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Organization Performance and Leadership Style: Issues in Education Service

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Abstract

Leadership has been recognized as a vital focus in the field of organizational behaviour in which it is one of the dynamic effects during individual and organizational interactions. Leadership undoubtedly has the major role in the outcome of any project in which all identified leadership styles have variable outcomes under different situations. Due to the fact that Malaysian literature on leadership styles and organizational performance is not being enriched, there is an urge for the researcher to perform a robust and rigorous research by examining the relationship of leadership styles and organizational performance among academics leaders in education service environment. This study examines the leadership styles of the academic leaders in the Malaysian Public Universities in Klang Valley area. It is found that transformational leadership was highly practiced by most academic leaders in Malaysian Public Universities in Klang Valley area. Transformational leadership supported knowledge sharing among educators. Further research is needed to understand the characteristics, skills, and preparation needed for aspiring an individual seeking to move into the position of faculty leaders.

Keywords: transformational; transactional; organization performance; education service

1. Introduction

Many researchers have showed their keen interest in studying leadership and such environment leads to the establishment of different leadership theories (Khan et al., 2012). Leadership theories attempt to explain the various

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actions and leader behavior basis (Humphreys & Einstein, 2004). Hence, studying the leadership behavior is important because it helps the leaders as well as the organisation to fully utilize the resources; this not only give a resistance to change in the organisation but it can lead to be more efficient. The root of this study focused on the three main leadership styles including the Transformational leadership, Transactional leadership, and Laissez-faire leadership.

1.1. Academic leaders and roles

Today's academic leaders must have varieties of leadership skills to be effective in an organisation (Thrash, 2009). Many literatures done by researchers showed that there are many components of effective leadership that can take place in educational sector including the ability be to a role model for the followers, capability to lead a number of faculty varieties, and to have a critical thinking skills (Haslam, 2004). It is important for the academic dean, deputy of dean and head of department as a leader, to adapt to the appropriate leadership style that suits him or her with the groups for which he or she is responsible for (Nunn, 2008).

Academic leaders are responsible as the chief academic officers of their divisions or faculties (Wood, 2004). Nevertheless, the university's hierarchy acts as the middle manager to play the role as the mediators between the executive level administrations, the chairpersons, and the faculty of the respective universities (Rosser, Johnsrud, & Heck, 2003). The main responsibility of the academic leaders is they must operate within the university system in which it has numbers of characteristics to deal with and therefore, academic leaders must navigate the bureaucracies of the university in order to successfully lead their divisions (Thrash, 2009).

However, the leadership style of academic leaders are varied and diverse due to the no formal professional training provided who seek for this positions (McGregor, 2005) as well as no consistency in the job descriptions for academic leaders which lead to further uncertainty about their roles and accountabilities (Jackson, 2004). Hence, Gmelch (2004) agreed that academic leaders need to be taught leadership skills in order to decrease the unprofessional nature of the leadership in the ranks of administrations. Further argued by Packard (2008), indicated that one of the significant challenges faced by the many leaders today is in terms of their ability to adapt to a constant global environment changing and at the same time to maintain the internal self-motivated of the organisations. Therefore, the appropriate selection of leadership style adapted by academic leaders is important in order to play a major role in the succession of the overall organizational performance of their academic units (Del Favero, 2006).

1.2. Leadership styles and performance

In the literature, leadership has been recognized as a vital focus in the field of organizational behaviour in which it is one of the dynamics effect during individual and organizational interactions (Obiwuru et al., 2011). Leadership undoubtedly has a major role in the outcome of any project in which all identified leadership styles have variable outcomes under different situations (Khan et al., 2012). Fry (2003) explains that leadership plays a strategic tool to motivate the staff to enhance their potential growth and development. On the other hand, organizational performance refers to ability of an organisation to achieve certain objectives and goals such as good financial results, high organisation profit, and produce high quality products by using effective strategies adopted (Koontz & Donnell, 1993).

Under certain circumstances, transactional style of leadership lead to a successful work of the organisations even though it does not give the followers as much right as transformational leadership does (Boseman, 2008) but it does give the followers a sense of identity and job satisfaction. On the contrary, other studies suggested that transformational leadership had a greater role to play regarding followers' performance and creativity compared to the transactional leadership (Boerner, 2007).

Furthermore, the discussion on the relationship between leadership styles and performance has been discussed often by the scholars. Many research done before showed the results that leadership styles have significant relation with the organizational performance, in which different style of leadership can determine the relationship between the leadership styles and the organizational performance either it may have positive correlation or negative correlation (Wang, Shieh, & Tang, 2010). Sun (2002) compared the leadership styles and the organizational

performances have significant results where the findings showed that there is a positive correlation between leadership styles and performance. Understanding the effects of the leadership on performance is important because it is perceived as vital driving forces for improving a firm's performance (Obiwuru et al., 2011).

As what can be observed from the related literature, it is evident that some scholars believe that leadership styles enhance the performance of the organisation but some others contradict this. Thus, this study intended to re-examine the proposed leadership styles by scholars in order to suit the appropriate leadership style by academic leaders in Malaysian Public Universities setting within Klang Valley area.

1.2.1. Transformational leadership

Transformational theory suggests that effective leaders can generate and encourage an appropriate idea or image of the organisations. They are more goals and vision oriented leaders who seek to achieve their desired intentions to be fulfilled. According to Bryman (2007), the transformational leadership in the educational setting is more likely to sustain the educational system change. In relation to the leadership styles within the higher education settings, many academic leaders prefer transformational leadership (Lustik, 2008). The transformational leaders motivate their followers to be fully aware the importance of their tasks outcomes and induce them to exceed their own self-interest for the sake of the organisations by achieving their higher needs (Obiwuru et al., 2011). One of the main elements of this type of leadership is transformational at its core which elevates both leaders and the followers (Thrash, 2009).

Avolio (2007) supports the theory that transformational leadership is morally inspiring, a quality that differentiates it from other leadership styles. As the overall of this theory dictates that the leaders must have the capability to response to the demands in any circumstances (Northouse, 2007). Particularly, leaders who operate under this leadership must be aware of their environment surrounding, abilities of their employees, and to be flexible in their leadership approach (Bledsoe, 2008).

1.2.2. Transactional leadership

Transaction literally mean "exchange" therefore, transaction leadership deals with the exchange between leader and his followers (Paracha et al., 2012). In other words, transactional leadership as supported by Bass & Riggio (2006) is based on the expected reward in return that will be received by the followers with their determinations, productivity and trustworthiness. The objectives of the transactional leaders therefore are to ensure the path to goal accomplishment is clearly understood by the followers, to remove potential barriers within the organisation, and to motivate them to achieve the predetermined goals (House and Aditya, 1997). Obiwuru et al., (2011) in their study point out that transactional leadership display both constructive and corrective behavior. Constructive behavior involves contingent reward, and corrective measurements determined management by exceptions. Contingent rewards comprise the clarifications of the work required to attain rewards and the use of the incentives and contingent rewards to employ the influence.
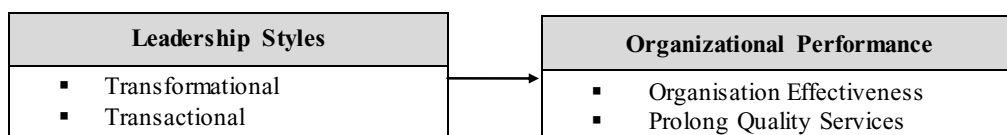
1.2.3. Research framework

Leadership Styles	Organizational Performance
▪ Transformational ▪ Transactional	▪ Organisation Effectiveness ▪ Prolong Quality Services

Fig. 1. Research framework.

2. Methodology

2.1. Research design

The study was conducted by using a descriptive correlation to measure the relationship between the leadership styles and organizational performance. According to Sekaran (2006), correlation study was prescribed as the linear relationship between two or more variables. Importantly, it was a vital and powerful technique to determine the relationship whether the variables shared something common with each other. If they do have the relationship, then the two are correlated with one another (Salkind, 2003).

2.2. Sampling frame

The list of faculties used for this study and to decide on the numbers of academic leaders to be selected as respondents were obtained from each universities website domain. Five (5) public universities in Klang Valley area were identified in order to obtain further information. The universities included:

1. Universiti Teknologi MARA (UiTM), comprises of UiTM Shah Alam, UiTM Puncak Alam and UiTM Puncak Perdana.
2. Universiti Kebangsaan Malaysia (UKM)
3. Universiti Putra Malaysia (UPM)
4. Universiti Islam Antarabangsa Malaysia (UIAM)
5. Universiti Malaya (UM)

2.3. Population

According to Salkind (2003), population refers to a group of potential participants to whom you want to generalize the results of the study. Thus, based on this study a selection of current academic leaders came from five public universities located in Klang Valley area. The total number of academic leaders' population was obtained via the respective universities staff directories website. From the website, most of the university's faculty comprised of one dean, three deputies of dean and numbers of head of departments. Therefore, the population in this study was 419 respondents.

2.4. Sampling technique

For this study, the researcher used probability sampling which is stratified sampling technique since the researcher focused on universities faculty in five (5) Malaysian Public Universities in Klang Valley Area. According to Salkind (2003), stratified sampling refers to sampling which units of individuals are selected rather than themselves. Based on Krejcie and Morgan (1970) table, the total population of this study was 419, thus, the appropriate sample size in this study was 201.

3. Research Findings

Table 1, shows that ($r = 0.335$, $n = 156$, $p < 0.01$) there is a positive relationship, significant and medium correlation between Transformational leadership and organizational performance among the academic leaders in Malaysian Public Universities within Klang Valley area. Next, for Transactional Leadership and organizational performance among the academic leaders shows that ($r = 0.231$, $n = 156$, $p < 0.01$) there is a positive relationship, significant and small correlation. For Laissez-Faire Leadership shows that ($r = 0.113$, $n = 156$, $p < 0.01$) there is a positive relationship, significant and high correlation between Laissez-Faire leadership and organizational performance among the academic leaders in Malaysian Public Universities within Klang Valley area. Therefore, all the null hypotheses are rejected and alternate hypothesis are accepted.

Table 1. Overall mean for Leadership styles and Organizational performance.

Statistics			
	Mean_Transform	Mean_Transaction	Mean_Laissez
Mean	4.3799	3.5805	3.6299
Std. Deviation	.31049	.49031	.40246
Variance	.096	.240	.162
Skewness	-.446	.168	-.822
Std. Error of Skewness	.195	.195	.195
Kurtosis	.177	-.182	.877
Std. Error of Kurtosis	.389	.389	.389
Range	1.67	2.60	2.00
Minimum	3.33	2.40	2.40
Maximum	5.00	5.00	4.40
Sum	674.50	551.40	559.00

Table 2. Relationship between Leadership Styles and Organizational Performances (n = 156).

Correlations		
		Total_Mean_Org_Performance
Mean_Transform	Pearson Correlation	.335
	Sig. (2-tailed)	0.00
	N	156
Mean_Transaction	Pearson Correlation	.231
	Sig. (2-tailed)	0.04
	N	156

4. Conclusion

The result from this study was consistent with the previous study by Egan, Sarros & Santore (1995) whereby they articulated that transformational leadership style is more effective and preferred by leaders compared to other leadership styles. Most of the academic leaders were perceived to apply the Transformational leadership style because employees can easily share their knowledge among themselves when the organization used transformational leadership style (Behery, 2008). The present study explored leadership styles practices of academic leaders in Malaysian Public Universities within Klang Valley area. Further research is needed to understand the characteristics, skills, and preparation needed for aspiring individuals seeking to move into the position of faculty leaders. The following recommendations can provide additional insights into leadership styles of academic leaders for future improvement. First, we should examine the existence and availability of professional development programs that focus on deans, deputies' dean, head of departments and administrators who wanted to transition into vacant faculty academic leaders. Next, we should use a descriptive research design extensively to study perceptions of Malaysian Public Universities' academic staff at university's faculties in order to determine the extent to which they are satisfied with the leadership style of their academic leaders.

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