

Future Leaders in Reshaping an Organization

Noormaizatul Akmar Ishak, Salmah Ayub, Evawaynie Valquis Md Isa, Maz Jamilah Masnan,
Mohd Faizal Mohd Isa, Mohd Fisol Osman

ABSTRACT

It is the interest of the researchers to find how the benchmarking of the future leaders is done in the Government-linked Companies GLCs. A mixed method approach has been selected as the research strategy to study the issues under investigation and the relationship between them. Six interviews with prominent experts are carried out to gather the items for the questionnaire. Then sets of constructed questionnaire are distributed to the managerial staff of Universiti Malaysia Perlis as a pilot study. To gather the data from GLCs, three Government-linked Investment Companies (GLICs) and fifteen GLCs have been identified as the samples. Then an interview with a prominent statesman is carried out, and focus group discussions with the top management representatives are conducted to support the survey. The findings of the study indicate that the choice for future leadership dimensions are traits, behaviours, performance functions, competence, skills and background. These six leadership dimensions qualities are desired in GLCs as the future leaders are expected to use their best endeavours to prompt or reshape the organizations.

Keywords: Future leaders, leadership dimensions, Government-linked Companies (GLCs).

1.0 INTRODUCTION

Alas, Tafel & Tuulik (2007) view leadership in terms of individual traits, leader behaviours, interaction patterns, role relationships, follower perceptions, influence on task goals, and influence on organizational cultures. Among the causes adding to shortfall in managerial competence are: firstly, demographic due to near the retirement age, and low birth rate in certain countries which reduces the number of people in the managerial talent pool; secondly, organizations must cope with lack of employee loyalty, thirdly is lack of good systems for identifying and developing leadership talent, and fourthly, the technology savvy (Hughes, Ginnett & Curphy, 2009, 92).

Hiring brighter staff is a part of human capital management that has been identified in Khazanah Nasional Berhad four-pillar strategies (Leahy, 2005). In 2005, the GLC Transformation programme is initiated to improve the performance of the GLCs at aiming to establish a “high-performance culture at GLCs” (Asiamoney, 2007, September). Therefore GLCs needs lines of effective and quality leaders who have vision to keep GLCs competitive, sustainable and prosper along the multinational companies.

The number one worry of top leaders, regardless of countries or organizations, is the lack of high-quality leadership talents (Hughes, Ginnett & Curphy, 2009). Although there is little evidence that any course or program produces better leaders, public and private organizations still investing millions of dollars and many hours in sending their staff to programs that claim can develop men and women to be effective leaders (Allio, 2005). The efficiency and survival of organizations is dependent on the selection and development of future leaders where organizations of all sizes face major challenges in preparing leaders that can handle major organizational challenges (Amagoh, 2009). The rapid changes in business, technology, political and social factors have also called for the development of effective leadership skills (Cacioppe, 1998).

2.0 STATEMENT OF THE PROBLEMS

This study explores the characteristics and qualities of future leaders that are needed in the GLCs to reshape the organizations. The Orange Book (PCG, 2006) reports that across the GLCs, it is estimated shortage of between 1,500-2,000 leaders who can deliver and sustain breakthrough performance. This study embarks on the following objectives:

- to identify the ranking orders of the dimensions of leadership characteristics dimensions to GLCs leaders in the future.
- to determine the concerns of the top management about the future leader's traits, behaviours, skills, competence, leader's performance functions and background in shouldering GLCs challenges and business' demands.

3.0 RESEARCH METHOD

This study uses mixed methods approach in collecting the data. Using mixed methods approach are beneficial where qualitative and quantitative data are allowed for triangulation of cultural factors for better understanding, thereby reducing bias and increasing validity (Yauch & Steudel, 2003). The data collection starts with Delphi technique, followed by quantitative and qualitative approaches.

3.1 Sampling

The researchers use purposive sampling where they select individuals and sites for study. By this type of sampling, the samples can purposefully inform an understanding of the research problem and central phenomenon in the study (Creswell, 2007).

All the participants in the interviews and respondents of the surveys are identified through their past and current backgrounds, and also exposures and experiences as leaders in their organizations. Six experts involve in the Delphi technique are from the government agencies and private company. A statesman participates in the individual interview is very prominent in the area of leadership, management and economies.

Permodalan Nasional Berhad (PNB) as the grant sponsor has identified two Government-linked Investment Companies (GLICs) and 15 Government-linked Companies (GLCs) to be studied. From the GLCs and GLICs, seven top managers take part in the focus group discussion and 295 managerial staff join the fieldwork survey. Thirty of Universiti Malaysia Perlis staff who lead the departments and units play a part as respondents in the pilot study.

3.2 Data Collection Procedures

In the Delphi technique, the experts' interviews are conducted separately at different times and locations, and are recorded using a digital voice recorder. All the experts do not know who else involved in the data collection to avoid any contamination of data. The experts are asked a set of an open-ended question. The researchers also prepare a set of leadership dimensions to be studied, for the experts to rate based on their judgment on the importunateness and the study objectives. These items are used to construct the questionnaire for the field survey. The open-ended questions and items for scaling are gathered and developed through literature of journals, proceedings, and books. The six leadership dimensions identified by the Delphi technique are *Leadership Traits*, *Leadership Behaviours*, *Leadership Skills*, *Leadership Competence*, *Leader's Performance Functions* and *Leader's Background*.

The researchers construct a set of questionnaire that are used as a pilot study in the Universiti Malaysia Perlis where 30 staff that holds managerial post is selected as samples. The printout survey questionnaire is distributed to the respondents and collected personally by the researchers within two days. The survey instrument is piloted and adjusted to improve the content validity (Harris & Ogbonna, 2001). For the pilot study, the Cronbach's Alpha is 0.981. This shows that the test measurement which is the questionnaire is excellent. For the fieldwork survey, 30 set of questionnaire are distributed with the help of the Head of HRD to the permanent staffs who hold managerial posts as line managers, middle managers, and top managers across the organizations. The respondents are given two months to complete the questionnaire and gathered by the HRD before being collected personally by the researchers.

The individual interview with the statesman is done in his office in Kuala Lumpur. The focus group discussion is carried out with representatives from two GLICs and five GLCs in Kuala Lumpur and the head of researcher acts as facilitator. During the discussion, the researchers explain to the participants the purpose of the discussion, and they can respond to the questions asked with no order as everybody has the freedom to give answers and opinions. Both the interviews are recorded with digital voice recorder.

3.3 Technique of Data Analysis

In the Delphi technique, the researchers verify with the experts on the items that the experts find important to include in constructing the questionnaire. Then the construction of the questionnaire items is finalized. The validation is done among the three researchers who are involved in the interviews. All the items in both pilot study

and fieldwork surveys questionnaire are coded accordingly. Therefore the researchers can easily do the data entry into the SPSS software to run the statistics analysis.

The recorded individual and focus group discussion interviews are transcribed into written text. The themes emerged from the transcribed text which are interrelated gathered in the same category. Then the researchers interpret the information with respect to the literature reviews done. The data analysis of quantitative and qualitative approaches is done separately. The measurements taken within each method are then correlated and triangulated.

4.0 RESULTS

4.1 Means Score for Elements in the Leaderships Characteristics

Figure 1 shows, the highest ranking order for the leadership dimensions characteristics are the *leadership traits* (60.67%), followed by *leadership behaviours* (58.54%), *leader's performance functions* (56.81%), *leadership competence* (56.40%), *leadership skills* (55.80%) and the lowest ranking order is the *leader's background* (53.78%). Details of the dimensions are depicted below.

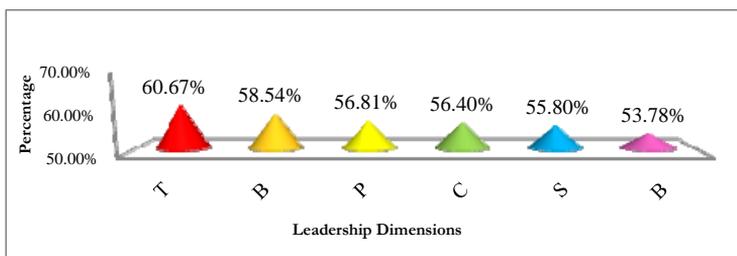


Figure 1: The Ranking Order of Importance of Six Dimensions of Leadership Characteristics.

4.2 Means Score for Leadership Traits

Table 1 shows, for the *leadership traits*, the respondents perceive *integrity* (66.3%), *honesty* (65.5%), *responsibility* (63.8%), *confidence* (63.4%), *credibility* (62.8%), and *high motivation* (62.8%) which are rated in the highest level. The middle ranking orders for *traits* are *fair* (60.0%), *good personality* (60.0%), *effective relationship with peers* (60.0%), and *presentable* (60.0%). Finally, the less important in the leadership characteristics are *maturity* (58.7%), *versatile* (58.5%), *intelligent* (57.1%), *tolerant* (57.0%), *independent thinking* (56.4%), and *humble* (55.4%).

Table 1: Ranking Order from Means Score for Leadership Traits

Ranking Order	Items	Mean
1	Integrity	6.63
2	Honesty	6.55
3	Responsibility	6.38
4	Confident	6.34
5	Credibility	6.28
6	High Motivation	6.28
7	Passion and Desire to Lead	6.27
8	Bravery	6.26
9	High Morality	6.24
10	Drive Teamwork	6.22
11	Sensitivity	6.17
12	Firm	6.16
13	Enthusiasm in Mentoring	6.11
14	Cooperation	6.08
15	Emotional Stability	6.08
16	Effective Relationship with Superior	6.03
17	Fair	6.00
18	Good Personality	6.00
19	Effective Relationship with Peer	6.00
20	Presentable	6.00
21	Educated	5.97
22	Flexibility	5.96
23	Knowledgeable	5.95
24	Able to Coach	5.95
25	Endurance	5.93
26	Maturity	5.87
27	Versatile	5.86
28	Intelligent	5.71
29	Tolerant	5.70
30	Independent Thinking	5.64
31	Humble	5.54

4.3 Means Score for Leadership Behaviours

Table 2 shows, the respondents perceive *clear vision in leading to enhance organizational performance* (63.7%), *encourage good relationship to improve the organizational performance* (60.9%), and *encourage creativity* (60.9%) are rated in the highest level. The middle ranking order

for behaviours are to *drive subordinates responding to current crisis* (59.9%), *grab opportunities to enhance the achievement of organization* (59.9%), and *transformational leadership skills* (59.5%). Finally, the less important in the leadership behaviours are *autocratic in decision making* (52.1%), and *democratic in opinion* (50.4%).

Table 2: Ranking Order of Importance of Means Score of Leadership Behaviours

Ranking Order	Items	Mean
1	Clear Vision in Leading to Enhance Organizational Performance	6.37
2	Encourage Good Relationship to Improve the Organization Performance	6.09
3	Encourage Creativity	6.09
4	Persuade Innovation to Sustain the Organizational Growth	6.04
5	Drive Subordinates to Respond to Current Crisis	5.99
6	Grab Opportunities to Enhance the Achievement of Organization	5.99
7	Transformational Leadership Skill	5.95
8	Promote Task-Oriented	5.76
9	Autocratic in Decision Making	5.21
10	Democratic in Opinion	5.04

4.4 Means Score for Leader’s Performance Functions

The results shown in Table 3, most of the respondents highly agree that the leaders among the GLCs must have the characteristics such as *motivating personnel resources* (59.2%), *communicating information* (59.1%), *obtaining and allocating personnel resources* (58.7%), *give feedback and control the flow of information* (58.4%), and *organizing and evaluating information* (58.1%). At the bottom rank for the leader’s performance functions are *expert in utilizing and monitoring personnel resources* (54.8%) and *expert in utilizing and monitoring material resources* (53.2%).

Table 3: Ranking Order of Importance of Means of Leader’s Performance Functions

Ranking Order	Items	Mean
1	Motivating Personnel Resources	5.92
2	Communicating Information	5.91
3	Obtaining and Allocating Personnel Resources	5.87
4	Feedback and Control the Flow of the flow of the Information to his subordinates	5.84
5	Organizing and Evaluating Information	5.81

6	Planning and Coordinating Information	5.79
7	Search Acquiring Information	5.68
8	Practice Eclectic Leadership Style	5.64
9	Identifying Needs and Requirements Information use in Problem Solving	5.55
10	Know How to Maintain Material Resources	5.53
11	Obtaining and Allocating Material Resources	5.51
12	Expert in Utilizing and Monitoring Personnel Resources	5.48
13	Expert in Utilizing and Monitoring Material Resources	5.32

4.5 Means Score for Leadership Competence

Table 4 shows, the respondents perceive *exercise high-quality leadership skills* (61.6%), *good interpersonal skills* (60.3%), and *excellent communication skills* (60.2%) are rated in the highest level. The middle ranking orders for competence are *human resource development* (55.8%), *concerns with ethnic human relation within the organization* (55.3%), and *living skills in multicultural environment* (55.1%). Finally, the less important in the leadership characteristics are *concern with community development* (52.4%), *concerned with social work* (51.6%), *participate in volunteer works* (51.6%), and *excellent computer skills* (49.5%).

Table 4: Ranking Order of Importance of Means of Leadership Competence

Ranking Order	Items	Mean
1	Exercise High-Quality Leadership Skill	6.16
2	Good Interpersonal Skill	6.03
3	Excellent Communication Skill	6.02
4	Can Listen to employee's comments and recommendations	5.99
5	Good Management Skill	5.94
6	Positive Attitudes Toward Change Management	5.93
7	Excellent Analytical Thinking	5.92
8	Problem Solving Skill	5.82
9	Presentation Skill	5.74
10	Human Resource Development	5.58
11	Concerns with Ethnic Human Relation within the organization	5.53
12	Living Skills in Multicultural Environment	5.51
13	Adversity Quotient	5.37
14	Concern with Community Development	5.24
15	Concerned with Social Work	5.16
16	Participate in Volunteer Work	5.16
17	Excellent Computer Skill	4.95

4.6 Means Score for Leadership Skills

Table 5 shows the items that are at the top of the *leadership skills* are *good communicator to convey information and direction* (61.1%), and *good motivator to subordinates to perform the best*

(60.3%). This is followed by the *good listener to subordinates in managing conflict and stress at workplace*, and *initiates changes for the organization* (scoring the same percentage - 59.7%). The skill that is seen as least important in the leadership skills is *volunteer to assist in any organization activities* (47.7%). But on the other hand, the respondents choose *play role as a voluntary leader* (55.7%) at the middle rank.

Table 5: Ranking Order of Importance of Means of Leadership Skills

Ranking Order	Items	Mean
1	Good Communicator to Convey Information and Direction	6.11
2	Good Motivator to Subordinates to Perform the Best	6.03
3	Good Listener to Subordinates in Managing Conflict and Stress at Workplace	5.97
4	Initiates Changes for the Organization	5.97
5	Resource-Person to Subordinates	5.70
6	Mediator to Subordinates in Developing Team Building	5.64
7	Play Role as a Voluntary Leader	5.57
8	Problem-Solver to the issue faced by the organization	5.47
9	Effective Manager to Ensure operations run smoothly	5.43
10	Mediator to subordinates in Negotiating to Complete Daily Task	5.23
11	Decision-Maker in All Organizational Actions	5.04
12	Volunteer to Assist in Any Organization Activities	4.77

4.7 Means Score for Leader’s Background

The results shown in Table 6, the respondents agree that *the family background* is less important item among the dimensions of the *leader’s background*. The findings find that leaders should have the background to *develop networking* for the organizations and *support from his or her followers* to ensure the organizations achieve their goals and mission.

Table 6: Ranking Order of Importance of Means of Leader’s Background

Ranking Order	Items	Mean
1	Past Experience	5.77
2	Develop Networking	5.72
3	Support from Followers	5.48
4	Business Interest	5.31
5	Family Background	4.51

5.0 DISCUSSION AND CONCLUSION

The researchers agree with the respondents that *traits* and *behaviours* must be the top characteristics true leaders should have. On the other hand, the researchers believe *skills*

would be needed in order for a leader to be *competent* and can perform the *leader's performance functions*. *Background* can help to understand the potential future leader's capabilities but the key is to gauge a candidate's capability to learn and adapt and not to rely solely on the historical report card (Dutta & Griesedieck, 2010). The HRD should consider these findings because what the respondents perceive are based on their job requirements and the setting of their organization cultures.

In current economic turmoil and environmental issues, the highest ranking order of the *leadership traits* are the main priority characteristics such as *integrity, honesty, responsibility, confidence, credible* and *high motivation* in recruiting leaders for the organizations. The *good personality* and *presentable* are appropriate leaders' characteristics for the organizations as a whole. *Humble, independent thinking, tolerant, intelligent, versatility* and *maturity* seem to be the least significant characteristics for future leaders due to globalization and business operations across different cultures and countries.

Leadership behaviours reveal the different percentage between the upper most top rank (*clear vision in leading to enhance organizational performance* - 63.7%) and the second most top rank (*encourage good relationship to improve the organizational performance* - 60.9%) show that leaders are always visionary to improve the organizational performances. In current trend, both *autocratic in decision making* and *democratic in opinion* are the least popular warranted by the leaders of the future. Leaders should have the combination of both, depending on the situations, because one type of leadership behaviours only is not acceptable.

For *leader's performance functions*, the respondents determine *motivating personnel resources* (59.2%) and *communicating information* (59.1%) are the highest ranking. This is true because for a leader to motivate his or her personnel resources, he or she must communicate well the information so the correct direction is given to the employees. *Identifying needs and requirements information to be used in problem solving* (55.5%) are also being stressed by the statesman and the focus group discussion that leaders should have the ability to recognize the special abilities and limitations of others, and the capacity to fit their people into the jobs where they will do best. The focus group discussion believes leader must be a visionary and assertive person who can guide and train others to take up and complete the task. Both the highest and lowest items in this dimension are corresponding with the highest and lowest ranking order in skills and competencies dimensions. This shows that the respondents rate the items consistently although the items are being categorized in different dimensions but similar importunateness and functionality.

The *leadership competence* is focused on the skills that can be learned such as *high quality leadership skills, good interpersonal skills, and excellent communication skills*. The respondents also perceive that leaders as *mediators to subordinates in developing team building* (56.4%) but the leaders should be less seen as *mediator to subordinates in negotiating to complete daily task* (52.3%). This shows that the respondents have a preference for leaders to empower the employees and trust their capabilities in delivering their jobs. It is also matched with the

second lowest ranking order, where respondents do not prefer their leaders to be *decision makers in all organizational actions* (50.4%).

In *leadership skills* dimension, *good communicator to convey information and direction* (61.1%), and *good motivator to subordinates to perform the best* (60.3%) are the items that at the top. It is very interesting to note that *initiates changes for the organization* (59.7%) is less important compare to human skills (communication and listening) in this dimension. This is contrast with the highest ranking of leadership behaviours that *clear vision in leading to enhance organizational performance* scores 63.7%. It shows unbalance for organization performance if too much listens without anticipate changes and prepare for the future (Conger & Ready, 2004). Although the respondents refer the leaders as *mediator to subordinates in developing team building* (56.4%) but at the same time the leaders should be less seen as *mediator to subordinates in negotiating to complete daily task* (52.3%). The respondents also do not prefer their leader to be a *decision maker in all organizational actions* (50.4%) in future leadership. The skill that is seen as least important in the *leadership skills* is *volunteering to assist in any organization activities* (47.7%). But on the other hand, the respondents perceive *play role as a voluntary leader* (55.7%) at the middle rank. What can be interpreted here is *voluntary work* is not attractive unless the employees got the chance to be the leader and not the player.

For leader's background, among the five items being asked, the *family background* is ranked the lowest with below 50.0%. This is acceptable during the focus group discussion that *family background* is only an advantage but will not determine a person is a true leader. Interestingly, the respondents prefer their leaders with *past experiences* rather than *business interest* when running the organizations.

ACKNOWLEDGEMENT

The researchers would like to thank Permodalan Nasional Berhad (PNB) who provides the grant for this study, and all the participants involve in the interviews: the statesman, the experts and the focus group discussion. Last but not least, the researchers also would like to thank to the respondents who participate in the pilot study and field surveys.

REFERENCES

- Alas, R., Tafel, K., & Tuulik, K. (2007). Leadership style during transition in society: case of Estonia. *Problems and Perspectives in Management*, 5(1), 50-60.
- Allio, R. J. (2005). Leadership development: teaching versus learning. *Management Decision*, 43(7/8), 1071-1077.
- Amagoh, F. (2009). Leadership development and leadership effectiveness. *Management Decision*, 47(6), 989-999.

- Asiamoney. (2007, September). Malaysia – aiming to foster global champion, *18*, 16.
- Cacioppe, R. (1998). An integrated model and approach for the design of effective leadership development programs. *Leadership & Organization Development Journal*, *19*(1), 44-53.
- Creswell, J. W. (2007). *Qualitative inquiry & research design: choosing among five approaches* (2nd ed.). Thousand Oaks: SAGE Publications.
- Conger, J. A., & Ready, D. A. (2004). Rethinking leadership competencies. *Leader to Leader*, *32*, 41-47.
- Dutta, A., & Griesedieck, J. E. (2010). Planning for your next CEO. The McKinsey Quarterly. Retrieved February 22, 2010 from <https://www.mckinseyquarterly.com/PDFDownload.aspx?ar=2524>.
- Grisham, T. (2009). The Delphi technique: A method for testing complex and multifaceted topics. *International Journal of Managing Projects in Business*, *2*(1), 112-130.
- Harris, L. C., & Ogbonna, E. (2001). Leadership style and market orientation: an empirical study. *European Journal of Marketing*, *35*(5/6), 744-764.
- Hughes, R. L., Ginnett, R. C., & Curphy, G. J. (2009). *Leadership: enhancing the lessons of experience* (6th ed.). New York: McGraw Hill/Irwin.
- Kadushin, C., Hecht, S., Sasson, T., & Saxe, L. (2008). Triangulation and mixed methods design: practicing what we preach in the evaluation of an Israel experience educational program. *Field Methods*, *20*(1), 46-65.
- Leahy, C. (2005). New management makes over Malaysia Inc. Euromoney, September 2005, 364-366.
- PCG, (2006). The Orange Book: Strengthening leadership development. Kuala Lumpur: Transformation Management Office.
- Yauch, C. A., & Steudel, H. J. (2003). Complementary use of qualitative and quantitative cultural assessment methods. *Organizational Research Methods*, *6*(4), 465-481.