Learning GLCs In Malaysia: The Role Of Transformational Leadership

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Abstract: In today's ever changing environment, organizations are always required to discover new strategies to increase their competitive advantage. This study aims to determine the relationships between transformational leadership and dimensions of learning organization among government-linked companies (GLCs) in Malaysia. 260 data were collected from three service-based GLCs and analyzed using SPSS. The findings suggested that transformational leadership was positively and significantly related to every dimensions of learning organization. The results of the study are significant to the top management of GLCs especially on the type of leadership style that is relevant in adopting the learning organization paradigm. Implications and future research directions are further discussed.

Key words: Transformational leadership · Learning organization · Government- linked companies

INTRODUCTION

The Malaysian government has put a great concern on leadership effectiveness in attaining high performance among Government- linked companies (GLCs) in Malaysia since the launching of GLCs Transformation Programme in 2005 [1]. In line with the objective of Malaysian Directors Academy (MINDA, 2010) in developing Directors with world-class knowledge, skills and mindset, it appears that the roles of effective leadership are equally crucial for GLCs in Malaysia. Since leadership competencies determine the success and failure of each organization [2], it is crucial for the GLCs to adopt transformational leadership in implementing strategic changes to survive in turbulent business environment [3].

Transformational leadership is often used in developing an organization [4]. This is due to the fact that the transformational leaders are capable to integrate creative insights, persistence and responsive to the employees' needs [5]. Additionally, transformational leadership influence organizational learning capabilities which subsequently lead to improved organizational innovation [6]. Other than that, transformational leaders make employees prepared of the future possibilities through continuous learning under the mechanism of organizational learning [7]. Consequently, through the process of learning, organizations are able to adjust its performance and rediscover its production and technological processes to prevent downturns and enhance organizational innovation [6].

The concept of transformational leadership has been linked to learning organization [8- 9- 11- 7- 12]. Generally, transformational leadership involved a leadership of change; change within the leaders, their subordinates and the organization as a whole [3]. The leaders are responsible to make their employees conscious of the purpose and mission of the organization by indirectly helping the organization to learn [4]. Through the learning organization concept, individual learning is combined with with organizational learning to contribute to the learning process of the organization as a whole [2]. Hence, the transformative process of the organization through learning will keep the organization to embrace the collective vision and mission.

Although the link between certain leadership styles and learning organization have been established, there are still limited studies particularly looking at transformational leadership and learning organization dimensions among GLCs in Malaysia. Studies on the relationship between certain leadership styles and learning organization dimensions are imperative as it will help to determine the type of leadership that stimulates transformation towards learning organizations. Thus, this paper intends to determine the relationship between transformation leadership and every dimensions of learning organization.

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Learning Organization: Learning organization has been discussed in various perspectives. The term learning organization and organizational learning for example are often used interchangeably despite that both terms conveys different meaning [2]. Learning organization is a form of organization, while organizational learning is described through certain types of activities that occur in an organization. Learning organization is defined as "one which has the potential to transform itself by harnessing the individual and collective learning of organizational members, empowering people both within and outside the organization, managing knowledge effectively, utilizing technology efficiently so as to better adapt and succeed in the changing environment" [20]. It is the organization that transforms itself continuously to improve learning capacity of the organization to achieve excellent result in practice [21]. Furthermore, the changing environment has led to the development of a more appropriate organizational form that are more flexible and adaptive which known as learning organization [11]. Adaptability and flexibility to respond to changes is unachievable unless through learning in which all objectives, strategies and activities of the organization are link with learning of the staff as a whole [22].

This study adopts learning organization concept as suggested by Watkins and Marsick [23] who proposed that learning organization is characterized by seven dimensions. The first dimension, continuous learning, is a continuous learning opportunities provided by an organization for all of its members. The second dimension, inquiry and dialogue, represents the culture that involved two- way communication in an organization. The third dimension, team learning, refers to the collaboration of the team members in effectively use the skills of teams. Empowerment is the fourth dimension of learning organization that create and implement a collective vision and receive response from its members in achieving the new vision [24]. The fifth dimension, embedded systems, refers to the systems that allow its members to share learning. Next, systems connection, reflects to the action to see their work entirely and link the organization to its internal and external environment. Finally, strategic leadership, indicates the leader's effort to uses learning strategically to change and bring organization forward for better results.

Transformational Leadership: Leadership style comprised of transformational and transactional leadership [14]. Transformational leadership is described as democratic and participative while transactional leadership is known to be autocratic and directive [15]. The concept of transformational leadership as cited in Mohsen Allameh, Heydari and Reza Davoodi [13] was originated in 1978. Transformational leadership is referred to as a practice in which leaders develop their subordinates to higher levels of behavior and motivation. A more recent study define transformational leadership as a type of leadership style where the leaders act as a catalytic agent that ease the organizational learning and encourage organizational learning through intellectual stimulation [4]. This means that transformational leaders makes subordinates aware of the importance of their jobs and performance to the organization and their own needs for personal growth which stimulates them to work for the good of the organization [16]. As stated by Karimi and Morshedi [17], transformational leaders give inspirational motivation, intellectual stimulation and personal consideration for the followers and they often described as charismatic.

In the context of GLCs in Malaysia, the GLC Transformation Programme predominantly focuses on the transformation of GLCs. Sharifah Rahama and Normala [1] stated that the effectiveness of a leader is critical in achieving high performance and developed country status. They posited that leadership is capable to inspire, motivate and act as a change agent towards the transformation of human capital as well as GLCs transformation itself. This kind of leadership was found to be the most effective leadership style and it strongly related to leadership effectiveness [18]. In addition, García-Morales, Jiménez-Barrionuevo and Gutiérrez-Gutiérrez [19] asserted that a management style of transformational leadership through organizational learning and innovation influences organizational performance.

Transformational Leadership and Learning Organization: It is important to note that adaptation to changing and challenging environment is vital, thus organization's leadership style plays a crucial part to develop and implement strategic activities to encounter future possibilities [25]. As such, capabilities and attitudes of the leaders are two factors that contribute to the success of the organization. On this ground, it showed that leadership specifically in the form of transformational leadership can be helpful transforming organizations to learning organization [26]. A learning organization with transformational leaders are future oriented in which it develops strategies for achieving

future goals [8]. Pimapunsri [10] stated that transformational leaders have the ability to promote learning organization and it also proved that transformational leadership highly influence the dimensions of learning organization in Thai manufacturing context. Additionally, this particular leadership style promote the culture of communication and it subsequently help organizational learning through the mutual trusts between leaders and followers in accepting organizational changes [4].

Sharifah Rahama and Normala [18] found that transformational leadership style are more relevant and efficient in the context of Malaysian GLCs, as activities of learning in organization has been proven to influence organizational growth and performance [27]. In fact, there are several other studies that relate transformational leadership style with learning organization [11- 12- 8]. Based on the seven dimensions of learning organization, most studies found positive significant relationship between transformational leadership and various dimensions of learning organization. For example, a study found that transformational leadership behavior positively influence learning organization except for system thinking [12]. Lang [28] on the other hand provides evidence that transformational leadership influenced all learning organization dimensions except team learning. It also supported by Rijal [11] who expected that transformational leaders positively influence the development of a learning organization. In general, the development of a learning organization needs a transformational leader [20]. Vahedi and Vahedi [9] revealed that the relationship between transformational leadership and dimensions of learning organization is significant only for continuous learning, team learning and embedded system. Figure 1 shows the conceptual framework based on the literatures reviewed. Therefore, it is hypothesized that:

H1: Transformational leadership positively related to every dimensions of learning organization.

MATERIALS AND METHODS

The study utilized quantitative research design. Data were collected from employees of three service-oriented GLCs in Malaysia using self-administered survey. The instruments used in this study were adopted from established sources using 5-point Likert scales ranged from 1 to 5 (1= Strongly Disagree to 5 = Strongly Agree).
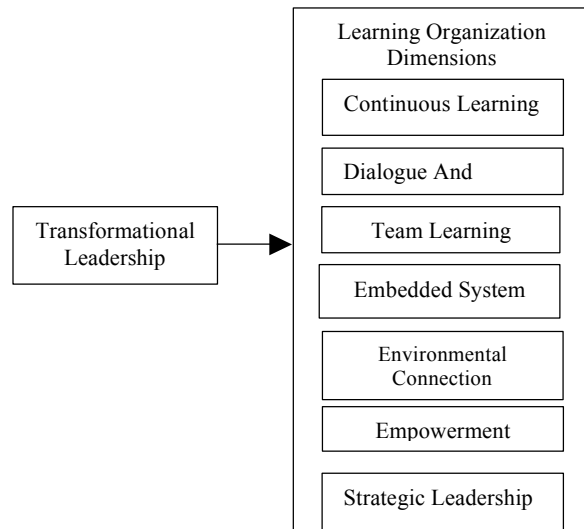

Fig. 1: Research Framework

Specifically, 21 items of Dimensions of Learning Organization Questionnaires (DLOQ)[24]. Specifically, continuous learning is measured using three items, inquiry and dialogue (3 items), team learning (3 items), empowerment (3 items), environmental connection (3 items), embedded system (3 items) and strategic leadership (3 items). To measure transformational leadership, seven items of Global Transformational Leadership Scale was used [24]. Data were analyzed using Statistical Package for the Social Sciences Software (SPSS) version 20.0

RESULTS

Demographic Profiles: Among 260 respondents, 70.8 percent were female and 29.2 percent were male. Majority (80.4 percent) of the respondents were in the age group of 21 to 40 years old. 78.8 percent of the respondents were Malay followed by Chinese (10.8 percent) and Indian (10.4 percent). Almost half of the respondents (40.4%) were diploma holders. level. Most respondents have been working in the organization up to 10 years (70%). Lastly, 35.4 percent of respondents have spent their time about 1 to 10 hours on work- related learning.

Referring to Table 2, the coefficient alpha for reliability analyses are ranging from 0.884to 0.96 for all variables in this study. Among the dimensions of learning organization, inquiry and dialogue show the highest mean score at 4.21 (SD= 0.60). The lowest mean score with slightly difference is team learning (μ= 4.12, SD= 0.59). Meanwhile, transformational leadership show the mean score of 4.09 (SD= 0.63).

Table 2: Descriptive Analysis

Variables	Cronbach Alpha	Mean	Standard Deviation
Continuous Learning	0.89	4.16	0.58
Inquiry and Dialogue	0.91	4.21	0.60
Team Learning	0.91	4.12	0.59
Embedded System	0.89	4.17	0.62
Empowerment	0.88	4.16	0.60
Environmental Connection	0.91	4.19	0.59
Strategic Leadership	0.93	4.20	0.62
Transformational Leadership	0.96	4.09	0.63

Table 3: Multiple Regression Analysis

Independent Variable	Dependent Variable (β) Continuous Learning	Dependent Variable (β) Inquiry and Dialogue	Dependent Variable (β) Team Learning	Dependent Variable (β) Embedded System	Dependent Variable (β) Empowerment	Dependent Variable (β) Environmental Connection	Dependent Variable (β) Strategic Leadership
Transformational Leadership	0.763**	0.732**	0.779**	0.774**	0.787**	0.750**	0.762**
F Value	358.410**	297.245**	398.174**	385.476**	421.079**	330.719**	356.724**
R^2	0.581	0.535	0.607	0.599	0.620	0.562	0.580
Adjusted R^2	0.580	0.534	0.605	0.597	0.619	0.560	0.579

Note. ** $p < 0.01$

Pearson correlation analysis was conducted in this study to examine the association between transformational leadership and each dimensions of learning organization. All correlations between transformational leadership and every dimensions of learning organization are significance at the 0.01 level. The magnitude of the correlation for all the variables measures ranging from (r) = 0.732 to (r) = 0.787.

Multiple Regression analysis was computed to examine the relationship of transformational leadership and learning organization (continuous learning, inquiry and dialogue, team learning, embedded system, empowerment, environmental connection and strategic leadership). Transformational leadership variable explains 58.1 percent of the variance in continuous learning, 53.5 percent of the variance in inquiry and dialogue, 60.7 percent of the variance in team learning, 59.9 percent of the variance in embedded system, 62.0 percent of the variance in empowerment, 56.2 percent of the variance in environmental connection and 58.0 percent of the variance in strategic leadership. Based on the F test, all dimensions of learning organization were significant at the 0.01 level. The analysis also found that transformational leadership was positively related to every dimensions of learning organization; e.g: continuous learning (β= 0.763, p< 0.01), inquiry and dialogue (β= 0.732, p< 0.01), team learning (β= 0.779, p< 0.01), embedded system (β= 0.774, p< 0.01), empowerment (β= 0.787, p< 0.01), environmental

connection (β= 0.750, p< 0.01) and strategic leadership (β= 0.762, p< 0.01). Hence, H1 is supported. The findings also indicates that empowerment was highly influenced by transformational leadership followed by team learning, embedded system, continuous learning, strategic leadership, environmental connection and inquiry and dialogue.

DISCUSSIONS

Overall, the results of this study have provided empirical evidence that transformational leadership was positively related to every dimensions of learning organization namely continuous learning, inquiry and dialogue, team learning, embedded system, empowerment, environmental connection and strategic leadership. This study signifies that transformational leadership plays an important roles for all dimensions of learning organization in GLCs in Malaysia. This is because transformational leaders provides opportunity for innovation in groups and create attitude towards change in which it create suitable vision for learning [4]. This findings is also supported by Pimapunsri [10] who highlighted that transformational leadership highly influence every dimensions of learning organization in Thailand. This may due to the leaders capabilities in creating innovative environment through organizational learning activities. Moreover, the leaders is said to have transformative

influence and they create visionary activities while improving awareness towards future consequences [8]. Therefore, Hypothesis 1 is fully supported.

Furthermore, the study discovered that transformational leadership highly influence empowerment in the learning organization context followed by team learning, embedded system, continuous learning, strategic leadership, environmental connection and inquiry and dialogue. This may due to the opportunities given to the followers to participate in the decision making process that transform them to be more innovative through learning activities. Ideally, empowered followers can help organization in becoming a learning organization. For instance, by encouraging followers to share their knowledge and experiences and exchange ideas and viewpoints in group meetings and by involving followers in group discussion and giving more access to followers with job- related information, it can empowering them for the development of a learning organization [29]. The findings of the study also found that the relationship between transformational leadership and team learning within the context of learning organization as the top two variable that are highly correlated. As team learning is represented as followers collaborating together to exchange different modes of thinking [23], transformational leadership appears to helps facilitate activities and intergroup relations [25]. As suggested by Margir et al. [2], transformation leaders emphasize on the significance of having sense of group cooperation about organization missions. In this regard, respondents perceived that transformational leaders give more access to teams to work and learn together by holding group discussion.

This study is one of the first steps toward understanding the relationship between transformational leadership among Malaysian GLCs and every dimensions of learning organization. Therefore, this study has contributed to the literature on transformational leadership and its relationship to every dimensions of learning organization in the context of Malaysian GLCs. Hence, it helps to lessen the gap of limited research on the topic. The study further suggests that Malaysian GLCs and other organization should focus more on this kind of leadership style as it has profound influence on learning organization. There is a crucial need to implement this kind of leadership style as leadership success and effectiveness is at important for GLCs achievement [18]. As the organizational learning activities is dependent on transformational leadership style, it is therefore imperative for management in the organization to instill this kind of

leadership style because the leaders encourage more essential transformation and motivate followers to achieved collective visions through the process of learning.

This study also suggests on additional future research directions. Firstly, future study should include more GLCs in Malaysia where more generalization and comparisons can be made. Also, it is suggested that future study should be conducted in other industry in Malaysia in order to determine the different viewpoint. Finally, it is suggested that future research should consider using probability sampling method.

CONCLUSION

In summary, the study on the relationship of transformational leadership and every dimensions of learning organization particularly among GLCs in Malaysia is relatively a new topic. Hence, the study will be useful for the organizational management who trying to change their organization to learning organization. The study indicates that it is crucial for the management to adopting transformational leadership style in order to withstand in a turbulent business environment.

ACKNOWLEDGEMENTS

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