TRANSFORMATIONAL LEADERSHIP PRACTICES AND EMPLOYEE PERFORMANCE AMONG EDUCATIONAL OFFICERS IN MALAYSIA

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ABSTRACT

The purpose of this study is to identify the relationship between transformational leadership practices and employee performance among educational officers in Malaysia. A cross sectional survey-using questionnaire was carried out as a method of data collection. Random sampling approach was used in choosing the respondents of this study. 400 officers from State Educational Technology Division (SETD), Ministry of Education were chosen as respondents of this study. The collected data was analyzed to identify the relationship and impact between the independent variable (transformational leadership practices) and dependent variable (employee performance). The data was analyzed using bivariate correlation analysis and multiple regressions analysis. The finding reveals that the transformational leadership practices and employee performance is at high level. The result of correlation analysis shows that there is a significance relationship between transformational leadership practices and employee performance. The result of regression analysis demonstrated that there is a significant and positive impact of transformational leadership practices on employee performance.
ABSTRAK

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<td>Ministry Of Education</td>
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<td>Educational Technology Division</td>
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<td>SETD</td>
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<td>Pads</td>
<td>Principal Assistant Directors</td>
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<td>GTP</td>
<td>Government Transformation Programme</td>
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<td>Bahagian Teknologi Pendidikan</td>
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CHAPTER 1

INTRODUCTION

1.1 Introduction

Exceptional employee performance is the most important aspect in determining the success of a company or organisation. Ripley (2002) states that behaviour of a person is very much influenced by his/her environment. Thus, behaviour at work is resulted by the interaction of employees and the work environment. It is behaviour that leads to performance. In other words employee performance does not stand on its own and does not occur in vacuum. Leaders of organisations should understand that employee performance is affected by their leadership styles and practices, which are significant part of work environment or organizational culture. Positive work environment creates positive interactions between employees and the organisation and this interaction develop good behaviour. It has been said that if good performers are put in a bad system, the system will always win (Ripley, 2002).

Organizational culture consists of traits like trustworthiness, feelings, behaviours and personalities of organization. Interactions between employees with the environment of organization results in the sharing of philosophy, ideology, faithfulness, attitude, hope, expectation and values in the organization (Muhamad & Sagir, 1998). The shared values keep members of organization together and create a culture that binds everybody. These binding values will form the characteristics of the members and shape their attitudes and behaviours (Wilson, 2001; O’Reilly and Chatman, 1996) in dealing with issues like working together, helping each other, working in group, making decisions together, working overtime, working towards success, celebrating success, and innovative work (Xenikou & Simosi, 2006; Lok &
Crawford, 2004). An organization that works together moves fast in achieving its vision due to the qualities possesses by the employees.

Geffee and Jones (1998) find that organizational culture produces high commitment towards the organization. According to Cooke & Szumal (2000), organizational culture is divided into humanistic and achievement orientation. Among characteristics of humanistic orientation culture are cooperation, striving to work together, a sense of self-actualization, involvement in decision-making, and human relationships that are growing and supportive of each other. Achievement orientation culture encourages effectiveness and efficiency. The characteristics of this orientation are carrying out organization duties, keeping the goals and objectives of the organization and trial and error. Cooke & Szumal (2000) found that achievement orientation had positive effects on organizational performance. Meanwhile other studies found that organizational culture in general correlates with the changes of attitudes and behaviours and has positive effects on organizational performance (Md. Zabid, et al. 2004; Denison, et al. 2004). The core values of outstanding organizational culture as identified by Berry (1999) are excellence, innovative, enjoyment, teamwork, respect, honesty and social benefits.

There are many factors that shape the culture of an organization. One most significant and influential factor is leadership (Van Fleet and Griffin, 2006; Mohd. Sahandri et al., 2008). Leadership is an essential part of management activities of people and directing their efforts towards achieving the goals and objectives of the organization willingly. Akinboye (2005 in Oluseyi & Ayo, 2009) defines leadership as leaders inducing followers to act for certain goals that represent the values, the motivation, the wants and needs, the aspirations and expectations of both leaders and followers. According to Van Fleet & Griffin (2006), leaders are the ones who set the tone of the organization, define its values and norms, and create and maintain a persona of what the organization is about.

Effective leadership has been discussed and identified as having a positive influence on the performance of organisations (Maritz, 1995; Bass, 1997; Charlton, 2000). Effective leadership is instrumental in ensuring organizational performance
It has been proven by studies that the success of big organizations in the USA like Hewlett-Packard, Wal-Mart Delta Airlines, and McDonalds is due to the effective leadership which manage to boost the performance of their employees (Peter & Waterman, 1992; Deal & Kennedy, 1992). Ulrich et al. (1999) points out that leadership is the factor that differentiates a successful organization from one that is not.

Performance has been defined as the level of an individual’s work achievement after having exerted effort (Helrigel, Jackson and Slocum, 1999). Performance is an individual phenomenon, which is influenced by environmental variables such as ability and motivation (Whetten & Cameron, 1998). Job performance as described by Greguras (1996 in Oluseyi & Ayo, 2009) is the extent to which an organisational member contributes to achieving the objectives of the organization. Keller (2006) points out that when you expect the best from your employees they will give you their best and when you expect little from them they give you low performance.

Studies done by Behling and McFillen (1996) lend support to correlation between high performance and leadership. Their model of charismatic/transformational leadership shows that the leaders’ behaviour is said to give rise to inspiration, awe and empowerment in their subordinates. As a result, the subordinates show exceptional effort, high commitment and willingness to take risks. Effective leadership practices facilitate the desires of the subordinates to perform. Through effective approaches, leaders influence and move others to act toward the attainment of a goal (Helrigel and Slocum, 1996; Bass, 1997).

It has been suggested that there are two views of leadership practices; the traditional view of transactional leadership which involves an exchange process between leaders and subordinates and a view of transformational leadership that allows for the development and transformation of people (Bass and Avolio, 1990; Meyer and Botha, 2000). Transactional leaders enhance the subordinates’ readiness to perform at expected levels; rewards are offered for acceptable performance resulting in the desired outcomes defined by the leaders (Meyer and Botha, 2000).
Meanwhile, transformational leaders inspire their subordinates to adopt the vision of the organisation as their own and make an effort to heighten their values, concerns and developmental needs (Cacioppe, 1997).

Research by Bass and Avolio (1994); Kotter (1988); and Meyer and Botha (2000) in organizational behavior have identified a leadership theory termed transformational leadership as the most appropriate for modern-day organizations. It is a practice that empowers employees and raises their productivity in order to improve organisational performance and continued existence (Kotter, 1998) and noted to have a constructive impact on the effectiveness of an organisation (Bass and Avolio, 1994). Research by Meyer and Botha (2000) also proves that transformational leaders are more effective than transactional leaders. The study was carried out in the Canadian financial industry where it showed that transformational leadership is more strongly correlated with higher employee satisfaction and individual/organizational performance than transactional leadership.

A number of researches have shown results to support the effectiveness of transformational leaders as opposed to transactional leaders. Ristow (1999) found a positive relationship between transformational leadership and organisational effectiveness in the administration of cricket in South Africa. While Brand, Heyl and Maritz (2000) gathered evidence in South African retail and manufacturing sectors, as well in the armed forces of the United States, Canada and Germany that points towards the marginal impact transactional leaders have on the effectiveness of their subordinates in contrast to the strong, positive effects of transformational leaders.

1.2 Background of Study

Leadership is the moral and intellectual ability to visualize and work for what is best for the organization and its employees. Good management and effective leadership produce teamwork, the integration of individual, and organization goals. The management of people at work requires an understanding of human element. In order to increase productivity at work, management need some strategies of their own in terms of choosing the best leadership styles and practices.
Managing a governmental organisation is a challenging task. The responsibility of the leader is not only being capable of employing the most effective leadership styles and practices but also in making sure that the whole organisation abide to the policies and goals aspired by the government. The new Malaysian government policy on public sector emphasizes the concept “People First, Performance Now.” The Government Transformational Programme (GTP) which was implemented in 2010 aims at developing knowledge-based community to steer the new state economy in order to achieve the status of a developed country and high-income nation by 2020 (Pemandu, Government of Malaysia, 2010). Thus the roles and functions of the organisations in the public sector have become increasingly critical and their performance as civil servants is measured based on the effective delivery of services to the people as their clients.

The Prime Minister states that:

“The people's interest should be given priority in achieving the Key Performance Index (KPI) among civil servants and members of the government's administration ... the KPI was not only to measure the performance among civil servants but also how far they could fulfill the wishes of the people... ultimate KPI benchmark is the people's satisfaction... The people and country will benefit tremendously if we can inculcate the culture of creativity, innovation and productivity” (Bernama, Star Publication, 2009)

The above statement indicates that the government has a high hope in transform the organization to be more responsive to the people's needs. Leaders are expected to put emphasis on emotions and values in attempting to bring members to higher levels of capacity and personal commitment towards organisational goals on the assumption that increased capacity and commitment brings forth greater effort and productivity among its members. In order to do this, leaders need to be more self-empowered and genuinely believe in enhancing skills, capabilities,
understanding, communication and rapport among its members (Davies, 2005; Crum & Sherman, 2008) and uniting people in pursuit of communal interest (Burns, 1985).

As a significant component of public sector, the Ministry of Education (MOE) is responsible in developing the growth of the nation socially and economically. Thus the performance of MOE is vital in ensuring that the aspirations of GTP to develop a nation of competent and knowledgeable citizens are visualised. Education plans and policies are formulated and translated into programmes, projects and activities at the ministry level and to be implemented and carried out at the state level through the State Education Departments accordingly.

Educational Technology Division (ETD) is a division in the Ministry of Education (MOE), which is generally responsible in the development of ICT in education especially at schools. This division was established in the year 1972 and first known as “Bahagian Perkhidmatan Sebaran Pendidikan”. Initially, the main function of ETD was to provide services and assistance in the implementation of radio, audio and visual and TV education to all schools. In 1998 the division was changed to Bahagian Teknologi Pendidikan (BTP) due to the rapid development of technology especially ICT and its impact on education and nation building. ETD’s roles and functions become even greater as technological skills are vital in developing the quality of human capital, which is needed for the socio-economic development of the country (BTP, Kementerian Pelajaran Malaysia, 2010). Thus, with the aspiration to provide better support for the education system, the division needs to improve the delivery system. In improving the delivery system, Educational Technology Division is also improving employee performance. The involvement and engagement of staff are being carried out in a series of meetings such as management meetings, department meetings and sector meetings. These meetings between top management and employees are to discuss and identify constraints faced by the subordinates in the organization. Practices such as mentoring programme are to create a pool of skillful and competent employees in a working environment, which strives towards improving organization performance through teamwork. Professional development trainings are another approach taken by MOE in order to enhance competency, knowledge and skills of the staff.
In order to perform its roles and functions effectively and to achieve its objectives, Educational Technology Division being supported by fifteen sub-branches at the state level known as State Educational Technology Division. A Principal Assistant Director leads each State Educational Technology Division as the mid-level management who are selected based on their years of service, work experience, performance, and leadership capabilities. State Educational Technology Division is a bridge that connects the plans formulated at the ministry level to be implemented at school level. Thus, the performance and effectiveness of State Educational Technology Division is critical in achieving the goals and vision of the whole organisation including Educational Technology Division. How Principal Assistant Directors influence, motivate, and transform staff attitude and behaviour are determinants of either the demise of the organisation or contribution to its excellence (Bass, 1990, Yukl, 1994; Ishak bin Sin, 2002; Novack, 2006).

1.3 Problem Statement

Recent research on employee satisfaction and job performance suggest that employee engagement, empowerment, and satisfaction are coherent to the relationships formed between the employees and leaders of the organisations. Therefore, it is vital that organisations employ leadership styles that enable them to survive in today’s dynamic environment (Martiz, 1995; Bass, 1997 in Hayward, 2005).

Transformational leadership, which allows for the development and transformation of people, has been identified to be appropriate leadership style for modern-day organisations (Bass & Avolio, 1994; Kotter, 1998; Meyer & Botha, 2000). Transformational leaders inspire their subordinates to adopt the organisational vision as their own while attempting to heighten their values, concerns, and developmental needs (Cacioppe, 1997). Most importantly transformational leadership is a style that empowers employees and raises their productivity in order to improve the organisation’s performance and sustainability.
It is largely accepted that transformational leadership practices has been employed by the Principal Assistant Directors in fostering effective and positive work culture in order to promote employee performance. Given the fact that Principal Assistant Directors are chosen by the Educational Technology Division at the ministry level, they should have the ability to lead so that the employees are properly informed and guided in carrying out their individual responsibilities and at the same time knowing and understanding the goals of the organization. In addition, the procedures and methods of conducting the State Educational Technology Division has been put in place by Educational Technology Division act as guidelines for managing the people towards improved delivery service by the organization and ultimately meet the national objectives of promoting technology in education.

In addition, the Principal Assistant Directors as middle managers have been given full autonomy to manage their organization at the state level. They are fully responsible to fulfill all the stakeholders’ expectations. Their roles are to promote and lead their subordinates towards exceptional efforts, high commitment and willingness to take risks. The effectiveness of transformational leadership practices by Principal Assistant Directors will determine the success of the whole organization.

With all the autonomy given, Principal Assistant Directors are fully in charge or responsible for their leadership practices. And these practices will be deciding factors on the quality of the delivery system, which has generally become an increasing concern of the government. Efficiency and productivity level of the State Educational Divisions therefore are in the hands of these middle managers. The employees’ performance at the state level is a reflection of their leadership practices and has to be given serious attention. This is a central issue because performance of the employees has an impact on the achievement of the Educational Technology Division’s wider objectives and goals. Thus it is imperative to know whether the issue of leadership practices has been well managed by the Principal Assistant Directors.

Managing the State Educational Division is a complex and challenging task. In depth information are needed in order to gets the answers on how much this
complexity and challenges are being dealt with in terms of leadership practices employed by the middle managers. It is of great concern to know whether these leadership practices affect employee performance; whether these leadership practices are related to employee performance; and to what extent these leadership practices being employed at State Educational Technology Division.

1.4 Research Questions

This study attempts to answer the following research questions while investigating the transformational leadership practices and how it impacts employee performance.

RQ1: To what extent transformational leadership practices (promotion of collaborative organizational culture, involvement and consultation with employee, interpersonal relationship, instructional and mentoring support, professional development) being employed by the leaders.

RQ2: What is the level of employee performance among educational officers in Malaysia.

RQ3: Is there any relationship between the transformational leadership practices (promotion of collaborative organizational culture, involvement and consultation with employee, interpersonal relationship, instructional and mentoring support, professional development) and employee performance?

RQ4: Is there any impact of transformational leadership practices (promotion of collaborative organizational culture, involvement and consultation with employee, interpersonal relationship, instructional and mentoring support, professional development) on employee performance?
1.5 **Aim and Objectives of Study**

The aim of this research is to determine how transformational leadership practices influences employee performance in a State Educational Technology Division in Malaysia.

The specific objectives are:

- To identify the level of transformational leadership practices and employee performance.
- To identify the relationship between transformational leadership practices and employee performance.
- To investigate the impacts of transformational leadership practices on employee performance.

1.6 **Hypothesis**

There are two main hypotheses that need to be addresses for this study. There are;

1.6.1 There is a significant relationship between transformational leadership practices and employee performance

1.6.1.1 $H_0$: There is a significant relationship between promotion of collaborative organizational culture and employee performance.

1.6.1.2 $H_0$: There is a significant relationship between involvement and consultation with staff and employee performance.

1.6.1.3 $H_0$: There is a significant relationship between interpersonal relationship and employee performance.

1.6.1.4 $H_0$: There is a significant relationship between instructional and mentoring support and employee performance.

1.6.1.5 $H_0$: There is a significant relationship between professional development and employee performance.
1.6.2 There is a significant and positive impact of transformational leadership practices on employee performance.

1.6.2.1 \( H_1 \): There is a significant and positive impact of promotion of collaborative organizational culture on employee performance.

1.6.2.2 \( H_2 \): There is a significant and positive impact of involvement and consultation with employee on employee performance.

1.6.2.3 \( H_3 \): There is a significant and positive impact of establishment of interpersonal relationship on employee performance.

1.6.2.4 \( H_4 \): There is a significant and positive impact of instructional and mentoring support on employee performance.

1.6.2.5 \( H_5 \): There is a significant and positive impact of professional development on employee performance.

1.7 Significance of Research

This study aims to provide an insight into transformational leadership practices employed by the Principal Assistant Directors as mid-level managers of the State Education Technology Divisions. It also aims to gauge the level of performance among State Educational Technology Division employees. Transformational leadership practices as being supported by other findings are key to a better human resource development especially in terms of work performance of the employees. Hence, the findings of this study in general could be served as an internal feedback for the Ministry of Education especially in developing effective human capital policy to better address the issue of employee performance in other divisions at the Ministry level.

As for the State Educational Technology Division, the findings may serve as an empirical evidence to better understand the importance of transformational leadership practices in relation to the development of positive work culture. The
findings may increase the level of awareness among Principal Assistant Directors regarding the significance of transformational leadership practices on work performance of their subordinates. This knowledge would therefore assist them in adopting and adapting appropriate leadership practices to boost the employee performance, which in return would help MOE, achieve its Key Performance Indicator.

Positive work culture and efficient staff performance at State Educational Technology Division level will not only benefit MOE but also the schools. Efficient performance by the staff of State Educational Technology Divisions means efficient service and delivery to the schools as MOE's very important clients. MOE requires its workforce to perform at its best, being engaged not only at the ministry level but also on the ground. In fact the findings of the study also would be beneficial for the school leaders in creating positive work culture through transformational leadership practices and also in addressing the management of the employee.

1.8 Scope of Study

This study attempts to investigate leadership practices which impact employee performance employed by a public sector. The study is limited to only one division of the Ministry Of Education, that is Educational Technology Division (ETD). ETD has fifteen (15) state branches, which are known as State Educational Technology Division (SETD) and situated in every state in Malaysia. However, only twelve (12) SETD in the Peninsular Malaysia are selected for this study.

The respondents are the educational officers from the mid level management, lead by the Principal Assistant Director, and other officers from the professional categories of DG 29 until DG44. DG is the stipulated grade for all professionals or educators, applicable only to the current remuneration system adopted by the government. The respondents of the study are only confined to officers who have served for more than one (1) year.
Information gathered for this study will be based on transformational leadership practices, which was used in a study on successful leadership practices of head teachers for school improvement in Pakistan, which was carried out by Naseer Ahmad Salfi (2010). For the purpose of this study 5 components are used: (1) Promotion of collaborative organisational culture, (2) Involvement and consultation with employee, (3) Establishment of interpersonal relationship, (4) Instructional and mentoring support, (5) Professional development as in the leadership challenge by Kouzes & Posner (2007).

1.9 Limitations of Study

This study is limited to only the educational offices of the 12 SETDs in Peninsular Malaysia. The branches in Sabah, Sarawak and Labuan are excluded due to geographical locations. Only the educational employee from DG 29-DG44 are selected to participate in the study. The supporting employees as well as those whom served less than a year are excluded from this study. This is a serve as control to respondents.

The quantitative findings are also limited only to the perceptions of the leaders and employee of the organisation and its branches who participated in the survey. Thus, findings on transformational leadership practices and its impact on employee performance are not to be used as generalisation for all the government institutions and agencies in Malaysia.
1.10 Definition of terms

Leadership: “Leadership are about how a leader motivates people to achieve organizational goals. Leaders have the legality of authority and power to change old behaviors by inspiring and motivating people through structured change interventions (Senge, 1990; Robbins, 2003).

Transformational Leadership: creating enduring relationships between leaders and followers. It is built more on trust and commitment than the formal give and take of transactional leadership. (James McGregor Burns, 1978)

Employee Performance: the job related activities expected of a worker and how well those activities were executed.

1.10.1 Transformational Leadership Dimension

Idealised influence: The role models who exercise influence and followers demonstrate a high degree of trust. It assists others to look at the futuristic state, while inspiring approval through the alignment of personal values and interests to the collective interests of the group’s purpose (Bass, 1990b, 1998; Jung and Avolio, 2000; Avolio and Bass, 2002).

Inspirational motivation: leader builds relationships with followers through interactive communication, which produce a cultural bond between the two parties and consequently leads to a shifting of values by both parties toward common ground. The leader inspires followers to see the attractive future state, while communicating expectations and demonstrating a commitment to goals and shared vision.( Stone, 2004).
Intellectual Stimulation: leaders stimulate their followers’ efforts to be innovative and creative by querying assumptions, reframing problems and approaching old situations in new ways (Avolio and Bass, 2002). They challenge the old ways of thinking and encourage different perspectives. Followers’ mistakes are not publicly criticised and creativity is openly encouraged (Stone, 2004).

Individualised Consideration: leader gives personal attention to the followers based on their individual needs for achievement and growth (Avolio and Bass, 2002). The leader acts as a mentor or coach and develops followers in a supportive climate to higher levels of potential (Bass, 1998). Individual needs and desires of followers are identified through active two-way communication (Avolio and Bass, 2002; Bass, 1998). The leader develops followers by delegating tasks and then monitoring those tasks discreetly to check whether support or direction is needed (Stone, 2004).

1.10.2 Transformational Leadership practices

Promotion of collaborative organizational culture: organizational culture is inherently influenced by the values, beliefs, practices of its members, as well as their assumptions and perceptions about customers, competitors and the society. It is in place when there is a “system of shared meanings base on values, beliefs, understanding and ways of thinking of organization members.

Involvement and consultation with employee: being together in a meeting where one person asks for or provides advice or opinion from the other party.

Establishment of interpersonal relationship: interpersonal relationship refers to a strong bond between two or more people. Attraction between individuals brings them close to each other and eventually results in a strong interpersonal relationship.
Instructional and mentoring support: to support and encourage people to manage their own learning in order that they may maximise their potential, develop their skills, improve their performance and become the person they want to be.

Professional development: the skills and knowledge an employee gains to optimize his/her personal development and job growth. It includes learning opportunities, such as college degrees and coursework, or attending conferences or training sessions. Professional development is an extensive and collaborative process; upon completion, an evaluation of progress is usually performed.
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