

THE ROLE OF TRANSFORMATIONAL LEADERSHIP TOWARDS MAHB

Suzana Hassan¹, Muhamad Khodri Kholib Jati², Mohd Azlan Abd Majid³,
Zuraidah Ahmad⁴

¹Faculty of Business Management (Finance), Universiti Teknologi MARA, Caw. Johor, Kampus Segamat, Johor.
Email: suzan218@johor.uitm.edu.my

²Faculty of Business Management (Marketing), Universiti Teknologi MARA, Caw. Johor Kampus Segamat,
Johor

³Faculty of Business Management (Economy), Universiti Teknologi MARA, Caw. Negeri Sembilan, Kampus
Rembau, Negeri Sembilan

⁴Faculty of Business Management (Finance), Universiti Teknologi MARA, Caw. Johor Kampus Segamat, Johor

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Abstract: *Leadership is a process whereby a leader with his intelligence and perseverance influences a group of subordinates to develop their potential in order to achieve the organizational goals within certain time and budget. Accordingly, the leader orientation for developing subordinate and his or her orientation for achieving the organizational goals can be extracted from the above definition of leadership. An understanding of leadership and leader effectiveness is necessary in order to understand how to inspire employees and thus achieve organizational goals as well as enhance the performance itself. Therefore, this paper is to review the leadership style in Government Link Company (GLC) especially in airlines industry. Government Linked Companies (GLC is legal entities created by the Malaysian Government to undertake commercial or business activities on behalf of the Malaysian Government. Other than that, this paper is to explore the dimensions of leadership style such as charismatic influence, inspirational motivation and individualized consideration in which affects the organizational performance. Generally, transformational leadership does affect the organizational performance in positive way whereby after transformation, the company performance in term of profitability as well as debt management quite good. Additionally, other leadership frameworks need to be examined to ascertain the dispositional role that work motivation plays as an antecedent to leadership. Motivation links with other leadership perspectives, such as leader-member exchange quality, servant leadership, authentic leadership, ideological leadership, political leadership, and others, may provide a rich test and contribution to the antecedent field. It is hoped that the outcome of the study is valuable to the companies comprise of both government and private management to handle the business activities.*

Keywords: *Transformational Leadership, Charismatic Influence, Inspirational Motivation and Individualized consideration*

Introduction

Leadership is a process whereby a leader with his intelligence and perseverance influences a group of subordinates to develop their potential in order to achieve the organizational goals within certain time and budget. Accordingly, the leader orientation for developing subordinate and his or her orientation for achieving the organizational goals can be extracted from the above definition of leadership. An understanding of leadership and leader effectiveness is necessary in order to understand how to inspire employees and thus achieve organizational goals and objectives (Amin and Abu Hassan, 2010). Whereas, in health industry, transformational leadership did not have a significant impact on intent to stay and job satisfaction, but significantly associated with organizational commitment (Carol, 2016).

One of the current approaches to leadership that has been the focus of much research since the early 1970s is the transformational approach (Northouse, 2007; Purvanova and Bono, 2009). It is part of “the New Leadership” paradigm and concerned with values, ethics, standards and long-term goals (Harvey et al., 2006; Moss et al., 2009). Transformational leaders also make considerable changes in employees as well as in organizations. In essence, transformational leadership creates greater effects than transactional leadership especially on more-demanding projects (Muller and Turner, 2009). While transactional leadership just results in expected outcomes but transformational leadership results in performance that goes well beyond what is expected. Thus, the objectives of this paper is to review the leadership style in Government Link Company (GLC) especially Malaysia Airports Holdings Berhad (MAHB). Government Linked Companies (GLC is legal entities created by the Malaysian Government to undertake commercial or business activities on behalf of the Malaysian Government. Other than that, this paper is to explore the dimensions of transformational leadership such as charismatic influence, inspirational motivation and individualized consideration in which affects the organizational performance.

Transformational Leadership

Transformational leadership theory is one of the most popular theoretical frameworks in the leadership area. In many studies, transformational leadership has been lauded for its superior, positive relationship to subordinate satisfaction, performance, motivation, commitment, and ratings of leader effectiveness over transactional leadership (Jung and Avolio, 2000). This type of leadership also leans on intangible objectives such as vision, shared values and ideas for the purpose of developing relationships, giving wide sense to the individual activities and affording common ground to the followers in change environments. Accordingly, transformational leadership is mostly based on the personal morals, values, beliefs and qualities of the leader rather than on an exchange process between leaders and followers (Amin and Abu Hassan, 2010). This kind of leadership elicits effort and commitment from followers by attending to emotions, values, ethics, and long-term goals, and by assessing followers’ motives, satisfying their individual needs, and treating them with dignity and respect (Ivey and Kline, 2010).

It also involves presenting a clear organizational vision and inspiring employees to work towards this vision through establishing connections with employees, understanding employees’ needs, and helping employees reach their potential, contributes to good outcomes for an organization (Fitzgerald and S. Schutte, 2010). Furthermore, according to Northouse (2007), he defined transformational leadership as the process whereby an individual join with others and creates a connection that elevates the level of motivation and ethics in both the leader and follower. Besides, there is considerable evidence that transformational leadership relates negatively to employee strain (Montano et al., 2016) and, even more important in the present

context, relates to positive mental health outcomes such as well-being and psychological functioning.

Dimensions of Transformational Leadership

The three dimensions usually associated with the transformational leadership style are: idealized influence; inspirational motivation; and individualized consideration (Doucet, et al., 2009 and Ivey and Kline, 2010). According to Nuttawuth and Anona (2008), they define transformational leadership as having three dimensions which are:

Idealized Influence or charismatic

Recently, human resources are becoming vital for the survival and development of any organization which describe a leader who need to be proactively managed. All these points out the need for a leader with charisma, knowledge, skills and abilities in order to lead the employees in achieving organization's goals (Nikoloski K, 2015).

Other than that, it was described as a leader act as a role model for his/her followers and encouraging the followers to share common visions and goals by providing a clear vision and a strong sense of purpose. It also creates strategic vision by walking the talk and acting consistently, and builds commitment towards the vision. It also reflects high standards of ethical/moral conduct and a sense of purpose and mission which are demonstrated in the leader's behavior and communicated to followers (Hwee and Giles, 2008).

Leaders mostly perform such work to perform right things phenomena and creating the trust between their team members where every one respect each other's, such dimension falls in the idealized influence. Besides, an individual of the team and leader itself considered all team members a person, they mostly spends time to guiding each other where anyone get problem and also gave appreciation for their achievements (Ng, T. W, 2017).

Inspirational Motivation

According to Nuttawuth and Anona, (2008), it represents behaviors when a leader tries to express the importance of desired goals in simple ways, communicates high level of expectations and provides followers with work that is meaningful and challenging means that the leader articulates a vision that is appealing and inspiring to followers. Leaders with inspirational motivation challenge followers with high standards, communicate optimism about future goals, and provide meaning for the task at hand whereas important in accomplishing company's objectives.

The leader also provides a strong vision, inspires and instills confidence in followers to attain a goal which they thought unachievable (Hwee and Giles, 2008). So followers need to have a strong sense of purpose if they are to be motivated to act. It is also important that this visionary aspect of leadership be supported by communication skills that allow the leader to articulate his or her vision with precision and power in a compelling and persuasive way.

Individualized Consideration

It refers to leaders who spend more time teaching and coaching followers by treating followers based on individual basic (Ivey and Kline, 2010). It means that the leader attends to each follower's needs, acts as a mentor or coach to the follower and listens to the follower's concerns and needs. This also encompasses the need to respect and celebrate the individual contribution that each follower can make to the team. The leader also shows support and provides

opportunities for the individual growth, needs and development of the follower (Hwee and Giles 2008).

It can be concluded that the leadership style is an important dimension of the social context because it shapes subordinates' organizational commitment to change in various important ways. It also provided empirical evidence of the impact of leadership style of supervisors' on lecturers' commitment to change. The results have found that transformational leaders would be able to motivate subordinates to perform as expected (May, T. Ramayah and Ernest, 2010). Therefore, this study was driven by desire in getting positive relationship between transformational leadership and company's performance.

Transformational Leadership in MAHB

The framework for this study will be qualitative in nature and set of questionnaires with open-ended questions were asking during the interview. The following is a list of likert- scale questions which been given to the interviewees:

- Leader take stands and appeal to follower on emotional level.
- Leader must have a clear set of value.
- Leader must respect, arouse and aspire their subordinates.
- Leader communicate optimism about future goals.
- Leader acts as a model for subordinates.
- Leader acts as a mentor to listen the followers concern and needs.
- Leader provide continuous feedback.

Looking at the transformational leadership in MAHB, it had been transformed after Transformation Program in which affect their organizational performance and culture. The Transformation Program was basically set up by the Putrajaya Committee on GLC High Performance (PCG) to facilitate the transformation of GLCs into high-performing entities and establish the institutional framework to program-manage. Therefore, MAHB had been transformed whereby they start to implement Transformation Program in year 2007 with the purpose of changing and improving their company performance.

Dimensions	Level of Management				
	Top Level	Middle Level	Lower Level	Total	Average
1. Idealized influence / charismatic	21	22	17	60	25.0
2. Inspirational Motivation	18	20	22	60	25.0
3. Individual Consideration	20	20	18	58	58

Table 1: Average value of transformational leadership dimensions.

According to the top manager of MAHB (2010), after MAHB implement Transformation Program, they do have transformed leaders in which acts as model for them, as well as encourage the followers to used new ways in performing their work. An example of transformational leadership is being stated by the Executive:

“When MAHB exit, it involves the new management, new culture, and different people. Starting new management, new culture by non Malay from Khazanah for instance is good for our business, where the new people have their own experience. They bring the experience and share the idea with us. That’s why MAHB involve outside to enhance the learning growth which is continuous, learn new way from new people, calculate the risk first and implement the ways that they bring together.”

(Executive, 05/10/2010)

Otherwise, based on open-ended interviews, the Manager stated that:

“After MAHB implement Transformation Program, we do have transformed by the leaders. Of course, the leaders must aspire and respect their subordinates, acts as model for them, as well as encourage the followers to used new ways in performing their work.”

(Manager, 05/10/2010)

As for instance, they mentioned as well that after they have transformed:

“The leadership is more open to comment and all that. For example our Managing Director (MD) has a dialogued with staff one every quarter now. Staff can voice up, tell their worried or complained to MD during the dialogued session.”

(Manager, 05/10/2010)

Generally, based on the studies by Sohmen (2013), full-range leadership theory is one of the most widely recognized theories of leadership in which encompasses transformational, transactional, laissez-faire styles. But, most studies have indicated that transformational leadership is high relevance for project-oriented organizations (Gundersen et al., 2012).

Conclusion

As a conclusion, this research highlights the dimensions of transformational leadership comprises of idealized influence, inspirational motivation, and individual consideration towards Malaysia Airports Holdings Berhad. The key finding in this research is MAHB practice transformational leadership in which will affect the organizational culture and organizational performance. As for the transformational leadership and organizational culture, it indicates that MAHB leaders have idealized influence, inspirational motivation, and individual consideration as well as emphasize on applying the team orientation. Even though the company’s BOD change year by year, it does not give much impact towards the organizational culture because they are consistently follow the GLC Transformation Programme in which relying on the seven coloured books. Transformational leadership does effect the company performance in positive way whereby after transformation, the company performance in term of profitability as well as debt management quite good.

Future Research

It is suggested that MAHB must align and review its existing infrastructure and organizational culture to adapt the new concepts, process as well as develop new operational concepts. This is to ensure that everyone in the organization may attempt the new culture of transformation in which may influence their performance and organizational performance. Besides, other areas for future research are to look at the relationship among moral orientation, leadership style, and

effectiveness. It is supported by Khan (2018), where it would be interesting to examine the role of other dimensions of leadership, for example, to determine whether transactional styles have direct effects on efficiency of a company.

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