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REVISITING THE MULTIFACTOR LEADERSHIP QUESTIONNAIRE: MEDIATING ROLE OF LEADERSHIP STYLES, ORGANIZATIONAL CULTURE, AND PERFORMANCE.

Ghulam Muhammad Kundi

Department of Health Administration, College of Public Health and Health Informatics, Al-Bukayriyah, Qassim University, Kingdom of Saudi Arabia.

Email: g.muhammad@qu.edu.sa

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ABSTRACT

Purpose: Leadership is one of the important factors, and responsible for the performance of employees. Leaders use culture as a key to enhance the performance of employees. The purpose of this research is to extend previous empirical studies on leadership by testing organizational culture as an underlying mechanism between leadership and performance.

Design: A deductive, quantitative, cross-sectional survey was employed. The cross-cultural sampling was done, sample respondents belong to Pakistan, and Malaysia with a sample size of 319 employees to test the hypotheses. PLS-SEM 3 was used for data analysis.

Findings: The results reveal that attributes of leadership (transformational & transactional) were positively related to performance. In addition, culture was also positively related to performance. Culture does act as a mediator between transformational leadership style, and performance but there is no mediating effect of culture between transactional leadership style, and performance. Leaders can enhance the performance of their employees by showing flexible behavior and can link rewards on completion of task. Once this culture is set, the performance could be improved. Moreover, leaders must avoid discrimination in sanctioning rewards to employees, and they should be treated equally. This will increase teamwork and team spirit.

Originality/ Value: This study highlighted the importance of culture which is an important factor between leadership and performance, and this model was tested in public sector organizations i.e. developing countries.

Paper type: Research paper

INTRODUCTION

The concept of transformational and transactional leadership is getting the attention of researchers as dominant, and the most important part of organizational studies, and management literature (Albejaidi, Kundi & Mughal, 2020). It is highly debating topic in the field of organizational studies because, executive misconduct leads to negative consequences (Haque, Fernando & Caputi, 2017; Haque, Fernando & Caputi, 2019). The research on leadership has investigated a range of leadership styles and their effects on management, and success or otherwise the failure of organizations. However, in in healthcare organizations, leadership styles and their effects on performance are improving (Raziq, Borini, Malik, Ahmad & Shabaz, 2018). Research calls for exploring the underlying phenomena through which leadership styles effect performance (Raziq *et al.*, 2018). The full-range leadership theory (FRLT) given by Bass & Avolio (1997) emphasizes on three leadership styles, namely transformational, transactional, and laissez-faire (Raziq *et al.*, 2018).

Two leadership styles transformational and transactional leadership styles have attracted the attention of researchers due to their relevant nature in management (Erturk, Broeck & Jasmijn, 2018) as compared to the third one i.e. laissez-faire, which is considered as a destructive (Erturk *et al.*, 2018). Leadership is not an individual character but a social dynamic. Researchers agreed that leaders establish leadership and followers jointly, thus the frameworks, models of leadership must consider perceptions of the followers (Gottfredson & Aguinis, 2017). Leader performance cannot be assessed by self-rating, and it could be better assessed by self-other agreement i.e. employee (Akhtar, Nazarudin & Kundi, 2021). Leaders and employees can have a better understanding of using the self-other agreement, which has not been addressed adequately, therefore, in this study, the perception of employees about their leader's leadership style is addressed, to what extent the style of leader is effective (Kundi, 2021). Managers to motivate organizations' employees to have good performance (Chang, Chao & Chang, Chi, 2018) use transformational leadership style and transactional styles. Each leadership styles have strengths and weaknesses; however, these styles are helpful to enhance the performance, and achieve the targets.

According to one Meta-analysis by (Wang *et al.*, 2011), transformational leadership is more effective in organizational, individual, and team levels. This points its merit to further study its mechanism identified by the researchers through which transformational and transactional leadership enhance the performance (Chang *et al.*, 2018). Since 1960s, research on social science, and organizations is getting more attention and focus is placed on the culture (Schein, 2010). Researchers and scientists agreed on the operational definition of culture as beliefs, values, attitudes, and behaviors of individuals and groups of individuals (Triandis, 1996). To date there are many studies conducted to measure organizational culture but very few studies successfully reported a reliable and valid instrument of culture. Among those scales, one is Wallach (1983) instrument that measure three attributes of culture namely, bureaucratic, innovative, and supportive culture. Wallach scale is considered as one of the

sound scales, it also investigated culture in relation to commitment, socialization, and leadership styles. Past studies used culture as an independent and dependent variable (Taormina, 2008), however, this study used culture as a mediating variable. Due to authority and position hold by leaders, they have the freedom to decide how to run organizations? Thus leaders play a major role in affecting the culture of organizations. To fill the gap in the literature, and to have a better understanding of leadership and performance, the authors set this study with two goals. Thus, the research question of this study becomes, how transformational and transactional leadership affect employee performance. Since healthcare organizations have highly bureaucratic culture in the public sector so, second objective of this study was to explore the mediating role of culture between leadership styles and employee performance.

Research problem in this study was how culture plays an effective role to enhance the performance of employees, which is a big issue being faced by today's organizations. Thus, this study determines the mediating effect of culture on the relationship between transformational leadership styles, transactional leadership styles, and employee performance. In other words, the research gap identified in this study is filled by adding organizational culture of Wallach (1983) as a mediator, and to enhance the performance of employees. There is a lack of results reporting the mediating role of organizational culture using Wallach (1983) scale, hence, this study used Wallach scale for culture to report mediating results. In the study in hand, researchers attempted to identify the effect of transformational leadership styles and transactional leadership styles on employee performance using smart PLS-SEM 3 software which give more sophistication as compared to software used in the past studies. Further, findings and recommendations of this study will contribute to the awareness and understanding of the audience, and researchers that top leadership affects employee performance at a lower level. It will be also helpful as reports that which of these styles is more significant? Third contribution of this study is that it has added organizational culture as a mediator in the theory of Full Range Leadership Theory (FRLT). The past studies did not reported results of culture with leadership and performance (Haque *et al.*, 2019), yet, this study contributed by testing the theory of full-range leadership in healthcare organizations perspective. This research has conceptualized and empirically tested the theory at a lower level. Figure 1 portray the Theoretical Model.

THEORETICAL BUILDUP AND HYPOTHESES

Leadership Theory

Leadership theory was first introduced by Burns (1978), later on Bass (1985) extended his work and, Bass & Avolio (1997) introduced the Full Range Leadership Theory (FRLT). FRLT got much attention in organizations due to its idea that helps leaders to enhance the motivation of employees for getting better outcomes (Anatonakis & House, 2013). FRLT covered three attributes of leadership styles namely transformational, transactional, and laissez-faire leadership styles. According to Bass and Avolio (1997) it is easy for leaders to motivate their employees with rewards and punishments while, in laissez-faire style, the decisions are made late, actions are delayed, and leaders do not play

any significant role. On the other hand, transformational leaders have a vision for their organizations as well as employees. They believe on the development of followers (Puni, Mohammed, & Asamoah, 2018).

Transformational Leadership Style

There is the perception that people follow those transformational leaders who can inspire and motivate their followers, but another idea was explained by Burns (1978), according to him the transformational leaders are those who can satisfy the needs of followers, and engage them in the change process. Puni *et al.*, (2018) believe that leaders and followers are attached in such a manner that they bring each other to the high levels of morality, achievement, and motivation. There are four dimensions of transformational leadership. Idealized influence, or charismatic style is one in which followers see their leader as a role model. Leaders sacrifice in making ethical decisions. Leaders transfer a sense of taking responsibility, ethics, and morality in followers. Both leaders and followers have emotional bonds (Northouse, 2010). Similarly, the inspirational motivation refers to the ability to motivate employees to achieve personal and organizational goals. Through this style, leaders communicate to follower's the plans and actions of the organization. In this style, leaders or managers encourage teamwork to achieve objectives. Likewise, the intellectual stimulation helps leaders to listen to new ideas and suggestions from employees. By allowing employees to come up with new ideas to help organizations for innovation and creativity. In this style, leaders encourage critical thinking and allow followers to solve problems by using new ways and methods. Individual consideration on other hand, helps the managers to coach their employees and mentoring their followers. In this style, leaders and followers develop personal relations with each other, and there is no discrimination (Puni *et al.*, 2018).

Transactional Leadership Style

As compared to the transformational leadership style, the transactional leadership style has three dimensions, one is contingent rewards. Managers or leaders believe that employees can be motivated by rewards and punishments (Kundi, Mughal, Albejaidi & Pasha, 2021). Managers motivate their employees to accomplish tasks on time with a promise to provide some benefit or reward in form of promotion, bonus, flexible working hours, and tours, etc. however, some managers use punishment the employees for not timely completion of the tasks (Taormina, 2008). Moreover, in management by exception active, leaders provide directions and corrective actions to employees before rise of any problem, yet leaders with management by exception passive, wait for deviations, and problems then initiate corrective actions (Bass & Avolio, 1997).

Employees Performance

Performance is the main issue of almost all organizations. Organizations use different techniques to motivate employees to enhance their performance. Some organizations try to increase job satisfaction of employees, related it to different types of benefits for accomplishment of the task, while some organizations use commitment and involvement of employees to increase the performance of

employees. But most of them depend on their leadership styles to increase performance. It is believed that leaders can enhance the performance of employees. Performance can be measure through absenteeism, productivity, involvement, and commitment of employees (Hartnell *et al.*, 2011).

Organizational Culture

Kim and Chang (2019) and Tarique *et al.* (2016) defined culture as a specific behavior of a group of people shared in common over a specific period is called culture. Researchers and scientists believed that organizational culture is important key that managers can use to direct their employees in organizations (Yiing & Ahmad, 2009). Organizational culture can be used in many dimensions which may be different in concepts but similar in theories. But one of the most common and validated dimensions of organization culture was given by Wallach (1983) i.e., bureaucratic, innovative, and supportive. This study had adopted the Wallach (1983) model of organizational culture, he develop d an organizational culture index (OCI). In bureaucratic culture, clear limits of authority and responsibility are provided. It is organized and systematic. However, an innovative culture refers to a new and challenging work environment, and it is results-oriented. Likewise, the supportive culture encourages teamwork, team spirit, and it is people oriented (Yiing & Ahmad, 2009), whilst, healthcare organizations has a highly bureaucratic culture in governments. As discussed above that leaders use culture as an important key to enhance performance. That is why the government organizations have highly bureaucratic culture, thus, this study used culture as a mediator to investigate that whether leaders and managers used culture to enhance performance or how effective is culture to enhance the performance as mediators?

Relationship between Transformational, Transactional Leadership Styles and Performance

Past studies on transformational leadership, i.e. TFL explained and encourage their employees to share new ideas, innovative ways of solving problems, critical thinking, and come up with new solutions (Chang *et al.*, 2018). According to Srivastava *et al.* (2006) sharing of knowledge, new ideas, and innovative ways of solving a problem is not an automatic process rather it needs the attention of TFL leaders. The purpose of this process is to enhance the performance of employees in organizations. Because performance is the main issue in organizations. Several past studies and Meta-analysis on TFL reported that transformational leadership has a positive relationship and effect on the performance. When there is TFL leadership there is an increase in performance (Chang *et al.*, 2018; Judge & Piccolo, 2004). On contrary, the transactional leadership is the exchange of rewards on completion of tasks on time. In this style leaders observe the performance of employees if they see any deviation, they intervene, correct, and control it. Transactional leadership has also a positive relationship with performance. Researchers believe that employees are easy to motivate with some rewards. If performance is conditioned with rewards, it could enhances the performance (Thomas, 2016). Therefore, based on the above theoretical perspective, following hypotheses are developed:

H₁: Transformational leadership has a positive effect on Performance.

H₂: Transactional Leadership has a positive effect on performance.

Relationship between Organizational Culture and Performance

It is believed that managers or leaders uses bureaucratic culture as a key to enhance the level of performance (Yiing & Ahmad, 2009). However, there is a scarcity of researchers who studied the relationship between organizational culture and performance. Yet, few have reported that there is a positive effect of culture on the performance, for example Wallach (1983) used culture to check the relationship between culture and performance. According to Harris & Ogbonna (2001), there is a positive relationship between culture and performance. Likewise, Appelbaum et al. (2004) also observed a positive relationship between culture and performance. The study of Yousef (2000) was consistent with Appelbaum *et al.* (2004), he argues that performance and culture are positively related to each other. So, this research expects that:

H₃: Culture is positively related to performance.

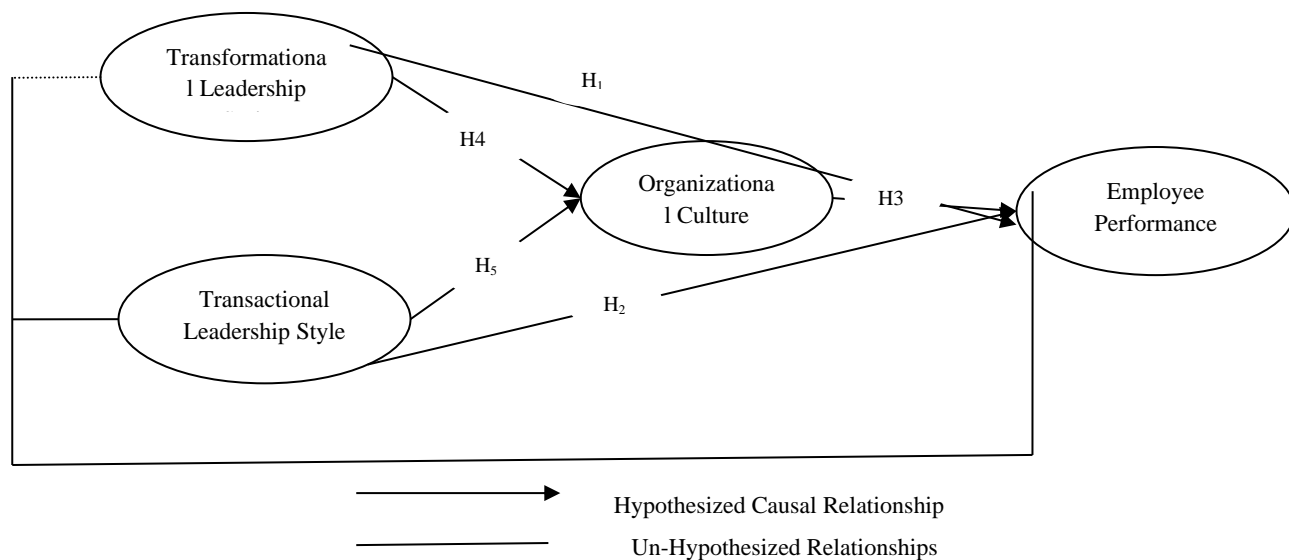
Mediating role of Organizational Culture, Leadership Styles and Performance

While reviewing the past studies, it was pointed that there is dearth of studies on culture and leadership, however, Taormina (2008) and Ogbonna & Harris (2000) studies the culture and leadership. While, Ogbonna & Harris (2000) used an innovative culture dimension of Wallach (1983) with leadership. Lamond (2003) also conducted a study on culture and leadership, he reported significant results. Crawford et al. (2010) used bureaucratic, innovative, and supportive culture with leadership and found significant results. According to Li (2004) effect of leadership styles on performance is mediated by culture. Yiing & Ahmad (2009) also used culture as a mediator between leadership styles and performance. They found that transformational leadership style and transactional leadership styles are negatively related to culture. But there is a mediating role of culture between leadership styles and performance (Tichy & Cohen, 1997). Yousef (2000) does not link leadership and performance directly, rather he used mediator i.e. culture, and found significant mediating effects. Thus, it is the leader who develops a culture of appreciation and encourage the followers to come up with new ways of solving problems. Leaders also cultivate a culture of support and rewards on completion for timely accomplishment of tasks and assignments of task, this bring us to the conclusion that culture is crucial and need to be added to the leadership studies. Thus, this research proposed the following hypotheses:

H₄: Culture mediates the relationship between TFL and Performance.

H₅: Culture significantly mediates the relationship between Transactional Leadership, and performance.

Figure 1
Proposed Research Model



DESIGN/ METHOD

The data was collected using a survey i.e. close-ended questionnaire from 20 different public sector organizations. Previous studies collected data from lower-level employees, thus, this study is in line with previous studies and collected data from the lower management workforce i.e. employee’s perspective, because these are good sources of information on leader leadership styles.

This study has examined the mediating effect of culture on transformational and transactional leadership styles and performance of the employees. All the health sector organizations selected have facility centers in most of the big cities. Some items of the questionnaires were rephrased to make them clearer. Eight experts from management science were selected for expert opinion in rephrasing the items. A pilot test was conducted from 50 respondents, and reliability of the scale was checked, it was found satisfactory. The researcher selected the targeted organizations and contacted concerned authorities for getting permission and collection of data. After appointment from sources, it was assured that concerned employees must be present that day. Consent letters along with cover letters were distributed among those employees who have experience and knowledge about their leaders and their respective styles. All the respondents were informed that their data will be kept confidential. 350 questionnaires were distributed and 319 were collected back. The cross-cultural sampling was done, sample respondents belong to Pakistan, and Malaysia with a sample size of 319 (Weiers, 1984). The nature of data was cross-sectional. Through a nonprobability convenient sampling, 350 questionnaires were distributed among the full-time employees. The response rate was 91.1% that were somewhat consistent with Haque *et al.* (2017) and Haque, Fernando, & Caputi (2019). The first and second half responses showed insignificant

variances across all constructs, which highlights unbiased responses and mental homogeneity. Smart PLS-SEM 3 software suggested by Hair *et al.*, (2017) was employed for data analyses.

Measures

The below scales were adopted, all scales were measured on 5-point Likert scales ranging from 1 (strongly disagree) to 5 (strongly agree).

Transformational and Transactional Leadership

Survey scales were adopted from Bass & Avolio (1997) and Busari (2011) for transformational and transactional leadership styles with 32 items, twenty items for five attributes of transformational leadership style, and twelve items for three attributes of transactional leadership style.

Organizational Culture

Culture scale was adopted from Wallach's (1983). Organizational culture index given by Wallach has twenty-four items eight items for each construct. This study adopted one dimension from Wallach i.e. bureaucratic culture comprised of eight items. OCI was also used by Lok & Crawford, (2004).

Employee Performance

Scale of performance questionnaire was adopted from Li (2004) and Ying & Ahmed (2009). It has ten items.

DATA ANALYSIS

Common Method Bias

The validity of results could be achieved through bifurcation of the questionnaire, three instruments on leadership styles, culture and performance were administered separately. In analysis they were combined together recommended by (Podsakoff et al., 2003). The principal axis factoring was used, one factor variance according to Podsakoff (2003) (11.741%) was less than 50%, thus, no issue of common method bias was found.

Multicollinearity

Tolerance and variance inflation factor (VIF) were used to determine the problem of Multicollinearity. Very less value of tolerance and very high value of VIF creates problems in regressions. In this study, the value of VIF was 1.071 to 1.675 at the recommended level i.e. 10 (Hair et al. 2017). These results demonstrate no multicollinearity issue in this research.

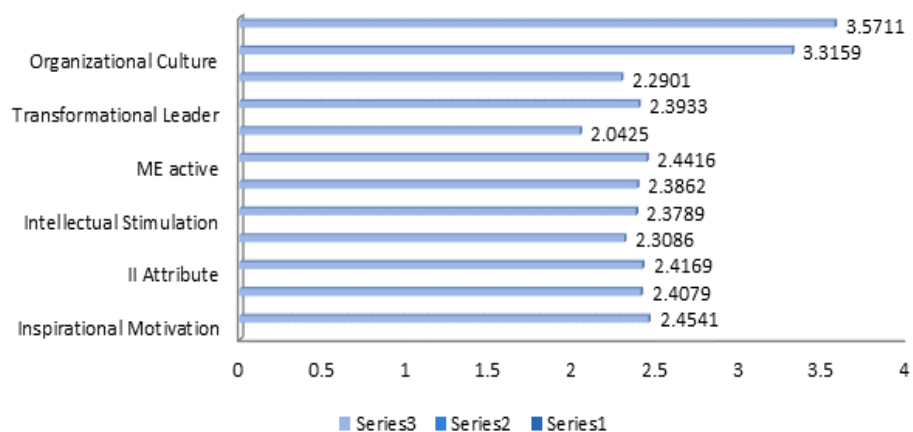
Variable	Characteristics	Frequency	%age	Variables	Mean	SD
Sector	Public	133	41.7	I_ Motivation	2.4541	.58341
	Private	186	58.3	II_ Behavior	2.4079	.57818
Designation	Asst Director	105	32.9	II_ Attribute	2.4169	.59893
	Dy. Director	127	39.8	I_ Consideration	2.3086	.57560
	Director	77	24.1	I_ Stimulation	2.3789	.62863
	Managers	10	3.1	C_ Reward	2.3862	.64907
Education	Graduate	36	11.3	ME_ Active	2.4416	.64193
	Master	227	71.2	ME_ Passive	2.0425	.66872
	MPhil	51	16	Transformational	2.3933	.42829
	PhD	5	1.6	Transactional	2.2901	.45262
Gender	Male	264	82.8			
	Female	55	17.2			
Experience	1-5	134	42			
	6-10	124	38.9			
	11-15	44	13.8			
	16-20	5	1.6			
	20 above	12	3.8			
Age	21-30	131	41.1			
	31-40	151	47.3			
	41-50	27	8.5			
	50 above	10	3.1			

Table 1: Summary of Respondents' Profile and mean, SD of the research variables

From the responses, mean scores of the variables were calculated. The variables were transformed into composite variables by taking the average scores of all variables, which could be seen in table 1, figure 1. Among all the variables, mean score for performance was the highest than the rest of variables i.e. $M=3.5711$, $S.D = 0.4809$, followed by the bureaucratic culture $M=3.3159$, $S.D=0.54041$. It means that these two variables are the most dominants factors in the model. In transformational leadership styles, inspirational motivation has recorded highest mean $M=2.4541$, $S.D= 0.583$, followed by idealized attribute $M= 2.416$, $S.D = 0.59893$, while individual consideration shows the lowest mean value i.e. $M=2.308$, $S.D=0.575$, It indicates that individual consideration is overlooked in healthcare organizations, which need an organizational attention. In transactional leadership style, highest score was recorded for management by exception active i.e. $M=2.44$, $S.D= 0.641$, while lowest score was recorded by management by exception passive $M=2.042$, $S.D=0.668$, however, composite results for transformational leadership was found highest i.e. $M= 2.393$, $S.D = 0.428$.

The Cronbach alpha of the scales was checked to know the internal consistency and reliability (Field, 2013). Purpose of Cronbach's alpha is to see how much items in the scales are correlated with each other. According to Field (2013) value of alpha must not be less than 0.7, however, Sekaran (2003) accepts 0.6, yet below this threshold i.e., <0.5 is not accepted in social sciences, while 0.8 and above is considered better. The Table 2 below alpha for transformational and transactional is 0.848 and for performance it is 0.705 and for culture 0.943. all values are above 0.7 so all scales are reliable but in this study 11 items of leadership are deleted from 32 items because of less ITC values and one item for performance is deleted and no item for culture is deleted.

Figure 2
Mean, SD of the Research Variables

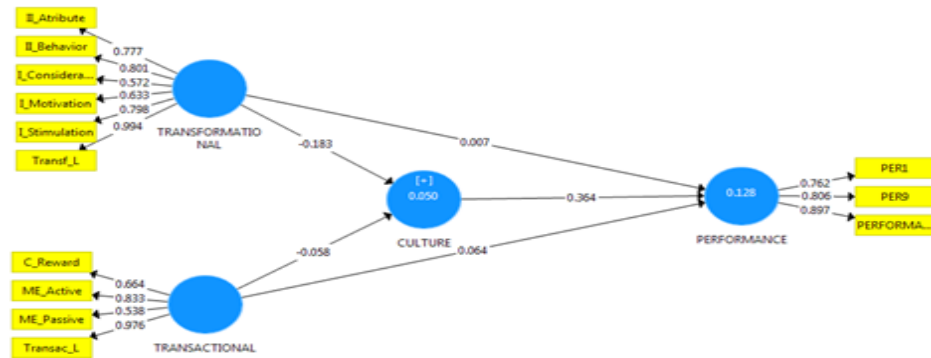


Analysis of Measurement Model

This study used both measurement models i.e., reflective measurement model and formative. The employee’s performance has a formative measurement model, while rest have reflective measurement models. To evaluate the reflective and formative measurement models, a separate criterion was used

(Hair *et al.*, 2017). The results of the reflective model have been illustrated in table 2, figure 2.

Figure 3
Model Showing Path Coefficients



Analysis of Reflective Measurement Models

This study has followed Hair *et al.* (2017) for decision. This study portrays that all constructs have a fair and acceptable outer factor loading, which falls in the range i.e. 0.571-0.976), likewise, analysis of results reveal that all constructs have CR and Cronbach alpha higher than 0.70, and AVE >0.5 as could be seen in table 2, figures 4, 5, 6 and 7.

Figure 4
Model Showing T-Statistics

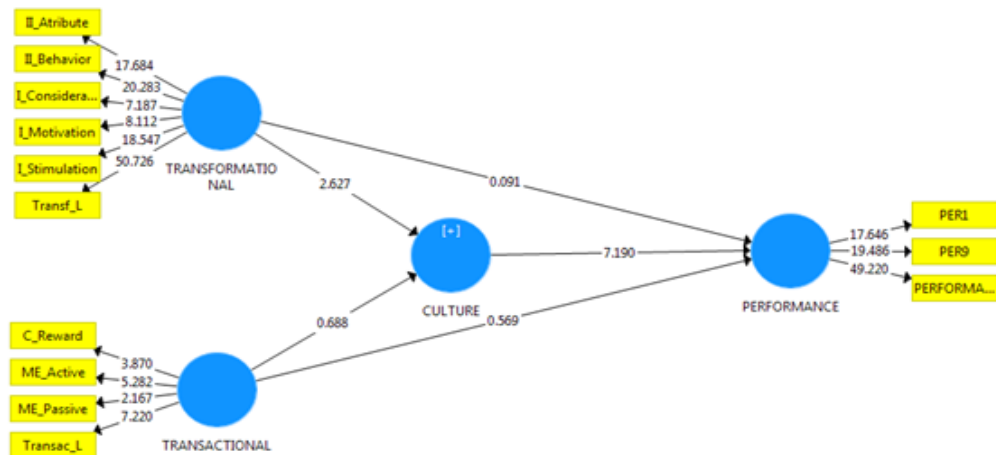


Table 2
Outer Loadings

	CUL	PER	TRL	TFL	Alpha	RhoA	CR	(AVE)
Culture1(CUL)	0.816							
CUL2	0.892							
CUL3	0.872				0.943	0.946	0.954	0.747
CUL4	0.873							
CUL5	0.863							
CUL6	0.880							
CUL7	0.850							
II_Attribute				0.777				
II_Behavior				0.801				
I_Consideration				0.571				
I_Motivation				0.633				
I_Stimulation				0.798				
TFL				0.994	0.861	0.907	0.897	0.599
C_Reward			0.664					
ME_Active			0.834					
ME_Passive			0.536					
TRL			0.976		0.771	0.889	0.848	0.594
PER1		0.758						
PER9		0.807						
PER		0.899			0.761	0.766	0.863	0.678

Figure 5

Cronbach Alpha

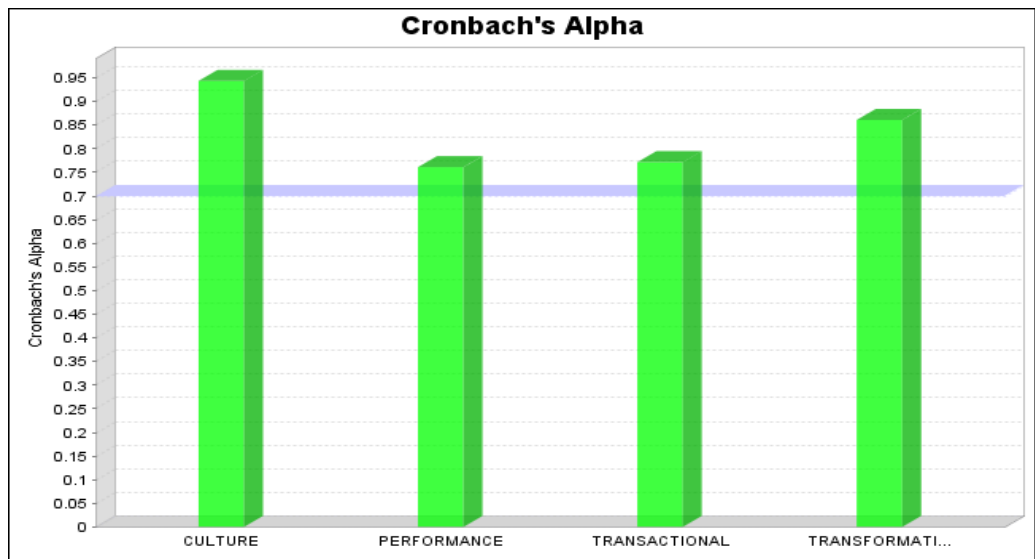


Figure 6
Rho

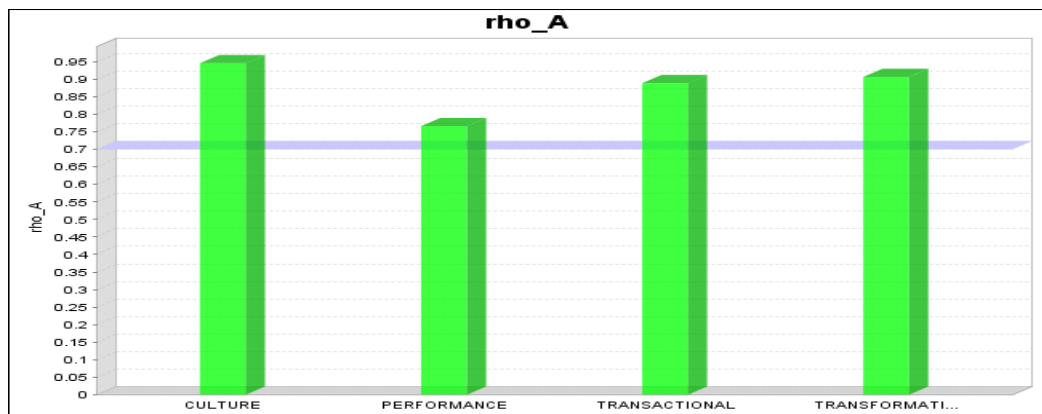


Figure 7
Composite Reliability

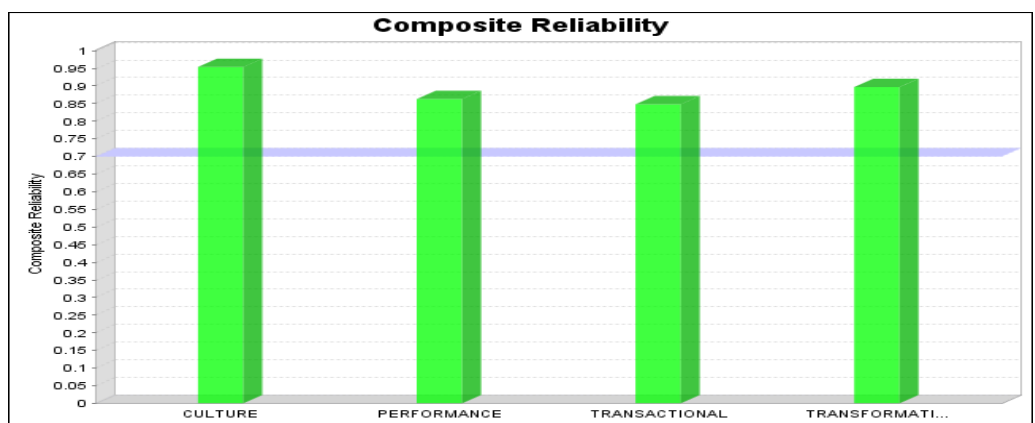
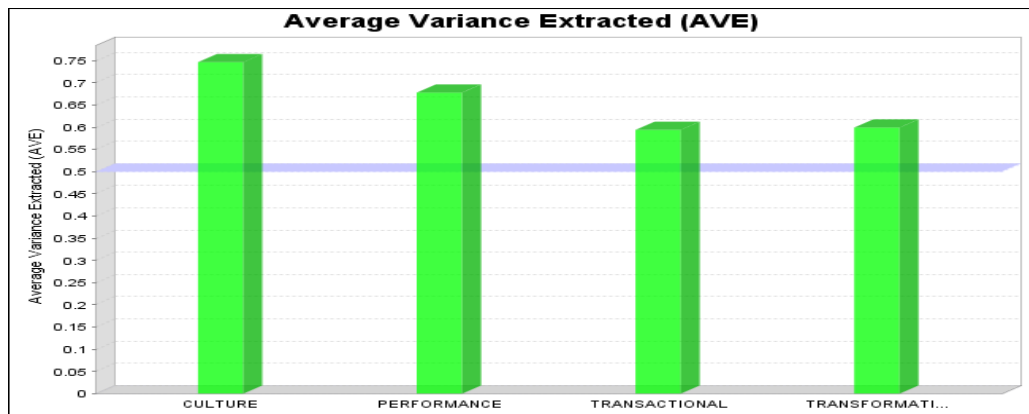


Figure 8

Average Variance Extracted



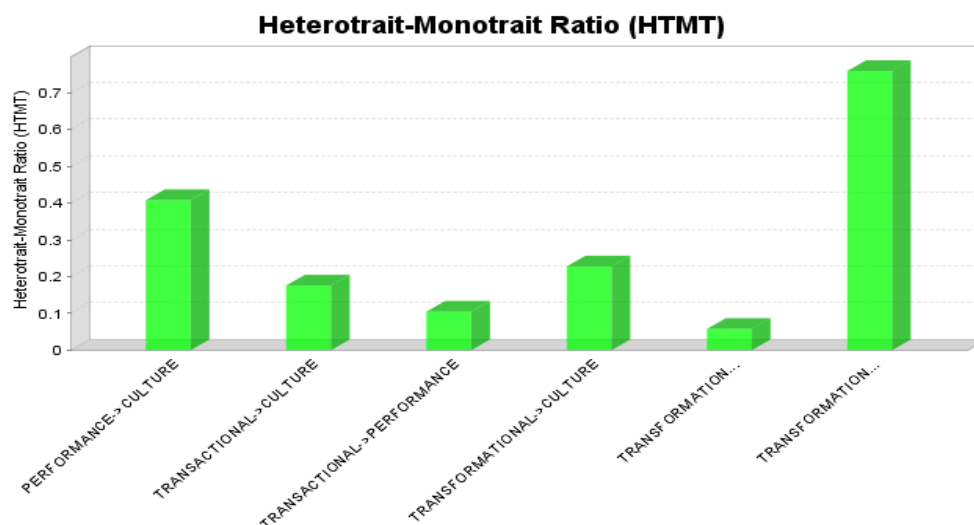
Moreover, Fornell-Larcker (1994) criteria were used to determine the discriminant validity. The bold values in Table 3 i.e. square root of AVE are higher than the estimated correlation. It is evident from table 3 that our instruments discriminate well which establish and validate the reliability of reflective models. Similarly, the Henseler *et al.*, (2015) criteria HTMT ratio of correlations was also used and it was found that all values fall within the acceptable range, i.e.0.85 as could be observed in figure 8.

Table 3: Fornell-Larcker Criterion for Discriminant Validity

	Culture	Performance	Transactional	Transformational
Culture	0.864			
Performance	0.352	0.824		
Transactional	-0.169	0.006	0.771	
Transformational	-0.219	-0.033	0.617	0.774

Figure 9

HTMT Values



Analysis of Formative Measurement Models

Hair *et al.*, (2017) recommends different analysis for formative models than reflective models because formative models do not have correlation very high among items, similarly, the method of measuring convergent validity is also different in formative models. To check the convergent validity, path coefficient and their magnitude between formative constructs i.e. $P_e^{formative}$ $E_P^{reflective}$ was checked, which was greater than 0.80. Thus, our formative model is valid.

Analysis of Structural Model

Structural model was assessed through overall value of R^2 and path coefficients β values. Results indicate that the proposed model has predictive power of $R^2 = 0.128$ on employees' performance. It means that leadership styles and organizational culture shows 12.8% variance upon employee's performance. Moreover, the impact of transformational leadership style on employee's performance is insignificant i.e. ($\beta = 0.007$, $t = 0.100$, $p > 0.05$). Further analysis of results reveals the influence of transformational leadership style upon organizational culture. The impact was negative but significant as evident from the following figures ($\beta = -0.184$, $t = 2.842$, $p < 0.05$). Additionally, the impact of organizational culture is insignificant on the employee performance i.e. ($\beta = 0.364$, $t = 7.0062$, $p < 0.05$). Similarly, results point that the transactional leadership style positively predict the employee performance, however the ($\beta = 0.063$, $t = 0.565$, $p > 0.05$) shows that it was insignificant. Furthermore, the study also reports an insignificant impact of transactional leadership style on organizational culture ($\beta = -0.056$, $t = 0.719$, $p > 0.05$).

Mediating Effects

The table 4 illustrates the mediating effects of organizational culture between transformational leadership styles and employee performance for H_1 ($t = 2.660$, $p = 0.008$), and H_2 organizational culture between transactional leadership and

employee performance ($t=0.713$, $p=0.476$). The results led us to the conclusion to accept H_1 , but do not support H_2 , hence, it was rejected.

Table 4
Specific Indirect Effects

Hypotheses	β	SE	t-statistics	p-values
Transformational -> culture -> performance	-0.067	0.025	2.660	0.008
Transactional -> culture -> performance	-0.020	0.028	0.713	0.476

Goodness of Fit (GoF)

As Smart PLS-3 does not produce fit indices, therefore, to get goodness of fit index this study has used Tenenhaus *et al.* (2005) formula for GoF ($GoF = \sqrt{AVE * R^2}$). As Tenenhaus *et al.*, (2004) does not provide any cut off level for this goodness of fit index yet Henseler *et al.*, (2016) recommended the use of following criteria $GoF_{small} = 0.1$, $GoF_{medium} = 0.25$, $GoF_{large} = 0.36$. The GoF value for model is 0.289. This implies that analysis of measurement and structural model is valid and fit. Therefore, the proposed model in this study has a significant predictive relevance to explain the impact of predictor over the criterion.

Table 5
Goodness of Fit index

Constructs	AVE	R^2
Culture	0.747	
Performance	0.678	
Transactional	0.594	
Transformational	0.599	0.128
Average Scores	0.6545	
1. $AVE * R^2$ (0.6545*0.128)	0.0837	
GoF	0.289	

The table 6 gives us the results on the correlation between predictors, mediators, and criterion variables. There is a significant positive association between the transformational leadership style and culture i.e. $r=0.170$, $p<0.05$. Further, it has been found that transformational leadership style and performance are positively significantly correlated at $r=0.157$, $p<0.05$. Likewise, significant positive correlation also exists between transactional leadership style and culture i.e. $r=0.257$, $p<0.05$. The study also divulges positive significant association between transactional leadership style and performance with $r=0.167$, $p<0.05$ values, similarly, culture and performance are also positively significantly related to one another at $r=0.382$, $p<0.05$.

Table 6: Correlation Matrix

Variables	IIB	IIA	IC	IS	REW	MEA	ME P	TFL	TRL	CUL	PER
IM											
IIB	.503**										
IIA	.446**	.521**									
IC	.245**	.347**	.264**								
IS	.333**	.501**	.492**	.357**							
REW	.357**	.477**	.406**	.464**	.492**						
MEA	.396**	.476**	.373**	.313**	.399**	.389**					
MEP	.033	.083	.136*	.139*	.111*	.193**	.084				
TFL	.697**	.793**	.757**	.608**	.753**	.609**	.542**	.139*			
TRL	.374**	.494**	.437**	.439**	.478**	.757**	.700**	.624**	.616**		
CUL	.062	.130*	.215**	.092	.114*	.194**	.222**	.121*	.170**	.257**	
PER	.179**	.163**	.181**	-.008	.052	.106	.210**	.035	.157**	.167**	.382**

(*) Level of significance at 0.05

(**) level of significance at 0.000

DISCUSSION

This research was undertaken to investigate the mediating effects of organizational culture between leadership and performance through the lens of social exchange theory. Two hypotheses were developed based on the conceptual model of the study. The mean score of performance and culture was computed, which are higher than rest of the variables, which signify the role of culture and performance, it means that in organizations, culture and performance is more important that need special consideration of the leadership and management (Yousef, 2000; Puni et al., 2018; Hofstede et al., 2010). Below is the discussion on the results of the study.

Transformational Leadership, Transactional Leadership, Culture, and Performance

It is believed that leaders can enhance performance, whereas, culture is one of the dominant aspects of any organization that plays critical role in enhancing the performance if properly managed. The studies conducted by Taormina (2008); Silverthorne (2004); Caillier & Sa (2017); Ogbonna & Harris (2000); Taormina (2000), and Yiing & Ahmad (2009) support our results for hypothesis 1, 2 and 3. This study hypothesized that transformational leadership and transactional leadership has a positive relationship with performance (H₄ and H₅). The table 4 highlights the results for TFL and TRL, and its positive relationship with performance. The results in table 4 for hypothesis 4 are aligned with previous studies of Erturk et al. (2018). Likewise, Sahin et al. (2011) and Atwater et al. (2005) have also reported significant results in leadership studies, so our results are consistent with previous research. However, when the transformational leaders work in the bureaucratic culture of organization, the performance fell into a low level because the impersonality, red-tape, confidentiality, and cumbersome procedures, etc. negatively affect the organizational performance. Since, in our study, bureaucratic culture mediates between TFL and performance, this implies that the if an organization follows bureaucratic culture as enunciated by weber ideal bureaucracy (2015) that emphasizes on the division of labor and specialization, impersonality, hierarchy of authority, appointment and promotion based on merit will lead to better and enhanced performance. Since our first hypothesis was that bureaucratic culture mediates the relationship between TFL and performance was accepted. Therefore, based on the above argument, this study brings into fore that transformational leaders have to incorporate the positive aspects of bureaucracy into their organizational culture to achieve the desired performance.

Furthermore, we have also assumed that bureaucratic culture significantly mediates the relationship between transactional leadership, and performance, however, the results does not support our claim, thus our results are inconsistent with that of the results reported by Martin et al. (2016); Haque et al. (2019), and Puni et al. (2018). Therefore, this study comes up to conclude that since the transactional leadership use rewards and punishment inter alia, in active management, they keenly observe and timely intervene to rectify the anticipating issues or problems if any, while on other hand, in the passive management, they wait until fault/ mistakes occur, and then intervene to rectify

by fixing responsibility along with sanctioning the penalty. This led us to the understanding that transactional leaders tends more towards autocracy with an imposing attitude, hence play down the human aspects of managing the people at work thus, employees consider it harmful to their social status, promotion, and economic prosperity, hence it result into lack of commitment by diminishing their interest in work and it further lower down the individual as well organizational performance

CONCLUSIONS AND MANAGERIAL IMPLICATIONS

Leadership is a process that influence the performance of employees in organizations which demands flexible behavior and friendly behavior. The nature of work in healthcare organizations hard 7/24 thus, leaders must encourage and support their employees at work they need to be listened and involved in the decision-making. This will develop their critical thinking and innovative skills that is imperative for problem solving. This study comes up with the conclusions that leadership and performance have a positive and direct association as found by Khan, Busari, Abdullah, & Mughal (2018). When leaders encourage employees to come up with new ideas and innovative ways making it an organizational culture, thus, this kind of culture lead to high performance. On other hand, the mediating effects of transactional leadership and culture were found insignificant in this study. This implies that employees avoid investing their efforts, energy, and resources, and instead of rewarding efforts and their appraising performance, they are penalized for mistakes, and errors. Thus, lack of motivations, job satisfaction, commitment and mistrust on management yielding absenteeism high turnover and decreasing performance. Though Hofstede (2010) and Taormina (2008) used power distance and individualism as a cultural dimension. Yet, this study has successfully added bureaucratic culture from Wallach (1983) OCI in the social exchange theory that was never used earlier in such studies thus it extended the body of knowledge on the leadership and organizational performance.

This study will be beneficial to the management in a way that they could exert less efforts for more performance if they make transformational styles of leadership the part of their personality. Since, in this study, bureaucratic culture does not act as mediator for transactional leadership and performance, the reason is that such leaders are less rewarding and more coercive, they often eat up their words, on contrarily, employees prefer to link performance with their social self-esteem, and contingent rewards.

Limitations and Future Research Directions

This study has not focused on any specific type of performance, but future studies can focus on a specific type of performance of employees like quality of work. From a leadership perspective this study has investigated only transformational and transactional leadership styles; future research may consider distributive leadership, Soul based leadership, Ihsan based leadership, servant leadership to study employees' performance. Organizational culture in this study was adopted from Wallach (1983). Only one dimension was used. The other two dimensions or all three dimensions like innovative, supportive, and bureaucratic culture may be used together in one study in the future. The

focus of this study was only healthcare organizations, future studies can use the telecom sector, manufacturing sector, services sectors, and higher education institutions to study leadership, culture, and performance. For mediation and moderation effects other variables like organizational cynicism and organizational cynicism could be used to come up with interesting results.

Contributions

In the study in hand, researchers attempted to identify the effect of transformational leadership styles and transactional leadership styles on employee performance using smart PLS-SEM 3 software which give more sophistication as compared to software used in the past studies. Further, findings and recommendations of this study will contribute to the awareness and understanding of the audience, and researchers that top leadership affects employee performance at a lower level. It will be also helpful as reports that which of these styles is more significant? Third contribution of this study is that it has added organizational culture as a mediator in the theory of Full Range Leadership Theory (FRLT). The past studies did not reported results of culture with leadership and performance (Haque et al., 2019), yet, this study contributed by testing the theory of full-range leadership in healthcare organizations perspective.

Conflict of Interest:

Authors declares that there is no conflict of interest.

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