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***LEADERSHIP, ORGANIZATIONAL CULTURE AND
PERFORMANCE: A CROSS-CULTURAL ASPECT OF NON-PROFIT
ORGANIZATION MANAGEMENT***

Daria Perva

Dissertation

Master integrated in Human Resources Management

**Research paper elaborated under the guidelines of:
PhD Professor Ileana Androniu Pardal Monteiro**

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DECLARATION OF AUTHORSHIP WORK

I hereby declare that the dissertation submitted for Master Degree in Human Resources Management at the University of Algarve is my own original work and has not been submitted or published to any other institution of higher education establishment. I further declare that all authors and sources are properly cited and indicated in the text by means of a comprehensive list of references.

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To my mother, Marina Perva, who always gave me the energy to finish everything I start and to my father, Gennady Perviy, the caretaker who always had time to review my work and comment on it and the inspiration of everything I do.

“Be — don't try to become”

— Osho

Abstract

This thesis is aimed to examine the relationships between leadership, organizational culture and performance in the context of non-profit organization management. The context of non-profit organizations is specifically worth attention because these organizations have to adopt different attitude to their stakeholders and different organizational strategies, compared to the corporate organizations. That makes the question of authentic guidance, and strong organizational culture even more important for non-profit organizations.

The research was applied to international non-profit organization called AIESEC, and conducted in the international ambience, involving participants from Portugal and Ukraine. AIESEC is an international non-profit organization run by students and recent graduates with the main focus on international exchange, world issues, leadership and management. Portugal and Ukraine were chosen as main countries involved in this study, as the researcher worked in AIESEC in both countries and was familiar with the reality of organization in those countries.

It was hypothesized that organizational performance in non-profit organizations is influenced by leadership and organizational culture, also that culture is a mediator in this relationship. Besides that, this study was called to reveal the nature of leadership and of current and ideal organizational cultures in AIESEC in Ukraine and Portugal.

The questionnaire was sent to participants via e-mail. 252 responses were received, however, 12 of these responses were ineligible due to several reasons: participants did not understand the guidelines for the questionnaires or did not speak English fluently enough.

Authentic Leadership Questionnaire (ALQ) by Avolio and Walumbwa (2007) was used to assess the leadership perception. Participants were asked to think about their team leader and judge how frequently each statement fits his or her leadership style by responding to a 16 item questionnaire.

For organizational culture the questionnaire developed by Cameron and Quinn (2000) with four types of organizational culture (Clan, Hierarchy, Market

and Adhocracy) was selected. Cameron and Quinn's OCAI was used to assess how participants perceive the current organizational culture compared to the preferred one. Participants were asked to assess six key dimensions of organizational culture, providing a picture of how, in participants' point of view, the organization operates and what values characterize it. Participants were to rate their organization by responding to six questions and distributing 100 by the four alternatives proposed to assess the current and the preferred organizational culture.

As for the organizational performance, the 5-factor scale, retrieved from Ogbonna and Harris (2000) was used to assess how participants estimate the organizational performance in terms of customer satisfaction, sales growth, market share, competitive advantage and sales volume. The participants were asked to estimate each of the above-mentioned factors on the 0 to 100 scale.

The measures selected for this research are considered reliable as Cronbach's alpha coefficient for overall model was over high as well as for each variable separately. Good results received allows us to say that the study satisfies the validity criteria.

Participants of this study were 240 students-members of AIESEC organization, divided into two groups according to the country of origin, 120 members of AIESEC in Ukraine and 120 of AIESEC in Portugal. The participants were students of different universities of Ukraine and Portugal and from different cities of Ukraine and Portugal, aged from 19 to 26 years old.

The data was analyzed using SPSS program 21.0 version and AMOS program 22.0 version. SPSS was used for descriptive statistics, validity and reliability check, exploratory factor analysis and correlation analysis. AMOS program was used during path analysis when building a research model.

The hypothesis based on Ogbonnad and Harris' (2000) study was confirmed, meaning that it was found that in non-profit organizations, leadership and organizational culture influence the performance, with organizational culture being the mediator of relationship between two phenomena.

The hypotheses stating the differences between leadership style and organizational culture in AIESEC in Ukraine were confirmed as well, as findings state that transparent leadership style is more widespread in non-profit organizations in Portugal than in Ukraine.

This research proved that non-profit organizations in Ukraine, namely AIESEC, tend to have Market and Hierarchy types of current organizational cultures, while non-profit organizations in Portugal are more likely to operate within Clan and Adhocracy current organizational culture. The expectations of ideal organizational culture of Portuguese and Ukrainian respondents corresponded with the current culture in organizations, meaning that non-profit organization members in Portugal see the Clan culture as ideal, while Ukrainian participants see it a Hierarchy type.

This thesis is unique in its way as it's the first one to combine three concepts of leadership, organizational culture and performance with the research conducted in non-profit organizations and that counts in the involvement of participants from different countries.

The main limitation of the current study is the concordance between number of variables and sample size. The sample of 240 respondents is quite usual for a psychological research, however, the present study contained 69 variables included in the analysis. For this large amount of variables the sample should have included circa 700 participants. This limitation was partly solved by computing the variables.

Another limitation of the study is the language level. Participants received the questionnaire in English, while none of them was a native English speaker. The implication for a future research here would be using Portuguese and Ukrainian versions of the questionnaires or selecting a sample from English-speaking countries, like the UK, the USA, Canada, Australia and New Zealand.

The next limitation of this study was the form how the questionnaire was presented to participants. The questionnaire was e-mailed to the respondents, and they had to send it back when it's complete. The direct interaction and support to participants from a researcher could improve the reliability results.

The future research can also include other measures of leadership, organizational culture and performance, having two different measure for each construct would be helpful as well as it would provide a more transparent understanding of the measured phenomena.

The study was able to provide cultural diversity of the results, as the research was conducted on Portuguese and Ukrainian sample. The future research can include other countries in the analysis to see a broader perspective of organizational culture, performance and leadership in non-profit organizations.

Keywords: leadership, organizational culture, organizational performance, non-profit organizations, Portuguese organizational culture, Ukrainian organizational culture, Clan, Adhocracy, Hierarchy and Market culture

RESUMO

Este trabalho tem como objetivo estudar a relação entre a liderança, a cultura organizacional e o desempenho no contexto da gestão de uma organização sem fins lucrativos. O contexto de organizações sem fins lucrativos é especificamente merecedor de atenção porque essas organizações têm de adotar uma atitude diferente perante as partes interessadas e estratégias organizacionais diferentes, em comparação com as organizações empresariais. Isso faz com que a questão da orientação autêntica e de uma cultura organizacional forte seja ainda mais importante para as organizações sem fins lucrativos.

A pesquisa foi realizada na organização internacional sem fins lucrativos chamada AIESEC, em contexto internacional, envolvendo participantes de Portugal e da Ucrânia. A AIESEC é uma organização internacional sem fins lucrativos dirigida por estudantes e recém-formados com o foco principal no intercâmbio internacional, na situação mundial, na liderança e na gestão. Portugal e Ucrânia foram escolhidos como principais países envolvidos neste estudo, pois a autora trabalhou na AIESEC em ambos os países, estando familiarizada com a realidade organização nesses países.

As hipóteses definidas estabeleciam que o desempenho organizacional nas organizações sem fins lucrativos é influenciado pela liderança e pela cultura organizacional, e que a cultura apresenta um efeito mediador dessa relação. Além disso, este estudo procurou descrever a natureza da liderança e das culturas organizacionais, reais e ideais na AIESEC, na Ucrânia e em Portugal.

O questionário foi enviado aos participantes via e-mail. Foram recebidas 252 respostas, no entanto, 12 foram consideradas inelegíveis devido a várias razões: os participantes não entenderam as diretrizes para o preenchimento do questionário ou o seu domínio da língua inglesa não era suficiente.

O questionário de Liderança Autêntica (ALQ) de Avolio e Walumbwa (2007) foi utilizado para avaliar as percepções face à liderança. Os participantes foram convidados a pensar sobre o seu chefe de equipa e indicar a frequência com que cada afirmação relativa ao estilo de liderança se lhes apresenta verdadeira, respondendo a um questionário de 16 itens.

Relativamente à cultura organizacional, foi utilizado o questionário desenvolvido por Cameron e Quinn (2000), o OCAI, que inclui quatro tipos de cultura organizacional (Clânica, Hierárquica, de Mercado e Adocracia). O OCAI de Cameron e Quinn foi usado para avaliar o modo como os inquiridos percebem a cultura organizacional real, em comparação com a ideal. Os participantes avaliaram as seis dimensões fundamentais da cultura organizacional, obtendo-se as suas percepções acerca do modo como a organização opera e quais os valores que a caracterizam. Para avaliar a sua organização, responderam a seis perguntas,

distribuindo 100 ponto pelas quatro alternativas propostas para avaliar a cultura organizacional real e ideal.

Quanto ao desempenho organizacional, a escala de 5 fator, recuperado de Ogbonna e Harris (2000) foi utilizado para avaliar o modo como os inquiridos avaliam o desempenho organizacional em termos de satisfação do cliente, crescimento das vendas, quota de mercado, vantagem competitiva e volume de vendas. Os participantes atribuíam um valor cada um dos fatores mencionados acima numa escala de 0 a 100.

As escalas utilizadas nesta investigação apresentaram consistência interna, dado que os valores do alfa de Cronbach eram elevados, tanto para o modelo global como para cada uma das variáveis identificadas. Estes resultados permitem dizer que o estudo satisfaz os critérios de validade.

Participaram neste estudo 240 estudantes, membros da AIESEC, divididos em dois grupos, de acordo com o país de origem, 120 membros da AIESEC na Ucrânia e 120 da AIESEC em Portugal. Eram estudantes de diferentes universidades da Ucrânia e Portugal e de diferentes cidades da Ucrânia e Portugal, com idades entre 19 e 26 anos de idade.

Os dados foram analisados utilizando o programa SPSS 21.0 e o programa AMOS 22,0. O SPSS foi utilizado para análise da estatística descritiva, validade e confiabilidade, análise fatorial exploratória e análise de correlação, enquanto o programa AMOS foi usado para realizar a *path-analysis*, na construção do um modelo.

A hipótese baseada no estudo de Ogbonnad e Harris (2000) foi confirmada, o que significa que, em organizações sem fins lucrativos, a liderança e influencia a cultura organizacional e o desempenho, sendo a cultura organizacional mediadora da relação entre a liderança e o desempenho.

As hipóteses que indicam as diferenças entre o estilo de liderança e cultura organizacional na AIESEC na Ucrânia foram confirmadas, indicando os resultados que a liderança transparente se encontra mais nas organizações sem fins lucrativos portuguesas do que nas ucranianas.

Esta investigação mostrou que as organizações sem fins lucrativos na Ucrânia, ou seja, a AIESEC, tendem a apresentar uma cultura real mais direcionada para o Mercado e a Hierarquia, enquanto nas organizações sem fins lucrativos em Portugal a cultura real percebida é clânica e adocrática. As percepções face à cultura ideal, dos inquiridos portugueses e ucranianos apresentou resultados semelhantes, o que significa que em Portugal a cultura ideal é o clã, enquanto na Ucrânia a cultura ideal é a hierarquia.

Esta tese é única, pois é a primeira a estudar os três conceitos em simultâneo - a liderança, a cultura organizacional e o desempenho – no contexto das

organizações sem fins lucrativos, e com o envolvimento de participantes de diferentes países.

A principal limitação deste estudo consiste na adequação do número de variáveis ao tamanho da amostra. A amostra de 240 respondentes é bastante usual para uma pesquisa psicológica, no entanto, o presente estudo continha 69 variáveis incluídas na análise. Para esta grande quantidade de variáveis a amostra deveria ter incluído cerca de 700 participantes. Esta limitação foi parcialmente resolvida pela agregação em dimensões.

Outra limitação do estudo situa-se ao nível de língua. Os participantes receberam o questionário em Inglês, enquanto nenhum deles tinha o Inglês como língua materna. A implicação para a investigação futura aqui seria usar dos questionários com duas versões em português e ucraniano ou a selecionar uma amostra de países de língua Inglês, como o Reino Unido, EUA, Canadá, Austrália e Nova Zelândia.

Uma terceira limitação refere-se ao modo como o questionário foi apresentado aos participantes. O questionário foi enviado por e-mail aos respondentes que deviam reenviá-lo de volta após o seu preenchimento. A interação direta e apoio aos participantes por parte do investigador poderia melhorar a confiabilidade dos resultados.

Em investigações futuras poder-se-á incluir outras medidas de liderança, cultura organizacional e desempenho, com duas medidas diferentes para cada constructo, no sentido de compreensão mais transparente dos fenômenos medidos.

Este estudo conseguiu por em evidência a diversidade cultural dos resultados, sendo realizado com amostras portuguesa e ucraniana. A investigação futura poderá incluir outros países na análise no sentido de proporcionar uma perspectiva mais ampla da cultura organizacional, do desempenho e da liderança nas organizações sem fins lucrativos.

Palavras-chave: liderança; cultura organizacional; desempenho; organizações sem fins lucrativos, cultura organizacional portuguesa, cultura organizacional ucraniana, Clã, Adocracia, Hierarquia e cultura de Mercado.

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Introduction

Lately, the large number of empirical and theoretical studies were dedicated to concepts of leadership, organizational culture and how does it affect the organizational effectiveness (Jing & Avery, 2008). Both researchers and managers dedicated the special attention to the questions of appropriate leadership behaviors and styles. Present-day organizations are concerned with understanding and developing leadership in order to increase organizational effectiveness (Riaz & Haider, 2010). Leadership is one of the crucial influencers of organizational performance. They are responsible for development of strategic organizational decisions, and have to deploy and develop organizational resources optimally in order to increase organizational effectiveness. According to Boleman (2008), leaders have the opportunity to take these decisions not only because they are appointed by senior management, but more because they are perceived as leaders by their followers.

Scientists provided different evidences to the links between organizational culture and performance, and leadership and performance. For example, Latham and Saari (1979) proved a connection between people-oriented leadership and performance, on contrary to the task-oriented leadership and performance. Sashkin and Fulmer (1988) found that the best performing leaders tend to use a mixture of people and task oriented leadership styles.

Another question that has always been the matter of discussion is the methods of organizational performance measurement. The first attempts of organizational performance measurement were mainly based on estimating the results in the financial sphere (profit and cost) and then spread into measuring the quality and quantity key performance indicators (clients, scope). Ogbonna and Harris (2000) suggest that the performance should be measured taking into account the customer focus and competitor centered perspectives. They suggested that measuring the customer satisfaction, sales growth, market share, competitive advantage, and sales volume will allow us to have a complete image of the organizational performance (Ogbonna & Harris, 2000).

Choudhary, Akhtar and Zaheer (2013) point out that any organization's main goal is to maintain the competitive advantage. They suggest that organizational performance can be measured through cost reduction, sales volume and turnover. As well, a number of

research has been done in discovering the relationships between customer satisfaction and performance (Yu, Jacobs, Salisbury & Enns, 2013). A positive correlation was found between satisfied customers and performance (Narayanan, Balasubramanian, Swaminathan, 2011).

The topic of relationship between organizational culture and performance has also been attractive for scientists and managers. Large number of research findings prove the connection of these two concepts. For example, Parsons suggests that both organizational performance and learning can produce changes in the organizational culture (social system) (April, Milton, Milton & Gorelick, 2012). Kotter and Heskett claim that the non-adaptive cultures are more likely to be less successful in terms of the organization performance (Murray, Poole & Jones, 2006).

Frost, Moore, Louis, Lundberg and Martin (1985) suggest the way how the organization can create the competitive advantage is by defining the boundaries of the organization in order to facilitate the individual interaction. The later studies, especially Gordon and DiTomaso provide the research results that show that culture strength and orientation affect the organizational performance, but under the condition if the organizational culture is very strong (Xenikou & Furnham, 2012). The scientists claim that the organizational culture can be connected with performance only in case the organizational is adaptable to the changes in the environment (Gordon & DiTomaso, 1992). Moreover, Pinho, Rodrigues and Dibb (2014) state that organizational culture and market orientation can influence organizational commitment and performance.

The much larger number of studies has been dedicated to discovering the relationships between leadership and organizational culture. After all, employees' behavior, as well as organizational climate is determined by the organizational culture. Scientists have expressed different points of viewing the connection between two phenomena. For example, Bass and Avolio believe that transformational leaders do work within the organizational culture the way it is but are concerned with changing it (Ray, 2014). Waldman and Yammarino suggested that there is a mutual connection between charismatic leadership style and adaptive organizational culture (Ray, 2014). Schein (1990) as well promotes the statement that leaders should count in and respect cultural elements. Azanza, Moriano and Molero (2013) state that flexibility-oriented organizational culture type is a breeding ground for authentic leadership.

Problem statement

There is a number of studies dedicated to the concepts of leadership, organizational culture and performance, and yet there are open fields in the research for links between the three concepts. Ogbonna and Harris (2000) emphasize the absence of empirical evidence to the connection between the three phenomena. Even through in the past years the number of research dedicated to this topic is increasing, still it is mostly conducted in the corporate environment.

In modern world, public and non-profit organizations are adopting business strategies, are as well concerned with improving service quality standards, increasing customer satisfaction and organizational effectiveness (Pinho, Rodrigues, Paula & Dibb, 2014). The context of non-profit organizations is worthy attention because these organizations have to adopt different attitude to their stakeholders and different organizational strategies, compared to the corporate organizations (Macedo & Pinho, 2006). That makes the question of authentic guidance, and strong organizational culture even more important for non-profit organizations.

Aim of the study

The purpose of this thesis is to discover the relationships between leadership, organizational culture and performance, applied to non-profit organization and in the international context of functioning in Portugal and Ukraine. The AIESEC organization was selected to be the field of the current research.

AIESEC is an international non-profit organization run by students and recent graduates with the main focus on international exchange, world issues, leadership and management (AIESEC, 2016). Founded in 1948 by students from 7 countries, AIESEC currently operates in 126 countries of the world with 70,000 active members, 2,400 universities and 1,000,000+ alumni (AIESEC, 2016). Portugal and Ukraine were chosen as main countries involved in this study, as a researcher has worked in AIESEC in both countries and was familiar with the reality of organization in those countries.

The aim of this study is to examine the relation between leadership, organizational culture and performance and to which extent does each of the abovementioned factors

influence the other. Besides that, this study is expected to reveal the nature of organizational culture in AIESEC in Ukraine and Portugal. Also, the current research is aimed to discover which leadership style prevails in each country and each unit, and how do the respondents understand the impact of different components of leadership on the different components of organizational performance.

This thesis starts with the general introduction, then proceeds to the problem statement and aim of the study, and defining the main theoretical concepts. The first chapter contains the literature review of prior studies of leadership, organizational culture and performance and the links between the three concepts. The second chapter is dedicated to research design and methodology, including statement of hypotheses, description of participants, materials and measures, and of experimental design and procedure. The third and the last chapter includes the description of results of statistical analysis. It starts with descriptive statistics, moving to exploratory factor analysis results, validity and reliability check and correlation analysis. The last part of statistical analysis is building a path model using AMOS program. The paper ends with discussion part, presenting limitations of the study and implications for the further research, ending with general conclusion.

Theoretical concepts – definitions

According to different approaches, the different definitions of the key terms can be found in this paper. The main and the most commonly recognized will be are listed in this part.

Organizational performance - value that an organization creates with the help of its productive assets in comparison with the value that the owners of these assets expect to obtain (Verweire & Berghe, 2004).

Leadership – a process of social influence by which an individual enlists the aid and support of others in the accomplishment of a task or mission (Chemers, 1997).

Organizational culture - a system of shared meanings held by members that distinguishes the organization from other organizations (Dwivedi, 1995).

I Literature review

1.1 Theories of leadership

Starting from the early 20th and until present day, scientists have developed a number of leadership approaches, models and theories. Each of them has its own advantages and disadvantages, however, each one has made a great contribution to the present understanding of leadership phenomena.

For example, the trait approach failed to take leader's behaviour and situational factors into account and was a reason of development of behavioural and situational approaches. The situational theories, for example, emphasized the importance for a leader to understand the situational factors, and to choose the appropriate leadership style according to them.

Since late 1970th the theory of transactional and transformational leadership gives scientists a wide field for a research. The exceptional contribution to this field of study was made by Bass and his followers.

At the present stage of development of transactional and transformational theories, there is a growing interest in research of leadership processes outside of the corporate environment.

1.1.1 Trait approach

The first systematic way to study leadership was made in the 20th century by the trait approach followers. The main figures that conducted their research in this area were Stogdill, Mann and the others, who were mostly focused on discovering the traits that made people great leaders, like Gandhi, Lincoln (Ogbonna & Harris, 2000). Firstly, the researchers tried to identify the qualities that distinguish the "great men" from the crowd. They believed that leaders had some unique set of fairly stable features that distinguished them from non-leaders. Based on this approach, researchers attempted to determine leadership qualities, to learn how to measure and use them to identify leaders.

The first broaden survey in the area of trait approach was made by Stogdill (1948), where he analysed circa 124 leadership traits. In his research, Stogdill (1948) defined a set of qualities that distinguish leader from an average person: intelligence, alertness, insight, responsibility, initiative, persistence, self-confidence and sociability. Naturally,

these qualities did not fully explain the emergence of a leader. Many people who demonstrated such qualities remained followers. Despite this, the leadership traits research continued till the mid-80th.

Colbert, Judge, Choi and Wang (2012) state that recently the factor analysis revealed five personality traits that influence individual's behavior as a leader: neuroticism, extraversion, openness to experience, agreeableness and conscientiousness. As a method of improvement to the original trait approach, Chang, Conelly and Geeza (2012) suggested to use a multi rater approach when researching leader's personality, meaning that ratings should not be made by a single rater.

The trait approach has a number of advantages and disadvantages. The strength of this theory is in the strong research that took around a century to be made. As well, by focusing only on the leader the studies were able to provide us with the deeper understanding on how leader's personality is related to the leadership process. Unfortunately, the weaknesses of the trait theory overcome its strengths. Firstly, the list of potentially important leadership traits was almost endless. For this reason, it was impossible to establish the "only true" image of the leader. Secondly, for various reasons, it was not possible to establish a close connection between the trait and leadership in the practical and objective matter. Thirdly, almost all researchers failed to take the situation into account, so the approach resulted in subjective determinations of the most important qualities of a leader. Colbert et al. (2012) raise a question of validity of the trait approach self-report measures. They claim that self-assessment tools are not effective for the trait discovery as individuals can be accustomed to their personality traits and not perceive them accurately (Colbert et al., 2012). To sum up, the approach of defining leadership traits is undoubtedly interesting, but, unfortunately, still not very helpful for practice.

1.1.2 Behavioural approach

The change of researchers' focus from the leadership qualities to leader's behaviour made a big change in development of leadership theories. Aiming to respond to the primary criticisms of the trait approach, researchers began to study leadership as a set of behaviours that gave a start to a behavioural approach. The first research in this field was made by Blake and Mouton and with their Ohio State and Michigan Universities studies. They created a so-called "Managerial Grid", focusing on production and

relationship orientations of leaders. The grid presents five behavioural styles of leadership, based on “concern for production” and “concern for people” orientations (Blake & Mouton, 1994). The disadvantage of this theory is the inability to accurately determine the position of the leader on this lattice, as the information that can be obtained from both the leader and his subordinates, is unlikely to be complete and truthful.

Ohio State Leadership studies were also accompanied by Hemphill and his colleagues, who developed around 1,800 statements aiming to describe different aspects of leaders’ behaviour. Most statements were assigned to different subscales. It is vital to note that researchers agreed on 150 statements and assigned them to one subscale. Later on, scientists used these statements to develop the first form of the Leader Behaviour Description Questionnaire (LBDQ) (Hemphill & Coons, 1957). The questionnaire consisted of 40 statements and was aimed to measure the two factors of consideration and initiation.

Speaking about behavioural approach, it is important to mention Bowers and Seashore (1966) and their four-factor theory of leadership, based on the study of insurance offices. This theory was applicable to the activities of group members, as well as for the formal leader. Therefore, scientists defined two parallel structures of leadership: Supervisory and Peer leadership. The main conclusion of this study was that leaders who follow the democratic (peer, participative) styles tend to be more successful.

To sum up, the behavioural theories possess several weaknesses, just as trait theories. Their major weakness is that they ignore the important role of situational factors (Mullins, 1999).

1.1.3 Situational approach. Leadership styles studies: Fiedler’s theory of leadership

As a result of deep analysis of behavioural approach critics, scientists created a new line of research, the so-called situational approach, where almost all authors followed the same path in their conceptions. They chose a major factor that describes the situation of interaction between leader and followers, and on this basis offered a range of styles of leadership behaviour, optimal for different situations. The very first one was the work of Fiedler (1967), who stated that leadership style reflects the motivation of a leader, while the specific forms of behaviour depend on situational factors that at the end determine

the effectiveness of the leader. Fiedler's starting point was also the distinction between task-oriented leadership and consideration (Sadler, 2003).

Past studies proved that it is impossibly hard to answer the question, which of the two leadership approaches is the most effective. Different theories and studies produced evidence to support each approach, concluding that different types of group need different types of leadership. Fiedler went beyond that and tried to establish the exact conditions in which each leadership style would be the most effective. In his study, Fiedler introduced a fundamentally new characteristic of leaders, a tolerance to least preferred co-workers.

Fiedler (1967) proposed to measure the individual's leadership orientation with the least preferred co-worker scale (LPC) (Fiedler, 1967). In this questionnaire, the leaders are asked to think of all the co-workers and to rate them on the scale from 1 to 8 of positive characteristics (supportive, open) and negative (uncooperative, unfriendly) as most and least preferred to work with. According to Fiedler, people-oriented leadership style corresponds to the high LPC scores and a low LPC score corresponds to the task-orientation (Fiedler, 1967).

1.1.4 House's theory

Later on, House (1971) proposed the path-goal concept, naming several situational moderators of task- and person-relationship relationships and their effects (Lussier & Achua, 2009).

In his theory, House tried to explain how a performance and satisfaction of the followers is influenced by the behaviour of a leader. On top of that, author offered a choice of four leadership styles: directive, supportive, participative and achievement-oriented. This choice, according to House (1971), should be done taking into account situational factors such as the identity of the subordinate, as well as characteristics of the environment. The path-goal model, according to House (1971), is mostly used to explore employee objectives and clarify how the four leadership styles choice can be used to achieve them.

As mentioned above, the original leadership styles model included only the directive (task-oriented) and supportive (people-oriented) (Blake & Mouton, 1994). House added to these two leadership styles a new one, the achievement-oriented leadership style

(House, 1971). Speaking about directive leadership style, it is important to note that it is usually based on formal authority and high structure. As for supportive leadership style, it is based on the high consideration and weak formal authority. Supportive leadership style is appropriate when the environmental tasks are simple. In the latest, achievement-oriented leadership style, the leader is capable of both directive and supportive behaviour towards subordinates (Lussier & Achua, 2009).

1.1.5. Hersey and Blanchard's model

Several years later, Hersey and Blanchard (1993) have proposed a model, where the main situational factor was the so-called "readiness" of followers, which, in its turn, was composed of their willingness and desire to do the work and self-confidence. As for the leadership style, according to this model, the people-oriented style is appropriate where the subordinate maturity is high, and task-oriented leadership is appropriate where the subordinate maturity is low. In the division of leadership styles, these two scientists go further and divide them into such four: selling (high concern for both tasks and subordinates), telling (directive, high concern for tasks and low concern for people), participating (high concern for people and low concern for tasks) and delegating (low concern for both subordinates and tasks) (Daft, 2007). It is important to note that Hersey and Blanchard believe that there is no one and only correct leadership style for all the situations, as leaderships behaviours are conditioned by the context or by the situation where they are incorporated.

However, the concept of "leadership style" does not fully describe all the activities to be undertaken by the leader. An example of such activity is the decision-making. If the leader chooses a participatory style, then he or she should involve subordinates in the development and decision-making. Still, in certain cases the leader has to take decisions alone, regardless the leadership style he or she chooses. This fact illustrates the incompleteness of "leadership styles" approach.

1.1.4 Vroom and Yetton's approach

Vroom and Yetton developed an approach, where the leader chooses a decision-making method that depends on the available information, importance of the decision and the circle of interested people (Vroom & Yetton, 1974). In their book, Vroom and Yetton wrote that "it should be possible to define leader behaviours representing clear

alternative processes for making decisions that can be related to the amount of participation each process affords the managers' subordinates" (Vroom & Yetton, 1974). Just as Hersey and Blanchard, Vroom and Yetton believe that no one and only leadership model or method can be applicable to all situations. As for their understanding, the main goal of the leadership model should be to provide a framework for analysis of situational factors that can be taken into account in the choice of a leadership style.

To sum up, it is important to note that situational and contingency theories emphasize the importance of different factors. But the main point of all the studies done in this area is that leadership effectiveness depends on the leader's perception and understanding of situational factors, and as a result, a choice of the appropriate style to deal with each circumstance (Ogbonna & Harris, 2000).

1.1.5 Leader-member exchange theory by Graen

The rise of interest in group dynamics and team building in the early 1970th has led leadership researchers to a new problem: how to take into account the differences in the relationships between leader and different followers? The greatest contribution to the development of this area was made by Graen, who along with his colleagues developed a theory of exchange (leader-member exchange, or LMX). According to this theory, the leader does not treat the group as something integral, monolithic. The interaction of leaders and followers occurs in dyads and the relationships between the leader and different followers are quite independent from the relationships within the dyad. Leader does not rise above a group of followers, and is one of the participants in the interaction, within the dyad. The vertical dyad corresponds to the relationship between leader and subordinate as an interaction of mutual influence. It represents the relationship between leader and each follower rather than between leader and the whole group (Bass & Bass, 2009).

According to Graen and his colleagues, leader creates two types of relations with his followers. The first type of relationship involves a close contact, strong support from the leader, a high level of trust; such relations are established with members of the so-called in-groups. The second type of relationship is characterized by a greater detachment, not as frequent contacts, less support. Such relations are established with members of the out-groups. The allocation of subordinates into these two groups is determined by an

early stage of his or her interactions with the leader (Dansereau, Cashman, Graen, 1973; Graen, Schiemann, 1978).

This model has been experimentally verified, but the received data was not consistent enough to validate the basic construct models. Therefore, practical researchers noted that it is necessary to revise the basic operational concepts of this model.

To continue Graen's approach, Seers (1989) proposed two other directions in exchange theory: the team-member exchange (TMX) and the member-member exchange (MMX) (Mazur, 2014). According to Bakar and Sheer (2013), TMX stands for the degree of reciprocity of the information, recognition and help between members of the workgroup. TMX can also be perceived as quality of working relationships with one's team members at work. Unlike LMX that is dyadic, TMX refers to voluntary exchanges between one member and the rest of the group and it is not dyadic.

Tse, Dasborough and Ashkanasy (2008) state that there is an empirical evidence that demonstrates that individuals who experience high-quality team-member relationships are more likely to assist each other, share ideas and information within working team. Bakar and Sheer (2013) suggest that leader-member exchange is most likely to influence team-member exchange and group cohesion.

The MMX exchange type refers to each of the member-member dyads (Keup, Bruning, and Seers, 2014). The quality of member-member relationships defines the overall character of a team. Keup et al. (2014) state that the MMX relationships have a unique contribution to work group results and it's beyond the dyadic LMX relationships and the overall TMX relationships.

1.1.6 Theory of transactional and transformational leadership

Around the same time, the two new concepts were introduced: transactional and transformational leadership (Burns, 1978). These concepts describe the special relationship between the leader and subordinates. The first term corresponds to the situation of the exchange between leader and followers, and the second - to a strong moral influence on the subordinate, transforming his personality. The term transformational leadership was subsequently used to describe the impact of the leader on the organization (Tichy & Devanna, 1990).

The concept of transactional and transformational leadership was sufficiently discussed in the American theoretical and empirical literature on leadership since the second half 1970th (Burns, 1978; Bass, 1985). Several studies in this approach (Bass, 1985) pointed out that while transactional leadership provides the expected efficiency of the employees, the transformational leader is able to establish such relationships with them, that the level of effectiveness can surpass any expectations. According to Hamstra, Van Yeperen, Wisse and Sassenberg, (2011) transformational leaders encourage followers to stress their ideas, positive expectations, to organize their work with optimism, positive expectations, and an abstract long-term plan.

J. Burns was the first to conceptualize the ideas of the transformational and transactional leadership. The idea was that the successful leader is not limited to the type of transaction of “if employee fulfils the task - receives reward” (Burns, 1978). According to Burns (1978), transactional leader defines the goals of their subordinates and formulates his expected results. As well, he carries out positive and negative feedback and specifies the benefits that will be given to employees if they fulfil the task successfully. Within the transactional type of interaction remuneration is, in fact, the main motive that determines the quality of work of employees.

Nahum-Shani and Somech (2011) suggested that transactional leaders are more likely to have less influence on the behavior of their employees, that can't be quantitatively measured and rewarded.

Meanwhile, Burns has shown that leadership, built on the transaction, imposes a number of restrictions on the ability of leader to motivate his subordinates. In particular, he drew attention to the situational limitations of transactional leadership, namely, the direct relationship between the effectiveness of leadership processes and the state of the internal and external environment where leader works. The transaction is most effective in the stable and predictable environment. When the balance of environment is disturbed and requires innovative changes in the activities of employees, motivation, based on transactions, limits the ability of a leader to persuade employees to adopt to innovative challenges.

In the middle of 1980th the conceptual status of Burn's situational limitations of transactional leadership was developed in an integrated theory of transformational transactional leadership, theoretically substantiated and experimentally tested by Bass

(Bass, 1985). Together with his followers, he marked the beginning of the scientific school of transformational leadership.

According to Bass (1985), leaders can be considered transformational, when they use non-trivial purposes as means of subordinates' motivation that require non-trivial decisions. Often, the success is defined by the ability to find a genuine solution in an irregular situation. The ability to think creatively and to act not according to the pattern of the elusive goal is at the same time an effective mechanism for the employees to evaluate their own level of professionalism. The need for such evaluation occurs when the goal can't be achieved by existing methods. Consequently, transformational leader motivates the employees by satisfying their need in self-actualization in exchange for the achievement of organizational goals. Transformational leadership style may signify for followers that learning is a central competence as transformational leaders are continuous intellectually stimulating the followers and encouraging them to look at things from new perspectives (Hamstra, Van Yperen, Wisse & Sassenberg, 2013). The opportunity to interact with an extraordinary leader, focused on meeting the needs of the highest order, is often the central motive for subordinates' performance.

One of the key Bass's concepts is a statement that transformational leadership should not directly oppose the transactional leadership. Firstly, comparing the data of leadership styles awakes the temptation to differentiate them into a better and a worse ones, regardless of the context-specific management situation. Secondly, leader should not have solely negative focus on results and the dominance of control functions. Abandoning some of the transactional functions in interaction with employees, transformational leader risks to idealize relationship with them in terms of achieving the organization's objectives.

Regarding this, Bass and Avolio (1994) propose the idea of the rising continuum of leadership styles (full range model of leadership). In this model, the lower part of the continuum is represented by transactional leadership behaviors, when the higher part corresponds to the transformational types of behavior.

The above-mentioned continuum starts with "laissez-faire" leadership that does not belong to transactional or transformational style. It is a type of leadership behavior, where the leader is avoiding any kind of initiative, takes a purely passive leadership position in the process and directs much of its efforts on maintaining the existing status

quo. Such leader does not see himself as a responsible for matters, related to the activities of his subordinates (from the evaluation of the results of their work and to the search of their professional development).

Such leader's passivity can also be viewed as a consciously implemented strategy. Such leader usually believes that this behavior allows him to help employees with their professional and personal development, as they are forced to make important decisions without leader's formal participation. Nevertheless, the actual reasons that cause leaders' strive for isolation, lie within his total indifference to the results of the employee's work and the desire not to participate not only in the decision making, but also in the discussion. Chaudhry and Javed (2012) support this point of view and state that this leadership style can be effective in a group of well-motivated specialists, for example, scientists.

Being at the bottom of leadership styles continuum, "laissez-faire" is replaced by transactional leadership. As already mentioned, the relationship between transactional leader and his subordinates are often build on the contract basis, when the employee agrees to meet the expectations of the leader only "in exchange" for something. It is assumed that the leader has the ability to regulate an essential aspect of such exchange. However, his work on the implementation of the regulatory role may be passive, active or situational. Therefore Bass and Avolio (Bass & Avolio, 1994) divide a transactional leadership style into passive, active and situational forms (contingent reward). Contingent reward means that followers receive rewarding stimulus when they accomplish their tasks (Breevaart, Bakker, Hetland, Demerouti, Olsen, & Espevik, 2014). However, according to breevaart et al. (2014), the contingent reward is transactional when these stimulus are material and it is transformational when they are psychological in nature (for example, recognition, praise).

The next leadership style in Bass-Avolio continuum is a passive form of transactional leadership (Bass & Avolio, 1994). It is characterized by such leader's behavior, when he or she is active only in case of the problem situation. Such activity appears in a form of engaging employees into the solution search. Unfortunately, such reaction is usually too late, and the possibility to remove negative outcomes becomes minimal or not evident. Leader's passivity leads to the late problem's diagnosis.

Bass and Avolio put the active form of transactional leadership on the next stage on leadership styles continuum (Bass & Avolio, 1994). Such leaders are characterized by much more active participation in diagnosis of problematic situations of personal, interpersonal, group and organizational nature. They emphasize task-specific, short-term success at the minimum standards of performance (Hamstra, Van Yperen, Wisse & Sassenberg, 2014). Unlike the leader of previous leadership style, leaders of this style are consistent in identification of the causes of organizational crises, and in preventing them. Such a leader is more interested in the vital functions of the organization. At the same time, such leader is very rational. Monitoring and control functions dominate the activities of such leaders, and they rarely go beyond the supervisory role.

It is important to note that both active and passive transactional leaders do not share responsibility for the errors or problems made by their subordinates. In this case, the only way to fix such errors and to prevent them in the future is to implement disciplinary action against subordinates. Using disciplinary methods to influence the performance of subordinates contributes to the development of negative attitude to the leaders. Thus, both forms of the transactional leadership styles are unproductive in terms of developing creativity, initiative and independent thinking of the employees. According to the research of Avolio and Bass (1994), working in a team, guided by a transactional leader for a long time atrophies leadership qualities of the subordinates, promotes the formation of lack of initiative and conformism.

The transformational leadership should be perceived as complementary to the transactional concept on the following four dimensions of leader's behavior: charismatic leadership/idealized influence; intellectual stimulation of subordinates; motivation as an inspiration to achieve the highest results; individualization of relationships with subordinates (Bass & Avolio, 1994).

Charismatic leadership/idealized influence characterize the behavior of the leader, based on his collaboration with the employees, in which he is a model of his expectations from subordinates. Personalized relations with subordinates (individualized consideration) characterize the behavior that reflects the level of leader's personal attention to his subordinates, for their personal and professional development, and is also aimed to harmonize the goals of the organization with the personal goals of its employees.

Stimulation of the subordinates' intellectual capabilities (intellectual stimulation) refers to the extent to which leaders cause followers to think creatively, take risks and develop intellectually (Harms & Credé, 2010). Inspirational motivation reflects a behavior of the leader, when his personality is represented by a complex of personal (dynamism, self-confidence, sense of humor), professional (competence, experience, ethics) and social (emotional development, competence in communication) characteristics, is the source of inspiration for the employees, motivating them not only to meet the expectations of a leader, but to exceed them.

Synthesis of these types of behavior forms a transformational leadership style that is characterized by a mutual cooperation, allows the leader to cultivate leadership qualities in the employees. According to Groves and LaRocca (2011) transformational leaders in the organizations promote values as honesty, loyalty and fairness, and give the highest importance to values of equality, justice and human rights.

On the basis of three parameters of transactional and four parameters of transformational leadership behavior Bass and Avolio (1997) developed a multifactor leadership questionnaire (MLQ), that in now the main diagnostic tool of transformational or transactional orientation of the leader's behavior.

To conclude, it is important to specify that according to Bass, in the transactional leadership concept appear as negotiators who obtain a decision-making power within the group of subordinates (Ruggieri, 2013). The transformational leadership concept, on contrary, refers to the leaders, who cause subordinates to seek for rewards within themselves and the inner motivation, and who facilitate the personal growth and self-awareness of their employees.

At the present stage of development of transactional and transformational theories, there is a growing interest in research of leadership processes outside of the corporate environment. Thus, a separate line of the transactional and transformational leadership styles research is made in the context of the interaction of the leader and subordinates in secondary and higher education. Such studies were conducted by scientists from Australia (Barnett & McCormick, 2004), USA (Hallinger & Heck, 1999).

Other studies were developed in the traditional for the theories of leadership corporate context. One of the most recent focuses here is the study of the gender dimension of

corporate leadership. On the basis of determining the relation between leader's gender and the choice of the leadership strategy, some researchers proposed to consider gender and age factors as the predictive for Transformational or Transactional leadership behavior (Bass, Avolio and Atwater, 1996; Burke & Collins, 2001).

1.1.7 Kerr and Jermier's contribution into leadership theories development

Speaking about the other theories of leadership, it is important to mention the Kerr and Jermier concept, as they were the first scientists to presume the possible redundancy of leadership (Davies & West-Burnham, 2003). In 1978, they pointed out that leadership is not needed for the effective organizational performance. They noted that there are so-called "alternatives" to leadership, factors that are associated with the personalities of the subordinates, the specifics of the organizational structure that can make leadership unnecessary or even redundant (Kerr & Jermier, 1978). Besides that, they drew attention to the existence of leadership converters, like any features of the task or organization that reduce the leader's attempts to influence the situation. According to Davies and West-Burnham, such discoveries narrowed the need for the direct leader influence, and after it complicated the identification of its locus and form (Davies & West-Burnham, 2003).

1.1.8 Yukl's multiple linkage model

An important step towards integrating the multifaceted problems of leadership theory was a multiple linkage model by Yukl (1981). To describe the effectiveness of leader's influence on the group, Yukl reviews the structured system of leader's behaviours. The author divides factors of influence into two groups. The first one (factors of the direct influence) includes the leader's influence on the intensity of the efforts that subordinates make to do the work, on knowledge of the business, resource allocation, collaboration between members of the group, its cohesion and the coordination of interactions between individuals. Yukl named the second group a group of situational factors. It includes a formal reward system in the organization, the types of tasks performed by employees, the rules and procedures adopted by the organization, as well as the technology used. From the author's point of view, in the short term perspective factors of direct influence have the stronger impact on effectiveness, while in the long term perspective the ability of the leader to regulate situational factors is more important.

1.1.9 Theory of cognitive resources by Fiedler and Garcia

Finally, the list of the classical theories of leadership can be attributed by a theory of cognitive resources described in the book by Fiedler and Garcia (1987). The two most important concepts of the theory are the intelligence and experience of the leader. The theory argues that intellectual resources can contribute to the performance of the group, but only under certain conditions, in particular if it follows the guidance of the leader.

An important factor that affects the efficiency of the use of leader's intelligence is the stress. At its low levels intellectual potential plays the main role, and at the high level the main role belongs to experience. Excessive reliance on experience in low stress condition can adversely affect the performance of the group. In fact, this theory pays more attention to the leader's personality than the previous ones, and therefore it is the link between the classical approaches to the leadership and modern research that focus mainly on the person.

1.2 Studies of the links between leadership and performance

According to Thomas Packard, the concept of organizational performance has been studied before, and yet there are open fields for research in the links between organizational climate, leadership and performance (Patti, 2009). Packard mentions that leadership within organizations should focus on performance and on achieving the desirable results. Verweire and Berghe (2004) define organizational performance in terms of the "value that an organization creates with the help of its productive assets in comparison with the value that the owners of these assets expect to obtain".

Choudhary et al. (2013) point out that any organization's main goal is to maintain the competitive advantage. They suggest that organizational performance can be measured through cost reduction, sales volume and turnover. Santos-Vijande, López-Sánchez and Trespalacios (2012) state that in today's unstable environment the achievement of competitive advantage is connected with the organizations' ability to provide a long-term customer value. Day and Wensley (1988) proposed a competitive advantage model, where they suggest that organizational performance outcomes are customer loyalty, profitability and market share.

Jahanshahi, Rezaei, Nawaser, Ranjbar and Pitamber (2012) suggest that organizational performance falls into three categories: financial or accounting performance

(profitability – return on sales, assets, investment and equity), operational performance (market share, customer satisfaction, new product introduction) and market-based performance (stock market returns).

According to Heuristic model, there are several factors that influence organizational performance, and leadership is one of them (Patti, 2009). Together with leadership traits, competencies, styles and approaches the organizational performance is influenced by organizational contingency factors, leader-member processes, culture, climate in the organization, as well as by program and management capacity, staff attributes, demographics and job satisfaction.

The research of the relation between leadership style and organizational performance can be found most of all in the works of Yukl (1998), Latham and Saari (1979), Sashkin and Fulmer (1988). For example, Latham and Saari (1979) proved a connection between people-oriented leadership and performance, on contrary to the task-oriented leadership and performance. Moreover, Sashkin and Fulmer (1988) noted that the best performing leaders tend to use a mixture of people and task oriented leadership styles. According to Yukl (1998), they can selectively choose the appropriate style given the situation. In the any organization the leaders are usually the final decision makers, and so they determine the development of the employees, deployment of organizational resources and the delivery of the end product to organizational stakeholders.

Knowledge of how leadership styles, organizational culture type and business strategies influence the performance and success of the organization may provide the companies with the future growth paths and expansion strategies.

Remembering that Peter Drucker once said that “Leadership is all about results”, it is important to note that achieving set goals in modern changing world requires a new kind of leadership (Johnson, 2001) Thus, the success of the leader’s performance depends on the extent to which company have achieved its business objectives.

Another question that has always been the matter of discussion is the methods of organizational performance measurement. The first attempts of organizational performance measurement were mainly based on estimating the results in the financial sphere (profit and cost) and then spread into measuring the quality and quantity key performance indicators (clients, scope). While Lenz (1981) believes that organizational

performance is a complex and multi-dimensional phenomenon, Ogbonna and Harris (2000) suggest that the performance should be measured taking into account the customer focus and competitor centered perspectives. According to Kaiser, Hogan and Craig (2008) organizational outcomes can be seen through productivity (quantity and quality of provided services and goods), financial performance (revenues and profits), customers (satisfaction and retention), human resources (turnover and safety), innovation and improvements. In terms of measurement, these outcomes are objective as their value doesn't depend of the subjective opinion.

In current research the measurement of organizational performance will be carried out following the example of Ogbonna and Harris' research. They suggested that measuring the customer satisfaction, sales growth, market share, competitive advantage, and sales volume will allow us to have a complete image of the organizational performance (Ogbonna and Harris, 2000). Following that, the five above mentioned factors are considered as the key performance indicators.

1.3 Organizational culture definition

Organizational culture as any culture in general, is formed in the process of joint activities of the organization members. However, culture is formed spontaneously within human activity and continuous development. The process of creating an organizational culture, on contrary, should always be conscious and followed by the control over its further development.

There are several approaches to defining the organizational culture. The first group includes definitions that emphasize the role of the employees and the main activities of the organization. This approach is mainly represented by Edgar Schein. According to Schein and Becker, organizational culture is "a system of shared meanings held by members that distinguishes the organization from other organizations" (Dwivedi, 1995).

The second group of definitions is focused on the elements of the organizational culture. Richard Daft (2009), as one of its followers, defines organizational culture as a set of basic values, beliefs, agreements and norms shared by all members of the community or organization.

Gary Dessler proposed three approaches to define the organizational culture - structural, subjective and synthetic (Dwivedi, 1995). The structural approaches defines

organizational culture as the set of characteristics that differentiate the organization from the others, and affect the behavior of its employees. The second, subjective approach views culture from the “feeling” that the employees have towards the organization (Dwivedi, 1995). And the last, synthetic approach combines the ideas of structural and subjective approaches. Organizational culture is viewed from the point of the subjective influence of the formal system. The leadership style of the managers together with other environmental factors influences the attitudes, beliefs, values and motivation of the employees.

Research in the field of organizational culture has quite a long history. Management practitioners and theorists from USA and Western Europe were one of the first ones who drew attention to the organizational culture as to the intangible factor of successful competition. Alongside with the objective reasons (change in market conditions, the tightening of international and internal competition, availability of information, the threat of crises) such a high interest in the organizational culture in the United States and Western Europe was caused by the idea of raising the effectiveness of organizations by creating ethical values, humanization of the enterprises.

1.3.1 Mayo’s organizational culture theory

One of the first researchers of the internal climate in the organizations was Elton Mayo. In the middle 20s - beginning of 30s of 20th century, during the Hawthorne experiment at the Western Electric Company, he revealed that the productivity is affected by the hidden psychological and social factors that have not been taken into account before (Trahair, 2009). The findings of E. Mayo contained provisions on the importance of common values that unite people, as well with that in addition to the formal organizational structure there is a certain social structure that affects the behavior and motivation of employees. According to Richard Trahair (2009), the “Hawthorne effect” means that the productivity of workers will increase, if they feel good at the working place and have a strong attachment to the authority figures involved.

1.3.2 Cameron and Quinn’s organizational culture theory

When speaking about the history of organizational culture research, it is also important to mention the names of Kim Cameron and Robert Quinn (2011). At the end of 90s of the past century they defined main types of organizational culture, developed a method

of its diagnosing. They have identified the following types of organizational culture: Clan culture, Adhocracy culture, Market culture and Hierarchy culture (Cameron and Quinn, 2011). According to the Cameron-Quinn theory, organization with a Clan culture focuses on a flexibility in decision-making within the organization, caring for people, and excellent treatment of stakeholders. Morale and team unity are at the high importance. Success is determined by the customer service delivered and care about the people.

Quinn and Rohrbaugh (1983) proposed the Competing Values Framework (CVF) – the four organizational culture quadrants (Figure 1). This framework has been empirically validated by Kwan and Walker (2004), it was also accepted as a model that identifies the type of culture, dominating in the organization.

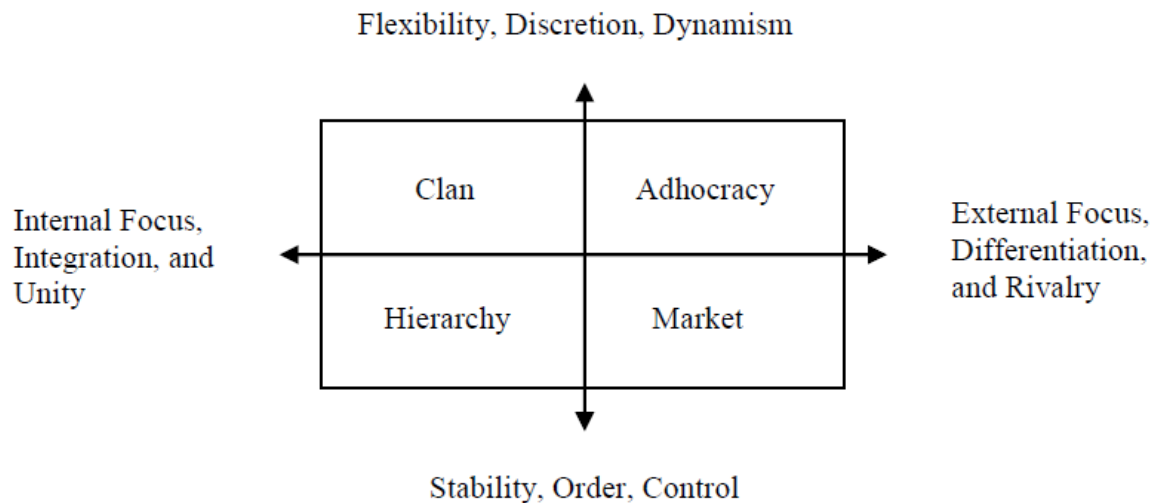


Figure 1 The Competing Values Framework (Quinn and Rohrbaugh, 1983)

According to Gardner, Reithel, Coglistter, Walumbwa and Foley (2012), each quadrant of CVF has a polar opposite one (flexibility against stability and internal vs. external orientation). For example, the clan culture promotes teamwork, cohesion and loyalty and is located in the internal/stable quadrant that is the opposite of the market culture that values competition and achievement. The same, the hierarchy culture’s emphasis on norms, policies and control is the opposite of adhocracy culture that focuses on creativity and innovation (Gardner et al., 2012).

Organization with prevailing Adhocracy type of culture focuses on the outermost positions in combination with high flexibility and personalized approach. Within such

type of culture, people are willing to take risks and leadership style is rather innovative (Cameron & Quinn, 2011). Usually, the organization is connected by dedication to the experimentation and innovation. In such organizations, success means the production of unique new products, personal initiative and freedom is encouraged among members.

Hierarchy culture is usually established within organizations that focus on domestic support, stability and control. Working place in the organizations with hierarchical culture is usually highly formalized and structured, and leaders are usually the rationally minded coordinators and organizers. The formal rules and official policies unite such organization. In the organizations with a hierarchical culture success is measured by the absence of the delays according to the initial plans and by lowering the cost of the projects. Personnel management is usually focused on a job security and long-term predictability.

According to Cameron and Quinn (2011), organizations with market culture focus on external positions in conjunction with the desired stability and control. The main focus of such organizations is performing the task and achieving the goal. In the market culture organizations leaders are usually tough competitors, the employees are connected by the desire to win. Success in such organizations is measured by the market share and the degree of market penetration, while special attention is given to the reputation of the company.

1.3.3 Handy's organizational cultures types

As there are several approaches to the definition of the organizational culture, there are several classifications of the organizational culture types.

Charles Handy, the follower of the structural views on the organizational culture, identified its four main types: Power culture, Role culture, Task culture and Person culture (Millmore, 2007). These four types of organizational culture differ by the nature of organization's management and by how authority is distributed within an organization. Handy emphasizes that, although these types do not have a high level of severity, the different power structure they encyst impacts the organization's lifestyle.

In a power culture, according to Handy, there is a single source of power, and this internal organization of power is highly dependent on trust, empathy and communication. Within such organization, authority comes from the controlled

resources and the leader's charisma. Within the role culture, on contrary, individual's power is determined by the rules and structures of the organization rather than its leader (Millmore, 2007). In a task culture, according to Handy, power circulation is rather based on the employees' expertise than leader's charisma. Within a person culture, power is distributed between each of the individual members, while rules and procedures have the minimal importance. Such type of culture, to Handy's point of view, can be represented by the very few organizations. Usually it is possible within a group of people who decide that it is in everyone's best interest to unite as independent individuals (can be seen in a doctors' practice) (Millmore, 2007).

1.3.4 Hofstede's theory of cultures

Dutch researcher Geert Hofstede (2010) proposed the classification of organizational culture according to following aspects: individualism or collectivism; masculinity or femininity; uncertainty-avoidance; power-distance; long term or short term orientation (Hofstede, Hofstede & Minkov, 2010). For Hofstede, the power-distance dimension stands for the degree of inequality in prestige, wealth and power (Phongpaibul, 2007). Hofstede describes the power-distance dimension as "a measure of interpersonal power influence between B (boss) and S (subordinate) as perceived by the less powerful subordinates" (Hofstede et al., 2010). In high power distance societies and organizations, subordinates are being dominated and depend on their bosses. While the managers are expected to be authoritative, subordinates are expected to do what they were told by the managers. Hofstede provides the examples of the high and low power distance gap, the Thai and the US cultures accordingly (Hofstede et al., 2010). In Thailand, the power distance gap between the bosses and subordinates is high, so it is more likely that the subordinates will not contradict the bosses directly. In the US culture, with lower power-distance gap, the bosses respect the opinion of subordinates so they feel free enough to disagree with the decisions of the bosses.

Uncertainty-avoidance dimension, according to Hofstede, is related to the way people in societies deal with the uncertain situations. In the high uncertainty avoidance societies, people tend to avoid them by following the formal rules. Different societies choose different ways to cope with the uncertainty: technologies, rules and religion.

The third dimension, individualism and collectivism, is related to the importance of the individual for a society. For the societies with the high degree of individualism each

individual is important, members of such societies respect their private lives and make decisions based on their achievements. In highly collectivist cultures, on contrary, the decisions are made as a group. In the societies with low individualist tendency, people live together or close to their relatives or clan members, while “others” are classified as in-group or out-group (Boden, 2008). In such cultures the individual has low public self-consciousness and is directed by the others. Managers in collectivist organizations demand conformity and orderliness. Hofstede is providing an example of the US as a highly individualistic culture and Thailand as the highly collectivist one (Hofstede et al., 2010).

As for the masculinity and femininity dimension, it indicates the extent to which the societies favor dominance, achievement and assertiveness versus people orientation, social support and quality of life. Societies with the high femininity have weak gender differentiation, the focus usually is on equality and solidarity. According to Boden, in the feminine organizations more women have management jobs, however, the smaller wage gap between men and women still exists (Boden, 2008). On contrary, in the masculine organizations fewer women take management positions, and there is a larger wage gap between men and women.

At first, Geert Hofstede came up with only four dimensions. Then he has studied South-East Asian cultures and added the fifth dimension to the original list (Boden, 2008). It was the dimension of the long term vs short term orientation that is related to the focus of people’s efforts: on future or on present (Boden, 2008). People in the long-term oriented societies are always planning for the future. When working at the company, they expect a long-term reward. According to Hofstede, European and American societies tend to be more short-term oriented.

1.3.5 Daft’s theory organizational culture’s influencers

Richard Daft in his book “Management” (Daft, 2011) has examined the external and internal environmental factors that influence the organizational performance and culture. Daft divides the external environmental factors into general and task environments (Daft, 2011). The general environment includes technological, natural, sociocultural, economical, legal/political and international (national culture and mentality, applicable for the organizations that operate internationally) factors (Daft, 2011). The task environment includes such influencers: customers, competitors,

suppliers, labor market. It is important to note that any efforts associated with the changes or improvement of organizational culture can be offset by the negative impact of any of those factors. Neglecting the influence of various external and internal processes, events on organizational culture can lead to the loss of time, human resources and money.

The first group of influencers, the international factors, represents, according to Daft, “events origination in foreign countries as well as opportunities for American companies in other countries” (Daft, 2011). These factors impact the organizational performance and culture by the formation of the overall direction and trends within the organizations (globalization, informational economics), as well as the establishment of universal values. When a company goes international, it has to put up with the local competitors, customers and suppliers. At the same time, foreign companies that enter the market of a particular country, influence the local companies. Daft provides us with the example, that when Japanese and Korean automobile companies have entered the American market, it has changed the American automobile industry.

The next dimension, a technological one, refers to the scientific and technological advancements in a specific industry as well as in society in general (Daft, 2011). The focus change of scientific and technological progress, from technical direction to genetic engineering, biotechnology, Information Technology and Telecommunications forces organizations to shift the focus of their production and business activities.

The third, sociocultural group of influencers includes the geographical region organization operates in, demographic characteristics, as well as norms, customs, vales and religion (the greatest influence is in the Muslim world and other Eastern cultures).

According to Daft, the economic group of factors refers to the general economic health of the country or region where the organization operates (Daft, 2011). They determine the living standards of the population, specific conditions of the functioning of organizations in the country. All this affects organizational culture through the formation of values, a certain degree of social protection of workers, the level of social responsibility of the organization to the community.

The next group of factors, the legal-political, includes governmental regulations at the local and state levels, and political activities designed to influence the company

behavior. Legislative acts, directly or indirectly regulate certain provisions of the organizational culture. For example, the requirements to the labor organization, nutrition, recreation, requirements for appearance, possible sanctions and incentives. The provisions of the organizational culture must be lawful.

The last group of general environmental factors, natural, refers to demand for the organizations not to use the earth's diminishing natural resources and to watch the environmental impact of their products (Daft, 2011).

When speaking about task environmental factors, the first ones to mention would be the customers, meaning the people and organizations that acquire goods or services from the organization (Daft, 2011). The modern consumer dictates the market. Therefore, in case goods and services production, the development of corporate identity, creation of its brand, and new ways to reach consumers acquires increasing importance.

Competitors are also within the group of task environmental factors that influence organizational performance and culture. As well as competitors, suppliers belong to the group of task environment influencers. According to Daft, suppliers provide raw materials that organizations use to produce the output (Daft, 2011). For a school, for example, the suppliers would be the ones providing textbooks, computers, cafeteria food.

The next factor is labor market that represents people in environment who can be organizations' potential employees. For example, if the labor market is dominated by low-skilled professionals and a shortage of highly skilled and educated workers is noticeable, it will be difficult to guide organizations employees towards the research, development, new ideas or creativity. One more vector of influence lies in the social guarantees that organization can provide in terms of labor process quality. People will seek to work for the company with the desired organizational culture.

Regarding the internal environment, Richard Daft specifies the following factors: "current employees, management style, corporate culture, production technology, organizational structure and physical facilities" (Daft, 2011). Daft specifies that the organizational culture can be seen on two levels: the surface level, meaning the artifacts, such as dressing style, symbols, slogans and ceremonies, and the deeper values and shared understandings level. According to the author, the organization's culture

fundamental values can be characterized by the symbols, stories, heroes, slogans and ceremonies (Daft, 2011). Managers should always analyze and take into account the influence of external and internal environmental factors. This information may be used in the process of creation or changing the organizational culture.

1.3.6 Schein's organizational culture theory

According to Edgar Schein, organizational culture can be divided on objective and subjective types (Schein, 2010). Objective organizational culture is associated with the surroundings of the company: the building itself, location, equipment and furniture, colors of the interior, facilities, cafeterias, parking lots and the cars themselves, uniforms, information stands. Subjective organizational culture includes the values, beliefs and ethics, shared among all the employees, spiritual characters (history and myths about the leaders of the organization, rituals, language and communication style of the employees).

One of the most mysterious aspects of any organizational culture is its origins. According to Schein, organizational culture has three main sources: the views, vision and values of the organization founders; the collective experience gained within the creation and development of the organization; new attitudes and values brought by the new members and leaders (Schein, 2010).

Although each of these mechanisms is extremely important, the impact of founders is the most influential factor in the process of creating the organizational culture. The founders not only determine the primary mission and the basis of interaction with the environment, but also attract new members and form the character of its reactions aimed at survival and integration.

Creation and development of organizational culture is a specific business process to be managed along with production, marketing, sales. Organizational culture is created artificially at the same time as establishment of the company, so it should be managed, planned, built and developed in accordance with the requirements of the organization.

Edgar Schein proposes to consider the process of organizational culture formation and development from the perspective of the group (Schein, 2010). From such point of

view, organizational culture would be formed as a result of the process of overcoming the difficulties by the members of organization, as well as by the processes of external adaptation and internal integration.

According to Schein, external adaptation is an organization's response to the demands of external environment (Schein, 2010). The organization usually faces several difficulties in its life cycle, such as survival of the organization on the market, finding its place there and establishing the relationships with business partners, customers, competitors. In the process of external adaptation organization sets its mission, strategy and goals, as well as criteria of employees' performance evaluation.

Internal integration, according to Schein, refers to forming a working team out of separate individuals. Internal integration of the coworkers is usually formed when employees solve any task as a team. The process of internal integration shapes the communication, norms, defines boundaries of the group. Moreover, it influences the criteria of joining and leaving the group, way of sharing the responsibilities, defining incentives and penalties.

Nevertheless, the founder of the organization plays the decisive role in shaping the organizational culture, usually purely based on his own personality and vision. Promoting the original idea, the founder attracts a group of like-minded people to develop it. If the group remains stable for certain period of time, it gradually develops a notion of its own representation, an idea about the environment, ways of survival and development.

1.4 Studies of the links between organizational culture and performance

When speaking about organizational culture and performance, it is impossible not to mention Parsons' General Theory of Action. Parsons suggests that both organizational performance and learning can produce changes in the organizational culture (social system) (April et al., 2012). Talcott Parsons identified a number of functions that any social system, as well as organization must perform in order to survive and succeed: Adaptation to the external environment; Goal attainment; Integration of all parts of the organization; Pattern maintenance in order to reinforce the organizational cultural patterns (April et al., 2012). For the outstanding performance the organization must be

able to adapt to environmental conditions, achieve goals, to integrate its pieces together and to be recognized by other people and organizations.

Besides Parsons, the links between organizational culture and performance were studied by Deal and Kennedy (Murray et al., 2006). The scientists suggest that organizational performance depends on the degree to which the organization shares the common values. They proposed the idea that the two characteristics of the business model play the role of the organizational culture's determinants: the level of risk inherent in the task and the speed of feedback (Murray et al., 2006). Deal and Kennedy's model suggests that the organizational culture may be changed by adjusting the business model along with the dimensions of risk and feedback.

John Kotter and James Heskett emphasized the adaptive capacity of the organizations. As the result of their research, they claim that the non-adaptive cultures are more likely to be less successful in terms of the organization performance (Murray et al., 2006). Scholz (1987) suggested that the link between organizational culture and performance is based on the perceived role that culture plays in the competitive advantage of the organization (Scholz, 1987).

Frost, Moore, Louis, Lundberg and Martin (1985) suggest the way how the organization can create the competitive advantage is by defining the boundaries of the organization in order to facilitate the individual interaction.

Deal and Kennedy, Kotter and Heskett and the others are grouped as "excellence writers" or "excellence literature" followers referring to that they have only studied the highly performing companies. Studying the successful organizations, they came to conclusion that successful organizations can be distinguished by their ability to promote cultural values that are aligned with the company's business strategies. Such ideas first gained high popularity, however, later on, were criticized by the organizational culture and performance researchers (Ogbonna, 1993).

The later studies, especially Gordon and DiTomaso at the end of 20th century provide the research results that show that culture strength and orientation affect the organizational performance, but under the condition if the organizational culture is very strong (Xenikou & Furnham, 2012). The scientists claim that the organizational culture

can be connected with performance only in case the organizational is adaptable to the changes in the environment (Gordon & DiTomaso, 1992).

To conclude, it is important to note that the process of creating organizational culture has been always viewed as the conscious process, where founder plays the decisive role (Schein, 2010). There are several approaches to define organizational culture, with Schein's and Daft's approaches being among the most well-known ones. As for the organizational culture types, Hofstede, Schein, Cameron and Quinn and Handy provided valuable researches in different organizations and cultures to build their conceptions. Speaking about the links between organizational culture and performance, Parsons' suggests that organizational performance influences organizational culture (April et al., 2012).

1.5 Studies of the links between leadership and organizational culture

The need to study the relation between organizational culture and leadership behavior arises from the fact that in the modern world any organization must be dynamic and flexible in its development, open and simultaneously resistant to external factors, effectively responding to a change. That is why all the organization processes should be viewed through the prism of organizational culture and leadership style that predominates there. After all, employees' behavior, as well as organizational climate is determined by the organizational culture. Organizational culture sets quality standards for employees' day-to-day performance, especially in terms of service delivery. Organizational culture affects the quality of organizational communication, it is also directly related to the unity of staff.

Without any doubt, leadership plays a crucial part in building and strengthening the organizational culture. As Schein has mentioned, the uniqueness of leadership, unlike management or administration is in its inextricable link to the organizational culture (Schein, 2010). Leaders create culture and, therefore, should operate it and, if necessary, modify.

Ogbonna and Harris suggest that the relationship between organizational culture and leadership can be discovered though examining how culture has been conceptualized in the organizational theory (Ogbonna & Harris, 2000). For example, Smircich (1983) proposes two approaches to view organizational culture: as a variable and as a root metaphor (Antonsen, 2012). When viewing organizational culture as variable, Smircich

views it as a “component” or the organization. According to such point of view, the culture can be modified by the leader. The second approach is viewing the organization as culture, meaning that organizational culture is something that organization is and not what it has (de Witte & Van Muijen, 1999). Unlike the first approach, the followers of this approach presume that the leader’s behavior may be formed by the culture (Ogbonna & Harris, 2000). Bass and Avolio (1993) support this point of view by stipulating that relationship between leadership and organizational culture is a continuous interaction where the leader shapes the culture and is also being influenced by the resulting organizational culture.

Bass and Avolio viewed the connection between leadership and organizational culture through their conception of transformational and transactional leadership styles (Bass & Avolio, 1993). According to Bass, transformational leaders do work within the organizational culture the way it is but are concerned with changing it (Ray, 2014). Bass suggests that transformational leaders are more likely to promote a culture of high achievement, self-actualization and personal development. To Bass and Avolio’s point of view, namely transformational leadership directly impacts the organizational culture (Ray, 2014). Ogbonna and Harris state that supportive and participative leadership styles have the positive connection to the performance via innovative organizational culture, while task oriented leadership has an indirect impact on the organizational performance (Ogbonna & Harris, 2000).

Following that, Block (in Ray, 2014) suggested that employees who perceive their leader as transformational one, are more likely to rate the organizational culture as adaptive, involving and as the one that has a clear mission (Ray, 2014). Waldman and Yammarino suggested that there is a mutual connection between charismatic leadership style and adaptive organizational culture (Ray, 2014). A mutual connection means that a charismatic leader tends to change an organizational culture to an adaptive one, and adaptive cultures are more likely to raise charismatic leaders. Hennessey has provided an empirical evidence that leadership plays a main role in nurturing the specific culture in their research of the implementation of specific government reforms (Hennessey, 1998).

According to Edgar Schein (2010), changes in the organizational culture occur depending on the stage of organization’s life cycle development. For example, when the

culture is in a growth phase, there are certain ways of how the leader might influence the change of organizational culture. It could involve leader's attention and control; how they allocate resources; how select, promote and dismiss people. It can be helpful as well if employees perceive leaders as role models. However, if the organization is developing successfully and moves to the stage of maturity, such manipulations become insufficient or produce only a surface effect. It turns out that changing deep-rooted representations requires much more effort and time.

The transition usually means the change from the initial stage, when a company is managed by a founder or a family of founders, to the next stage of development, when the organization can be managed by the second, third and fourth generation of managers. The first issue here is the transfer of the operations from the founder to the director of the second generation. Even if it is a son, daughter or other close relative, the nature of the entrepreneur does not allow the founder to easily part with the organization he or she created. With the change of the leader, the culture might change (Schein, 2010).

At the stage of transition conflicts about, whether employees share the elements of existing culture or not, are replaced by conflicts about what is good and bad in the actions of the founders, since a large part of the culture reflects their personal characteristics. The struggle begins between the "conservatives" who share the culture of founders, and the "liberals" or "radicals" that want it to change. The danger of this situation is that the attitude towards the founder is projected on culture and that as a result of attempts to replace the founder the basis of organizational culture can be seriously affected.

From perspective of the company culture, the organization is now in a completely different situation. It is already formed and must maintain its existence by means of continuous growth and updating. The decision should be made whether this growth is achieved through geographic expansion, development of the new products, opening the new markets, mergers and acquisitions, vertical integration in order to reduce costs (Schein, 2010). Past history of growth and development of the organization may not necessarily be considered as a good tool for future success, as the changes in external and, most importantly, in the internal environment of the company could have affected its strengths and weaknesses.

During the period of extensive growth of the organization, corporate culture was the necessary glue that prevented the company from falling apart. At the next stage, the cultural elements are already included in the structure of the organization and its basic processes. Therefore, understanding the culture and conscious attempts to form, integrate or retain it has become less significant. All that the organization has acquired in the first years of its existence, is now accepted as self-evident. At this stage, the dominant values, slogans, visual statements about what the company strives to be and what it supports are created.

The long history of success of organization leads to the formation of a strong culture (Schein, 2010). In a stable external and internal environment it can be an advantage. However, if the changes in the environment occur, some of these ideas may become a burden, purely because of the strength of the organizational culture. Organization reaches the stage of maturity when it is no longer able to grow, when all markets are filled and products are obsolete. According to Schein, maturity is not always related to age, size or number of managers' generations, but rather reflects the interaction between the product of the company and the environment it operates in, more precisely, its capabilities and limitations.

Eagly (2005) speaks about cases where leaders were characterized as transparent and still were not able to achieve authenticity with the followers. Avolio and Gardner (2005) explain that possible reasons for that could be that followers didn't share the core values the leaders were trying to promote. Eagly (2005) adds to that that outsiders, like women, for example, who did not have an access to leadership roles for a long time, will have a harder time in achieving authenticity with the followers.

Avolio and Gardner (2005) state that self-awareness is a component of authentic leadership alongside with several others. They mention as well that authentic leadership in its development embodies an ethical/ moral component (Avolio & Gardner, 2005). May, Chan, Hodges & Avolio (2003) widely discuss the moral component, specifying that authentic leaders use ethical and transparent decision making process to address ethical issues. Gardner, Avolio, Luthans, May and Walumba (2005) state that authentic leaders through internalized regulatory processes and balanced information processing encourage the followers to gain clarity on their values, identity and emotions.

Belias and Koustelios (2014) mention that organizational culture is a social construct and that it is influenced by several demographic factors, like gender, age, position held and educational level. Other researchers, for example, Turner, Oakes, Haslam and McGarty (1994) state that collectivistic types of organizational culture (hierarchy culture, for example) are more likely to give importance to organizational membership as a social category, and at the same time giving less importance to demographic categories.

Porras and Hoffer (1986) were one of the first ones to emphasize the effect of organizational culture on leadership, pointing out that cultural values trends and rules and shaping the leadership style. Schein (1990) as well promotes the statement that leaders should count in and respect cultural elements.

Azanza et al. (2013) state that flexibility-oriented organizational culture type is a breeding ground for authentic leadership. Furthermore, they claim that through honest and transparent relations with employees, authentic leaders stimulate employees' creativity and innovativeness (Azanza et al., 2013).

Systematically influencing the organizational culture, leadership simultaneously affects the organizational effectiveness. Concerning this, it is appropriate to mention that the mismatch between leadership and organizational culture may lead, firstly, to misalignment in relationships between the leader and employees, secondly, to a significant drop in the organizational effectiveness.

To conclude, it is important to note that on one hand, organizational culture involves a set of certain values, norms and expectations, common for the all members of the organization (including the leadership board), and, on the other hand, namely leaders set a certain tone and accents in the organizational culture, which subsequently will affect company's operations. The type of organizational culture and leadership style should not co-exist in the confrontation, but on contrary, must always support each other. This way they both can contribute to the company's effectiveness.

II Research Design and Methodology

The above reviewed literature on the links between leadership, organizational culture and performance shows that the connection between these three phenomena have been studied separately. Namely topics of the connection between leadership and performance, performance and organizational culture, leadership and organizational culture have been researched widely. Only few empirical studies were conducted on the topic of connections of all three phenomena (Ogbonna & Harris, 2000). The weakest empirical proof can be found for the connection between leadership style and performance (Nicholls, 1988). At the same time the links between organizational culture and performance are supported by several empirical researches (Gordon & DiTomaso, 1992). The strongest empirical evidence can be found for the connection between leadership and organizational culture (Bass & Avolio, 1993; Ogbonna and Harris, 2000; Hennesey, 1998).

However, one of the most important aspects of a research design is the development of the appropriate questionnaire (Ogbonna & Harris, 2000). A review of the existing leadership theories suggested that there is a great deal of leadership style questionnaires created by theorists.

For example, Fiedler (1967) proposed to identify the leadership style of a leader by measuring the individual's leadership orientation with the least preferred co-worker scale (LPC) (Fiedler, 1967). In this questionnaire, the leaders are asked to think of all the co-workers and to rate them on the scale from 1 to 8 of positive characteristics (supportive, open) and negative (uncooperative, unfriendly) as most and least preferred to work with. According to Fiedler, people-oriented leadership style corresponds to the high LPC scores and a low LPC score corresponds to the task-orientation (Fiedler, 1967).

Another leadership questionnaire, the Leader Behaviour Description Questionnaire (LBDQ) was proposed by Hemphill and Coons (1957), where group members can describe the leader behaviour. The questionnaire contains items that describe a specific way of how the leader may behave, and the participants are asked to rate their leader's behaviour on the 5-point scale from "always" to "never".

House and Dessler (1974) proposed a 20-item Path-Goal leadership Questionnaire. In this questionnaire, participants are asked to indicate to which extent each statement represents their behaviour and to rate it on the scale from 1 to 7 (never and always accordingly) and their responses are divided into directive, supportive, participative and achievement-oriented leadership styles.

One of the most well-known leadership questionnaires is Multifactor Leadership Questionnaire (MLQ) designed by Bass and Avolio (1997), and its modification an Authentic Leadership Questionnaire (ALQ) (Bass & Avolio, 1997). The MLQ is designed to evaluate three leadership styles: Transformational, Transactional and Passive-Avoidant. In this questionnaire, participants are asked to assess themselves with regard to the specific leadership behaviours and to respond to 45 items, using a 5-point scale.

For the current research the Authentic Leadership Questionnaire (ALQ) was selected as the only accessible valid leadership style assessment tool. In this questionnaire, participants are asked to think about their team leader and to judge how frequently each statement fits his or her leadership style by responding to a 16 item questionnaire (Avolio, Gardner & Walumbwa, 2007). The scale of the each item is ranged from 0 (not at all) to 4 (frequently, if not always).

Just as there are a lot of questionnaires aimed to assess the leadership style of a leader, there are several measures of organizational culture. One of the examples is the Organizational Culture Inventory by Cook and Lafferty (1983). The questionnaire is comprised of 12 subscales: humanistic/helpful; affiliation; achievement; self-actualization; approval; conventionality; dependence; avoidance; oppositional; power; competitiveness and perfectionism.

The Culture-Gap questionnaire, first published in 1983 by Ralph Kilmann and Mary Sexton (1983), was one of the first quantitative assessment surveys of the organizational culture. In this questionnaire, the participants are asked to assess the actual and desired cultural norms in the organization in four areas: task support, task innovation, social relationships and personal freedom.

Another example is the Organizational Culture Questionnaire, proposed by Glaser in 1983. It is a 62-item questionnaire, divided into 5 subscales of climate, involvement,

supervision and meetings. In this survey, participants are asked to estimate each statement on a 5-point scale (1- to a very little extent to 5 – to a very great extent).

The organizational Beliefs Questionnaire (OBQ) designed by Marshall Sashkin (1984), is aimed to assess the organizational values and beliefs (Sashkin, 1984). In this questionnaire, participants are asked to respond to 50 statements, reporting to which extent people in the organization agree or disagree with each statement.

Another example of the organizational culture assessment is the Organizational Culture Profile (OCP) by Caldwell and O'Reily (1990). This questionnaire contains 54 statements that are designed to assess the individual and organizational values.

In current research, the Cameron and Quinn's (2000) organizational culture assessment tool was used. This questionnaire was selected as the only accessible valid organizational culture measurer. In this questionnaire, the participants are asked to assess six key dimensions of organizational culture by responding to the six questions with four alternatives (Cameron & Quinn, 2000).

According to Cameron and Quinn's (2000) concept, there are four types of organizational culture. The first type, Clan culture is characterized by flexibility, coworkers in such organization value teamwork and are involved in decision making (Heritage, Pollock and Roberts, 2014). Employees in the organization with prevailing Clan culture type perceive it like an extended family. The second type, Adhocracy culture is characterized by innovation and rapid change. According to Heritage et al. (2014), employees of such organization would often work together on a specific task and then drift apart upon its completion.

The third type, Hierarchy culture, can be described by terms of stability and bureaucracy. Such organization usually has strong regulations on interaction between the employees and performing certain functions and tasks (Heritage et al., 2014). The vertical approach in coworkers' interactions is more common, and in general organization performs on the level of rather smooth efficiency. The last, fourth type of culture, Market culture, is as well characterized by stability, but also competitiveness and winning. According to Heritage et al. (2014), development in such organizations is driven by the interactions with external bodies in order to gain advantage in their market space.

The literature on organizational performance measurement is less extensive, compared to the one on leadership and organizational performance. There is no most commonly used valid tool for assessing organizational performance. Until now, several authors have presented different subscales that may be used to estimate the organizational performance. For example, Spangenberg and Theron proposed 8 sub-scales to assess the organizational performance. It is production and efficiency, core people processes, work unit climate, employee satisfaction, adaptability, capacity, market share and future growth (Spangenberg and Theron, 2004). According to Day and Nedungadi (1994), the way how employees evaluate the organizational performance is dependent on the working mental model of the managers.

In the current research, the 5-factor scale, retrieved from Ogbonna and Harris (2000) was used to assess how participants estimate the organizational performance in terms of customer satisfaction, sales growth, market share, competitive advantage and sales volume.

The dependent variables were leadership, current and preferred organizational culture, customer satisfaction, sales growth, market share, competitive advantage and sales volume. The independent variables were participant country of origin, sex, position in AIESEC and their leader's sex.

2.1 Hypotheses

The main objectives of this study are firstly and secondly to find a model linking leadership culture and performance, to compare Portugal and Ukraine's organizational culture, leadership and performance in AIESEC organization.

Previous research have shown that relationship between leadership and organizational performance is mediated by organizational culture (Ogbonna & Harris, 2000). Scientists have proved that leadership style is not directly linked to performance but is still indirectly associated with it and that market and adhocracy cultures are directly linked to organizational performance (Ogbonna & Harris, 2000).

Therefore, the following hypotheses have been stated:

Hypothesis H1: there is a mediator effect of organizational culture between leadership and performance

There is a number of empirical studies that found the correlation between organizational financial and market-based performance (Jahanshahi et al., 2012).

As well, a number of research has been done in discovering the relationships between customer satisfaction and performance (Yu et al., 2013). A positive correlation was found between satisfied customers and performance (Narayanan et al., 2011).

Schneider, Ehrhart, Mayer, Saltz and Niles-Jolly (2005) state found that unit leadership behavior is connected to unit customer satisfaction that leads to unit sales.

At the same time, Walumbwa, Luthans, Avey and Oke (2011) point out that authentic leadership drives the organizational commitment and performance through follower's trust in the leader and identification with the leader. Considering the abovementioned studies, it is possible to presume that:

Hypothesis H2: There are significant differences in prevailing leadership style in AIESEC Portugal and Ukraine

There was no previous research that would explore the differences in organizational culture in Ukraine and Portugal and that would be specifically applied to the non-profit organizations. However, Minkov and Hofstede (2014) have dedicated an empirical study to discovering national cultures of European countries, where they have included 316 European regions.

Schwartz, Ekelund, Savage and Tirmizi (2002) have studied the cultural values and what is the relevance of them to managerial behavior. They conducted the study on 47 nations, including Portugal and Ukraine, however, there is no specific comparison between these two countries in the study.

Therefore:

Hypothesis H3: There are differences in current and ideal organizational cultures in AIESEC in Portugal and Ukraine

Pinho et al. (2014) state that organizational culture and market orientation can influence organizational commitment and performance. On the other hand, according to

Atuahene-Gima, Slater and Olson (2005) the customer oriented organizational culture is a key predictor of an organizational performance.

Besides that, Deal and Kennedy state that organizational performance depends on the degree to which the organization shares the common values (Murray et al., 2006).

Scholz (1987) suggested that the link between organizational culture and performance is based on the perceived role that culture plays in the competitive advantage of the organization. Based on the abovementioned studies, it is possible to presume that:

Hypothesis H4a: There is significant relationship between current clan culture and organizational performance

Hypothesis H4b: There is significant relationship between current adhocracy culture and organizational performance

2.2 Participants

Participants were 240 students-members of AIESEC organization, divided into two groups according to the country of origin, 120 members of AIESEC in Ukraine and 120 of AIESEC in Portugal. The participants were students of different universities of Ukraine (National Taras Shevchenko University, Kiev National Economic University) and Portugal (ISCTE – University Institute of Lisbon, Nova University of Lisbon, FEP – Faculty of Economics of University of Porto, University of Algarve) and from different cities of Ukraine (Kiev, Lviv, Kharkiv) and Portugal (Lisbon, Porto, Coimbra, Faro), aged from 19 to 26 years old. Participants were informed about the purpose of study and that their responses would be anonymous.

The means analysis indicated that 64 participants were men and 176 participants were women (Appendix A). Participants were asked to indicate the gender of their Team Leader, and the responses indicated that the participants had 72 male and 168 female Team Leaders. The position of each participant in AIESEC organization was counted as well, and 102 of them were Team Leaders and 138 – Team Members.

Participants were asked to think about their leader, the culture that is currently established in the organization and the preferred, ideal one, to evaluate organizational performance by responding to a survey.

2.3 Materials and measures

As it was mentioned above, the Bass and Avolio Authentic leadership questionnaire was selected to assess how participants perceive their leaders and estimate their leadership style. Participants were asked to think about their team leader and to judge how frequently each statement fits his or her leadership style by responding to a 16 item questionnaire (Avolio, Gardner & Walumbwa, 2007). Participants indicated to which extent they agree with each statement. The scale of the each item ranged from 0 (not at all) to 4 (frequently, if not always). A sample item is: “makes decisions based on his or her core values” (Avolio et al., 2007). As for the reliability of this questionnaire, the Cronbach alpha in original research by Walumbwa, Avolio, Gardner, Wernsing and Peterson (2008) can be seen in a Table 1 below, as well as the Cronbach’s alpha for current research. We can see that the reliability statistics originally received by researchers are slightly higher than the current one, with only Moral component staying at the level of $\alpha = .76$.

Cameron and Quinn’s OCAI was used to assess how participants perceive the current organizational culture compared to the preferred one. Participants were asked to assess six key dimensions of organizational culture, providing a picture of how, to the participants’ point of view, organization operates and what values characterize it (Cameron & Quinn, 2000). Participants were to rate their organization through responding the six questions with four alternatives. They had to divide 100 points between these four alternatives depending on the extent to which each statement (alternative) is most similar to their organization.

For the each question with four alternatives, participants were asked to first assess the current organizational culture and divide 100 between the statements that describe it. Then they were to move forward to the preferred organizational culture (how participants would like to see their organization in 5 years) and to divide again 100 points between four alternatives that describe it. Questions and alternatives for the current and preferred organizational culture were the same. Both current and preferred

organizational culture were divided into four blocks: Clan, Adhocracy, Market and Hierarchy.

A sample item for the Clan culture is: “The organization is a very personal place. It is like an extended family. People seem to share a lot of themselves” (Cameron & Quinn, 2000). A sample item for the Adhocracy culture is: “The leadership in the organization is generally considered to exemplify entrepreneurship, innovating, or risk taking” (Cameron & Quinn, 2000). A sample item for the Market culture is: “The organization is very results oriented. A major concern is with getting the job done. People are very competitive and achievement oriented” (Cameron & Quinn, 2000). A sample item for the Hierarchy culture is: “The organization is a very controlled and structured place. Formal procedures generally govern what people do” (Cameron & Quinn, 2000).

Statistics for reliability analysis for original and current research can be found in the Table 1 below. It is noticeable that the results for Clan, Adhocracy, Market and Hierarchy culture in original and current research are somehow compatible. For example, the most reliable scale as considered by respondents is Clan culture ($\alpha = .80$ original, $\alpha = .85$ current research). Market culture scale is rated by respondents as the least reliable in both current and original research ($\alpha = .69$, $\alpha = .65$, respectively).

The 5-factor scale, retrieved from Ogbonna and Harris (2000) was used to assess how participants estimate the organizational performance in customer satisfaction, sales growth, market share, competitive advantage and sales volume. The participants were asked to estimate each of the above-mentioned factors on the 0 to 100 scale.

The organizational performance measurer both in original and current research has received a very high mark of reliability ($\alpha = .89$, $\alpha = .85$).

2.4 Procedure

The questionnaire was sent to participants via e-mail. 252 responses were received, but, unfortunately, 12 of these responses were ineligible due to several reasons: participants did not understand the guidelines for the questionnaires or did not speak English fluently enough.

The data were analyzed using SPSS program 21.0 version and AMOS program 22.0 version. SPSS was used for descriptive statistics, validity and reliability check,

exploratory factor analysis and correlation analysis. AMOS program was used during path analysis when building a research model.

III Results

3.1 Descriptive statistics

The initial exploration of the research data was made by the descriptive statistics, frequencies analysis of leadership, organizational culture and performance. As suggested by Heritage et al. (2014) the data from the organizational culture questionnaire should be transformed to the 1 to 5 scale instead of using the original 1 to 100. To match the common formatting, the data from the leadership and organizational performance was also transformed into the scale from 1 to 5. Besides that, the responses that had missing data were excluded from the analysis, therefore there were no missing values.

For these data, the descriptive statistics were calculated by measure of central tendency (mean), by dispersion of the scores (standard deviation), and by skewness and kurtosis. Speaking about the mean, for most of the leadership measures means turned out to be above the midpoint of three ($M \geq 3$) with only T5 and M2 (Appendix A), the indicators of a Transparent and Moral leadership, being lower than 3 ($M=2.89$ and $M=2.96$). In the questionnaire scale, ranged from 1 “not at all” to 5 “frequently, if not always”, 3 signified a somewhat middle-of-road response “sometimes”.

The measures of organizational culture are generally lower than leadership ones, ranging from $M=1.14$ to $M=1.9$. The tendency can be observed that the means for Clan culture (83% above $M=1.70$) are generally higher than for the Hierarchy culture (58% below $M=1.30$). The means for the organizational performance measures are slightly higher than means for the organizational culture, ranging from $M=2.80$ to $M=3.64$ with only two means for Customer satisfaction ($M=3.64$) and Competitive advantage ($M=3.15$) being higher than 3 (Appendix A).

The Standard deviation for leadership, organizational culture and performance is ranged from $SD=0.34$ to $SD=1.20$ that signifies that the values are not widely dispersed from the mean value and there are no large deviations in the entered data. The higher Standard deviation would indicate a greater spread of values. Speaking about the Standard deviation for each questionnaire separately, it is important to note that the SD for leadership is ranged from $SD=0.80$ to $SD=1.04$, for organizational culture – between

SD=0.34 and SD=0.80, and for organizational performance – between SD=0.91 and SD=1.20.

Symmetry of the data was measured by skewness and kurtosis. According to Field (2013), sample distribution can deviate from normal in two ways: skewness (lack of symmetry) and kurtosis (pointiness). Distribution shows asymmetry in skewness in the way that the most frequent scores in data are clustered at one end of the scale. Such distribution can be positively or negatively skewed (Field, 2013).

Field (2013) mentions that kurtosis refers to a degree of how pointy a distribution is. Just as skewness, there can be positive and negative kurtosis of the collected data. Distribution with positive kurtosis that is pointy usually has many scores in tails. On contrary, negative kurtosis distribution is usually flatter than normal. Ideally, the data should be normally distributed.

As for the symmetry of this data, skewness results show normal distribution for Leadership (e.g. T5 = - .44) and Performance (for example, Market Share = -.216) measures. As for Organizational culture measure, there is asymmetry for Adhocracy (e.g. NAdhocracy1 =2.663), Hierarchy (PHierarchy1 =1.693) and Market (NMarket2 =2.104) culture. Noticeably, there is no high skewness results on Clan culture (for example, PClan1 =.401).

Results for kurtosis coincide with skewness results: there are low kurtosis values for Leadership (e.g. S3 = -.023) and Performance (for example, Sales Growth = -.781) measures. It means that data for these measures tend to have a flat top near the mean. In comparison, for Clan (NClan1 =2.699), Adhocracy (NAdhocracy1 =10.600), Market (NMarket2 = 3.521) and Hierarchy (NHierarchy4 = 11.004) culture in Organizational culture measure there are very high values on kurtosis, which means that the data are peaked compared to normal distribution.

3.2 Reliability

A statistical reliability means that individual items or sets of items should be consistent with the overall questionnaire (Field, 2005). The most common method to test the reliability of questionnaire is the split-half reliability method, which suggests to divide the sample into two equal parts and find the correlation between them (Field, 2005). If the correlation is high, the test can be considered reliable. However, the splitting in half

can be done in various ways, and Cronbach (1951) proposed an option of splitting the data in every possible way and calculating the correlation coefficient for each split.

Cronbach's alpha is commonly used for surveys with Likert scale questions. Kline (1999) notes that the alpha over .9 is excellent, over .8 is good, over .7 is acceptable, over .6 is doubtful and more or less than .5 is unacceptable. He also specifies that, even though in many scientific articles only alpha over .8 is considered to be acceptable, when dealing with diverse psychological constructs, the values below .7 can be accepted (Peterson, 1994).

First of all, the data in current research was checked for the reverse items as they could influence the Cronbach's alpha coefficient. In the three questionnaires used, the reverse items were not found. For these data, six of the scales show the good result on Cronbach's alpha, specifically Transparency, Moral, Self-Awareness, Clan culture, Adhocracy culture and Organizational performance (Table 1). Alpha coefficient for the overall model equals .752 that allows us to come to a conclusion that all questionnaires are perceived as reliable. The slight concern cause the scales of Balanced, Market and Hierarchy culture, as the alpha coefficient for them is only over .6. However, according to Peterson (1994), as previously mentioned, these items can be included into further analysis and accepted as reliable due to the diversity of psychological constructs involved in this research. Thus, we can conclude that all scales of the current research are perceived as reliable.

If comparison, Walumbwa et al. (2008) in the original study of Authentic Leadership Questionnaire received the following results for Cronbach's alpha: .87 for transparency, .76 for moral perspective, .81 for balanced processing and .92 for self-awareness.

Heritage et al. (2014) state that the Cronbach's alpha coefficient for Clan, Hierarchy, Market and Adhocracy cultures was ranging from .71 to .80.

As for performance, Ogbonna & Harris (2000) found that the Cronbach's alpha coefficient for overall organizational performance was .89.

Table 1
Reliability analysis

<i>Scale</i>	<i>Original Cronbach's alpha</i>	<i>Current Cronbach's alpha</i>	<i>Number of Scale items</i>
Transparency	.87	.748	5
Moral	.76	.758	4
Balanced	.81	.645	3
Self-Awareness	.92	.748	4
Clan culture	.80	.854	12
Adhocracy culture	.79	.736	12
Market culture	.69	.654	12
Hierarchy culture	.75	.631	12
Organizational performance	.89	.856	5
Overall model	-	.752	69

3.3 Correlation analysis

For these data, a correlation analysis, using Pearson correlation coefficient (r) was performed to measure a strength of relationships between the variables.

Correlation analysis is aimed to confirm or reject the null hypotheses that are the reverse of research hypotheses and claim that there is no relationship between variables (Ho, 2006). The null hypotheses (H0) and alternative hypotheses (H1) can be expressed in different ways, according to what test is used. For two-tailed test, they would be H0: $\rho = 0$ (meaning that there is no relation) and H1: $\rho \neq 0$ (a nonzero correlation may be present). For one-tailed test, H0: $\rho = 0$ is the same, indicating that there is no relation, and H1: $\rho > 0$ indicates the presence of a positive correlation, and H1: $\rho < 0$ indicates the presence of a negative correlation.

In order to escape subjectivity when testing hypothesis, researchers have introduced the level of significance (Ho, 2006). According to Ho (2006), in social sciences the probability level is usually set on the level of $\leq .05$.

When conducting a correlation analysis, the two types of errors may appear. Type I error means that we may reject the null hypothesis when it is true and should not be rejected (Ho, 2006). The lower we set the level of significance, the more unlikely it is to admit a Type I error, and the significance level at .05 is low enough not to have a high risk of admitting the Type I error. However, according to Ho (2006), the lower we set the significance level, the more likely it is for us to admit the Type II error. Type II error means that we may not be able to reject the null hypothesis when it is actually false.

For these data, a Pearson chi-square test was conducted to examine the relationships between leadership, organizational culture and performance for Portuguese and Ukrainian samples. The first stage of correlations analysis covered finding significant relationships between leadership and organizational culture (Appendix B).

First of all, the positive correlation was found between current clan culture and moral component of leadership ($r = .199, \rho < .05$). According to Cameron and Quin (2006) in the organization with dominating clan culture coworkers are treated as family members and teamwork is an important aspect of work. Therefore, such correlation is natural and there is relationship between moral component of leadership and clan culture. Another significant relationship was found between current adhocracy culture and moral component of leadership ($r = .130, \rho < .05$). As well, there was a negative correlation between current market culture and moral component of leadership ($r = -.142, \rho < .05$). Cameron and Quinn (2006) characterize market culture by high competitiveness and winning, and therefore the negative relationship between market culture and moral leadership was expected.

The results revealed a positive correlation between ideal clan culture and transparency as a component of leadership construct ($r = .136, \rho < .05$). Ideal clan culture as well positively correlates with moral leadership ($r = .302, \rho < .01$).

To conclude, it is important to note that for leadership and organizational culture, very strong (over .500) correlations were not found, the strongest ($r = .302, \rho < .01$) was found between ideal clan culture and moral leadership.

When exploring the relationships between leadership and organizational performance (Appendix C), the positive correlation was found between customer satisfaction and balanced leadership ($r = .147, \rho < .05$). The only other correlation found between

leadership and organizational performance constructs was between market share and moral leadership ($r = -.151, \rho < .05$).

The next wave of correlation analysis involved discovering the correlations between country of origin and organizational culture (Appendix D). Negative correlation was found between current hierarchy culture and country of origin ($r = -.238, \rho < .01$). The two other types of organizational culture are negatively correlated as well, the ideal clan and current adhocracy cultures.

When discovering the correlations of preferred culture, the results of correlation analysis show that there is a positive relationship between ideal clan culture and country of origin ($r = .153, \rho < .05$). Two other types of organizational culture, hierarchy and adhocracy, have the significant negative relationship ($r = -.378, \rho < .01$).

The last round of correlation analysis included discovering significant relationships between organizational culture and performance (Appendix E). The results revealed that there was a significant relationship between current clan culture and sales growth as a component of organizational performance ($r = -.157, \rho < .05$). As well, there was a negative correlation between current clan culture and market share as a component of organizational performance ($r = -.133, \rho < .05$). Another significant relationship was found between current clan culture and sales volume ($r = -.164, \rho < .05$). These three negative correlations prove the inverse relationship between current clan organizational culture and sales growth, market share and sales volume.

The correlation analysis proved the significant relationship between current adhocracy culture and sales growth ($r = -.153, \rho < .05$) and between current adhocracy culture and market share ($r = -.164, \rho < .05$). Another significant relationship was found between current adhocracy culture and competitive advantage ($r = -.186, \rho < .01$). Another negative correlation was received between current adhocracy culture and sales volume ($r = -.209, \rho < .01$). These four negative correlations between current adhocracy organizational culture and four components of organizational performance prove that these component are inversely-dependent on each other and when one of them increases, another will decrease.

The only correlation received for current market culture was with market share ($r = .171, \rho < .01$). The relationship is positive, and that means that the two variables are directly proportional.

As for ideal clan culture, it correlates with three components of organizational performance, sales growth ($r = -.156, \rho < .05$), market share ($r = -.196, \rho < .01$), and sales volume ($r = -.137, \rho < .05$). Ideal adhocracy culture, as well, negatively correlates with three components of organizational performance, sales growth ($r = -.133, \rho < .05$), competitive advantage ($r = -.195, \rho < .01$) and sales volume ($r = -.199, \rho < .01$). Another significant relationship was found between ideal market culture and sales growth ($r = -.148, \rho < .05$).

To conclude, it is important to underline that most of the correlations between types of organizational culture and components of organizational performance are negative with an exception of relationship between current market culture and market share ($r = .171, \rho < .01$).

In general, we can say that organizational culture correlates with all components of organizational performance, while leadership correlates with only one of them, with market share. The component of organizational performance that correlation with the most types of organization culture is sales growth.

3.4 Testing differences in organizational culture in AIESEC Portugal and Ukraine

The independent samples t-test was used to do the comparison of two unrelated groups (Portuguese and Ukrainian sample) on the dependent variables. For these data, independent variable was the country of origin of respondent and dependent variables were components of leadership, organizational culture and performance.

Table 2 presents the Group statistics for Portuguese and Ukrainian samples. These statistics provide the basic information about group comparisons, and contain sample size, mean and standard deviation results. For leadership measure for Ukrainian sample the mean varies from 2.99 to 3.1. For Portuguese sample the values are located between 3.00 and 3.16. Interestingly, the lowest value for Ukrainian sample was received for Transparency component, while for the Portuguese sample it was one of the highest

importance. The statistical result is significant (sig. = .007), therefore we can state that transparent leadership is much more widespread in AIESEC organization in Portugal, then in Ukraine.

As for the Organizational culture, measures of the means for Ukrainian sample are ranged from 1.26 to 1.78. For Portuguese, the values vary between 1.2 and 1.9. The highest vales for both Ukrainian and Portuguese samples were received for current and preferred Clan culture. The means for organizational performance for Ukrainian sample are ranged from 2.85 to 3.5 and for the Portuguese sample it's slightly lower (from 2.76 to 3.1).

Table 2 also illustrates the results of t-Test analysis. First of all, we check the Levene's test for Equality of variances. This test determines if the variability between two groups is or is not significantly different. For these data, for most of the variables ρ is not significant, with the exception of ρ for Transparency and Balance, current Adhocracy culture, current Market culture, ideal Clan and ideal Adhocracy cultures. If ρ is significant, we confirm the null hypothesis of that variables are equal and check results from the first row. If not, we assume that variables are not equal and get the results from the bottom row.

The Sig (2-Tailed) value shows if the Means for the Portuguese and Ukrainian samples were not significantly different or relatively the same. We can assume that there is no statistical difference between two groups for variables of Moral, Balance, Self-awareness, Ideal Adhocracy and Ideal Market culture, Customer satisfaction, Sales Growth, Competitive advantage and Sales Volume as Sig (2-Tailed) value for them is greater than .05. As well, we can see that Portuguese and Ukrainian samples are significantly different in current and ideal Clan, Adhocracy, Market and Hierarchy organizational cultures and Market Share as Sig (2-Tailed) value for them is less than or equal to .05.

It is observable that there is the statistical difference for Portuguese and Ukrainian sample for most of the organizational culture variables (except for Ideal Adhocracy and Ideal Market), and there is no difference in leadership and performance variables (except for Market share). As for the current Clan culture, the result is significant and it shows that the mean for Portuguese sample is higher, therefore, Portuguese participant perceive current organizational culture as Clan. To compare, the result for ideal Clan

culture is also significant and the mean is also higher for Portuguese sample. Hence, we can say that Portuguese AIESEC members prefer the organizational culture to be Clan.

As for the Adhocracy culture, the only significant result was received for current culture, not ideal. The results show that members of AIESEC in Portugal perceive their current culture as the one having Adhocracy features.

Significant result for Market organizational culture was received only for current one. The mean for Ukrainian sample is higher, so we can say that Market culture features are more typical for AIESEC in Ukraine than for AIESEC in Portugal.

As for the Hierarchy culture, both current and ideal culture test results are significant. The mean for current Hierarchy culture is higher for Ukraine, therefore, characteristics of Hierarchy culture are more noticeable in AIESEC in Ukraine, compared to AIESEC in Portugal. The mean for ideal Hierarchy culture is also higher for Ukraine than for Portugal.

From five components of organizational performance, the valid results were achieved for only one, Market share. The mean for Ukraine is much higher than for Portugal, therefore, they pay much more attention to Market share as an indicator of organizational performance. There is an interesting connection with the organization culture results here, as Ukrainian sample also perceives their current culture as Market culture.

Results of independent T-test analysis allow us to confirm the H3 hypothesis that there are differences in leadership and organizational culture in AIESEC in Ukraine and Portugal. Moreover, it was found that transparent leadership is more likely to be found in non-profit organizations in Portugal than in Ukraine, as well as that Ukrainian current culture in non-profit organizations is more in Market and Hierarchy segment of quadrant, while in Portugal it tends to settle in Clan and Adhocracy segment of quadrant. As for ideal culture, it is Clan culture for Portuguese sample and Hierarchy for Ukrainian sample.

Table 2

Independent t-test analysis

<i>Variables</i>	<i>Grouping variable</i>	<i>Mean</i>	<i>SD</i>	<i>t</i>	<i>Sig.</i>
Transparency	Ukraine	2.99	.44	-2.71	.007
	Portugal	3.16	.52	-2.71	
Moral	Ukraine	3.10	.50	-1.01	.310
	Portugal	3.17	.57	1.31	
Balance	Ukraine	3.10	.47	1.31	.190
	Portugal	3.10	.63	1.31	
Self-awareness	Ukraine	3.01	.50	-4.11	.681
	Portugal	3.04	.58	-4.11	
Current Clan culture	Ukraine	1.78	.43	-2.15	.033
	Portugal	1.90	.48	-2.15	
Current Adhocracy culture	Ukraine	1.26	.22	-2.91	.004
	Portugal	1.37	.34	-2.91	
Current Market culture	Ukraine	1.36	.23	4.06	.000
	Portugal	1.23	.28	4.06	
Current Hierarchy culture	Ukraine	1.42	.24	3.77	.000
	Portugal	1.29	.29	3.77	
Ideal Clan culture	Ukraine	1.73	.41	-2.38	.018
	Portugal	1.87	.51	-2.38	
Ideal Adhocracy culture	Ukraine	1.46	.26	-.399	.690
	Portugal	1.47	.37	-.399	
Ideal Market culture	Ukraine	1.26	.25	1.81	.071
	Portugal	1.20	.22	1.81	
Ideal Hierarchy culture	Ukraine	1.27	.23	2.27	.024
	Portugal	1.20	.22	2.27	
Customer Satisfaction	Ukraine	3.56	.92	-1.27	.204
	Portugal	3.71	.89	-1.27	
Sales Growth	Ukraine	3.00	1.15	.443	.658
	Portugal	2.93	1.17	.443	
Market Share	Ukraine	3.15	1.12	3.21	.001
	Portugal	2.66	1.19	3.21	

Competitive Advantage	Ukraine	3.16	1.13	.109	.914
	Portugal	3.15	1.24	.109	
Sales Volume	Ukraine	2.85	1.18	.536	.592
	Portugal	2.76	1.22	.536	

3.5. Building model of leadership, organizational culture and performance

Method of path analysis was originally developed by Wright, in order to help the researches to test if the data of a research fits particular model or a set of hypotheses (Pedhazur, 1982). According to Szymanski, Bharadwaj and Varadarajan (1993), path analysis uses a multiple regression method to construct a model, and provides a better understanding of associations between variables than a simple regression.

For these data, the original model of path analysis was built on the following variables – *Leadership (Transparency, Moral, Balanced, Self-Awareness) current culture (Clan, Adhocracy, Market, Hierarchy) and Organizational performance.*

The model was built in order to test the hypothesis based on research of Ogbonna and Harris (2000) that leadership and organizational culture influence organizational performance and that culture is also a mediator in this relationship.

Figure 2 presents the original model for links between leadership, organizational culture and performance. In order to assess the model fit, the following coefficients should be checked: Chi-square and CMIN/DF; NFI and CFI; GFI, RMSEA and PCLOSE (Kenny, 2014). The first coefficient – level of significance (chi-square) is indicating whether there is a significant difference between the default model and ideal model. To indicate the good model fit, chi-square should be not significant, however, as Bentler and Bonett (1980) mentioned, this rule usually applies from samples from 75 up to 200 participants. For the larger samples, the chi-square is almost always significant (Bentler and Bonett, 1980). For these sample, chi-square is not significant (Chi-square = 20.504) (Appendix G). Coefficient CMIN/DF is calculated by dividing chi-square on degrees of freedom (df). For these sample, df = 1, and therefore CMIN/DF is just the same as chi-square (CMIN/DF = 20.504).

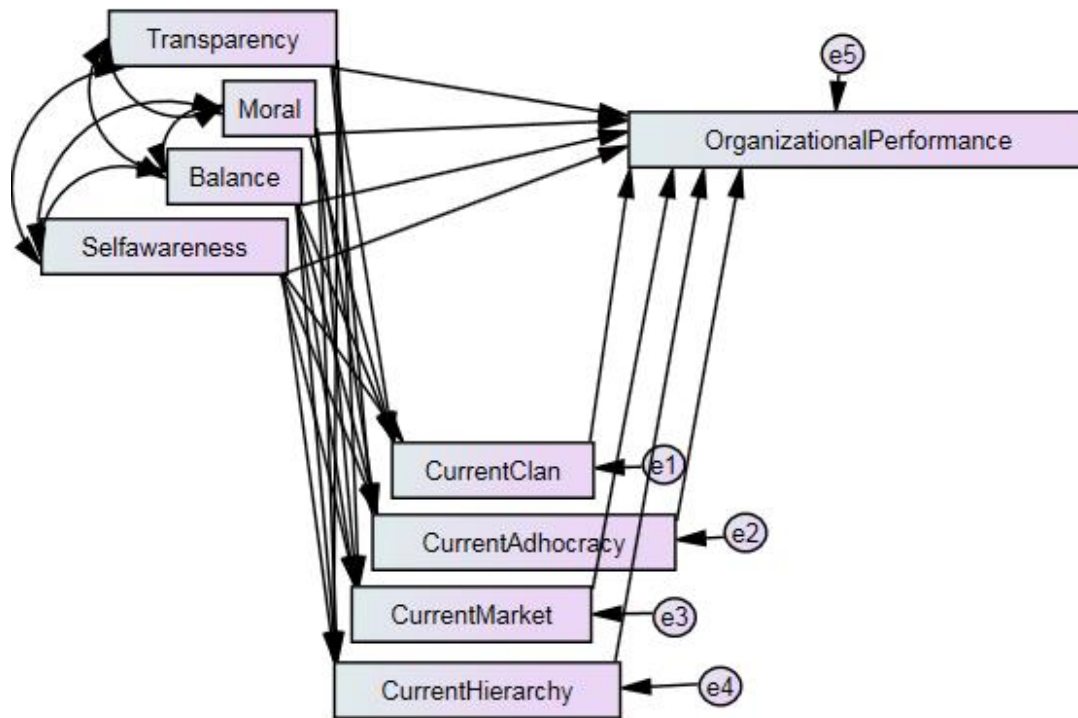


Figure 2. Original model of leadership, organizational culture and performance

The next step of assessing a good model fit is checking if fit indexes (NFI, RFI, CFI) are not significant. For normed fit index (NFI), according to Bentler and Bonett (1980), the results below .90 indicate the poor fit of the model, between .90 and .95 can be considered marginal, and above .95 – good. For these data, NFI = .703, which indicates a poor model fit (Appendix H). The comparative fit index (CFI) should also be greater than .95 for a good model fit (Kenny, 2014). For these data, CFI = 0.690 which also signifies a poor model fit.

To complete assessing the model fit, it is necessary to check the root mean square error of approximation (RMSEA) and ρ of close fit (PCLOSE). MacCallum, Browne and Sugawara (1996) suggested that RMSEA value greater than .10 signifies a poor model fit, while value of .01 indicates an excellent fit, .05 – good fit and of .08 a mediocre fit. For these data, RMSEA = .286 which again signifies a poor model fit. The last coefficient, ρ of close fit (PCLOSE) is testing the null hypothesis that RMSEA equals

.05 which is called a close-fitting model (Kenny, 2014). The ρ value should be not significant, in order to prove that model fit is not worse than close-fitting model (Kenny, 2014). For these data, PCLOSE = .000, which is significant.

These results show that model is not of a good fit, and therefore, has to be changed. To see the suggestion of model improvement provided by Amos, we should check the modification indices (Appendix I). The highest covariance is found between e2 and e4 (M.I. = 34.876), e1 and e4 (M.I. = 8.691), e1 and e3 (M.I. = 61.889).

Therefore, these six variables were covariating which strongly increased the model fit. Figure 3 shows the revised model after covariating abovementioned variables and appendix J shows the model fit results after the abovementioned correction. Chi-square or CMIN/DF is not significant (CMIN/DF = .845) which signifies a good model fit. Fit indexes also suggest an excellent model fit (NFI = .998, CFI = 1.00, RFI = .976). The root mean square error of approximation (RMSEA = .00) and ρ of close fit (PCLOSE = .924) also signify the good model fit. It is important to note that according to Kenny (2014) RMSEA is set to zero if chi-square is less than degrees of freedom, which is the case for these data as chi-square = .845 and df = 3.

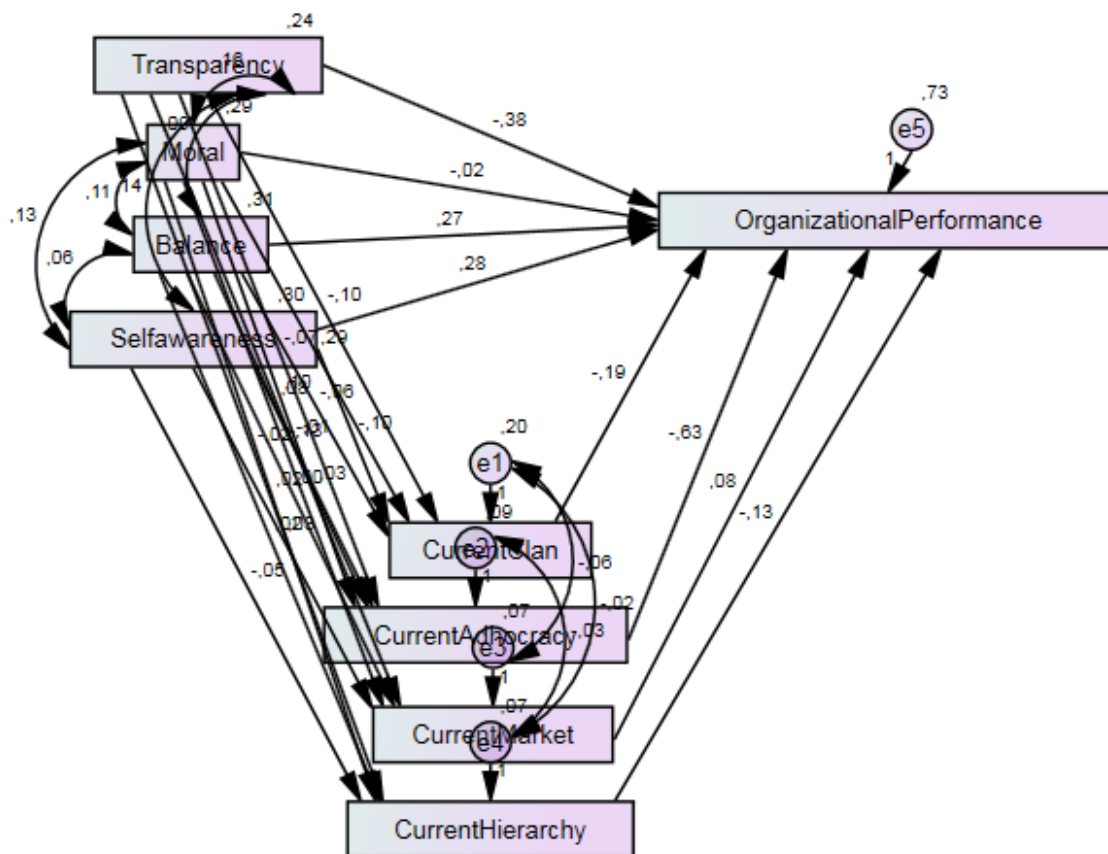


Figure 3. Revised model of leadership, organizational culture and performance

As Amos uses a multiple regression method to calculate the estimates, the results of the path analysis help us to understand the relationships between variables. The above-mentioned excellent model fit helps us to support the initial hypotheses (H1a, H1b, H3a, H3b, H4a, H5a, H5b). According to the default model (Figure 3), organizational performance is influenced by current culture and leadership, moreover, current culture is also influenced by leadership.

The current research findings support those of Ogbonna and Harris (2000) that organizational culture and leadership are linked and also that the relationship between leadership and organizational performance is mediated by organizational culture.

Discussion

The main aim of this study was to discover the relationships between leadership, organizational culture and performance, applied to non-profit organization and in the international context of functioning in Portugal and Ukraine. In order to achieve the main goal of the study, the statistical analysis of the research results was conducted. The exploration of the data was done through descriptive statistics, conducted using SPSS 21.0 version. The data reduction was made using exploratory factor analysis and the hypotheses testing was performed through correlation and path analysis, using SPSS 21.0 and AMOS 22.0 version respectively.

The results are considered reliable as Cronbach's alpha coefficient for overall model was high as well as for each variable separately. Correlation analysis found significant negative and positive correlations between subscales of organizational performance, culture and leadership. The most significant correlations were received between transparent and moral components of leadership, ideal and current clan cultures, and between 4 components of organizational performance: sales volume and sales growth, sales volume and competitive advantage. Moreover, it is important to note that leadership correlates with only one component of organizational performance, while organizational culture correlates with all of them.

Previous research has shown that the relationship between leadership and organizational performance is mediated by organizational culture (Ogbonna and Harris, 2000). Scientists have proved that leadership style is not directly linked to performance but is still indirectly associated with it and that market and adhocracy cultures are directly linked to organizational performance (Ogbonna & Harris, 2000).

Ogbonna and Harris (2000) found that organizational culture of organization actually mediates the relationship between leadership and organizational performance. The scientists used House and Dessler (1974) to measure the perceived leadership style, Deshpande, Farley and Webster (1993) as a measure of organizational culture and a scale developed by Ogbonna and Harris (2000) for organizational performance. Even though the questionnaires used by the original study were different from current research, the hypothesis based on Ogbonna and Harris' study was confirmed.

More precisely, testing hypotheses with independent t-test has allowed to confirm hypotheses H2 that there are differences in prevailing leadership style in AIESEC Portugal and Ukraine and H3 that there are differences in current and ideal culture in AIESEC in Portugal and Ukraine. Moreover, it was found that transparent leadership is more likely to be prevailing in non-profit organizations in Portugal, then in Ukraine (at least how it is perceived by respondents).

Even though there were no earlier studies on comparing Ukrainian and Portuguese leadership, organizational culture and performance in non-profit organizations, this research goes further with an aim to discover the abovementioned. This is based on the vast previous research on the relationships between the three phenomena (Pinho et al., 2014; Murray et al., 2006; Ogbonna & Harris, 2000). In terms of differences in perception of current and ideal culture in AIESEC Portugal and AIESEC Ukraine, it was found that Ukrainian participants perceive their current organizational culture as the one having features of Market and Hierarchy culture types. Meaning that organizational culture in non-profit organization in Ukraine is more likely to be functioning by formal rules, be more focused on stability and control, with the prevailing desire to win and to achieve the goal.

As for the organizational culture in Portuguese non-profit organizations, the participants have estimated it as the one having Clan and Adhocracy features. Hence, it is more focused on teamwork, flexibility and cohesion. It is interesting that the two types of organizational culture that were characterized as “current” or “present” culture in non-profit organizations in Ukraine take the lower quadrant (Hierarchy and Market) in The Competing Values Framework by Quinn and Rohrbaugh (1983) leaning towards stability as opposed to organizational culture in Portuguese non-profit organizations (Clan and Adhocracy) that leans towards flexibility.

Limitations and implications of the study

The main limitation of the current study is the concordance between number of variables and sample size. The sample of 240 respondents is quite usual for a psychological research, however, the present study contained 69 variables included in the analysis. This limitation was partly solved by computing variables into several groups (Leadership, Organizational culture, Performance). According to Kenny (2014),

for working with AMOS 22.0 for each exogenous variable in AMOS there should be 10 responses. Therefore, the optimal sample size for the current research would be 690-700 participants.

One of the abovementioned factors could be changed in the future research, the number of participants or the number of variables. In order to reduce number of variables other questionnaires could be selected to test organizational performance, culture and leadership.

Another limitation of the study is the language level. Participants received the questionnaire in English, while none of them was a native English speaker. The implication for a future research here would be using Portuguese and Ukrainian versions of the questionnaires or selecting a sample from English-speaking countries, like the UK, the USA, Canada, Australia and New Zealand.

The form how the questionnaire was presented to participants is also one of the limitations of this study. The questionnaire was e-mailed to the respondents, and they had to send it back when it's complete. The direct interaction and support to participants from a researcher could improve the reliability results.

The future research can also include other measures of leadership, organizational culture and performance, having two different measure for each construct would be helpful as well.

Even though the study has a number of abovementioned limitations, it was able to provide cultural diversity of the results, as the research was conducted on Portuguese and Ukrainian sample. The future research can include other countries in the analysis to see a broader perspective of organizational culture, performance and leadership in non-profit organizations.

Conclusion

Prior researches show that there is a connection between organizational culture, performance and leadership (Ogbonna & Harris, 2000; Jing & Avery, 2008). Larger number of studies were dedicated to discovering relationships between leadership and organizational performance (Latham & Saari, 1979; Sashkin & Fulmer, 1988; Schneider et al., 2005; Walumbwa et al., 2011), leadership and organizational culture (Schein, 1990; Bass & Avolio, 1993; Hennessey, 1998; Azanza et al., 2013), and organizational culture and performance (Frost et al., 1985; Scholz, 1987; Gordon & DiTomaso, 1992; Atuahene-Gima et al., 2005; Murray et al., 2006; April et al., 2012; Choudhary et al., 2013; Pinho et al., 2014).

However, most of these studies were conducted in the corporate context. A number of studies has been done on non-profit organizations basis, but most of them were dedicated to leadership and organizational climate in non-profit organizations (Holloway, 2012), leadership and organizational performance in non-profit organization (McMurray, A. J., Islam, M., Sarros J. C., Pirola-Merlo, A., 2012), performance management in non-profit organization (De Waal & Goedegebuure, 2011).

This is the first study to combine all three concepts of leadership, organizational culture and performance applied to a non-profit organizations context. Therefore the main goal of it was to discover the relationships between leadership, organizational culture and performance, applied to non-profit organization (AIESEC) and in the international context of functioning in Portugal and Ukraine. Besides that, this study revealed the nature of organizational culture in AIESEC in Ukraine and Portugal and the differences of how the respondents perceive the ideal one. Also, the current research was to discover how the respondents understand the impact of different components of leadership on the different components of organizational performance.

It was found that in non-profit organizations in Portugal and in Ukraine, leadership and organizational culture influence organizational performance and that culture is also a mediator in this relationship. This conclusion is based on the path analysis results and the excellent model fit results achieved. Such relationship was hypothesized based on Ogbonna and Harris' (2000) research in a corporate sector.

Another aim of this research was to discover the differences in leadership, current and ideal organizational culture in AIESEC Portugal and Ukraine. Findings state that transparent leadership style is more widespread in non-profit organizations in Portugal than in Ukraine. The results for organizational culture were divided into how participants perceive current and ideal culture within the organization. This research proved that non-profit organizations in Ukraine, namely AIESEC, tend to have Market and Hierarchy types of current organizational cultures, while non-profit organizations in Portugal are more likely to operate within Clan and Adhocracy current organizational culture. The expectations of ideal organizational culture of Portuguese and Ukrainian respondents corresponded with the current culture in organizations, meaning that non-profit organization members in Portugal see the Clan culture as ideal, while Ukrainian participants see it a Hierarchy type.

The importance of this study is in its contribution to the researches of organizational culture, performance and leadership. It is unique due to the countries involved, Portugal and Ukraine, and is particularly valuable as it is applied to the non-profit organization management. It is one of the number of studies that contributes to attempt to attract the researcher's focus to non-profit organizations. If speaking of practical implications, it may be used by non-profit organization leaders in order to build a more cohesive and well performing organization. Knowing what kind of culture members of non-profit organizations are used to and what culture type they find ideal may help leaders in choosing the right strategy of behavior that influences the organizational culture that in its turn influences the performance of organization, the end factor all leaders and members want to contribute to.

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Appendix A

<i>Variable</i>	<i>Mean</i>	<i>Std. Deviation</i>	<i>Skewness</i>	<i>Std. Error for Skewness</i>	<i>Kurtosis</i>	<i>Std. Error for Kurtosis</i>
T1	3,30	,80	-,134	,157	,257	,313
T2	3,22	,93	-,279	,157	,115	,313
T3	3,45	,80	-,249	,157	-,039	,313
T4	3,06	,97	-,353	,157	-,285	,313
T5	2,89	1,04	-,044	,157	-,483	,313
M1	3,26	,85	-,138	,157	-,203	,313
M2	3,30	,89	-,557	,157	,233	,313
M3	3,20	,92	-,409	,157	-,068	,313
M4	3,25	,80	,012	,157	,356	,313
B1	3,06	,81	,157	,157	-,415	,313
B2	3,17	,94	-,297	,157	-,441	,313
B3	3,29	,85	-,272	,157	,135	,313
S1	3,30	,91	-,497	,157	-,188	,313
S2	2,96	,80	-,132	,157	-,039	,313
S3	3,09	,91	-,183	,157	-,023	,313
S4	3,22	,95	-,115	,157	-,350	,313
NClan1	1,90	,76	1,061	,157	2,699	,313
NAdhocracy1	1,31	,60	2,663	,157	10,600	,313
NMarket1	1,43	,55	,843	,157	-,317	,313
NHierarchy1	1,30	,52	1,549	,157	1,503	,313
PClan1	1,70	,65	,401	,157	-,731	,313
PAdhocracy1	1,55	,54	,265	,157	-1,025	,313
PMarket1	1,35	,51	,963	,157	-,283	,313
PHierarchy1	1,21	,43	1,693	,157	1,704	,313
NClan2	1,78	,59	,110	,157	-,431	,313
NAdhocracy2	1,29	,47	1,159	,157	-,060	,313

NMarket2	1,17	,40	2,104	,157	3,521	,313
NHierarchy2	1,61	,58	,309	,157	-,720	,313
PClan2	1,69	,63	,555	,157	,379	,313
PAdhocracy2	1,48	,56	,631	,157	-,630	,313
PMarket2	1,14	,34	2,068	,157	2,296	,313
PHierarchy2	1,45	,54	,665	,157	-,679	,313
NClan3	1,92	,73	,374	,157	-,311	,313
NAdhocracy3	1,34	,59	2,039	,157	5,049	,313
NMarket3	1,27	,44	1,014	,157	-,980	,313
NHierarchy3	1,29	,47	1,159	,157	-,060	,313
PClan3	1,86	,68	,492	,157	,336	,313
PAdhocracy3	1,47	,57	1,016	,157	1,473	,313
PMarket3	1,22	,43	1,623	,157	1,435	,313
PHierarchy3	1,16	,37	1,800	,157	1,251	,313
NClan4	1,80	,73	,588	,157	-,137	,313
NAdhocracy4	1,37	,54	1,119	,157	,258	,313
NMarket4	1,35	,51	,963	,157	-,283	,313
NHierarchy4	1,36	,57	2,375	,157	11,004	,313
PClan4	1,93	,80	,801	,157	,987	,313
PAdhocracy4	1,47	,56	,665	,157	-,587	,313
PMarket4	1,22	,41	1,325	,157	-,245	,313
PHierarchy4	1,20	,42	1,766	,157	1,999	,313
NClan5	1,78	,66	,269	,157	-,759	,313
NAdhocracy5	1,39	,48	,447	,157	-1,816	,313
NMarket5	1,25	,45	1,373	,157	,567	,313
NHierarchy5	1,26	,49	1,664	,157	1,910	,313
PClan5	1,77	,70	,491	,157	-,323	,313
PAdhocracy5	1,53	,56	,436	,157	-,814	,313
PMarket5	1,22	,52	3,700	,157	20,883	,313

PHierarchy5	1,17	,49	4,509	,157	28,599	,313
NClan6	1,87	,79	,633	,157	-,071	,313
NAdhocracy6	1,20	,42	1,843	,157	2,323	,313
NMarket6	1,30	,47	1,110	,157	-,189	,313
NHierarchy6	1,31	,50	1,191	,157	,280	,313
PClan6	1,86	,70	,481	,157	,052	,313
PAdhocracy6	1,30	,47	1,110	,157	-,189	,313
PMarket6	1,22	,45	1,843	,157	2,562	,313
PHierarchy6	1,23	,42	1,269	,157	-,393	,313
Customer Satisfaction	3,64	,91	-,360	,157	-,050	,313
Sales Growth	2,96	1,16	-,095	,157	-,781	,313
Market Share	2,90	1,18	-,216	,157	-,898	,313
Competitive Advantage	3,15	1,18	-,310	,157	-,778	,313
Sales Volume	2,80	1,20	,025	,157	-1,069	,313

Appendix B

Correlations

		<i>Transp arency</i>	<i>Moral</i>	<i>Bala nce</i>	<i>Self- awar eness</i>	<i>Curre nt Clan</i>	<i>Curre nt Adhoc racy</i>	<i>Cur rent Mar ket</i>	<i>Curre nt Hierar chy</i>	<i>Ideal Clan</i>	<i>Ideal Adho cracy</i>	<i>Ideal Mark et</i>	<i>Ideal Hiera rchy</i>
<i>Transpa rency</i>	Pearso n Correl ation Sig. (2- tailed) N	1											
		240											
<i>Moral</i>	Pearso n Correl ation Sig. (2- tailed) N	,617* *	1										
		,000	240	240									
<i>Balance</i>	Pearso n Correl ation Sig. (2- tailed) N	,319* *	,352* *	1									
		,000	,000	240	240	240							
<i>Self- awarene ss</i>	Pearso n Correl ation Sig. (2- tailed) N	,504* *	,431* *	,194**	1								
		,000	,000	,003	240	240	240	240					
<i>Current Clan</i>	Pearso n Correl ation Sig. (2- tailed) N	,023	,199* *	-,013	-,040	1							
		,720	,002	,840	,542	240	240	240	240				
<i>Current</i>	Pearso	,020	,130* *	,013	,068	,026	1						

<i>Adhocracy</i>	n												
	Correlation												
	Sig. (2-tailed)	,754	,044	,844	,294	,687							
	N	240	240	240	240	240	240						
<i>Current Market</i>	Pearson												
	Correlation	,017	,142 [*]	-,025	,018	-,531 ^{**}	-,068	1					
	Sig. (2-tailed)	,798	,028	,700	,785	,000	,294						
	N	240	240	240	240	240	240	240					
<i>Current Hierarchy</i>	Pearson												
	Correlation	-,054	-,022	,018	-,104	-,173 ^{**}	,378 ^{**}	,030	1				
	Sig. (2-tailed)	,406	,737	,780	,108	,007	,000	,641					
	N	240	240	240	240	240	240	240	240				
<i>Ideal Clan</i>	Pearson												
	Correlation	,136 [*]	,302 [*]	,030	,057	,761 ^{**}	,130 [*]	,334 ^{**}	,205 ^{**}	1			
	Sig. (2-tailed)	,035	,000	,641	,382	,000	,044	,000	,001				
	N	240	240	240	240	240	240	240	240	240			
<i>Ideal Adhocracy</i>	Pearson												
	Correlation	,025	-,046	-,063	,064	-,103	,533 ^{**}	,241 ^{**}	,182 ^{**}	-,022	1		
	Sig. (2-tailed)	,699	,476	,328	,325	,110	,000	,000	,005	,731			
	N	240	240	240	240	240	240	240	240	240	240		
<i>Ideal Market</i>	Pearson												
	Correlation	,012	-,046	,054	-,051	-,370 ^{**}	,224 ^{**}	,380 ^{**}	,115 ⁻	-,330 ^{**}	,156 [*]	1	
	Sig. (2-tailed)	,855	,477	,406	,430	,000	,000	,000	,074	,000	,015		
	N	240	240	240	240	240	240	240	240	240	240	240	
<i>Ideal Hierarchy</i>	Pearson												
	Correlation	,002	-,029	-,042	,050	-,001	,316 ^{**}	-,127 [*]	,499 ^{**}	-,219 ^{**}	-,189 ^{**}	,105 ⁻	1

ation	Sig. (2- tailed)												
		,977	,656	,517	,437	,984	,000	,049	,000	,001	,003	,106	
N		240	240	240	240	240	240	240	240	240	240	240	240

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Appendix C

Correlations

		Country	Gender	Position in AIESE C	Gender of your Leader	Current Clan	Current Adhocracy	Current Market	Ideal Adhocracy	Ideal Market	Ideal Hierarchy
Country	Pearson Correlation	1									
	Sig. (2-tailed)										
	N	240									
Gender	Pearson Correlation	-,113	1								
	Sig. (2-tailed)	,080									
	N	240	240								
Position in AIESE C	Pearson Correlation	-,051	,130*	1							
	Sig. (2-tailed)	,435	,045								
	N	240	240	240							
Gender of your Leader	Pearson Correlation	-,364**	,016	-,136*	1						
	Sig. (2-tailed)	,000	,800	,035							
	N	240	240	240	240						
Current Clan	Pearson Correlation	,138*	,014	,101	-,109	1					
	Sig. (2-tailed)	,033	,823	,120	,093						
	N	240	240	240	240	240					
Current Adhocracy	Pearson Correlation	,186**	,087	-,138*	-,010	,026	1				
	Sig. (2-tailed)	,004	,177	,032	,876	,687					
	N	240	240	240	240	240	240				
Current Market	Pearson Correlation	-,255**	-,039	-,122	,176**	,531**	-,068	1			
	Sig. (2-tailed)	,000	,546	,060	,006	,000	,294				

	tailed) N	240	240	240	240	240	240	240	240				
<i>Current Hierarchy</i>	Pearson Correlation	-,238**	,001	,091	-,058	,173**	-,378**	,030	1				
	Sig. (2-tailed)	,000	,991	,159	,367	,007	,000	,641					
	N	240	240	240	240	240	240	240	240	240			
<i>Ideal Clan</i>	Pearson Correlation	,153*	,064	,074	,186**	,761**	,130*	,334*	,205**	1			
	Sig. (2-tailed)	,018	,321	,251	,004	,000	,044	,000	,001				
	N	240	240	240	240	240	240	240	240	240	240		
<i>Ideal Adhocracy</i>	Pearson Correlation	,026	,070	-,163*	,032	-,103	,533**	,241*	,182**	-,022	1		
	Sig. (2-tailed)	,690	,283	,012	,622	,110	,000	,000	,005	,731			
	N	240	240	240	240	240	240	240	240	240	240	240	
<i>Ideal Market</i>	Pearson Correlation	-,117	,024	-,123	,056	,370**	,224**	,380*	-,115	,330**	,156*	1	
	Sig. (2-tailed)	,071	,714	,058	,388	,000	,000	,000	,074	,000	,015		
	N	240	240	240	240	240	240	240	240	240	240	240	240
<i>Ideal Hierarchy</i>	Pearson Correlation	-,146*	,033	,062	-,050	-,001	-,316**	,127*	,499**	,219**	,189**	,105	1
	Sig. (2-tailed)	,024	,611	,338	,437	,984	,000	,049	,000	,001	,003	,106	
	N	240	240	240	240	240	240	240	240	240	240	240	240

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Appendix D

Correlations

		<i>Transp</i>	<i>Moral</i>	<i>Balance</i>	<i>Self-</i>	<i>Custom</i>	<i>Sales</i>	<i>Mark</i>	<i>Competiti</i>	<i>Sales</i>
		<i>arency</i>			<i>awar</i>	<i>er</i>	<i>Growth</i>	<i>et</i>	<i>ve Advan</i>	<i>Volume</i>
<i>Transpar</i>	Pearson	1								
<i>ency</i>	Correlation									
	Sig. (2-									
	tailed)									
	N	240								
<i>Moral</i>	Pearson	,617	1							
	Correlation	**								
	Sig. (2-	,000								
	tailed)									
	N	240	240							
<i>Balance</i>	Pearson	,319	,352	1						
	Correlation	**	*							
	Sig. (2-	,000	,000							
	tailed)									
	N	240	240	240						
<i>Self-</i>	Pearson	,504	,431	,194	1					
<i>awarenes</i>	Correlation	**	*	**						
	Sig. (2-	,000	,000	,003						
	tailed)									
	N	240	240	240	240					
<i>Custome</i>	Pearson	-	,052	,147	,078	1				
<i>r</i>	Correlation			*						
<i>Satisfacti</i>	Sig. (2-	,037	,420	,023	,229					
<i>on</i>	tailed)									
	N	240	240	240	240	240				
<i>Sales</i>	Pearson	-	-,049	,123	,113	,509	1			
<i>Growth</i>	Correlation					**				
	Sig. (2-	,051	,446	,057	,081	,000				
	tailed)									
	N	240	240	240	240	240	240			
<i>Market</i>	Pearson	-	-,151	,092	,030	,356	,580	1		
<i>Share</i>	Correlation		*			**	**			
	Sig. (2-	,112	,020	,156	,649	,000	,000			
	tailed)									
	N	240	240	240	240	240	240	240		
<i>Competit</i>	Pearson	-	,006	,051	,064	,339	,525	,618	1	
<i>ive</i>	Correlation					**	**	**		
<i>Advantag</i>	Sig. (2-	,072	,931	,435	,323	,000	,000	,000		
<i>e</i>	tailed)									
	N	240	240	240	240	240	240	240	240	

<i>Sales Volume</i>	Pearson Correlation	-	-.063	,103	,059	,502**	,737**	,569**	,650**	1
	Sig. (2-tailed)	,530	,330	,113	,366	,000	,000	,000	,000	
	N	240	240	240	240	240	240	240	240	240

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Appendix E

Correlations

		<i>Custo mer Satisfac tion</i>	<i>Sale s Gro wth</i>	<i>Mark et Share</i>	<i>Comp e titive Advan tage</i>	<i>Sale s Vol ume</i>	<i>Cur rent Clan</i>	<i>Cur rent Adhoc racy</i>	<i>Cur rent Hiera r chy</i>	<i>Idea l Clan</i>	<i>Ideal Adhoc racy</i>	<i>Idea l Mar ket</i>	<i>Ideal Hier archy</i>
<i>Custo mer Satisfac tion</i>	Pearson Correlatio n Sig. (2- tailed) N	1 240											
<i>Sales Growt h</i>	Pearson Correlatio n Sig. (2- tailed) N	,509* 240	1 240										
<i>Marke t Share</i>	Pearson Correlatio n Sig. (2- tailed) N	,356* 240	,580** 240	1 240									
<i>Comp etitive Advan tage</i>	Pearson Correlatio n Sig. (2- tailed) N	,339* 240	,525** 240	,618** 240	1 240								
<i>Sales Volum e</i>	Pearson Correlatio n Sig. (2- tailed) N	,502* 240	,737** 240	,569** 240	,650* 240	1 240							
<i>Cur rent Clan</i>	Pearson Correlatio n Sig. (2- tailed) N	-,063 240	,157* 240	-,133* 240	,025 240	-,164* 240	1 240						
<i>Cur rent Adhoc racy</i>	Pearson Correlatio n Sig. (2- tailed)	-,008 240	,153* 240	-,164* 240	,186* 240	-,209** 240	,026 240	1 240					

	tailed)													
	N	240	240	240	240	240	240	240	240	240	240	240	240	240
<i>Current Market</i>	Pearson Correlation	-,037	,036	,171**	,042	,104	,531*	-,068	1					
	Sig. (2-tailed)	,569	,579	,008	,515	,109	,000	,294						
	N	240	240	240	240	240	240	240	240	240	240	240	240	240
<i>Current Hierarchy</i>	Pearson Correlation	,066	,072	,033	,000	,045	,173*	-,378*	,030	1				
	Sig. (2-tailed)	,312	,264	,610	1,000	,489	,007	,000	,641					
	N	240	240	240	240	240	240	240	240	240	240	240	240	240
<i>Ideal Clan</i>	Pearson Correlation	-,107	,156*	-,196**	-,002	-,137*	,761*	,130*	-,334*	-,205*	1			
	Sig. (2-tailed)	,098	,015	,002	,975	,034	,000	,044	,000	,001				
	N	240	240	240	240	240	240	240	240	240	240	240	240	240
<i>Ideal Adhocracy</i>	Pearson Correlation	-,028	,133*	-,106	,195*	-,199**	-,103	,533*	,241*	-,182*	-,022	1		
	Sig. (2-tailed)	,668	,040	,102	,002	,002	,110	,000	,000	,005	,731			
	N	240	240	240	240	240	240	240	240	240	240	240	240	240
<i>Ideal Market</i>	Pearson Correlation	-,050	,148*	-,003	-,042	-,062	,370*	,224*	,380*	-,115	,330*	,156*	1	
	Sig. (2-tailed)	,441	,022	,964	,513	,337	,000	,000	,000	,074	,000	,015		
	N	240	240	240	240	240	240	240	240	240	240	240	240	240
<i>Ideal Hierarchy</i>	Pearson Correlation	,002	,072	,041	-,008	,002	-,001	,316*	-,127*	,499*	-,219*	,189*	-,105	1
	Sig. (2-tailed)	,971	,265	,529	,902	,978	,984	,000	,049	,000	,001	,003	,106	
	N	240	240	240	240	240	240	240	240	240	240	240	240	240

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Appendix F
Independent t-test analysis

<i>Variables</i>		<i>Levene's Test for Equality of Variances</i>		<i>t-test for Equality of Means</i>	
		F	Sig.	<i>t</i>	Sig.
Transparency	Equal variances assumed	6.43	.012	-2.71	.007
	Equal variances not assumed			-2.71	.007
Moral	Equal variances assumed	.334	.564	-1.01	.310
	Equal variances not assumed			1.31	.310
Balance	Equal variances assumed	4.13	.043	1.31	.190
	Equal variances not assumed			1.31	.190
Self-awareness	Equal variances assumed	1.95	.164	-4.11	.681
	Equal variances not assumed			-4.11	.681
Current Clan culture	Equal variances assumed	2.69	.102	-2.15	.033
	Equal variances not assumed			-2.15	.033
Current Adhocracy culture	Equal variances assumed	12.1	.001	-2.91	.004
	Equal variances not assumed			-2.91	.004
Current Market culture	Equal variances assumed	4.58	.033	4.06	.000
	Equal variances not assumed			4.06	.000

Current	Equal variances				
Hierarchy	assumed	1.93	.166	3.77	.000
culture	Equal variances not assumed			3.77	
Ideal Clan	Equal variances				
culture	assumed	4.80	.029	-2.38	.018
	Equal variances not assumed			-2.38	.018
Ideal	Equal variances				
Adhocracy	assumed	5.82	.017	-.399	.690
culture	Equal variances not assumed			-.399	.690
Ideal Market	Equal variances				
culture	assumed	.645	.423	1.81	.071
	Equal variances not assumed			1.81	.071
Ideal	Equal variances				
Hierarchy	assumed	1.94	.165	2.27	.024
culture	Equal variances not assumed			2.27	.024
Customer	Equal variances				
Satisfaction	assumed	.321	.571	-1.27	.204
	Equal variances not assumed			-1.27	.204
Sales Growth	Equal variances				
	assumed	.069	.793	.443	.658
	Equal variances not assumed			.443	.658
Market Share	Equal variances				
	assumed	2.35	.126	3.21	.001
	Equal variances not assumed			3.21	.001
Competitive	Equal variances				.914

Advantage	assumed	1.32	.253	.109	.914
	Equal variances not assumed			.109	
Sales Volume	Equal variances assumed	.606	.437	.536	.592
	Equal variances not assumed			.536	.592

Appendix G

Notes for Model (Default model)

Computation of degrees of freedom (Default model)

Number of distinct sample moments:	45
Number of distinct parameters to be estimated:	39
Degrees of freedom (45 - 39):	6

Result (Default model)

Minimum was achieved
Chi-square = 123,027
Degrees of freedom = 6
Probability level = ,000

Appendix H

Baseline Comparisons

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	,703	-,783	,713	-,857	,690
Saturated model	1,000		1,000		1,000
Independence model	,000	,000	,000	,000	,000

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	,286	,243	,331	,000
Independence model	,210	,192	,228	,000

Appendix I

Modification Indices (Group number 1 - Default model)

Covariances: (Group number 1 - Default model)

		M.I.	Par Change
e2 <-->	e4	34,876	-,031
e1 <-->	e4	8,691	-,023
e1 <-->	e3	61,889	-,061

Appendix J

Notes for Model (Default model)

Computation of degrees of freedom (Default model)

Number of distinct sample moments:	45
Number of distinct parameters to be estimated:	42
Degrees of freedom (45 - 42):	3

Result (Default model)

Minimum was achieved
Chi-square = ,845
Degrees of freedom = 3
Probability level = ,839

Appendix K

Model Fit Summary

CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	42	,845	3	,839	,282
Saturated model	45	,000	0		
Independence model	9	414,019	36	,000	11,501

Baseline Comparisons

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	,998	,976	1,005	1,068	1,000
Saturated model	1,000		1,000		1,000
Independence model	,000	,000	,000	,000	,000

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	,000	,000	,062	,924
Independence model	,210	,192	,228	,000

- 2. admits mistakes when they are made. 0 1 2 3 4
- 3. encourages everyone to speak their mind. 0 1 2 3 4
- 4. tells you the hard truth. 0 1 2 3 4
- 5. displays emotions exactly in line with feelings. 0 1 2 3 4
- 6. demonstrates beliefs that are consistent with actions.0 1 2 3 4
- 7. makes decisions based on his or her core values.0 1 2 3 4
- 8. asks you to take positions that support your core values.0 1 2 3 4

Not at all	Once in a while	Sometimes	Fairly often	Frequently, if not always
0	1	2	3	4

- 9. makes difficult decisions based on high standards of ethical conduct. 0 1 2 3 4
- 10. solicits views that challenge his or her deeply held positions.0 1 2 3 4
- 11. analyzes relevant data before coming to a decision.0 1 2 3 4
- 12. listens carefully to different points of view before coming to conclusions. 0 1 2 3 4
- 13. seeks feedback to improve interactions with others.0 1 2 3 4
- 14. accurately describes how others view his or her capabilities.0 1 2 3 4
- 15. knows when it is time to reevaluate his or her positions on important issues. 0 1 2 3 4
- 16. shows he or she understands how specific actions impact others. 0 1 2 3 4

Organizational Culture Assessment Instrument

The purpose of the OCAI is to assess six key dimensions of organizational culture. In completing the instrument, you will be providing a picture of how your organization operates and the values that characterize it. No right or wrong answers exist for these questions, just as there is no right or wrong culture

The next part consists of six questions. Each question has four alternatives. Divide 100 points among these four alternatives depending on the extent to which each alternative is similar to your own organization. Give a higher number of points to the alternative that is most similar to your organization. For example, in question one, if you think alternative A is very similar to your organization, alternative B and C are somewhat similar, and alternative D is hardly similar at all, you might give 55 points to A, 20 points to B and C, and five points to D. Just be sure your total equals 100 points for each question.

Note, that the first pass through the six questions is labeled “Now”. This refers to the culture, as it exists today. After you complete the “Now”, you will find the questions repeated under a heading of “Preferred”. Your answers to these questions should be based on how you would like the organization to look five years from now.

1. Dominant Characteristics		Now	Preferred
A	The organization is a very personal place. It is like an extended family. People seem to share a lot of themselves.		
B	The organization is a very dynamic entrepreneurial place. People are willing to stick their necks out and take risks.		
C	The organization is very results oriented. A major concern is with getting the job done. People are very competitive and achievement oriented.		
D	The organization is a very controlled and structured place. Formal procedures generally govern what people do.		
	Total		
2. Organizational Leadership		Now	Preferred
A	The leadership in the organization is generally considered to exemplify mentoring, facilitating, or nurturing.		

B	The leadership in the organization is generally considered to exemplify entrepreneurship, innovating, or risk taking.		
C	The leadership in the organization is generally considered to exemplify a no-nonsense, aggressive, results-oriented focus.		
D	The leadership in the organization is generally considered to exemplify coordinating, organizing, or smooth-running efficiency.		
	Total		
3. Management of Employees		Now	Preferred
A	The management style in the organization is characterized by teamwork, consensus, and participation.		
B	The management style in the organization is characterized by individual risk-taking, innovation, freedom, and uniqueness.		
C	The management style in the organization is characterized by hard-driving competitiveness, high demands, and achievement.		
D	The management style in the organization is characterized by security of employment, conformity, predictability, and stability in relationships.		
	Total		
4. Organization Glue		Now	Preferred
A	The glue that holds the organization together is loyalty and mutual trust. Commitment to this organization runs high.		
B	The glue that holds the organization together is commitment to innovation and development. There is an emphasis on being on the cutting edge.		
C	The glue that holds the organization together is the emphasis on achievement and goal accomplishment. Aggressiveness and winning are common themes.		

D	The glue that holds the organization together is formal rules and policies. Maintaining a smooth-running organization is important.		
	Total		
5. Strategic Emphases		Now	Preferred
A	The organization emphasizes human development. High trust, openness, and participation persist.		
B	The organization emphasizes acquiring new resources and creating new challenges. Trying new things and prospecting for opportunities are valued.		
C	The organization emphasizes competitive actions and achievement. Hitting stretch targets and winning in the marketplace are dominant.		
D	The organization emphasizes permanence and stability. Efficiency, control and smooth operations are important.		
	Total		
6. Criteria of Success		Now	Preferred
A	The organization defines success on the basis of the development of human resources, teamwork, employee commitment, and concern for people.		
B	The organization defines success on the basis of having the most unique or newest products. It is a product leader and innovator.		
C	The organization defines success on the basis of winning in the marketplace and outpacing the competition. Competitive market leadership is key.		

D	The organization defines success on the basis of efficiency. Dependable delivery, smooth scheduling and low-cost production are critical.		
	Total		

The last part of the questionnaire refers to the Organizational Performance.

Please, think about AIESEC Portugal (Ukraine) as whole and rate it on the following 5 factors (rate from 1 less performant to 100 more performant on each criteria):

Factor	Mark (1-100)
Customer satisfaction	
Sales growth	
Market share	
Competitive advantage	
Sales volume	

Thank you for participation!