The Impact of Leadership on Employee Motivation in Malaysian Telecommunication Sector

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ABSTRACT

The purpose of this paper is to review the recent literature on the significant of the leadership on the employees’ motivation. We reviewed the most relevant and related papers in these last decades. Literature of the leadership has shown a significant positive impact on the employee’s motivation, there is also compelling evidence that indicate a negative link between the two variables. As the father of the transformational and transactional leadership, Burns (1978) has defined the transformational leadership as achieving a common aim base on the leader directing and employees’ motivation. Hence, leader guiding the employees in a good direction and motivating them it is very crucial for the organization’s performance. Human resource is one of the prime capitals in any organization, which is not only to improve the outcome but also to compete with others. Hence, to improve the motivation of the employees is very important both for competing and boosting up the organization’s performance. In recent years, both academicians and practitioners have highly recognized the significance of effective employee and good leadership in the firm’s performance. The function of the leader has been extremely crucial since in the prehistoric time, like the era of Sun Tzu in China, during the Islamic revolution around 1436 years ago in Arabic peninsula, the time of Mahatma Gandhi in India, Nelson Mandela and Thomas Sankara in Africa up to present. Our main aim is to explore the latest review about leadership style and employees’ motivation.

Keywords: Transformational, Transactional, Leadership, Motivation, HRM

INTRODUCTION

Leadership can be exhibited in a variety of ways and circumstances. Most of the people think that the leader is only the county’s president or prime minister, in short political leaders. However, leadership is not limited only to political leaders. Mothers and fathers show leadership in raising their children with good values, ethics and encouraging them to develop to their potential skills which is the parential leadership. Teachers show it in inspiring students to learn and to develop their intellectual capacity. Health care workers can be leaders and develop services that meet the needs of the communities they serve, or work in collaboration with other organizations to create cost effective, prevention oriented programs and services, policemen use their leadership to protect the people and take the security of the place; student’s leader, team leaders etc. In our today’s society, the prime task of the leaders is to motivate and retain workers. Motivation is company’s life-blood. A well-managed company can motivate and retain its employees and in so doing, he or she has the following competitive advantages: reduced turnover; an increase in productivity; reduced absenteeism; increased revenue, and improved performance. Performance is a combination of knowledge, skill, and the availability of the basic resources that has impact on the worker’s attitude to reach the goal of the organizational independently of the follower’s level of motivation. Furthermore, it is very crucial for the employers to provide a good environment for the employees to be motivated and as well as for boosting up the job satisfaction.
Motivation is defined as a set of energy forces that originates both within and outside an employee, initiates work-related effort, and determines its direction, intensity, and persistence. Motivation is a critical consideration because effective job performance often requires high levels of both ability and motivation. Leadership styles is one of the most important issue in our social life to enhance the performance then, to scrutinize the impacts of the leadership styles on the employees motivation has a great significance to our today’s society. Few leaders understand the full significance of how influential their leadership is on the performance and satisfaction of their employees. Leadership is the main weapon of the organization, through better leadership style; managers can achieve their workers’ motivation as well as their organizational goals and productivity. The most effective work is the one plays both the function of leader and follower and Barbara Kellerman from Harvard University said “Better followership often begets better leadership.” Burns (1978) has defined the transformational leadership as achieving a common aim base on the leader directing and employees motivation. The concept of transformational was first used by James McGregor Burns in his book of leadership in 1978 as the transforming leadership, and later, Bernard M. Bass developed the Burns’ idea into the theory called today transformational leadership. Besides, Burns defined this theory as when both the leaders and followers come together to accomplish a strong moral and motivation. Through the strength of their vision and direction, the transformational leaders could motivate the workers to achieve the common goal. In the other hand, Bass explains that transformational leadership can be defining according to the impact of the leader has on the subordinates. Bass specified that transformational leadership “occurs when leaders broaden and elevate the interests of their employees, when they generate awareness and acceptance of the purposes and mission of the group, and when they stir their employees to look beyond their own self-interest for the good of the group.”

They are quite similar to charismatic leaders. He or she motivates and inspires followers not only in his or her leadership but to give them the freedom of thinking and participating for the organization for a better outcome. They have the ability of changes in the organization’s mission, culture, strategy, structure and to promote innovation in products and technologies within the organization. In many different types of industries, the transformational leadership has shown that there is positively and significantly improve employees’ job satisfaction, attitudes, well-being, citizenship behavior, commitment, effectiveness, effort and financial performance. In addition, transformational leadership has been consistently claimed to be more effective than the other leadership styles. They particular appear to motivate their followers through emotion. Numerous studies about leadership have determined relationships between traits and behaviours of leaders with the behaviours of employees, whereas ignoring the mediation role of employees’ motivation.

LITERATURE REVIEW

Leadership is conceived as a process where one or more people influence a group of person to move in a certain direction. The word leadership has been used in various aspects of human endeavour such as politics, business, academics and social works. The leader of the company or organization has as well important role on the performance of its followers and his or her organization by motivating them. The leader is key person to the success or failure of the institution or even an entire nation, as mention in the study done by the great author in leadership Bernard M. Bass that 45% to 65% of the overall factor of the success or failure is based on the leaders. Moreover, the styles of the leader have effect on the employees’ behaviour and on the adoption of the
strategies of the company. The term motivation is always incorporate in the definition of leadership and leadership styles. Most of the scholars have defined the leader as someone who motivates the followers to achieve a common goal. Besides, there many theories and styles of leadership however, different sector or different organization may require a specific style of leadership. The paper states that in order for the leader to be effective he or she must know which style of leadership is compatible with the motivational needs of the employees; otherwise the effectiveness will be reduce. Therefore, it is not possible an organization can be successful without a good leader, highly motivated and/or engage followers.

In this last decades experience has shown that the motivation and leadership are strongly related. The more the followers are motivated the more the leader is motivated and vice versa. Hence, to understand the relations between the leadership styles and the workers motivation is very important key for “employees” performance and the organization performance. Meaning that, delivering colossal performances in an organization is directly related with the relationship leadership style and employees’ motivational needs. Developing highly motivated and satisfied employees depend how you understand them. This interesting relationship between the followers’ motivation and leadership style has motivated many researchers to scrutinize which leadership style is more relevant with the employees’ motivation. The relation between motivation and job satisfaction are most connected, in a matter of fact many motivation theories are also job satisfaction’s theories. The implicit link existing between job satisfaction and motivation is that people are more satisfied when they accomplished a task, specially a difficult one. Motivation can push the work to give the maximum effort in their job.

Leader must find out which methods work better to motivation his or her employees. For example, organizing a motivational speak could motivate the work to perform better. said in their book of leadership that “The motivational speaking engagement can be lucrative”. A motivational speaker gave a speech in Las Vegas at lunch and the same speech that evening in Minneapolis and made $150,000 for the day. Motivation has many theories and some theories may not applicable in some situations. Leaders who have the knowledge of different motivational theories are more likely to select the right one to the right situation and employee. That leader often has higher performing and satisfied subordinates as a result. The study of motivation is concerned, basically, with why people behave in a certain way. The basic underlying question is why do people do what they do? In general terms, motivation can be described as the direction and persistence of action. It is concerned with why people choose a particular course of action in preference to others, and why they continue with a chosen action, often over a long period and in the face of difficulties and problems emphasises that an effective manager must understand employees and what motivates them, and that high levels of motivation are very important contributors to organizational performance. Highly motivated employees strive to produce at the highest possible level and they exert greater effort than employees who are not motivated. Bagaim adds that the characteristics of motivated employees are: they always want to come to work; they want to be part of teams at work; they are interested in helping and supporting others at work; and they generally exert greater effort in their work and contribute more in the organization.

According to Burns, transformational leadership is ultimately a moral exercise in that it raises the standard of human conduct. All transformational leaders are charismatic; in contrast all charismatic leaders are not transformational. They are also charismatic due to the articulation of a compelling vision of the
future and form strong emotional attachments with the subordinates. Burns mentioned that transformational leadership often interact with problems and change, hence transformational leader must always be ready to face conflict. In addition, transformational leadership has been consistently claimed to be more effective than the other leadership styles. They particular appear to motivate their followers through emotion. [20] There is considerable evidence that transformational leadership is effective. Most survey studies using the MLQ and similar questionnaires find that transformational leadership is positively related to indicators of leadership effectiveness such as subordinate satisfaction, motivation, and performance. [18]

The transformational leader motivates subordinates by focusing them on a greater cause, such as justice. [12] argued that transformational leaders have a more significant motivating effect on employees and are preferable to transactional leaders because they motivate employees to perform well even in situations that lack any chance of receiving formal recognition. Transformational leadership involves raising the consciousness of followers by appealing to higher ideals and values, and moving the focus of followers away from their self-interests encouraged by transactional leadership. In other words, the leader encourages their followers to consider their actions beyond simply “what is in it for them.” The transformational leader motivates subordinates by focusing them on a greater cause, such as justice. [12] argued that transformational leaders have a more significant motivating effect on employees and are preferable to transactional leaders because they motivate employees to perform well even in situations that lack any chance of receiving formal recognition. Transformational leadership is an expansion of transactional leadership or differentiated from transactional leadership [21] which involves an exchange process to motivate follower compliance with leader requests and organization rules. [21] The transformational leaders attempt to stimulate the undeveloped or dormant needs of their subordinates. In the field of leadership studies, transformational leadership has been the theory of choice for the past several decades. [22] declared that Transformational leaders can be directive or participative, authoritarian or democratic. Nelson Mandela is directive and transformational when he declares “Forget the past”. He can be participative and transformational when he actively supports and involves himself in open, multiracial consultations. He can be directive and transactional when he promises blacks better housing in exchange for their votes and is participative and transactional when he reaches mutual agreements about sharing power with the white minority. The same leaders display both transformational and transactional behaviour as well as mix direction and participation. The transformational leader is more on the four I’s: Idealized Influence, Inspirational Motivation, Intellectual Stimulation and Individualized Consideration. [19] According to [23] established four primary behaviours that constitute transformational leadership. Besides, Bass declared there were four also types of transformational leadership behaviour: [24]
1. Idealized influence (or charismatic influence),
2. Inspirational motivation,
3. Intellectual stimulation, and
4. Individualized consideration.

In addition, Transactional leaders lead through specific incentives and motivate through an exchange of one thing for another. Transactional theory, as its name implies, involves a “transaction” or quid pro quo between a supervisor and a subordinate. The type of the transaction; whether a reward or discipline depends on the employee’s performance. [22] theorized the transactional leaders appeal to the subordinates’ self-interests. Transactional leaders attempt to meet the current needs of
their subordinates through bargaining and exchanging. Transactional leaders expect their followers to attain agreed-upon goals without encouraging them to take on greater responsibilities for self-development or leading others. There is no attempt to change followers’ attitudes, values, growth, and development on a long-term basis. Both leaders and followers focus on achieving the negotiated performance level. A transactional leader motivates subordinates by giving rewards for services provided. This leader clarifies the subordinates’ goals and arranges contingent rewards as inducements toward the achievement of the goals. One might theorize transactional leaders would have the greatest effect on patrol officers’ productivity such as the number of arrests, reports or citations for the reason that supervisors can set clear quantitative expectations that are easily monitored. Leadership behaviours that emphasize telling or controlling would be classified as transactional leadership because rewards and discipline are administered according to adherence or deviation from instructions. Transactional leadership is a reinforcement technique requiring constant application. There are two main components of transactional leadership - contingent reward and management-by-exception. Contingent reward is when the leader provides rewards if the subordinate performs in accordance with the performance expectations or expends the necessary effort. The contingent reward aspect of transactional leadership should also relate positively to performance, these leaders clarify expectations and recognize achievements that positively contribute to higher levels of effort and performance. [22]

Northouse (2004) defined servant leadership with “a strong altruistic ethical overtone which emphasizes leaders being attentive to the concerns of their followers; they should take care of them and nurture them and in return they will take care of the leaders.” Here the organization holds the leader fully responsible for the follower’s outcomes. In fact, the way an individual becomes a leader by first assuming the role of a servant. [23] Servant leaders care deeply about people. They seek to remove the barriers and obstacles that hold others back from achieving their full potential. They strive to create an environment where their followers can do their best work. Servant leaders frequently ask, “How can I help?” [24] Besides, Former AT&T executive Robert K. Greenleaf popularized the concept of the servant leader in “The Servant as Leader,” an essay first published in 1970. Kent Keith, CEO of the Greenleaf Center for Servant Leadership, states, “I think the simplest way to explain it would be to say that servant leaders focus on identifying and meeting the needs of others rather than trying to acquire power, wealth, and fame for themselves.” Servant leaders attract followers and motivate people to change by helping to remove obstacles that are in the way of their growth and development. [24] Servant leadership might suggest a reply to dilemma of leadership where leader’s ethics, morals and standards are fundamental to overall success. [25]

Greenleaf (1977) introduced the concept of servant leadership through an essay entitled “The servant as leader” and credited Herman Hesse’s The Journey to the East as the source of his idea of the servant leader. Greenleaf proposed that “the great leader is seen as servant first, and that simple fact is the key to his greatness.” [24] Transformational leadership and servant leadership are both high-order evolutions in leadership paradigms. Both theoretical frameworks emphasize a high concern for people and for production. [25] According to Bass (2000), servant leadership is “close to the transformational components of inspiration and individualized consideration.” [22] Servant leadership, however, involves a higher concern for people because the primary focus of the leader is upon his or her followers. Servant leadership is a logical extension of transformational leadership. [24] Servant leaders lead an organization by focusing on
their followers, such that the followers are the primary concern and the organizational concerns are peripheral. In contrast to transformational leadership, servant leaders focus first and foremost on their followers. Servant leaders do not have particular affinity for the abstract corporation or organization; rather, they value the people who constitute the organization. This is not an emotional endeavour but rather an unconditional concern for the well-being of those who form the entity. This relational context is where the servant leader actually leads. [26] The servant leader’s primary motivation is to serve and meet the needs of others, which should be the prime motivation for all leaders. Servant leaders provide vision, earn followers’ credibility, motivate, trust, and influence others. The overriding focus of servant leaders is on service to their followers. In addition, Khurram Zafar et al. (2012) also have shown that their study's first hypothesis (H1) is significantly confirmed that was “The servant leadership style does positively effects on employees’ motivation.” [27]

According to Vadell and Ewing (2011) that the Servant leader will boost the intrinsic motivation of the workers, in result of that, where a person has the ability to choose and high intrinsic motivation, higher achievement is likely. [28-32] Lastly, Laissez-faire leadership may be the best or the worst of leadership styles. If the leader follows the normally understood definition and standard practice of non-interference and “hands-off” when supposedly leading his or her followers, the worst form of leadership is manifested. However, when the twenty-first century properly prepares his or her followers, laissez-faire leadership emerges as the ultimate form of leading. The two words laissez-faire and leadership are absolute direct opposites. The French term laissez faire was originally used relative to mercantilism, and is defined in economics and politics as an economic system that functions best when there is no interference by government, and is considered a “natural” economic order that procures the maximum well-being for the individual and extends to the community. Laissez-faire leadership is characterized as non-leadership or the absence of leadership. A laissez-faire leader renounces their liability, delays decisions, gives no feedback and offers less attention to assist subordinates to fulfil their needs. [28] Laissez-faire leaders give their team members a lot of freedom in how they do their work, and how they set their deadlines. They provide support with resources and advice if needed, but otherwise they don't get involved. This autonomy can lead to high job satisfaction, but it can be damaging if team members don't manage their time well, or if they don't have the knowledge, skills, or self-motivation to do their work effectively. Laissez-faire leadership can also occur when managers don't have control over their work and their people. Lewin's framework is popular and useful, because it encourages managers to be less autocratic than they might instinctively be. [33-36] No specific style was consistently better for producing better performance and employees were more satisfied under a democratic leader than an autocratic leader. [37-40]

Leadership and Management

The relationship between leader and manager has always been difficult to differentiate. Laurence Appley in his book published in 1974 which is Formula for Success: A core concept of management, explain that Leadership is a quality that he expected every manager to have it. Furthermore, Mary Parker Follett (1869-1933) defined management as the Art of getting things done through people and later Lawrence Appley gave a similar definition “management is getting things done though other people”. However some people believe that is a simple definition to remember but it doesn’t give a clear view on the functional responsibilities of managers such as budgeting and quality assurance. This definition is also very close to the leadership definition. (See Table 2)
CONCLUSIONS

In conclusion, Successful leaders come in different shapes and sizes. No two are alike, and no single leadership style is always best. All leaders want to change the status quo, but they use different means. Some take the lead with their ideas, while others lead with their passion and conviction. Still others lead by demonstrating courage in the face of risks and the unknown, and some bring about change by serving others. As a leader you must have the power and influence over others to make them behave within the organizations standards, and motivate them to do what is expected and instructed for.

Table 1: Summary of the studies on leadership

<table>
<thead>
<tr>
<th>No</th>
<th>Title</th>
<th>Country</th>
<th>Variables</th>
<th>Findings</th>
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<tbody>
<tr>
<td>1</td>
<td>Influence of transformational leadership on employees outcomes: Mediating role of empowerment (Tazeem and Muhammad, 2011)</td>
<td>Telecom sector/ Pakistan</td>
<td>Transformational leadership, employees’ innovative behaviors, and commitment.</td>
<td>When employees are empowered, they will be in a better position to take initiative for bringing innovativeness to their respective organizations and also they are very much committed to their organizations. Transformational leadership can achieve employee’s commitment and innovativeness through empowerment. In other words, transformational leadership focuses on empowering employees at work place by delegating power to subordinates and involves them into decision making which in turn lead to increase their level of commitment and innovativeness for organization.</td>
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<td>2</td>
<td>The effect of Leadership Styles on Firm Performance in Ghana (Puni et al., 2014)</td>
<td>Bank Sector/ Ghana</td>
<td>Autocratic, democratic, Laissez-faire leadership and Financial Performance</td>
<td>The research has shown that the democratic style does not predict financial performance (β=0.222) but still accounted for more Variance in Financial Performance that the other two styles (Autocratic β=0.043 and Laissez-Faire β=0.039)</td>
</tr>
<tr>
<td>3</td>
<td>The Effect of Leadership Style on Motivation to Improve the Employee Performance (Hanifah et al., 2014)</td>
<td>Transportation Company/ Indonesia</td>
<td>Leadership styles, work motivation and employee performance</td>
<td>There is significant relationship between leadership styles on employee performance is partially accepted. Furthermore, the effect of work motivation on employee performance is shown there is a significant influence between work motivations on employee performance. This may imply that the influence of the leadership style and work motivation together have significant influence on employee performance. So the third hypothesis stating no influence of leadership style and work motivation simultaneously is rejected.</td>
</tr>
<tr>
<td>4</td>
<td>The influence of leadership styles on employees’ job satisfaction in public sector organizations in Malaysia (Voon et al., 2011)</td>
<td>Public sector / Selangor Malaysia</td>
<td>Transformational, transactional leadership and job satisfaction</td>
<td>The results have concluded that transformational style has a positive relationship with job satisfaction whereas transactional style has a negative relationship with job satisfaction in government organization. This suggests that transformational style is considered suitable for managing public organizations.</td>
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<td>5</td>
<td>Leadership Styles and Employee Motivation: an Empirical Investigation in A Leading Oil Company In India(Gopal, R And Chowdhury, 2014)</td>
<td>Leading Oil Company / India</td>
<td>Transformational, transactional, Laissez-Faire leadership styles and employee motivation</td>
<td>The researcher found that the dominant leadership styles were transformational and transactional and employees were moderately motivated. The results show that different leadership style factors will have different impacts on employee motivation components.</td>
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<tr>
<td>6</td>
<td>Unveiling Leadership–Employee Performance Links: Perspective of Young Employees(Qazi et al., 2014)</td>
<td>telecom and banking sector</td>
<td>Leadership styles (Transformational and Transactional) of supervisor, Job performance of subordinate and Emotional Intelligence of subordinates.</td>
<td>The researcher concluded that the style of leadership exhibited by a manager is significantly associated with the subordinates’ job performance while their level of emotional intelligence has no moderating effect on this leadership-performance relationship.</td>
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Table 2: Manager vs Leader (Richard, 2011, p.428)

<table>
<thead>
<tr>
<th>Manager</th>
<th>Leader</th>
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<tbody>
<tr>
<td>To set goals</td>
<td>To set direction</td>
</tr>
<tr>
<td>To manage complexity</td>
<td>To develop a vision</td>
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<tr>
<td>Rational</td>
<td>To give direction to people to reach the goal</td>
</tr>
<tr>
<td>Analyses</td>
<td>To inspire, motivate and influence the followers.</td>
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<tr>
<td>Position Power</td>
<td>Visionary</td>
</tr>
<tr>
<td>Assigns tasks</td>
<td>Innovates</td>
</tr>
<tr>
<td>To make sure that the organization is following Planning, Organizing,</td>
<td>Personal Power</td>
</tr>
<tr>
<td>Controlling and Executing.</td>
<td></td>
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</tbody>
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them to do. When individuals do not respect their leader, the leader is seen as being powerless. Because of all the different opinions that individuals have, it takes a strong leader to be able to influence individuals to see things their way/organizations way. There are many factors that contribute to being a good leader and the more that we are able to understand the different styles of leadership and which leadership styles is relevant and suit the best them to an specific organization. Meanwhile, all leadership styles have a significant (positive or negative) on the employees' motivation, satisfaction and performance.

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