The Role of Democratic Transformational Leadership Style in Supporting Clan Organizational Culture

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ABSTRACT: Leadership plays a critical role in achieving organizational success and shaping its culture. This paper investigates the role of leadership in shaping organizational culture, specifically within a leading automotive dealership in Indonesia aiming to strengthen its clan culture. This paper aims to evaluate the existing leadership approach in the company and identify a style that would better support a clan culture. Primary data for the study was gathered through a quantitative survey of 324 employees, selected using Slovin's formula. The questionnaire model that was employed is the Vannsimpco Leadership Survey (VLS). The tools that were used for analysis are descriptive analysis and gap analysis. Results show that the organization predominantly exhibits an Autocratic-Transformational leadership approach. In contrast, the expected leadership style that emerged from the results is Democratic-Transactional. Based on the findings, the company is advised to strategically realign its leadership to a Democratic-Transformational style, emphasizing participative decision-making, open communication, and collaborative, employee-focused approaches to foster a clan culture.

KEYWORDS: Democratic Transformational Leadership, Clan Culture, Gap Analysis, Leadership Style, Organizational Culture.

I. INTRODUCTION

Effective management of human resources is crucial for organizations to successfully achieve their goals (Northouse, 2019). Consequently, the challenge lies in ensuring the harmonious coexistence of human resources with the organizational culture. The significance of organizational culture has garnered much attention in recent years. Over the past three decades, organizations and institutions worldwide have invested in leadership and organizational culture, leading to ongoing discussions regarding their relationship.

Effective leadership is crucial for organizational success, influencing subordinates to perform optimally for the organization (Wang et al., 2019). Leadership substantially shapes organizational culture, as highlighted by Kim's research, which emphasized that leadership not only establishes but also defines organizational culture. Kim's survey of full-time employees in the Korean public sector demonstrated the significant influence of transformational leadership on clan culture (Kim, 2014).

Organizational culture, defined by Robbins and Coulter (2005), encompasses the collective values, beliefs, and perceptions held by individuals within an organization or a specific organizational unit. This culture serves as a framework for employees, guiding their interpretation of the situations they encounter. Organizational culture plays a pivotal role in shaping the attitudes and behaviors of staff members (Scott-findlay & Estabrooks, 2006), as it reflects the shared values, beliefs, and behavioral norms utilized by employees to assign significance to their experiences within the organization.

The values, norms, and beliefs within an organization can either encourage or hinder creativity and innovation through their impact on individual and group behavior. When these values and norms align with the organization's mission and goals and become ingrained in the everyday routines of employees, they motivate efforts for the organization's success and advancement. This concept, as part of the organizational culture, permeates all levels of the organization and has a lasting influence on its strategy. Consequently, organizations need to embrace greater flexibility, adaptability, entrepreneurship, and innovation to effectively respond to the evolving demands of the modern environment (Rezai, Allameh, & Ansari, 2018).

The study is set in the context of a leading automotive dealership company in Indonesia. The research aims to analyze the current leadership style at the company, which is predominantly directive and authoritative. This style has been identified as a potential hindrance to innovation and agility within the organization. The study proposes to evaluate the existing leadership approach and identify a style that would better support a clan culture. The main research questions focus on identifying the prevailing leadership

style at the company and determining the leadership style necessary to foster a clan organizational culture. This investigation is relevant as the company seeks to strengthen its clan culture, which could be facilitated by an adjustment in leadership style.

II. LITERATURE REVIEW

A. Organizational Culture

According to Sorensen (2002), organizational culture is the shared values, norms, and traditions that guide the behavior of its members. Also known as corporate culture, it serves as a framework shaping daily actions, decision-making, and efforts toward achieving organizational goals (Zainudin et al., 2021). This culture reflects the upheld values, leadership style, procedures, language, and distinctive characteristics of the organization (Maher, 2021). In essence, organizational culture represents the values followed by all members in pursuit of the organization's goals, vision, and mission (Suryatni et al., 2023).

Bamidele (2022) states that culture serves as the "social adhesive" that fosters a sense of unity and counters the divisive mechanisms inherent in any organization. It lays the groundwork for effective communication and establishes a shared framework of meanings. Neglecting these aspects can significantly impede an organization's performance. While organizations may possess some fundamental principles or standards, various cultural nuances exist within different workplace environments. These distinctions encompass values, norms, visible symbols, and the prevailing management or leadership styles. It is important to note that one culture isn't inherently superior to another; rather, its suitability hinges on its alignment with the company's needs and circumstances, ultimately contributing to, rather than hindering, its success (Bamidele, 2022).

The Organizational Culture Assessment Instrument (OCAI), is a widely used tool for assessing organizational culture based on the Competing Values Framework (CVF) developed by Cameron and Quinn (2006), identifies four types of organizational culture: Clan, Adhocracy, Market, and Hierarchy (Agassy et al., 2023; Chennattuserry, 2022). Each type of culture has distinct characteristics, leadership styles, and strategic emphases.
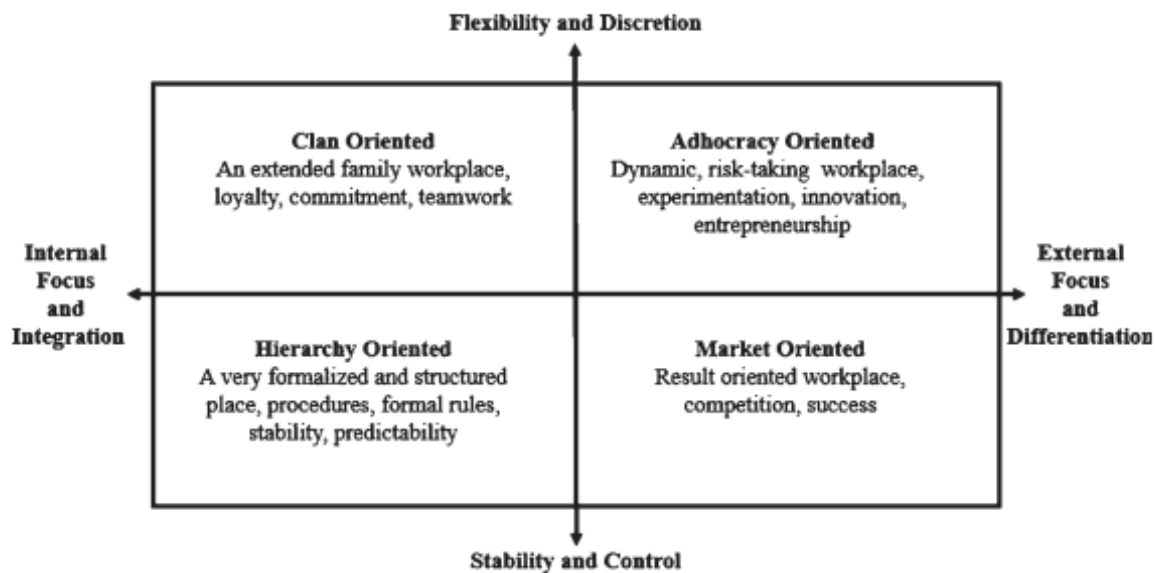

Figure 2.1 Cultural profiles based on Competing Values Framework
Source: "Organizational culture in public and non-public higher education institutions in Poland: A study based on Cameron and Quinn's model" by Dębski, M., et al., 2020, Human Systems Management, 39(3), p. 345-355.

1. Clan Culture: This type of culture is characterized by a family-like atmosphere, with a focus on collaboration, teamwork, and employee involvement. It emphasizes loyalty, trust, and open communication among members. Leaders in clan cultures are often seen as mentors or coaches, fostering a supportive and nurturing environment (Chennattuserry, 2022). The leadership style employed is inclined to either ease conflicts or contribute to any issues arising within the organization (Virgiawan et al., 2021). The effectiveness criteria of the clan culture primarily focus on fostering group cohesion, enhancing employee morale, and managing human resources.

Management principles typically revolve around encouraging employee or member involvement. Building employee or group dedication is attained by involving them in work dynamics, management procedures, and decision-making processes (Suryatni et al., 2023).

2. *Adhocracy Culture:* Adhocracy cultures are dynamic, entrepreneurial, and innovative. They prioritize creativity, flexibility, and adaptability in response to changing environments. Leaders in adhocracy cultures are visionaries, encouraging risk-taking and experimentation to drive innovation and growth (Agassy et al., 2023; Chennattuserry, 2022). The effectiveness criteria are directed towards achieving measurable output targets, optimizing work processes, and promoting growth. Organizations with an adhocracy culture believe that innovation is vital for generating new resources necessary for growth. The main responsibility of management is to cultivate an entrepreneurial spirit and foster creativity (Suryatni et al., 2023).

3. *Market Culture:* Market cultures are results-oriented and competitive, with a strong focus on achieving goals and meeting customer needs. They prioritize efficiency, productivity, and profitability. Leaders in market cultures are often seen as hard-driving and demanding, setting high expectations for performance and holding employees accountable for results (Loo, 2018). The effectiveness criteria revolve around how to outperform competitors and attain set targets. The guiding principles for management involve the competitive approach to enhance productivity. This culture assumes a market environment that is competitive and not necessarily friendly, with consumer behavior leaning towards selecting values. Consequently, the organization consistently strives to increase competitiveness. The primary role of management is to steer the organization towards achieving productivity, results, goals, and profits (Vizano et al., 2020; Suryatni et al., 2023).

4. *Hierarchy Culture:* Hierarchy cultures are characterized by a structured, formal, and controlled environment. They emphasize stability, predictability, and adherence to rules and procedures. This culture is characterized by an abundance of bureaucratic rules. Leaders in hierarchy cultures are often seen as coordinators and administrators closely involved in various activities, ensuring that tasks are completed according to established guidelines and processes (Agassy et al., 2023; Chennattuserry, 2022). The effectiveness criteria prioritize efficiency and adherence to strict time constraints. The primary duty of management is to produce goods and services in an efficient manner, with the goal of ensuring the prosperity for the company (Suryatni et al., 2023).

The OCAI assesses these four types of organizational culture through six dimensions: dominant characteristics, organizational leadership, employee management, organizational adhesive, strategic emphasis, and success criteria (Agassy et al., 2023). By understanding the predominant culture within an organization, leaders can identify areas for improvement and implement strategies to enhance performance and innovation (Cruz Junior et al., 2022; Faizaty et al., 2020).

Organizational culture exerts a profound influence on various aspects of an organization, including collaboration and innovation. In a study exploring the impact of different types of organizational culture on innovation, Rezai et al. (2018) revealed that clan culture and adhocracy culture had a positive effect on technological and administrative innovation. On the other hand, market culture and hierarchy culture were considered as a barrier to innovation due their inflexibility.

A case study examining Tesco PLC sheds light on the company's business dynamics. Functioning as a multinational grocery and general merchandise retailer, Tesco PLC embodies the core values associated with the clan organizational culture dimension. The organization is dedicated to its central purpose of "we make what matters better together," emphasizing teamwork, integrity, benevolent leadership styles, doing the right thing, and fostering employee inspiration to build loyalty and trust. The company believes that by embracing the values of the clan organizational culture, it can inspire employees to be more creative and willing to share innovative ideas with their leaders (Ogbeibu, Senadjki, & Luen Peng, 2018).

A key component of organizational culture's transformation is leadership (Penrod & Dolence, 1992; Alsaqqa, 2021). According to Clark et al. (1991), organizational culture can be viewed as a factor influencing an organization's effectiveness (Alsaqqa, 2021). The well-known corporate culture leader has the power to shape and reshape this culture (Schein, 1985; Alsaqqa, 2021). Therefore, finding and keeping managers who can have a positive impact is a crucial task for any firm. Schein (1996) asserts that culture development, evolution, change, and even annihilation are all related to leadership (Alsaqqa, 2021).

Based on theories which suggest that leadership style and organizational culture are linked, the results of a study conducted by Giritli, Öney-Yazici, Topçu-Oraz, and Acar (2013) indicate that there is a significant relationship between specific leadership practices and specific cultural profiles. Pennington et al. (2003) discovered that various leadership approaches lead to distinct organizational cultures. Utilizing Kouzes' and Posner's five leadership behaviors alongside Cameron and Quinn's cultural dimensions, they observed a strong positive association between transformational leadership and both clan and adhocracy cultures. Conversely,

this leadership style was found to have a negative correlation with both hierarchical and market-oriented cultures. According to Xie et al. (2020), transformational leadership has a significant impact on fostering a clan culture, as well as enhancing organizational commitment and employee job satisfaction. Fakhri et al. (2021) discovered in their study that the democratic leadership model has a meaningful and positive influence on the development of a clan culture within organizations.

B. Leadership Styles

Leadership, as described by Gurr and Drysdale (2020), can be defined as an individual's capacity to motivate and inspire others to attain the objectives and overall effectiveness of an organization. It involves the process of influencing and encouraging desired behaviors in others to achieve success. In addition, leadership style refers to a combination of skills, traits, and behavior exhibited by leaders to guide their subordinates in achieving efficiency and organizational goals (Van Wart, 2013). Essentially, leadership styles encompass the unique approaches and behaviors leaders utilize to guide their followers in accomplishing shared objectives (Udin, 2023).

There are several different types of leadership styles, each with its own characteristics and effects on organizational culture. Psychologists Lewin, Lippitt, and White (1939) identified three major leadership styles to drive organizations to be more productive and profitable:

1. Autocratic Leadership

Autocratic leadership, also referred to as authoritarian leadership according to Briker et al. (2021), is a leadership style where a leader holds complete control and decision-making authority within an organization (Bass & Bass, 2009). Autocratic leaders have the ultimate power and make decisions without seeking input or consensus from others, as emphasized by Sauer (2011). They rarely delegate decision-making responsibilities to others and may not place much value on the ideas of their subordinates. Autocratic leaders prioritize obedience and expect strict adherence to rules, occasionally using rewards and punishments to ensure compliance, (Harms et al., 2018).

Typically, autocratic leaders maintain a rigid hierarchical structure with clear lines of authority, and information and power flow from the top down. Subordinates are expected to follow the established chain of command (Khan et al., 2015). Communication in autocratic leadership primarily flows in one direction, with instructions originating from the leader and directed toward subordinates. Feedback and input from subordinates are not actively sought or valued, resulting in limited autonomy for subordinates and little room for individual creativity within the organization.

Although autocratic leadership can be effective in specific situations, such as crisis scenarios requiring quick decisions and clear direction, it also comes with several drawbacks. Firstly, it can lead to low employee morale and motivation because subordinates may feel disengaged, with their opinions and contributions not being considered important (De Hoogh et al., 2015). Secondly, autocratic leadership often creates a strong dependency on the leader's decision-making abilities, potentially causing organizational slowdowns and bottlenecks when the leader is absent or unable to make timely decisions (Sherf et al., 2019). Lastly, autocratic leadership limits the input from subordinates regarding new ideas and innovative approaches, hindering problem-solving and the organization's ability to adapt to changing circumstances (Khudhair et al., 2022).

2. Democratic Leadership

Democratic leadership, also called participative leadership as described by Amanchukwu et al. (2015), is a leadership style characterized by active involvement and engagement of subordinates in the decision-making process. Leaders practicing democratic leadership encourage collaboration, actively seek input from team members, and give weight to their opinions and suggestions before making decisions (Miloloza, 2018). This approach fosters a culture of open and transparent communication within the organization, where individuals are encouraged to express their thoughts, concerns, and ideas. Democratic leaders are attentive to the feedback provided by their team members, creating an environment where everyone feels empowered to contribute to discussions (Fiaz et al., 2017).

Democratic leadership also emphasizes the importance of collaboration and teamwork, as observed by Jiang (2014) and Liggett (2020). Leaders in this style facilitate and promote cooperation among team members, enabling them to work together towards common objectives (Tajpour & Razavi, 2023). This collaborative approach can enhance creativity, problem-solving, and overall team performance (Hilton et al., 2021; Moneva & Pedrano, 2019).

Furthermore, democratic leaders empower their team members by granting them a certain level of autonomy and responsibility (Choi, 2007). They trust in their team's abilities and provide opportunities for growth and development, leading to increased job satisfaction and motivation among team members (Dyczkowska & Dyczkowski, 2018; Munir & Iqbal, 2018).

Democratic leadership offers several advantages to organizations, including the creation of a positive work environment that encourages individuals to give their best efforts (Caillier, 2020). When team members feel that their opinions are valued and their voices are heard, they tend to be more engaged and motivated. Additionally, involving team members in the decision-making process taps into their diverse perspectives, ideas, and experiences, leading to more creative and innovative problem-solving (Kotamena et al., 2020).

However, it is important to note that democratic leadership may not be suitable in all situations. In time-sensitive or crisis scenarios, a more directive leadership approach may be necessary for swift decision-making (Udin, 2023). Additionally, there may be cases where input from team members is not feasible or appropriate, particularly in highly technical matters or when specific expertise is required. Therefore, leaders should be adaptable and consider the specific needs of the situation when determining the most effective leadership style to employ (Haryanto et al., 2022).

3. Laissez-faire Leadership

Laissez-faire leadership, also referred to as hands-off leadership according to Dasborough and Scandura (2022), is a leadership style characterized by minimal guidance, involvement, or direction provided by the leader to their subordinates (Barnett, 2017). In this leadership approach, laissez-faire leaders delegate authority and decision-making power to their subordinates, allowing them to work independently with little interference (Breevaart & Zacher, 2019). Laissez-faire leaders demonstrate a high level of trust in their subordinates, relying on them to take responsibility for their work and make decisions without constant supervision (Northouse, 2013; Puni et al., 2014). Subordinates under laissez-faire leadership enjoy a significant degree of autonomy and independence in their tasks and responsibilities (Iqbal et al., 2021). They are expected to be self-directed, motivated, and capable of managing their own work (Antonakis et al, 2004). Laissez-faire leaders provide minimal rules and may offer support when requested, but they do not impose specific processes to monitor progress (Igbaekemen, 2014).

Advantages of laissez-faire leadership include the encouragement of team members to think freely and explore new ideas, stimulating creativity within the team. Additionally, it provides individuals with opportunities to develop their skills and take on challenges, fostering experiential learning, as indicated by Yang (2015).

However, laissez-faire leadership also has disadvantages. The absence of clear direction from the leader can lead to ambiguity regarding roles and expectations among team members. Furthermore, with minimal involvement from the leader, coordination among subordinates may suffer, potentially resulting in duplication of efforts or a lack of alignment with overall goals (Skogstad et al., 2007; Skogstad et al., 2015; Heyliger & Heyliger, 2014; Neuman & Baron, 2005; Glambek et al., 2018; and Skogstad et al., 2014).

Avolio and Bass (1991) introduced the Full Range Leadership model (FRL), which outlines three primary leadership styles for enhancing organizational competitiveness. In addition to laissez-faire, there are also transformational and transactional leadership styles.

1. Transformational Leadership

Transformational leadership, as defined by Bass and Avolio (1990), revolves around the concepts of entrusting, aligning, and inspiring subordinates to achieve exceptional performance for the greater benefit of the organization as a whole. In essence, transformational leaders challenge their subordinates to transcend self-interest and instead work collectively toward a shared vision (Denhardt and Campbell, 2006; Dumdum et al., 2013). They actively encourage and empower their subordinates to enhance their skills, capabilities, and a sense of ownership in relation to the organization's objectives.

According to Bass and Riggio (2006), transformational leadership consists of several essential components. The first component is idealized influence, where leaders serve as role models, earning trust, demonstrating ethical standards, and aligning words with actions (Astuty and Udin, 2020; Hosna et al., 2021; Sengphet et al., 2019). The second component is inspirational motivation, involving leaders communicating a compelling vision to inspire enthusiasm, excitement, and a sense of purpose among team members (Boamah and Tremblay, 2019). The third component is individualized consideration, where leaders show genuine concern for subordinates' aspirations, recognizing strengths and weaknesses, and providing personalized mentorship (Hilton et al.,

2023). The fourth and final component is intellectual stimulation, encouraging creativity, innovation, and critical thinking, challenging the status quo and fostering an intellectually stimulating environment (Alzoraiki et al., 2018; García-Morales et al., 2012).

Transformational leadership has positive effects, leading to increased motivation, satisfaction, commitment, and higher performance and productivity levels among employees (Eliyana et al., 2019). Transformational leaders also cultivate a feeling of empowerment and individual development, facilitating employees in realizing their maximum capabilities. (Udin, 2023).

2. Transactional Leadership

Transactional leadership is a leadership style that centers around the exchange of rewards and punishments between leaders and their subordinates (Abu Nasra & Arar, 2020; Bass & Avolio, 1990). In this approach, transactional leaders establish explicit expectations and performance goals, using contingent rewards and punishments as motivators, as mentioned by Afsar et al. (2017) and Klein (2023). These leaders set specific objectives and promise rewards, such as recognition or bonuses, in return for achieving these goals. This contingent reward system creates a transactional relationship where subordinates strive to attain the desired outcomes in exchange for the promised rewards, which can be both tangible and intangible (Dai et al., 2013). Conversely, failing to meet these promised expectations may result in punishments.

Additionally, transactional leaders employ a management-by-exception approach, as described by Bass et al. (2003) and Gemeda and Lee (2020), to focus on significant deviations from desired outcomes in day-to-day activities. They set precise goals, intervene when necessary for improvement, and allow subordinates to utilize their problem-solving skills while ensuring alignment with established expectations. Transactional leaders maintain the existing state of affairs and provide feedback, establishing a clear hierarchy within the organization (Kark et al., 2018). They offer clear guidelines and expectations that help subordinates understand their roles and responsibilities (Abdelwahed et al., 2023).

Vann, Coleman, and Simpson (2014) address the complexity and multifaceted nature of leadership styles. They acknowledge that leaders often do not adhere strictly to a single style, such as transformational, transactional, democratic, autocratic, or laissez-faire. Instead, leaders are more likely to exhibit a hybrid approach, combining elements of multiple styles depending on their specific context and the demands of the situation. For many years, tools have been developed to assess different leadership styles separately, but these tools do not offer the capability to evaluate a mix of leadership styles in a brief format suitable for diverse environments. This gap led to the creation of the Vannsimpco Leadership Survey, a comprehensive instrument designed to measure various leadership styles collectively.
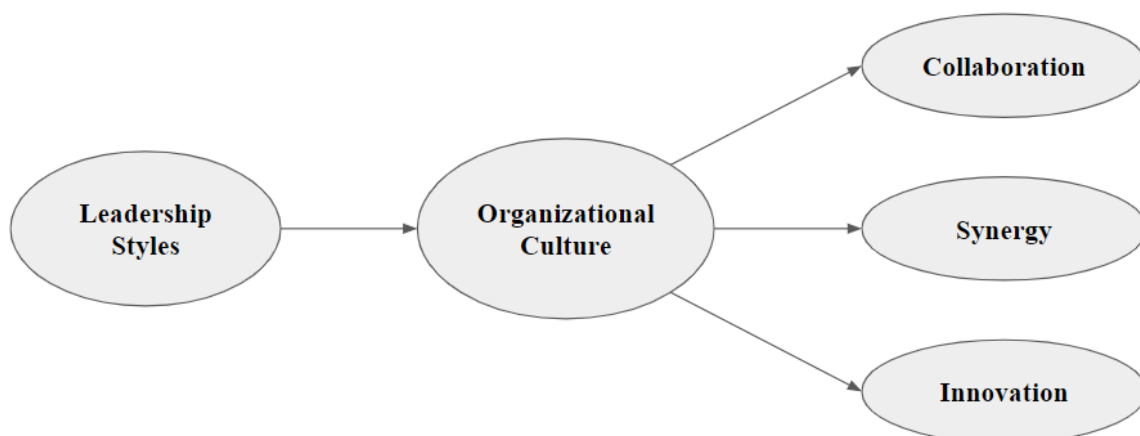
D. Conceptual Framework

Figure 2.2 Conceptual Framework

The conceptual framework of this research explores the relationship between various leadership styles and their effects on shaping the organizational culture within an institution. It suggests that leadership styles, such as transformational, transactional,

autocratic, democratic, and laissez-faire, play a significant role in shaping the broader organizational culture. This culture is further classified into Clan, Market, Adhocracy, and Hierarchy culture types (Cameron & Quinn, 2006).

The central hypothesis of the framework suggests that the choice of leadership style employed within an organization significantly influences the prevailing organizational culture. Particularly, transformational and democratic leadership styles are believed to promote a Clan culture which has positive influence on collaboration, synergy, and innovation in organizations. By examining the interplay between leadership styles and organizational cultures, this framework sets the stage for a comprehensive exploration of how leadership choices impact the working dynamics and outcomes within an organization.

III. RESEARCH METHODOLOGY

In this study, primary data are collected by a quantitative approach through questionnaires distributed to employees. This approach seeks to gather the employees' opinions, preferences, and experiences to identify both the current leadership styles perceived within the organization and the expectations the employees have regarding leadership. The questionnaires will be given to each of the 23 branch managers, and they will be instructed to further distribute the questionnaires to their subordinates. Utilizing Slovin's formula for determining sample size, it has been calculated that from a total population of approximately 1,700 employees, a sample size of 324 employees is required for the study. The questionnaire model that was employed is the Vannsimpco Leadership Survey (VLS). VLS is a comprehensive leadership assessment tool developed by Barry A. Vann, Jennifer A. Simpson, and Aaron N. Coleman (2014). The primary goal of the VLS is to gain greater insight into the use of a broader range and blending of leadership styles, which in turn should capture a more nuanced use of situational leadership practices. These surveys aim to gather their perspectives on the current leadership style and the expected leadership style. The nine leadership styles in the VLS serve as the variables for analysis. The statements included in the questionnaires are designed to mirror the key characteristics inherent to each of the leadership styles, providing a detailed measure of leadership attributes.

For quantitative data analysis, the tools that were used are descriptive analysis and gap analysis. Descriptive analysis aims to describe the research subjects based on data obtained from the variables within the studied subject group and it is not intended to test hypotheses (Azwar, 2012). This method contributes in answering the first research question, which aims to find the prevailing leadership style in the company. The survey employs a Likert scale ranging from 1 to 5, where '1' indicates 'Strongly Disagree' and '5' represents 'Strongly Agree', to gauge respondents' attitudes towards various leadership style statements. To conduct the descriptive analysis, the first step involves the aggregation and cleaning of the collected data to ensure accuracy and consistency. The mean, or average, is then computed for each statement, providing a concise indicator of the overall tendency of the respondents towards agreement or disagreement with the leadership styles presented. The standard deviation is also calculated to measure the variability or dispersion of the responses, offering insights into the consensus or divergence in opinions among the respondents. Subsequently, Gap analysis is employed to evaluate the disparities between the existing leadership style and the expected leadership style conducive to nurturing a clan culture.

IV. FINDINGS

This chapter presents the findings from the survey conducted among 324 employees to assess the prevalence and perception of different leadership styles within the company. The survey consisted of a series of questions designed to capture employees' experiences and opinions across nine distinct leadership styles. Each style was evaluated through three targeted questions, aiming to measure the specific attributes and behaviors associated with that style.

A. Reliability Test
Table IV.1 Reliability Test Results

Reliability Statistics

Cronbach's Alpha	N of Items
.973	54

A reliability analysis was performed to determine the internal consistency of the survey instrument, with Cronbach's Alpha serving as the key metric. The resulting Alpha of .973, detailed in Table 4.1, significantly surpasses the accepted standard of .70, denoting an exceptionally consistent measurement across the 54 survey items. This high level of internal consistency implies a reliable scale that effectively captures the targeted leadership constructs.

B. Current Leadership Style
Table IV.2 Current Leadership Style Results

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Transactional_Current	324	1.00	5.00	4.2521	.66038
Democratic_Current	324	1.00	5.00	4.0298	.70538
Autocratic_Current	324	1.00	5.00	4.2840	.65545
AutocraticTransformational_Current	324	1.00	5.00	4.3580	.65580
AutocraticTransactional_Current	324	1.00	5.00	4.1615	.69865
DemocraticTransformational_Current	324	1.00	5.00	4.3374	.68246
DemocraticTransactional_Current	324	1.00	5.00	4.2058	.71942
Transformational_Current	324	1.00	5.00	4.1492	.72929
LaissezFaire_Current	324	1.33	5.00	3.9239	.76587
Valid N (listwise)	324				

Within the company's current leadership styles, the Autocratic Transformational style emerges as the most prevalent, receiving the highest average rating from the surveyed employees. It stands out with a mean score of 4.3580, indicating a strong presence of this leadership approach within the organization. The consistency in responses, as reflected by a standard deviation of 0.65580, suggests that employees are generally in agreement about the significance of this style in their leadership framework.

C. Expected Leadership Style
Table IV.3 Expected Leadership Style Results

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Transactional_Expected	324	2.00	5.00	4.4228	.50713
Democratic_Expected	324	2.00	5.00	4.1759	.61925
Autocratic_Expected	324	2.33	5.00	4.3447	.57365
AutocraticTransformational_Expected	324	2.33	5.00	4.4609	.53258
AutocraticTransactional_Expected	324	2.33	5.00	4.4280	.52586
DemocraticTransformational_Expected	324	2.33	5.00	4.4887	.52019
DemocraticTransactional_Expected	324	2.33	5.00	4.4198	.54964
Transformational_Expected	324	2.33	5.00	4.3416	.58880
LaissezFaire_Expected	324	2.00	5.00	4.1759	.70106
Valid N (listwise)	324				

Table IV.3 shows the expected leadership styles as perceived by 324 employees. Among the various leadership styles assessed, the Democratic-Transformational style stands out with the highest mean score of 4.4887, indicating that it is the most expected style within the organization. This score suggests that employees expect a blend of democratic and transformational approaches to be predominant, which emphasizes participative decision-making coupled with inspirational and motivational practices.

The standard deviation for this style is 0.52019, which is relatively low, implying that employees' expectations are consistent with regards to the presence of Democratic Transformational leadership qualities.

D. Gap Analysis

Based on the analysis conducted on the prevailing leadership style within the company, it has been determined that the organization predominantly exhibits an Autocratic-Transformational leadership approach. This style is characterized by a strong, directive leadership coupled with transformational elements that aim to inspire and innovate within the organizational framework. Notably, such a leadership style, while effective in certain aspects, diverges from the ideal model that has been identified for fostering a clan organizational culture.

In contrast, the expected leadership style that emerged from the results is Democratic-Transactional. This style is notable for its emphasis on participatory decision-making processes, coupled with transformational aspects that focus on motivating and aligning employees towards the organization's vision and goals. The Democratic-Transformational approach has been empirically demonstrated to exert a significantly positive influence in nurturing and sustaining a clan organizational culture. This culture is hallmarked by collaborative environments, strong employee welfare focus, and a collective approach to organizational objectives.

Significantly, the quantitative analysis of the current leadership style yielded a mean result of 4.33. This figure is indicative of a substantial foundational presence of democratic leadership attributes within the current leadership framework. It suggests that, despite the predominance of autocratic elements, there exists a latent and potential capability for the organization to transition towards a more democratic leadership style. This latent capability provides a strategic opportunity for the company to align its leadership approach more closely with the Democratic-Transactional style, which is better suited to foster and enhance its clan organizational culture.

To conduct a gap analysis and develop a matrix comparing the characteristics of Autocratic-Transformational and Democratic-Transformational leadership styles with those of a clan organizational culture, key attributes of each will first be outlined. This will allow us to identify where they align or differ and how these differences or similarities might impact the cultivation of a clan culture.

1. Autocratic-Transformational Leadership Characteristics:

- Directive Decision-Making: Leadership decisions are made unilaterally (Sauer, 2011).
- Visionary: Provides a clear vision and direction for the organization (Bass and Avolio, 1990)
- Motivational Influence: Inspires employees towards achieving organizational goals (Denhardt and Campbell, 2006; Dumdum et al., 2013).
- Control-Oriented: Maintains a high level of control over processes and outcomes (Bass & Bass, 2009).
- Change Implementation: Drives changes from the top down (Khan et al., 2015).

2. Democratic-Transformational Leadership Characteristics:

- Participative Decision-Making: Encourages input and involvement from team members. (Amanchukwu et al., 2015)
- Visionary and Inspiring: Shares a vision but also involves others in shaping it (Denhardt and Campbell, 2006; Dumdum et al., 2013).
- Empowering: Fosters autonomy and growth among team members (Choi, 2007).
- Open Communication: Promotes a free exchange of ideas (Miloloza, 2018).
- Flexible and Adaptable: Welcomes and integrates feedback and changes (Fiaz et al., 2017).

3. Clan Organizational Culture Characteristics:

- Family-like Atmosphere: Emphasizes a supportive, close-knit work environment (Chennattuserry, 2022).
- Employee Focus: Prioritizes employee well-being and development (Chennattuserry, 2022).
- Collaborative Environment: Fosters teamwork and employee or member involvement (Suryatni et al., 2023).
- Loyalty and Tradition: Values long-term relationships and traditional practices.
- Consensus-Oriented: Decisions are made collectively, valuing every member's input (Suryatni et al., 2023).

Table IV.4 Leadership Styles and Clan Culture Matrix

Leadership Styles \ Clan Culture	Autocratic - Transformational	Democratic - Transformational
Family-like Atmosphere	Gap: Directive style may conflict with the nurturing aspect of a family-like atmosphere.	Alignment: Participative nature strengthens a supportive, family-like environment.
Employee Focus	Gap: High control may overlook individual employee needs.	Alignment: Focuses on employee empowerment and well-being.
Collaborative Environment	Gap: Unilateral decision-making clashes with collaborative values.	Alignment: Encourages and thrives in collaborative settings.
Loyalty & Tradition	Alignment: Visionary leadership can reinforce loyalty to the company's vision.	Gap: Flexibility may challenge established traditional hierarchical decision-making.
Consensus-Oriented	Gap: Top-down decisions conflict with consensus-based approach.	Alignment: Decision-making style is consistent with consensus orientation.

The matrix highlights significant gaps between the Autocratic-Transformational leadership style and the characteristics of a clan organizational culture, particularly in areas of employee focus, collaboration, and decision-making. On the other hand, the Democratic-Transformational leadership style shows a much stronger alignment with clan culture, particularly in fostering a family-like atmosphere, employee focus, and a collaborative environment. To strengthen the clan culture within the company, it would be beneficial to transition towards a more Democratic-Transformational leadership approach. This transition should focus on increasing participative decision-making, enhancing open communication, and promoting a more collaborative and employee-centered leadership style.

5. CONCLUSION & RECOMMENDATION

This research aimed to analyze the leadership styles at the company and their impact on fostering a clan organizational culture. The findings revealed that the current predominant leadership style is Autocratic-Transformational, which, while effective in certain aspects, diverges from the ideal model for cultivating a clan culture. Employees expressed a preference for a more Democratic-Transformational style, which aligns better with clan culture values such as collaboration, employee welfare, and a supportive environment.

The gap analysis highlighted significant disparities between the current Autocratic-Transformational leadership approach and the desired clan culture characteristics, particularly in areas of employee focus, collaboration, and decision-making. Conversely, the Democratic-Transformational style showed strong alignment with fostering a family-like atmosphere, employee focus, and a collaborative environment that are present in the clan culture.

Given the findings, the company should embark on a structured transition strategy to align its leadership approach more closely with the Democratic-Transformational style. This transition should focus on increasing participative decision-making, enhancing open communication, and promoting a more collaborative and employee-centered leadership style, aligning with the company's goals of transitioning towards a collaborative and innovative clan culture.

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