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THE RELATIONSHIP BETWEEN TRANSFORMATIONAL LEADERSHIP AND  
ORGANIZATIONAL CULTURE DURING A MANAGEMENT CHANGE: RANDSTAD  
CASE STUDY

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## Abstract

This study delves into the dynamics between transformational leadership and organizational culture during management transitions, focusing on Randstad. Through literature review and stakeholder interviews, it explores how transformational leadership shapes Randstad's culture, resilience, and direction. It aims to understand how such leadership impacts organizational culture, contributing to theoretical and practical insights in organizational psychology and leadership studies. This research offers a nuanced examination of the relationship between transformational leadership and organizational culture, providing valuable insights into managing change effectively within organizations like Randstad.

Keywords: Organizational Culture, Management Change, Randstad, Transformational Leadership, Case Study

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## INTRODUCTION

As the landscape of organizational dynamics continues to evolve, the role of leadership, particularly in times of management transition, emerges as a pivotal factor shaping organizational culture. Understanding the intricacies of organizational culture becomes imperative in comprehending the nuances of change and the potential resistance it may encounter. Organizational culture not only serves as the bedrock for an organization's strategic framework but also plays a vital role in navigating the challenges posed by transformative shifts in leadership (Schein 2010).

This research seeks to explore the intricate relationship between transformational leadership and organizational culture within the context of management change, with a specific focus on Randstad as the case study organization. The study aims to unravel how transformational leadership practices intersect with and influence the organizational culture of Randstad during periods of management transition, thereby shaping the organization's trajectory and resilience. Through a comprehensive review of scholarly literature, this research endeavors to illuminate the multifaceted interplay between transformational leadership, organizational culture, and management change. By synthesizing theoretical insights and empirical evidence, this study aims to offer a nuanced understanding of the mechanisms through which transformational leadership impacts organizational culture within the unique context of Randstad.

Through qualitative methods such as interviews with key stakeholders across various departments, this study seeks to uncover the strategies and practices employed by Randstad's leadership to foster a culture conducive to change and innovation.

By providing empirical insights into the dynamics of transformational leadership and organizational culture within Randstad, this research aims to contribute to both theoretical advancements and practical implications in the fields of organizational psychology and leadership studies.

## LITERATURE REVIEW

### Transformational Leadership

Over the years, research on transformational leadership has led to the development of a variety of theories, each with its own advantages, disadvantages, assumptions, and limitations.

To analyze transformational leadership in depth, it is necessary to compare it with the opposite style of leadership, in this case transactional leadership.

“Transactional Leadership, also known as managerial leadership, focuses on the role of supervision, organization, and group performance; transactional leadership is a style of leadership in which the leader promotes compliance of his followers through both rewards and punishments. Unlike transformational leadership, leaders using the transactional approach are not looking to change the future, they are looking to merely keep things the same” (Odumeru and Ogbonna 2013) (*Appendix: Table 1*).

In contrast, transformational leadership centers on fostering employee development, aiming to cultivate future leaders rather than solely incentivizing productivity through financial rewards (Bass 1985). Martin (2017) argues that the relationships with employees determine the essential distinction that sets transformational leaders apart from transactional leaders. Transformational leaders prioritize personal, relatable, and egalitarian bonds that promote deep-rooted change; in contrast, transactional leaders employ a more traditional approach based on a hierarchy of exchange with followers (Martin 2017). Guiding followers toward common goals and satisfying individual needs of employees are both ways in which this development process occurs. Bass and Riggio (2006) emphasized that transformational leadership consists of four main elements, called the "4I's": 1) idealized influence, 2) inspirational motivation, 3) intellectual stimulation, and 4) individualized consideration.

Table 2: Transformational Leadership Characteristics

<b>Idealize Influence</b>	Portrays leaders who serve as exemplary role models for their team members. Leaders with idealized influence earn the trust and respect of their team, empowering them to make sound decisions in the best interest of the organization.
<b>Inspirational Motivation</b>	Characterizes leaders who inspire their team members to fully commit to the organizational vision. Leaders with inspirational motivation foster a sense of unity and motivation within the team, driving towards goals of enhanced revenue and market expansion.
<b>Intellectual Stimulation</b>	Illustrates leaders who foster innovation and creativity by challenging conventional beliefs within their team. Leaders with intellectual stimulation cultivate an environment of critical thinking and problem-solving, aiming to propel the organization forward.
<b>Individual Consideration</b>	Embodies leaders who act as mentors and guides for their team members. Leaders with individual consideration nurture each team member's growth and development, encouraging them to achieve personal and organizational goals alike.

Source: Farnsworth et al. (2019)

When an active and emotional relationship is built between leaders and followers, transformational leadership emerges (Steinmann, Klug and Maier 2018). Transformational leaders uncover the future needs or aspirations of followers to fulfill higher needs and fully engage the follower's personality. Often, other leadership paradigms have been surpassed by this concept in leadership research (Kelloway, et al. 2003). As stated by Islam et al. (2021) transformational leadership has recently been highly valued in the business world. If a transformational leader pushes group members to transcend their own personal interests and focus on the collective good of the organization, group, or society, they can bring about significant changes (DuBrin 2010). A study conducted by Jung, Chow, and Wu (2003) demonstrated that transformational leaders can align the principles and habits of their followers, facilitating both individual and organizational changes and surpassing initial performance expectations. They emphasized that transformational leadership fosters a deep emotional bond

between leader and subordinates. Meeting the needs and transforming the values of subordinates promotes this emotional bond.

Nguyen (2023) highlights the practical implications of transformational leadership, particularly its impact on group performance and organizational culture. As we'll explore in the next section, the application of transformational leadership theory profoundly influences both performance outcomes and the overall culture of a group or organization.

### Organizational Culture

According to Senge (2014), organizational culture is a set of values, beliefs, assumptions and norms established, agreed and respected by members that serve as a code of conduct and method for solving problems within the organization. It is an invariable social force that drives the members of an organization to do their own work. According to Schein (2010) the definition of the behavioral guidelines that determine the type of organizational culture that will be cultivated is the first step towards the inculcation of the cultural values of the organization.

Ravasi and Schultz (2006) refer to organizational culture as a set of shared mental norms that influence the interpretations and actions of an organization. In contemporary business metrics, organizational culture has gained prominence in assessing operational outcomes such as profitability, competitiveness, innovation, and sustainability (Mingaleva, et al. 2022) (*Appendix: Figure 1*).

The acknowledgment of its significance is evident among corporate leaders, with 78% of Fortune 1000 CEOs and CFOs recognizing its impact on organizational value (Mingaleva, et al. 2022). Organizational culture permeates every facet of an organization's life and behavior, influencing fundamental processes like communication, commitment, cooperation, implementation, and decision-making (Azadi, et al. 2013). According to Zhenjing et al. (2022), the implementation of culture within the organization is demonstrated by the behavior of employees, which in turn influences the improvement of employees' performance. Internal and

external environmental factors in the organization, including organizational culture, have influenced employee performance (Zhenjing, et al. 2022). Employees who are satisfied with their work and have a sense of belonging to the organization are more likely to be satisfied (Zhang, et al. 2023). On the other hand, an unhealthy or dysfunctional culture can increase dissatisfaction, productivity, and turnover. Innovation within an organization is strongly influenced by organizational culture (Zhang, et al. 2023). According to Zhang et al. (2023), creativity and innovation are more likely to be promoted by cultures that promote risk-taking, open communication and experience and companies that have a strong culture of innovation can remain competitive and adapt to changing market conditions by creating an environment that encourages innovation. Ultimately, organizational success hinges on a robust organizational culture and ethical leadership, rooted in shared beliefs and supported by a sound organizational structure (Hussain and Talpur 2021).

### [The Role of Transformational Leadership in Organizational Culture](#)

The role of transformational leadership in shaping organizational culture is paramount, especially in today's fast-paced and innovative landscape. Organizations are constantly challenged to adapt to rapid technological advancements and embrace change seamlessly.

Transformational leadership stands out as the most effective style for driving such change and fostering a thriving organizational culture within this dynamic environment (Antonakis and House 2013). A myriad of studies has confirmed a positive and significant relationship between organizational culture and transformative leadership (Bagga, Gera and Haque 2023). It's noted that employees often emulate their leaders, who wield significant influence in shaping an effective organizational culture (Bagga, Gera and Haque 2023).

Judge and Robbins (2017) assert that organizational culture exerts a profound influence on the behaviors and actions of its members. Transformational leaders possess the ability to not only create an organizational culture but also engage employees in its development, fostering

ownership and stability through effective communication and leadership skills (Aydogdu and Asikgil 2011).

According to Randeree (2009), leadership is primarily responsible for providing a proper organizational structure and shaping the flow of organized culture. Effective leadership in companies tends to increase both the efficiency of employees and the effectiveness, flexibility and productivity of the entire organization (Randeree 2009).

The significance of culture in organizational success is underscored by Graham et al. (2022) who found that a staggering 91% of executives consider culture fundamental to their company, with 78% ranking it among the top three factors impacting company value.

Moreover, Wibowo et al. (2023) discovered that organizational culture and transformational leadership significantly influence employee engagement. A stronger organizational and transformational culture correlates with higher levels of employee commitment, indicating a mutually reinforcing relationship between culture, leadership, and employee engagement.

### The Role of the Leader during Organizational Change

According to Smith (2006), change management is an organized set of procedures, which have been divided into several parts: designate and communicate change, be involved in change and support it. Change communication is the way in which change can be implemented, interpreted and managed through effective communication, creating an enabling environment for people working in organizations (Smith 2006). Previous studies have shown that there is a positive correlation between change management and transformational leadership (Alqatawenh 2018).

Hamstra et al. (2011) states that transformational leadership not only facilitates the change management process but also serves as a catalyst for behavioral change among employees.

Anderson and Anderson (2010) stress the importance for leaders to be cognizant of both formal and informal dynamics during policy formulation, as well as the strategies organizations employ to shape their characteristics. According to Bommer et al. (2005), the role of a

transformational leader is very important in changing the cynicism of followers in the process of change. This shows that a leader who constantly cares and encourages his followers can minimize cynicism about change.

Addressing cynicism towards change requires effective motivation and communication. Leaders who employ innovative approaches to inspire their teams are more likely to succeed in fostering acceptance of change (Bommer, Rich and Rubin 2005). Cynicism may stem from doubts about the sincerity or competence of leaders leading the change effort (Barton and Ambrosini 2013). When organizations introduce change initiatives, employees often grapple with anxiety as they transition from the familiar to the uncertain (Bertsch, Saeed and Devadas 2009). They may question the value of their existing skills and contributions in this new landscape, uncertain about their ability to adapt and thrive. This reluctance to embrace change can manifest in various forms, typically categorized as technical, political, and cultural resistance. (Bertsch, Saeed and Devadas 2009) (*Appendix: Table 3*). Bommer et al. (2005) advocate for transformational leadership as a means to transform skepticism into a willingness to embrace change, achieved through enhancing leader competence and persuasive abilities in convincing followers of the necessity for change.

## CONTEXTUALIZING

### Randstad Overview

Randstad is a global leader in the field of human resources and workforce solutions, operating in over 39 countries worldwide. It presents itself as a partner that bet on the human side of trust in today's technology-oriented talent world, helping people secure rewarding jobs and remain relevant in the ever-changing world of work. Founded in the Netherlands in 1960 by Frits Goldschmeding and Ger Daleboudt, the company has grown steadily to become one of the largest staffing and recruitment agencies globally (Randstad 2023) (*Appendix: Figure 2*). With

its headquarters in Diemen, Randstad boasts a vast network of branches, hubs, and offices spanning the globe, catering to diverse industries and sectors. In 2023, the company has more than 40 000 corporate employees, providing a wide range of services, including temporary staffing, permanent recruitment, HR consulting, and outsourcing solutions (Randstad 2023).

Over the decades, the company expanded its operations internationally, establishing a strong presence in key markets across Europe, the Americas, and Asia-Pacific. Randstad's commitment to innovation and adaptability has been central to its success, enabling it to navigate evolving trends and challenges in the dynamic landscape of the global labor market (Randstad 2023). With its comprehensive portfolio of services, Randstad plays a pivotal role in connecting employers with qualified talent and helping individuals find meaningful employment opportunities (Randstad 2023). During the last year, Randstad delivered a solid performance, with revenue of €25.4 billion and an average weekly number of talents working totaling 602,100. With these impressive figures, Randstad solidifies its position as one of the largest companies in this sector (*Appendix: Figure 3*).

### Randstad's Core Values and Organizational Culture

Randstad is guided by a set of core values that form the foundation of its organizational culture and drive its success in the industry. The alignment between a company's organizational culture and its core values is crucial as it establishes the guiding principles that shape employee behavior, decision-making, and overall workplace atmosphere, fostering a sense of shared purpose and identity among employees (Warrick 2017).

To know: First and foremost, Randstad prides itself on its expertise. As experts in the field, the company possesses in-depth knowledge of its clients, their businesses, and the intricacies of the workforce landscape. Attention to detail is paramount, as Randstad understands that even the smallest nuances can make a significant difference in delivering tailored solutions that meet the unique needs of its clients and candidates (Randstad 2023).

To serve: Service excellence is another hallmark of Randstad's values. The company is committed to going above and beyond, exceeding industry standards and expectations to provide exceptional service to its clients and candidates. By consistently delivering outstanding results and experiences, Randstad fosters trust and loyalty, further solidifying its reputation as a trusted partner in the industry (Randstad 2023).

To trust: Central to Randstad's values is the principle of trust. Respectful and ethical conduct is non-negotiable, as the company values its relationships and treats all individuals with dignity and fairness. By building strong and mutually beneficial relationships based on trust and integrity, Randstad cultivates an environment of collaboration and partnership (Randstad 2023).

Striving for perfection: The company is continuously seeking opportunities for improvement and innovation, pushing the boundaries to delight its clients and candidates at every touchpoint. This relentless pursuit of excellence gives Randstad a competitive edge and drives its ongoing success in the marketplace. (Randstad 2023).

Simultaneous promotion of all interest: Moreover, Randstad recognizes its broader societal responsibility and the importance of promoting the interests of all stakeholders. With a commitment to the simultaneous promotion of all interests, the company seeks to create positive social impact through its business practices, ensuring that its operations benefit society. (Randstad 2023).

### Management Change and Implementation of the New Strategy

In January 2023, under the direction of a new CEO, the company initiated the implementation of a new management framework, commencing with the restructuring of the top management team. These are the words of the new CEO, Sander van 't Noordende, in the letter published in the annual report of 2023: “This has been a year of significant strategic progress at Randstad. We have built further upon our vision to be the world’s most equitable and specialized talent company through the introduction of our Partner for Talent strategy. And we’ve taken steps to

becoming more specialized with the launch of Randstad Digital, providing our clients with access to world-class digital talent” (Randstad 2023). This restructuring introduced the concept of an "Executive Board," comprising four key elements. Their operational talent solutions focus on providing specialized skills crucial for day-to-day operations, spanning industries like light industrial, skilled trades, and hospitality. This segment continues to thrive, particularly in sectors such as logistics and energy transition. Additionally, Randstad's professional talent solutions cater to the growing demand for specialized skills in areas like accounting, finance, and HR, supporting career development aspirations in fields such as finance, healthcare, and life sciences. The digital talent solution arm accelerates digital transformation by offering expertise across industries globally, leveraging flexible delivery models and a vast network of digital experts. Lastly, Randstad Enterprise addresses structural talent challenges for top global brands through strategic consulting and comprehensive talent lifecycle solutions, enhancing relationships with key clients across all services (*Appendix: Figure 4*). Notably, for the first time in the company's 60-year history, the human resource’s function was integrated into this executive management board. Additionally, the creation of the "Extended Leadership Team" (ELT) was announced, designed to harmonize the roles of top leaders across various markets, business support lines, and product and business definitions.

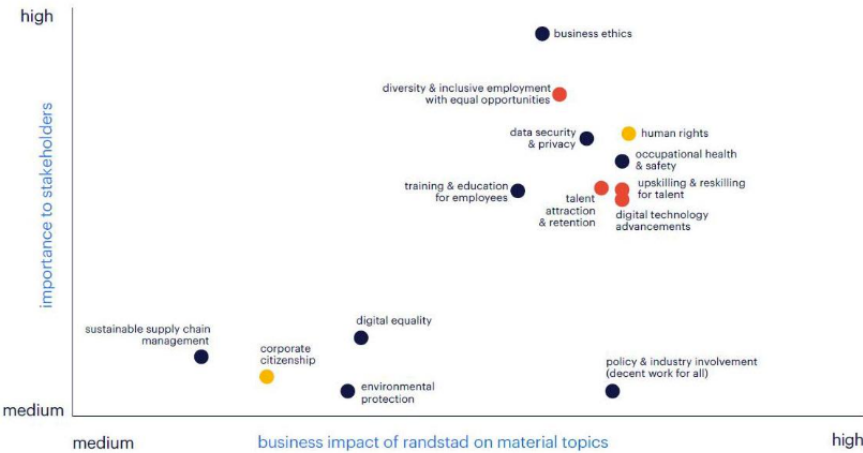
### Randstad Global Trends

As a market leader, Randstad identifies four overarching global trends that significantly impact businesses and offer avenues for future growth. Firstly, there is a shift towards a talent-centric work environment due to the global talent shortage, prompting companies to actively seek skills on a global scale. Secondly, talent retention emerges as a top priority for employers, leading to intensified competition for qualified professionals and a focus on effective recruitment and retention strategies. Thirdly, the sector in which Randstad operates—human resources services—is undergoing rapid digital transformation, reshaping how candidates relate to job

opportunities and streamlining recruitment processes. Lastly, there is a growing adoption of a new social contract, reflecting evolving expectations regarding work-life balance, diversity and inclusion, sustainable practices, and worker and community well-being. These trends not only influence Randstad’s approach but also present opportunities for sustainable growth and innovation in the evolving landscape of work (Lampreia 2023). To discern the primary themes pertinent to the continually evolving labor market landscape, Randstad proposed a comprehensive data collection approach encompassing both internal and external sources. In 2021, the company conducted its latest materiality assessment with the objective of affirming which topics remained pertinent considering the strategy developed up to that point and which new topics warranted consideration. This analysis was particularly focused on delineating and categorizing issues related to Environmental, Social, and Governance (ESG) factors deemed most significant by stakeholders (Lampreia 2023).

To achieve this, a materiality matrix was constructed, composed by the fundamental interests and expectations of stakeholders and augmented by assessments of the company's environmental, social, and governance impacts, leveraging data analysis, interviews, and workshops involving a spectrum of stakeholders including Randstad customers, workers, talents, investors, public entities, and suppliers.

Figure 5: Materiality Matrix. Fundamental interests and expectations of stakeholders-Business impact of Randstad



Source: (Randstad 2023)

While this materiality matrix forms the cornerstone of the company's strategic realignment, it does not account for regional or cultural disparities, as Randstad operates as a multinational entity. The priority areas for acceleration, indicated by red dots on the matrix, are deemed to have a profound impact on business operations, as they are deemed critical by stakeholders and closely aligned with Randstad's core objectives. Sustainability drivers, denoted by blue dots, play a pivotal role in positioning the company for both business acceleration and growth initiatives. Concerning locally focused operational management topics, represented by yellow points, Randstad aims to establish global standards, with successful outcomes contingent upon effective local execution.

## METHODOLOGY

### Research Design

The measuring instruments in this research are the following: for the first stage, the measuring instrument utilized in this research encompassed a combination of secondary research methods to attain comprehensive insights. The first approach involved extensive review and analysis of existing literature, including scholarly articles, industry reports, and organizational documents such as annual reports. This secondary research approach was deemed appropriate for the case study, providing a robust foundation for understanding the subject matter.

The second stage is the interviews conducted with six individuals from different departments and scopes within the company to understand different perspectives and analyze the effectiveness of the initial research objectives. The research questions examine how transformative leadership impacts the organizational culture of a company during a leadership change and what the reflective behaviors of an organization can be in relation to specific practices. An interview approach, as suggested in this analysis, holds many notable advantages to the research planned, which are the easy and quick access to respondents, which leads to the

exploration of vast and well-off amounts of knowledge, the flexibility, and most importantly the ease of understanding.

### Data Collection & Analysis

The data collection process began with a comprehensive secondary research phase, focusing on existing literature related to transformative leadership and organizational culture of a company during a leadership change. In this study, mixed methods were employed (Creswell 2017). The first phase involved secondary research. Comprehensive secondary research was conducted to closely examine the company's culture and operational practices. This approach facilitated a deeper understanding of organizational values and guided the formulation of interview questions. Following the secondary research phase, a primary research approach was undertaken using semi-structured interviews to address the research question: *What are the effects of transformational leadership on the organizational culture of a company during a managerial change?*

These interviews involved key stakeholders at Randstad Portugal, including employees, department heads, administrative personnel, and selected executives, to comprehensively understand operations from various viewpoints. Open-ended questions were utilized to elicit detailed responses and gather insights into their experiences, ensuring a thorough exploration of the topic. This methodological approach enabled a balanced inquiry, blending structured questioning with the flexibility to delve into emerging themes deeply.

The subsequent section presents the findings of interviews conducted regarding Randstad's organizational culture during a leadership transition, focusing on the phases of change and the challenges encountered by the organization. The following table shows the necessary information of the respondents to the interviews:

Table 4: Interviewees Identification

Interviewees	Gender	Role	Years in Randstad
Subject 1	Female	Legal Director	9
Subject 2	Female	Data Protection Officer	2
Subject 3	Male	ED&Specialist	2
Subject 4	Female	HRBP	4
Subject 5	Male	Labour Ombudsman	4
Subject 6	Female	Learning, Development & Culture Director	8

Source: Author of the Study

## RESULTS

An analysis of the interviews conducted regarding leadership and organizational culture within Randstad will be presented. It's important to note that, for privacy reasons, the collected responses will be anonymized. However, this doesn't affect the aim of providing a comprehensive and informative overview of the opinions and experiences expressed by the interviewees. Through this methodology, it will be possible to examine the key themes emerging from the interviews without compromising the confidentiality of the participants. Additionally, the questions used during the interviews will be included in the appendix to provide a clear understanding of the interview structure.

About the company's organizational culture before the leadership change in 2022, some respondents described a more traditional and conservative culture, characterized by certain expectations regarding appearance and behavior, and noted a lack of inclusivity and understanding of personal priorities. Another perspective emphasized a decentralized approach, with each country operating independently and focusing primarily on implementing local strategies. Lastly, a group of respondents mentioned a distant leadership style, with limited direct interaction with the previous CEO. Subject: *"Before the recent change in leadership at*

*Randstad, the organizational culture seemed to be more traditional and conservative. There were certain expectations regarding appearance and behavior, such as formal dress codes and a focus on prioritizing work over personal matters.”*

Based on the responses of the interviewees, the new leadership at Randstad can be characterized by several key attributes and approaches. They are often described as progressive, forward-thinking, and open-minded, with a strong focus on embracing change and adapting to the evolving needs of the workforce and market. Unlike the previous leadership, they prioritize diversity and value individuals who bring fresh perspectives and ideas to the table. On an international level, the new leadership is characterized by its methodical, competent, and transparent approach. They demonstrate rigor in decision-making processes, ensuring clarity and accountability, and communicate with a balance of data-driven insights and approachable tone. However, at the national level, particularly in Portugal, there may be perceptions of confusion, with a disconnect between the national and international perspectives. Subject: *“When it comes to leadership at the national level, especially in Portugal, many people see them as less competent and confused in their approach. This perception might stem from the diverse viewpoints they seem to hold.”*

Moreover, the new leadership is characterized by its people-focused, courageous, and technologically driven approach. They prioritize employee well-being and development, leveraging technology to drive efficiency and innovation. Unlike the previous leadership, which may have been more focused on numeric targets, the current leadership places a greater emphasis on empathy, understanding, and delivering high-quality outcomes. From the responses of the interviewees, under the new leadership, there has been a notable creation of dedicated teams focused on recruiting and supporting specific groups, such as minorities, showcasing a shift towards a more targeted and inclusive approach. According to the insights

from the interviews, one significant change is the focus on equity, inclusion, and diversity, with efforts directed towards embracing diversity and creating an inclusive work environment. The establishment of dedicated teams for equity, diversity, and inclusion (EDI) efforts has driven initiatives to promote inclusivity within the company and respond to market trends advocating for social sustainability. Subject: *“There has been a significant emphasis on promoting equity, inclusion, and diversity within the organization. While these topics may have been acknowledged previously, the new leadership has prioritized them, recognizing the importance of embracing diversity and creating an inclusive work environment.”*

Additionally, there has been increased involvement and engagement of all individuals associated with Randstad, including external workers, to foster a sense of connectivity and value. Another notable change is the implementation of a new governance structure aimed at breaking down barriers and fostering cohesion across departments and stakeholders. The new leadership introduced several initiatives aimed at improving employee morale and work-life balance. These include policies such as Birthday Leave and expanded support services like increased availability of psychology sessions (*Appendix: Figure: 6*). Furthermore, the interviewees emphasized there has been a notable integration of HR into the executive board, indicating a recognition of HR as a strategic function within the company. Additionally, the development of a global Employee Value Proposition (EVP) aims to standardize initiatives across regions and align them with global objectives, showcasing a move towards a more cohesive and unified organizational culture. Employee feedback indicates higher levels of satisfaction and perception of inclusivity, reflecting a strong alignment between the company's values and the experiences of its employees. Subject: *“These initiatives, such as the introduction of birthday leave, increased support services like therapy sessions, and reviews of salary structures, have contributed to a sense of being heard and valued among employees. This, in turn, has had a positive effect on overall employee happiness and engagement.”*

From the comments of the interviewees, it is evident that, the transition from the previous executive team to the new one at Randstad has encountered several challenges and obstacles. One major challenge is adjusting to the different mindset and focus of the new CEO, particularly regarding financial considerations versus other aspects of the business. Additionally, aligning global policies with local laws and practices posed difficulties, leading to restructuring and adjustments in roles and responsibilities. There is also a sense of increased suspicion and uncertainty among employees due to heightened access to information and external factors like stock value fluctuations. Resistance to change, especially regarding new working methodologies and economic pressures, has also been observed, creating internal tensions. Maintaining financial results amidst strategy implementation and engaging top management across markets have been crucial challenges addressed by the new leadership.

## DISCUSSION

The framework of transformational leadership, as conceptualized by Bass and Riggio (2006), comprises four key elements: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. These components serve as pillars for understanding and evaluating leadership practices that aim to inspire and empower followers to achieve extraordinary outcomes. By juxtaposing the principles of transformational leadership with the real-world experiences and perceptions of employees, we aim to discern the extent to which Randstad's leadership embodies these foundational elements and the implications for organizational culture and effectiveness.

Firstly, the new leadership is described as progressive, forward-thinking, and open to change, characteristics that evoke the concepts of "vision" and "inspiration" typical of transformational leadership (Bass 1985). This forward-looking perspective aligns with Bass and Riggio's (2006) concept of "vision," which underscores the importance for leaders to envision and communicate a shared vision that inspires and motivates organizational members. Moreover, the new

leadership demonstrates a strong commitment to diversity and inclusivity, a central aspect of transformational leadership aimed at valuing diverse perspectives and creating an inclusive environment (Martin 2017). This is evident in initiatives aimed at promoting equity, inclusion, and diversity (EDI), as well as in the creation of dedicated teams to support specific groups, such as minorities. Such attention to diversity and inclusion reflects the element of "individualized consideration" proposed by Bass and Riggio (2006) which emphasizes the importance of treating each organization member as a unique individual with distinct needs and perspectives.

The current leadership also stands out for its people-focused, courageous, and technologically driven approach. This emphasis on employee well-being and individual development, along with the adoption of technology to enhance efficiency and innovation, reflects transformational leadership's "intellectual stimulation" (Bass and Riggio 2006). Additionally, the implementation of a new governance structure and the integration of human resources into the executive board indicate a commitment to breaking down barriers and fostering cohesion and alignment across departments, a characteristic of transformational leadership aimed at creating a climate of trust and collaboration (Randeree 2009). Initiatives aimed at recognizing personal milestones and promoting volunteer work contribute to a culture that values employee well-being and engagement, echoing the concept of "inspirational motivation" of transformational leadership, which aims to inspire and motivate employees to achieve lofty goals (Bass and Riggio 2006).

The adoption of transparent governance resonates with the ideas of Islam et al. (2021) who highlight how transformational leadership has been valued in the business world for its ability to push group members to transcend personal interests and focus on the collective good of the organization. The emphasis on transparency can be interpreted to promote an organizational culture that reflects these shared values, characteristic of transformational leadership.

In the examination of the leadership practices at Randstad and their alignment with transformational leadership theory, the insights from Zhang's research provide valuable perspectives. Zhang et al. (2023) emphasize the pivotal role of organizational culture in driving innovation and fostering employee satisfaction. The study posits that cultures promoting risk-taking and open communication are more conducive to creativity and innovation, thereby enhancing organizational competitiveness. Furthermore, Zhang et al. (2023) underscore the importance of leadership in driving organizational culture and fostering innovation. They contend that transformational leaders are pivotal in establishing an atmosphere that nurtures innovation by motivating and inspiring employees, cultivating personal development, and advancing a collective vision.

From Zhang et al.'s viewpoint, the leadership practices at Randstad can be interpreted as embodying transformational leadership principles. The emphasis on inspiring employees, promoting diversity and inclusion, and fostering a culture of transparency and trust aligns with the attributes of transformational leadership outlined in the literature.

The intersection between organizational culture and leadership has long been a subject of study, with researchers delving into the intricate dynamics that shape companies and the impact of leadership styles on organizational behavior.

Senge (2014) and Schein (2010) offer foundational insights into organizational culture, defining it as a set of shared values, beliefs, and norms that guide behavior within an organization. This culture, as posited by Azadi et al. (2013) permeates every facet of organizational life, influencing communication patterns, levels of commitment, collaboration dynamics, decision-making processes, and overall organizational effectiveness.

The concept of transformational leadership, as articulated by Antonakis and House (2013) represents a leadership paradigm that emphasizes inspiration, motivation, and the stimulation of intellectual curiosity among followers. Transformational leaders, according to Bagga et al.

(2023) are catalysts for change, capable of reshaping organizational cultures to align with evolving goals and market demands. Randeree (2009) underscores the pivotal role of leadership in organizational culture formation, highlighting how effective leaders can foster an environment conducive to innovation, collaboration, and high performance.

The case study of Randstad exemplifies the practical application of transformational leadership principles in reshaping organizational culture. Before the leadership change in 2022, the company's culture was characterized by traditionalism, conservatism, and a lack of inclusivity, as reported by interviewees. However, under the new leadership, a paradigm shift occurred, marked by initiatives aimed at recognizing personal milestones, promoting volunteer work, and enhancing employee well-being and engagement. These transformative efforts, as echoed in the feedback from employees, have led to a tangible improvement in organizational culture, with higher levels of satisfaction and a stronger sense of inclusivity.

The alignment between the findings from the interviews and the theoretical underpinnings of organizational culture and transformational leadership is evident. Aydogdu and Asikgil (2011) stress the importance of transformational leaders in creating a positive work climate and enhancing employee performance, a sentiment echoed by the experiences shared by Randstad employees. Similarly, Wibowo et al. (2023) establish a positive correlation between organizational culture, transformative leadership, and employee engagement, further validating the transformative impact of effective leadership on organizational dynamics.

One notable incongruity pertains to the concept of employee cynicism, as proposed by Bommer et al. (2005) which suggests that transformational leaders can mitigate skepticism towards change by inspiring confidence and demonstrating sincerity in their efforts. However, some responses from the interviewees indicate a growing concern among employees regarding the company's future direction and management approach, particularly concerning financial considerations versus other organizational aspects. This discrepancy highlights the challenge

of aligning leadership priorities with employee perceptions and expectations, as emphasized by Steinmann, Klug, and Maier (2018). Moreover, while transformational leadership is often associated with driving organizational change and fostering innovation, the interview responses hint at challenges in effectively implementing new working methodologies and addressing economic pressures. This discrepancy underscores the complex interplay between leadership practices and organizational dynamics, as discussed by Jung, Chow, and Wu (2003) who emphasize the importance of aligning leadership behaviors with organizational goals and values. Additionally, the emphasis on inclusion and diversity in the new leadership's approach aligns with the principles of transformational leadership outlined by various experts, including Bass and Riggio (2006) and Martin (2017). However, the disconnect between national and international perspectives within the company suggests potential limitations in effectively transmitting global initiatives to local contexts, as discussed by Islam et al. (2021).

This discrepancy highlights the importance of cultural sensitivity and adaptability in leadership practices to ensure alignment and coherence across diverse organizational units.

Furthermore, the interview responses indicate a sense of suspicion and uncertainty among employees, which contrasts with the literature's emphasis on transformational leadership's ability to inspire confidence and trust. This discrepancy suggests a need for greater transparency and communication from leadership to address employee concerns and build a shared vision for the organization's future. A schematic and summary picture of the information contained in the discussion can be found in *table 5* in the appendix.

## CONCLUSION

In the analysis conducted, the dynamics between organizational culture, management change, and transformational leadership practices within Randstad were examined. The assessment aimed to determine whether the leadership at Randstad reflects the principles of transformational leadership theory and how it interacts with the organizational culture. The examination of organizational culture highlighted its pivotal role in shaping organizational behavior and outcomes. Drawing on established literature, the influence of shared values and beliefs on organizational processes and outcomes was emphasized, echoing the insights of previous experts. Furthermore, the significant impact of organizational culture on critical aspects such as profitability, innovation, and employee satisfaction were underscored.

Delving into transformational leadership theory, the emphasis on inspiring followers, fostering individual development, and promoting a shared vision was explored. Drawing on seminal works in the field, it was demonstrated how transformational leadership can drive organizational change, innovation, and employee engagement.

Subsequently, the analysis of interview responses provided insights into the leadership practices at Randstad. Several key attributes of the current leadership were identified, including a progressive outlook, a focus on diversity and inclusion, and a people-centric approach.

These findings resonated with the core principles of transformational leadership, reflecting a commitment to inspiring and motivating employees, fostering individual growth, and promoting a shared vision. Moreover, the analysis highlighted how the leadership at Randstad aligns with the principles of transformational leadership, particularly in terms of transparency, change management, and fostering trust. By addressing employees' concerns, promoting trust, and valuing individual contributions, the current leadership demonstrates a commitment to creating a conducive work environment.

In conclusion, the findings suggest that the leadership practices at Randstad exhibit characteristics consistent with transformational leadership theory. This convergence underscores the importance of embracing transformational leadership principles to drive organizational effectiveness and foster a positive organizational culture.

## LIMITATIONS AND FUTURE STEPS

However, it's crucial to acknowledge the limitations of the study. The data were gathered from a limited number of key leaders within Randstad, potentially introducing bias. Additionally, while internal resources provided valuable insights, they could not be shared publicly, limiting the scope of the analysis. Future research could address these limitations by expanding the sample size and incorporating diverse perspectives to gain a more comprehensive understanding of leadership practices within Randstad.

Looking ahead, further research could explore the long-term impact of transformational leadership practices on organizational performance and employee outcomes. Additionally, considering the evolving nature of organizational culture and leadership, continued observation and analysis are essential to track Randstad's managerial trajectory and its implications for organizational success.

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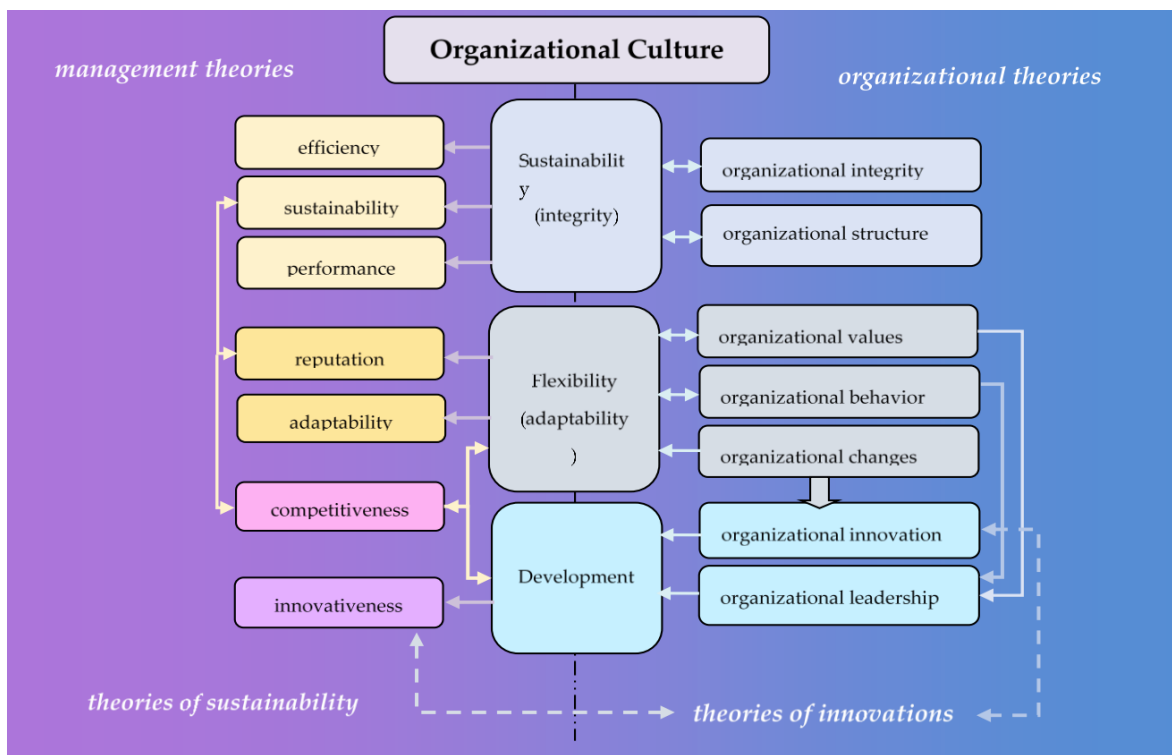
APPENDIX

Table 1: Transactional Leadership vs Transformational Leadership

Transactional	VS	Transformational
Leadership is responsive		Leadership is proactive
works with the organizational culture		Works to change the organisational culture by implementing new ideas
motivates followers by appealing to their own self interest		Employees achieve objectives through higher ideals and moral values
motivates followers by appealing to their own self interest		Motivates followers by encouraging them to put group interests first
Management-by-exception: maintain the status quo; stress correct actions to improve performance.		Each behaviour is directed to each individual to express consideration and support. Promote creative and innovative ideas to solve problems.

Source: (Odumeru and Ogbonna 2013)

Figure 1: Dichotomy of research on the impact of organizational culture on various aspects of organizations.



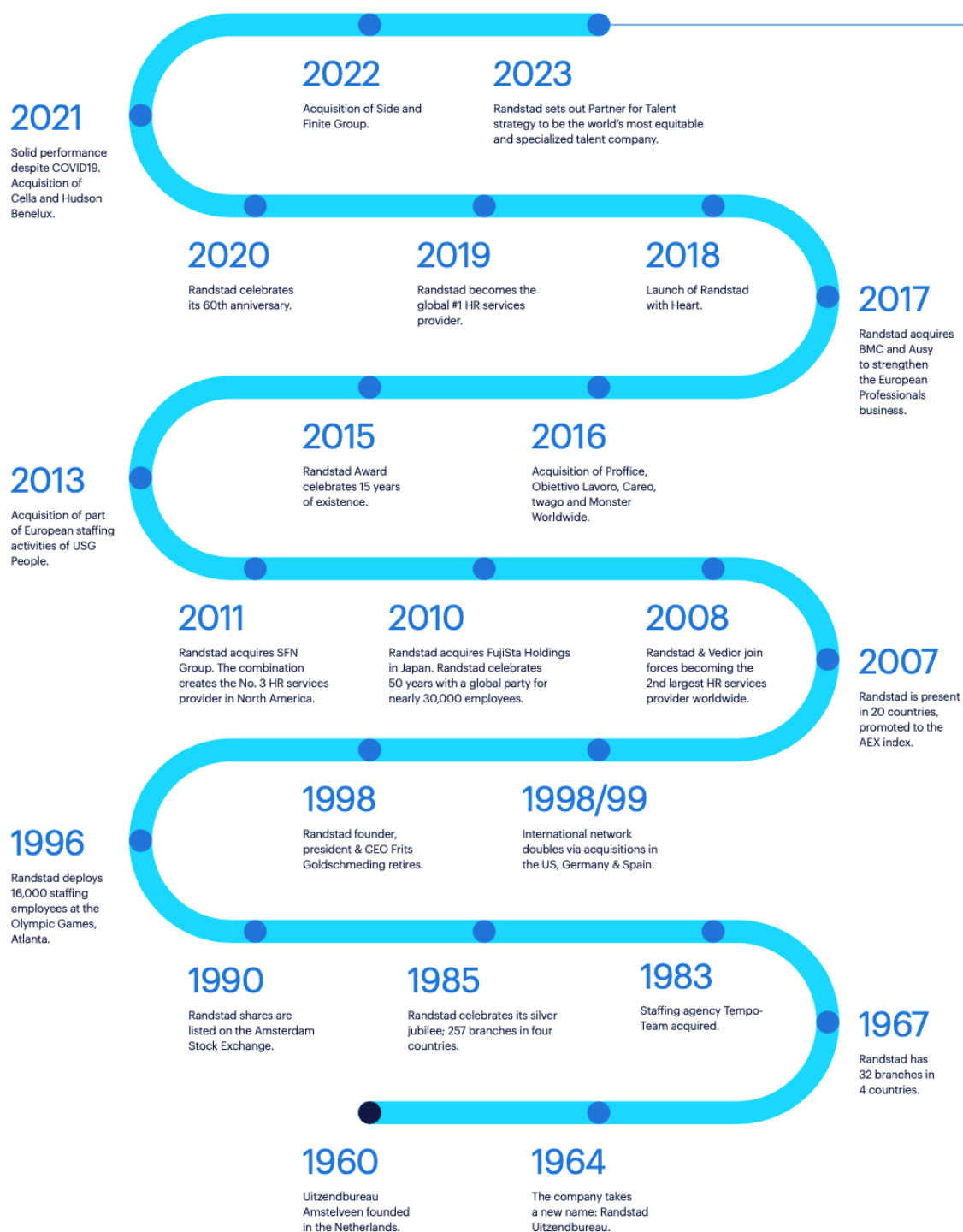
Source: (Mingaleva, et al. 2022)

Table 3: Types of Change Resistance

<b>Resistance</b>	<b>Explanation</b>
<b>Technical Resistance</b>	Arises from adherence to familiar procedures and the investment in maintaining the current state.
<b>Political Resistance</b>	Emerges when proposed changes threaten influential stakeholders, often top executives, due to potential shifts in resource allocation and power dynamics.
<b>Cultural Resistance</b>	Manifests through systems and procedures that uphold existing values, norms, and assumptions, promoting conformity and resistance to change initiatives.

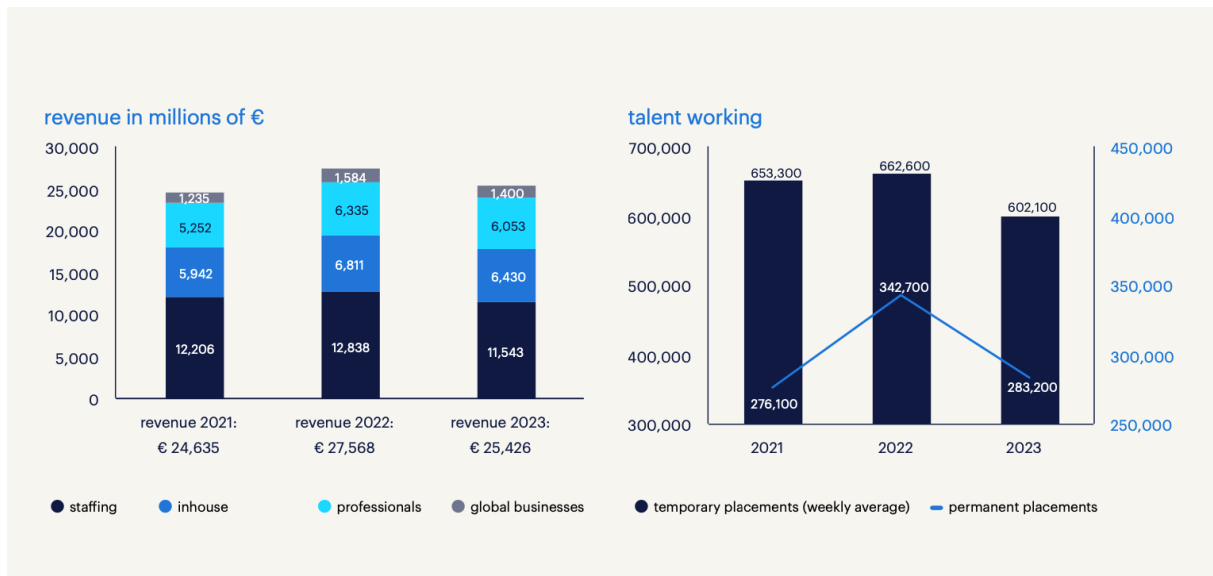
Source: (Bertsch, Saeed and Devadas 2009)

Figure 2: History of Randstad



Source: (Randstad 2023).

Figure 3: Randstad: Revenue & HR data 2023



Source: (Randstad 2023)

Figure 4: Key Solution at Randstad



Source: (Randstad 2023).

## RESEARCH GUIDELINES

### Goal

This research aims to investigate the relationship between transformational leadership and organizational culture during a managerial change at Randstad. The objective is to understand the effects of transformational leadership on the organizational culture of Randstad during a leadership transition.

### Research question:

What are the effects of transformational leadership on the organizational culture of a company during a managerial change?

### Possible Interview Participants

**CEO or Managing Director:** they can provide insights into strategic challenges, vision alignment, and leadership approach during the transition.

**Human Resources Manager:** they can offer valuable information on employee engagement, cultural integration efforts, and change management strategies.

**Team Leaders or Department Heads:** responsible for frontline operations, they can discuss team dynamics, employee morale, and leadership impact on day-to-day activities.

**Employees:** they can provide perspectives on changes in workplace culture, communication effectiveness, and their experiences under the new leadership.

### Introduction

Good [morning/afternoon/evening],

Thank you for agreeing to participate in this research interview. The purpose of this study is to explore the impact of transformational leadership on organizational culture during a managerial change at Randstad. Your insights will be invaluable in understanding the dynamics of leadership transitions and their effects on organizational culture.

Your participation is essential for gathering valuable insights that will contribute to the success of this research project. Rest assured that all information provided will be kept confidential, and the interview recording will be used solely for research purposes.

Before we begin, I kindly request your consent to record this interview. If you have any concerns or questions about the recording or the interview process, please feel free to raise them.

Once again, thank you for your participation and valuable contribution to this study. With your permission, let's proceed with the interview.

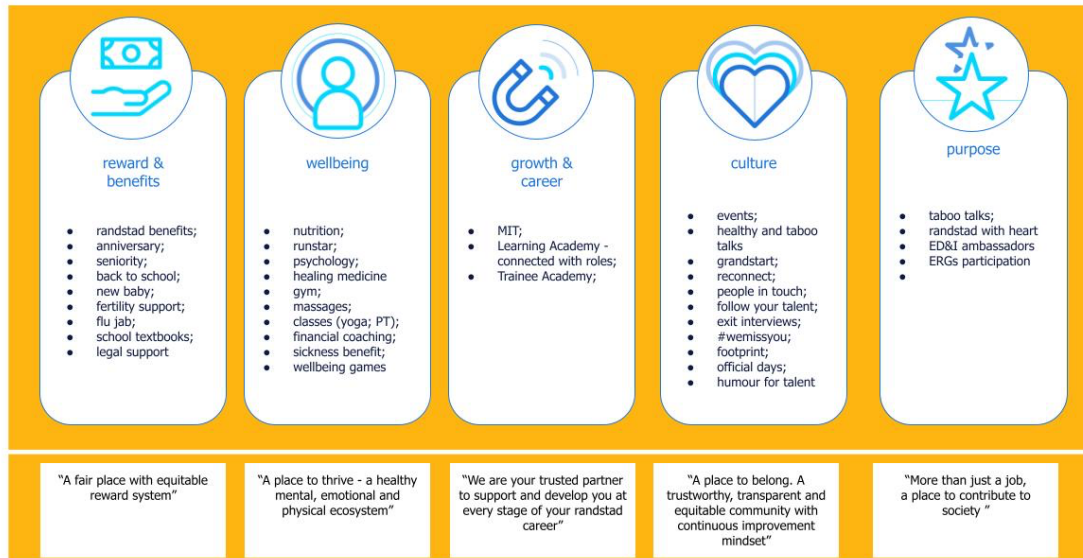
Table 4: interview questions

QUESTIONS	
1	How would you characterize Randstad's organizational culture prior to the 2022 leadership transition?
2	Could you highlight some pivotal changes introduced by the new leadership?
3	Can you cite specific initiatives or actions implemented by the new leadership that have influenced the organizational culture?
4	How do you perceive the impact of these changes on the company? Do you believe they have affected the organizational culture?
5	How would you describe the characteristics of the new leadership? Utilize adjectives, examples, comparisons with the previous leadership, and other considerations.
6	Do you believe the qualities of the new leadership are fostering employee engagement, collaboration, and innovation at Randstad?
7	Have there been any challenges or hurdles encountered during the transition from the previous executive team to the new one, and how were they addressed?
8	What are the primary positive aspects you have observed in the leadership transition?
9	How would you characterize the current organizational culture? Have you noticed any significant changes?
10	In your opinion, is the previous style of leadership more effective than the current one?

Source: Author of the Study

Figure 6: Initiatives aimed at improving employee morale and work-life balance in Randstad Portugal

## EVP portugal



Source: document not yet available

Table 5: Analysis of Transformational Leadership Factors in Relationship with current Leadership at Randstad

Transformational Leadership Factor	Current Leadership behaviors at Randstad
Idealized Influence	<ul style="list-style-type: none"> <li>• Progressive and forward-thinking leadership</li> <li>• Visionary and inspiring communication with employees.</li> <li>• Prioritization of diversity and inclusivity.</li> </ul>
Inspirational motivation	<ul style="list-style-type: none"> <li>• Commitment to diversity and inclusion.</li> <li>• Initiatives promoting equity, inclusion, and diversity (EDI)</li> <li>• Establishment of dedicated teams to support specific groups.</li> </ul>
Intellectual stimulation	<ul style="list-style-type: none"> <li>• Focus on employee well-being and individual development.</li> <li>• Adoption of technology to enhance efficiency and innovation.</li> </ul>
Individualized Consideration	<ul style="list-style-type: none"> <li>• Restructured governance and integration of human resources into the executive board</li> <li>• Initiatives recognizing personal milestones and promoting volunteerism.</li> <li>• Culture valuing employee well-being and engagement.</li> </ul>

Source: Author of the Study