

**TRANSFORMATIONAL AND TRANSACTIONAL LEADERSHIP STYLES AS
THEY PREDICT CONSTRUCTIVE CULTURE AND DEFENSIVE CULTURE**

by
Randy G. Eppard

Dissertation submitted to the Faculty of the Virginia Polytechnic Institute and State
University in partial fulfillment of the requirements for the degree of

DOCTOR OF PHILOSOPHY

In
Human Development

Dr. A Wiswell, Chair

Dr. J. Cline

Dr. M. Boucouvalas

Dr. B. Brown

Dr. C. Hardy

February 5, 2004
Falls Church, Virginia

Keywords: Leadership: Transformational Leadership, Transactional Leadership, Culture,
Organizational Culture, Defensive Culture

Copyright 2004, Randy G. Eppard

TRANSFORMATIONAL AND TRANSACTIONAL LEADERSHIP STYLES AS THEY PREDICT CONSTRUCTIVE CULTURE AND DEFENSIVE CULTURE

by

Randy G. Eppard

Committee Chairperson: Dr. Albert K. Wiswell

Human Development

(Abstract)

The purpose of this study was to test a predictive model of several components of organizational and leadership Culture in a large sample of municipal employees using three sets of predictors: demographic/employment status of employees, measures of employees' judgments of their supervisor's transactional leadership styles, and measures of employees' judgments of their supervisor's transformational leadership style. To what extent does transformational and transactional leadership (both individually and as an interaction) predict Constructive Culture and Defensive Culture?

The research utilized two concepts: leadership theory (transformational and transactional leadership) and organizational culture (constructive culture and defensive culture) to analyze the relationship of organizational culture to leadership styles. The research significantly determined how much the relationship of transformational and transactional leadership predicts the criterion variables, constructive culture, and defensive culture, within an organization's culture.

First, descriptive and correlational analyses were performed to identify the zero order relationships among demographic variables, leadership styles, and organizational culture variables. Demographic variables included gender, age, level of education, race (Caucasian, or African-American), type of employee (supervisor or non-supervisor), and length of employment.

Next, the researcher factor (principal components with an orthogonal varimax rotation) analyzed the interrelationships among the items of each of the two instruments (Multifactor Leadership Questionnaire and the Organizational Culture Inventory Questionnaire). Three separate factor analysis studies were performed for the: (a) 12 OCI

scales; (b) twenty transformational leadership items; and (c) 12 transactional leadership items. Factor analysis was used as a means of understanding the underlying structure of the data and determining whether “local factors” (that is, derived solely on the current sample of data) needed to be used instead of the structure suggested by the authors of the published scales. As reported above, the structure suggested by the test authors was deemed appropriate for the study.

Stage 3: Multiple Regressions: Next, to answer the hypotheses, the researcher utilized multiple regression equations.

Five significant findings were suggested from this research study:

1. Transformational Leadership factored scores were positively and significantly correlated with Constructive Culture factored scores and therefore Transformational Leadership added significant variance in predicting Constructive Culture.
2. Transactional Leadership factored scores were positively and significantly correlated with Defensive Culture factored scores and therefore Transactional Leadership added significant variance in predicting Defensive Culture.
3. Organizations have subcultures that display the personality of the individual departments or units.
4. The type of work performed or provided influences the type of leadership style.
5. The MLQ instrument was found to be a weak measurement of leadership.

Perhaps the most important finding was the weakness of the MLQ instrument. As a result, this research revealed the need to develop an instrument that represent a more reliable and valid measure of Transformational Leadership and Transactional Leadership behaviors. This research suggested that the measures could be improved.

TABLE OF CONTENT

	Page
List of Tables	vii
List of Figures	viii
Acknowledgements.....	ix
Abstract of Dissertation	ii

CHAPTER I

OVERVIEW OF THE RESEARCH.....	1
Background.....	1
Transactional and Transformational Leadership	2
Constructive Culture vs. Defensive Culture	5
Statement of the Problem.....	9
Purpose of the Study	11
Research Hypotheses	12
Significance of Research.....	13
Conclusion	13

CHAPTER II

LITERATURE REVIEW	15
Introduction.....	15
Trait Theories.....	15
Behavioral Style Theories.....	16
Leadership versus Management.....	18
Situational Theory.....	23
Leadership and Management Studies	26
Studies on Leadership Behaviors.....	26
Management Behaviors Studies.....	27
Studies on Leadership and Management Behavior.....	28
Transformational Leadership and Transactional Leadership Theories	28
Transformational Leadership and Transactional Leadership Studies	30

Concept of Culture	31
Research of Organizational Culture.....	32
Levels of Organizational Culture.....	35
Summary of Literature	38

CHAPTER III

METHODOLOGY	40
Description of Sample and the Organization	40
Research Design.....	41
Instrumentation	43
Multifactor Leadership Questionnaire (MLQ)	
Rater Form 5x-short	43
Organizational Culture Inventory (OCI).....	47
Procedure	54
Description of Measures	55
Statistical Definitions.....	59
Analytic Approach	59
Assumptions and Limitations	61

CHAPTER IV

RESEARCH FINDINGS.....	62
Demographics of the Sample	62
Intercorrelations Among Primary Factor Scores	64
Correlations of Primary Factor Scores with Demographics	66
Comparison of Primary Factor Scores Based on Gender	68
Intercorrelations Among the Demographic Variables	70
Demographics, Transactional, and Transformational Predicting Constructive Culture.....	72
Demographics, Transactional, and Transformational Predicting Defensive Culture	74
Demographics, Transactional, and Transformational	

	Predicting Constructive Culture.....	76
	Demographics, Transactional, and Transformational	
	Predicting Defensive Culture.....	78
	Demographics, Transactional, and Transformational	
	Predicting Constructive Culture.....	80
	Demographics, Transactional, and Transformational	
	Predicting Defensive Culture.....	82
	Factor Loading From Principal Components	
	Analysis For MLQ Contingent and Transformational	
	Leadership Items.....	84
CHAPTER V		
	DISCUSSION	88
	Participants.....	89
	Findings.....	90
	Demographics	90
	Hypotheses.....	91
	Conclusion	97
	Limitations	99
	Implications for Practice.....	100
	Future Research Needs	101
	Summary.....	102
REFERENCES		103
APPENDIXES		
	Appendix A: Proposal Letter Requesting and	
	Explaining the Research	114
	Appendix B: City Participant Letter	115
VITA		118

LIST OF TABLES

Tables

2.1	Leadership versus Management Descriptions	19
2.2	Conception of Autocratic and Democratic Leadership.....	20
2.3	Descriptions of Transformational and Transactional Leadership.....	29
3.1	Organizational Culture Inventory Scales	51
3.2	Rotated Factor Loadings for the Organizational Culture Inventory Scales...	52
3.3	Analysis of Variance for Culture Scales by Organization	53
3.4	Principal Components Analysis for the Twenty Transactional Leadership Items	56
3.5	Principal Components Analysis for the Twelve OCI subscales	58
4.1	Demographics of Sample	63
4.2	Intercorrelations Among Primary Factor Scores Based on Gender.....	65
4.3	Correlations of Primary Factor Scores with Demographics	67
4.4	Comparison of Primary Factor Scores Based Gender	69
4.5	Intercorrelations Among the Demographics Variables.....	71
4.6	Demographics, Transactional, and Transformational Predicting Constructive Culture.....	73
4.7	Demographics, Transactional, and Transformational Predicting Defensive Culture	75
4.8	Demographics, Transactional, and Transformational Predicting Constructive Culture.....	77
4.9	Demographics, Transactional, and Transformational Predicting Defensive Culture	79
4.10	Demographics, Transactional, and Transformational Predicting Constructive Culture.....	81
4.11	Demographics, Transactional, and Transformational Predicting Defensive Culture	83
4.12	Factor Loading From Principal Component Analysis For MLQ Contingent and Transformational Leadership Items	85

LIST OF FIGURES

Figures

1	Researchers conceptual model.....	41
2	Researchers conceptual model.....	98

ACKNOWLEDGEMENTS

Many people contributed to this research study. Without the approval of Mr. Gary O'Connell (City Manager), Mr. Galloway Beck (Director of Human Resources), and Mrs. Judith (Judy) Mueller, (Department of Public Works) this study would not have been possible. Thank you for your efforts in making this a successful dissertation. I would like to extend a special thanks to Judy. The day I decided to pursue a graduate degree, I wanted your feedback. I scheduled an appointment, we met in your office, and you said, "I never expected anything less of you". That comment remained with me-and when I thought I could not go on, I would remember it, curse you, and continue. You are a remarkable person and good friend.

I would also like to extend an appreciation to my dissertation committee. First, to my chairperson, Dr. Bert Wiswell: Bert, you are an extraordinary person. Your commitment, your drive, your advice never stopped. You never eased in your expectations of me. As a result, I have a dissertation to be proud of. Second, to Dr. Cline: you are undoubtedly the smartest person I have ever met. Your mesmerizing statistics classes were a joy to attend. I did not think anyone could make something that was so complex so interesting and enjoyable. Your suggestions allowed me to think in new ways. Most importantly, you continually helped me with my confidence. There were some days that I just did not think I could go on, and you always knew just what to say to get me back in the race. You are a very special person and I will always remember you as a scholar and friend. Third, to Dr. Marcie Boucouvalas, Dr. Chris. Hardy, and Dr. Barbara Brown: thank you for your countless hours of review and scholarly advice. Barbara, my peer, my colleague, my committee member, my dear friend: we started our dissertations together; you ended up finishing an entire year before me, and now, to rub it in even more, you are on my dissertation committee. What a journey, girlfriend! I will never stop admiring you.

I would like to extend a special appreciation to my boss, Mr. Bill Halbert. Bill, you hired me into United Brotherhood of Carpenters as Director of the School of Carpentry with the understanding that I would complete my dissertation. I want to thank

you for the opportunity and your confidence in me, and I truly enjoy working under your leadership.

Mom and Dad: it is time to pop the cork! I know in my heart that nobody is any prouder of this than you. I am so happy to share this special time with the most admirable people I know. You supported me emotionally through the letdowns and rallied for the milestones.

To my wife Margo and my two sons, Will and Alex: no one sacrificed more than you three. Margo, this would not have happened in any aspect without your commitment and understanding. This has been a six-year ordeal, and you never once gave up on me. This has truly been a partnership and testament of our love for each other, a love like no other! Will and Alex, thanks for being patient and the best boys in the world. You are my heroes.

Lastly, to Dr. Howard McCoy: nothing can replace our friendship. I miss you, and I wish you were here to celebrate this special time with me. I dedicate this dissertation to you.