 1994). Generally, leaders play a critical role in selecting and planning appropriate change management approaches. In summary, it is important that the leaders of the organization create an atmosphere of psychological safety for all individuals to engage in the new behaviors and test the waters of the new culture. Employees need to be involved in order to verify for themselves the validity of the new beliefs, examine consequences for themselves as an individual and, explore how they can contribute to the change effort (Zammuto, Gifford and Goodman, 2000). Therefore, the underlying causes of employee resistance need to be studied carefully and understood fully if improved outcomes are to result.

Closing this paper, we must admit that it has significant limitations. The first is in the nature of this paper, which is explorative and theoretical. The paper has resulted in hypotheses regarding the relations between organizational culture and strategy which are yet to be empirically proven. Without empirical testing the findings of this paper are not entirely valid. Also, the paper is limited to investigating organizational culture impact on just one aspect of organizational change management – change management strategy. It does not examine the impact of culture on other aspects of organizational change that would complete the picture.

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