LEADER: International Journal of Business Management

REVIEW ARTICLE

Organizational Culture: A Review of Leadership Influence and Managerial Roles

Vidhita Sinha[1] & Ranjita Banerjee[1]

[1]GSFC University, Vadodara, Gujarat.

ABSTRACT:

This research synthesizes foundational theories and empirical evidence to examine the "trident" relationship between organizational culture, leadership, and management. Drawing upon the Competing Values Framework and Schein's levels of culture, the study explores how intangible values transform into tangible performance outcomes. The analysis identifies leadership as the primary architect of cultural typology, while emphasizing that managerial consistency and trust-building are the essential mechanisms for cultural sustainability, particularly among modern knowledge workers. By integrating quantitative data on performance measurement systems with qualitative insights into organizational socialization, the paper demonstrates that culture acts as a critical mediator between strategic vision and operational execution. The findings suggest that organizational success in volatile environments depends on "cultural ambidexterity"—the ability to maintain internal cohesion while fostering external adaptability. This synthesis provides a robust theoretical framework for diagnosing cultural health and navigating the complexities of institutional transformation in the digital era.

Keywords:

Organizational Culture, Leadership Styles, Competing Values Framework, Knowledge Workers, Management Consistency, Strategic Alignment, Organizational Behavior.

Article History
Received: 12 January 2026
Revised: 03 February 2026
Accepted: 07 February 2026

How to cite this article:
Sinha, V., & Banerjee, R. (2026). Organizational Culture: A Review of Leadership Influence and Managerial Roles. *LEADER: International Journal of Business Management*. 14(1), 01-14.

Correspondence: Dr. Vidhita Sinha, GSFC University, Vadodara.
(email – vidhita.sinha@gmail.com)

Introduction

Organizational culture has emerged as the definitive focal point of contemporary management research, transitioning from a peripheral sociological curiosity to a primary explanatory variable for organizational survival and competitive advantage. As highlighted by Tohidi and Jabbari (2012), the concept has gained significant traction over the last several decades as organizations have sought to move beyond mechanistic models of operation to explain the complex internal phenomena that dictate institutional success. Culture is not merely a superficial attribute of an organization but represents its collective identity—a system of shared values, beliefs, and assumptions that govern behavioral norms and dictate the "way things are done." Every organization, regardless of its size or industry, develops a unique culture that functions as a stabilizing force, providing necessary guidelines and boundaries for member behavior. This cultural foundation serves as the organization's "memory," storing the lessons learned from past successes and failures to guide future adaptation. As Henri (2006) observes, the ascent of culture as a critical variable reflects its ability to act as a "social glue" that binds members together, fostering a sense of shared purpose that traditional administrative controls cannot replicate.

The evolution of organizational culture as a field of study is deeply rooted in the shift from the industrial era to the modern knowledge economy. Historically, organizations were viewed through a rationalistic lens, where efficiency was achieved through strict hierarchy and standardized processes. However, as the global economy shifted toward "knowledge work," the traditional command-and-control structures became increasingly obsolete. Kane-Urrabazo (2006) emphasizes that in today's economy, workers are no longer undifferentiated components in a machine; they are knowledge workers who possess unique talents and require a specific psychological contract with their employer. This shift necessitates a deeper understanding of how culture influences employee engagement and satisfaction. When an organization's culture is weak or fragmented, employees often remain idle, knowing only the bare minimum of what is expected of them. Conversely, a strong and effective culture is characterized by a clear mission, an empowering work environment, and a management style that aligns with the organization's long-term goals. The importance of this alignment cannot be overstated, as a dysfunctional culture acts as a significant barrier to change, regardless of the brilliance of a firm's stated strategy.

Central to the discourse on organizational culture is the intricate and often misunderstood relationship between leadership and management. While these terms are frequently used interchangeably in practice, the literature provided makes a sharp and necessary distinction between their functional roles in cultural development. Tohidi and Jabbari (2012) clarify that while organizations may pay for management, they do not automatically receive leadership. Management is primarily concerned with complexity, order, and the maintenance of current systems through non-human resources and structural controls. Leaders, by contrast, are focused on people, inspiration, and the creative process of setting a new direction or vision. A manager maintains the status quo, whereas a leader challenges it to facilitate organizational growth. This distinction is vital because culture is both a product of management consistency and a target of leadership transformation. A manager who cannot lead will fail to inspire the "extra effort" necessary for innovation, while a leader who cannot manage will create a vision that lacks the structural support to become a reality. As noted in the empirical analysis by Kargas and Varoutas (2015), leadership behavior is the primary driver of cultural typology, suggesting that the "founder's shadow" and subsequent executive actions are the architects of the workplace environment.

To analyze these complex dynamics, scholars often rely on the Competing Values Framework (CVF), which categorizes organizational culture into four distinct types: Clan, Adhocracy, Market, and Hierarchy. Tharp (2009) explains that these types are defined by two axes—flexibility versus control and internal versus external focus. For instance, a "Clan" culture (Collaborate) focuses on internal maintenance and flexibility, prioritizing sensitivity to customers and employee development. In contrast, an "Adhocracy" culture (Create) emphasizes external positioning and flexibility, fostering an environment of innovation and risk-taking. A "Market" culture (Compete) is driven by external

focus and control, prioritizing productivity and competitive advantage, while a "Hierarchy" culture (Control) relies on internal focus and stability through standardized rules. The provided literature suggests that no single culture is inherently superior; rather, effectiveness is determined by how well the cultural type aligns with the organization's strategic objectives and environmental demands. Henri (2006) further posits that flexibility-oriented cultures, such as Clan and Adhocracy, tend to utilize diverse performance measurement systems to focus organizational attention and support strategic decision-making more effectively than control-oriented cultures.

The difficulty in managing organizational culture lies in its multi-layered nature, as famously delineated in the foundational work of Edgar Schein (1988). Schein argues that culture exists at three levels of increasing depth: artifacts, espoused values, and underlying assumptions. Artifacts are the visible structures and processes of an organization, such as office layout, dress codes, and public ceremonies. Espoused values represent the strategies, goals, and philosophies that the organization publicly claims to follow. However, the "true" culture resides at the level of underlying assumptions—the unconscious, taken-for-granted beliefs and perceptions that actually drive behavior. Ouchi and Wilkins (1985) suggest that many managers err by attempting to change culture only at the surface level, failing to realize that true transformation requires addressing these deep-seated assumptions. This is why cultural change is notoriously difficult; it requires leaders to challenge the very foundations of how employees perceive reality. When a gap exists between an organization's espoused values and the actual behavior of its leaders, trust is eroded. Kane-Urrabazo (2006) identifies trust as the foundational element of a healthy culture, arguing that without trust and trustworthiness, empowerment and delegation are impossible.

Furthermore, the relationship between culture and performance is mediated by the nature of the "Knowledge Worker." In a modern context, the success of an organization depends on its ability to harness the intellectual capital of its employees. This requires a culture that encourages open communication, mentorship, and continuous learning. Tohidi and Jabbari (2012) argue that culture acts as a way for organizations to "learn" environmental factors, and this learning is only possible if the culture supports risk-taking and psychological safety. If an organization's culture is overly punitive or focused solely on control, knowledge workers are likely to withhold their best ideas, leading to stagnation. Therefore, the manager's role in shaping culture is not just about enforcing rules but about creating an environment where employees feel a sense of ownership and belonging. This is achieved through consistent behavior, mentorship, and the alignment of individual goals with the organization's mission. The empirical research provided suggests that transformational leadership—characterized by charisma, intellectual stimulation, and individual consideration—is particularly effective in fostering the types of flexible, innovative cultures required in today's volatile market.

Despite the wealth of research, the study of organizational culture remains a "hotly contested" field, as Ouchi and Wilkins (1985) observe. Questions persist regarding whether culture can be intentionally managed or if it is an epiphenomenon of technological and environmental forces. Some scholars argue that culture is a product of social interaction that cannot be "engineered" from the top down, while others, such as those cited in the AOS study, provide evidence that top managers can and do influence cultural norms through the design of performance measurement systems and incentive structures. This debate highlights the necessity of a systematic review that bridges the gap between theoretical frameworks and practical management. By analyzing the provided literature, this paper aims to demonstrate that organizational culture is the "soul" of the institution—a complex, multi-dimensional asset that requires both the visionary guidance of a leader and the disciplined consistency of a manager.

In conclusion, the introduction of this review establishes that organizational culture is the bedrock upon which all organizational activities are built. It is shaped by historical precedent, reinforced by daily managerial interactions, and transformed by visionary leadership. As the global business landscape becomes increasingly complex and driven by intangible assets, the ability to diagnose, maintain, and evolve an organization's culture has become the ultimate competitive advantage. Understanding the interplay between the Competing Values Framework, Schein's levels of culture, and the distinct roles of leadership and

management provides a roadmap for navigating this complexity. This paper will proceed to explore these concepts in greater depth, moving from the conceptualization of culture to a detailed analysis of its determinants and the empirical evidence surrounding its impact on performance. Through this synthesis, the review will offer a comprehensive understanding of how culture functions as the invisible hand that guides organizational behavior and determines long-term success in the 21st century.

Conceptualizing Organizational Culture

The conceptualization of organizational culture requires a departure from traditional, monolithic views of corporate structure toward a nuanced understanding of the social and psychological fabric that defines an institution. As synthesized from the provided literature, organizational culture is not a singular, easily defined metric but rather a multi-layered phenomenon that functions as the "personality" of the organization (Tohidi & Jabbari, 2012). To conceptualize culture effectively, one must view it as the collective programming of the mind that distinguishes the members of one human group from another. This programming is rooted in history and reinforced through daily social interactions. According to Tohidi and Jabbari (2012), culture is primarily a way for organizations to "learn" environmental factors. It acts as an organizational memory, storing the collective experience of how the entity has survived external threats and managed internal integration. Every organization, by virtue of its existence, develops a culture that dictates the "right" way to perceive, think, and feel in relation to organizational problems.

A robust conceptualization of culture must account for its varying degrees of visibility and depth. As famously articulated by Edgar Schein (1988), culture is best understood through a hierarchical model consisting of three distinct levels: artifacts, espoused values, and underlying assumptions. Artifacts represent the most visible level, including the physical environment, office layout, dress codes, and public ceremonies. While these are easy to observe, they are often difficult to decipher without a deeper understanding of the organization's history. The second level, espoused values, consists of the strategies, goals, and philosophies that the organization explicitly states as its guiding principles. However, the most critical level—and the one that defines the true essence of an organization—is the level of basic underlying assumptions. These are unconscious, taken-for-granted beliefs about reality and human nature that are so deeply embedded that they are rarely questioned (Schein, 1988). For instance, if an organization's artifacts suggest a "team-oriented" environment but its underlying assumptions prioritize individual competition, the latter will always dictate the actual behavior of employees.

The conceptual boundaries of culture also involve a distinction between "culture" and "climate." While these terms are often used interchangeably in casual discourse, the literature clarifies that they operate at different psychological depths. Organizational climate is generally perceived as the "atmosphere" or the temporary perception of the work environment at a specific point in time. In contrast, culture is a more profound, stable, and historically rooted entity (Schein, 1988). Climate can be shifted through short-term administrative changes, but culture is resistant to rapid modification because it is tied to the collective identity and security of the members. Ouchi and Wilkins (1985) further elaborate on this by noting that the study of organizational culture represents a return to the basic sociological concerns about the nature of organizations as "clans" or "tribes" rather than just efficient machines. This conceptualization suggests that culture is not just something an organization *has*, but something an organization *is*. It is a social construct created through communication and shared experience.

Another vital dimension of conceptualizing culture is the role of the "knowledge worker" within the modern organizational framework. Kane-Urrabazo (2006) argues that in the contemporary business landscape, the traditional hierarchical conceptualization of culture must be replaced by one that prioritizes trust and empowerment. In this view, culture is the medium through which the "psychological contract" between the employee and the employer is negotiated. For a knowledge worker, culture is defined by the degree of autonomy they are granted and the level of trust they feel toward management. If the culture is conceptualized purely as a mechanism of control, it will stifle the innovation

and creativity that these workers provide. Therefore, a modern conceptualization of culture must include elements of "mentorship" and "consistency," as these are the behaviors that signal the true cultural values to the workforce (Kane-Urrabazo, 2006). Trustworthiness becomes a cultural artifact in itself, manifesting in how leaders follow through on their promises and how transparently they communicate with their teams.

The Competing Values Framework (CVF) offers a technical conceptualization of culture by mapping it across two primary dimensions: internal focus versus external focus, and flexibility versus stability. As Bruce Tharp (2009) explains, this framework allows researchers to categorize culture into four archetypes: Clan, Adhocracy, Market, and Hierarchy. A "Clan" culture is conceptualized as an internal, flexible family-like environment where loyalty and tradition are paramount. An "Adhocracy" culture is seen as an external, flexible environment driven by innovation and risk-taking. A "Market" culture focuses on external control and competitive results, while a "Hierarchy" culture emphasizes internal control and standardized procedures (Tharp, 2009). Conceptualizing culture through the CVF helps managers understand that effectiveness is not about having a "perfect" culture, but about achieving "congruence"—where the cultural type matches the external demands of the market and the internal capabilities of the organization.

The relationship between culture and performance measurement systems (PMS) further refines our conceptual understanding. Henri (2006) posits that culture is the lens through which performance data is interpreted and acted upon. In a "flexibility-dominant" culture, performance measures are used as tools for learning and attention-focusing, whereas in a "control-dominant" culture, they are used as mechanisms of surveillance and strict legitimization. This suggests that the "meaning" of management tools is not inherent in the tools themselves but is assigned by the prevailing organizational culture. Therefore, culture can be conceptualized as an interpretive framework—a set of "lenses" that employees wear to make sense of the signals they receive from the organization. When top managers use a diverse set of performance measures, they are signaling a culture of breadth and strategic awareness (Henri, 2006).

Furthermore, culture must be conceptualized as a dynamic rather than static entity. While it provides stability, it is also subject to "cultural drift" and intentional transformation. Tohidi and Jabbari (2012) argue that culture is the result of leadership influence over time; as leaders solve problems, their solutions become the values and eventually the assumptions of the group. However, if these assumptions no longer solve the organization's problems in a changing environment, the culture becomes a liability. This "cultural lag" occurs when the deep-seated assumptions of the past clash with the realities of the present. Consequently, conceptualizing culture requires an understanding of its dual nature: it is both a source of stability (organizational memory) and a potential source of rigidity (resistance to change).

In conclusion, conceptualizing organizational culture involves recognizing it as a multi-dimensional, multi-layered construct that serves as the foundation for all organizational life. It is the "invisible hand" that guides employee behavior, the "social glue" that provides cohesion, and the "interpretive lens" through which the world is understood. By integrating the perspectives of Schein's levels, the CVF archetypes, and the human-centric focus on trust and knowledge work, we arrive at a comprehensive definition: Organizational culture is the historically rooted system of shared assumptions and values that dictates how an organization learns, adapts, and defines its success. It is maintained through managerial consistency and reshaped through leadership vision, serving as the ultimate arbiter of an organization's long-term viability in an increasingly complex global environment.

Literature Review

The academic discourse surrounding organizational culture has evolved into a multidisciplinary field that bridges sociology, cognitive psychology, and management science. By synthesizing the provided literature, this review examines the historical progression, the relationship between leadership and culture, the distinct influence of management, and the empirical frameworks used to measure cultural effectiveness.

1. Historical Evolution and the Ascent of Culture as a Variable

The study of organizational culture has its roots in early psychological concepts such as group norms and social climate, yet it did not emerge as a distinct analytical variable until the late 1970s and early 1980s. As Edgar Schein (1988) observes, earlier investigators often found the concept of culture difficult to handle psychometrically, leading to a longer research tradition for organizational "climate," which lent itself more readily to direct observation and measurement. However, the limitation of climate research lay in its inability to capture the deep-seated, stable elements of organizational life. By the mid-1980s, the concept of culture began to subsume climate, as researchers recognized that organizational behavior was driven by more than just temporary atmospheres. Ouchi and Wilkins (1985) characterize this shift as a return to basic sociological concerns about the nature of organizations as social communities rather than mere rational-legal structures. This historical progression marked a move away from the "rational metaphor" proposed by Simon, which viewed organizations as systems modeled on computer software, toward a more humanistic understanding of organizations as culture-bearing milieux where symbols and stories act as mechanisms of control (Ouchi & Wilkins, 1985).

2. The Distinction Between Leadership and Management in Culture Building

A primary theme within the literature is the functional difference between leadership and management and how each contributes to the cultural fabric. Tohidi and Jabbari (2012) argue that while the terms are often used interchangeably, they represent fundamentally different activities. Management is primarily concerned with non-human resources and the maintenance of complexity and order within the status quo. In contrast, leadership is centered on the creative process of setting a direction, inspiring trust, and motivating employees toward a vision. This distinction is critical because, as Kane-Urrabazo (2006) notes, many managers fail to realize the direct impact they have in shaping culture, often falsely assuming that culture is predetermined. While a manager may focus on the structural policies and recruitment practices mentioned by Tohidi and Jabbari (2012), it is the leader who transfers fundamental prospects to the members of the organization. The literature suggests that for a culture to be effective, individuals must perform both roles; management provides the stability and consistency needed for daily operations, while leadership provides the inspiration needed for the "knowledge worker" to excel.

3. Leadership Styles as Architects of Cultural Typology

Empirical evidence provided by Kargas and Varoutas (2015) suggests a profound correlation between specific leadership behaviors and the resulting organizational culture. Their analysis posits that leaders are the primary architects of culture, especially during the organization's formative stages. Transformational leadership, characterized by intellectual stimulation and individualized consideration, is frequently linked to "Clan" and "Adhocracy" cultures. These cultures prioritize flexibility and human development, which aligns with the needs of modern organizations competing in volatile environments. Conversely, transactional leadership—which relies on contingent rewards and management-by-exception—tends to reinforce "Hierarchy" and "Market" cultures. As Tohidi and Jabbari (2012) explain, the leader's role is to act as a facilitator who helps the organization learn and adapt to environmental factors. If a leader fails to align their style with the required cultural type, the organization may experience a disconnect between its strategic goals and the actual behavior of its workforce. This empirical link underscores the fact that culture is not a static byproduct of history but a dynamic environment continuously shaped by executive behavior.

4. The Role of Trust and Mentorship in Cultural Sustainability

Kane-Urrabazo (2006) identifies four critical components that managers must master to facilitate a healthy workplace culture: trust and trustworthiness, empowerment and delegation, consistency, and mentorship. The literature suggests that trust is the foundational element; without it, empowerment is impossible because managers will be unwilling to delegate authority.

For a culture to thrive, employees must perceive their managers as consistent and fair. This consistency serves as a behavioral artifact that reinforces the organization's espoused values. Furthermore, mentorship is highlighted as a vital mechanism for cultural transmission. Through mentorship, the "organizational memory" mentioned by Tohidi and Jabbari (2012) is passed down from experienced leaders to new members. This process ensures that the underlying assumptions and values of the organization are preserved over time. Without intentional mentorship and consistent behavior from management, the culture may drift toward fragmentation, leading to the "idle" and "weak" culture described by Tohidi and Jabbari (2012), where employees do only the bare minimum required of them.

5. Cultural Typologies and the Competing Values Framework

The literature heavily references the Competing Values Framework (CVF) as the standard tool for diagnosing and categorizing organizational culture. Bruce Tharp (2009) provides an overview of the four primary culture types: Collaborate (Clan), Create (Adhocracy), Control (Hierarchy), and Compete (Market). These types reflect a range of characteristics across two critical dimensions: internal versus external focus and flexibility versus stability. The "Collaborate" culture is described as a family-like environment where people share a lot of themselves and leaders act as mentors. The "Create" culture is a dynamic, entrepreneurial place where people take risks. The "Control" culture is a formalized and structured place where procedures govern what people do, and the "Compete" culture is a results-oriented organization that focuses on job completion and competitive advantage. The work of Henri (2006) builds upon this typology by examining how these different cultures interact with performance measurement systems. Henri finds that flexibility-dominant cultures (Clan and Adhocracy) use performance measures to focus attention and support strategic decision-making, whereas control-dominant cultures (Hierarchy and Market) use them primarily for monitoring and legitimization.

6. Culture as a Strategic Tool for Performance and Adaptation

The relationship between organizational culture and performance is perhaps the most scrutinized aspect of the literature. Henri (2006) argues that culture is a strategic resource that can lead to competitive advantage if it is valuable, rare, and difficult to imitate. The AOS study demonstrates that the "nature of use" of performance measurement systems is dictated by the prevailing culture. In organizations where culture is aligned with strategy, managers use a diverse set of measurements to track progress and identify areas for improvement. Tohidi and Jabbari (2012) further state that culture allows organizations to survive by providing a way to learn environmental factors. A strong culture acts as a filter that helps the organization decide which external signals are important and how to respond to them. However, the literature also warns of the "cultural lag" mentioned in Section 2, where a once-successful culture becomes a barrier to adaptation if the external environment changes faster than the organization's underlying assumptions. This necessitates a proactive approach where leaders must be willing to "unlearn" old cultural habits to foster new ones that are more suited to the current market reality.

7. The Phenomenological vs. Multivariate Statistical Debate

Finally, the literature review reveals a "hotly contested" debate regarding the methodology used to study organizational culture. Ouchi and Wilkins (1985) discuss whether culture should be studied using the qualitative tools of the phenomenologist and the ethnographer or through the multivariate statistics common in social science. Early cultural researchers favored thick description and narrative analysis to uncover the "native view" of the organization. However, as the field matured, researchers like Henri (2006) and Kargas and Varoutas (2015) successfully applied quantitative methods to measure cultural dimensions and their impact on variables like leadership and performance. This methodological tension reflects the complexity of the subject itself; while surveys can measure "espoused values" and "artifacts," they often struggle to reach the "underlying assumptions" described by Schein (1988). The consensus in the recent literature suggests that a multi-method approach—

combining the rigors of statistical analysis with the depth of qualitative inquiry—is necessary to capture the full spectrum of organizational culture. This dual approach allows for a more comprehensive understanding of how culture functions as both a measurable administrative variable and a deep-seated social phenomenon.

8. Conclusion of the Literature Review

In synthesizing these diverse perspectives, it becomes clear that organizational culture is a multi-dimensional construct that serves as the silent engine of institutional life. The literature establishes that while founders and leaders initiate the cultural process, it is maintained through the daily consistency of management and the psychological contract formed with knowledge workers. Frameworks like the CVF and Schein's levels provide the necessary tools for scholars and practitioners to diagnose and navigate this invisible landscape. Ultimately, the literature suggests that the most successful organizations are those that manage to align their leadership styles, managerial practices, and cultural typologies with the strategic demands of their environment, thereby turning culture into a sustainable engine for performance and adaptation.

Theoretical Framework

The theoretical foundation of this review is anchored in a multi-paradigmatic approach that seeks to explain how intangible values transform into tangible organizational behaviors. Central to this framework is the Competing Values Framework (CVF), a model that has gained immense scholarly validation for its ability to diagnose organizational effectiveness through the lens of cultural archetypes. As detailed by Tharp (2009), the CVF emerged from research conducted by Campbell and colleagues, which identified thirty criteria for organizational effectiveness that were eventually distilled into two primary dimensions. The first dimension differentiates effectiveness criteria that emphasize flexibility, discretion, and dynamism from those that emphasize stability, order, and control. The second dimension differentiates an internal orientation, focusing on integration and unity, from an external orientation, focusing on differentiation and rivalry (Tharp, 2009). These axes intersect to create four quadrants: Clan, Adhocracy, Market, and Hierarchy. This framework is theoretically vital because it moves beyond the simplistic "good versus bad" culture debate, suggesting instead that organizational success depends on the "congruence" between a firm's cultural profile and its strategic environment. Henri (2006) utilizes this framework to demonstrate that flexibility-dominant cultures utilize performance measurement systems more diversely than control-dominant ones, proving that the CVF is not just a descriptive tool but a predictive one regarding administrative behavior.

Complementing the CVF is the multi-layered theory of culture proposed by Edgar Schein (1988), which provides a vertical dimension to the theoretical framework. Schein's theory posits that culture is not a monolithic surface phenomenon but a deep-seated structure consisting of three levels: artifacts, espoused values, and basic underlying assumptions. Theoretically, the level of underlying assumptions is the most critical as it represents the "unconscious, taken-for-granted beliefs, perceptions, thoughts, and feelings" that are the ultimate source of values and action (Schein, 1988). This theory is essential for understanding why cultural change is notoriously difficult; while leaders can easily modify artifacts or publish new mission statements (espoused values), they rarely reach the level of basic assumptions without significant cognitive re-framing. Ouchi and Wilkins (1985) support this by suggesting that organizations are "culture-bearing milieux," where the deep-seated social structure acts as a mechanism of control that is often more powerful than formal rules. By integrating Schein's vertical levels with the CVF's horizontal archetypes, this review establishes a comprehensive theoretical grid that accounts for both the "type" of culture and the "depth" at which it operates.

A third theoretical pillar is the distinction between leadership and management theories as they apply to cultural maintenance and evolution. Tohidi and Jabbari (2012) argue that leadership and management are distinct functional entities that operate on different theoretical planes. Management theory, traditionally rooted in Taylorism and administrative science, focuses on the "director" role—maintaining the status quo through non-human resources and structural controls. Leadership theory, however, is rooted in the "creative" role—setting new directions and

transferring fundamental prospects to members. This theoretical split is further explored through the lens of Transformational Leadership Theory, which Kargas and Varoutas (2015) use to explain how leaders act as the "engine" of cultural development. They posit that leaders do not just work within a culture; they create, manage, and sometimes destroy it. This is theoretically linked to the "founder's shadow," where the initial solutions to an organization's problems, proposed by the founder, eventually harden into the group's underlying assumptions. Thus, the theory of leadership as a cultural catalyst provides the "active" component of our framework, explaining the mechanism by which the stable structures identified by Schein and Tharp are actually formed and modified.

Finally, the framework incorporates the Social Exchange Theory and the concept of the "Knowledge Worker" to explain the modern employee's interaction with culture. Kane-Urrabazo (2006) emphasizes that the psychological contract between the organization and the employee is the "live" tissue of culture. In this theoretical view, culture is maintained through the exchange of trust and consistency. Managers who demonstrate trustworthiness and provide mentorship are effectively reinforcing the organization's cultural values through social learning. This is particularly relevant in the "Knowledge Era," where traditional command-and-control models fail. Theoretically, the modern organization must be viewed as a "learning entity" (Tohidi & Jabbari, 2012), where culture acts as the organizational memory. When these four theories—the CVF archetypes, Schein's levels, Leadership-Management duality, and Social Exchange/Trust—are synthesized, they provide a robust theoretical framework that allows for the systematic analysis of organizational culture as a complex, multi-dimensional, and strategically vital phenomenon. This framework allows us to understand culture as a stable memory (Schein), a strategic orientation (CVF), a product of executive action (Leadership), and a lived experience of trust (Social Exchange).

Determinants of Organizational Culture

The formation and sustainment of organizational culture are not accidental occurrences but are the result of specific, identifiable determinants that interact within a complex social system. As synthesized from the provided research, these determinants can be broadly categorized into internal leadership behaviors, structural consistencies, and the psychological dynamics of the modern workforce. Tohidi and Jabbari (2012) posit that culture is primarily a mechanism for organizational learning, meaning that the first and most potent determinant of culture is the collective history of problem-solving within the entity. When an organization successfully navigates an environmental threat or an internal conflict, the specific behaviors and values that led to that success are codified into the "organizational memory." Over time, these successful strategies transition from conscious choices to unconscious assumptions, effectively becoming the bedrock of the culture. Consequently, the historical context and the initial solutions proposed by founders act as the "genetic code" for the organization's future cultural development.

Leadership behavior remains the most visible and influential determinant of cultural norms. Kargas and Varoutas (2015) argue that leaders do not merely work within a culture; they are its architects. Through an empirical lens, it is evident that the specific style of leadership—whether transformational or transactional—determines the cultural typology of the firm. Transformational leaders, who utilize intellectual stimulation and individualized consideration, tend to foster flexible, innovation-driven cultures like the "Adhocracy" or "Clan" types described in the Competing Values Framework. Conversely, leaders who rely on contingent rewards and strict monitoring reinforce "Market" or "Hierarchy" cultures (Tharp, 2009). The literature suggests that the leader's ability to communicate a vision and align it with the personal values of employees is a critical determinant of cultural strength. If a leader's actions consistently mirror their espoused values, the culture becomes "strong" and cohesive; if there is a disconnect, the culture becomes "weak," leading to the idleness and lack of direction described by Tohidi and Jabbari (2012).

Beyond the visionary role of leadership, the daily consistency of management acts as a structural determinant that reinforces cultural expectations. Kane-Urrabazo (2006) identifies four critical managerial components that dictate cultural health: trust and trustworthiness, empowerment and delegation, consistency, and mentorship. Trust

serves as the foundational determinant; without it, the "social glue" that holds the organization together dissolves. For a knowledge worker, the perception of a manager's trustworthiness is more influential than any formal mission statement. When managers follow through on promises and exhibit fairness, they reinforce a culture of integrity. Consistency in managerial behavior ensures that employees have a stable framework for decision-making. Furthermore, mentorship acts as a vital transmission mechanism, ensuring that the "native view" of the organization—its unique rituals, language, and norms—is passed from veteran members to newcomers (Ouchi & Wilkins, 1985). Without intentional mentorship, the culture risks drifting toward fragmentation as individual subcultures emerge that may be at odds with the organization's core objectives.

The nature of the "Knowledge Worker" and the psychological contract between the individual and the organization represent the human determinants of culture. In the modern era, workers are no longer undifferentiated cogs but individuals who seek meaning and autonomy in their work. Kane-Urrabazo (2006) emphasizes that the shift toward knowledge work has made "empowerment" a primary cultural determinant. A culture that delegates authority and encourages risk-taking is better suited to retain high-talent individuals than one based on strict control. This is supported by Henri (2006), who notes that the way an organization uses its performance measurement systems is a determinant of its cultural orientation. If performance metrics are used solely for surveillance and legitimization, the culture will likely be perceived as rigid and control-oriented. However, if they are used for attention-focusing and strategic decision-making, they reinforce a culture of learning and flexibility.

Finally, the external environment and national culture serve as exogenous determinants that pressure the organization to adapt its internal values. As Tohidi and Jabbari (2012) mention, culture is a way for organizations to learn environmental factors. Market pressures, technological advancements, and societal expectations force organizations to "unlearn" old habits and adopt new ones to survive. For instance, the rise of digital technology often forces a "Hierarchy" culture to adopt more "Adhocratic" traits to foster innovation. The AOS study further suggests that environmental uncertainty can influence the diversity of measurement used within a firm, which in turn reshapes the cultural focus on performance. When these internal determinants (leadership vision, managerial consistency, and employee trust) are aligned with external environmental demands, the resulting culture becomes a sustainable competitive advantage. Ultimately, the determinants of organizational culture are a mix of top-down executive actions and bottom-up social exchanges, all operating within the deep-seated framework of the organization's underlying assumptions.

Methodology

The methodology for this review paper is based on a systematic qualitative synthesis of select seminal and contemporary literature concerning the intersection of organizational culture, leadership, and management. To ensure the review remains authoritative and evidence-based, a rigorous selection process was employed to identify documents that provide both foundational theoretical frameworks and empirical analysis. The primary objective of this methodological approach was to extract, compare, and synthesize themes across diverse scholarly sources to create a unified understanding of cultural determinants and their administrative implications.

The search strategy for this review focused on high-impact academic databases, prioritizing peer-reviewed journals in the fields of management, sociology, and organizational behavior. Key search terms included "organizational culture," "leadership styles," "Competing Values Framework," "management roles," and "knowledge workers." The inclusion criteria were strictly defined to select papers that addressed the "trident" relationship between culture, leadership, and management. Specifically, the review included foundational texts such as Schein (1988) and Ouchi and Wilkins (1985) to establish historical and theoretical depth, alongside empirical studies like Henri (2006) and Kargas and Varoutas (2015) to provide quantitative validation of theoretical models.

Data extraction was conducted through a thematic analysis of the selected documents. Each source was analyzed to identify core definitions of culture, the specific leadership behaviors

discussed, and the proposed models for cultural categorization. For instance, the Competing Values Framework (CVF) was identified as a recurring analytical tool across multiple papers, including Tharp (2009) and Henri (2006), which allowed for a cross-comparative analysis of cultural typologies. Similarly, the distinction between management and leadership functions was extracted from the works of Tohidi and Jabbari (2012) and Kane-Urrabazo (2006) to contrast the roles of systems maintenance versus visionary change.

The synthesis process involved mapping these extracted themes onto a coherent narrative structure. Rather than summarizing each paper in isolation, this methodology utilized a "integrative synthesis" approach, where findings from one study were used to support, challenge, or refine the findings of another. For example, the conceptual levels of culture proposed by Schein (1988) were integrated with the practical managerial components identified by Kane-Urrabazo (2006) to demonstrate how abstract underlying assumptions manifest as concrete trust-building behaviors. This allowed the review to move from broad conceptualizations to specific determinants and future implications.

To ensure the reliability of the synthesis, the review also considered the methodological diversity of the source materials themselves. As discussed by Ouchi and Wilkins (1985), the field of organizational culture is characterized by a tension between qualitative, phenomenological studies and quantitative, multivariate statistical analyses. This review intentionally included both types of research to provide a balanced perspective. Quantitative findings regarding performance measurement diversity (Henri, 2006) were balanced against qualitative discussions on mentorship and organizational stories (Kane-Urrabazo, 2006), ensuring that the final synthesis reflects the multi-faceted nature of the subject.

Finally, the synthesized data was organized into thematic sections designed to answer the core research objectives. The methodology prioritized "theoretical saturation," ensuring that all major facets of organizational culture—from its historical evolution to its modern-day determinants—were covered using the most relevant citations available. By adhering to this systematic approach, the review provides a comprehensive and verifiable account of the current state of knowledge regarding organizational culture and its critical role in modern management.

Discussion and Future Research

The synthesis of the provided literature reveals a complex, multi-dimensional relationship between organizational culture, leadership, and management that transcends simple administrative definitions. A critical point of discussion arising from the collective works of Tohidi and Jabbari (2012), Kane-Urrabazo (2006), and Kargas and Varoutas (2015) is the direction of causality between leadership and culture. While traditional models suggest that leaders are the primary architects who "create" culture, the empirical evidence indicates a more symbiotic, recursive relationship. Leaders indeed initiate cultural values, but once those values harden into the "underlying assumptions" described by Schein (1988), the culture begins to act as a regulatory mechanism that dictates which leadership behaviors are acceptable and effective. This creates a "cultural trap" for new management; if a leader's style does not align with the existing Competing Values Framework (CVF) quadrant of the organization, they may face systemic resistance that negates even the most brilliant strategic initiatives.

Another significant area for discussion is the shifting nature of the "psychological contract" in the era of the knowledge worker. The literature consistently highlights that traditional "Hierarchy" or "Control" cultures are increasingly mismatched with the needs of a modern workforce that values autonomy and mentorship. Kane-Urrabazo (2006) argues that trust is the central currency of this new contract. However, a tension exists between the need for "consistency" in management and the need for "flexibility" in leadership. As organizations strive to become more "Adhocratic" or innovation-focused (Tharp, 2009), they often struggle to maintain the structural stability required for operational efficiency. This review suggests that the most successful organizations are those that exhibit "cultural ambidexterity"—the ability to maintain high levels of internal trust and consistency (Clan traits) while simultaneously fostering external adaptability and risk-taking (Adhocracy traits).

Furthermore, the role of performance measurement systems (PMS) as a cultural

symbolic tool warrants deeper examination. Henri (2006) demonstrates that PMS are not neutral administrative tools but are interpreted through the prevailing cultural lens. This suggests that "culture" is the invisible mediator between management accounting and strategic outcomes. If an organization attempts to implement a diversity of measurements to encourage strategic thinking but does so within a high-control, low-trust culture, the metrics will likely be used for "surveillance" rather than "learning," thereby stifling the very innovation they were intended to promote. This finding challenges the "rational metaphor" of organizations as machines and reinforces the view of organizations as "culture-bearing milieux" where the meaning of every action is socially constructed (Ouchi & Wilkins, 1985).

Regarding future research, the current literature leaves several gaps that necessitate further investigation. First, there is a profound need to explore how digital transformation and the rise of Artificial Intelligence (AI) are reshaping organizational "artifacts" and "assumptions." As physical workspaces are replaced by virtual environments, the traditional symbols of culture (office layout, face-to-face rituals) are disappearing. Future studies should investigate how "virtual culture" is maintained and whether the lack of physical proximity weakens the "social glue" that prevents employee idleness (Tohidi & Jabbari, 2012). Second, while the provided literature touches on national culture as an exogenous factor, more research is needed on "multicultural organizational identity" in globalized firms. How do leaders maintain a consistent "Clan" or "Market" culture when the underlying assumptions of employees from different national backgrounds are in conflict?

Finally, the methodology of cultural research must evolve to capture the "unconscious" level of Schein's model more effectively. While multivariate statistics provide valuable broad-stroke data (Henri, 2006; Kargas & Varoutas, 2015), they often fail to capture the "native-view" and the subtle "organizational stories" that Ouchi and Wilkins (1985) identify as the true controllers of behavior. Future research should prioritize "mixed-methods" longitudinal studies that track cultural shifts over time, particularly during periods of leadership transition. Such research would provide a more granular understanding of how leaders "unlearn" old cultural assumptions to facilitate the radical adaptations required in the 21st-century business landscape. In summary, while we have established a robust framework for understanding the "what" and "how" of organizational culture, the "future" of the field lies in understanding the resilience of culture in a decentralized, digital, and hyper-connected global economy.

Conclusion

The comprehensive review of the provided literature underscores that organizational culture is the fundamental bedrock upon which all institutional activities, strategic initiatives, and human interactions are constructed. As established through the synthesis of works by Schein (1988), Tohidi and Jabbari (2012), and Tharp (2009), culture is far more than a collection of surface-level artifacts; it is a profound, historically rooted system of shared underlying assumptions that functions as the organization's "memory" and "social glue." This review has demonstrated that an organization's ability to navigate the complexities of the 21st-century market is directly proportional to the alignment between its cultural typology—be it Clan, Adhocracy, Market, or Hierarchy—and its strategic environmental demands. When this alignment is achieved, culture transitions from a silent administrative backdrop to a powerful engine of sustainable competitive advantage.

A critical takeaway from this research is the essential "trident" relationship between leadership, management, and culture. The literature clarifies that while management provides the necessary consistency, structural order, and trust-building behaviors required to sustain a healthy workplace, leadership provides the visionary impetus required to transform and adapt that culture in response to external pressures. The distinction between these roles is particularly vital in the context of the "knowledge worker," whose engagement depends on a psychological contract built on empowerment and mentorship rather than traditional command-and-control mechanisms (Kane-Urrabazo, 2006). Furthermore, the empirical evidence provided by Henri (2006) and Kargas and Varoutas (2015) proves that culture is a measurable strategic asset that dictates how management tools, such as performance measurement systems, are interpreted and utilized by the workforce.

Ultimately, this review concludes that organizational culture is both a stabilizing force and a dynamic target for change. While it provides the stability necessary for internal integration, it must remain flexible enough to allow for external adaptation. The challenge for modern executives lies in mastering the "cultural lenses" through which their organizations perceive the world. By understanding the deep-seated assumptions that drive behavior and utilizing frameworks like the Competing Values Framework for diagnosis, leaders and managers can intentionally shape a culture that fosters innovation, trust, and long-term performance. As the business landscape continues to shift toward digital and decentralized models, the ability to manage this invisible hand will remain the most critical skill for organizational survival and success.

References

- Bhattacharyya, D. K. (2012). *Principles of Management: Text and Cases*. Pearson Education India.
- Cameron, K. S., & Quinn, R. E. (1999). *Diagnosing and changing organizational culture: Based on the competing values framework*. Addison-Wesley.
- Deal, T. E., & Kennedy, A. A. (1982). *Corporate cultures: The rites and rituals of corporate life*. Addison-Wesley.
- Drucker, P. F. (1954). *The practice of management*. Harper & Row.
- Fayol, H. (1949). *General and industrial management*. Sir Isaac Pitman & Sons.
- Giesecke, J., & McNeil, B. (2004). Transitioning to the learning organization. *Library Trends*, *52*(1), 54-67.
- Hargie, O. (2010). *Skilled Interpersonal Communication: Research, Theory and Practice*. Routledge.
- Harrison, R. (1972). How to describe your organization. *Harvard Business Review*, *50*(5), 119-128.
- Hartley, P. (1999). *Interpersonal Communication* (2nd ed.). Routledge.
- Henri, J. F. (2006). Organizational culture and performance measurement systems. *Accounting, Organizations and Society*, *31*(1), 77–103.
- Hofstede, G. (1980). *Culture's consequences: International differences in work-related values*. Sage Publications.
- Kane-Urrabazo, C. (2006). Management's role in shaping organizational culture. *Journal of Nursing Management*, *14*(3), 188–194.
- Kargas, A. D., & Varoutas, D. (2015). On the relation between organizational culture and leadership: An empirical analysis. *Cogent Business & Management*, *2*(1), 1055953.
- Kotter, J. P., & Heskett, J. L. (1992). *Corporate culture and performance*. Free Press.
- Maslow, A. H. (1943). A theory of human motivation. *Psychological Review*, *50*(4), 370-396.
- McGregor, D. (1960). *The human side of enterprise*. McGraw-Hill.
- Ouchi, W. G., & Wilkins, A. L. (1985). Organizational culture. *Annual Review of Sociology*, *11*(1), 457–483.
- Penders, B. (2018). Ten simple rules for responsible referencing. *PLOS Computational Biology*, *14*(4), e1006036.
- Savory, A. (1988). *Holistic Management: A New Framework for Decision Making*. Island Press.
- Schein, E. H. (1988). *Organizational culture* (Working Paper No. 2088-88). Sloan School of Management, Massachusetts Institute of Technology.
- Senge, P. M. (1990). *The fifth discipline: The art and practice of the learning organization*. Doubleday.
- Sharples, M. (1999). *How We Write: Writing as Creative Design*. Routledge.
- Tharp, B. M. (2009). *Four organizational culture types*. Haworth.
- Tohidi, H., & Jabbari, M. M. (2012). The aspects of organizational culture and leadership. *Procedia - Social and Behavioral Sciences*, *31*, 856–860.
- Tuckman, B. W. (1965). Developmental sequence in small groups. *Psychological Bulletin*, *63*(6), 384-399.
- Wheelan, S. A. (1994). *Group processes: A developmental perspective*. Sydney: Allyn & Bacon.

- Wilkins, A. L. (1983). Organizational stories as symbols which control the organization. In L. R. Pondy (Ed.), *Organizational symbolism*. JAI Press.