



**UNIVERSITI PUTRA MALAYSIA**

**TRANSFORMATIONAL LEADERSHIP AMONG  
RETIRED SENIOR MILITARY OFFICERS IN THE  
MALAYSIAN CORPORATE SECTOR**

**WILLIAM R. STEVENSON**

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**DOCTOR OF PHILOSOPHY  
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**By**

**WILLIAM R. STEVENSON**

**Thesis Submitted in Partial Fulfilment of the  
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## LIST OF ABBREVIATIONS

|               |   |  |
|---------------|---|--|
| <b>ILP</b>    | - | Industrial Linkage Programme                           |
| <b>IMP</b>    | - | Industrial Master Plan                                 |
| <b>LBQ</b>    | - | Leadership Behaviour Questionnaire                     |
| <b>LBQD</b>   | - | Leadership Behaviour Description<br>Questionnaire      |
| <b>MAF</b>    | - | Malaysian Armed Forces                                 |
| <b>MITI</b>   | - | Ministry of International Trade and Industries         |
| <b>SMI</b>    | - | Small and Medium Industries                            |
| <b>SMIDEC</b> | - | Small and Medium Industries Development<br>Corporation |

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**June 1999**

**Chairman: Associate Professor Azahari bin Ismail, Ph.D**

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The purpose of this research was to understand the nature of transformational leadership among retired senior military officers as leaders in the Malaysian corporate sector. The research was conducted through the examination of four research questions: (1) what are the characteristics of transformational leaders; (2) what are the specific practices that transformational leaders engage in; (3) what factors are associated with the emergence or practice of transformational leadership; and (4) what aspects of military leadership transfer to the corporate setting. The study employed the qualitative methodology and the data were collected through in-depth interviews, informal observations and examination of related documents.



Leaders in the Malaysian corporate sector were purposefully selected to participate in this study. The participants included twelve leaders who are retired senior military officers formerly with the Army, Navy and the Air Force and presently holding senior positions in the corporate sector. The interviews were intended to obtain their perceptions, experiences, and practices related to their job as leaders in the corporate sector. The main sources of data were from the semi-structured interviews that were taped, transcribed and analysed. The interviews with the participants were between one to two hours. Apart from the leaders, data was also gathered from five subordinates who were informally interviewed with the purpose of confirming certain aspects and triangulating the data obtained from the leaders.

The study revealed five characteristics of transformational leaders, four aspects of transformational leadership practices, two main factors that influence transformational leadership practices and three main aspects of military leadership that emerged in leadership practices in the corporate environment. Apart from these findings, two other distinct aspects were also discovered to have emerged during the study. These aspects include 'a calling' for leadership prevalent among former military leaders and the need for adjustment from military to the corporate environment.

The study found that transformational leadership is practised among retired senior military officers as leaders in the corporate sector

and that transformational leadership has a wider context, as opposed to being limited to the existing related literature. The findings are conceptualised into a model of transformational leadership. The study concludes that senior military officers practice transformational leadership and that it is transferred from the military context to the business sector as it is revealed from the characteristics and practices of these leaders. Specific recommendations are suggested for further study.

Abstrak tesis yang dikemukakan kepada Senat Universiti Putra Malaysia  
sebagai memenuhi sebahagian daripada keperluan untuk ijazah  
Doktor Falsafah

**KEPIMPINAN TRANSFORMASI ANTARA  
PEGAWAI-PEGAWAI KANAN TENTERA BERSARA  
DI SEKTOR KORPORAT MALAYSIA**

Oleh

**WILLIAM R. STEVENSON**

**Jun 1999**

**Pengerusi: Profesor Madya Azahari bin Ismail, Ph.D**

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Kajian ini diadakan untuk menyelidik ciri-ciri kepimpinan transformasi di kalangan pegawai-pegawai kanan tentera yang telah bersara dan kini sebagai pemimpin di sektor korporat di Malaysia. Kajian ini telah dilaksanakan melalui empat soalan kajian iaitu: (1) apakah sifat – sifat pemimpin transformasi; (2) apakah amalan-amalan spesifik yang digunakan oleh pemimpin transformasi; (3) apakah faktor-faktor yang berkaitan dengan ujudnya amalan kepimpinan transformasi; dan (4) apakah aspek-aspek kepimpinan tentera yang dipindah kepada sektor korporat. Kajian ini menggunakan kaedah penyelidikan kualitatif dan data-data telah diperolehi melalui temubual, pemerhatian secara tidak formal dan dokumen-dokumen yang berkaitan.



Pemimpin-pemimpin yang menyertai kajian telah dipilih dari sektor korporat di Malaysia. Peserta kajian termasuk dua belas pemimpin yang merangkumi pegawai-pegawai kanan bersara dari tentera darat, udara dan laut yang sedang memegang jawatan-jawatan kanan di sektor korporat. Temubual-temubual yang diadakan di antara satu hingga dua jam telah dilaksanakan dengan tujuan mendapatkan pengalaman, praktis dan tanggapan-tanggapan pemimpin terhadap tugas mereka sebagai seorang pemimpin di sektor korporat. Semua temubual 'semi-structured' yang di rakamkan, merupakan sumber utama dalam perolehan data. Selain dari pemimpin-pemimpin, data telah juga diperolehi dari lima anggota bawahan yang telah ditemubual secara tidak formal dengan tujuan membuat pengesahan aspek-aspek berkaitan dari data-data yang diperolehi dari pemimpin-pemimpin.

Kajian ini mendapati kewujudan lima sifat di kalangan pemimpin transformasi, empat aspek dari segi amalan pemimpin transformasi dan tiga aspek utama mengenai faktor-faktor yang mempengaruhi amalan kepimpinan transformasi dalam persekitaran korporat. Selain dari penemuan tersebut, dua lagi aspek telah timbul dalam kajian ini, yang merangkumi satu panggilan ('a calling') untuk kepimpinan diantara peserta-peserta kajian dan keperluan untuk penyesuaian dari tentera kepada persekitaran korporat.



Kajian ini telah memberi maklumat mengenai amalan kepimpinan transformasi di kalangan pegawai-pegawai kanan tentera yang telah bersara dan kini sebagai pemimpin di sektor korporat dan mendapati bahawa konteks kepimpinan transformasi adalah lebih luas dari apa yang dibentangkan di dalam literasi kajian-kajian yang sedia ada. Hasil kajian ini dibentangkan sebagai satu model kepimpinan transformasi. Kajian dirumuskan dengan pendapat bahawa kepimpinan transformasi diamalkan oleh pegawai-pegawai kanan tentera dan ianya telah dipinda alih dari konteks ketenteraan ke sektor korporat sepertimana ternyata dari sifat-sifat dan amalan-amalan pemimpin-pemimpin tersebut. Syor-syor yang spesifik telah dibentangkan untuk kajian lanjut.

# CHAPTER I

## INTRODUCTION

### Background of the Study

Leadership is an important factor in enhancing organisational effectiveness and in ensuring the future of organisations. “The importance of leadership is also demonstrated by its place in social science research” (Bass, 1990, p.10). The fast changing environment and the current wave of globalisation demand effective leadership that can transform organisations to adapt to the rapid changes. Therefore, an organisation without strong and effective leadership will naturally have little chance of surviving, particularly with the constant changes in the business environment. As Kotter (1997) explained, “if anything, with the globalisation of the economy, and the accompanying technological shifts, the business environment is going to speed up even more” (p. 1).

Although there had been a rapid development of the Malaysian economy, current regional and global shifts have caused a general slowdown among the rising Asian economies. As a result, various measures are being taken to further develop corporate businesses, including the small and medium industries (SMI), that will subsequently develop into larger enterprises. The development of small and medium enterprises and its growth into larger corporations has a vital role in the

country's economic growth. The Malaysian government through the Ministry of International Trade and Industry (MITI) has taken various measures to encourage the growth of SMIs through its Small and Medium Industries Development Corporation (SMIDEC). Apart from this, in order to create an environment in which the SMIs can flourish, MITI has also instituted the Industrial Linkage Program (ILP) formulated under the Second Industrial Master Plan (IMP 2) 1996-2005, where local SMIs will be further promoted and nurtured into becoming reliable manufacturers and suppliers of critical components and services to larger companies and multinational corporations.

The success of these enterprises depends on the leadership role provided by top-level executives in steering their organisations through the ever-increasing competitive environment. As such an understanding of the characteristics and behaviours that determine leadership effectiveness is important to researchers concerned with theory building and understanding organisations as much as the practitioners are concerned with assessing and developing potentials in organisations (Poon, 1995). "Leadership has been defined in terms of traits, behaviour, influence over other people, interaction patterns, role relationships, occupation of an administrative position and respect by others regarding the legitimacy of influence" (Yukl, 1994, p. 2). According to Bryman (1992), leadership is typically defined in terms of a "process of social influence whereby a leader steers members

of a group towards a goal” (p. 2). The most commonly used measure of leader effectiveness is the extent to which the leader’s organisation performs its task successfully and attains its goals. Clark and Clark (1990) assert:

Leadership is a systems requirement which is fundamentally related to the process of organising and gaining collective unity of movement.... Leadership so defined probably is more important at higher organisational echelons because of greater uncertainty, ambiguity and complexity at these levels. This is because an essential precursor to the exercise of the leadership process is a resolution of situational uncertainty, ambiguity and complexity to a sufficient extent that clarity is achieved about what direction should be taken. (p. 282)

It cannot be denied that effective leadership is a vital factor that determines the future of an organisation. However, although there are various conceptualisations of leadership which various theorists advocate, and much research has been done on this subject; there is a lack of understanding on the phenomena of transformational leadership, particularly with regards to retired senior military officers who are providing the leadership for various businesses in the Malaysian corporate sector. Transformational leadership is a social phenomenon that has been researched, resulting in various conceptualisations, distinguishing it from the traditional transactional approach. To what extent the nature of leadership and factors associated with the retired senior military officers who are now in the corporate sector is yet to be explored in depth.

The Malaysian Armed Forces (MAF), which comprises of the Army, the Royal Air Force and the Royal Navy, has a flexible term of service for its personnel. These personnel are allowed to leave after completing 21 years of service or on reaching their optional / compulsory retirement age. It is observed that many officers on leaving the service eventually venture into the business sectors either as leaders in established organisations, or initially as entrepreneurs, setting up their own business enterprises. Many are employed due to the vast experience in personnel management and leadership skills. The special nature of military leadership developed amongst the officers throughout their service therefore seems to have a potential in the corporate sector. This is particularly evident due to the nature of training these officers undergo that provides the foundation for effective leadership. These leaders build commitment amongst organisational members to achieve organisational objectives, whilst motivating them to work together to fulfil a vision that is created for the future of the organisation. While leadership is generally unique in the military, there are commonalities in its practise in the corporate sector, depending on the social environment, and the ability of the leader to adapt and influence the subordinates or followers.

Most researchers have attempted to discover which traits, abilities, behaviours, sources of power or aspects of the situation, determine how well a leader is able to influence followers and accomplish group objectives

(Yukl, 1994). Many leadership theorists have also attempted to explain the nature of leadership and the conditions surrounding the role of leaders and their followers. However, “the focus of much research has been on the determinants of leadership effectiveness” (Yukl, 1994, p. 1). Leadership has been generally conceptualised as a set of behaviours or product of the interaction of the leader’s personality and demands of the leadership situation (Bryman 1992).

“Leadership has been studied in different ways, depending on the researcher’s methodological preferences and conceptions of leadership” (Yukl, 1994, p. 11). Based on the studies that have been done, theories of leadership are traditionally categorised into three broad concepts namely, the trait, behaviour, and situational and contingency approaches to leadership. The trait or individual leadership style is viewed as an attempt to identify the desired characteristics and performance of leaders. Situational leadership considers not only the leader and the followers but also the context and situation within which the process of leadership is being practised. Behavioural theories presume that one’s own style is somewhere on the continuum of extremes of autocratic and democratic behaviours and is viewed from the characteristic of the individual.

Apart from these theories, it is also observed that the leader’s relationship with a group or organisation depends very much on the extent

or the amount of power the leader has over his or her members by virtue of his or her position (Bryman, 1992). The degree to which the position enables the leader to get his or her subordinates to comply with and accept his or her direction is based on the legitimate power the organisation provides, wherein the leader can reward or punish subordinates. The potential power which the organisation provides for the leader's use does to a certain extent, affect the leader-subordinate relationship (Bryman, 1992). Terms such as influence, power, and authority have been used in different ways by different researchers. Bass (1990) explains that "recognised authority gives rise to power, and power brings responsibility with it; legitimate power of individuals in groups, organisations and societies provides them with the authority and responsibility" (p. 20). The relationship and different sources of power thus enhance the effectiveness of the leader. However, the use of power draws different reactions and different levels of motivation of the subordinates, particularly in the subordinates' commitment in performing particular tasks. The leader should therefore use the power he or she has in the most expeditious way to influence his or her subordinates while inspiring and enhancing their commitment to the organisation.

"The psychological explanation for the influence of one person on another is described in terms of a social process" (Yukl, 1994, p. 195). In the leader-subordinate relationship, the subordinate may negotiate with the

leader and may maintain or improve the outcome through this process. The effectiveness of the leader as such, is dominated by the social process, which relates to the leader's ability to influence the subordinate and also largely dependent on the relationship between the leader and the subordinate. According to Bass (1990), a leader cannot evade the consequences of having influence over others, more control over events, greater visibility and recognition and greater responsibility for failures, misplaced efforts or inaction in the face of an evident threat to the organisation or group's well being. Although many researchers and writers have attempted to translate existing theories into current practices, it is difficult to suggest any particular leader characteristic, style, trait or behaviour to be effective, since conditions and social processes involved differ.

Transformational leadership is a social process where the leader builds commitment among members of the organisation towards the accomplishment of objectives. The leader endeavours to raise the motivational level of the subordinates collectively while energising and channelling all efforts towards these objectives (Yukl, 1994). Transformational leadership is also conceptualised to include charisma, individual consideration, intellectual stimulation and inspiration. Based on this conceptualisation, it seems that there are elements in military leadership that is similar to the components of transformational leadership.



In this context, transformational leadership was assumed to be an important factor through which the retired senior military officers provide direction and create a strong commitment among subordinates in their business organisation.

### **Statement of the Problem**

The growth of business enterprises has a significant role to play in the development of the Malaysian economy as it steps into the 21st century. Although there has been many efforts undertaken by the respective Ministries in encouraging the development of business enterprises, the ability of these enterprises to sustain and develop into larger corporations is dependent on among others, the leadership characteristics and practices in the respective organisations. Even though the demise of many enterprises has been attributed to competition, economic conditions and mismanagement, it is perceived that without appropriate leadership skills, leaders in the corporate sector will not be able to effectively develop their enterprises into larger sustainable businesses. The vital role played by the leaders in the corporate sector in providing the vision, direction and garnering support in achieving organisational objectives is recognised as essential.

Transformational leadership is generally referred to as “the process of building commitment to the organisation’s objectives and empowering