

**LEADER TRAITS AND ORGANISATIONAL
PERFORMANCE IN THE PRIVATE HIGHER
EDUCATION INDUSTRY IN MALAYSIA**

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EDUCATION INDUSTRY IN MALAYSIA**

by

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LIST OF ABBREVIATIONS

AVE	Average Variance Extracted
BSC	Balance Scorecard
CEO	Chief Executive Officer
CR	Composite Reliability
HLI	Higher Learning Institutions
HTMT	Heterotrait-Monotrait Ratio
KPI	Key Performance Indicators
mMNE	Micro-Multinational Enterprises
MOE	Ministry of Education
MOHE	Ministry of Higher Education
PHEI	Private Higher Education Institutions
RBV	Resource Based View
SEM	Structured Equation Modelling
VIF	Variance Inflation Factor

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SIFAT PEMIMPIN DAN PRESTASI ORGANISASI DALAM INDUSTRI PENDIDIKAN SWASTA DI MALAYSIA

ABSTRAK

Industri pendidikan merupakan industri yang sentiasa melalui pembangunan dan perubahan di serata dunia dan ini mewujudkan satu keperluan untuk memilih pemimpin yang berkebolehan untuk menerajui institusi-institusi pendidikan swasta. Fokus kajian ini adalah Prestasi Organisasi kerana sorotan literatur mendedahkan bahawa prestasi organisasi institusi pengajian tinggi swasta tidak mencapai standard yang dijangkakan dan seterusnya mengancam kewujudan organisasi. Kajian ini bertujuan untuk melihat sama ada sikap pemimpin tertentu mempunyai pengaruh terhadap prestasi institusi pendidikan swasta di seluruh Malaysia. Rangka kerja teori digubal berdasarkan kajian literatur yang telah dijalankan. Satu teori iaitu “Resource Based View (RBV)” digunakan untuk mengukuhkan dan menerangkan kesan terhadap kajian ini. Soal selidik digunakan sebagai instrumen kajian dan unit analisis adalah “organisasi”. Data dari soal selidik dianalisa menggunakan SPSS dan Partial Least Square (PLS-SEM). Sejumlah 270 respons berjaya dikumpul dari seluruh institusi pengajian swasta di Malaysia, namun hanya 206 soal selidik sahaja yang dapat digunakan dalam analisis akhir. Dapatan kajian mendedahkan bahawa pembolehubah tidak bersandar seperti membuat keputusan, pelaksanaan, jaringan dan keupayaan memperoleh sumber mempunyai pengaruh terhadap prestasi organisasi/institusi pendidikan swasta. Dua pembolehubah tidak bersandar iaitu kebolehan mencari idea baru dan empati tidak mempunyai pengaruh terhadap prestasi organisasi. Kajian turut mendapati bahawa moderator “usia organisasi” (kematangan) langsung tidak mempunyai kesan terhadap hubungan antara enam

pembolehubah tidak bersandar dan pembolehubah bersandar Prestasi Organisasi. Implikasi teoritikal dan implikasi praktikal turut disertakan dalam kajian ini. Batasan kajian turut dibincang dan diakhiri dengan cadangan untuk kajian lanjutan. Kajian ini memberi mendedahkan bahawa sifat pemimpin tertentu memang mempunyai kesan terhadap prestasi institusi pengajian tinggi swasta di seluruh Malaysia.

LEADER TRAITS AND ORGANISATIONAL PERFORMANCE IN THE PRIVATE HIGHER EDUCATION INDUSTRY IN MALAYSIA

ABSTRACT

The education industry is an industry which is seeing continuous growth and changes in any country in the world today. The very fact that more and more education institutions are coming up brings about a need to have good leaders helm these education institutions. This study focuses on organisation performance because it has been proven through literature that organisation performance of private higher education institutions are not up to standard or expectation, thus affecting their survival. Therefore, this study intends to look at whether organisation performance can be affected by particular traits possessed by the leaders of these private higher education institutions throughout Malaysia. The theoretical framework was formulated based on previous literature review and it resulted in the formation of this research framework. The Resource Based View (RBV) Theory was used to strengthen and explain the relevance to this research. Survey was used as the research instrument and “organisation” was the unit of analysis. Data obtained from the surveys were analysed using SPSS and PLS-SEM. A total of 270 responses were received from all the private higher education institutions throughout Malaysia, but only 206 were used in the final analysis. The findings revealed that traits (independent variables) such as decision making skills, implementation skills, networking skills and resourcefulness affected organisation performance. The research also found that two independent variables, novelty seeking capability and empathic skills did not have any impact on organisation performance of the education institutions. The study also revealed that “firm age” (maturity) that was

used as a moderator did not moderate the relationship between the independent variable and the dependent variable. The theoretical and practical implications are also discussed. Research limitations are also discussed and several suggestions for future research are offered. This study resulted in useful insights as to understand the impact of leader traits and its impact on organisation performance of private higher education institutions in Malaysia.

CHAPTER 1

INTRODUCTION

1.1 Background of the Study

Organisation performance is of utmost importance to any organisation. Organisation performance can be defined as the performance of the organisation as compared to its main goals or objectives (Almatrooshi, Singh & Farouk, 2016). The same applies to any education based organisations such as schools, colleges, universities and so on. In fact, the survival of educational institutions are important and crucial as to protect the interest of the customers, who in this context are the students. The performance of the private higher education institutions are crucial as these are businesses which cannot just be shut down overnight. Once the private higher education institutions have taken in students, they have to ensure that the students will continue to receive the education service that they are supposed to receive from the private higher education institutions till they graduate from them. As such, it creates a situation in which organisation performance of these private higher education institutions to be of utmost importance to ensure business continuity and sustainability.

At present the higher education sector is undergoing transformation from what it is now to a more challenging environment where there seems to be elements such as pressure from global competition, running more economical educational practices, implementing innovative ways to enhance teaching and learning and many other elements (Debowski, 2015). These demands have exerted pressure on educational organisations to improve their performance. Debowski (2015) went on to mention that good leadership is needed for educational institutions to survive in the dynamic and uncertain environment in which these educational institutions operate in. This was her

findings in her research in which she wrote about how excellent academic leadership could be developed in turbulent times which shows that organisation performance is at stake in these turbulent times.

The seriousness of the performance can be further proven by the fact that on 18 December 2017, there was a piece of news published in The New Straits Times in Malaysia in which it was reported that 33 private colleges were ordered to be closed down in the year 2017 for various reasons according to the former Minister of Higher Education (MOHE), Datuk Seri Idris Jusoh. One of the major reasons for the closure of the colleges was because they failed to comply with the requirements under Act 555 (Private Higher Educational Institutions Act 1996) (Nasa, 2017). The ACT 555 requires private colleges to provide information and up-to-date data to the ministry for purposes of coordination so that there is more transparency of the operations of the private higher education institutions. It was also reported that between the years 2012 and 2016, a total of 46 colleges were ordered to be closed down by MOHE. The situation seems to be getting worse and worse. The failure of these colleges to comply with the requirements of the ACT 555 is clearly attributable to leadership failure. It means that either the leader is unaware about the ACT, not bothered to follow the ACT or is not capable to lead and manage the organisation in compliance to the needs of the Ministry of Higher Education (MOHE). If this trend proliferates to other colleges or institutions for that matter, it will certainly not be a good situation for the Malaysian education industry.

In the year 2011, in a Global Edition of University World News, it was already reported that there were many private colleges in Malaysia which were facing quality issues (Virdee, 2011). Based on an audit conducted in Malaysia, it was found that only one out of three colleges adhered to the Malaysian quality assurance process related to

higher education. In April 2011, MOHE had cancelled the setting up of 59 private colleges and deregistered 28 colleges between the years 2009 and 2010 due to quality issues. Besides that, 47 institutions were issued fines in the first 6 months of 2011, another 47 fines for the whole of year 2010 and 9 fines in the year 2009 (Virdee, 2011). This shows that more and more PHEI are facing high risk of closing down in future, therefore, there is a dire need to find the root cause of the reasons why they are being forced to close down.

Leaders of educational institutions are important as leaders of other organisations. There are so many expectations that have been put on leaders of educational institutions. Even though these educational institutions do not produce any tangible goods such as in the manufacturing industry, they still have great importance with regards to the effect and contribution to the nation. This brought about a need for countries to focus on developing leaders to helm educational institution in Malaysia, Singapore and Indonesia. For example, in Malaysia, we have Institut Aminuddin Baki (IAB) to help nurture and train school principals so that they are really prepared to lead and perform in their roles as school principals. In Singapore, the appointment of such principals is under the scope of the Ministry of Education (MOE) and Leadership in Education (LEP) to help establish principals' career development (Jones, Adam, Joo Muniandy, Perera & Harris, 2015). This proves that leadership especially in the education sector is an important area that needs great attention to ensure that education institutions will be led by good leaders.

In 2012, the Malaysian Ministry of Higher Education introduced the "Malaysia Education Blueprint 2013-2025" to bring about improvement in the Malaysian education system (Jones et al., 2015). This blueprint is a testament of the need to have

high quality leadership that is necessary to bring about the needed improvement and change in the Malaysian education sector. To achieve the outlined transformation as in the Malaysian Education Blueprint, it was argued that current and future leaders can be developed, while contributing to the building of knowledge society (Jones et al., 2015).

To sum up the findings thus far on leadership studies that have been conducted in Malaysia, an interesting quote from the findings of Bryman, 2007 where he mentioned that there is indeed a lack of research pertaining to leadership performance in the education sector particularly in Malaysia (Majid Ghasemy, Sufean Hussin, Megat Ahmad Kamaluddin & Mariani Md Nor, 2015). This creates a dire need for more research to be done to assess organisation performance in higher education institutions in Malaysia as leader performance will affect organisation performance.

The framework for this research was adopted from Muthuveloo (2013) which consists of six independent variables which are decision making skills, implementation skills, networking skills, novelty seeking, emphatic skills and resourceful. Firm age was selected as the moderator for this research as to study the impact of firm maturity and whether it has any impact on the leader traits and organisation performance of the private higher education institutions being studied.

In the process to ensure that the education institutions perform well, there is now a need to ensure good leaders are available to manage the operations of these education institutions. Therefore, this study into leader traits and organisation performance will be of great value to the education industry in Malaysia.

1.2 Problem Statement

The problem that is to be addressed in this research is the issue of organisation performance in the private education sector, specifically referring to private higher education institutions. It is indeed crucial to address the issue of organisation performance in the private higher education institutions in Malaysia as a mismanagement may lead to the closure of the respective education institutions. Organisation performance is important for business sustainability as these private institutions exist to make profit, therefore, performance is of utmost importance to them. This is indeed a serious problem that needs immediate attention as the developments in the Malaysian Education Frontier has received attention even in foreign media as mentioned in the earlier section.

In a research done by Chang Da Wan, Chapman, Ahmad Nurulazam Md Zain, Hutcheson, Lee and Austin (2015) across three types of higher education institutions in Malaysia (public research university, public comprehensive university and private non-profit university) revealed that organisation performance was an area which has been affected by governance issues in higher education institutions.

In 2011, Gooch reported in the New York Times Malaysian private higher education institutions are being closely monitored and scrutinized and in the year 2011, a record number of fines were imposed on errant private higher education organisations. Gooch (2011) mentioned that the Malaysian Ministry of Higher Education issued fines to 47 private education institutions from January 2011 to March 2011 as compared to a total of 48 fines issued throughout the year 2011 and only 9 fines issues in the whole of 2009. The fines were issued for making false or misleading statements promoting their

institutions to offering unaccredited courses and violating registration regulations such as operating on unregistered premises.

Ong Kian Ming (2015) mentioned about research on crisis avoidance in private higher education in Malaysia which found some issues related to the running of the private higher education institutions in Malaysia. Ong Kian Ming (2015) also narrowed down the possible root cause which was caused by the Vice-Chancellors of the institutions as half of them were in their 60's, were males and did not have enough commercial experience to run the private higher education institutions. Most of them were previously from the public sector and therefore, had problems in managing PHEIs.

Therefore, we need to address the issue of organisation performance in the private higher education sector and as it is known, organisation performance is mainly affected by leader performance. Based on previous research done in Malaysia, it was found that the process of identifying the right leaders has not been well managed in Malaysia, especially in the education sector (Majid Ghasemy, Sufean Hussin, Megat Ahmad Kamaluddin Megat Daud & Mariani, 2015). This means that there is a problem in terms of identifying or appointing the right person to be leaders of education institutions in Malaysia. Therefore, there is an urgent need to look into this research as it will benefit many parties such as the Ministry of Education (MOE) to tailor leadership programs for current or even future leaders and this will help to fill the current gap in identifying the right leader to helm the leadership positions in education institutions.

In a research conducted by Gallup (2015) entitled "State of the American Manager", it was found that only 10% of working people possessed the talent to be a great manager and companies fail to choose the candidates with the right talent 82% of

the time. This shows that there is indeed a need to have better methods in appointing managers.

1.3 Research Objectives

The main objective of this study is to generate better insight into the factors influencing the organisation performance of private higher education institutions (PHEI) in Malaysia. Therefore, this study is to see how organisation performance will be affected by different leader traits of leaders that run or manage the private higher education institutions. Therefore, based on the needs to identify the leader traits, the objectives for this research were derived.

- 1) To examine the impact of the traits such as decision making skills, implementation skills, networking skills, novelty seeking capability, emphatic skills and resourcefulness on organisation performance of PHEI.
- 2) To examine the moderating role of “firm age” on the relationship between the leader traits and PHEI organisation performance.

1.4 Research Questions

This study aims to investigate whether the identified leader traits affect organisation performance of the Private Higher Education Institutions (PHEI). The research questions that were derived to address the problem statement are:

- 1) Do leader traits such as decision making skills, implementation skills, networking skills, novelty seeking capability, emphatic skills and resourcefulness affect organisation performance?

- 2) Does “firm age” moderate the relationship between leader traits and organisation performance?

1.5 Significance of study

This study which focuses on PHEI will bring more useful insights to the Private Higher Education Institutions (PHEI). The significance of study is divided into two perspectives which are the theoretical and practical significance.

1.5.1 Theoretical Significance

The theoretical significance identify which traits of the leaders that have an impact on the organisation performance of the PHEI. Therefore it will be able to add to the existing knowledge, leading to better understanding of leaders. Besides that, this study will also help provide further insight on the impact of “firm age” as a moderator to study the relationship between leader traits and organisation performance.

Another theoretical significance that can be obtained is the contribution of the Traits Theory through empirical evidence with regards to the conceptual link between leader traits and organisation performance. The findings of this research does support the proposition and provides further evidence that leader traits do have an impact on organisation performance of the private higher education institutions being studied.

The study of traits too will be beneficial in terms of learning how it affects the performance of the private higher education institutions and how the institutions on the other hand need to ensure that they have appointed the leaders with the right traits to hold leadership positions in their institutions. Studying traits is not something new and has been studied from various aspects before to see how it impacts organisation performance.

Further literature review was conducted in the course of this study which revealed several findings. First, there are not many studies or research done specifically targeting the Private Higher Education Institutions in Malaysia as compared to the number of studies or research focusing on Public Higher Education Institutions and Public Schools (Government Schools) in Malaysia. Secondly, most of the studies that were focused on public higher education institutions in Malaysia were revolving around Public Universities in Malaysia, therefore, not focusing on Private Higher Education Institutions (PHEI) specifically. This has created a situation where research needs to be more focused on PHEIs. The PHEIs contribute a significant share of the overall demand for education services and is an important contribution as the private sector actually plays an important role to supplement the education services in Malaysia which cannot be supported by the public higher education institutions alone (Bajunid, 2011). Therefore, looking at the magnitude of the contribution of private higher education institutions to the overall education sector in Malaysia, it is pertinent that this study is conducted and the findings be put to good use especially in the private higher education institutions itself.

1.5.2 Practical Significance

The findings of this research will be of practical significance to PHEIs as by knowing the desired traits, organisations can try to find the right candidates to become leaders in their education institutions or mitigate the impact that it can have on the organisation if the chosen leader fails to deliver positive results.

Further to that, the findings of this research could be used to train or nurture future leaders and current leaders of private education institutions as well. The trainings are important to groom the chosen leader to fit in the organisation culture and

expectations, subsequently delivering great performance. This is important because businesses of different nature require different leader traits on the part of the leader to be able to contribute to the expected organisation performance.

The findings of this research should be mainly shared with the human resources department of education based organisations so that they can use it in the process of performance appraisals. This can be done by identifying the traits that the leaders of the education institutions have and how the traits help the leader to contribute to higher productivity in the respective organisations.

Once the organisation is led by a good or strong leader, who is able to deliver the expected results, it will yield positive returns to the PHEI and also enable them to be more competitive among other rivals in the same industry. This competitive advantage will be advantageous to them.

1.6 Scope of study

The main scope of this study is focusing on the Private Higher Education Institutions (PHEI) in the whole of Malaysia (Including East Malaysia). The focus is on all Private Higher Education Institutions in Malaysia (which includes both local and foreign Private Universities and University Colleges) as it supplements the demand for educational services in Malaysia which cannot be solely supported by the public higher education institutions alone. The reason why the study needs to focus on the whole of Malaysia is because the larger the sample size, the findings of the research will be more conclusive. The focus is specifically on studying the organisation performance from the point of view of leader traits.

The research scope is focusing on a macro view of organisations where empirical examination was conducted to examine the relationship between leader traits such as decision making skills, implementation skills, networking skills, novelty seeking, empathic skills and resourcefulness and organisation performance of private higher education institutions. The research further proceeded to examine the role of organisation demographic, firm age, of these private higher education institutions and how it moderates the relationship between leader traits and organisation performance. Therefore, the main aim of this research is to answer the question of “Will organisation performance of private higher education institutions in Malaysia be affected by specific leader traits that are being researched?”

This study focused on the Private Higher Education sector in Malaysia. A survey questionnaire was used to collect data from all the top leaders of the private higher education institutions in Malaysia based on the directory obtained from the Ministry of Higher Education (MOHE) Malaysia. The directory contained the email addresses of the top leaders such as the Chief Executive Officer (CEO) or Principal of the respective private higher education institutions who responded to the survey. Their response is representative of their education institution. The unit of analysis for this study is “private higher education institution”, referring to all private higher education institutions in Malaysia. Since this study is done within the scope of Private Higher Education Institutions in Malaysia, it should be noted that the final conclusion and findings derived from this research will only be reflecting about Malaysian Private Higher Education Institutions. At the end of this study, there will be a discussion or direction of future research in the area of organisation performance of PHEI and how it is affected by leader traits.

1.7 Definition of Key Terms

Throughout this research, there will be many terms used in this thesis. Some of the definitions of the key variables in this study will be:

Leadership

“Leadership is considered to be the ability to influence or motivate subordinates towards a common organizational goal” (Bryman, 2007).

Leader Traits

Traits is regarded as an individual’s general characteristics including capacities, motives or patterns of behavior (Kirkpatrick & Locke, 1991).

Organisation Performance

“Organisation performance is defined as comprising of financial and non-financial indicators which are used to assess whether the organisation has achieved their goals or objectives” (Kaplan & Norton, 1992).

Decision Making Skills

Decision making is defined as individual characteristic mode of trying to perceive and respond to a need to make decisions (Harren, 1979).

Implementation Skills

“Implementation in the context of leadership can be equated to issues such as planning, providing directive to subordinates or staff and also organisational re-engineering” (Chung-Herrerra, Enz & Lankau, 2003).

Networking Skills

“Networking is deemed as a form of goal-directed behavior, both inside and outside of an organisation, focused on creating, cultivating, and utilizing interpersonal relationships” (Gibson, Hardy & Buckley, 2014).

Novelty Seeking Capability

Novelty seeking behavior can be defined as the ability to complete task or work that is done in a creative manner and at the same time identifying what is suitable to be implemented (Christensen & Horn, 2008).

Empathic Skills

“Empathic skills is one’s ability to understand the feelings and emotions of others, taking interest in them and handling their emotional states steadily” (M. Afzalur Rahim 2014).

Resourcefulness

“Resourcefulness refers to a leader who is exploitative in nature uses all available competences and a leader who is explorative in his or her approach searches for and opens up new competences was chosen (Keller & Weibler, 2014).

Leader

“A leader is someone who is able to influence others towards achieving group or organizational goals” (Forte, 2014).

Firm age

Firm age is expressed by the number of years that the firm operates in the market (Pervan, Pervan & Curak, 2017).

1.8 Organization of remaining chapters

This chapter provided an introduction to the current state of organisation performance issues, the background of leadership issues and discusses its relevance in the context private higher education institutions in Malaysia. It also presents the preliminary findings of the study and also the extended preliminary study findings, the problem statement which led to the research objectives and questions. This chapter also touched on the significance of the study and presents the definition of key terms for all the variables under this study.

Chapter 2 contains the literature review of organisation performance and other key variables that are being examined in this research. Key concepts that were derived from previous studies were also discussed in length. In addition, the research framework was developed, leading to the development of hypotheses towards the end of chapter 2.

Chapter 3 contains the research methodology that was incorporated in this research. It contains the research design, population and sample of the study, measurement of variables, data collection methods and data analysis tool.

Chapter 4 presents the findings of the research. This includes a descriptive analysis of the demographic profiles of the private higher education institutions that participated in the study, reliability analysis, measurement model assessment and hypotheses testing which was done using Smart PLS.

Finally, chapter 5 concludes the research by presenting a summary of the findings, an interpretation of the results and implications of the research. Finally, the limitation of the study was discussed and recommendations for future studies were included.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

The chapter contains review of relevant literature that formed the theoretical base and subsequently led to the development of the conceptual model of the research. Next, will be literature review of the key variables on organisation performance of education institutions, leader traits and personal variables followed by previous research frameworks adapted as part of this study. A section will also be discussing about the Resource Based View (RBV) Theory which was used as the underpinning theory for this research. Subsequent section will contain the proposed theoretical research framework based on the literature review that was done. The final section will contain the hypotheses development and the chapter summary.

2.2 Literature Review

This research was conducted to determine the traits that are important for leaders to possess since it is found that some people cannot become good leaders despite undergoing years of training and despite showing positive initial signs of great caliber and charisma. This literature review examines in particular, the traits that are crucial for a person to be considered as a good or successful leader and the effects on organisation performance of private higher education institutions in Malaysia. This study examined some of the essential traits of leaders that have been derived based on review of previous literature.

The study of leadership is indeed an interesting field to focus on. It is constantly evolving thus making it a very researchable area for researchers from the social

sciences. Landis, Hill and Harvey (2014) mentioned that there are so many people that have come up with endless definitions of what leadership is due to its popularity. They further went on to mention that great leaders played a constructive role in developing civilized societies. This shows that leadership is an area that has been important to humankind since many years ago.

Leadership is not only important to the world of business only. Leadership is also crucial in all other fields such as military, political field, healthcare, education, non-profit organisations and many more. As a matter of fact, there are more and more organisations that are coming up each and every day as the demand for goods and services increase in the world. This has brought about a need to nurture good and effective leaders to lead the various organisations in existence.

Harris and Townsend (2007) mentioned in their research that as far as the education sector is concerned, the emerging trend shows a worrying downward trend related to the capacity and capability of head teachers and principals across many education systems. This was partly attributed to the changing complexity and demands on those in formal leadership roles. This clearly shows that leaders managing any type of education institution need to be able to cope with the demands of the latest education environment to be effective leaders who can then contribute to good organisation performance.

2.3 Organisation Performance

Organisation performance of higher education institutions has been given a lot of prominence in the past few decades. This can be seen by the increased interest of governments to ensure that they are providing value for money performance. (Pounder, 1999). A general definition of organisation performance states that organisation

performance as the actual result or output which is measured against the intended outputs of the organisation, is by Almatrooshi, (2016).

In the context of the education sector, organisation performance can be defined as a range of measurements that clearly shows the final outcome of managing the organisation in such a way that is parallel to the purpose of the business existence (Ahmed Hani Mohammed et al., 2016). In this context, organisation performance is the final output that has been achieved by any organisation which is measured and maybe compared with similar organisations in the same type of industry. Researchers such as Ahmed Hani et al. went on to mention that the success of the organisation performance can be measured by financial and non-financial measurements within a specific time frame. This type of approach to measure organisation performance is good as it is said to focus on important aspects that will bring success to higher education organisations (Ahmed Hani Mohammed et al., 2016).

Leadership is important to any organisation in any industry. In a study of leadership in Taiwan listed IC Design Houses done by Chien (2014), it was found that the leadership style and personality traits affected the job performance of managers in the IC (Integrated Circuits) design houses. These findings are also shared with others that trait did indeed affect job performance of managers involved in different professions or different job nature (Chien, 2014).

2.3.1 Organisation Performance in the Education Sector

In a research carried out by Ahmed Hani Mohammed et al. (2016) it was found that quality management practices did affect organisation performance and one of the quality management practices researched was “leadership”. Organisation performance

was measured by looking at customers, internal process, learning and growth and financial aspects of the higher education institutions in their research.

Initial studies on the link between leadership and organisation performance dates back to the 1990's. According to Muijs et al., 2006, it was reported that there was indeed a connection between leadership and organisation performance in further education institutions or providers and that was the base for more research to be done in that area and later on leading to the schools sector. Muijs et al., (2006) also found that there seems to be emerging evidences that leadership styles of college principals and how it affected organisation performance directly (Muijs et al., 2006).

According to a research done by Majid Ghasemy et al. (2015), in the context of an education institution, the performance of the institution can only be achieved effectively if it is led by academicians or former academicians (former academicians but now holding administrative positions) who are entrusted to lead the organisation. It was noted that an education institution cannot be equated with a normal business organisation and thus the way to measure the effectiveness of the organisation will differ from an education based organisation and a non-education based organisation. This was the findings of the research of assessing leadership performance effectiveness in higher education in Malaysia done by Majid Ghasemy et al. (2015). Some other researchers such as Muhammad Shukri Bakar and Rosli Mahmood (2014) were of the same opinion, saying that leadership in an education institution is definitely different from leadership in other types of business or industry due to difference in the environment in which the business operates in.

There are various methods that can be used to measure organisation performance. The most commonly used ones are financial measures. Majid Ghasemy

et al. (2015) determined four financial indicators that can be used in the context of education industry are positive financial outcome, being able to meet student load targets, ability to secure funds for teaching and learning and winning financial resources for the area of responsibility. It is now common to also include non-financial measures of organisation performance to gauge the performance of the organisations. This is similar to a study by Thirumanickam and Bedah Ahmad (2013) who studied performance measurement system in higher educational institutions in Malaysia. They further went on to conclude that most organisations tend to focus on financial performance and in the process ignoring the “internal business perspectives” and that this situation may lead to inefficiencies in the institutions of higher learning. These inefficiencies may later lead to customer dissatisfaction and resulting in adverse financial performance. One of the proposed measures by Thirumanicakan and Bedah (2013) was to adopt the Balanced Scorecard (BSC) which was introduced by Kaplan and Norton in 1992.

In a study by Ng et al., (2014) of school principals in Singapore, researches also realized that they need to focus on the individual characteristics of the principals and not just reviewing the school structure and processes that contribute to good school performance. It was also a growing concern now in most countries that schools not only perform well academically, but the need to emphasize on the role of the school leader beyond the duties of being a school administrator (Ng et al., 2014). This shows that although excellent systems, processes are in place, it still needs a good leader to manage the education institution.

In this research, organisation performance was measured by five main dimensions which were adopted from Majid Ghasemy et al. (2015). The first dimension

is the personal and interpersonal outcomes. In a study by Trocchia and Andrus, 2003 focusing on effective leaders at department level in US, it was suggested that cultivating a collegial department can be considered as one of the main interpersonal outcomes of effective leaders. In another study regarding the impact of collegiality on satisfaction by Ambrose, Huston, & Norman, 2005 in one of American universities, it was found that collegiality or absence of it was one of the main contributory factors in satisfaction or dissatisfaction among academicians and creating a sense of community among academicians was one of the main behaviors practiced by effective heads of departments. Moreover, communicating the department's needs to the dean was another aspect of leadership effectiveness at department level was found by Benoit and Graham (2005) which focuses on personal and interpersonal outcomes of academic leaders.

The second dimension of this study focusses on learning and teaching outcomes as adopted from Majid Ghasemy et al, (2015). Five critical leadership dimensions in developing and improving teacher and student learning have been revealed in a study by Robinson & Timperley, (2007) including educational direction provision, guaranteeing strategic alignment, creating a community to increase student success, constructive problem solving processes involvement, and selection and development of smart tools to evaluate learning and teaching. In addition, based on the study by Robinson and Timperly (2007), strong norms of collective responsibility and accountability for student achievement and wellbeing was addressed as one qualities of effective professional communities.

Next, the third dimension of this research as adopted from Majid Ghasemy et al. (2015) is related to recognition and reputation of the education institution. According to Bland, Weber-Main, and Lund (2004), the recruitment of highly prominent

researchers has been proposed to be one of main features of the heads of research-productive departments at one American university. Based on another US study, the ability to recruit and retain outstanding researchers has been identified as a key strategy to raise research productivity at a research-oriented university (Snyder et al., 1991).

The fourth dimension as adopted for this study from Majid Ghasemy et al, (2015) is related to financial performance. According to Ramsden (1998), funding and performance in higher education are being connected through an international movement. As discussed by Robinson and Timperley (2007), when it comes to resources, a key leadership challenge is to align resources to goals rather than to treat resource acquisition as an end in itself. In addition, managing money, space and people to facilitate research studies has been identified as a mark of effective leaders in research-oriented departments in one American university (Bland, Center, Finstad, Risbey, & Staples, 2005). Moreover, based on the results of another study conducted in one of American research university, securing the financial resources was viewed as one of appropriate leadership practices (Lindholm, 2003)

The final dimension as adopted from Majid Ghasemy et al, (2015) is about effective implementation. Robinson and Timperley (2007) mentioned and discussed several different ways in which leaders gained commitment to address problems. One of these strategies involved making the challenge of change explicit at the outset of a project by discussing the likely difficulties and the support that would be needed (Phillips, McNaughton, & MacDonald, 2001).

Having discussed organisation performance, now it is important to point to issues that contribute to organisation performance. Therefore, the next section will be

discussing leadership traits of this study and how it is linked to organisation performance of private higher education institutions in Malaysia.

2.4 Leader Traits

Traits play an important role in shaping the personality of any individual. There are many traits that are researchable such as “confident”, “considerate”, “open minded”, “empathetic”, “ethical” and many more which are commonly researched. For the purpose of this research, literature review was conducted to determine traits that should be researched pertaining to organisation performance in the education sector.

The study of traits and how it affects organisation performance is uncommon. One study was conducted by Han, Seok and Kim (2017) in which they studied the effects of six personality factors of CEOs at small and medium sized enterprises on performance in business management in Korea. In the study of Han et al, they found that traits such as conscientiousness, openness to experience, and agreeableness had positive effect on business performance. Similar, to this, there were also other studies of how traits were researched to see the impact on organisation performance.

2.4.1 Leader Traits and Studies in the Education Sector

In a study done on Principal Leadership in East Asia by Walker and Hallinger (2015), it was found that Singaporean researchers stressed the importance of personality traits for successful principal leadership besides focusing on other elements such as cognitive capacities and social skills. This comes to show that traits are indeed studied to ensure academic leaders have the right traits in them, not only in Singapore.

Al-Mansor Abu Said et al. (2015) in their study of career success model for academics in Malaysian Research Universities, it is important to further explore the

influence of personality traits and person job fit on career success so that a clear understanding of the relationship between the traits and person job fit and how it will help the academics in Malaysian research universities to come up with an effective career plan. In a study by Ng et al. (2014) in which they studied the leadership qualities, styles and roles of school principals in Singapore, they concluded that Principals' in Singapore tried to develop traits which they found to be important in to bring about effective leadership skills. The traits in the study by Ng et. al (2014) subsequently will determine the qualities, styles and how the principals will play their roles effectively. Once the principals are effective in the way they lead the organisation, it will lead to good organisation performance in the education institutions that they are attached to.

The traits chosen for this study were adopted from Muthuveloo (2014) which consists of six traits which are decision making skills, implementation skills, networking skills, novelty seeking capability, emphatic skills and resourcefulness. The next section further dwells into each and every trait in detail as the independent variable. This study focused on traits as the independent variable as the traits are the fundamental elements that determines the character of a leader and subsequently, the character then leads to different leader styles used by the leader. As such, this study was focused on traits to understand which trait is important to produce the desired character in a leader.

2.4.2 Decision Making Skills

Decision making skills is an important skill needed in running the operations of the organisation or business. Leaders will have to make various kinds of decisions related to internal and external matters related to the organisation. Thus, the outcome of the decision making is very crucial to the organisation.

When the need arises for leaders to make decisions, time can be very scarce. Leaders need to make quick decisions that will determine the fate of the organisation at times (Moerschell & Lao, 2012). In this scenario, a leader who is categorized as a formal leader may not be making the best decisions in a timely manner. Usually a formal leader will neither have quick-thinking ability nor the capacity to accept solutions on hand (Moerschell & Lao, 2012).

Participative leadership style is closely related to decision making skills. The good thing about the participative leadership styles is that leaders are bound to take into consideration the opinion of other employees or subordinates (Gangwar, Padmaja & Bhar, 2013). It doesn't stop there, but leaders also do encourage active participation and contributions from group members, giving them a sense of belonging since their opinions are also factored in as part of the decision making process (Gangwar et al., 2013)

The decision making process doesn't just end there, but further can be seen from a different perspective of group decision making. This situation is linked to shared leadership where team members participate in the leadership process and the team embarks on a collaborative decision making (Hoch, 2013). Leadership roles are not restricted to only one person, but the group as a whole. It may result in better decision making and the whole group is also accountable for the outcomes of the decision making. This is another form of leadership which is out of the norm where usually only one person is the leader (Hoch, 2013).

In another research done by Faraci, Lock and Wheeler (2013), they emphasized the importance of decision making and that it was one of the important tasks. They