Transformational Leadership and Psychological Empowerment in Malaysian Public Universities: A Review Paper

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Abstract
The purpose of this article paper is to review empirical research on the relationship between transformational leadership and psychological empowerment of academic staff in the Malaysian Public Universities. The study is aimed at reviewing the existing literature and specify the agenda for future research in this area. Specifically, the published English language articles that investigated the relationship between transformational leadership and psychological empowerment were retrieved from the computerized databases and a manual search. It is observed that, previous research studies have empirically and otherwise confirmed the existing relationship between transformational leadership and psychological empowerment. However, further investigation is needed on how transformational leadership influence psychological empowerment in the higher education context, especially in the Malaysian higher education context. The paper concludes with suggestions that, the leadership of the Malaysian public universities need to focus on enhancing the level of psychological empowerment among academic staff so as to promote their workplace behaviors, which, in turn, will enhance the performance and effectiveness of Malaysian public universities.

Keywords: Transformational Leadership, Psychological Empowerment, Malaysian Higher Education

1. Introduction

1.1 Background of the Public Higher Education Institutions in Malaysia
Over the past few decades, the Malaysian higher education system has evidently advanced better, and suitably becomes more competent. In the last ten years alone, the system has significantly attracted more students enrolling in Malaysian universities and increased its global ranking in terms of various dimensions, including research publications, patents, and institutional quality. It has also become a top destination for international students coming from various Asian countries, including Middle East countries (Malaysia Education Blueprint 2015-2025). The Malaysian government has given much attention to higher education based on the belief that, this sector plays a key role in supporting its plan of transformation of the country from a middle-income country into a high-income country by 2020 (ETP Annual Report, 2014). Furthermore, higher education needs to move from being a system which is tightly controlled by the Ministry to a system in which the Ministry acts as a policymaker and regulator that just focuses basically on its role. This latter system will empower HLIs to steer their own journey of growth (Malaysia Education Blueprint 2015-2025).

The number of public and private universities in Malaysia has been expanding dramatically since the past two decades (Sirat, 2010). As at 2015, there are a total of 20 public universities and 65 private universities in Malaysia (Ministry of Higher Education [MoHE], 2015). Recently, the number of academic staff working in twenty public universities in Malaysia has exceeded 32,000 (MOE 2014), out of which 9 % and 51% stand for non-Malaysians and female academics, respectively. Moreover, while 37 % of the academics possess doctoral degrees, 52 % possess master degrees. In addition to that, the number of students in the Malaysian public universities increased from 189,020 in 1995 to 304,628 in 2001, to 508,256 in 2011 (MoHE, 2012), and it reached 560,359 in 2014 (MoHE, 2014). As a result of such rapid expansion of higher education, the academics in Malaysian universities have much work load as it is estimated that the staff-to-student’s ratio is at about 1: 16.47 (MoHE, 2014).

1.2 Research Problem and Objective
It is important for Malaysian public universities to intensify their efforts in increasing and upgrading their global ranking as the pressure for excellent educational institutions not only at the local level, but also global levels is enormous, so that Malaysia will be able to achieve its projected vision for 2020. This inspiration to achieve such vision has led the Ministry of Higher Education to pose more pressure in addition to competitive pressure from other universities on management of public universities, which, in turns, raised stress and challenges among academics.

In the literature, several studies have reported that there are several issues and challenges faced by Malaysian academics, particularly in public universities. These includes the expansion of the Malaysian higher educational sector, internationalization of the higher educational sector, corporatization and privatization as well as quality improvement (Azman, Jantan, & Sirat, 2011; Noor, 2013; Tham & Kam, 2008). Other challenging issues are the increase in bureaucratization (Azman et al., 2011) and the increasing stress related to jobs caused by the speedy
development in the Malaysian higher education sector (Ahsan, Abdullah, Fie, & Alam, 2009; Idris, 2009; Makhbul & Khairuddin, 2013; Panatik et al., 2012; Safaria, 2013; Triantoro, 2011), work-personal life balance (Noor, 2011; Shahid, Amdan, Alwi, Syazreena, & Hassan, 2016). Additionally, academics’ turnover at universities was reported to be at an alarmingly high rate (Hashim & Mahmood, 2011; Noor, 2013; Panatik et al., 2012).

In a recent study conducted by Rao and Kareem Abdul (2015), it is observed that, participation in decision making has been found to be an important factor that could increase job performance. Moreover, Hussein Amzat and Abdul Rahman Idris (2012) reported that academics in Malaysian public universities are less empowered as they have very limited chance to participate in university policy and decision-making process. Similarly, Mok (2010) found that, academics in Malaysia do not entirely feel empowered but find themselves encountering far more pressures to perform in order to compete with other universities. They need flexible strategies that encourage them to accomplish their various responsibilities such as teaching, research, consultancy, community service and administration (Ahadi & Suandi, 2014). Yet again, previous researchers have also argued that psychological empowerment of academics has long been a significant antecedent of academics’ work outcomes (Avolio, Zhu, Koh, & Bhatia, 2004; Halbesleben, 2010; Stand & Rothmann, 2010; Wat & Shaffer, 2005). The objective of this study therefore is to examine and understand the relationship between Transformational leadership and psychological empowerment of academic staff in Malaysia public universities.

1.3 Significance of the Study
As previously stated, there is quite a pressing need for the Malaysian higher education to move from a system being controlled by the Ministry to a system where the Ministry plays a role as a policymaker and regulator to empower universities to steer their own journey of growth (Malaysia Education Blueprint 2015-2025). Moreover, the plans of the Malaysian government (2016-2020) includes empowering the governance for public universities. This implies that, decisions will be made by such universities rather than the Ministry (Malaysia Education Blueprint 2015-2025). Therefore, the significance of the present study is represented by the worthy and useful instruction the study is expected to offer to the leadership of Malaysian public universities. In other words, application of the expected findings of the study will assist such universities in maintaining the academics’ high level of work outcomes, which, in turns, enhance the performance and effectiveness of the public universities.

2. Literature Review

2.1 Transformational Leadership
Transformational leadership is known as a kind of leadership that transforms followers to rise above their self-interest by altering their morale, ideals, interests, and values, motivating them to perform better than basically expected (Bass, 1985). Transformational leadership is also defined as leadership that generates awareness and acceptance among subordinates, enables their followers to develop, encourage them to go beyond their needs to accomplish the organizational goals and motivate them through leader’s behaviours (Avolio et al., 2004). As stated by Bass and Avolio (1995), transformational leadership has four dimensions: Idealized influence, Intellectual stimulation, Inspirational motivation, Individualized consideration (Avolio, Bass, & Jung, 1999). The first dimension of transformational leadership is Idealized influence which refers to the ability of the leader to articulate clear visions that are consistent with organizational goals thereby fostering the trust and respect of the followers (Avolio et al., 1999; Cheng et al., 2016). The second dimension is Inspirational motivation which occurs when the leader acts as a role model demonstrating determination and confidence while motivating followers to exceed the established performance standards (Avolio et al., 1999; Cheng et al., 2016). The third dimension is Intellectual stimulation which happens when the leader encourages followers to be innovative and seek solutions to challenging problems (Avolio et al., 1999; Cheng et al., 2016). The fourth dimension is Individualized consideration which happens when the leader devotes effort and attention towards the developmental needs of his/her followers to ensure that they are accountable for their own development, as well as the development of others (Avolio et al., 1999; Cheng et al., 2016).

Transformational leaders encourage employees toward visionary motivation, moral modelling, charisma and individualized consideration (Lan & Chong, 2015). As stated by Spreitzer (2008), psychological empowerment theory suggests that transformational leaders, in particular, are important promoters of employee empowerment. Such leaders contribute towards obtaining the company’s success and motivate employees to excel towards both organizational and individual goals (Spreitzer, 2008). Furthermore, they encourage psychological empowerment by creating confidence in their followers, developing their performance, enhancing the followers’ abilities to capitalize on opportunities to make decisions, providing them with sufficient autonomy, establishing meaningful and motivational objectives (Conger & Kanungo, 1988)

2.2 Psychological Empowerment
There are different definitions and different understandings of authors about the concept of empowerment. Psychological empowerment was first defined by Conger and Kanungo (1988) as delegation of authority and
sharing the resource and enabling means of motivation through enhancing self-efficiency. The empowerment core definition includes increasing motivation of individuals at work through the delegation of power to the lowest level in an organization where expert decision can be made (Conger & Kanungo, 1988; Thomas & Velthouse, 1990). The key concept of empowerment is giving employees as much responsibility and autonomy as possible which provides them with substantial amount of freedom in carrying out duties (Hancer & George, 2003).

Equally still, Thomas and Velhouse (1990) and Conger and Kanungo (1988) look at the psychological empowerment as an intrinsic task of motivation which is reflective of the person’s environmental fit (Krishnan, 2012). Moreover, psychological empowerment is a status where employees’ levels of activation and intrinsic motivation levels are increased as they perform their tasks (Conger & Kanungo, 1988; Thomas & Velthouse, 1990). Furthermore, psychological empowerment has been defined as awareness and as a commitment-based design (Spreitzer, 1995). In addition to that, it was also defined as a process of improving perceptions of self-efficacy through recognition of conditions that promotes powerlessness through formal and informal organizational techniques and practices. Therefore, it is worthy to note that, psychological empowerment becomes an important concept being practiced at individual, team, and organization levels (Stander & Rothmann, 2010).

Fundamentally, the idea of empowerment has been approached by researchers through different theoretical perspectives (Raub & Robert, 2010). One approach hypothesizes that empowerment is a coalition of practices or managerial methods in which empowering leadership behaviors play an essential role (Arnold, Arad, Rhoades, & Drasgow, 2000; Conger & Kanungo, 1988; Manz & Sims Jr, 1987). Another technique focuses on psychological empowerment as a collective inspirational state reflecting individuals’ psychological response to empowering approaches and leadership behaviors (Spreitzer, 1995; Thomas & Velthouse, 1990).

According to Spreitzer (1995), psychological empowerment is a psychological attitude that comprises the fit between individual’s job and their values. It is the idea that individuals have the adequate skills and knowledge to accomplish the tasks well, so that, a significant difference could be made in the workplace. Spreitzer introduced an empirical test to develop the psychological empowerment construct and presented its definition more largely as a motivational perception demonstrated in four cognitions: mean, competence, self-determination and impact reflecting an individual’s orientation to their work.

In order to understand the psychological empowerment, an adequate set of cognitions for empowerment has been identified by the four dimensions (Spreitzer, 1995; Thomas & Velthouse, 1990). The combination of dimensions into a single construct offers greater understanding and more insights into the construct, with the aim of engendering overall understanding of the psychological empowerment (Koberg, Boss, Senjem, & Goodman, 1999; Spreitzer, 1995), this would unarguably produce the proactive essence of empowerment (Spreitzer & Quinn, 1996). Thus, exclusion of any single dimension will reduce the overall empowerment perception (Spreitzer, 1995; Thomas & Velthouse, 1990). Therefore, the current study will address the entire dimensions of empowerment collectively into a single construct. Therefore, the dimensions are described as follows:

The first dimension is Meaning which refers to the importance of a work goal or purpose that is evaluated relative to the standards of the individual (Spreitzer, 1995). It also implies the fit between work roles and beliefs, values and behavioral requirements of an individual (Najafi, Noruzy, Azar, Nazari-Shirikouhi, & Dalvand, 2011; Seibert, Wang, & Courtright, 2011). It reflects employees’ perceptions toward their work and what they think about their abilities (Stander & Rothmann, 2010). When the employees feel that they are empowered, their competence will be increased, and job performance will be enhanced. This is because they realize the meaning of their work and feels that, they can finish their work by making their own work decisions; thus, they see the effect of their work on the organization (Chiang & Hsieh, 2012).

Meaning includes the employees’ attention to their works; it also involves the employees’ diversity and enhances the effect of psychological empowerment (Thomas & Velthouse, 1990). Furthermore, Conger and Kanungo (1988) acknowledged the importance of meaning in work. Specifically, they pointed out that, the subject of power requirements are met when individuals feel they have the sufficient power to cope with people and situations.. However, when the power needs are not met, motivation to frustration will arise. Therefore, empowerment includes a fair reward and recognition system encouraging meaning through attainment of goals (Herrenkohl, Judson, & Helfner, 1999).

The second dimension is Competence, competence is the employees’ belief of his or her skillful performance (Spreitzer, 1995). A lack of psychological empowerment will surely emerge if employees are not confident (Conger & Kanungo, 1988). Competence is also described as the ability or employee’s thinking that he or she can perform his/her job with skills successfully (Corsun & Enz, 1999). Conger and Kanungo (1988) found that, to set up clear borders of decision, then power positively impacts the degree of competence perceived by the individuals. In addition, Spreitzer (1995) indicated that, self-esteem is positively associated with competence, and through self-esteem, employees look at themselves as major resources having talents contributing value to the organization. Spreitzer (1995) mentioned that, feedback of the performance is basic in strengthening the sense of competence and behavior, depicting that one is an important part of an organization. Therefore, competence plays a major role in the empowerment process, so a clear view offers a challenge to employees in extending their ability to develop
themselves, and enhancing their competency (Spreitzer & Quinn, 1996; Thomas & Velthouse, 1990).

The third dimension is Self-determination which refers to the employees’ perception of control over how their tasks are done to reflect their feeling of choice or autonomy in initiation and rule of actions or task behaviors and processes (Goodale, Koerner, & Roney, 1997; Spreitzer, 1995). When employees experience high levels of self-determination, they are more likely to be more motivated in controlling their workplace environment (Hancer & George, 2003). If individuals have confidence that they are barely taking after those requests of their directors or supervisors, What's more assuming that they feel just little freedom, they will require some sense of empowerment (Spreitzer & Quinn, 1996). Furthermore, individuals with high level of self-determination on the job are more probably to have high levels of job satisfaction (Conger & Kanungo, 1988; Thomas & Velthouse, 1990). Employees will feel empowerment when they think that, they are not simply following the instructions of the top level hierarchy, but when they have the autonomy and freedom to decide what time, way, a particular task could be done, then, their effort to perform the work will be enhanced (Spreitzer, 1995).

The fourth dimension is Impact which represents the influencing event in an organization (Spreitzer, 1995). Thomas and Velthouse (1990) defined Impact as perceived control over one’s environment. If employees do not have a sense of progression toward goals, they will not feel empowered; therefore, they need to have a belief that their work is influencing administrative, strategic, and effective results at workplace (Spreitzer, 1995). Moreover, impact reflects the significance of self-influence and ability when employees think that, they can influence outcomes of organization (Corsun & Enz, 1999).

2.3 Psychological Empowerment
In literature, many scholars have shown that, transformational leadership is positively associated with psychological empowerment. Specifically, a study carried out by Boonyarit, Chomphupart, and Arin (2010) has found that, transformational leadership influences teachers’ feelings of empowerment. Participants in the study included Thai school teachers. Similarly, Allameh, Heydari, and Davoodi (2012) carried out a study among teachers in schools of Abade Township to examine the relationship between psychological empowerment and transformational leadership. The result has revealed that, significant relationship exists between transformational leadership and degree of psychological empowerment and its dimensions. Likewise, an empirical study conducted by Sağnak, Kuruöz, Polat, and Soylu (2015) among teachers working in school in Turkey indicated a significant positive relationship between transformational leadership and psychological empowerment.

Moreover, In a quantitative survey among Chinese business languages’ employees, Lan and Chong (2015) found significant correlation between transformational leadership and psychological empowerment. However, psychological empowerment found not to be significantly associated with all transformational leadership dimensions; this implies that, transformational leadership also do not significantly associate with all psychological empowerment dimensions. Therefore, a partial mediation psychological empowerment has been found in the relationship between transformational leadership and employee work attitudes.

In addition, a study conducted in Malaysian context by Ismail, Mohamed, Sulaiman, Mohamad, and Yusuf (2011) stated that, transformational leadership correlated with empowerment. In the same context, Ibrahim, Ismail, Mohamed, Salim, and Yusuf (2015) conducted a study among employees in a foreign manufacturing company invested in Free Trade Zone, Malaysia. The result showed that, idealized influence is not an important determinant of psychological empowerment. However, intellectual stimulations and individualized consideration are significant related to psychological empowerment.

In sport sector, Lee, Kim, and Joon-Ho (2013) indicated that transformational leadership has a statistically significant positive relationship with psychological empowerment among professional handball players from five different teams in Korea. The result of regression analysis revealed that transformational leadership has a statistically significant positive relationship with psychological empowerment.

Furthermore, S.-h. Han, Seo, Li, and Yoon (2015) conducted a survey to investigate the mediating role of psychological empowerment in the relationship between transformational leaders and employees’ knowledge sharing intention. This study was participated by 426 employees from the Korean conglomerate companies. The study found a substantial direct impact of transformational leadership on psychological empowerment, which sequentially had a significant impact on employees’ knowledge sharing intention. Besides, a recent study by S. H. Han, Seo, Yoon, and Yoon (2016) revealed a direct effect of transformational leadership on psychological empowerment.

Barroso Castro, Villegas Perinan, and Casillas Bueno (2008) carried out a study among employees in Spanish food and beverage company to determine the effect of transformational leadership on psychological empowerment. Findings of the study confirmed that participant’s psychological empowerment significantly influenced by transformational leadership. Likewise, in the study by Martin and Bush (2006) transformational leadership found to be important factor that influence psychological empowerment among salespersons and their managers.

Avolio et al. (2004) conducted a survey among nurses in a large Singaporean public hospital to examine the role of transformational leadership in fostering psychological empowerment. The result revealed that
transformational leadership promotes greater feelings of nurse’s psychological empowerment that help them to increase their commitment to organization. In the same sector, Xu, Yu, and Li (2012) examined the mediating role of psychological empowerment in the relationship between transformational leadership and employee satisfaction among Chinese medical staffs from 13 hospitals in Shanghai. The result revealed that, the transformational leadership dimensions had a significant effect on psychological empowerment.

Moreover, Krishnan (2012) found that transformational leadership is the major predictor of psychological empowerment among managers in an Indian large manufacturing organization. The results showed that transformational leadership affected empowerment, and also psychological empowerment enhance organizational outcomes through transformational leadership. In the same context but in the private sector, Balaji and Krishnan (2014) surveyed employees who are working in network marketing organization in southern India. The study examined the relationship between psychological empowerment and transformational leadership. The findings indicated that, the four factors of psychological empowerment are positively related to transformational leadership.

Jha (2013) conducted a survey to investigate the influence of transformational leadership on the psychological empowerment among 310 managers and executives from three Information Technology (IT) organizations in India. The results indicated that, there is significant positive relationship between transformational leadership and psychological empowerment. Similarly, Fang-guo (2013) hypothesized that, there is positive correlation between individual level transformational leadership and individual level psychological empowerment. A total of 142 managers and 1058 employees of 144 restaurants branch in chain were empirically examined. The results showed that, transformational leadership correlated with psychological empowerment. Another study by Afsar, F. Badir, and Bin Saeed (2014) found that transformational leadership has significant and positive relation with psychological empowerment. The results also revealed that, psychologically empowered employees reciprocate with higher levels of organizational creativity and innovative work behavior.

Though the empirical research conducted by Avey, Hughes, Norman, and Luthans (2008) transformational leadership was hypothesized to be directly related to follower perceptions of empowerment, a total of 341 working adults participated in the study. The results indicated that, the perceptions of empowerment is found to be directly influenced by transformational leadership. Moreover, Men and Stacks (2013) indicated that there is a significant direct effect of transformational leadership on employees’ sense of empowerment. In the same context, Dust, Resick, and Mawritz (2014) found that, transformational leadership is positively related to psychological empowerment. The study involved 306 employees from different organizations in a variety of industries in USA.

3. Proposed Conceptual Framework and Hypotheses Development
The previous discussion has confirmed the existence of the relationship between transformational leadership and psychological empowerment. However, almost all the findings have been generalized based on the sample obtained from the hospitality, manufacturing, sport, and telecom sectors. There seems to be lack of evidence about how transformational leadership influence psychological empowerment in the higher education context specifically in the Malaysian higher education context. Thus, the following hypothesis is proposed:

Hypothesis 1: There is a positive relationship between transformational leadership and psychological empowerment.

5. Conclusion
The present paper is a comprehensive review of the existing literature on the relationship between transformational leadership and psychological empowerment. The study retrieved the published articles that examined the relationship between transformational leadership and psychological empowerment from computerized databases and a manual search. Although, several studies shows that transformational leadership is positively associated with psychological empowerment (Afsar et al., 2014; Allameh et al., 2012; Dust et al., 2014; Fang-guo, 2013; S.-h. Han et al., 2015; Ibrahim et al., 2015; Ismail et al., 2011; Jha, 2014; Jia-ni, De-hua, & Jian-gang, 2012; Joo & Lim, 2013; Krishnan, 2012; Lan & Chong, 2015; Lee et al., 2013; Lei, Zhou, & Lei, 2011; Pieterse, Van Knippenberg, Schippers, & Stam, 2010; Rao & Kareem Abdul, 2015; Shah & Nisar, 2011; Sun, Zhang, Qi, & Chen, 2012), however, the relationship between transformational leadership and psychological empowerment in higher educational sector has been largely overlooked.

Since, the leaders of the public universities in Malaysia will be requested to foster their role in the effort to turn the vision into reality, by demonstrating the attitudes, beliefs, and behaviors expected of the universities
community (Executive Summary Malaysia Education Blueprint, 2015-2025), the findings would be useful in understanding the crucial influence of transformational leadership, and psychological empowerment on positive workplace behaviors. Moreover, given the priority of management in determining of academics’ performance and effectiveness, this study will provide public universities’ leaders with better and more cogent evidence and knowledge about the role of transformational leaders in motivating the followers’ behaviors and attitudes towards generating higher levels of engagement and empowerment in follower. The study will also encourage employees to be more willing to work hard and contribute positively in achieving the overall organizational objectives (Kirkbride, 2006).

References


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