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## **TRANSFORMATIONAL LEADERSHIP AND PERFORMANCE IN THE ROMANIAN PUBLIC ADMINISTRATION**

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# Transformational Leadership and Performance in the Romanian Public Administration

Cristina HINTEA<sup>1</sup>

## Abstract

The current empirical data regarding leadership practices, organizational culture and organizational performance in the Romanian public sector is almost non-existent. Most writings are focused either on only one of the concepts or are usually lacking empirical data to support the claims made. The research aims to at least start filling this void by measuring all three concepts together with the aim of answering the following question: are leadership and organizational culture predictors of organizational performance in the public sector. The study is conducted in two phases. A pilot phase in which the instruments for leadership and culture evaluation are tested along with performance measurement and a second phase where the study is conducted at national level on a large organizational population. Results show positive correlations between transformational leadership and perceived performance.

*Keywords:* transformational leadership, organizational culture, performance, public administration, public sector.

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## Culture leadership and performance in the public sector

The theoretical analysis will focus on the three major concepts of the study: organizational culture, leadership and organizational performance. The last section is focused on performance in the public sector and the link to the aforementioned concepts.

### **Culture**

Although questions regarding the meaning of ‘organizational culture’ and ‘why it matters’ are almost ubiquitous, it is strange that there the existing plethora of answers is not translated into large agreement upon the meaning of culture. I agree with Watkins (2013) when he reasons that “if you want to provoke a vigorous debate, start a conversation on organizational culture. While there is universal agreement that (1) it exists, and (2) that it plays a crucial role in shaping behavior in organizations, there is little consensus on what organizational culture actually is, never mind how it influences behavior and whether it is something leaders can change”. Thus, our attempt to define culture aims to give a focus on the importance of the concept for organizations and mostly for organizational performance. One definition that I feel goes in this direction is Schein’s (2004: 17) who sees culture as “a pattern of shared basic assumptions that a group learned as it solved its problems of external adaptation and integration, that has 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”. If one argues that organizations are systems for solving complex problems, than culture seems to be one of the instruments that managers or even better, leaders, can use to navigate the ‘problematic’ organizational world. Similar to Schein, Brown (1995; 1998) defines organizational culture as a “*pattern of beliefs, values and learned ways of coping with experience that have developed during the course of an organization’s history, and which tend to be manifested in its material arrangements and in the behaviors of its members.*” Brown emphasis is on the pattern and the length needed for a ‘culture’ to imbed and only secondary mentions the idea of problem solving through the term of ‘coping’. Denison (1996) asserted that culture is “the deep structure of organizations, which is rooted in the values, beliefs and assumptions held by organizational members”, while James (James *et al.*, 2007: 21) described culture as “the normative beliefs and shared behavioral expectations in an organization”. Hofstede (1984) is interested more in the role of culture in groups and identity when he states that culture refers to ‘the collective programming of the mind which distinguishes the members of one human group from another’. Ravasi and Schultz (2006) define organizational culture as a set of ‘shared mental assumptions’ that guide behaviors in the workplace. Finally, Uttal (1983) regards organization culture as a system of shared values (what is

important) and beliefs (how things work) that interact with a company's people, organization structures, and control systems to produce behavioral norms (Sun, 2008) or what Deal and Kennedy (1982: 4) call "the way we do things around here".

Schein's (2004: 14-15) states that organizational culture is characterized by 4 major attributes: (1) *Structural Stability* - which implies that certain patterns, values, symbols or behaviors must not only be shared but also have some kind of stability (in time) in order to become shared; (2) *Depth* - implies that culture is mostly invisible, hidden at the unconscious level of the members of a group and is, therefore, less tangible, but it has a significant influence on group behavior. Depth is directly linked to the stability elements, as the deeper is culture embedded the more stable and hard to change it is; (3) *Comprehensive* - refers to the fact that culture influences all aspects of organizational life; (4) *Integration* - is an important function of culture, linked to stability, as it provides sense for the members and it integrates everything that the members or the organization do into a larger coherent whole –gestalt.

### ***Leadership***

Along with culture, leadership is probably one of the most ambiguous concepts in social sciences although a lot of effort has gone in research on the subject. Burns (1978) remarked that "leadership is one of the most observed and least understood phenomena on earth while Stogdill (1974), after a comprehensive review of literature on this subject concluded that „there are almost as many definitions of leadership as there are persons who have attempted to define the concept". Warren Bennis (1959: 259) is also arguing in the same lines when asserting that „of all the hazy and confounding areas in social psychology, leadership theory undoubtedly contends for the top nomination. And, ironically, probably more has been written and less known about leadership than about any other topic in the behavioral sciences the last 100 hundred years from numerous perspectives". After more than 60 years of scientific research on leadership, which has gone through numerous phases (leadership traits, behavior, style, influence, interaction, power, group relation) one question still remains: what is effective leadership? One could argue that all the studies done so far have contributed in shedding light in what successful leadership is, and that is true but the problem is that there is no definitive clear answer but rather a plethora of opinions. Probably one of the reasons for this (as with culture I might add) is the fact that there is no definitive answer to what leadership actually is. Yukl (2010) argues that „the numerous definitions of leadership that have been proposed appear to have little else in common than involving an influence process. He then defines leadership as "influencing task objectives and strategies, influencing commitment and compliance in task behavior to achieve these objectives, influencing group

maintenance and identification, and influencing the culture of an organization” (1989: 253). He also points to some representative definitions for the leadership phenomenon (Yukl, 2010: 21): (1) Leadership is the behavior of an individual, directing the activities of a group toward a shared goal (Hemphill & Coons, 1957: 7); (2) Leadership is exercised when persons mobilize institutional, political, psychological and other resources as to arouse, engage, and satisfy the motives of followers (Burns, 1978: 18); (3) Leadership is the process of influencing the activities of an organized group toward goal achievement (Rauch & Behling, 1984: 46); (4) Leadership is a process of giving purpose (meaningful direction) to collective effort, and causing willing effort to be expended to achieve purpose (Jacobs & Jaques, 1990: 281); (5) Leadership is an attempt at influencing the activities of followers through the communication process and toward the attainment of some goal or goals (Donnelly *et al.*, 1985: 362); (6) Leadership revolves around vision, ideas, direction, and has more to do with inspiring people as to direction and goals than with day-to-day implementation. A leader must be able to leverage more than his capabilities. He must be capable of inspiring other people to do things without actually sitting on top of them with a checklist” (Bennis, 1989: 139).

Analyzing the definitions above, I could argue that most (if not all) refer to some common elements of leadership which are (adapted Mora & Ticlau, 2013): (1) *Leadership is a non-routinely process of intentional influence* - leadership is not about everyday tasks but rather about non-routine events which mean any situation that constitutes apotential or actual hindrance to organizational goal progress (Zaccaro & Klimoski, 2001: 8); (2) *Leadership is about achieving certain (organizational) goals* - leaders exert influence with a purpose, giving a sense of direction for the group and generally making it clear where people need “to arrive”; (3) *Leadership involves a group of followers* - obviously, a leader without followers is merely a “a lone nut”, and effectiveness, as proven by numerous studies, is given also by the way the group acts, behaves, performs; (4) *Leadership is about change and is inspirational* - change is what differentiates leaders from managers, the main function of leaders is being catalysts for change (Barker, 1994). Furthermore leadership although almost ubiquitous inside organization is at the same time invisible, inspirational, either both emotional and cognitive components, leaders inspire followers to go beyond their limits.

### ***Transformational leadership***

James McGregor Burns introduced this concept (1978), and linked leadership with the process of change. Burns (1978) suggests that the role of the leader and follower be united conceptually and that the process of leadership is the interplay of conflict and power. Burns delineates two basic types of leadership: transactional and transformational. The *transactional leader* approaches followers with the intent to exchange one thing for another, for example, the leaders may reward the

hard-working teacher with an increase in On the other hand, “*The transforming leader* looks for potential motives in followers, seeks to satisfy higher needs, and engages the full person of the follower” (Burns, 1978,p. 4). Burns’ position is that leaders are neither born nor made; instead, leaders evolve from a structure of motivation, values, and goals. This does not mean that other theories are not significant, but considering the subject and purpose of this study, Burns’ theory lies at the base of the “*why*” argument and for choosing the research instruments.

The theory was further developed by Bass and Avolio who have shown (Bass, 1985; 2008; Avolio, 2005; Luthans & Avolio, 2003) that transformational leadership is comprised of at least four interrelated behaviors or sets of actions: (1) *Idealized Influence (or Charismatic Leadership)* - refers to the “role model” role the leader has in relation to his/her followers. They inspire pride, respect by going beyond their own individual interest and focusing on the groups’ best interest. Seeing them as role-models, followers want to emulate them; (2) *Inspirational Motivation* - refers to the capacity of the leader to articulate in simple ways the goals and objectives of the group (organization), to be able to create a shared understanding of how things should work, what is right and wrong, talks optimistically about the future, express confidence in goal achievement what is possible and how it is best to attain it; (3) *Intellectual Stimulation* - is linked to creativity and innovation and the capacity of transformational leaders to determine their followers to look at things from multiple and different perspectives, to solve problems in new ways, to encourage experimentation and question own beliefs when situations change (Bass & Avolio, 1999); (4) *Individualized consideration* - means the leader is responding to each individual’s specific needs in order to include everybody in the „transformation” process (Simic, 1998), treating each member of the group as a unique individual with a set of specific abilities, skills and knowledge.

Leaders’ connection with organizational culture is beyond doubt. Smircich and Morgan argue that (Smircich & Morgan, 1982), leadership is actually *management of meaning* through shaping the ideas, values and feelings of people. What is culture then if not ideas, values, feelings, perceptions, held in common by a group of people? Alvesson sees thing the same: “*leadership is per definition seen as ‘cultural’, that is leadership must be understood as taking place in a cultural context and all leadership acts have their consequences through the (culturally guided) interpretation of those involved in the social processes in which leaders, followers and leadership acts are expressed*” (Alvesson, 2002: 103).

### ***Leadership, culture and performance in the public sector***

There are sufficient studies that show how leadership, through the creation of a performance oriented culture can increase organizational performance in the private sector (Draft & Pirola-Merlo 2009; Dubrin *et al.* 2006; Jonash, 2006) for

leadership and sustainable performance. Things are somewhat different for the public sector, where debate is still ongoing and the number of studies focused on the role of leadership (and I add culture) is limited (Van Wart, 2003). Things like contextual complexity (Brunner 1997; Van Wart, 2003), the idea that bureaucracies and public organizations in general are far too complex and large making individual leaders contribution relatively small (Van Wart, 2003), while inherent differences between public and private organizations must be addressed in a leadership-culture-performance research. However there are some studies on the actual influence of leadership on organizational performance in the public sector (Northern Leadership Academy, 2007): one study (Pettigrew *et al.*, 1999) which reviewed performance in the NHS found that the factors that influence it are good leadership and management skills, willingness to experiment, shared vision and an organizational culture receptive to change (besides other things). Another study by Parry and Proctor Thomson (2003) found that indirect and direct effects of transformational leadership on outcomes through its influence on transformational/transactional culture and climate for innovation. Going back to culture, regardless of the size, industry, or age of the organization, organizational culture affects many aspects of organizational performance (Fisher & Alford, 2000), from financial aspects to customer and employee satisfaction levels. In the healthcare environment, organizational culture has been associated with elements of organizational performance that impact quality, such as nursing care, job satisfaction, and patient safety (Boan & Funderburk, 2003). Improving the organizational culture led to the improvement of the quality of services in a children's healthcare organization (Glisson & Hemmelgarn, 1998). Another study showed that job satisfaction was very much influenced organizational support for staff (Aiken, Clarke, & Sloane, 2002). Financial performance for longer periods of time is associated with cultural qualities that foster innovation and flexibility (Barney, 1986). "Organizational culture is correlated with financial performance. Financially successful companies are rated higher in training and development, recognizing performance, customer satisfaction, downward communications, openness to change, job satisfaction, job design, performance facilitation, planning, and work group performance" (Corporate Board, 1997).

Evidently one must keep in mind the challenges for evaluating performance in the public sector: differences relate to values, structure, legal framework, interest representation, purpose, culture and impact of decisions (Ticlau *et al.*, 2010); another difference refers to the specific environment of public administration which is traditionally regarded as a system characterized by inertia, rigidity, and immovability. Add the fact that, modern public administration faces tremendous politic, economic, technologic, and social challenges (Pollit & Bouckaert, 2000). In this context, performance measurement in the public sector poses more challenges compared to the private sector, in part because of public organizations pursuit of multiple goals simultaneously and non-economic outcomes (Van Slyke,

Alexander, 2006) and partly due to the fragmented authority and strong outside pressures from different stakeholders .

## **Methodology**

The current paper is presenting the results of two phases of a national study comprehensive study on leadership, culture and organizational performance in Romania. Our main interest was to identify leadership style and organizational culture type and see whether they can be predictors for organizational performance. *The first phase of the study* was done mostly to test the instruments (two questionnaires for leadership and organizational culture respectively). I sent questionnaires to all city halls (5) (population above 40.000) in Cluj County and all deconcentrated services (27) at county level. For each institution I sent 11 questionnaires: (1) One addressed at the top official of the organization (mayor, manager/general director in the case of the deconcentrated public services) – self evaluation; (2) 10 questionnaires destined for individuals occupying managerial (medium to high ranking) positions that work directly with the leader. We got responses from 2 city halls and 6 deconcentrated services, with a total of 59 respondents - 6 leaders and 53 subordinates.

*The second phase of the study* was focused on the same elements but was conducted at national level. The institutions selected for the study were again city halls and county councils as decentralized institutions and prefectures and county school inspectorates. In this phase I used a different method by collecting the data online, sending personal emails to both the political leaders of these institutions and 5 of their direct subordinates. I sent a total of 1002 emails and got 255 total responses – 49 leaders and 206 subordinates (responses rate 25.44%).

## ***Instruments***

For leadership style evaluation I used the Multifactor Leadership Questionnaire (MLQ5X) (Bass & Avolio, 1995) the self rater form for the leader and the peer-rater form for the subordinates, which has 45 statements and uses a 5 point scale for agreement or disagreement with the statements. For the organizational culture analysis, I used Denison's Organizational Culture Survey (DOCS) (Denison, 2005), which analysis culture on 4 dimensions with 3 sub-dimensions each. The Denison model links organizational culture performance metrics such as customer satisfaction, innovation, employee satisfaction and more. (DOCS) contains 60 items that measure specific aspects of an organization's culture. Each of the 12 indices has five survey items. Because of the feedback I got after the first phase I decided to eliminate the DOCS instrument as the questionnaire was too long, thus the second phase of the study was focused primarily on leadership.



## Results

From the demographics in *the first phase* we can see that the balance is tilted towards women on gender side, which reinforces the assertion that women face barriers in occupying high ranking positions (Macarie, Hinteă & Mora, 2011), with numbers that are double compared to male respondents but at the same time we have only one female “leader”. The level of education is above average, all respondents being college graduates or higher, noticeable is that the vast majority of them actually have master’s degrees – this could be explained that more than 90% of respondents had a medium to high ranking position in the organization hierarchy. Finally one can notice the relatively high experience or “length of stay in the organization” which could be explained by the career system that dominates the Romanian civil service (Andor & Tripon, 2008). The first phase being mostly exploratory, our main goal was to see whether there is a connection between leadership, culture and organizational performance. Because this was a pilot study, the number of respondents (59) is small and the results are representative only for the individuals participating.

Table 1. *Demographics*

Gender	Education	Experience in position (years)	Age
39 F/ 19 M (5 leaders are men 1 leader is a woman)	58 university degree (41 master, 8 undergrad., 6 PhD)	Average: 8 years Mode: 9 years	Average: 45 Max: 63 Min: 30

### *Leadership*

Looking at the scores in *Table 2* we can see that all scores are above the scientific benchmark but the differences are very low (highest difference being recorded for *laissez-faire leadership style* (+0.19), none of them reaching the next quartile. We can safely say that at least in the case of the institutions analyzed, the leadership style falls into the “usual pattern” because all styles are present with average scores.

Table 2. Average leadership scores

		Leadership behavior			
		TransfT	TransacT	LSFT	Results
N	Valid	59	59	59	59
	Missing	0	0	0	0
Mean		2.9663	2.7916	1.2393	3.0799
Sci. benchmark <sup>2</sup>		2.85	2.72	1.04	2.92
Median		3.2000	2.8750	1.1250	3.3333
Mode		3.00	3.25	1.38	4.00
Minimum		.85	1.38	.00	.89
Maximum		3.95	4.00	2.88	4.42

Table 3. Average benchmark scores

%	Transformational	Transactional	Laissez - faire	Results
0	0	0	0	0
10	0.28	0	0	0.06
20	0.84	0.44	0	0.69
30	1.49	1.2	0	1.40
40	2.18	1.95	0.35	2.18
50	2.85	2.72	1.04	2.92
60	3.5	3.46	1.7	3.64
70	4	4	2.45	4
80			3.09	
90			3.75	
100			4	

To have a more clear view I proceeded to look at each of the 12 components of the model (*Table 4*).

Table 4. Leadership scores on all components

	IA	IB	IM	IS	IC	CR	MBEA	MBEP	LF	EE	EFF	SAT
Mean	3.1356	3.1369	3.1780	2.9293	2.4519	2.9039	2.6793	1.6412	.8375	3.1071	3.0975	3.0353
Sci. Bench	2.69	2.98	3	2.98	2.59	2.93	2.51	1.22	0.86	2.93	2.87	2.95

<sup>2</sup> The scientific standard indicates the average ratings for Romania available online at [www.testcentral.ro](http://www.testcentral.ro). The averages in *Table 3* are based upon own calculations

Table 5. Average benchmark scores on all components

%	IA	IB	IM	IS	IC	CR	MBE-A	MBE-P	LF	EE	EFF	SAT
0	0	0	0	0	0	0	0	0	0	0	0	0
10	0	0.5	0.4	0.5	0	0	0	0	0	0	0.2	0
20	0.5	1.15	1.1	1.11	0.35	0.79	0.1	0	0	0.7	0.89	0.48
30	1.21	1.73	1.71	1.72	1.1	1.5	0.9	0	0	1.43	1.56	1.22
40	1.98	2.35	2.36	2.37	1.85	2.2	1.7	0.5	0.2	2.2	2.29	2.07
50	2.69	2.98	3	2.98	2.59	2.93	2.51	1.22	0.86	2.93	2.97	2.85
60	3.4	3.58	3.62	3.6	3.3	3.62	3.3	1.9	1.5	3.66	3.65	3.62
70	4	4	4	4	4	4	4	2.7	2.2	4	4	4
80								3.35	2.83			
90								4	3.5			
100									4			

Analyzing the scores on each of the 12 components of the model gives us more information about the leadership style. The transformational leadership style is above average mostly because the scores on the first three components - Idealized Attribute (IA), Idealized Behavior (IB) and Inspirational Motivation (IM). On these components the scores are close to reach the next quartile (60). This means that the leaders analyzed are doing a better job in being a role model, inspiring pride, respect, looking after the group's interest (not own) (IA+IB) and being able to define goals and objectives in simple ways, talk optimistically about the future, are enthusiastic and expresses confidence in goal achievement (IM). The biggest difference between actual scores and benchmark scores is observed at management by exception passive (MBEP) which means that leader fails to interfere until problems are serious, and only gets involved when problems become chronic. This is somewhat contradictory as the respondents feel that the leader is a role model (IA+IB) but does not get involved in problem solving (MBEP).

The second part of our analysis was concerned with the relation between leadership style and results. The Results scale/dimension in the MLQ5X (Bass, & Avolio, 1999) has 3 components: (1) *Extra Effort (EE)* (get others to do more than expected, increase desire to succeed, increase others willingness to try harder); (2) *Effectiveness (EFF)* (meets others job related needs, represents the group to higher authority, leads a group that is effective, meets organizational requirements); (3) *Satisfaction regarding leadership (SAT)* (uses methods that raise satisfaction, works with others in a satisfactory way). We wanted to see which of the three leadership styles is correlated with the results variable. Although there were significant correlations between all leadership styles and the results dimension, when fit into a linear regression model only the Transformational component was statistically significant. The R Square of 0.633 is moderately high; meaning around 60% of the variance of the Results dimension is determined by the Transformational Leadership component. The Beta coefficient of 0.796

indicates a strong relation. It is important to note that the *laisser-faire* leadership component (or the so called non-involved leader) had a negative correlation with the results in accordance with the theoretical model of Transformational Leadership (Bass, 1985).

Table 6. Correlation between leadership and results

Pearson Correlation	Results	1,000	,796	,664	-,412
	TransfT	,796	1,000	,795	-,618
	TransacT	,664	,795	1,000	-,407
	LSFT	-,412	-,618	-,407	1,000
Sig. (1-tailed)	Results	.	,000	,000	,001
	TransfT	,000	.	,000	,000
	TransacT	,000	,000	.	,001
	LSFT	,001	,000	,001	.
N	Results	59	59	59	59
	TransfT	59	59	59	59
	TransacT	59	59	59	59
	LSFT	59	59	59	59

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	,796 <sup>a</sup>	,633	,627	,50914	,633	98,490	1	57	,000

a. Predictors: (Constant), TransfT

ANOVA <sup>a</sup>						
Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	25,531	1	25,531	98,490	,000 <sup>b</sup>
	Residual	14,776	57	,259		
	Total	40,307	58			

a. Dependent Variable: Results  
 b. Predictors: (Constant), TransfT

Table 7. Regression for Transformational leadership and Results

Model	Coefficients			t	Sig.	
	Unstandardized Coefficients		Standardized Coefficients			
	B	Std. Error	Beta			
1	(Constant)	,425	,276		1,543	,128
	TransfT	,895	,090	,796	9,924	,000

a. Dependent Variable: Results

The 8 leaders analyzed from 8 public institutions had highest scores on the Transformational and Transactional dimension. However, none of the scores were above the national average, which indicates that there isn't a clear transformational leadership behavior. There was a light difference on the laissez-faire leadership dimension between scores achieved and the benchmark, with the scores being a bit higher than the average, meaning that the leaders had a more prominent specific non-involved behavior, which is negatively correlated with results. Although not a really worry yet (because differences are low) this is a behavior that usually leads to poor performance, thus one must think of potential ways of increasing leader involvement in the organization.

### Organizational culture

For the analysis of the organizational culture component, we used Denison's Organizational Culture Survey (DOCS) (Denison, 2005), which analysis culture on 4 dimensions with 3 sub-dimensions each (see Figure 1).

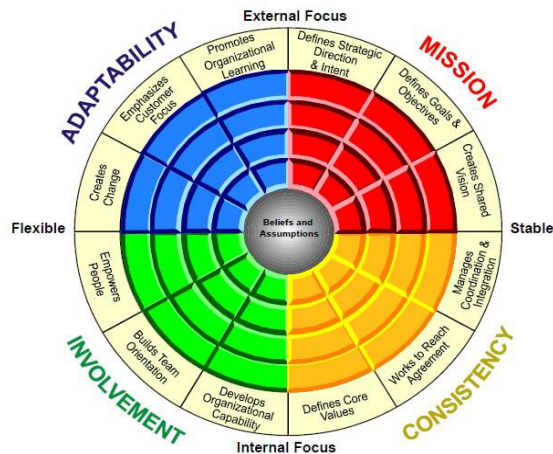


Figure 1. Denison Organizational Culture Model

Source: Denison Organizational Culture Survey: Facilitator Guide, 2-8

The model underlying the Denison Organizational Culture Survey is based on four major cultural traits (Denison Organizational Culture Survey: Facilitator Guide, 2-8): (1) *Involvement* - organizational cultures characterized as “highly involved” strongly encourage employee involvement, and create a sense of ownership and responsibility. They rely on informal, voluntary, and implied control systems, rather than formal, explicit, bureaucratic control systems. The involvement dimension is comprised of 3 sub dimensions: *Empowerment*, *Team*

*Orientation and Capability Development*; (2) *Consistency* - consistency provides a central source of integration, coordination and control. Consistent organizations develop a mindset and a set of organizational systems that create an internal system of governance based on consensual support. They have highly committed employees, key central values, a distinct method of doing business, a tendency to promote from within, and a clear set of do's and don'ts. The three sub-dimensions of consistency are: *Coordination and Integration, Agreement, Core Values*; (3) *Adaptability* - organizations hold a system of norms and beliefs that support the organization's capacity to receive, interpret, and translate signals from its environment into internal behavioural changes that increase its chances for survival, growth and development. Adaptability has 3 sub-dimensions: *Creating Change, Customer focus, Organizational Learning*; (4) *Mission* - mission provides purpose and meaning by defining a social role and external goals for the organization. It provides a clear direction and goals that serve to define an appropriate course of action for the organization and its members. A sense of mission allows an organization to shape current behavior by envisioning a desired future state. The three sub-dimension of Mission are: *Strategic Direction and Intent, Goals and Objectives, Vision*.

### ***Culture profile***

Looking at the culture profile we can see that all four dimensions scored between 75 and 80 points (out of a max. of 100), with the strongest dimension being *Mission* (79.6). Looking at the scores on all 12 sub-dimensions we can see that *Strategic Direction and Goals & Objectives* have the highest scores but *Shared Vision* is relatively low. This translates into the following: the individuals surveyed think that there is a clear direction and sense of purpose and everyone can contribute to that through their work (*Strategic Direction*), there is agreement about the goals and objectives which are linked to the org. purpose, and are used to track progress (*Goals & Objectives*), but the vision regarding the future is not so clear, it is not shared at all levels (compared to the previous two sub-dimensions) and it is not so clear where the organization is going to be on the long-term. We do not have differences between the other three dimensions but there is some variance inside each of them. The lowest scores are recorded on the sub-dimension *Capability Development* (*Involvement dimension*) and *Agreement* (*Consistency dimension*). The fact that I have a higher score on *Empowerment* than *Capability Development*, we can assume that people have sufficient authority to take decisions but they do not have the actual capacity to put them into practice (probably because of lack of competence, skills, abilities, knowledge). Secondly, the fact that the scores on the other two sub-dimensions from *Consistency* (*Coordination and Core values*) are higher than *Agreement*, could mean that reaching a compromise in conflicting situations is difficult, although the values and beliefs are strong they may differ for different groups inside the organization. Overall,

we can safely state that the current organizational culture inside the 8 organizations analyzed is mostly strong and equilibrate, with a bit more focus towards the external environment (because of higher scores on Mission dimension) and rather stable than flexible (which could be explained based on the public nature of all organizations). There is some need for capacity development for employees which seem to have some issues in actually implementing decisions that they have the authority to take. At the same time conflict resolution is something that needs working on as agreement is lower than Core values and Coordination, on the Consistency dimension.

Table 8. *The 12 sub-dimensions of Organizational Culture*

Sub-dimensions of Organizational Culture													
		Empowerment	Team orient.	Capab. dev	Core Values	Agree	Coord. Integr.	Change	Customer Focus	Org. Learn	Strategic Direction	Goals and Objectives	Shared Vision
N	Valid	59	59	59	59	59	59	59	58	59	59	59	59
	Missing	0	0	0	0	0	0	0	1	0	0	0	0
Mean		78.00	77.35	69.67	81.38	71.59	72.47	73.62	74.13	79.35	83.44	83.35	72.11
Median		76.00	76.00	72.00	84.00	72.00	72.00	76.00	72.00	80.00	84.00	84.00	70.00
Mode		72.00	84.00	80.00	92.00	64.00 <sup>a</sup>	64.00 <sup>a</sup>	84.00	68.00	76.00	100.00	100.00	84.00
Std. Deviation		12.08	14.81	16.60	13.46	13.50	12.98	14.32	12.47	13.14	12.99	12.21	13.06
Minimum		48.00	48.00	32.00	44.00	28.00	48.00	40.00	48.00	40.00	56.00	52.00	44.00
Maximum		100	100	100	100	100	100	100	100	100	100	100	100

a. Multiple modes exist. The smallest value is shown

Table 9. *The 4 Dimensions of Culture*

Dimensions of Culture					
		Involvement	Consistency	Adaptability	Mission
N	Valid	59	59	58	59
	Missing	0	0	1	0
Mean		75.0113	75.1412	75.6448	79.6384
Median		73.6667	75.0000	75.3667	80.0000
Mode		66.67 <sup>a</sup>	74.67 <sup>a</sup>	73.33	80.00

a. Multiple modes exist. The smallest value is shown

Two things are interesting from the demographics in the *second phase*: the fact that 11% of the respondents have a PhD degree and that only 6 out of the 49 leaders are females (approx. 12%).

Table 10. *Demographics*

Gender	Education	Experience in position (years)	Age
115 (6) F/ 140 (43) M (6 female leaders and 43 male leaders)	255 – university degree with 29 (approx. 11%) of respondents having a PhD	Average Sub: 8.4 years Lead: 5.7 years	Average Sub: 44.4 years Average Lead: 50.5 years

**Leadership**

The pattern I identified in the first phase is present also here, with transformational leadership obtaining both the highest absolute scores but also the biggest difference compared to the scientific standard. I also notice to interesting, although small, differences in evaluations – in all evaluations subordinates score lower than the leaders with the exception off the passive scale where they score higher. This would mean that, concerning the “positive behaviors” and their personal performance leaders tend to over-evaluate themselves while on the “negative” behavior they seem to under evaluate themselves (somewhat expected).

Table 11. *General leadership behavior*

	Transformational	Transactional	Passive	Results
Leaders	3.46	3.06	0.93	3.41
Subordinates	3.1	2.83	1.1	3.14
Mean	3.28	2.94	1.04	3.2
Sci. Standard	2.85	2.72	1.04	2.92
Difference (mean/standard)	0.43	0.22	0	0.28

Table 12. *Leadership behavior dimensions*

	IA	IB	IM	IS	IC	CR	MBE-A	MBE-P	LF	EE	EFF	SAT
Mean scores	3,27	3,26	3,31	3,11	2,86	3,03	2,73	1,55	0,6	3,14	3,25	3,17
Sci standard	2,69	2,98	3	2,98	2,59	2,93	2,51	1,22	0,86	2,93	2,87	2,95
Difference	0,58	0,28	0,31	0,12	0,27	0,1	0,22	0,3	0,26	0,21	0,38	0,22

Taking a look at *Table 12* we note a few interesting differences: (1) Idealized influence especially the attributes dimension (IA) registers the highest difference compared to the scientific standard with a score of 3.27. Still this is below the 3.4 benchmark score for the second to last upper limit on this scale (see fig. 4 on p. 9). Other notable positive differences are noted on the Inspirational motivation scale (IM), passive management by exception (MBE-B) and extra effort (EFF). From the results we can say that (surprisingly) the administrative leader in the public institutions included in the sample is above average charismatic (IA+IB), with a noticeable capacity to inspire people around (IM) with a sufficiently well-developed capacity to determine extra effort from subordinates.



**Leadership and performance**

I tested the relation between leadership behavior and performance by aggregating (averaging) the 3 scores on the results dimension (effectiveness, extra effort and satisfaction) into a single variable called Leadership Outcomes. Then we did a Pearson Correlation with the three types of leadership behavior dimensions: transformational, transactional and laissez faire (passive). The results are show below (see *Table 13*).

Table 13. *Regression model: leadership style and performance*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.848 <sup>a</sup>	.719	.716	.40991

a. Predictors: (Constant), Pasiv, Transactional, Transformational

ANOVA<sup>b</sup>

Table 14. *Anova test for regression significance*

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	108.012	3	36.004	214.278	.000 <sup>a</sup>
	Residual	42.174	251	.168		
	Total	150.187	254			

Predictors: (Constant), Passive, Transactional, Transformational

Dependent Variable: Outcome of leadership

Table 15. *Regression coefficients for each leadership style*

Model		Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
		B	Std. Error			
1	(Constant)	.112	.208		.539	.591
	Transformational	.947	.071	.730	13.258	.000
	Transactional	.080	.060	.067	1.343	.180
	Passive	-.139	.052	-.109	-2.673	.008

Coefficients<sup>a</sup>

a. Dependent Variable: Outcome of leadership(performance)

We can see that the influence of leadership behavior on leadership outcomes (note that these are perceptions regarding the results not an objective measure of actual results) is quite strong, with a statistically significant relation (sig. .00 – see *Table 14*) and an R square above 0.7 (*Table 13*) – thus more than 70% of the perception of results of leadership is perceived to be dependent on leadership behavior. One interesting aspect to take into account is that only transformational and passive behaviors have obtained statistically significant correlations with results, and as expected transformational leadership has a strong positive influence ( $B > 0.9$ ) while laissez faire leadership has a negative influence on results ( $B = -.139$ ). This is in accordance to the scientific literature in the field (Hater, Bass, 1988; Bass, Avolio, Goodheim, 1987; Dumdum, Lowe, Avolio, 2002).

### Conclusions and Recommendations

Our purpose for this study was to test a model of organizational analysis based on three major components: leadership, organizational culture and organizational performance. The model that I proposed started from the assumption that leadership and organizational culture could be predictors of organizational performance. The study had two phases and at least on the leadership – performance relation, the results in both phases have been consistent – leadership has a direct influence on perceived performance, with *transformational leadership* being the main driver for positive results while *passive or laissez faire leadership* being a performance inhibitor. *From the perspective of the existing organizational culture (OC)*, results were inconclusive, as culture was studied only in the first phase of the study which had limited respondents. However, we want to mention that, at least in the first phase of the study, the notable aspects regarding OC, Strategic Direction and Goals & Objectives seem to be the most developed or clear dimensions of culture while Shared Vision is low. We interpret this as a clear understanding of the daily activities, along with clear agreement about what the organization has to do or achieve (objectives) but with a much more blurry idea regarding where the actual effort spent in achieving the objective will lead (vision).

Main limits of the study are related to the number of respondents which in the second phase a decent 255 respondents but not enough to constitute a representative sample for the study population (leaders in the public service). Using the information obtained regarding leadership behavior it is clear that there are elements that can be improved at the level of leaders' behavior: (1) *Reducing and discouraging passive behaviors* - we have seen that there is a negative correlation between passive avoidant behavior (laissez faire) and perceived performance/results. Thus leaders need to be fully committed to their role in the organization taking responsibility and having a high level of involvement throughout all the activities (not just critical ones). This sends a strong message to employees

regarding expectations from them but is also a effective way of modelling ideal behavior; (2) Encourage transformational leadership behavior – which translates into encouraging employees to go put in extra effort for increased performance, by inspiring them through high levels of passion and commitment towards the common goals and by being open and encouraging experimentation.

Public leaders face increasingly difficult challenges at present, with some of the most pressing being (Ticlau, 2014): (1) capacity to adapt to change, especially to the changing external environment, (2) adoption of modern technology as an essential component of the organizational activities and (3) capacity to deal with complex problems. At least for the first and third, transformational leadership has been demonstrated to be a good platform Hater, Bass, 1988; Bass, Avolio, Goodheim, 1987; Dumdum, Lowe, Avolio, 2002). This also raises the question of leadership development, which in turn translates into an educational and training challenge for Romania. If we demand a different approach to leadership in the public sector, then probably we should demand a different approach to leadership education. As other authors have indicated (Ticlau, 2014: 898) “the top MBA programs are now offered as double degrees between public administration and business management, as a response to the blurring of the sectors and the *global* character of leadership challenges”. Romania’s graduate educational programs face an important challenge in aligning performance standards and measurements to the international level (Mora, 2012) and implementing a functional system of quality academic education and management.

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