

‘I admit that I have read
This research dissertation and from my view
The dissertation is satisfying in terms of scope and quality to be awarded with
Bachelor of Technopreneurship with Honor’

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**THE RELATIONSHIP BETWEEN TRANSFORMATIONAL LEADERSHIP
AND INNOVATIVE WORK BEHAVIOUR**

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**Report submitted in fulfillment of the
requirements for the Bachelor Degree of Technopreneurship with Honour**

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DECLARATION

“I admit that this report is my original work except for the summary
and each passage that I had described the sources”

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This thesis is dedicated to my beloved parents,

thank you for always being there for me when I need help and support. Thank you for the endless love and encouragement from my family and friends who involve either directly or indirectly in completing this research. This research could not be completed without the help from all of you guys.

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ABSTRACT

This study focusing on the relationship between Transformational Leadership acts as independent variable and Innovative Work Behaviour acts as dependent variable. This study was conducted in Universiti Teknologi Mara, Bandaraya Melaka. There are three main objectives for this study which are i) To identify the frequent transformational leadership behaviour in organization, ii) To identify the level of innovative work behaviour in organization and iii) To study the relationship between transformational leadership and innovative work behaviour in organization. For this study, the sample was collected from 86 respondents that are working as non-academic staffs at Universiti Teknologi MARA (UiTM) which located at Bandaraya Melaka by using the survey method. Questionnaire sample was developed by Bass (1985) and rematches by Dong I. Jung and John J. Sosik (2002) used to measure Transformational Leadership and Innovative Work Behaviour. The data from the survey was analyzed by using the descriptive statistics and inferences statistic. Result show Transformational Leadership style and Innovative Work Behaviour have been implemented nicely in Universiti Teknologi Mara. Besides, this study show significant result between Transformational Leadership and Innovative Work Behaviour which value $r^2 = 0.511$, $P < 0.05$.

Keywords: Transformational Leadership (TL), Innovative Work Behaviour (IWB) Universiti Teknologi MARA (UiTM) and Multi-Factor Leadership Questionnaire (MLQ).

ABSTRACT

Kajian ini memberi tumpuan kepada hubungan antara Kepimpinan Transformasi bertindak sebagai bebas berubah-ubah dan Inovatif Kelakuan Kerja bertindak sebagai pembolehkan bersandar. Kajian ini dijalankan di Universiti Teknologi Mara, Bandaraya Melaka. Terdapat tiga objektif utama kajian ini yang i) Mengenalpasti tingkah laku kepimpinan transformasi yang kerap dalam organisasi, ii) Untuk mengenal pasti tahap tingkah laku kerja inovatif dalam organisasi dan iii) Untuk mengkaji hubungan antara kepimpinan transformasi dan tingkah laku kerja inovatif dalam organisasi . Untuk kajian ini, sampel yang dikumpulkan dari 86 responden yang bekerja sebagai kakitangan bukan akademik di Universiti Teknologi MARA (UiTM) yang terletak di Bandaraya Melaka dengan menggunakan kaedah tinjauan. Sampel soal selidik telah dibangunkan oleh Bass (1985), Dong I. Jung dan John J. Sosik (2002) digunakan untuk mengukur Kepimpinan Transformational dan Inovatif Kelakuan Bekerja. Data daripada kajian ini dianalisis dengan menggunakan statistik deskriptif dan inferens statistik. Keputusan menunjukkan gaya Kepimpinan Transformational dan Inovatif Kelakuan Kerja telah dilaksanakan dengan baik di Universiti Teknologi Mara. Selain itu, ini kajian menunjukkan hasil yang signifikan antara Kepimpinan Transformational dan Inovatif Kelakuan Kerja yang nilai $r^2 = 0.511, P < 0.05$.

Kata kunci: Kepimpinan Transformational (TL), Innovative Kelakuan Bekerja (IWB) Universiti Teknologi MARA (UiTM) dan Kepimpinan Multi -Faktor (MLQ).

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LIST OF SYMBOL

(=	Open parenthesis
)	=	Close parenthesis
'	=	Apostrophe
“	=	Quote
,	=	Comma
.	=	Full Stop
N	=	Number
n	=	Number
%	=	Percentage
sig.	=	Significant
H ₁	=	Hypothesis Alternative

CHAPTER 1

INTRODUCTION

1.1 Introduction

In this chapter, the researcher introduced the background of the study, problem statement, the research questions and research objectives. Besides that, it also covered the scope of the research as well as the respondents who take part in the research. The chapter concludes with the definition of the key terms, significance of the study and its limitations.

1.2 Background of Study

In this global era, public organizations in Malaysia face difficulty to compete with other organisations that operated on efficiency rather than bureaucracy (Singh Sandhu, Kishore Jain, & Umi Kalthom bte Ahmad, 2011).

Furthermore, on the 30 March of 2009, the Malaysian Government has approved New Economic Model for the country which has detailed out eight Strategic Reform Initiatives (SRIs). One of the SRIs stresses on upgrading the knowledge and skills of Malaysian public service employees to enable them to be multitasking to cope with the global challenges. This is one of the approaches to

transform Malaysia into knowledge and innovation hubs in the Asian region. This is show that with the significant role on innovation is important in public organization. This implies innovative work behaviour is a crucial focus of research to be undertaken.

Innovative work behaviour become very important as organizations struggle to establish or need to maintain prosperity in turbulent and competitive environment, Florida, Zhang and Bartol 2010 said that empowering leadership are an important antecedent to employee creativity. Besides, positive and productive nature of interaction and exchanges among employees may lead to a feeling of commitment that in turn enhances sharing of technical knowledge among team members which may transform into creative outputs and higher project performance, (Liu et al. 2011).

For innovation to occur in an organization, something more than the development of an incentive idea or knowledge is required. The knowledge must be put into action to make an authentic difference, resulting for example, in new or changes in the products and services provided. Innovation typically involves creativity, but is not similar to it. Innovation involves acting on the creative ideas to make some specific and tangible difference in the domain in which the innovation occurs (MATRADE, 2016).

Moreover, leadership is an important factor to improve innovative work behaviour in the organizations. Madzar (2010) explains that leadership style affects followers' satisfaction and a high level of satisfaction was especially important in non-profit organizations. Besides, the leadership style practiced in the non-profit organization has a profound impact on the followers, both psychological and motivational (White, 2010). In this case, transformational leadership behaviour is introduced in order to results in a type of organization where the leadership style produces a general sense of purpose, family, and commitment, where the leaders and followers share an interest in corporate mission (Kathrins, 2007).

However, as will be discussed below, empirical findings for the relationship of transformational leadership with innovative behaviour are less clear cut implying that this relationship is more complex (Pieterse et al., 2010). Besides, there is a lack of study on the effect of transformational leadership towards innovative behaviour of employees, and it has not received much attention from the researchers (e.g., Basu & Green, 1997; Mumford, Scott, Gaddis, & Strange 2002, Pieterse et al, 2010). As such, this research will further study the relationship between transformational leadership and innovative work behaviour in public organization.

1.3 Problem Statement

In today's knowledge-driven economy, maximizing the innovative potentials of employees has become a top priority in every organization (Johnston and Bate, 2013). However, their focus by public sector organisations was found to be relatively low as compared by profit orientated organisations (Razzaque et al., 2013; Sandhu et al., 2011). One logical reason given for this limited focus is because of the non-profit nature of the public service organisations (Sandhu et al., 2011). Nevertheless, it is important to take note that public organisations today, have to deal with excessive retirement and attrition and this a problem for the organisations because public organisations carry out very critical responsibilities on behalf of the government (Sandhu et al.,2011).

Employees role is very important in an organization since it can lead to failure and successful of organization. Poor performance of employees will affect the organization productivity because most of the jobs are handled by the lower level employees in an organization. Employee's poor performance occurs due to weak supervision by a leader. This is because when the hard working employees do the job properly and achieve the organization target, the leader does not recognize their achievement. In other words, power overshadows their real role as a leader of others.

So, the employees get no appreciation from the organization will results in low performance of the employees.

When employees feel that their extra role investments do not pay the efforts, the drive to respond innovatively to higher job demands will be blocked by the countervailing tension to restrict innovative efforts in order to reduce under-reward unfairness (Janssen, 2000).

To overcome the issues in organization, several studies have focus on innovative work behaviour with the identification multi-dimensions and steps within the process. For example, Scott and Bruce (1994) and (Janssen, 2000) distinguished between idea generation, idea promotion and idea realization, while de Jong and den Hartog (2010) concluded on idea exploration, idea generation, idea championing and idea implementation. As they undergo the research on private organization focused on knowledge employees only, the current research will provide a further study on the measurement of IWB in lower level employees focusing in public organization which is at Universiti Teknologi MARA (UiTM).

1.4 Research Questions

This research explores the following key questions:

- i. What are the most frequent transformational leadership behaviour practices in organization?
- ii. What are the levels of innovative work behaviour in organization?
- iii. What are the relationship between transformational leadership and innovative work behaviour in organization?

1.5 Research Objectives

Based on the research questions, the research objectives have been constructed as follows:

- i. To identify the most frequent transformational leadership behaviour practice in organization.
- ii. To identify the level of innovative work behaviour in organization.
- iii. To study the relationship between transformational leadership and innovative work behaviour in organization.

1.6 Scope of Study

The research focus on the transformational leadership behaviour practices as the possible determinants of innovative work behaviour. This research covers two variables which are transformational leadership (TL) as an independent variable and innovative work behaviour (IWB) as dependent variable. Transformational leadership practices in Bass and Avolio (1994) is selected as the variables in this research while innovative work behaviour is based on the study done by De Jong & Den Hartog (2010). Hence, the relationship between transformational leadership and innovative work behaviour will be determined in this research. The scope of the research covers one public organization only which is Universiti Teknologi MARA (UiTM). The location of the research will be in Bandaraya Melaka. Questionnaires were distributed among non-academic staffs in several main departments for achieving the desired objectives.

1.7 Limitations of Study

There are three limitations in this research. First, the sample of this research is limited to one public sector only which is Universiti Teknologi MARA and this provides small scope of the respondent's background and information. Thus, the issues in this research cannot be generalized to all public sectors. Second, this research also faces financial and time constraints. It is impossible for the researcher to get information from the wider range of the respondents where the duration of this research is less than a year. Third, limit in data collection. The data will be gathered through survey questionnaire which lacks validity because the respondents may read the questions wrongly and therefore wrongly reply based on their own interpretation of the questionnaire.

1.8 Significance of the Study

This research is important in identifying the relationship between transformational leadership and innovative work behaviour among public organization. The significance of this research can be divided into two categories which are practical view and knowledge.

1.8.1 Practical View

This research is beneficial to both employees and employers among public organization. Innovative employees show an independent behaviour, ready to solve problems in many ways and able to take challenge. Public organization needs this type of employees in order to be able to compete with private sector which is moving faster and growing rapidly. Employee's behaviour depends on transformational

leader who creates an opportunity to improve and motivate the employees. Furthermore, this study provides empirical data to give further understanding to the leader in order to create awareness among employees and encourage creative and innovation workplace in public organization. Leaders are responsible for the messages they convey to employees, as these messages will give impact to their employees' commitment, which in turn may lead to their innovative behaviour (Cheung & Wong, 2011)

1.8.2 Knowledge View

Besides that, this study also adds particular knowledge to the scholarly literature in this field since not much research between transformational leadership and IWB have been done before. Based on (J. P. J. De Jong & Hartog, 2007), the study aimed to contribute to the literature on individual innovation by providing an inventory of leader behaviours that may influence employees' innovative behaviour. The researcher hopes that this study will contribute as a reference for future research in further identifying the relationship between transformational leadership and innovative work behaviour.

1.9 Conceptual and Operational Definition

This section provide the definition of concepts and operational according to (De Jong & Den Hartog, 2010) and Bass and Avolio (1994). The major constructs involve in the conceptual and operational definitions are innovative work behaviour and transformational leadership.

1.9.1 Innovative Work behaviour

Innovative work behaviour is influence by effective leaders who can encourage employees to do things better and improve result. Individual's behaviours aim to achieve the initiation and intentional introduction of new and useful ideas, processes, products and procedures are defined as innovative work behaviour (De Jong & Den Hartog, 2010).

Participation in decision-making and autonomy encourage employees to generate and implement ideas. Participative leadership likely enhances employees' intrinsic motivation as well as their feelings of responsibility, efficacy and control. Employees' IWB is crucial for many of today's organizations. The research presented here aimed to increase both understanding of IWB and to improve its measurement. Despite a high amount of work, attempts to validate IWB measures have been lacking. To overcome this deficiency, the present research aims to identify the relationship between transformational leadership and IWB.

1.9.2 Transformational Leadership

According to Bass and Avolio (1994), transformational leadership change culture by first understanding it and then rearrange the culture with another vision and a revision of its shared assumptions qualities and standards. Effective organizations need a creative leader to build a new culture for organization's future. Transformational leadership has been categorized into four dimensions which include: