

TRANSFORMATIONAL LEADERSHIP AND ORGANIZATIONAL CLIMATES  
ON INNOVATIVE WORK BEHAVIOR

HASNIKA BINTI MOHD HASNAN

Faculty of Technology Management and Technopreneurship  
UNIVERSITI TEKNIKAL MALAYSIA MELAKA

## APPROVAL

'I hereby declare that have read this thesis and in our research is sufficient in terms of scope and quality. This project is submitted to Universiti Teknikal Malaysia Melaka as a requirement for completion and reward Bachelor Degree of Technology Management

Signature : .....

Name : DR. AMIR BIN ARIS

Date : .....

Signature : .....

Name : DR. MOHD FAZLI BIN MOHD SAM

Date : .....

TRANSFORMATIONAL LEADERSHIP AND ORGANIZATIONAL CLIMATES  
ON INNOVATIVE WORK BEHAVIOR

HASNIKA BINTI MOHD HASNAN

This thesis is submitted in partial fulfilment of the requirements for the award of  
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I declare that this project entitled “Transformation leadership and Organizational Climates on Innovative Work Behavior” is the result of my own research except as cited in the references. The project paper has not been accepted for any degree and is not concurrently submitted in candidature of any other degree.

Signature : .....

Name : Hasnika Binti Mohd Hasnan

Date : .....

## DEDICATION

First and foremost, this thesis is dedicated to my beloved parents who have dedicated their entire life to raising me up with courage and strength. Throughout these years of study they shared and held my hands as usual and also not unforgettable to my siblings for their endless love, support and encouragement. I also dedicate this work to my lovely friends who always support me through ups and downs, sharing all my sorrows and all my joys over the years, I love u guys. Finally I love them all and without their continued support and patience this study would not have been possible. Thanks a lot for all of you.

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## ABSTRACT

Innovation is critical to the success of any twenty-first-century organization. Organizations are constantly striving to create new products and services in order to distinguish themselves from their competition and create a competitive advantage in the dynamic global business environment. For this to happen, organizations need to encourage creativity among employees. In addition, organization leaders also need to work with staff to help guide and support them as they embark on product and service development. This study is aim to investigate the impact of transformational leadership and organizational climates on innovative work behavior. A total 234 lecturers and senior lecturer of Universiti Teknikal Malaysia Melaka (UTeM) were involved as respondents through simple random sampling. A questionnaire was major research tool for data collection. The analysis methods used were descriptive analysis and linear regression analysis for hypothesis testing via Statistical Package for the Social Sciences (SPSS). The findings show that there is a significant relationship between transformational leadership and innovative work behavior. In addition, the findings also show that there is a significant relationship between organizational climates and innovative work behavior.

Keywords: *Transformational Leadership, Organizational Climates, Innovative Work Behavior*

## ABSTRAK

*Inovasi amat penting untuk kejayaan mana-mana organisasi abad ke-21. Organisasi sentiasa berusaha untuk menghasilkan produk dan perkhidmatan baru untuk membezakan diri mereka dari persaingan mereka dan mewujudkan kelebihan persaingan dalam persekitaran perniagaan global dinamik. Untuk memastikan ianya berlaku, organisasi perlu menggalakkan kreativiti di kalangan pekerja. Di samping itu, pemimpin organisasi juga perlu bekerjasama dengan kakitangan untuk membantu membimbing dan menyokong mereka ketika proses pembangunan produk dan perkhidmatan. Kajian ini bertujuan untuk mengkaji kesan kepemimpinan transformasi dan iklim organisasi terhadap tingkah laku kerja inovatif. Sebanyak 234 Pensyarah dan Pensyarah Kanan Universiti Teknikal Malaysia Melaka (UTeM) terlibat sebagai responden melalui persempelan rawak mudah. Soal selidik adalah alat penyediaan utama untuk pengumpulan data. Kaedah analisis yang digunakan adalah analisis deskriptif dan analisis regrasi untuk pengujian hipotesis melalui Pakej Statistik untuk Sains Sosial (SPSS). Hasil kajian menunjukkan bahawa terdapat hubungan yang signifikan antara kepemimpinan transformasi dan tingkah laku kerja inovatif. Di samping itu, hasil kajian menunjukkan bahawa iklim organisasi mempunyai hubungan yang signifikan terhadap tingkah laku kerja inovatif.*

*Kata kunci: Kepimpinan Transformasi, Iklim Organisasi, Kelakuan Kerja Inovatif*



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**LIST OF ABBREVIATIONS**

UTeM	Universiti Teknikal Malaysia
TFL	Transformational Leadership
OC	Organizational Climates
IWB	Innovative Work Behavior
HLIs	High Learning Institutions
HEIs	Higher Educational Institution
SPSS	Statistical Package Social Sciences
OCM	Organizational Climate Measure
MLQ	Multifactor Leadership Questionnaire
EI Climates	Employee Involvement Climates

## **CHAPTER 1**

### **INTRODUCTION**

#### **1.0 Introduction to the Study**

This research is conducted to investigate the relationship between Transformational Leadership (TL) and Organizational Climate (OC) toward innovative work behavior (IWB). Thus, the background of this study, problem statements, research question, research objective, hypothesis, scope, limitation, conceptual and operational will be discussed in this chapter.

#### **1.1 Background of Study**

Over the past few decades, the Malaysian higher education system has become stronger from time to time. Over the decade, the system has made significant gains in student enrolment that are raised in global recognition as the key dimension such as research publications, patents, and institutional quality, as well as an international student top destination choice. These achievements are a testament to the Malaysian academic's community drive and innovation, the private sector's support, as well as the government's deep investment.

Nevertheless, the Ministry of Education (Ministry) recognizes that, if not ahead of global trends, the system will need to continue to evolve to stay up-to-date. For example, disruptive technologies such as advanced robotics, the Internet of Things and knowledge automation work are expected to reshape the business and

social landscape dramatically from what it has achieved today. Preparing Malaysian youth for prosperity in this complex and ever-changing future will require an equally fundamental transformation of the operation of the higher education system and higher learning institutions (HLIs).

In 2013, the Ministry started to develop the 2015–2025 (Higher Education) or MEB (HE) Malaysian Education Blueprint. The Ministry has been drawing on multiple sources of input from Malaysian and international educational experts to Malaysian HLI leaders and members of the public over the course of two years. As a result, a blueprint for Malaysians has been developed and it will equip Malaysia for the journey to become a high-income nation.

The researcher will conduct the Universiti Teknikal Malaysia Melaka (UTeM) research in this research. On 1 December 2000, UTeM was set up. UTeM is Malaysia's fourteenth public university. It is a pioneer in Malaysia's teaching and learning method for technical education in "Practice and Application Oriented." The primary function of this paper was to investigate factors that influence academic staff's innovative work behavior. This study is believed to provide relevant information on innovative work behavior that would assist the government in developing effective educational reform for the benefit of its citizens.

## **1.2 Problem Statement**

UTeM was founded as Malaysia's 1st Technical Public University on 1 December 2000. UTeM was located in the UNESCO World Heritage City of Melaka, 766 acres of lush green landscape with state-of - the-art facilities in all seven faculties.

As a focused university, UTeM has strengths in engineering, IT, and management technology-focused technical fields. UTeM has cemented a reputation as a source of high-quality graduates in engineering with the ability to achieve high-tech industry requirements. UTeM also has research skills in areas it has identified as the unique catalyst for enhancement of the university. UTeM is also going to

contribute to the nation, including Green Technology, Engineering Systems, Human Interaction Technology, and Emerging Technology (UTeM Website).

However, the fast pace of globalization and technology had seriously affected educational sectors in Malaysia. Education is important in building a superior nation and determining its citizens' ability to enter the global. The educational sector requires continuous monitoring to identify the area for improvement. This is because the education sector is a major contributor to social capital development and the economy of the country.

This current scenario demands the university to empower the organization and transform talents into a sustainable success. According to (Prof. Datuk Dr. Shahrin Bin Sahib, 2016), as the first technical university in Malaysia, UTeM needs to be strong in ensuring the continuity of the planning, mission, and vision of the university to survive in this uncertain situation. In this regard, university students have a responsibility to identify these current challenges through more organized, targeted and collective transformations to ensure that we continue to build strength in realizing all desired plans (Perutusan Naib Canselor 2016).

In the decree of the 2016 vice-chancellor delivered by Prof. Datuk Dr. Shahrin bin Sahib, UTeM needs to continue to be dynamic in drafting a strategic action plan in order that the products generated are an invaluable asset of the state. In the research aspect, he hoped that UTeM's researchers would be more competitive in producing research products in demand to be commercialized and to be a solution provider to the industry, the community, and the government.

This statement has attracted researchers to explore this issue. Therefore, understanding the concept of academic staff's innovation is important. According to (Rashid & Halim, 2015), innovativeness in teaching is important to meet the ever-changing demands in education sectors either in an urban or rural area. Innovativeness can help educators to learn new things and adapt changes as well as to increase their knowledge in order to improve students' academic achievement in school. Innovativeness also can enhance the skills needed to compete in the market and become players of overall economic development.

Other than that, (Nielsen et al., 2012) indicated that an increase in employee innovative work behavior among the higher education sector is also important for a country's economic growth, as it will facilitate the nation's production and investment as a outcome of an increase in innovation product or idea production. Therefore, Innovative work behavior is one of the most important dynamics encouraging institutions to achieve a higher level of competitiveness both in the national and international environment (Y.-S. Chen & Huang, 2016).

According to Malaysia's vision of education (2013), as cited by (Talebloo, Basri, Hassan, & Asimiran), it is necessary to transform the educational system into a world-class education system with international standards and high level of education for all students irrespective of family background. While Malaysia Education Blueprint 2013-2025 (MoE, 2013) stated that every institution needs to ensure high-performance leaders with shared leadership, increased support for staff, new leadership models and structures, and commitment to the education sector as the top priority for national transformation and development.

Empirical research has shown that transformation leadership has a significant impact on innovative work behaviour. According to other research such as (Moolenaar et al., 2010), (Shao et al., 2012), (Ngang, 2011) and (Bush, 2011), in order to determine the role of each dimension of transformation leadership in educational effectiveness, more research on the dimensionality of transformation leadership needs to be carried out. Similarly, there is less evidence in Malaysia to effectively practice the dimensions of transformation leadership (Salleh & Saidova, 2013). More research on their relationship with innovative work behavior therefore needed to be conducted.

Furthermore, an organizational climate also affects innovative work behaviour. One of the key factors associated with the organization was found to be the organizational climate. Building a climate that facilitates and supports creativity is important for the organization to gain strength and success (Imran et al., 2010). In addition, creativity and innovation are becoming increasingly important for organizational success in a globally increasingly connected economy seeking the latest new idea or product. According to (Ruchi & Surinder, 2014) as quoted by (Y.

P. Li & Mahadevan), the conceptual gap is found in those theories that lack organizational climate studies in the education sector in Malaysia. Due to the need for further understanding on the causal relationship between organizational climate and innovative work behavior, the selected variables of organizational climate will be analyzed by conducting this study as it has not been clearly proven so far.

While previous studies have contributed to the provision of basic knowledge on strategy for innovative work behavior, it is important to emphasize that none of the above studies have been conducted on individual work behavior in the context of transformation leadership and organizational climate. Therefore, it will provide a strong rationale for conducting this study. In addition, there is no specific framework or guidance for measuring the impact on innovative work behavior of transformational leadership and organizational climates. Thus, a framework model of innovative work behavior needs to be developed that will include the element of transformational leadership (idealized influence, inspiring motivation, intellectual stimulation, and individualized consideration) and the element of organizational climate (innovation and creativity).

### **1.3 Research Questions**

Based on the above explanation, it was clear that the Transformation Leadership and Organizational Climate are a very important aspect of the organization's innovative work behavior. The question here, how far innovative work behavior can transformational leadership and organizational climate have? The researcher has outlined five specific questions that attempt to answer for this purpose.

Five questions were:

1. What is the level of Innovative Work Behaviour in the Organization?
2. What is the level of Transformational Leadership in the Organization?
3. What is the level of Organizational Climate in the Organization?

4. What is the relationship between Transformational Leadership and Innovative Work Behaviour?
5. What is the relationship between Organizational Climate and Innovative Work Behaviour?

#### **1.4 Research Objectives**

The study has five goals identified in the answer based on the study goal, several research goals designed to achieve these goals. Five goals were:

1. To study the level of Innovative Work Behaviour in the Organization.
2. To study the level of Transformational Leadership in the Organization.
3. To study the level of Organizational Climate in the Organization.
4. To study the relationship between Transformational Leadership and Innovative Work Behavior in the Organization.
5. To study the relationship between Organization Climate and Innovative Work Behavior in the Organization

#### **1.5 Scope of the Study**

This research focuses on the impact of transformation leadership and organizational climates on innovative work behavior among lecturer and senior lecturer in UTeM. Research scope also focuses on the variable independence of Transformational Leadership and Organizational Climate while the variable dependence of Innovative work behaviour. This study's population included 553 academic staff such as Universiti Teknikal Malaysia Melaka (UTeM) lecturers and senior lecturers. A total of 44 structured questionnaires for lecturers and senior lecturers were distributed. Through systematic simple random sampling, respondents were randomly selected, with only 100 percent of respondents being academic staff.

## **1.6 Limitation of Study**

Samples of this study are limited to academic staff such as lecturers and senior lecturers only. This may not generalize the results and findings to other types of jobs and cluster groups. Based on the factor constraint of time, finance and personnel, sample selection is also done in the district and the importance of this study is limited to a review only.

This study used a survey method using a closed questionnaire. Study subjects responded only based on the answer provided. In addition, the measurement tool in this study consisted of items adapted from previous researchers. Although previous studies have highly reliable, it is limited to the context of this study. To what extent honesty study subjects answered questions given handled are beyond the control of the researcher.

## **1.7 Significant of Study**

This study aims to benefit the education sector by identifying approaches to improving schools or institutions and creating an atmosphere of well-being among educators at work. It can motivate educators, especially in the classrooms, to improve their teaching quality. This will enable the education sector to produce students who will excell physically, emotionally, spiritually and intellectually in line with the national philosophy of education. This section will contribute to knowledge and contribution on innovative work behavior to the practice of transformation leadership style and organizational climate.

### **1.7.1 Contribution to Knowledge**

Leaders play a key role in leading their followers to effectively achieve organizational goals. Leaders also need to build the organization's cohesiveness. Moreover, transformation leadership argued that charismatic leadership,