

The Impact of Transformational Leadership of CEOs and Organizational Health of Private Higher Education Institution Academicians in Malaysia

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Abstract: This study aimed to determine the level of transformational leadership practices by PHEIs CEO's in the state of Selangor, Malaysia. The four dimensions of transformational leadership studied were individual consideration, intellectual stimulation, inspirational motivation and idealized influence. The study also looks at the level of lecturers' job satisfaction as well as the relationship with the practice of transformational leadership style by the CEOs. The respondents consisted of 465 lecturers employed in 15 PHEIs in the Klang Valley district, Selangor. The data obtained was analyzed using SPSS version 20.0. Descriptive analysis and Pearson Correlation Coefficient were used to analyze the strength of the relationship. The results provided an extent of support to the main hypothesis; CEOs that practiced transformational leadership do have an impact on the job satisfaction of lecturers. Main implications are discussed and directions for future research are also provided.

1.0 INTRODUCTION

In this modern era of substantial changes in business climate due to globalization, companies are trying to achieve competitive advantages on the basis of competence of their human resources. Managing employees from different cultures and backgrounds is a difficult task and depends on the quality of leadership organizations have (Albion & Gagliardi, 2007). The transformational leadership paradigm has rapidly become the choice for current research and application of leadership theory (Bass & Riggo, 2006). Transformational leadership focuses more on change and inspires followers to "commit to a shared vision and goals for an organization or unit, challenging them to be innovative problem solvers and developing followers' leadership capacity via coaching, mentoring and provision of both challenge and support" (Bass & Riggo, 2006). Historians have long recognized that the concept of leadership exceeds a mere social exchange between leader and followers. Supporting this notion, Bass and Riggo (2006) state "leadership must also address the follower's sense of self-worth to engage the follower in true commitment and involvement in the effort at hand". Transformational leaders accomplish this by employing the four behavioral components synonymous with transformational leadership practices. These components, often referred to the Four I's by Leithwood (1994), are as follows: (a) individual consideration, (b)

intellectual stimulation, (c) inspirational motivation, and (d) idealized influence.

Individual consideration. By acting as a coach or mentor, transformational leaders pay special attention to each follower's needs for achievement and growth. Individualized consideration occurs when new learning opportunities are created in conjunction with a supportive climate. In their demonstration of individual consideration, the transformational leader is an effective listener, and recognizes and is accepting of employee's individual differences. Two-way communication is encouraged, and interactions with followers are personalized. An individually considerate leader will delegate tasks as a means of developing followers. Delegated tasks are monitored to determine whether the followers need additional direction or support and to assess progress; however, the followers do not feel they are being checked on or monitored (Bass & Riggo, 2006).

Intellectual stimulation. Transformational leaders encourage innovation and creativity by questioning assumptions, reframing problems, and approaching old situations in new ways. In addition, leaders who practice a transformational leadership style solicit new ideas and creative solutions to problems from followers, who are included in the process of addressing problems and finding solutions. When individual members make mistakes, the transformational leader does not publicly criticize

them nor are their ideas criticized because they differ from the leaders' ideas (Bass & Riggo, 2006).

Inspirational motivation. Transformational leaders demonstrate behaviors that inspire those around them by providing meaning and challenge to their followers' work. They also arouse team spirit, enthusiasm and optimism. Transformational leaders involve their followers by clearly communicating stated expectations they followers to meet and also demonstrate commitment to goals and a shared vision. These leaders articulate a compelling vision of the future (Bass & Riggo, 2006).

Idealized influence. Transformational leaders demonstrate behaviors that allow them to serve as role models for their followers. In addition to admiring, respecting, and trusting them, followers tend to identify with the leaders and want to emulate them. Followers view their leaders as having extraordinary capabilities, persistence, and determination. In addition, leaders who exhibit idealized influence are willing to take risks and are consistent. They can be counted on to do the right thing as they demonstrate high standards of ethical and moral conduct (Bass & Riggo, 2006).

Various approaches to school leadership have been tried. Some have been more popular and widely accepted than others. During the 1980s and early 1990s, the instructional leadership paradigm was thought to serve educational institutions well (Leithwood, 1992) and was considered to be the most popular model of educational leadership (Marzano, et al., 2005). Leithwood, Jantzi, and Steinbach (1999) note that the concept of instructional leadership is one of the most frequently mentioned educational leadership models, yet lacks clear definition. Leithwood, Jantzi, et al., (1999) cite various models of instructional leadership in which leadership is defined along multiple dimensions, each of which incorporate a variety of practices. The effects of these practices are then evaluated on important outcomes.

Although this model served the educational field for the past two decades, the current demands for educational reform have forced many educational leaders to reevaluate and adapt their leadership style to meet current demands. Many educational leaders are beginning to embrace and put into practice a model of transformational leadership. This leadership model is espoused by educational leaders because it "aspires, more generally, to increase members' efforts on behalf of the organization, as well as to develop more skilled practice" (Leithwood, Jantzi, & Steinbach, 1999). There is compelling evidence that transformational leadership behaviors, significantly affect teaching

staffs' psychological states, such as, teaching efficacy, job satisfaction, and organizational commitment (Bass & Riggo, 2006; Leithwood, Jantzi, et al., 1999). Furthermore, a review of educational leadership research reveals that educational leaders who demonstrate transformational leadership behaviors have staffs who report higher levels of job satisfaction (Bogler, 2001; Griffith, 2004; A. Arokiasamy et al., 2015)), which is consistent with Bass and Riggo's (2006) claim.

As has been shown through the discussion of literature thus far, transformational leadership has been recognized as a powerful model of leadership in the military, political, and industrial organizational environments (Bass, 1985, Bass & Riggo, 2006). However, evidence from compelling research shows that transformational leadership is important and is a powerful tool for fostering group goals and evoking positive changes in the educational field. The subject of employee job satisfaction is an important variable in both research and theory of organizational phenomena ranging from job design to supervision (Spector, 1997). Spector (1997) states that the important reasons on why job satisfaction should be given great attention is because this variable is to some extent a reflection of good treatment, where people deserve to be treated fairly and with respect. While research on transformational leadership and job satisfaction is largely established, limited research has been undertaken in this respect within the context of PHEIs. Limited amount of study are being conducted on the impact of transformational leadership style on job satisfaction of academicians (Bolger, 2001). This study attempts to fill this gap by investigating the impact of transformational leadership of CEOs on job satisfaction of teaching staffs in selected PHEIs.

2.0 Problem Statement

A good and responsible teacher is highly important to create a successful nation. As their job scopes become bigger, cover tasks such as teaching, educating and administrative work, they are more or less will affect teacher's emotion, such as tension, fatigue and less attention will be paid to the student during class session. At the same time they also have to comply with the directives and rulings of the ranking of the CEOs to assure the universities vision and mission is met. Different leadership styles found that job satisfaction affects different teaching staffs. Transformational leadership practiced by CEOs can motivate teaching staffs to change their attitude and values by being committed towards the mission and vision of education. The practice of transformational leadership is said to be able to move the

organization closer to their targeted goals (Amin, Shah & Tatlah, 2013). Teaching staffs job satisfaction combined together would provide a broad measure of individual and organizational effectiveness that directly impacts on student learning (Fullan, 2001; Sergiovanni, 2001; Harris, 2003), the researcher therefore attempted to explore and find out if there is any significant correlation between transformational leadership styles and teaching staffs job satisfaction; and this finding offers a way to further explore the subject of transformational leadership. This study hence was conducted to test the relationship between CEO's leadership styles and job satisfaction among teaching staffs in PHEIs in Malaysia.

3.0 Objectives of the Study

The study aimed to investigate the practice of transformational leadership and its relationship to job satisfaction. In particular, the objectives of the study are:

1. To identify the level of transformational leadership practices among CEOs in PHEIs in the Klang Valley district, Selangor according to academicians' perceptions.
2. To identify the level of job satisfaction of academicians in the PHEIs in the Klang Valley district, Selangor.
3. To identify if there is a relationship between transformational leadership practices of CEOs and academicians' job satisfaction in the PHEIs in the Klang Valley district, Selangor.

4.0 Significance of the Study

Findings of this study are important to:

- Help the PHEIs to identify leadership styles exhibited by their CEO.

- Help the PHEIs to identify the job satisfaction among academicians which are the main roles in the university.
- Assist the PHEIs to carry out leadership activities and in order to maintain and enhance the job satisfaction of academicians in their workplace.

5.0 Research Framework

The research framework in this study is built upon the literature review. It is therefore theorized that each variable in transformational leadership style has an influence on job satisfaction of academicians. Based on the empirical literature discussed, a research framework was developed (see figure 1). The research framework shows that the extent of transformational leadership practiced by CEOs measured by individual consideration, intellectual stimulation, inspirational motivation, and idealized influence will have a positive impact on job satisfaction. Figure 1 below depicts the research framework of this study.

6.0 Research Methodology

6.1 Research Design and Population Sampling

This study used a quantitative approach to measure the relationship between transformational leadership and job satisfaction. Quantitative methods provided a framework for the study and statistical persuasion became critical to validity. Quantitative strategies allowed measurement with greater control and as recommended by Saunders et al., (2009) allowed greater amount of reliability and generalizability. The primary research tool that was adopted was questionnaire survey using five point Likert scale. A 32-item Multifactor Leadership Questionnaire (MLQ) was constructed and 26 items were allocated to both transformational leadership and job satisfaction questionnaires.

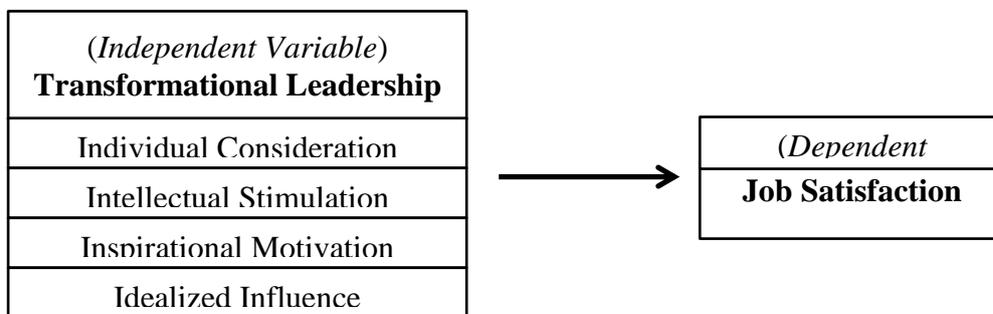


Figure 1: The Research Framework

In this study, the targeted population was teaching staffs from 15 PHEIs in the Klang Valley district, Selangor. A cover letter informed the participants that the aim of this research was to examine attitudes about work and leadership style and that they were to return the completed questionnaires in sealed envelopes within five to ten working days. Participants were encouraged to respond as accurately and honestly as possible, and they were assured that their participation would be kept confidential, anonymous and used strictly for academic research purposes only. A total of 520 structured questionnaires were distributed to academicians from 15 PHEIs around Klang Valley district, Selangor. The respondents were randomly selected by means of systematic random sampling, whereby 100 percent of the respondents were teaching staffs from PHEIs.

A total of 485 questionnaires were received and out of this, 20 sets of the questionnaires were considered unusable because over 25 percent of the question in Part 1 Section A of the questionnaire were not answered (Sekaran, 2003). It was assumed that the respondents were either unwilling to cooperate or not serious with the survey. Therefore, only 465 usable sets of received questionnaires were used for the data analysis indicating a response rate of 89 percent.

Data were analyzed using SPSS v. 20 for Windows PC and is reported in percentage, frequency, mean and standard deviation. Descriptive statistics were used to obtain the frequency, percentage, mean and standard deviation. The inferential statistics of t-

test and Pearson Correlation Coefficient Matrix is used to identify if there is a relationship between CEO's transformational leadership with academicians' job satisfaction.

7.0 Findings

7.1 Level of Transformational Leadership Practices among PHEIs CEO's

Descriptive analysis was used to explain the results of the study on the academicians' perception towards transformational leadership style of their CEOs in the 15 PHEIs in the Klang Valley district, Selangor while inferential analysis was used to determine the relationship between academicians' job satisfaction.

Table 1 shows the transformational leadership practices among CEOs is at a high level with a mean of 3.79 and standard deviation 0.72. The overall mean score for all the items of transformational leadership are in the range of > 3.67 (Creswell, 2005). The findings show that most of the academicians perceive that the practice of transformational leadership by CEOs in the PHEIs in the Klang Valley district, Selangor is relatively high.

Table 2 shows that the job satisfaction level of academicians in the Klang Valley district, Selangor is at a high level (mean = 3.87, standard deviation = 0.79). The overall mean score for all the items of job satisfaction among teaching staffs' are > 3.67 (Creswell, 2005). This indicates that most of the teaching staffs agree that the level of their job satisfaction is satisfactorily high.

Table 1: Mean and Standard Deviation of the Transformational Leadership Style

Scale	Mean	Std. Dev.	Level
Idealized influence	3.87	0.72	High
Inspirational motivation	3.96	0.89	High
Intellectual stimulation	3.75	0.77	High
Individualized considerations	3.89	0.83	High
Overall Total	3.79	0.72	High

7.2 Level of Teaching Staffs' Job Satisfaction

Table 2: Mean and Standard Deviation for Teaching Staffs' Job Satisfaction

No.	Item	Mean	Std.Dev.	Level
1.	Number of students under your responsibility	3.83	0.76	High
2.	Opportunity to advance in your profession	3.96	0.74	High
3.	Your trust in the administrators	3.78	0.76	High
4.	Your career in the university system	3.81	0.69	High
5.	Your opportunity to advance in your chosen interest	3.91	0.72	High
6.	The physical facilities at your university	3.84	0.69	High
7.	The number of subjects taught	3.79	0.78	High
8.	Appropriate teaching facilities	3.67	0.63	High
9.	The number of tasks performed by you	3.72	0.73	High
10.	Professional competency of the administrators	3.89	0.78	High
Overall Total		3.87	0.79	High

Table 3: Pearson Correlation Coefficient Matrix

Variable	Transformational Leadership Level	Strength	
	R	sig. (p)	
Job satisfaction	0.613	0.000	High

** p < 0.05

7.3 Relationship between Transformational Leadership Style of CEOs and Academicians' Job Satisfaction

H₀: There is no relationship between the level of transformational leadership of CEOs and academicians' job satisfaction.

H₁: There is relationship between the level of transformational leadership of CEOs and academicians' job satisfaction.

The association between independent variables and dependent variable were explored by using the correlation analysis. The Pearson Correlation Coefficient was performed to identify independent variables that individually correlate with the dependent variable. The correlation matrix shows a significant relationship between the levels of transformational leadership to job satisfaction of academicians.

Table 3 shows that there is a significant relationship between the level of transformational leadership style of CEOs and academicians' job satisfaction. The value of $r = 0.613$, $p = 0.000$ ($p < 0.05$). The r value indicates a positive correlation coefficient at a high level. This resulted in the rejection of the null hypothesis H₀. Thus, the results show that there is a significant relationship between the levels of transformational leadership to job satisfaction of academicians in the PHEIs in the Klang Valley district, Selangor.

8.0 CONCLUSION

The results showed that transformational leadership practices among CEOs and teaching staffs' job satisfaction are at a high level and there is a significant relationship between transformational leadership level and job satisfaction among academicians in the PHEIs. Although many leadership approaches being practiced, transformational leadership practices according to Hallinger (2007) is the best example for this leadership approach could drive change to the many behaviors of the members in the organization. The results of this study does support the findings of A. Arokiasamy (2014); Amin, Shah, and Tatlah (2013); Abas (2011); Aydin, Savier, and Uysal (2013); and Top et al. (2012) which showed that one of the key factors for teaching staffs' job satisfaction was the transformational leadership practices by CEOs/managers. Such leader is capable of working and influencing teaching staffs

to work together in achieving the mission and vision of the educational institution. CEOs must be committed to building a capacity of leadership by adding value to the four dimensions in the practice of transformational leadership which are fostering an ideal influence, inspirational motivation, intellectual stimulation, and provide individualized attention to all subordinates in the hope that job satisfaction is attained and committed to the task given and can achieve excellence in the vision and mission targeted by the PHEIs and the Ministry of Higher Education.

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