



How Organizational Culture, Moderate the Sustainability of Small and Medium Enterprises

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ABSTRACT

It is imperative that SMEs establish the necessary frameworks to implement succession planning in order to support the sustainability of their businesses and guarantee business continuity. The goal was to ascertain whether succession planning had an impact on the sustainability of SMEs by utilizing organizational culture as a moderating factor and leadership styles as a mediating factor. The study used a quantitative approach in an explanatory research format to investigate the causal analysis of succession planning in small and medium-sized enterprises (SMEs) in Ghana. Structured equation modelling was used to analyze 207 valid quantitative data that made up the study's sample population. Stratified random sampling was the method used for sampling. The research presented an empirical framework for investigating the theoretical relationship delineated in existing literature. The application of hypothesis served to validate this. The final results showed that the relationship between leadership style and small- and medium-sized enterprise sustainability can be moderated by organizational culture. According to the study, organizational culture has a significant impact on the sustainability of small and medium-sized enterprises (SMEs). SMEs should regularly evaluate their culture and modify their leadership approaches to guarantee continued alignment because culture is dynamic and it evolves.

How Organizational Culture, Moderate the Sustainability of Small and Medium Enterprises

Introduction

The Organizational culture, also known as company culture, is defined as the shared values, attitudes and practices that characterize an organization. It's the personality of a company, and it plays a large part in the employees' overall satisfaction.

Having a strong organizational culture is important because it helps attract the right candidates and it keeps them engaged as employees. According to a 2019 Glassdoor study, 77 percent of adults would evaluate a company's culture before applying to an open position, with more than half ranking an organization's organizational culture as more important than compensation. An SHRM study from 2021 revealed that 94 percent of people managers believe a positive workplace culture helps retain employees.

Creating a winning organizational culture takes a lot of time and effort - your culture must accurately reflect your values and align with your overall mission. While any given organizational culture will evolve with time especially as the team grows and on boards more people, steps can be taken to tailor the culture to better fit the organization's values and mission.

There are four main types of organizational culture, which come from Robert E. Quinn and Kim S. Cameron of the University of Michigan, who investigated the qualities that make

businesses effective. From a list of 39 attributes, the researchers identified two key polarities: (1) internal focus and integration vs. external focus and differentiation, and (2) flexibility and discretion vs. stability and control.

Types of Organizational Culture

The four types propounded by Quinn and Cameron are:

- **Clan Culture:** emphasizes collaboration across teams and a horizontal structure.
- **Adhocracy Culture:** allows individuals to share ideas and encourages the company to take risks.
- **Market Culture:** focuses on financial success and how each employee contributes to revenue.
- **Hierarchy Culture:** emphasizes career paths and provides clear managerial processes.

These qualities are visually represented within the Competing Values Framework, which is part of the validated and widely-used Organizational Cultural Assessment Instrument. Although there are several types of organizational culture, Quinn and Cameron's four types are generally accepted and appear to influence any variations. These four types of organizational culture are neither good nor bad, but they do provide frameworks that company leadership can lean on.

Understanding what type of organizational culture your company has can help you identify what makes your company stand out to candidates. When you know why your organization's culture is unique, you can highlight these attributes in your recruitment and marketing materials. Recognizing the type of company culture you have can also help you write your core values and mission statement.

How Organizational culture moderates' leadership styles for SME Sustainability.

A number of research and scholars submit that organizational culture possesses the ability to enhance SME sustainability, create competitive advantage and define the boundaries of the organization in terms of succession planning (Parida. 2019; Zeng, 2020; Cobben. 2022). This is achieved as a result of unique quality of culture put forward by leadership. A number of studies have been undertaken to establish the moderating relationship between organizational culture and sustainability in SMEs (Tedla, 2016; Anderson 2018; Akparep, 2019; Negi, 2019; Isensee, 2020; Srisathan, 2020; Mubarak 2020; Arabeche, 2022; Bianchi 2022).

A study undertaken by Anderson and Schein, (2018) in UK revealed mixed effect of organizational culture dimensions on organizational sustainability with a conclusion that organizations that emphasized external focus performed better than those with internal focus. However, Tran et al (2017) comparative study reported a strong positive relationship between organizational culture traits, both internal and external focus traits and organizational sustainability. Similar results as Tran et al (2017) were found in Russia by Valencia (2016) who found a positive relationship between organizational cultural traits and sustainability in Russian firms. The study though noted that emphasis on internal focus was the most important determinant of sustainability, a seeming contradiction to Anderson and Schein, (2018) findings and recommendation.

In another study undertaken by Alagic (2017) in Turkey, the results showed there exist positive relationship between organizational culture and firm's effectiveness. However, the imbalance between the various cultural traits had both positive and negative impact on the various

measures of performance. Similarly, within the SMEs sector, a study undertaken by Poernomo, (2019) among SMEs in Turkey showed that organizational culture had no significant effect on ‘sustainability of SMEs. Similar results were obtained in SMEs in Iran (Eniola, 2019) that revealed that there was no significant relationship between organizational culture and sustainability.

Within the African context, a study undertaken in South Africa by Tedla (2016) in an investment bank reported that only few traits of organizational culture were positively linked with sustainability of the banks. Contrary to Tedla (2016) a similar study undertaken by Nwakoby (2019) in nine (9) banks in Ghana showed that there was positive relationship between organizational culture and performance.

In accordance to Anderson and Schein (2018) in order to understand the relationship between organizational culture and leadership, one needs to look at organizational culture as both a variable and also something that can be manipulated. Organizational culture as a manipulated variable brings out the nature and direction of organization culture that depends on the skills and abilities of the leader. On the other hand, if organizational culture is variable that is integral part of the organization, then the behavior and styles of the leader will be dictated by it. Schein (2018) supports the above views by adding that the intertwining of the two variables is based on the fact that culture not only resides within the individual but is also considered as a hidden force that drives the behavior both within and outside the organization.

He further adds that the interplay between culture creation, re-enactment and reinforcement creates interdependency between organizational culture and leadership. However, in accordance to Reina (2015) the dynamic environmental factors that calls for balance between internal orientation, external focus, stability and flexibility causes conflict for a leader in terms of which leadership styles would be more flexible and effective under what type of culture (Felipe, 2017 and Joseph, 2019).

Anderson and Schein, (2018) submits that whereas a number of scholars claims there is a linkage between organizational culture and leadership, few studies have actually studied the relationship for the combined effect of these two variables on sustainability in SMEs and thus the precise relationship between organizational culture and leadership styles on sustainability is yet to be fully understood. The few studies that have been carried out looked at organizational culture as a moderating variable for the relationship between leadership styles on sustainability in SMEs (Anderson and Schein, 2018; Okeke, 2019; and Negi, 2019).

Kargas (2015) reported that organizational culture and leadership positively influenced performance and that, leadership influenced performance irrespective of what type of culture existed in the organization. However, Nukić (2018) study in construction companies reported that organizational culture highly affected performance compared to leadership styles and thus concluded that organizational culture was key to performance regardless of the leadership styles. Mehrtak (2017), argues that SMEs that operate succession planning needs to adopt appropriate internal structure that includes an organizational culture that focuses on external adaptation (Anderson & Schein, 2018) and leadership styles that are flexible and inspiring (Joseph, 2019).

Leadership and organizational culture are considered to be two of the most crucial organizational elements in order for firms to compete successfully and to gain sustainable advantage. Tedla (2016) and Odor (2018) posit that organizational culture can be categorized as either strong or weak. Strong cultures are the ones associated to superior performance owing to strongly shared values among employees (Kim, 2022). However, where the organizational culture is not able to achieve congruence with the environment, then it will not be in position to help the firm realize sustainability (Naveed, 2022; Mahmud, 2021). Also a weak culture can act as a de-motivator even to an outstanding employee, leading to underperformance and overall poor organizational performance (Kim, 2022).

Akparep, (2019) contends that organizational culture and leadership styles have a link and both play important role in determining organizational effectiveness and sustainability. The responsibility of a leader is to influence and ensure that members of the organization understand technical issues that are important in realizing organizational goals leading to sustainability (Iqbal, 2020).

Some of the scholars above concluded that in some cases organizational culture had positive effect on organizational sustainability, in other instances especially within SMEs no positive effect was established on its effect on sustainability. From the above analysis the debate on this subject matter appears inconclusive and that is what makes the contribution of this article relevant to the subject.

1.1 Organizational Culture and Strategy

One important factor that is frequently overlooked is the impact of organizational culture. Any succession-planning program's ability to be effective is heavily dependent on the organizational culture it is embedded in. According to Rothwell (2015), it's not just a routine task but rather the outcome of teamwork entwined with organizational behaviors and in line with the overall business plan.

This is indicative of a culture that values developing internal talent and understands the long-term advantages of having a pool of capable leaders to steer the company in the right direction. The cooperation and active involvement of numerous stakeholders at all organizational levels are necessary for this process to be successful.

More than just identifying potential, leaders are needed to implement a successful succession planning initiative; a deep understanding of the organization's culture, values, and strategic objectives is also necessary. Rather than being a stand-alone procedure, the process ought to be smoothly incorporated into the organization's current structure, becoming an essential component of its culture.

A culture of excellence and competitive advantage must be cultivated throughout the entire organization because investing significant time and energy in developing future leaders does not yield immediate returns.

Creating a culture of excellence entails fostering a shared belief system among all employees that places a premium on performance, innovation, and adaptability in order to achieve the highest standards possible. This culture turns into a potent source of inspiration, enticing people at all levels to contribute to the organization's long-term success even though they may not see the results of their labors right away.

The observations made by Wharton (2017) highlight how crucial a strong company culture is to a smooth leadership changeover. Strong corporate cultures provide an organization with a shared set of norms, values, and practices that extend beyond the leadership of individual members. The organization's success and resilience are maintained despite changes in leadership ranks to the stabilizing effect of this culture continuity.

Essentially, the foundation of the organization's durability and resilience is its culture of excellence and competitive edge. No matter how quickly investments in leadership development pay off, the organization's unwavering commitment to this culture becomes the engine that keeps it moving forward.

Leaders have to navigate their companies through a variety of cultural, economic, and regulatory environments, which means that when making decisions, they need to think globally. Leaders of organizations must cultivate a culture of integrity and ethical conduct because they are held accountable to stakeholders, regulatory agencies, and the general public. Underestimating the crucial role that organizational culture and the dynamics involving members, top management, the incumbent, and the board play may be the cause of the execution challenges (Tedla, 2016). The organizational culture's ingrained values, beliefs, and practices have a big influence on how the members of the organization react to and accept the

succession plan. There may be difficulties with execution if the plan is not implemented in a way that is compatible with the current culture or if the resistance it may encounter is underestimated.

Ensuring the success and efficacy of succession planning initiatives requires acknowledging the complex role of organizational culture and navigating the intricate dynamics involving key stakeholders.

But the current lack of research on the relationship between organizational culture and the succession process could lead to hiring talent that doesn't fit the organization's needs, implementing development strategies that do not adequately prepare high-potential individuals for executive roles, creating a talent pool that is too large or takes too long to develop, or even the organization's demise. It is commonly known that CEOs and founders of organizations have a significant influence on culture (Kyser, 2017). They do this by selecting and elevating employees who exhibit similar qualities in order to maintain the culture of the organization.

Human resource development's cultural context functions unconsciously. Within this framework, the Human Capital lead has the ability to play a vital role in promoting organizational culture by putting policies, procedures, and processes in place. The creation and direction of new knowledge is useless without a concomitant change in the culture of the organization.

An informal organizational culture can cost the company a great deal when it comes to comprehensive succession planning. To put it simply, there is a close relationship between the organizational culture that is in place and the efficacy of knowledge development and guidance. The aforementioned research findings highlight the critical role that elements of organizational culture play in the establishment and institutionalization of successful succession planning

programs. Consequently, it is clear that an informal organizational culture can prevent an organization from fully benefiting from thorough succession planning initiatives.

An investigation into the complex relationship between employee succession planning and organizational culture has produced some interesting findings. The results showed a strong and positive correlation between employee succession planning and a number of critical organizational culture components, such as dominating features, organizational leadership, employee management, organizational coherence, strategic emphases, and success criteria.

These findings emphasize how crucial it is to see organizational culture as an integral part of the organizational identity, rather than just an abstract idea. It is evident that the identified elements of organizational culture have a real influence on employee behavior. Emphasizing that a valuable human resource is embodied in a culture that actively supports education and knowledge, the importance of creating a conducive culture is emphasized. Wang (2020) provides an example of how the research findings highlight the necessity for organizations to identify and incorporate a supportive cultural framework as a crucial component of employee succession planning initiatives that are successful.

Exploring organizational culture is a common theme in the broad field of organizational studies, with the primary goal being to identify and understand the underlying factors that impact an organization. The dynamic force of organizational culture enables workers to overcome major obstacles pertaining to survival and adaptability. It serves as the compass that makes it easier to establish internal procedures, promotes resilience, and guarantees the organization's long-term survival and flexibility.

When people live together in a community setting with shared obstacles and enemies, the essence of organizational culture is especially discernible. In this context, culture appears as a normative force that ties the different components of the organization together in a complex way. According to Schein (2018), organizational culture is an active and unifying force that

shapes and maintains the organization's fabric, enabling it to overcome challenges, promote internal cohesion, and withstand the test of time.

Within a renowned Fortune 500 company, thirty executive and mid-level managers participated in a qualitative study that explored the complexities of organizational culture and how it affects the succession planning process. The results highlighted the significant impact that the founder had on organizational procedures, especially when it came to succession planning because of the culture that was formed in the early phases.

Schein (2018) sheds light on the role that succession planning procedures play as auxiliary embedding mechanisms in an organization, helping to maintain and strengthen established cultural values. This realization suggests that a founder's cultural landscape gets deeply embedded in different organizational practices, making processes resistant to change, such as succession planning. Thus, the study's findings provide insight into the complex interplay among organizational culture, leadership impact, and the long-lasting nature of succession planning procedures in the context of larger organizations.

Methodology

2.0 Research Approach and Design

A research design refers to the 'methodology for collecting, analyzing, interpreting, and presenting data in research endeavours' (Creswell & Plano Clark, 2007, p.58). It represents the overarching plan for harmonising conceptual research objectives with practical and achievable research endeavours. This design provides a structured blueprint for gathering and analysing data and offers strategies for tackling the specific research question, as Grey (2014) highlighted. Leung (2015) has asserted that adopting systematic procedures is essential to imbue research with a degree of generalizability.

The objective of this study was to explore the framework of causal analysis. Causal analysis, also referred to as explanatory research, is instrumental in delineating the scope and nature of cause-and-effect relationships. It plays a pivotal role in evaluating the potential impact of particular alterations on established norms and practices. Causal investigations are conducted to scrutinise a situation or issue, aiming to identify relationship trends between variables.

3.4 Research Method

The quantitative approach was used in this investigation. A quantitative approach, according to Creswell (2003), mainly uses post-positivist ideas to gather data. This method uses structured

questions, integrates measurement and observation, applies cause-and-effect reasoning, narrows down investigations to particular variables and hypotheses, and tests theories. The main goals of quantitative analysis are to develop and evaluate theories, conceptual frameworks, and hypotheses related to particular phenomena. Since it creates the link between empirical observations and the mathematical representation of quantitative relationships, the measurement method is essential to quantitative research.

This study presents an empirical framework to investigate the theoretical relationship delineated in the literature and validate it using hypotheses." Using a variety of quantitative research methods and techniques, this study takes an explanatory approach. Traditionally, the positivist paradigm of natural phenomenon investigation has been in line with the quantitative method. It serves as the cornerstone of the deductive model as well, which depicts relationships based on conjecture.

3.5 Research Population

According to Hassan (2015), a clearly defined group of people or things with similar characteristics is referred to as the "research population." Falster (2015) defined a study population as one that possesses particular characteristics like age, gender, place of residence, or accessibility from a particular location. The target population and the accessible population are the two main categories of populations that are usually included in research.

The target population for the purposes of this study is all profit-making companies in Ghana, including large corporations, SMEs, and multinational corporations. That being said, the study's sample was drawn from the accessible population of interest, which includes SMEs that are based in Ghana. More specifically, middle-level workers, managers, and CEOs of Ghanaian SMEs were the subjects of the study.

3.6 Sample and Sampling Technique

Due to a variety of practical limitations, it is frequently impractical to conduct research on the entire population of interest. Consequently, in order to avoid studying the entire population, researchers usually concentrate on a representative sample. According to Hassan (2015), a sample is defined as a subset of the target population that is gathered to take part in a scientific investigation. According to Taherdoost (2016), it is also defined as any subset of a population or universe that reflects the traits of that population or universe. For a sample to be deemed representative, valuable, and useful, it must precisely reflect the similarities and differences found throughout the entire population of interest.

Therefore, Tabachnick and Fidell (1996) suggest that a sample size of 200 is considered fair, while a sample size of 300 is considered good, based on conventional and advanced statistical analysis techniques, such as structural equation modelling (SEM). Additionally, Hair et al. (1998) suggested that 200 be the sample size for testing models using SEM because, according to Hoelter's (1983) criteria, it is a "critical sample size" that guarantees the validity of results across standard estimation procedures.

As suggested by Aaker et al. (2001), it is prudent to use comparable studies and their sample sizes as a trustworthy guide. Using sample sizes of less than or roughly 200, several related commitment studies, such as those carried out by Coote et al. (2003), Siguaw et al. (1998), and Skarmeas et al. (2002), achieved response rates ranging from 14.59% to 22%. As a result, the analytical tool used in this study was structural equation modelling.

Analyzing the sample and making inferences about the larger population is the main goal of sample selection. According to Singh (2018), sampling is an important component of research since it has a significant impact on the reliability of research findings and outcomes. The sample size for the quantitative survey was determined by the researcher using Sutton's (2015) sample

determination sampling formula, which ensured the representativeness of the sample chosen for the study.

The following is the formula:

where sample size (n)

(N) is the population size;

(α) is the error term

The population size (N) in this study was 600, and the margin of error (α) was set at 0.05. By entering these values into the formula, the estimated sample size was determined to be 240. As a result, the investigator furnished three hundred survey instruments to prospective participants. But only 207 legitimate answers were obtained, yielding a 69% response rate. For the quantitative analysis, the study used these 207 valid responses.

3.7 Source of Data

Any study can use primary and secondary data as its two main sources of information. When it comes to data sources, Kudva (2016) asserts that no one source is inherently superior to another. The present investigation solely employed primary data. Stephanie (2018) defines primary data as information that is first gathered by the researcher directly through techniques like surveys, interviews, and in-person observation. Standardized and well-structured survey questionnaires served as the main source of data for this study.

3.8.1 Data Collection Method

The study's research instruments were created and approved by the researcher. From a variety of already-available survey instruments, the researcher selected particular items, which were then verified by specialists. The questionnaire, which asks respondents to answer the same set of questions in a predetermined order, is typically used to describe all data collection techniques

(Bhandari, 2021). Once more, because every participant was provided with a standardized stimulus, which is the survey questionnaire, observer subjectivity was minimized or completely eliminated in the study (Ponto, 2015).

Furthermore, the study utilized a questionnaire with two sections, identified as A and B. A self-administered questionnaire with a five-point Likert scale was used by the participants to provide their answers; the responses ranged from "strongly disagree" (5) to "strongly agree" (1). While Section B examined the study's variables organizational culture (4 items), and Section A sought to collect demographic data about the participants.

3.9 Validity and Reliability

The researcher performed steps to validate the data collection tool in order to guarantee the validity and robustness of the research findings. Here, "validity" means how well a scale or measurement evaluates or captures its intended meaning (Chiang, 2015). Utilizing both face validity and content validity checks, the researcher established validity by confirming that the scale was appropriate for the study. In order to ensure that the scale's items were understandable, clear, and in line with the intended measurement objectives, professional opinions were sought through conversations with various study supervisors.

3.10 Data Collection Procedure

During the data collection phase, the researcher initiated the process by sending an introductory letter, endorsed by the supervisor, to the management of different enterprises. The purpose of this letter was to introduce the researcher, convey the intent to include their enterprise in the study and seek institutional approval. Once the respective enterprises granted permissions, the researcher proceeded with data collection. Before involving the respondents, the researcher conducted a briefing session to explain the study's objectives and purpose, seeking verbal

informed consent. Additionally, the researcher assured participants of their information's confidentiality and protection from any potential harm arising from their participation.

3.11 Analysis of Data

The construct measures and the hypotheses presented in the conceptual model have been thoroughly examined through a thorough examination of the data gathered from a cross-section of SMEs. With the use of SPSS statistical software, a descriptive analysis of the participant demographics was carried out to begin the analysis. Measurement model: The Structural Equation Modelling (SEM) technique uses the measurement model for confirmatory factor analysis.

3.12 Ethical Considerations

Research ethics are important, especially when it involves human subjects. According to Bailey and Burch (2016), since ethical issues involve any aspect of using human subjects in research, they should be acknowledged and appropriately addressed at every stage of the process. A few ethical concerns were taken into account and resolved in this study. Among these moral dilemmas were:

Selection of Participants. Any scientific investigation must carefully consider participant selection since human rights and dignity must always be upheld. The current study used diplomacy and delicate persuasion to pique participants' interest. Participants were typically contacted directly by their respective organizations. Therefore, educating participants about the current study and requesting their voluntary participation were part of the selection process. With the participants' permission and convenience, the data collection procedure was planned.

Furthermore, no amount of coercion or threats was used to compel anyone to take part in the study.

ANALYSIS OF RESULTS

Organizational culture moderates the relationship between leadership styles and Small and Medium Enterprise Sustainability.

The finding aimed to determine whether the organizational culture plays a moderating role in the relationship between leadership style and SMEs sustainability. The findings indicated that the organizational culture does act as a moderator for the relationship between leadership style and SMEs sustainability ($\beta = -0.130$, $t = 2.449$, $p = 0.015$). As a result, the hypothesis was corroborated.

Table 1.1 Moderation Analysis Result

	Beta Coefficient	Standard Deviation	T Statistics	P Values
Mod_Org.Cult. _Succ.Plann. - > SMEs Sustainability	-0.130	0.053	2.449	0.015

Figure 1: Moderating Result

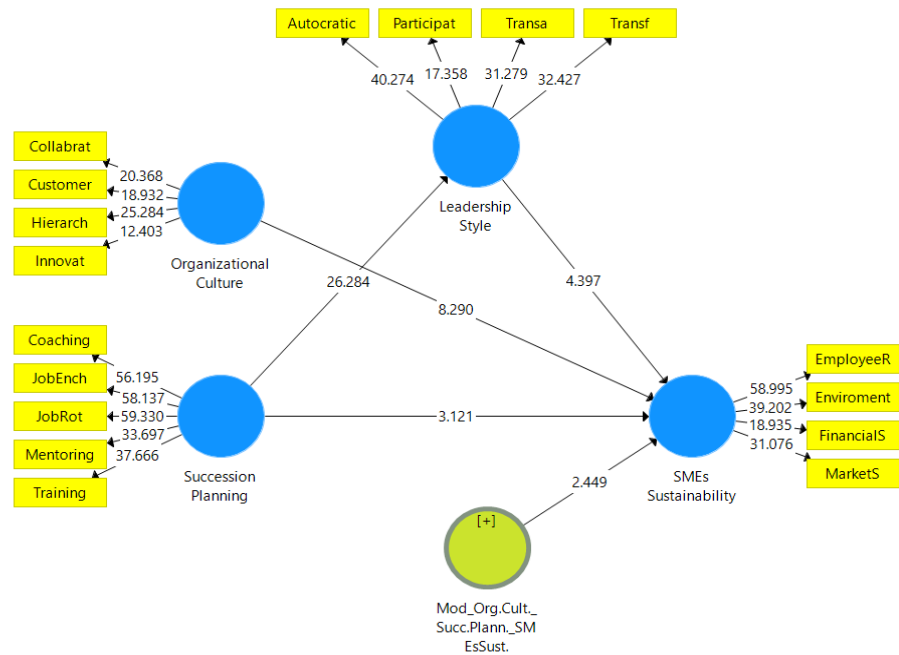
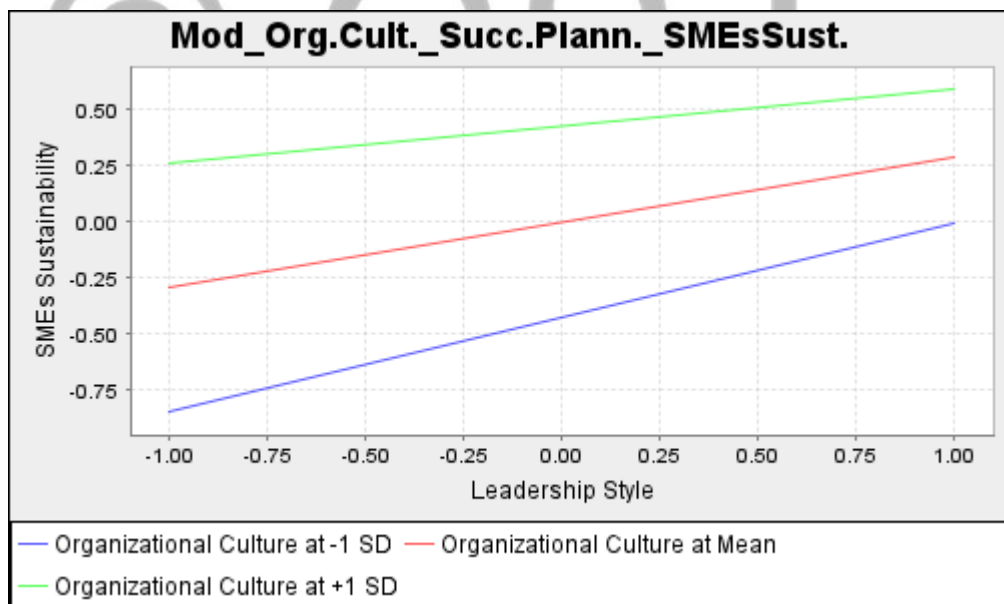


Figure 2: Moderation Relationship Between Organizational Culture, Leadership Style and SMEs Sustainably



Organizational culture as a moderator of the relationship between leadership style and SMEs performance. The more the Organizational culture the more negative the relationship is. Less Organizational culture leads to less negative relationship.

Discussion, Summary, Conclusions, and Recommendations

Several researchers and scholars submit that organisational culture can enhance SME sustainability, create competitive advantage and define the organisation's boundaries regarding succession planning (Parida. 2019; Zeng, 2020; Cobben. 2022). This is achieved due to the unique quality of culture put forward by leadership. Several studies have been undertaken to establish the moderating relationship between organisational culture and sustainability in SMEs (Tedla, 2016; Anderson 2018; Negi, 2019; Akparep, 2019; Srisathan, 2020; Isensee, 2020; Mubarak, 2020; Arabeche, 2022; Bianchi, 2022). A study undertaken by Anderson and Schein (2018) in the UK revealed the mixed effect of organisational culture dimensions on organisational sustainability, concluding that organisations that emphasised external focus performed better than those with internal focus. However, Tran et al. (2017) comparative study reported a strong positive relationship between organisational culture traits, internal and

external focus traits and organisational sustainability. Similar results were found in Russia by Valencia (2016), who found a positive relationship between organisational cultural traits and sustainability in Russian firms. The study noted that emphasis on internal focus was the most important determinant of sustainability, contradicting Anderson and Schein's (2018) findings and recommendations. In another study undertaken by Alagic (2017) in Turkey, the results showed a positive relationship between organisational culture and firm effectiveness.

However, the imbalance between the various cultural traits had positive and negative impacts on the sustainability. Within the SME sector, a study undertaken by Poernomo (2019) among SMEs in Turkey showed that organisational culture had no significant effect on the sustainability of SMEs. Similar results from SMEs in Iran (Eniola, 2019) revealed no significant relationship between organisational culture and sustainability. Within the African context, a study undertaken in South Africa by Tedla (2016) in an investment bank reported that only a few traits of organisational culture were positively linked with the sustainability of the banks. Contrary to Tedla (2016), a similar study undertaken by Nwakoby (2019) in nine (9) Ghanaian banks showed a positive relationship between organisational culture and performance.

According to Anderson and Schein (2018), to understand the relationship between organisational culture and leadership, one needs to look at organisational culture as both a variable and something that can be manipulated. Organisational culture as a manipulated variable brings out the nature and direction of organisational culture that depends on the skills and abilities of the leader. On the other hand, if organisational culture is a variable that is an integral part of the organisation, then the behaviour and styles of the leader will be dictated by it.

Schein (2018) supports the above views by adding that the intertwining of the two variables is based on the fact that culture resides within the individual and is also considered a hidden force that drives the behaviour both within and outside the organisation. He adds that the interplay between culture creation, re-enactment and reinforcement creates interdependency between organisational culture and leadership. However, according to Reina (2015), the dynamic environmental factors that call for a balance between internal orientation, external focus, stability, and flexibility cause conflict for a leader in terms of which leadership styles would be more flexible and effective under what type of culture.

Anderson and Schein (2018) submit that in contrast, several scholars claim there is a linkage between organisational culture and leadership, but few studies have actually studied the relationship between these two variables' combined effect on SMEs' sustainability (Vargas, 2019).

In conclusion the result of this study carried out in Ghana by Agbodza (2024) in eleven (11) SMEs operating in different sectors spread across the country looked at organisational culture as a moderating variable for the relationship between leadership styles and sustainability in SMEs thereby validating and confirming the existing literatures as put forward by earlier researchers (Okeke, 2019; and Negi, 2019).

Implication of Findings

The hypothesis was to determine whether the organisational culture plays a moderating role in the relationship between leadership style and SME sustainability. The findings indicated that the organisational culture does act as a moderator for the relationship between leadership style and SME sustainability.

Theoretical Implication

The finding contributes to our theoretical understanding of organizational cultural dynamics within SMEs. It highlights that leadership style alone may not be the sole determinant of SMEs' sustainability; instead, the context of organisational culture plays a significant role in shaping this relationship. However, the result supports that leadership theories should be contextualised within the specific organisational culture. Researchers and scholars in leadership studies may need to consider the broader organisational context when examining the impact of leadership styles on outcomes like sustainability. This finding underscores the complexity of the interaction between leadership style and organisational culture. It suggests that leadership

effectiveness and its impact on sustainability may vary depending on an organisation's cultural norms, values, and practices.

Additionally, theoretical frameworks in leadership studies may need to incorporate the concept of moderation more explicitly. This can lead to more nuanced and context-specific theories regarding which leadership styles that are most effective in different cultural settings. The theoretical understanding gained from this finding can guide practitioners in selecting and adapting leadership styles to align with the prevailing organisational culture. It emphasises the need for leaders to be culturally sensitive and adaptable in their leadership approaches.

Organisations, including SMEs, should consider the role of organisational culture when designing leadership development programs. These programs can be tailored to develop leadership styles congruent with the organisation's cultural values and goals. Again, for organisations operating in diverse cultural contexts, this finding highlights the importance of understanding how leadership styles should be adjusted based on each location's cultural norms and values.

Practical Implications

SMEs should conduct a thorough assessment of their organisational culture. Understanding the prevailing culture is essential for aligning leadership styles effectively. This assessment can include surveys, interviews, and cultural audits. Additionally, SME leaders should recognise that a one-size-fits-all leadership style may not be effective. Depending on the organisational culture, leaders may need to adapt their leadership approaches. For instance, a transformational leadership style might be more suitable in a highly innovative and risk-taking culture, while a culture focused on stability and tradition might require a more transactional approach.

Again, SMEs should invest in leadership training and development programs emphasising cultural intelligence. Leaders must develop the skills to navigate diverse cultural contexts within their organisations. Training can help them understand the nuances of different cultures and adjust their leadership behaviours accordingly. However, organisations should develop strategies to align their leadership practices with specific cultural values. This may involve creating leadership development plans that consider cultural sensitivities and preferences.

SMEs should consider promoting leadership diversity. Leaders from diverse cultural backgrounds can be an asset to multicultural workforces. It can provide varied perspectives and enhance cultural alignment. Implement feedback mechanisms that allow employees to express their views on leadership and culture. This can help leaders understand how their leadership styles are perceived within the organisation's culture. Identify and highlight leadership role models within the organisation who embody the desired leadership style within the given culture. These individuals can serve as examples for others to follow.

Recognise that organisational culture is not static, it evolves. SMEs should periodically assess their culture and adjust leadership practices to ensure ongoing alignment. Effective communication is key. Leaders should communicate openly about the importance of organisational culture and its leadership role. However, SMEs can benefit from studying case examples and best practices of organisations that successfully align their leadership styles with their cultures. Learning from other's experiences can provide valuable insights.

Leaders should be prepared to adapt their styles as the organisational culture evolves or respond to specific challenges or opportunities. Encourage employees to shape the culture and provide

input on leadership practices actively. Their perspectives can be invaluable in ensuring alignment.

Policy Implications

Policymakers should encourage organisations, including SMEs, to embrace cultural diversity within the workforce. This can be achieved through initiatives promoting inclusivity and respect for cultural values and norms. Organisations should recognise that a diverse workforce can bring varied perspectives that enrich leadership practices. However, policies can support leadership training programs emphasising cultural sensitivity and adaptability. Leaders should be equipped with the skills to navigate diverse cultural contexts and adjust their leadership styles accordingly. Policymakers can consider offering incentives to organisations that align their leadership styles with their specific organisational cultures. This can be tax benefits or grants for organisations that demonstrate a commitment to fostering a culture-appropriate leadership approach.

Additionally, government agencies can allocate resources to research endeavours that explore the relationship between leadership styles, organisational culture, and sustainability across different industries and sectors. The findings from such research can inform policymaking and best practices. Labour policies can be updated to include provisions related to cultural sensitivity and leadership adaptability. Organisations may be encouraged or required to assess their leadership approaches in light of their prevailing organisational culture. Policymakers can facilitate partnerships between the public and private sectors to develop guidelines and frameworks for leadership in diverse cultural settings.

Furthermore, policies can mandate organisations to report on their efforts to align leadership styles with organisational culture. Transparency in this regard can help assess the effectiveness of these alignment efforts. Again, Special attention should be given to supporting SMEs in understanding and leveraging the moderating role of organisational culture in leadership. Leaders should be culturally sensitive within their own organisations and when conducting international business. This can enhance a country's global competitiveness.

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