

PalArch's Journal of Archaeology
of Egypt / Egyptology

A MALAYSIAN EMPIRICAL STUDY OF THE ASSOCIATIONS
AMONG TRANSFORMATIONAL LEADERSHIP,
TRANSACTIONAL LEADERSHIP, ORGANIZATIONAL CULTURE
AND SUCCESSION PLANNING

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Vichetera Rajagani @ Diwyaa*, Mahaliza Mansor: A Malaysian Empirical Study of the Associations among Transformational Leadership, Transactional Leadership, Organizational Culture and Succession Planning-- Palarch's Journal of Archaeology of Egypt/Egyptology. 17(6), . ISSN 1567-214x

Keywords: Succession Planning, Transformational Leadership, Transactional Leadership, Organizational Culture, Human Resource Management

ABSTRACT

This study aimed to identify the relationship between transformational leadership, transactional leadership and organizational culture factors with succession planning. Besides that, this paper also intended to look at the influence and contribution of those factors on succession planning implementation. The sample of this study is focused on the Education Service Officers at Ministry of Education (MoE), Malaysia. Data were collected from 261 Education Officers from 21 Division in Ministry of Education, Malaysia. The findings revealed that transformational leadership, transactional leadership and organizational culture have positive significant relationship with succession planning. Besides that, this study also found that transformational leadership style, transactional leadership style and organizational culture contributing to the implementation of succession planning. Therefore, according to the research findings, we recommend that transformational and transactional leadership style, besides organizational culture factors should be considered in implementing succession planning.

INTRODUCTION

Succession planning is a continuous and systematic effort to ensure continuity of leadership, protection, intellectual capital development and knowledge for the future of the organization and to promote individual development (Hassan & Nasibollah, 2016). According to Hassan and Nasibollah (2016), succession planning are a way of identifying and developing individuals with the skills needed for their career development. Lately, many researchers and scholars have expressed various needs and interests in the implementation of the succession planning. Sindiswe and Martha (2017) stated that the success of an organization depends on the organization's proactive efforts towards succession planning and the implementation of strategies for retaining a talented workforce. At the same time, it is the responsibility of each organization to ensure the development of the emerging internal talent for future leadership positions (Joyce & Hans, 2016).

A well-designed succession planning program will enable an organization to directly align its workforce needs with strategic planning and organizational operations, identifying and implementing strategies for the transition from ready-to-work workforce and build the capacity to continue to build the workforce for facing current trends and technological changes (Patrick, 2016). Succession planning not only maintains organizational performance and effectiveness but also through the implementation of an effective succession planning the organization also develops internal talent. It shows that succession planning contributes to individual career development (Rohana Ahmad, 2016). The conclusion is clear that succession planning places great importance on an organization.

PROBLEM STATEMENT

The MoE has been found not to implement a comprehensive succession planning (Rohana Ahmad, 2016). Additionally based on preliminary findings conducted by researchers with the Human Resource Management Division (BPSM) found that implementation of the succession planning at the MoE was unsuccessful. BPSM is responsible for leading the succession planning program for MOE Division. According to preliminary investigations with the Public Sector Department (PSD), many of the vacancies in MoE are for Grade 48 officers and above which are leadership positions. The PSD states that some Grades 48 and above have been vacant for a very long time because there is no proper candidate available for the job. According to the PSD, the Divisions involved do not have the training of internal leaders who have been trained to fill the positions. As such, the Division will depend on BPSM and the top management of MoE to fill the related vacancies. BPSM also supported this view by stating that the failure to implement a comprehensive succession planning was the main reason for the vacancies issue.

BPSM also stated that as the implications of the vacancies issue have caused the ineffective delivery of services by the MOE. In this regard, BPSM is very welcoming if there is any research exploring on succession planning to identify the factors that will enable the successful implementation of the program in MOE. In addition, the failure of public sector in implementing a comprehensive succession planning has also led to problems in the process of career development in the public sector (Rohana Ahmad, 2016). Not only that, the failure to implement succession planning program has resulted in brain drain among professionals in the Malaysian public sector (Rohana Ahmad, 2016; Patrick, 2016). In addition, although succession planning are found to be crucial to the success and sustainability of an organization, in-depth studies of succession planning in the education sector are still lacking (Christopher, 2017). Therefore, to fill this gap, the study aims to explore the influence of transformational, transactional and organizational culture on the succession planning among the Education Services Officers at the MoE.

RESEARCH OBJECTIVES

- 1 To identify the level of transformational leadership, transactional leadership style, organizational culture and succession planning.
- 2 To identify the relationship between transformational leadership, transactional leadership style, organizational culture with succession planning.
- 3 To identify the influence transformational leadership, transactional leadership style, organizational culture on succession planning.

RESEARCH FRAMEWORK

Figure 1 shows research framework of this study. This study is based on Rothwell (2005) Theory, followed by Transformational and Transactional Leadership Theory by Bass & Avolio (2004) and supported by Competing Value Framework of Organizational Culture by Cameron & Quinn (2005). This study consists of three independent variable which is transformational leadership, transactional leadership and organizational culture and one dependent variable which is succession planning. This study explored the relationship between the three mentioned independent variable with the dependent variable as per showed in figure 1.

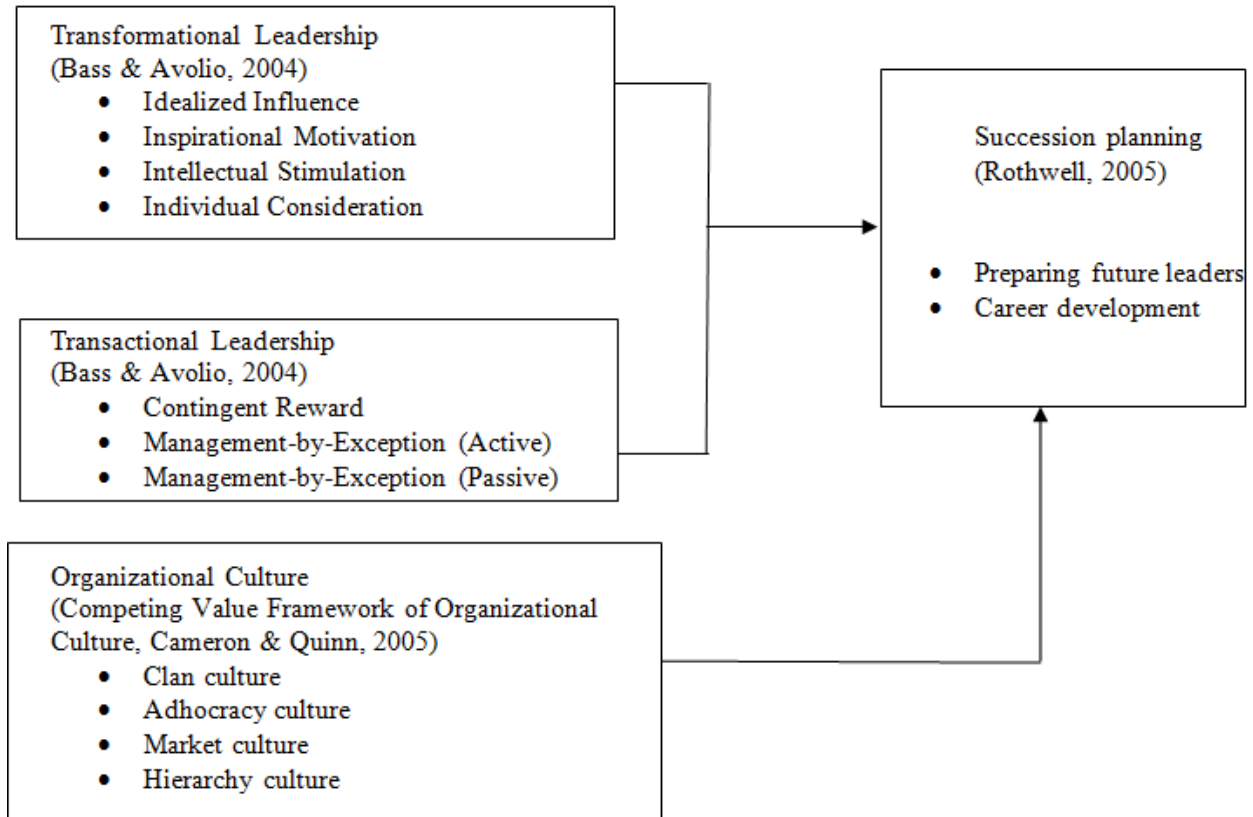


Figure 1 Research Framework

LITERATURE REVIEW

Based on the literature review on succession planning, there are various studies of succession planning that have been carried out overseas and several domestic studies. Based on the literature review, 50 percent of the previous studies were found using quantitative methods to look at succession planning, 40 percent were using qualitative methods and 10 percent were using a combination of quantitative and qualitative methods. Many previous studies conducted on succession planning have used quantitative methods since they are suitable for answering the related research questions and research objectives. It shows that quantitative method was been dominant in exploring succession planning studies. However, qualitative methods are also used to explore succession planning when they are found to be appropriate to answer relevant research questions. While the combination of these two methods are also used in some studies of succession planning when there is a need to meet the research objectives raised by the researcher. In this study, the researcher chose the quantitative method according to the suitability and needs of the study.

Besides that, most of the previous studies have been conducted in the health sector, higher education sector, in private and corporate companies and

in the banking sector. Only a few studies have been conducted in non-profit organizations and in the public sector. Researchers therefore choose to conduct this study in public sector especially in the education sector. In addition, the analysis of past research also shows that there are various gap studies that have been suggested by the previous researchers. It clarifies that the study of succession planning in the public sector is still limited. Among the many proposed research gaps are the implementation of succession planning in public sector using organizational culture variables, organizational support, transformational and transactional leadership, training, management support, technology and financial advances factors. Thus in this study the researchers selected organizational culture, transformational and transactional leadership as the independent variables of the study.

FINDINGS

Based on Table 1 below shows the mean value of succession planning based on age factor. The succession planning for Education Services Officers aged 39 to 43 showed the highest mean score with a mean of 2.6756 (SP = .71524). Next, it followed by an Education Service Officer aged 49 to 53 with a mean value of 2.6171 (SP = .43035). Meanwhile, for the Education Services Officer aged 44 to 48, the mean value was 2.4929 (SP = .50804) and the lowest was Education Service Officer aged 54 to 58 with a mean value of 2.3479 (SP = .50804). .40767). Overall there is a mean difference in the mean score for each of the age levels for the Education Service Officer involved in the succession planning Whereas is the Levene test showed a value of .00 which is smaller than .05 ($p < .05$), the mean of the variance of the population is not equal or equal.

Table 1 Descriptive mean scores for Succession planning based on Age Factors

| | Descriptive Analysis | | | Levene Test = 11.249 | | |
|-------------------|----------------------|--------|----------------|----------------------|-----|------|
| | N | Mean | Std. Deviation | df1 | df2 | Sig. |
| 39 year – 43 year | 39 | 2.6756 | .71524 | 3 | 256 | .000 |
| 44 year – 48 year | 92 | 2.4929 | .50804 | | | |
| 49 year – 53 year | 82 | 2.6171 | .43035 | | | |
| 54 year – 58 year | 47 | 2.3479 | .40767 | | | |
| Total | 260 | 2.5333 | .51504 | | | |

Based on Table 2 below shows that the value of $F(3, 256) = 4.075$ and a .008 value is less than .05 ($p < .05$). These results indicate that there is a significant difference in the mean score of the succession planning based on the age of the Education Service Officer.

Table 2 Results of One-way Variance Analysis (ANOVA) on Age-based Succession planning

| | Sum of Squares | df | Mean Square | F | Sig. |
|----------------|----------------|-----|-------------|-------|------|
| Between Groups | 3.132 | 3 | 1.004 | 4.075 | .008 |
| Within Groups | 65.573 | 256 | .256 | | |
| Total | 68.705 | 259 | | | |

For further testing based on the results of the Post Hoc test, significant Games-Howell values were used to report because the population variance was inconsistent or unbalanced. Based on Table 3 below shows that only the age group of 54 to 58 years and the age group of 49 to 53 years showed significant differences between the two groups. The difference was -.26920 with a significant value of .003 ($P < .05$). Whereas comparisons of other age groups did not show significant differences.

Table 3 Results of Post Hoc Games-Howel Test Plan Based on Age Factors

| (I) Age | (J) Age | Mean Differences (I-J) | Std. Error | Sig. |
|--------------|--------------|------------------------|------------|------|
| 39 – 43 year | 44 – 48 year | .18271 | .12618 | .476 |
| | 49 – 53 year | .05857 | .12400 | .965 |
| | 54 – 58 year | .32777 | .12905 | .064 |
| 44 – 48 year | 39 – 43 year | -.18271 | .12618 | .476 |
| | 49 – 53 year | -.12414 | .07116 | .304 |
| | 54 – 58 year | .14506 | .07963 | .269 |
| 49 – 53 year | 39 – 43 year | -.05857 | .12400 | .965 |
| | 44 – 48 year | .12414 | .07116 | .304 |
| | 54 – 58 year | .26920* | .07612 | .003 |
| 54 – 58 year | 39 – 43 year | -.32777 | .12905 | .064 |
| | 44 – 48 year | -.14506 | .07963 | .269 |
| | 49 – 53 year | -.26920* | .07612 | .003 |

* The mean difference is significant at the 0.05 level.

Based on Table 4 below shows that there is a significant relationship between transformational leadership and succession planning with a value of .000 which is less than the value of sig. = .05 ($p < .05$). Whereas the correlation coefficient (r) between transformational leadership and succession planning is $r = .524$ which indicates that McBurney (2001) has a moderate relationship and is positively related. Overall the findings indicate that there is a significant relationship between transformational leadership and succession planning among Educational Services Officers.

Table 4 Pearson Correlation Analysis to see the relationship between Transformational Leadership and Succession planning

| Independent variable | N | Dependent Variable: Succession planning | | |
|-----------------------------|--------------------------|--|-----------------|------|
| | | Correlation coefficient (r) | Sig. (2-tailed) | |
| Transformational Leadership | 260 | .524** | .000 | |
| Sub - construct | Idealized influence | 260 | .512** | .000 |
| | Inspirational motivation | 260 | .517** | .000 |
| | Intellectual stimulation | 260 | .460** | .000 |
| | Individual consideration | 260 | .538** | .000 |

** Correlation is significant at the 0.01 level (2-tailed).

Based on Table 5 shows that there is a significant relationship between transactional leadership and succession planning with a value of .000 which is less than the value of sig. = .05 ($p < .05$). Whereas the correlation coefficient (r) between transactional leadership and succession planning was $r = .256$, which indicates that there is a weak correlation according to McBurney (2001) and positively related. Overall the findings indicate that there is a significant relationship between transactional leadership and succession planning among Educational Services Officers (PPPs). Accordingly, the findings indicate that there is a significant and positive relationship between transactional leadership and succession planning

Table 5 Pearson Correlation Analysis to see the relationship between Transactional Leadership and Succession planning

| Independent Variable | N | Dependent Variable: Succession planning | | |
|--------------------------|--|--|-----------------|------|
| | | Correlation coefficient (r) | Sig. (2-tailed) | |
| Transactional Leadership | 260 | .256** | .000 | |
| Sub - construct | <i>Contingent Reward</i> | 260 | .537** | .000 |
| | <i>Management-by-Exception (Active)</i> | 260 | .437** | .000 |
| | <i>Management-by-Exception (Passive)</i> | 260 | -.273** | .000 |

** Correlation is significant at the 0.01 level (2-tailed).

Based on Table 6 below shows that there is a significant relationship between organizational culture and succession planning with a value of .000 which is smaller than the value of sig. = .05 ($p < .05$). Whereas the correlation coefficient (r) between organizational culture and succession planning was $r = .621$, which indicated that there was a moderate relationship according to McBurney (2001) and positively related. Overall the findings indicate that there is a significant relationship between organizational culture and succession planning among Educational Services Officers. Consequently, the findings

indicate that there is a significant and positive relationship between organizational culture and succession planning

Table 6 Pearson Correlation Analysis to see the relationship between Transactional Leadership and Succession planning

| Independent variable | N | Dependent variable: Succession planning | | |
|------------------------|-------------------|--|-----------------|------|
| | | Correlation coefficient (r) | Sig. (2-tailed) | |
| Organizational Culture | 260 | .621** | .000 | |
| Sub - construct | Clan Culture | 260 | .656** | .000 |
| | Adhocracy culture | 260 | .539** | .000 |
| | Market culture | 260 | .515** | .000 |
| | Hierarchy culture | 260 | .463** | .000 |

**Correlation is significant at the 0.01 level (2-tailed).

The R squared values in Tables 7.1, 7.2 and 8 indicate that the independent variables (Transformational Leadership, Transactional Leadership & Organizational Culture) can contribute significantly .427 or 42.7 of the variance in the dependent variable with F values (3, 256) = 63.515 and a significant value of .000 which is smaller than .05 ($p < .05$).

Table 7.1 Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|------|----------|-------------------|----------------------------|
| 1 | .653 | .427 | .420 | .39225 |

Table 7.2 ANOVA

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|------------|----------------|-----|-------------|--------|------|
| Regression | 29.317 | 3 | 9.772 | 63.515 | .000 |
| Residual | 39.388 | 256 | .154 | | |
| Total | 68.705 | 259 | | | |

Table 8 Regression

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
|-----------------------------|-----------------------------|------------|---------------------------|-------|------|-------------------------|-------|
| | B | Std. Error | Beta | | | Tolerance | VIF |
| (Constant) | .916 | .161 | | 5.675 | .000 | | |
| Transformational Leadership | .131 | .079 | .146 | 1.656 | .049 | .287 | 3.479 |

| | | | | | | | |
|--------------------------|-------|------|-------|--------|------|------|-------|
| Transactional Leadership | -.295 | .069 | -.276 | -4.261 | .000 | .533 | 1.874 |
| Organizational Culture | .702 | .090 | .678 | 7.845 | .000 | .300 | 3.330 |

Based on Table 8 above shows that the tolerance value of each independent variable comprising Transformational Leadership, Transactional Leadership and Organizational Culture is below 2.0. This indicates that the study data do not have multicollinearity problems between the independent variables. Whereas the VIF values of the three independent variables are between 1.0 and 10.0. This indicates that there is no multicollinearity problem between the independent variables of the study.

The results of the multiple regression models that have been developed are as follows:

$$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3$$

Y = Succession planning

α = Regression constants

β = Coefficient

X1 = Transformational leadership

X2 = Transactional leadership

X3 = Organizational culture

As a result of the regression analysis, the obtained values are incorporated into the built-in equations. The results are as follows:

$$= .916 + .131 (\text{transformational leadership}) - .295 (\text{transactional leadership}) + .702 (\text{organizational culture})$$

The results of the regression analysis of the influence of independent variables ranging from Transformational Leadership, Transactional Leadership and Organizational Culture to the dependent variable that is the succession planning. The beta value of transformational leadership is Beta = .131 which shows that it positively affects the 13.1 percent succession planning. A one percent change in transformational leadership will result in a 13.1 percent increase in the succession planning Based on a significant value of .049, it was found to be less than .05 (p <.05). Furthermore, for transactional leadership, the beta value was Beta = -.295, which negatively affected the 29.5 percent negative replacement plan. A one percent change in transactional leadership would result in a 29.5 percent decrease in the succession planning. The mean value was .000 which was smaller than .05 (p <.05). Therefore, this indicates that there is significant influence of transactional leadership on the succession planning. Finally, organizational culture has found that beta value is Beta = .702, which positively affects 70.2 percent positive replacement plans. A one percent change in organizational culture will result in a 70.2 percent increase in the succession planning. The mean value was .000 which was smaller than .05

($p < .05$). Therefore, this indicates that there is significant influence of organizational culture on the succession planning.

CONCLUSION

In conclusion, it is clear that succession planning gives is very important to an organization. Succession planning is not only maintaining organizational performance and effectiveness but also through the implementation of an effective succession planning the organization also develops successful internal talent. It can therefore be concluded that succession planning which includes the preparation of future leaders and career development is a strategy for maintaining the effectiveness and sustainability of an organization. Indeed, in strengthening the planning and administration of human resources succession planning is the most appropriate way of preparing the future leaders of the organization (Rohana Ahmad, Ahmad Marthada & Halimah, 2015). Therefore, organizations need to pay attention to succession planning for the sustainability of an organization and performance.

ACKNOWLEDGEMENT

We would like to thank the Scholarship and Financing Division, Ministry of Education, Malaysia for the scholarships awarded to conduct this study. And everybody who has been directly or indirectly been involved in trying to make this article being published. Not forgetting the faculty and university for believing in us. Lastly, millions thanks to our families and friends who have supported us all these years. And a special thanks and appreciation to Mr. Mohd Shaharudin bin Abd Hamid from EPRD, MoE Malaysia for his continues guidance and support to this research.

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