The Influence of Transformational Leadership Practices on Student Satisfaction in Higher Education Institutions in Malaysia

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ABSTRACT

The purpose of this study is to identify the impact of transformational leadership practices on student satisfaction in the academic setting in Malaysia. Approximately 450 full-time students took part in this study from three different universities in Perak from various faculties. A multi-factor leadership questionnaire (MLQ) with a Likert-Scale of 1-5 was used to collect the data to determine students' perception of transformational leadership practiced by teaching staff at the three universities and to gauge the satisfaction level of students. To ensure reliability and validity of the respondents' data set, the sample included only students who have studied for more than one semester at the particular university. Data was analyzed using descriptive analysis to describe demographic profile of students and Pearson Product Moment Correlation to test the relationship between independent variables [(Idealized Influence (II), Individual Consideration (IC), Intellectual Stimulation (IS) and Inspirational Motivation (IM)] and dependent variable (student satisfaction). The correlation analysis shows that all the transformational leadership behavior II, IC, IS and IM were significant and highly correlated with student satisfaction. However, Multiple Regression analysis showed that transformational leadership behavior of inspirational motivation; intellectual stimulations and individual consideration were significant and positively influence student satisfaction level while idealized influence was not significant. Academic institutions of higher learning should take this into consideration when dealing with student satisfaction. This research shows that transformational leadership is crucial in improving student satisfaction. Future study should be undertaken to include a wider sample size, increase the research context to ensure validity and reliability of the results and promote student satisfaction in order to enhance a learning culture.

Introduction

The study of leadership has been conducted extensively since the beginning of the 21st century. The contemporary leadership theory development has taken into consideration the transactional and transformational leadership which was widely used in research recently. Bass and Avolio (1990) developed a comprehensive model of transformational and transactional leadership behaviours. According to George (2000), transformational leadership is one of the most frequently analyzed subjects on organizational changes. In the educational setting, the success of human capital development is closely related to the quality of a national education system (National Higher Education Action Plan, 2007). Hence, higher education institutions play an important role in influencing human capital development (Morshidi, 2010). Malaysia is aiming to transform itself to become an international center of higher education excellence by 2020 and beyond (Malaysia Ministry of Education, 2008; NHEAP, 2007). Malaysian higher education providers are targeting to increase the number of students studying at higher institutions over the next five to ten years. Foreign students in Malaysia represents an enormous source of foreign income while at the same time posing a challenging teaching environment due to the different learning styles, different cultural backgrounds and attitude differences causes many leadership issues for teaching staff (Sadeghi et al., 2012).

Much research has been conducted on transformational leadership and its impact on job performance, employee satisfaction, and job stress or innovations (Niehoff, 1990; Berson, and Linton, 2005; Dubinsky, 1998; Tracy and Hinkin, 1994; Gill, Fleaschner and Shachar, 2006). However, few studies or handful of research endeavor in examining the impact of transformational leadership and its impact on students' satisfaction in the developed and developing world. Therefore this study sets its goal to examine the impact of transformational leadership practices and students' satisfaction in higher education institutions in Malaysia.

Research Objectives

This study examines the impact of transformational leadership styles of teaching staff and student satisfaction. It targets to highlight the role of effective transformational leadership in increasing or enhancing student satisfaction in higher education institutions in Malaysia.

The current study attempts to answer the following research questions:

1. To identify the extent of transformational leadership practices displayed by teaching staff in private higher education institutions in Malaysia.

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2. To determine the impact of transformational leadership practices on students' satisfaction in higher education institutions in Malaysia.

This paper is divided into four sections; the first section will discuss the existing literature review regarding the transformational leadership and student satisfaction, second it will describe the methodology employed for this study, third it presents the findings and discussion and finally the conclusion and future research is discussed.

Literature Review

Leadership is defined as a process that uses interpersonal skills to influence others to accomplish specific goals. Leadership requires attending to and acknowledging others and being authentic and accountable (Sullivan & Decker, 2005). Particularly, for leaders in learning organizations, they need to master various types of leadership behavior in order improve their flexibility in adapting with different situations (Chanpoe, 1998). The teaching of leadership can enable students to develop realistic hypotheses based on contemporary leadership theories and observed behaviours (Densten & Gray, 2001). Moreover research by Chanpoe (1998) discovered that there was a significant relationship among leadership behaviour and learning organization. In educational setting, Alger (2008) found that transformational leadership was a desirable style for school leaders involved in improvement efforts because it improve the level of awareness of workers so that they come to value organizational goals and strategies to achieve those objectives. Furthermore, the effects of transformational leaderships were closely linked with those exerted by educational structure and culture (Lam, 2002). In addition, study by Gill et al. (2010) concluded that student educational satisfaction was positively related to the transformational leadership used by the instructors or professors.

In the modern era, the study of transformational leadership has become popular among researchers. Burnes (2004), Ali and Mohammad (2006), Huczynski and Buchanan (2007) and Laohavichien et al. (2009) opined the adoption of transformational leadership behavior contributed significantly to the successful of organizations. As proposed by Burns and Yulk (1998) transformational leadership is a process of building commitment to organizational objectives and then empowering followers to accomplish those objectives and is enhanced follower performance. This form of leadership comprises behaviour that motivates subordinates to higher-order needs, addresses the subordinates' developmental needs individually, results in performance ahead of expectations, promotes new approaches to solve issues, shares the leader's vision efficiently, encourages change, and becomes a source of satisfaction among followers (Bass, 1985; Bass and Avolio, 2000). The four transformational leadership dimensions are presented below (Avolio et al., 1995).This is shown in Table 1.

Transformational leadership when employed by instructors/professors holds great promise for colleges and universities because they can be used to enhance student satisfaction. Higher levels of student satisfaction improve student retention and thereby, increase education export revenue of the academic institutions. Similar to the importance of satisfying customers to retain them for profit-making institutions, satisfying students (both local and international students) is equally important for student retention purposes DeShields et al. (2005). Factors such as: i) faculty support to students, ii) quality of education, iii) faculty teaching styles, etc., have positive impact on student educational satisfaction (Guolla, 1999). Satisfaction with faculty support is very important for

students in their decision to continue their studies at the same educational institution. Guolla (1999) indicates that students consider themselves expert consumers of the education service experience since they have taken numerous courses previously. Building continuing study commitment is essential for retaining students in their current academic institution. Therefore, it is important to find strategies that can improve student satisfaction. Transformational leadership, as one such strategy, has been found to encourage open communication with followers, which in turn, enhance student satisfaction. Within the educational field, Nischan et al. (1990) found a positive relationship to exist between transformational leadership and student satisfaction.

Students in general, and commerce students in particular, are subjected to face many education related issues such as an unclear mission, or weakly defined goals and objectives, due to poor leadership demonstrated by their instructors/professors in their study environments, all of which contribute to dissatisfaction with education. It has been found out that transformational leadership improves employee job satisfaction by increasing positive employee attitudes and clarifying the role of employees Niehoff et al. (1990). Therefore, it is theorized that students' educational satisfaction is related to the degree of their understanding of educational goals and objectives, which are the outcomes of transformational leadership.

Significance of the study

There has been very little research testing the relationship between transformational leadership and student satisfaction in higher education institutions in Malaysia. To improve the quality of education in Malaysia and to be a world class institution, this research is important. This research could act as a database for further leadership and student satisfaction research in Malaysia.

Ethical Consideration

Permission to use the MLQ granted from the Mind Garden institution as the official institution for using this instrument. Furthermore, the study's methodology and purpose were described to the students by researchers. Students were assured that their responses would be strictly confidential (for academic purpose only) and that it would not affect their academic success.

Research Framework

The research framework in this study is built upon the literature review. It is therefore theorized that each variable in transformational leadership has an influence on student satisfaction. Given the fact that certain individual factors may affect student satisfaction in the higher education industry, personal variables such as age and gender are taken into consideration. Figure 1 below depicts the research framework of this study:
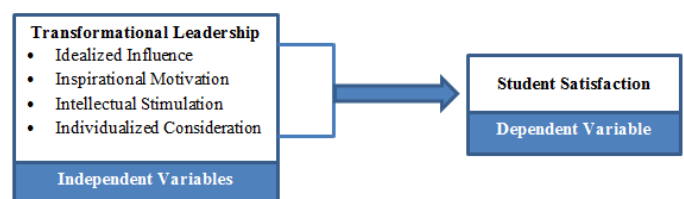

Figure 1. Research Framework

Methodology

Research design and population and sampling

This study used a quantitative approach to measure the relationship between idealized influence, inspirational motivation, intellectual stimulation, individualized consideration, gender and age and student satisfaction. In this study, the targeted population was full-time students from three private universities from Perak, Malaysia. A total of 600

structured questionnaires were distributed to full-time students from three private universities from Perak. A total of 470 questionnaires were received and out of this, 20 sets of the questionnaires were considered unusable because over 25 percent of the question in Part 1 – Section A of the questionnaire were not answered (Sekaran, 2003). It was assumed that the respondents were either unwilling to cooperate or not serious with the survey. Therefore, only 450 usable sets of received questionnaires were used for the data analysis. Thereby, the response rate was 75 percent.

Research Instruments

Multifactor leadership questionnaire (MLQ). The MLQ (Form 5) is a widely used instrument that assesses transformational and transactional leadership. As indicated by Brown and Keeping (2005), over the past 25 years, the construct of transformational leadership has gained enormous popularity among both researchers and practitioners. The MLQ was validated in a number of studies (Bass et al., 2003; Lowe et al., 1996; Muenjohn and Armstrong, 2008), and was employed in business organizations (Avolio et al., 1999; Berson and Linton, 2005; Tejeda et al., 2001; Tracey and Hinkin, 1998), educational systems (Koh et al., 1995) and military units (Yammarino et al., 1993). Thirty-six (36) questions help define these leadership styles. The dependent variable of this study incorporate measures of the expected sources of student satisfaction (SS), namely desire to attend classes, students liking with lecturers, punctual to the class or getting late for classes, and perceived trust or quality of the lectures provided by respective lecturers. The measurements in student satisfaction dimensions provide a single overall score, with a Cronbach's alpha reliability coefficient of 0. 901. Therefore all items are retained in the construct as it above 0.7 (Hair et al, 2010).

Data Analysis Technique

Answers to the questionnaire were coded using the SPSS version 19.0. The results were then summarized using appropriate descriptive and inferential statistics. A reliability test was done by observing the Cronbach's Alpha value with the cutoff point of 0.70. Descriptive statistics such as means, standard deviation and variance and percentage values for interval-scaled independent and dependent variables were obtained. Frequency distributions were obtained for all the personal data or classification variables. The frequencies were computed to analyze the respondents profile in terms of age and gender. To test the strength of the relationship among the independent variables and dependent variable, Pearson Correlation Coefficient analysis was used. ANOVA was used to measure the significant difference among the age of the respondents and t-test was used to measure the significant difference among the gender of respondents on an interval scale.

Findings

Profile of Respondents

Table 6.1 shows that out of the 450 sets of questionnaires collected, 52.8% (238) were female and 47.2% (212) were male respondents. Table 6.1 presents the distribution of respondents according to age. From the output shown below, we know that there are 73 percent respondents aged between 18-25 and 18.4 percent aged between 26-31, while 6.2 percent respondents were between the ages of 32-39. A mere 2.3 percent respondent were above 40 years old. The findings implied that females outnumbered males in the private higher education institutions in the state of Perak. Reliability Analysis

According to George & Mallery (2003), reliability is the degree to which measure are free from error and therefore yield consistent results. The reliability of a measure indicates the stability and consistency with which the instrument measures the concept and helps to assess the "goodness of a measure" (Cavana, Delahaye and Sekaran, 2001). According to Sekaran (2003), the closer the reliability coefficient gets to 1.0, the better it is, and those values over .80 are considered as good. Those values in the .70 is considered as acceptable and those reliability value less than .60 is considered to be poor (Sekaran, 2003). All the constructs were tested for the consistency reliability of the items within the constructs by using Cronbach's alpha reliability analysis. Cronbach's Alpha values in respect of each variable are given in table 6.2 below. Respondents were also assured about the confidentiality as information shared in this regard would be used for academic and research purposes only. In conclusion, the results showed that the scores of the Cronbach's alpha for all the constructs exceeded the threshold of 0.70 indicating that the measurement scales of the constructs were stable and consistent.

Descriptive Analysis

Descriptive statistic of means and standard deviation were obtained from the independent and dependent variables. The summary of the descriptive statistics is shown in Table 6.3 below. All variables were measured using a 5-point Likert scale (1 being strongly disagree to 5 being strongly agree). The mean values for working conditions, pay, promotion and fairness were above 3.0 and for job satisfaction the mean value was 3.44. As far as the mean values are concerned employees are satisfied on working conditions, pay, promotion and fairness received.

Pearson Correlation Coefficient

Pearson's correlation coefficient (r) is a measure of the strength of the association between the two variables. According to Sekaran (2003), in research studies that includes several variables, beyond knowing the means and standard deviations of the dependent and independent variables, the researcher would often like to know how one variable is related to another. While correlation could range between -1.0 and +1.0, the researcher need to know if any correlation found between two variables is significant or not (i.e.; if it has occurred solely by chance or if there is a high probability of its actual existence). As for the information, a significance of $p=0.05$ is the generally accepted conventional level in social sciences research. This indicates that 95 times out of 100, the researcher can be sure that there is a true or significant correlation between the two variables, and there is only a 5% chance that the relationship does not truly exist. The correlation matrix between dependent variable and independent variables are exhibited in Table 6.4 below. As shown in Table 6.4, all four dimensions have significant correlation with student satisfaction. The highest coefficient of correlation in this study was between pay and job satisfaction. There was a significant moderate relationship between II and student satisfaction ($r = .334$, $p<0.05$, n=450). The positively significant correlation were between IS, IM and student satisfaction ($r = .512$, $p<0.05$, n=450, $r = .489$, $p<0.05$, n=450) and the weakest correlation was for IC and student satisfaction ($r = .313$, $p<0.05$, n=450). In other words, the results indicate that all four variables have significant correlation with student satisfaction.

Regression Analysis

As depicted in Table 6.5, the regression results revealed the R square value of 0.737. This indicates that 73.7 percent of variance that explained the student satisfaction in terms of II, IM, IS and IC in higher education institutions. Further, of the four independent variables studied, individualized consideration is the significant predictor of student satisfaction in higher education institutions in Perak.

Table 1. Characteristics of Transformational Leadership

Characteristics	Descriptions
Idealized Influence	Idealized influence describes leaders who function as strong role models for their subordinates due to their exceptional abilities and high principles of ethical and moral conduct. They priorities subordinates' needs as compared to their own needs and offer them a vision. Idealized influence has two aspects: first, idealized influence behaviour, which is linked with the leader's behaviour, and second, idealized influence attributed, which is related to the elements that are attributed to the leader by their subordinates (Avolio et al., 1999; Gill, 2006).
Inspirational Motivation	Here leaders inspire subordinates by offering appealing visions of the upcoming circumstances, enriching subordinates' aims and stimulating passion and optimism. These leaders provoke spirit in the team, convey clear expectations and express dedication to objectives and a collective vision (Bass, 1985; Bass and Riggio, 2006).
Intellectual Stimulation	Intellectual stimulation refers to the leadership that inspires subordinates to be creative and innovative and to challenge not only their own viewpoints and values but also to those of the leader and the institution. Here, criticism of subordinates' errors is not encouraged (Bass, 1998; Hater and Bass, 1988).
Individualized Consideration	Individual consideration represents leaders who focus on each individual's needs for accomplishment and growth to their full potential by means of offering an encouraging atmosphere, recognizing the differences with reference to the needs and aspiration of each individual follower, and through performing the function of a mentor (Bass and Avolio, 1990; Northouse, 2007).

Table 6.1. Demographics Profile of the Respondents

Profile	Demographics	Frequency	Percentage
Gender	Male	212	47.2
	Female	238	52.8
Age	18-25	329	73.1
	26-31	83	18.4
	32-39	28	6.2
	Above 40	10	2.3
Level of Study	Diploma	8.6	1.9
	Foundation	6.4	1.4
	Bachelor Degree	332	73.7
	Master Degree	61	13.6
	PhD/DBA	42	9.4
Program	IT	103	22.8
	Business	153	33.9
	Hospitality	57	12.7
	ACCA	38	8.5
	Finance	30	6.7
	MBA	35	7.8
	MSc.	34	7.6
Total		450	100

Table 6.3. Overall Descriptive Statistics of the Variables

Variables	Mean	Standard Deviation	N
Student Satisfaction	3.44	0.719	450
Idealized Influence	3.11	0.857	450
Inspirational Motivation	3.31	0.875	450
Intellectual Stimulation	3.16	0.807	450
Individualized Consideration	3.08	0.982	450

Table 6.4. Summary of Correlation Coefficient Matrix

Variables		x1	x2	x3	x4	x5
Student Satisfaction		1.000				
Idealized Influence (II)		0.334*	1.000			
Inspirational Motivation	(IM)	0.489*	0.365	1.000		
Intellectual Stimulation	(IS)	0.512*	0.417	0.462	1.000	
Individualized Consideration (IC)	0.313*	0.392	0.391	0.358	1.000	

Note: Correlation is significant at the *0.05 level (2-tailed), x1= SS, x2= II, x3=IM, x4=IS & x5= IC

Table 6.5. Regression Results of Student Satisfaction and II, IM, IS and IC

Variables	Unstandardized Coefficients β	Std. Error	Standard Coefficients β	t	Sig.
(Constant)	2.150	.477		4.523	.000
II	.118	.378	.018	3.776	.243
IM	.418	.135	.335*	3.887	.000
IS	.314	.146	.487*	2.989	.000
IC	.286	.176	.509*	1.887	.000

$$R^2 = 0.737 \quad F=11.875, \ ^*p< 0.05$$

Conclusion

The primary purpose of this paper was to explore the effective role of transformational leadership practices by teaching staff and how it effects student satisfaction in higher education institutions in Malaysia. The findings reveal that there is a positive and significant direct effect between inspirational motivation, intellectual stimulations and individual consideration with student satisfaction. On top of that, the high level of transformational leadership practices by teaching staff at these private universities in Perak has successfully portrayed a very significant role in ensuring student satisfaction. The least practiced transformational leadership dimension is idealized influence which should be continually improved so that higher education institutions can be sustained as learning organization. Aspects of teaching staff's professional development focusing on their continuous learning in terms of improving their transformational leadership practices should be given priority by relevant parties concerned.

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