

**EXAMINING AGILE LEADERSHIP STYLE ON ORGANIZATIONAL
PERFORMANCE THROUGH THE MEDIATION OF ORGANIZATIONAL
CULTURE: A CASE STUDY ON PROFESSIONAL BODIES IN MALAYSIA**

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CANDIDATE'S DECLARATION

DECLARATION

This work has not previously been accepted in substance for any degree and is not being concurrently submitted in candidature for any degree.

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ABSTRACT

This research examines the impact of Agile Leadership style on Organizational Performance through the mediation of Organizational Culture. The volatility, uncertainty, complexity and ambiguity (VUCA) of the business environment continues to create great challenges to many organizations. The environmental turbulence has affected the organizational performance of both the non-profit and profit making organizations, thus, resulting in adverse results. However, there are a few organizations that had survived the chaotic situations as they transformed themselves by becoming agile in managing their businesses. This highlights the new demand for ‘agility’ in the world of business as organizations are expected to become flexible, focused and fast in their business approaches. Leaders are required to adopt the ‘agile leadership’ qualities in leading organizations so that improved organizational performance can be attained. Agile leaders are known to be inclusive and democratic in exhibiting greater openness to ideas and innovations. They also have the passion for learning, developing and inspiring people, defining and communicating their desired vision, and above all to act as the best change agent within the organization. The non-profit organizations are seen to be the most vulnerable group of organizations in the VUCA environment, hence, the professional bodies in Malaysia was opted for the purpose of this research. In view of this, the Fourth Schedule of the Malaysian Companies Act (CA) 2016 prescribed professional bodies was selected as the population for the study. By adopting the judgmental sampling approach, the Heads of Departments and Managers were selected to obtain feedback on the leadership style, organizational culture and organizational performance of the respective professional bodies. A total of 75 survey questionnaires were distributed to the sample population and 63 fully completed questionnaires that made up to a response rate of 84% was received for final analysis. The Structural Equation Model (SEM) was used to conduct the statistical analysis to determine the causal relationships between variables and confirm the hypotheses developed. Upon analysing the data, results indicated that there is significant relationship between Agile Leadership Style and Organizational Performance. Furthermore, Organizational Culture has a mediating effect between Agile Leadership style and Organizational Performance. These findings interpret that leaders who adopt the Agile Leadership style will be able to influence the organization’s performance through the cultivation of the right organizational culture.

KEYWORDS: VUCA environment, Agile Leadership Style, Organizational Culture and Organizational Performance.

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CHAPTER ONE - INTRODUCTION

Organizations throughout the world experience extreme challenges to compete, survive and grow in the contemporary business world. Technology revolution, market volatility, economic uncertainties and the influx of millennials in the workplace have forced organizations to change the way they conduct their businesses. What more can be expected in another 10 to 12 years when the younger generation, that is, the generation Z enters the workforce. Thus, organizations with traditional structure and conservative management practices are left with no choice than to transform themselves so that they are able to sustain their organizational performance through continuous improvements. The environmental changes have also forced many organizations to consider adopting innovative methods and collaborative strategies as the new way forward in doing business.

1.1 BACKGROUND OF STUDY

In Malaysia, similar conditions of disruptions, rapid changes and challenges from the external business environment are witnessed by most organizations across industries. Organizations are expected to constantly scan their business environment so that changes are easily identified and prompt actions are taken to overcome the conditions, thus, minimising adverse impact on the organizational performance in the long run (Joiner, 2019; Zaucha, 2019; Horney and O'Shea, 2015). Organizations like Silverlake Axis, 99'Speedmart, SecuriForce, AirAsia and Lotus Group were amongst a few that were able to sustain and improve their organizational performance as these organizations had effective leadership and culture that supported their actions. The leaders of these organizations believed in continuous improvements that had helped them in transforming the organization, the individuals, their products and services so that they are ready to transform challenges into opportunities, which resulted improved overall performance in their respective organizations.

Conversely, organizations that had weak leadership and culture, such as, MAS (Yesuiah, 2015; Jacob, 2014) and DRB Hicom (Idraki, 2015; Williams, 2010), have struggled to retain their position in the respective industries over the past few years. They were unable to cope with the challenges, changes and market competition, thus, incurred huge losses year after year. Similar situation is also witnessed in the non-profit organizations sector in Malaysia as poor

organizational performance have also been noted in the annual reports of the respective organizations. Even though a few of them like the professional bodies have been established for more than a decade in Malaysia, they find too it difficult to manage and grow in the contemporary business environment. This could be due to the leadership style and organizational practices that may not allow the organization the flexibility to react fast to the challenges imposed by the VUCA environment, hence, it is necessary that these organizations transform and adopt agility as part of their organizational culture to success.

Professional bodies are non-profit organizations that are established to offer education through professional qualifications and continuing professional development (CPD) through training programmes, for highly specialised jobs, such as lawyers, accountants, doctors, engineers, company secretaries and a few others. They support individual members, the occupation and the interest of public by upholding the reputation, and authority by a few that acts as the regulatory body of the respective professions (Harvey, 2004). The membership of these professional bodies are made up of professionals who are assigned to maintain the control of a legitimate professional practice (Harvey, 2004).

In most countries, this forms as a part of the legislative requirement where the individual members are required to maintain membership in the respective professional bodies to obtain the license to practice. Likewise, in Malaysia, most of the professional bodies are supported by law in the respective areas of specialisation. Professionally qualified individuals must hold valid membership with the respective professional body so that they are able to provide legitimate professional advice or services to customers and clients. The by-laws and the code of ethics issued by these professional bodies provides guidance to members to ensure that they act ethically while carrying out their duties and responsibilities to the organization(s) and/or clients whom they serve.

Nowadays, business at professional bodies has become very competitive, especially when the group of professional bodies provide similar services to customers and clients. In addition to this, stronger competitions are expected from the institutes of higher learning, that is, Universities and Colleges, that provides higher education to school leavers and working adults. However, these professional bodies have an advantage over the universities and colleges because the programmes offered by the professional bodies are highly specialised and highly regulated by law in the respective countries. The continuing professional development (CPD)

is enforced upon members by the regulators of the professional bodies as part of the professional development requirements. These programmes are conducted to enhance the member's knowledge and skills, and to comply with the regulatory requirements of acquiring CPD points annually in order to sustain their license to practice.

This also assures that the members of the professional bodies stay relevant and well-equipped on the current developments such as market trends, technology and other related changes that needs to be considered when providing professional services to customers and clients. As such, individuals who have attained the professional qualifications are regarded as the employers preferred choice for employment. Therefore, the professional qualifications attained via professional bodies have higher value as compared to academic qualifications that awarded by colleges and universities because professional qualifications do not only enhance the knowledge and skills but also increases the credibility and self-worthiness of the individual in the corporate world through continuous learning. Nevertheless, there are few professional bodies that find it difficult to survive and grow as they are negatively affected by the disruptions, competitions and challenges from the general business environment.

As professional bodies are established to govern professionals in their respective areas of skills and expertise, it has to ensure that it continues to exist in the business environment for an indefinite future. In Malaysia, some of these professional bodies were founded locally by a group of qualified members with the support of a regulatory body whilst there are a few that were established by professional bodies from countries like the United Kingdom and Australia. They either operate as the Malaysian division and report to the head office that is located in a different country, such as, The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) that reports to the Chartered Governance Institute in the United Kingdom (UK) or they represent as the branch office in Malaysia to act merely as the local examining body, such as, the Chartered Public Accountants (CPA), Australia; Association of Chartered and Certified Accountants (ACCA), United Kingdom; The Institute of Chartered Accountants of England and Wales (ICAEW), United Kingdom; and The Chartered Institute of Management Accountants (CIMA), United Kingdom and a few others.

Professional bodies that are set up as a branch office are solely under the control of the head office whilst the divisional offices are given the authority to deliver the professional qualifications according to the local conditions, and provide other support services to the local

members according to the local regulatory requirements. The professional bodies that holds the status of a “division” must ensure that it complies with both the international and local regulatory framework and pay a licensing fee to the parent organization of the professional body on an annual basis. Hence, it is independent in its strategic directions and the day-to-day operations thus it is expected to be self-sufficient in managing the business. This means it has to find various different ways to generate sufficient income to sustain itself in the local business environment. However, where policy and the by-laws of members are concern, these divisional offices are expected to report to the International Council of the respective professional body for approval. From time to time, these divisional offices are also expected to submit Divisional Reports to the Professional Standards Committee of the respective professional body to ensure that the quality of the qualification and profession is maintained according to the established global standards.

It is important to understand that the structure and the development in these professional bodies are not the same as the profit-making organizations. The mainstream income is derived from the members’ subscriptions that are paid by members on an annual basis. Other income sources would include training and seminar fees that are paid by the attendees who could come from both members and non-members of the professional bodies. Funds received from these sources are usually used to pay off the operational expenses, develop new training programmes, enhance membership services, and invest of research and developments activities. Thus, the core objectives of the professional bodies are not to earn high profits and declare dividends to its shareholders but to earn enough revenue to sustain and improve business for membership growth. Having a large pool of professional members could firstly benefit the professional bodies through an increase in the total revenue and surplus earned, and secondly it would ensure that there is sufficient supply of professional members to provide the required services according to the demand across industries in the country.

In view of this, the professional bodies must ensure that the overall organizational performance is improved, if not sustained, so that they exist to protect the profession. These professional bodies also must exist to serve the interest of all other stakeholders who are directly linked to the sustainability of the business, such as, regulators, trainers, educators, employees, creditors and so forth. Therefore, maintaining healthy overall organizational performance in the non-profit organizations, such as professional bodies, has become equally important as compared to any other profit-making organizations in the business world.

Most of the professional bodies in Malaysia has been established for more than 50 years now and the way a few of these organizations manage their businesses have been the same since the early years. This could be partly due to the influence of the parent organization's policies, procedures and cultural practices, or it could be largely due to the respective CEO's beliefs. In most cases, the business practices that had contributed to the success of the organization in the past is left unchanged because the CEOs believe that if such practices had brought success before then it should do the same now and left unchanged. Nonetheless, did these leaders acknowledge the fact that the current business environment has become very volatile, uncertain, complex and ambiguous, and ignoring change to match the expectation could result in a chaotic business situation.

As such, it is important that a change in leadership approach and mind-set would be necessary to analyse and conduct business in the current business environment. The CEOs should audit themselves by asking if their present leadership beliefs and approaches in leading the employees in their organizations is appropriate because there is a huge change in the workplace environment caused by technological advancements and the entry millennials into the workforce. These changes affected the way work is to be done in most organizations as the standard management practices are only effective for an 'ordinary' growth and it would be ineffective in managing 'rapid growth' or 'growth' in a volatile environment due to high degree of uncertainties. Therefore, it is significant for leaders of the professional bodies to audit themselves and make a personal shift in their mind-set and be creative to adopt an inside-out approach of experiencing the world through creations from discovery, passion and purpose. The leaders must also instil a different mind-set amongst employees to accept change as a learning process so that it would enable them to develop new work practices, which could result in improved organizational performance.

In order to understand the underlying truth of the current situation amongst professional bodies in Malaysia, the researcher has chosen to conduct a study on the Fourth Schedule Companies Act 2016 prescribed professional bodies in Malaysia. The Companies Act 2016 (Act 777) is the Act that provides for the registration, administration, dissolution of companies and other related matters and these are managed by the company secretary(ies) of which the Act has indicated that every organization should appoint at least one secretary who is either a member

of a body that is set out in the Fourth Schedule or a person licensed by the Commission under the section 20G of the Companies Commission of Malaysia Act 2001.

The following are the prescribed professional bodies that are listed under the Fourth Schedule, Section 235(2)(a) of the Malaysian Companies Act (CA) 2016:

1. Malaysian Institute of Chartered Secretaries and Administrators (MAICSA)
2. Malaysian Institute of Accountants (MIA)
3. Malaysian Bar Council
4. Malaysian Association of Company Secretaries (MACS)
5. Malaysian Institute of Certified Public Accountants (MICPA)
6. Sabah Law Association
7. Advocates Association of Sarawak

The Sabah Law Association and the Advocates of Sarawak are linked together with the Malaysian Bar Council, to represent and govern primarily the role of lawyers in Malaysia. On the other hand, the Malaysian Institute of Certified Public Accountants (MICPA) is linked with the Malaysian Institute of Accountants (MIA), to govern primarily the role of accountants in the country. The remaining two professional bodies, The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and the Malaysian Association of Company Secretaries (MACS), are independent of each other, however, they govern the role of its members as Chartered Secretary and Company Secretary, respectively. The members of these professional bodies are described and controlled by the by-laws and the code of conduct so that these professionals are able to carry out their duties and responsibilities ethically either at the place of employment or for their clients. They are also required to assure that good governance practices are observed at all times and ensure that no unethical trade behaviour is committed by any individuals and/or organizations in Malaysia.

As corporate governance has become the buzzword in the business environment today, members of these professional bodies, who are better known as governance professionals, have become high in demand for their professional services especially in the medium and large corporations. They are looked upon as highly skilled and competent specialists who are needed at the C-level of every organization, to cultivate and maintain good governance practices at all times. This recognition has added more value to the reputation of members of the Fourth

Schedule Companies Act (CA) 2016 prescribed professional bodies in Malaysia and has become the source for the professional bodies to attract more individuals to join any one of these professional organizations as members.

In addition to this, the Act has also imposed a requirement for organizations to appoint at least one company secretary for one organization that has been incorporated. According to the Companies Commission of Malaysia (CCM), the statistical report shows that in a year at least one million companies are formed and as at 31 December 2020, there were approximately 1.38 million companies incorporated in Malaysia. This proves that there is a high demand for company secretaries to serve a large pool of organizations thus creating a huge employment opportunity for members of the Fourth Schedule Companies Act (CA) 2016 prescribed professional bodies. As a result of this, there are possibilities that a growth membership numbers could be achieved thus resulting in an increase in the members' subscription income. However, there are numerous challenges that are hidden behind these opportunities that each of the respective prescribed professional bodies may have to consider.

Accountants and lawyers, besides their core areas of specialist, are able to provide company secretarial services at their place of employment or to their clients with their membership at the respective professional bodies. The introduction of Section 236 of the Malaysian Companies Act 2016 has made this possible by widening the scope of practice for these professionals. Members of the Malaysian Institute of Accountants (MIA), the Malaysian Institute of Certified Public Accountants (MICPA), the Malaysian Bar Council, Sabah Law Association and the Advocates Association of Sarawak, are all approved by the Act to provide secretarial services without the need for any further formal requirements to acquire the practicing license. This has created a huge challenge to the other two independent prescribed professional bodies, the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and the Malaysian Association of Company Secretaries (MACS), as they provide only the company secretarial services to their customers and clients.

The Malaysian Association of Company Secretaries (MACS) was established by the members of the Companies Commission of Malaysia (CCM) about 20 years ago. Majority of the Council members of this professional body comprises of senior members from CCM, thus, reflecting the strong influence and support that the organization has from the regulator. This relationship also enables MACS to obtain first-hand information on the regulatory and compliance

requirements that is required when serving customers and clients. The membership database in MACS is made up of qualified professionals, such as, accountants, tax agents, chartered secretaries, certified company secretaries, company auditors, lawyers and also the licensed company secretaries and senior officers from CCM. Apart from the professionally qualified members, individuals may also become a member of MACS by passing the qualifying examinations that is offered by the professional body.

On the other hand, similar category for admission of members is adopted by The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) except that it does not allow admission of licensed company secretaries, certified company secretaries and CCM senior officers, as a direct entry into the chartered membership of the organization. Individuals who are keen in becoming MAICSA members are strictly required to complete the qualifying examination that is offered by the professional body.

However, unlike MACS and MAICSA, individuals can also become licensed company secretaries by attending an interview with the officers at Companies Corporation of Malaysia (CCM). This has created a huge competition for MAICSA and MACS, however, MAICSA has a greater advantage over MACS and CCM licensed secretaries because of its established brand name. MAICSA awards an internationally recognized qualification to members to practice as Chartered Secretary in Malaysia and in any commonwealth countries across the globe. Therefore, the world class qualification is a unique selling point that MAICSA has in establishing the reputation of MAICSA members as Chartered Secretaries who are Governance Professionals when compared to the other members from MACS and CCM.

In addition to this, the 'Chartered' status that is described in the Royal Charter also adds value to the qualifying program that is offered by MAICSA. Even though the qualification is from the United Kingdom, all the respective divisions around the world are able to customize their programs to suit the local conditions and yet use the 'Chartered' role to enhance their membership status. Hence, members who complete the qualifying program in Malaysia are given equal recognition and status which is same as other individuals who have completed the qualifying program in the other divisions. They are also given equal employment opportunity in organizations that are located in Malaysia and other commonwealth countries without prejudice. Unlike MACS members who have attained the Malaysian qualification as Company Secretary would only be able to serve organizations in the Malaysian industries.

Despite the strong brand name, distinguished membership status and high demand for company secretaries, the organizational performance at MAICSA has not been shown positive results over the past few years. Upon reviewing the annual reports, a drastic decline in studentship and membership numbers have been noted since 2009. Even though the professional body has been in existence for more than a decade in Malaysia, the overall organizational performance does not seem to be encouraging when compared to the other Fourth Schedule prescribed professional bodies that are listed in the Fourth Schedule. Moreover, these professional bodies were established lesser than 30 years but have recorded better organizational performance as compared to the pioneers. Hence, the researcher is keen to know why and what could possibly be the cause of the poor performance and how the overall performance could be improved in comparison to the top performing Fourth Schedule Companies Act 2016 prescribed professional bodies in Malaysia.

The researcher would like to assess to see if the leadership style of the professional bodies could bring about positive changes to the overall organizational performance of the organizations and if the internal conditions of the professional bodies can be influenced and transformed to achieve improved bottom line results. Thus, the researcher has selected the weaker performing organization that is listed in the Fourth Schedule Companies Act 2016 prescribed professional bodies in Malaysia, hereafter would be referred to as the “Company”, to conduct an in-depth evaluation for the purpose of this study.

1.2 PROBLEM STATEMENT

This study explores the performance of organizations in the VUCA environment, and the need for effective leadership to transform the organization so that business can be sustained, and better organizational performance can be achieved. The VUCA environment constantly imposes challenges and this could hinder the continuity of businesses, hence, it is necessary that organizations are led by leaders who are effective in coping with change. Leaders must realize that the current business environment is unlike before and predictions could go wrong due to the instability and uncertainty in the business environment. Hence, the volatile environment has a lot of uncertainties that creates complexity that results in ambiguous decisions made. The advancement of technology is one example of the external factor that has

rapidly caused drastic changes to the customer trends and expectations. Organizations that fails to understand and refuses to change and adopt could end up with difficulties in retaining their business. There are also possibilities that these organizations could run into huge losses and eventually leave the business industry. Therefore, to survive the turbulence in the VUCA environment, effective leadership style is required to transform the organization to become agile so that it is flexible, fast and focused in its business approach, which would result in improved organizational performance in the long run.

The business environment today places great emphasis on agility as it highlights the need for organizations to be responsive, fast and proactive in their actions and decision-making (Bazigos, Smet and Gagnon, 2016; Horney and O'Shea, 2015; Zaucha, 2019; Jurisic et al, 2020; Rigby et al, 2020). Thus, it is necessary that leaders develop their mind-set to act fast and adopt relevant approaches when leading organizations in the VUCA environment. Leaders are also required to cultivate an agile culture to enable employees to think differently, to generate new ideas, to be transparent and to share views by encouraging freedom of speech among employees. These changes will help the leaders transform the internal environment of organization with enhanced capabilities that would best match the expectations of the external business environment (Schein, 2017; Zaucha, 2019; Jurisic et al, 2020; Rigby et al, 2020). Juristic et al (2020) explored the stories of four global organizations where being agile had led the organizations achieve success. The leaders of Spark, a New Zealand based digital-services and telecommunications company, identified behavioural shifts to design the new agile operating model to help employees along the agile journey, whilst, leaders in Roche, a 122-year-old biotechnology company, facilitated personal change process where leaders shift from limiting, reactive mind-set to an enabling creative ones. As with Spark and Roche, Magyar Telekom's leaders used structural changes on individuals and organizational levels, to align people, customer and business processes as well as physical and digital working environment to create an agile culture. On the other hand, ING, a well-known leader of agile transformation in banking, concentrated on continuous learning and improvements, and tracked the impact of the agile transformation on productivity and other dimensions of performance. The link between soft and hard drivers, and the performance metrics enabled ING leaders to identify cultural factors that influenced results that were crucial to the transformation's success. Therefore, it is evident that shift in culture is critical as the agile transformation would result in improved organizational performance.

In Malaysia, professional bodies are still very traditionally structured where the Chief Executive Officer (CEO) of the Secretariat is guided by the Council and Office Bearers in leading the organizations. In addition to this, committees, working groups and taskforces are also set-up to assist the Secretariat in managing the business operations and planning on future initiatives. The entire senior management structure is set up annually at the conclusion of the Annual General Meeting (AGM) when the President and Council members are elected by members to administer the Secretariat for a period of one year.

The CEO reports to the Council on strategic and policy issues of the organization whilst the operations of the Secretariat are reported to the Office Bearers. Issues and actions in relation to the operational activities of the respective departments are normally discussed at the respective Committee meetings after which recommendations would be tabled at the Office Bearers and Council meetings for approval and implementation. Therefore, the CEO's authority in the prescribed professional bodies can be seen to be very limited because of the management practice.

As the Council is elected by members, strategic decisions that relates to funds, member's benefits, brand image and any other strategic issues can only be considered and approved by the Council. Hence, the governance structure of the professional bodies has remained the same, that is, conventional and bureaucratic with various levels of reporting prior to decision-making. This structure has caused a lot of delays in taking relevant actions on important business issues thus reflecting a major weakness in leading the professional bodies in a volatile, uncertain, complex and ambiguous environment.

The agile leadership and culture encourages team work to achieve better organizational performance, however, the work culture in the professional bodies do not practice this approach as each department reports to a particular committee or task force to accomplish its departmental objectives. This clearly shows that work is done in siloes and there is no holistic approach in managing the business operations. Any improvements that are undertaken are also done in isolation as there is no integration between departments in producing the end results. This work practices have also created sub-cultures that are different from the core culture of the organization thus creating an imbalance in the organizational practices.

It is important that leaders of the organizations scan the external environment to identify and understand changes that has taken place, such as, change in customers' preference and expectation or any other challenges that could hinder the performance of the organization. In the case of professional bodies, a few other examples may include changes in the legislative requirements that could affect the content knowledge of the professional skills that may need to be re-designed and technological advancements that may impact the delivery of professional services to customers and clients. However, a few of the CEOs of the prescribed professional bodies only take into consideration the legislative changes that affects the professional skills but ignore other major changes thus affecting the readiness of the organization in facing business challenges in the VUCA environment.

As a result of this, there has been lack of creativity and innovation in some of the professional bodies as no transformation has been done to improve services deliverables to members, customers and clients. Majority of them tend to use conventional methods to facilitate learning and/or communicate with stakeholders. As a non-profit organization, the high investment cost involved in upgrading the technology infra-structure could be a major concern for the CEOs, however, these leaders must realise that they are left with no choice than to invest on the technology infrastructure so that the efficiency in providing services to members could result in improved performance. Failure to invest may impact adversely on the overall performance of the organization as delays and inefficient services would result in customer dissatisfaction.

Apart from the above, professional bodies in Malaysia do not give importance on employee lifelong learning, which is the source of innovation. They are only keen in organising training programs to enhance knowledge and professional skills to meet the continuing professional development (CPD) requirements imposed by the regulators. Members are required to attend these training programs to accumulate the required CPD points annually in order to maintain their practising license. Very few CEOs prioritise employee training and develop a highly skilled and competent workforce. Hence, this has created an adverse impact on the organization's productivity, individual employee performance and organisational growth. The organization remains static as employees are unable to think creatively or generate new ideas to enhance the products or services.

As the researcher has been an employee in one of the Fourth Schedule Companies Act 2016 prescribed professional bodies in Malaysia, issues in relation to the organizational structure,

conventional work practices, lack of creativity, and other factors as highlighted above, has been part of the researcher's experience. These encounters have, therefore, inspired the researcher to explore to see if similar conditions exist in the other prescribed professional bodies and if not, why, and what other differences exist and how it has impacted the performance of the organizations. Even though most of the professional bodies have a common organization structure and management practices, not all of them are able to achieve outstanding performance in the Malaysian business environment. A few of them still face extreme challenges in attracting and retaining membership in their respective professional bodies, whilst other prescribed professional bodies remain strong in membership and revenue as they adopt extra-ordinary business strategies to capitalize the opportunities that are available in the wider business environment.

Here again the researcher is keen to know if the CEO's role as the leader has had any significant effect on the performance in these organizations and if the CEOs had initiated changes to the organizational culture, which has resulted in an improved organizational performance. This includes the change in the leader and employee's mind-set towards the business approach where new methods of doing business is explored and accepted, becoming nimble, focused and flexible so that environmental expectations are met. In view of this, the researcher is keen to know the type of leadership style that is being practised, the initiatives that are taken to strengthen and improve the internal capabilities and how these actions have influenced the organizational behaviour, which has brought about a significant impact on the overall performance of these organizations.

To further explore the situation, the researcher also examined the annual reports of the prescribed professional bodies to extract information with regard to the membership status of each of the prescribed professional bodies. The membership database is assessed to understand the strength of the organization as the higher the number of members, the better the bottom line results could be expected. Among all the seven prescribed professional bodies, the best and poor performing organizations were identified and analysed to understand the business conditions. Upon reviewing the annual reports of the best performing prescribed professional bodies, the researcher was able to identify the dynamism of the leaders through the various initiatives they had taken to achieve continuous improvements on the overall performance of the organization, such as, product developments, investments on IT infra-structure, business collaborations and enhancement of membership services.

In the CEO's message, detailed explanations were provided on how the organization had exploited technology advancements to meet the industry and market needs, and how it had impacted the membership status and professional skills of its members in Malaysia. The notes to the financial statements also provided sufficient evidence to demonstrate the impact of being customer-centric as favourable results on the membership growth were reflected in the financial statements of the professional body. In year 2020, the professional body reported a total of 36,365 members as compared to 35,630 members in 2019 and 34,655 members in 2018. This provides sufficient evidence on the growth of membership that has resulted from the CEO's dynamism, flexibility, creativity and agile actions. The overall outcome had also resulted in creating a superior brand name for the professional body that has further enhanced the member's status in the Malaysian business industries. The members are highly sought after for their professional services not only in the areas of accounting, taxation and auditing, but they are also looked upon to provide company secretarial services, which is a completely new role for the members of this prescribed professional body. The diverse role of these members has created an impact on the membership against another prescribed professional body, which is a very well-known premiere professional body for company secretaries in Malaysia, that is, the "Company".

The annual reports of the "Company" has indicated that there were only 4,170 members in 2020 whilst there were 4,207 in 2019, 4,183 in 2018, 4,155 in 2017 and 4,010 in 2016. Marginal drop in membership number has been noted since 2016 when the new Malaysian Companies Act was launched and the Fourth Schedule prescribed professional bodies were identified. On the other, the drop in numbers are more apparent because the "Company" has only one type of services to be offered, that is, company secretarial services, hence the adverse impact on the bottom line results of the "Company". Upon further review of the annual reports of the "Company", the researcher also noted that the information with regard to the organization's strategic directions, business intentions and how it had overcome challenges in the business environment was explained in the President's message but none of the actions taken were dynamic as compared to the best performing prescribed professional body as mentioned above. There was also no message received from the CEO's office to express the business conditions at the "Company" or explanations provided on the actions that the organization had taken or intend to take in order to improve the business conditions. This raised concerns to the researcher as the role of the CEO does not look important and the responsibilities as the leader of the

organization is not expressed well for the stakeholders understanding as compared to the best performing prescribed professional body. This gives the impression that the CEO and his role in leading the professional body is very mundane, thus, reflecting a major weakness in the governance structure of the organization. Furthermore, it is also doubtful to know if this could be the reason of the poor organizational performance as the CEO is not given the authority to strategize and manage the “Company’s” business operations.

On the other hand, the President’s message too did not have any extra-ordinary information given on the organization’s activities as most initiatives that were undertaken during the year was almost identical to the previous years. There were only two exceptional events that were reported over the last two years, that is, the launch of the new qualifying scheme and the re-branding of the organization where it had helped to transform the administrative role of the Chartered Secretary to a more powerful strategic role as Governance Professionals at the C-suite level. However, sufficient promotional activities were not carried out to create the awareness on the enhancement of the member’s roles. Thus, the need for the change in the employer’s mind-set to accept the changed role of the Chartered Secretaries became a total failure. On the other hand, the CEOs from the top performing prescribed professional bodies continuously emphasized on the initiatives that the organization had taken to prepare their members to be well equipped on the Industry 4.0 revolution, which they believe will prepare their members to serve customers and clients better across all industries in Malaysia efficiently.

In addition to this, the “Company” which is wholly owned and controlled by the parent organization in the UK, finds it difficult to respond quickly to the challenges in the Malaysian business environment as it is obligated to comply to policies and standards of the parent organization. The division is required to obtain approval from the parent organization if deviation from the normal practice is required. Furthermore, the “Company” has not developed a close relationship with the Malaysian government agencies and/or regulatory bodies as compared to the other Fourth Schedule prescribed professional bodies. These factors have weakened the brand name of the “Company” and the membership status thus causing a downward trend in the membership numbers over the past few years.

It was further noted that the “Chartered” qualification of membership is a unique selling point and it should have been highlighted in the annual reports so that it could help enhance the membership status. However, the product differentiation was never emphasized in any of the

“Company’s” marketing and promotional activities. Instead, the President’s statement provided information that was related to collaboration initiatives that were undertaken with educational institutions as the means to increase the membership numbers. Nevertheless, this enabled the “Company” to strengthen its relationship with the Universities and promote the qualifying programme to potential students who wish to pursue their career in the company secretarial practice. However, the outcome of these initiatives were not impressive as the membership statistics continued to decline year after year.

As the “Company” has been around in Malaysia for more than a decade, the decline in membership numbers does not reflect well on the organization’s performance and this may cause the organization to lose its market position to the other Fourth Schedule Companies Act 2016 prescribed professional bodies, unless the root cause to the poor performance is identified and rectified. This may also result in the “Company” to lose its identity as the premier professional body for company secretaries in Malaysia, if the problems persist.

In summary, organizations that aims to improve its bottom line results should strategize itself well so that they are able to face challenges that are forced by the external environment. This directly links to the leadership of the organization because as described by Schein (2017), Joiner (2019) and Zaucha (2019), leaders play a significant role in leading the organization in the right direction through their vision and mission, inspire their employees and shape a suitable organizational culture by integrating the internal conditions that matches the external environment expectations. In addition to this, leaders must also ensure that the internal resources are responsive, flexible and adaptive to the external changes so that the organizational objectives can be achieved without constraints.

The leaders constantly communicate their action plans to create the excitement and inspire employees at the work via internal branding, which would help position the organization in the marketplace via external branding (Ogbonna and Harris, 2000; Jaharuddin, 2003; Kantabutra, 2006; Zehir, et al., 2011; Wahab et al., 2016; Lee, et al., 2018). This whole process is referred to as the branding of leadership where the leader brands oneself by shaping the organization with the unique style of leadership, as such, leadership develops the image of the organization (Smallwood and Ulrich, 2007; Chittipaka, 2011). The reputation and performance of the Fourth Schedule Companies Act 2016 prescribed professional bodies is highly dependent on its leaders, that is, the Chief Executive Officers (CEOs). These leaders are responsible for

establishing the organization's image, which could be achieved if the appropriate leadership style that is relevant to the current environment is adopted. Therefore, the research problems identified among the Fourth Schedule Companies Act 2016 prescribed professional bodies in Malaysia strongly relates to the overall performance of these organizations. The researcher believes that the key factors that has possibly affected the performance of the professional bodies could be related to the leadership style and the organizational culture, hence, the aim of this study would be to understand and examine the relationship between these variables: leadership style, organizational performance and organizational culture, to justify the underlying truth of the related theories to the real world situation.

As the business environment has become more volatile, uncertain, complex and ambiguous, agility would be linked with the leadership style and organizational culture to achieve improved organizational performance. The AGILE Model by Horney and O'Shea that links the VUCA environment and agility would be referenced to explain how leadership agility and organizational agility could be developed to help organizations in becoming top performers in the industry. As each area in the model is linked to the five critical drivers: anticipating change (A), generating confidence (G), initiating action (I), liberate thinking (L) and evaluating results (E), the abilities the agile leader would be demonstrated by relating to them. Explanation will also be included on how the drivers mentioned in the model would be used to cultivate the agile organizational culture that is required.

The critical drivers of the Model that is adopted would express the outcome of this research, on a macro level, with the development of the conceptual framework that links the agile leadership style and organizational performance through the mediation of the organizational culture, which could be applied to the Fourth Schedule Companies Act 2016 prescribed professional bodies to improve its organizational performance. On a micro level, these critical drivers would be linked to the core cultural elements, that is, organization structure, people and internal business processes, to explain how environmental changes could impact the internal environment of the business. This is because the three core cultural elements are inter-dependent and changes imposed on one cultural element could impact another, hence, it is important that the change process is thorough so that a balanced distribution of the internal resources can be attained. In addition to this, a smooth integration of these core cultural elements would also be essential, if improved organizational performance is desired. Therefore, the change and integration process of the core cultural elements would be emphasized if

appropriate organizational culture is to be developed, especially in the case of Fourth Schedule Companies Act 2016 prescribed professional bodies in Malaysia.

In summary, this study would explain the concepts and relationships of agile leadership style and organizational culture as the determinants of organizational performance. By doing so, the researcher would be able to arrive at conclusions that would ascertain the significant effects between the three variables: agile leadership style and organizational performance, and agile leadership style and organizational culture, and organizational culture and organizational performance, all of which that would be analysed from the Malaysian professional bodies perspective.

1.3 RESEARCH OBJECTIVES AND RESEARCH QUESTIONS

The research objectives of this study are:

RO1 : To examine the impact of agile leadership style and organizational performance of professional bodies in Malaysia.

RQ1 : Does agile leadership style have a significant effect on organizational performance of professional bodies in Malaysia?

RO2 : To examine the impact of agile leadership style and organizational culture of professional bodies in Malaysia.

RQ2 : Does agile leadership style have a significant effect on organizational culture of professional bodies in Malaysia?

RO3 : To examine the relationship between organizational culture and organizational performance of professional bodies in Malaysia.

RQ3 : Does organizational culture have a significant effect on organizational performance of professional bodies in Malaysia?

RO4 : To assess the mediating effect of organizational culture in the relationships between leadership style and organizational performance of professional bodies in Malaysia.

RQ4 : Does organizational culture mediate the effect of leadership style on organizational performance of professional bodies in Malaysia?

RO5 : To investigate the effects of organizational culture on internal integration of professional bodies in Malaysia.

RQ5 : Does organizational culture have any significant effect on internal integration in professional bodies in Malaysia?

RO6 : To investigate the effects of internal integration on organizational performance of professional bodies in Malaysia.

RQ6 : Does Internal Integration have any significant effect on organizational performance of professional bodies in Malaysia?

The researcher understands that there is a range of characteristics that is associated with agile leadership style, which if it is present, could help the leaders in the organization to cultivate suitable organizational culture to complement the conditions according to the expectation of the business environment, and as a result improved organizational performance could be achieved.

1.4 SIGNIFICANCE OF STUDY

Answering the research issues would provide valuable contributions to the knowledge that is going to be presented in Chapter Five of this research project. As the result of this study, the current body of knowledge that is available would be enhanced through the development of a conceptual framework for agile leadership. The new knowledge would explain the abilities of an agile leader and how this leader would transform the organization to become agile so that improved the organizational performance could be achieved. In addition to this, the enhanced knowledge would provide an in-depth explanation on the core cultural elements of the internal environment and demonstrate how integrating these elements could create a significant impact on the performance of the Fourth Schedule Companies Act 2016 prescribed professional bodies.

Even though there is a positive indication on the demand for professional services in Malaysia, only those prescribed professional bodies that are strong and able to demonstrate their readiness to face the environmental challenges would be able to retain their position in the industry. There are many leaders who still live on their past glories and practices, hence, refuse to change or explore new opportunities. As a result, organizations that are led by these type of leaders find it difficult to cope with the disruptions and uncertainties as they lack the internal capabilities to match the external expectations such as market trend, customer requirements and technology advancements. Therefore, this research is conducted with the intention to assist the Fourth Schedule Companies Act 2016 prescribed professional bodies in Malaysia to gain proper understanding on what is agile, and how agile leadership abilities and agile organizational abilities could be achieved to help sustain and grow the organizational performance in the VUCA environment.

Leaders of the professional bodies would be able to apply the findings derived from this study as a guideline to help them evaluate their current leadership qualities and adopt the most appropriate leadership style that would be suitable in leading organizations today. It would help them to assess the relevance and suitability of their leadership style with the current business conditions and identify changes that needs to be made so that they are able to lead their organizations more effectively. In addition to this, the research would also highlight the importance of organizational culture where it is the leader's responsibility to cultivate the most appropriate corporate culture that would help organizations to become more responsive to changes, exploit opportunities and overcome challenges.

In relation to this, the importance of agility would be emphasized for leaders to firstly understand its meaning and subsequently understand how organizations could benefit by becoming agile. Leaders must realise that when an organization becomes agile, it would become more focused, fast and flexible in reacting to the volatile, uncertain, complex and ambiguous business environment. In order to cultivate an agile culture, leaders must be able evaluate the core cultural elements of the organization and decide how change can be facilitated in order to influence the organization's outcomes positively. Finally, it is the leader's responsibility to ensure that these elements are changed and integrated appropriately so that the outcome derived is holistic and contributes well to the overall performance of the organizations.

1.5 SCOPE OF STUDY

This research aims to explore the role of leadership and its influence upon the development of corporate culture that is required to improve organizational performance in the volatile, uncertain, complex and ambiguous (VUCA) business environment. Even though various studies have been conducted to prove the relationship between leadership, culture and organizational performance, no extended discussions have been made on the leadership agility organizational agility that is needed in achieving improved bottom line results. Therefore, this study will demonstrate the leader's influence upon organizational performance via the transformation and integration of culture in the areas of organizational structure, employee's mind-set and involvement, and the internal business processes.

A quantitative study was conducted on the Fourth Schedule Companies Act 2016 prescribed professional bodies in Malaysia. There are seven professional bodies listed in the Schedule, namely, MAICSA, MIA, MICPA, MACS, the Malaysian Bar, Sabah Law Association and the Advocates Association of Sarawak. The first five professional bodies are located in the Klang Valley of Peninsular Malaysia whilst the last two of the professional bodies are located in East Malaysia. Data was gathered from survey questionnaires that were distributed to all the seven prescribed professional bodies and results were verified against the underlying truth on theories relating to leadership style, organizational culture and organizational performance. The study focused primarily on the significant influence of a particular leadership style on organizational performance that is mediated through the influence organizational culture.

1.6 TIMELINES

The focal point of this scientific research was to be objective on the research conducted, thus, information collected would be analysed systematically to arrive at reasonable conclusions. The entire process started with the compilation of literature review, research design up to research execution. It is a multi-stepped process that is linked to one another, hence, due care was taken to ensure that every single information collected would be carefully processed to avoid making wrong judgments. As the process is long and tedious, the proposed duration to the complete the research would be between 18 to 24 months.

While the compilation of literature review was done, the arrangements on the approval to contact research participants of the prescribed professional bodies was initiated. On approval, survey questionnaires were distributed directly to all respondents via email. It is important to note that not all respondents would revert to the survey questionnaire but alternative actions were made to follow-up with the respondents to achieve the minimum number of respondents required for this study so that the overall analysis of the study was not adversely affected at the concluding stage. Replies received from the respondents were collated and analysed accordingly to obtain answers to the research questions and hypotheses that were developed. On completion of the analysis, conclusions and recommendations were made for the “Company” and other organization’s reference.

1.7 GLOSSARY OF TERMS USED

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| Agile organizations | Describes the organizations ability to move quickly and easily to manage challenges from the external business environment. |
| Agile Leadership | It refers to the leader’s style of creating change that contributes to building an agile organization. |
| Agile Model | It is a unifying framework for agility that is used to align people, process and technology operationalized through the five critical drivers of anticipating change, generating confidence, initiating action, liberate thinking and evaluating results. |
| Agile Culture | It describes the environment that is underpinned by values, behaviours and practices, which enable organizations, teams and individuals to be more adaptive, flexible, innovative and resilient when dealing with complexity, uncertainty and change. |
| Agility | It expresses the ability of individual or organizations to move fast and easily or to think and understand quickly. |

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| Ambiguity | It describes the lack of clarity and the possibility of having more than one meaning or interpretations. |
| Complexity | Describes a complicated situation or process where every factor needs to be considered before arriving at conclusion or taking decisions. |
| Customer-centricity | An approach that adopted by businesses to provide a positive customer experience at the point of sale and after sales services in order to gain competitive advantage and better profits. |
| External environment | This best describes the external factors or influences that creates an impact on the operations of businesses and it is necessary for organizations to act or react in order to keep up with the flow of operations. |
| Internal environment | This refers to factors within an organization such as culture, members, events and factors that has the ability to influence decisions and behaviour of people in the organization. |
| Internal Integration | It is a process that involves the coordination, collaboration and integration of business activities within and across other functional areas in an organization. |
| Internal business process | It is the set of activities and tasks when once completed, will accomplish the organization's goals. |
| Leadership Agility | It describes the abilities of a leader to take effective actions in a complex and rapidly changing environment. |
| Mediation | It refers to the intervention in a process between two or more relationships |

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| Organizational Culture | It defines the way how people behave in an organization, that is, the shared beliefs and values which are established by leaders, who communicate and reinforce them through various methods, ultimately shaping employee perceptions, behaviours and understanding. |
| Organizational Performance | It is the actual results achieved by an organization as measured against its goals and objectives. |
| Organization Structure | It describes the structure, tasks allocation, coordination, and supervision directed toward the achievement of organizational aims. |
| Participants | A person or an organization that takes part in an activity. |
| Performance measurement | Describes the measurement of results, tracking of progress and comparisons of outcomes against goals/expectations set. |
| Processes | It describes a series of actions or steps taken to complete a particular task. |
| Professional body | It is an organization with individual members practicing a profession in which the organization maintains an oversight of the knowledge, skills, conduct and practice of that profession or occupation. |
| Respondent | It refers to the person who responds to question posed either in the form of survey questionnaire, emails or via telephone interviews. |
| Stakeholder | Any individual or business unit that is influenced by the product/services or actions taken or received by the respective organizations. Stakeholders can be either internal or external to the organization. |
| Strategic fit | It is the degree to which an organization matches its resources and capabilities with the opportunities available in the external environment. |
| Transformation | Describes the change of its original state converted into another new state or being. |

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| Uncertainty | It describes the state of being unsure or lack of predictability of the changes that may influence situations or conditions in the environment |
| Volatile | It refers to external elements in the business environment that has the potential to affect the organization directly or indirectly. |
| VUCA Environment | It refers to the unpredictable nature of the external business environment due to volatility, uncertainty, complexity and ambiguity. |

CHAPTER TWO – LITERATURE REVIEW

2.1 INTRODUCTION

Chapter One outlined the scope of study that comprehends the knowledge on leadership style, organizational culture and organizational performance. The Fourth Schedule Companies Act 2016 prescribed professional bodies in Malaysia was referred as the subject of the study where the impact of leadership style on the organizational performance of the professional bodies were examined, and the organizational culture was referred to as the mediating factor between the independent and dependent variables.

The Fourth Schedule Companies Act 2016 prescribed professional bodies in Malaysia include The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA), The Malaysian Institute of Accountants (MIA), The Malaysian Bar Council, The Malaysian Association of Company Secretaries (MACS), The Malaysian Institute of Certified Public Accountants (MICPA), The Sabah Law Association and The Advocates Association of Sarawak. These professional bodies are approved by the Act where its members are able to practice as Company Secretaries in serving organizations and individual clients in the Malaysian business industry.

The aim of literature review in this chapter is to introduce the theoretical concepts of the three variables that is being examined in this study: leadership style, organization culture, and organizational performance. The chapter begins with an introduction on the current business environment where on the VUCA environment is defined and the meaning of volatility, uncertainty, complexity and ambiguity is explained in detail with reference to various scholars' descriptions. The views of scholars on the four words 'VUCA' and their suggestions to overcome the environmental challenges was highlighted for better understanding and analysis.

Further discussions on 'agility' that is commonly highlighted by most of these scholars are also included in the subsequent paragraphs. The explanation includes the meaning of agility and its underlying concepts in relation to two areas that are being explored in this study, that is, agile leadership and organizational culture. From the literatures gathered, critical review will be made to justify the significant effect between agile leadership and organizational performance.

Field research that were conducted in the past will be referenced in the discussions to further help in developing the first hypothesis of this study.

Subsequent discussions on organizational culture will be made to gain better understanding on its definitions, dimensions and development of organizational culture. This will help describe how and why culture change happens and who is responsible in cultivating the right culture in an organization. Critical review by various scholars and field research from the past will be included to support the explanation between leadership style and organizational culture and its impact on organizational performance. These discussions will help the researcher to develop the next two hypotheses in relation to leadership style and organizational culture, and organizational culture and organizational performance.

Organizational performance refers to the bottom line results of an organization where the outcomes of business activities are used to determine the overall health conditions of the organization. Assets, such as, capital resources, physical resources and people, are the organizational resources that are used to produce value in business activities, hence, the real meaning to organizational performance is value creation. Key performance measurements of core activities are identified, measured and evaluated to determine the achievement of outcomes against the overall goals and objectives of the organization. Therefore, a critical review in relation to the definition of organizational performance, concepts, dimensions and performance measurement indicators, will be discussed in-depth to gain better understanding on organizational performance and it's true meaning to value creation. The results from previous field studies will also be included to support the discussion on leadership style, organizational culture and organizational performance. For the purpose of this study, the agile leadership style will be linked to organizational performance to demonstrate the significant effect between the two variables, and further linked with organizational culture to demonstrate the mediation effect.

Until now, there have been enormous number of empirical studies conducted by researchers on the three concepts of this study: Leadership Style, Organizational Culture and Organizational Performance. For example, Baumgartner (2009) explored the role of organizational culture and leadership as preconditions for the development of sustainable corporation; Kantabura (2006) conducted a study on organizations in Thailand on the vision-based leadership style and sustainable business performance; Hasan et al., (2018) examined the impact of leadership styles

on organizational performance; Frontiera (2010) explored the link between leadership and organizational culture transformation in the professional sport organization perspective; Wahab et al. (2016) studied the leadership styles and organizational performance among academics leaders in education service environment in Malaysia; whilst Lee et al. (2018) conducted a study on the Malaysian manufacturing firm to examine the effects of organizational culture on performance. However, these studies had examined the direct link between two variables only.

On the other hand, there were other studies that had examined the direct relationship between three variables. For example, Ogbonna and Harris (2000) gathered empirical evidences from the UK companies to justify the relationship between leadership, organizational performance and organizational culture and performance. Similarly, Jaharuddin (2003) investigated the relationships between corporate cultures and leadership styles towards organizational performance of local and foreign organizations in Malaysia, whilst, Zehir et al. (2011) conducted a case study research on the multinational companies in Istanbul to examine the effects of leadership styles and organizational culture over firm performance. These field studies identified will be used closely for discussion in this chapter.

In addition to this, theories developed by other scholars such as Edgar Schein (2017), Kotter and Heskett (2011), Deal and Kennedy (1983), Northouse (2016) and Yulk (2008) is also used as the main reference to discuss the concepts on leadership style, organization culture, and internal integration. Theoretical concepts developed by Horney and O'Shea (2015) on the VUCA environment and the AGILE model that was developed as a framework for success for future leaders to use as the developmental roadmap is also included for discussion in this chapter. Their emphasis on agility that has also been strongly supported by researchers, such as, Smet, Gagnon and Aghina from the research organization McKinsey & Co and other researchers such as Zaucha and Bazigos who had contributed in-depth discussions on organizational agility and leadership agility are also included in the literature review.

Lastly, theories developed by Yulk (2013), Kaplan and Norton (2001), and Venkatraman & Ramanujam (1986) and Carton's (2004) on organizational performance is also included to define and explain the dimensions of organizational performance. The discussions will include explanations on performance management systems, which will include the understanding of a performance measurement system as an essential the tool to assess an organization's health.

On the completion of the discussions, the underpinning theories would be used to develop the remaining hypotheses to be tested and thereafter to develop the conceptual framework arising from the outcome of this research.

2.2 THE BUSINESS ENVIRONMENT TODAY

The contemporary business environment has become more dynamic and challenging due to various accelerating factors such as digitization, globalization, automation, analytics and other forces of change. Organizations are expected to modify the way businesses are managed and if possible adopt new approaches so that they are able to face these challenges that are seen in the volatile, uncertain, complex and ambiguous (VUCA) environment (Bennett and Lemoine, 2014; Horney and O'Shea, 2015; Aghina, 2015; Smet, 2015; Zaucha, 2019). VUCA is the description of the current business environment which is regarded as volatile, uncertain, complex and ambiguous. This acronym was coined by the social scientists who worked with the U.S. Army War College in the 1990s. They referred this to the ongoing chaotic situation around the world and used it in their mission to make the military leaders understand how they should lead their army under similar chaotic situations. It was since then the VUCA description became popular and is now referred by many others to describe the modern business environment.

In today's business world, organizations may see a rise in the number of business opportunities arising from globalization and technological advancements; however, there are also great challenges that these organizations could face in managing their businesses due to various factors such as demographic shifts in the workforce and high investment costs on technology infrastructure. One of the most recent examples of the VUCA environment is the Covid-19 pandemic that had profoundly impacted not only business operations and the global economy but also people's lives, health and livelihood globally. The pandemic has disrupted the global supply chain and forced countries to manage movement control order (MCO) to control the spread of the virus. Many organizations were forced to scale down operations, whilst, a few had to close down due to the decline in demand. This has created an adverse impact on the employment rate and has increased the risk of the economy going into recession. The Business Sentiment 2020/21 report published by Monash University Malaysia, highlights that besides the Covid-19 pandemic, political instability has also caused uncertainty, market volatility and

economic risk in Malaysia. The report further added that the shrinking demand, intensive competition, Industry 4.0 technologies, lack of talents in the country on ICT and new technology skillsets, and global environmental standards were other few that has created more uncertainties to businesses in the country. According to impact assessment of the manufacturing sector in Malaysia, adverse impact of 74% decline were recorded on textile, wearing apparel and footwear production, 69.3% in the transport and equipment industry, 68.4% in wood, furniture, paper products and printing, 62.7 in non-metallic products and 37.1% in electrical and electronic products, thus, resulting in a drop of 37.2% overall manufacturing performance index in 2020. Likewise, Datuk Mohd Shukrie Mohd Saleh, Group CEO of Malaysian Airports said that the global aviation industry was also badly hit with a decline of 64.2% in global passenger traffic towards the end of 2020 due to air travel standstill. He added that similar situations were felt in other industries in the ecosystem and difficult but important decisions were forced to be made in order to manage the crisis.

However, there were many Malaysian business leaders, such as education (universities and professional bodies), food, banking and service industries, accelerated the adoption of technologies to establish new processes with improved cost structure and adjusted the way business is done according to the changed situations so that wider scope of customers could be reached locally and globally. This created new platforms for competition and future advantage because these businesses managed to analyse the market and at the same time taken the risk and invest to transform their businesses (Business Sentiment 2020/21 Report). The CEO of one of the largest professional bodies in Malaysia, The Malaysian Institute of Accountants (MIA), Dr Nurmazilah Dato' Mazlan said that the Institute regularly revisited and refined its operational plans to ensure that it remained on track to achieve the four Strategic Objectives set. It ventured into the most effective innovations, that is, virtual platforms that enabled the Institute to deliver 75 outputs in 2020 as compared to 71 outputs in the previous year. These online platforms and engagements are the enabler for financial sustainability as it enabled the Institute to deliver higher quality CPE events to greater number of participants at a more economical costs. Similar reviews were also received from Novie Tajuddin, CEO of The Malaysian Institute of Certified Public Accountants (MICPA), on the good outcomes as the Institute was able to swiftly respond and take dynamic actions to adapt to the changes in the VUCA environment, that is, the COVID-19 pandemic. The Institute's collaboration with the Chartered Accountants Australia and New Zealand (CA ANZ) gave it a competitive edge as the professional examinations were offered online. Almost all events organized by the Institute

were offered virtually and larger reach out were achieved resulting in an increase of 7% of revenue and 78% of surplus compared to the previous years.

Therefore, all the four characteristics of VUCA are true of the challenges that every organization is facing due to the pandemic now: volatile as it is unpredictable; uncertain as there is no prediction on when the pandemic will end; complex as it affects all aspects of life; and ambiguous as there is no best practices that organizations can follow to face the challenges caused by the pandemic. However, with the presence of true agile leaders a few organizations are able to translate the challenges into opportunities for a better business sustainability and growth.

According to Bennett and Lemoine (2014), it is true that leaders are faced with multiple issues to resolve nowadays and this can become a threat on the organization's performance if they are not resolved immediately. However, recognizing and resolving them may not be any easier too. Thus to manage the turbulence, Bennett and Lemoine (2014) made recommendations for leaders to adopt the practice to diagnose and label situations appropriately so that actions can be taken to manage the organization's resources and to sustain the organizational performance. Similarly, Horney and O'Shea (2015) supported to say that understanding the uncertainties of the VUCA environment will enable leaders to identify the internal capabilities in advance and develop them to face the uncontrolled challenges with confidence, create engagement, adaptability and nimbleness. They also stressed the point that for organizations to succeed in the VUCA environment, transformation was essential. This was further supported by Brosseau et al. (2019) as they explained the need for a transformation from traditional organizations to agile organizations. They added that the change does not only refers the process, structure, strategy, people and technology but it is first a change in mind-set of the leaders. Therefore, leaders should firstly re-look at the way they operate; think and lead their businesses; and then transform the internal conditions in the organization where required so that the level of change in terms of competition, customer trend and workplace environment can be matched.

Since the early 2000, continuous digital developments, increased inter-connectivity and intense global competition have effected customer expectations in many ways and this has brought about huge developments where innovation has become the trademark of the 21st century (Smet, 2018). Conversely, Aghina (2015; 2018) said that it was important for the people in the organizations to think ahead and be well prepared to face surprises and challenges as many

unpredictable events could occur. He said the people should adopt different attitudes and behaviour towards work and leaders should develop their people skills and create new tools for organizations to thrive in the VUCA environment. In support of this, Professor Ismi Arif Ismail, Director of the Institute for Social Science Studies (IPSAS), Malaysia in his article titled ‘New trends in higher education: Are we ready’ published in April 2021 has also said that, ‘new trends will bring significant changes to the higher education landscape, so leaders and professionals should be agile and ready to adjust their styles of leading and managing their organizations to match the situation and stakeholders that they are dealing with. Leaders must capitalize the trends to enhance their practices in leadership and governance, collaborate with multiple stakeholders locally and globally so that they remain current and future ready.

Somehow, Bennett and Lemoine (2014) noticed that most leaders misunderstand the meaning of VUCA – volatility, uncertainty, complexity and ambiguous. They assume that all the words have the same meaning and are synonymous to ‘unpredictable’, ‘unavoidable’ and ‘unsolvable’, but they failed to understand that each word has a unique meaning and should be dealt with differently. Unless leaders are able to identify the unique challenges of each word, they would not be able to seize the opportunities that are available and may prepare for the wrong challenges or misdirect resources instead of addressing the actual issues (Bennett and Lemoine, 2014).

Bennett and Lemoine (2014) explained volatility as an unstable change. Even though sufficient information is available and the situation is understandable, change is frequent and some can be unpredictable. Schick, Hobson and Ibsch (2017) highlighted the essential characteristics of volatile environment as having constant changes, surprises and unpredictable results. Conversely, Horney and O’Shea (2015) said volatility is when unexpected events occur, for example, the financial crisis that had happened in 2008. Volatility causes the need to have new thoughts and build new ideas to do business because the old ones had become irrelevant under current circumstances. Hence, to cope with volatility effectively, Bennett and Lemoine (2014) suggested the leaders to leverage on agility by using the organization’s resources to develop agility and create the potential for future flexibility.

Horney and O’Shea (2015) urged leaders to be prepared to take risk, make fast decisions and create contingency plans so that they are able to avoid or overcome surprises by being able to anticipate potential situations. Volatility can cause uncertainty that obstructs confidence and

speed for the average organizations, however, it does offer great opportunities to organizations that are more focused, fast and flexible in responding to the unexpected (Horney and O'Shea, 2015). According to Zaucha (2019) the key quality of a leader in a volatile environment would be authenticity where self-esteem and values of the leader represents the identity of excellence. The strengths and benefits from past experience and potentials give the confidence for the leader to take risks and make decision daringly. He also said leaders should be vigilant, flexible and proactive thus leaders with narrow thinking would not be able to cope with volatility.

On the other hand, uncertainty can make predictions difficult because things could be unclear and it can erode the confidence and control of leaders who are especially control-oriented. This undermines the capabilities of leaders and teams as the result of delayed actions thus weakening the organization's competitive readiness. In order to handle the situation better, Horney and O'Shea recommended the leaders to build people skills throughout the organization and equip them with the capabilities required. Constant communication with employees is encouraged so that people would understand the change and be prepared to act accordingly. Similarly, Bennett and Lemoine (2014) described uncertainty as lack of knowledge of an event and its implications. The cause and effect may be understood but significant effect of the change may not be known, that is, unclear. Therefore, leaders should gather information from various sources and study them from different perspectives so that the situation and its implications can be understood for better business performance.

Similarly, Zaucha, (2019) said that the key challenge of a leader under uncertain condition is the interpretation of data and situations. This can cause problems in providing concrete solutions. Hence, leaders under such situation should see the challenge as an opportunity to develop and grow, and they should be open to diverse perspectives, adopt innovative solutions, operate beyond boundaries, and be capable of taking risks to make new decisions. In short, leaders who practice openness will uncover their own capabilities and grow, which will eventually motivate them as leaders and also the team members whom they are leading (Zaucha, 2019).

Conversely, complexity relates to the various parts in the organization that are interconnected with in-depth network of information and procedures and manage this effectively leaders must take a holistic view of the internal system/processes to match with the external complexities (Bennett and Lemoine, 2014). Similarly, Horney and O'Shea (2015) said complexity would

arise when there is a growing need of expansions on the interactions of parts of critical processes, hyper-technology, cultural nuances and many other possible causes. They said complexity is the greatest challenge for CEOs today because it requires leadership creativity and organizational dexterity for fresh creative thinking and organizational mobility to adapt, change and pick-up the pace. Therefore, Horney and O'Shea (2015) said leaders who give priority and emphasize on the value propositions, organizational values and strategic actions are the ones who will be able to lead well to gain the competitive advantage. On the other hand, Zaucha (2019) said complexity requires leaders to synthesize and analyse the entire situation and individuals simultaneously so that a cohesive conclusion could be drawn on the situation. Therefore, leaders who are flexible in their thoughts and decision-making would be the best to create organizational stability.

Lastly, to overcome the challenges that are imposed by ambiguity, it is best for leaders to adopt a cohesive approach when analysing things (Zaucha, 2019). The leader's influence and collaboration with others becomes much better to understand when things can be seen in totality. Therefore, cohesion reflects the leader's identity, beliefs and values, unity of thought, speech and actions thus any unclear situations would not affect a cohesive leader and it is key to effective decision-making (Zaucha, 2019). On the other hand, Horney and O'Shea (2015) said ambiguity would happen when there are many alternatives or meanings given to situations whilst Bennett and Lemoine (2014) described ambiguity as a situation where the cause and effect cannot be understood because there are no set rules available to make predictions on what to do, thus, lack of clarity and blurred details could make things become very subjective. Bennett and Lemoine (2014) further added that not everyone in the organization would come to an agreement on the situation as different people would have different views. In view of this, Horney and O'Shea (2015) also said that because of this, promises made could be different from the policies and practices implemented, thus, it could distort the real meaning to the organization's intentions and priorities. Conversely, Bennett and Lemoine (2014) said ambiguity can be directly connected to innovative solutions because looking at past experience to learn or draw meaningful conclusion would not make sense anymore in the VUCA environment, hence, it is a situation of experimentation for organizations. In support of this, Zaucha (2019) too suggested that to eliminate ambiguity it would be best that new strategies are developed to override old practices that are no longer applicable.

In summary, every organization is influenced by the VUCA environment in its own way and the only way to lead organizations today would be by treating the VUCA world as a challenge. As highlighted by Zaucha (2019), organizations in the past evolved in the circle of stability and predictability. They were able to revert to the old management model that had proven success after every worst encounter; however, such practices do not exist in the VUCA world. Hence, leaders are advised to approach every challenge by evaluating each of the VUCA elements to develop better capacity to achieve better organizational performance (Zaucha, 2019; Horney and O'Shea, 2015).

Developing capacity helps to create organizational agility because constraints and opportunities are clearly identified and responded in a better and faster way. It also helps organizations understand its readiness to face challenges in the VUCA environment. According to Horney and O'Shea (2015), having the true agility is an advantage to the organization because it can make things difficult to be replicated by other players in the industry. In view of this, Aghina (2015) in agreement with Bennett and Lemoine and Horney and O'Shea suggested that leaders should accept and embrace agility in leading organizations today so that they are able to make the right predictions by understanding the uncertainties in the environment and take right actions in a more organized manner.

Cottmeyer (2020) said adopting agile means to deliver better outcomes. He said this can be done by understanding the business goals, align them with the organization's common outcomes, explain the transformation strategy and identify the necessary trade-offs. He further added that by being agile, organizations can identify if the transformation undertaken was heading towards the right direction. On the other hand, Brosseau et al. (2019) in support of Aghina et al. (2018) described agile organizations by referring it to, 'a network of teams operating in rapid learning and decision-making cycles. Agile organizations instil a common purpose and use new data to give decision rights to the teams closest to the information'. Thus an agile organization is able to combine velocity and adaptability with stability and efficiency (Brosseau et al., 2019). Aghina et al., (2018) also said truly agile organizations are very stable because they structure the backbone elements to progress slowly so that it is able to support the dynamic capabilities to adapt fast to opportunities and challenges.

According to the Bazigos, Smet and Gagnon's research conducted among 1000 companies in 2015, speed with stability was identified as two strong predictors of organizational

performance. These two elements had generated better outcomes especially in the areas of financial management, financial incentives, capturing external ideas and employee involvement in shaping the organization's vision. They said agile organizations that combined speed with stability had higher premium compared to others. Besides that, the survey also revealed that role clarity and operational discipline were powerful evidence that makes agile companies special because they are able to balance speed with stability. Other management practices such as innovation and learning has also helped in capturing new ideas and knowledge sharing whilst motivation and inspirational leadership had created significant values to these organizations.

Therefore, to achieve success in the business environment today, organizational agility and leadership agility is crucial as it helps organization cope with all aspects of volatility, uncertainty, complexity and ambiguity (VUCA) by being focused in areas that requires attention, fast in taking actions and flexible in making relevant changes to match the external conditions (Horney and O'Shea, 2015; Aghina, 2015; Zaucha, 2019; Bennett and Lemoine, 2014).

2.3 ORGANIZATIONAL AGILITY

Smet (2015) defined agility as the organization's ability to renew, adapt and change fast in a turbulent and ambiguous environment. He explained that agility requires both the capabilities to change fast and also a strong stable foundation, which is the anchor point that remains unchanged while other parts change. This stability reflects on the leader and the people who belief in the leader. Similarly, Zitkiene and Deksnys (2018) described organizational agility as, 'the ability to recognize unexpected changes in the environment and appropriately respond in a swift and efficient manner, by utilizing and reconfiguring internal resources, thus gaining competitive advantage in the processes'. On the other hand, Horney and O'Shea (2015) described agile organization as being healthy and vibrant by being focused, fast and flexible in continuously aligning people, processes and technology to adapt to the changing conditions. They said to achieve agility, it should be holistic, that is, it must be implemented in every area, function or department in the organization. Further, leaders must understand the connections between departments (the 'and') against alternatives of choices (the 'or') in preparing for

agility that is critical. Decisions on this must be carefully considered as no trade-off should be made unnecessarily.

Conversely, Singh et al. (2013) conceptualized agility as, ‘the organization’s capacity to produce change along two dimensions that are posited to be typically in tension:

- (1) magnitude of variety, and
- (2) rate of variety generation change,

that allows organizations to move with flexibility and speed relative to its competitors’. Further, Aghina (2015, 2018) defined organizational agility as being flexible to adopt changes and become stronger to achieve the competitive advantage, thus described it as, ‘a network of teams within a people-centered culture that operates in a rapid learning and fast decision cycles that are enabled by technology and a common purpose that co-creates value for all stakeholders’. They said these elements were common and present in all agile organizations, immaterial of its size and/or industries.

Rigby, Sutherland and Takeuchi (2017) said organizations that embrace agile would be able to accelerate profitable growth, create new generation of skilled leaders, form creative and adaptive teams to solve complex problems. These organizations would also be able to benefit by becoming lean and focus on reducing lead time and process work load. Therefore, organizational agility can be summed up as being focused, fast and flexible in facing the challenges in the disruptive world.

Being focused means to be clear and to pay attention to details so that the desired outcomes can be achieved through relevant actions. Thus, applying ‘focus’ as part of agility and understanding the value propositions of business would enable organizations to be successful in the highly competitive and volatile environment (Horney and O’Shea, 2015; Aghina, 2015; Bennett and Lemoine, 2014; Cottmeyer, 2020). A study conducted by the American Management Association in 2007 proven that a high correlation exists between financially successful organizations with organizations that had high clarity of its mission and message. Hence, the essential conditions for organizations to achieve success in a competitive environment would be to remain focused on the critical priorities of the business and ensure that the organizational resources are aligned to match the priorities identified.

Horney and O'Shea (2015) also said focus relates to the setting of strategic objectives as well as the organizational values. To achieve the organization's vision, clarity on the key operating principles would be essential because it provides guidance on relevant the management actions to be taken. If there are any uncertainties on the critical priorities or values, speed and commitment towards achieving the goals can get disrupted. However, if it is certain that favourable results can be derived from the priorities then it is important that leaders are clear on what to do and how to do things in relation to organizational values and operating principles. Therefore, organizations that are focused would always seek clarity on the vision, values, operating principles, strategic capabilities and priorities as these contributes towards achieving the organization's vision (Horney and O'Shea (2015); Aghina (2015) and Smet (2015), Bazigos et al. (2015), Bennett and Lemoine (2014), and Cottmeyer (2020).

The second criteria of agility refer to speed, that is to act fast with actions as customers continuously expect and demand for products/services that adds value and create convenience for them. As technological trends, innovation and customer needs emerges, speed is needed at every step in the business process and decision-making (Zitkiene and Deksnys, 2018). Leaders who are fast in adapting and adjusting themselves as compared to their competitors would be in a better position to compete and succeed. Therefore, it is important that leaders understand their industry and the players well so that quick actions can be taken to sustain their position in the industry (Horney and O'Shea, 2015; Smet, 2015; Bennett and Lemoine, 2014; Brosseau et al., 2019).

The third and final criteria of agility refers to flexibility. With the high rate of technological and social changes taking place in the world, it is apparent that individuals and organizations should be flexible to adapt to changes otherwise they can become disoriented, stressful or disconnected (Horney and O'Shea, 2015; Smet, 2015; Bennett and Lemoine, 2014; Zitkiene and Deksnys, 2018; Brosseau et al., 2019). Thus, leaders who anticipate and respond fast to changes would be able to inculcate flexibility in their organization system, which would enable them to survive the turbulence and grow (Larman, 2002; Hunt, 2006; Aghina and Smet, 2015). Therefore, to smoothen the journey in the business world, it is important that organizations become more responsive in a better and faster way, and adopt new tools and techniques so that higher values can be created to lengthen its existence in the business environment (Bennett

and Lemoine, 2014; Horney and O'Shea; Zaucha, 2019; Bazigos et al., 2015; Aghina and Smet, 2015; Rigby, Sutherland and Takeuchi, 2017).

In summary, agility can be successful only if the organization includes it into the core of the organization's strategy as it enables the leader and teams to have the right mind-set in their business approaches (Brosseau et al., 2019). Having the right mind-set would help enhance the organization's capabilities to sense and respond faster to the changing customer needs, competitor's capabilities; and be flexible throughout the organization to meet other stakeholder's requirements (Bennett and Lemoine, 2014; Aghina and Smet, 2015; Bazigos et al., 2019; Zaucha, 2019; Brosseau et al., 2019; Horney and O'Shea (2015). However, Singh et al., (2013) said there is no guarantee that agility can lead to improved firm performance because only fast changing environment can have positive impact on the financial or strategic performance, thus, agility would not be worthwhile for slow paced environment. As such, the characteristic of the business environment plays an important role in assuring success on the agile operating model.

Similarly, Brosseau et al., (2019) said agility may result positively only if there is a right mind-set among people in the organization. He said leaders and teams who have strong mind-set and clear aspiration would be able to generate better results from agility through culture and change. However, Aghina et al., (2020) in their latest research have affirmed that agility does pay no matter which industry the organization operates, hence, labelled agility as an 'impact engine'. The research on the 22 organizations across six sectors revealed 4 main outcomes as a result of agile transformation, that is, improved customer satisfaction, employee engagement, operational performance and above all improved financial performance, which is closely related to the objective of this study.

2.4 THE AGILE FRAMEWORK

Forces of change come in many different forms and directions, and to survive the turbulence, organizations are required to respond better and faster. This requires certain level of capabilities present in the organization to recognize change and respond in an efficient manner (Bennett and Lemoine, 2014; Aghina and Smet, 2015; Horney and O'Shea (2015); Zitkiene and Deksnys, 2018; Bazigos et al., 2019; Zaucha, 2019; Brosseau et al., 2019). In 2003, Horney and O'Shea created the Agile Model for future leaders to use it as a developmental roadmap. The model highlights the capabilities that are required of leaders so that they can embrace agility and prepare their organizations for success. Refer to Figure 2.1.



Figure 2. 1: The Agile Model

Source: Adopted from Focused, Fast and Flexible – Creating Agility Advantage in VUCA World, Horney and O'Shea, 2015, pg. 20.

Horney and O'Shea (2015) said the organizational agility is driven by five critical abilities: Anticipating change, Generating confidence, Initiating action, Liberating thinking and Evaluating results (AGILE) that should be applied in three core areas of business, which is people, process and technology, so that outstanding performance can be achieved. Similarly, Aghina and Smet (2015) identified people, process and structure as the critical domains to develop flexibility so that change can be done easily to match the environmental demands. They also said true agility can be found in a stable frame of speed, flexibility and dynamism

combined. On the other hand, Shriar (2015) identified people and company culture as the best domains to develop ability and flexibility to stay ahead of competition because he said agility is more about the mind-set of people rather than methodology. He said work can be done fast and employees would become more engaged in a culture that has strong communication, constant learning, empowerment and above all where failure is accepted as part of learning.

Similarly, Zitkiene and Deksnys (2018) identified market, competition, customer preferences, technology and social factors as agile drive factors. Organizations that recognize this and responds fast to changes in these areas would be able to remain competitive and certain set of capabilities in the enablers would be required in order to act up efficiently. Zitkiene and Deksnys (2018) identified structure and organization, processes, technology, human resources and network as the enablers that are levers that can be used to implement agile practices. Enablers and capabilities are dependable of one another, hence, capabilities would help identify the abilities the organizations have, and identify weak and less agile areas so that it can be transformed.

According to Zitkiene and Deksnys (2018), organizations that are efficient and has agile business processes, flexible organization structure, open to changing workforce, agile network and partners and easily adapts to technology, would be every ready to take advantage of the emerging global opportunities. On the other hand, Harraf et al., (2015) developed ten pillars of agility, that is, culture of innovation, empowerment, ambiguity, vision, change management, communication, market analysis and response, structural fluidity and learning organization, as the framework to transform into an agile organization that would be responsive to the VUCA world.

However, a survey conducted in Europe indicated leadership as a crucial dimension that affects organizational agility positively (Allied Consultants Europe, 2010). According to Joiner and Josephs (2007), the only person who can create and lead agile organizations would be an agile leader. This is because they said, ‘leadership agility is directly related to organizational agility’ thus agile leaders have the ability to take wise and effective actions in a complex and rapidly changing conditions. Therefore, agile leaders influence organizations by laying the groundwork and transform the organization including themselves in order to match the level of change to compete in the VUCA environment (Bennett and Lemoine, 2014; Aghina et al., 2018; Smet, 2015; Horney and O’Shea (2015); Zitkiene and Deksnys, 2018; Bazigos et al.,

2019; Zaucha, 2019; Brosseau et al., 2019; Harraf et al., 2015; Moreno, 2017; Skousen, 2020; Cottmeyer, 2020).

Joiner and Josephs (2007) identified 5 levels of leadership agility: Expert, Achiever, Catalyst, Co-creator and Synergist, which corresponds with adult ego development. From this, the researchers discovered 4 leadership agility competencies, that is, context-setting agility, stakeholder agility, creative agility and self-leadership agility with 8 underlying capacities each that would evolve as leaders move from one agility level to another. Joiner and Josephs (2007) further explained that each level highlights the leader's ability to respond to change and complexity, and they also said that leaders would move from one level to another only when they are faced with a crisis to handle. Therefore, to increase the level of leadership agility, leaders should be involved in developmental activities and learn as part of reflective learning, which would be the best way to learn new leadership agility competencies. On the other hand, Horney and O'Shea (2015) developed the Agile Model that outlined the 15 leadership agility that are required of the new generation leaders to lead in the VUCA environment. Refer to Table 2.1.

Table 2.1: The AGILE Model with Definitions

| | | Leadership Agility Profile | | Definitions |
|--|-----------------|----------------------------|-------------------------------|---|
| Agility Consulting Agile Development Schematic Starts with the Goal of Creating Dynamic Capability to Become Agile | Focused | Anticipate Change | VISIONING | Engineers vision into action; creates clear mental picture of what could be, fuelled by the conviction that it should be. |
| | | | SENSING | Recognizes relatedness of and the patterns underlying information in various forms and sources. Draws inferences or conclusions about the meaning of diverse information for the issue at hand. |
| | | | MONITORING | Identifies, collects, organizes, and documents data and information in ways that make the information most useful for subsequent assessment, analysis and investigation. |
| | | Generate Confidence | CONNECTING | Influences others within the organization to be excited, enthused, and committed to furthering the organization's objectives. |
| | | | ALIGNING | Adapts approach, goals and methods to achieve successful solutions and results in dynamic situations. |
| | | | ENGAGING | Builds heightened emotional connection to the organization by influencing stakeholders to exert greater discretionary effort to the success of the organization. |
| | Fast | Initiate Action | BIAS FOR ACTION | Exhibits initiative, energy and foresight in evaluating and responding to challenge situations, problems and opportunities. |
| | | | DECISION MAKING | Commits to a timely course of action which considers alternatives, risks and consequences in light of organizational goals, values, resources and constraints. |
| | | | COLLABORATION | Moves quickly to find common ground for solutions among diverse interests; involves people inside and outside the organization. |
| | Flexible | Liberate Thinking | BIAS FOR INNOVATION | Generates fresh, original and unconventional perspectives and original approaches. Re-examines established ways of doing things. |
| | | | CUSTOMER FOCUS | Develop situations in a manner that demonstrates an understanding of the customers' business needs and desire for timely, cost-effective and value-added services. |
| | | | IDEA DIVERSITY | Seeks a variety of perspectives in an open-minded manner from traditional and non-traditional sources; seeks alternative, new or non-traditional approaches. |
| | | Evaluate Results | CREATE EXPECTATIONS | Focuses on outcomes; applies quality principles, practices and tools to provide products and services valued by the customer. |
| | | | REAL-TIME FEEDBACK | Identifies what needs to be done and proactively takes appropriate action. |
| | | | FACT-BASED MEASUREMENT | Uses data and information in a clear, rational and thorough process to assess and understand issues, evaluate options, form accurate conclusions, and make decisions. |

Source: Adapted from Agility Consulting & Training, LLC, August, 2011.

The model demonstrates ‘what’ kind of abilities would be required of a leader to manage change and ‘where’ flexibility should be adopted when leading in the volatile environment. Leaders may possibly use the model to develop their confidence and commitment for the purpose and increase capabilities as they move forward in different directions through fresh and innovative thoughts.

As this study is aimed to explore the influence of agile leadership style on organizational performance, discussion on agile leadership and leadership agility in reference to Joiner and Josephs, and Horney and O’Shea would be discussed in the subsequent paragraphs to understand the concepts and its application for the purpose of this study.

2.5 LEADERSHIP

Northouse (2013) defined leadership as, ‘...a process whereby an individual influences a group of individuals to achieve a common goal.’ He made reference to process, influence, groups and common goals as the key component to define leadership. He further explained ‘process’ as the interaction between the leader and the followers, which is a two-way communication that can be affected by the events either in a positive or a negative manner and referred ‘influence’ to the leader’s capability to affect the followers who are in a ‘group’ working together to accomplish a common goal.

Similarly, Yukl (2006) referred to the same key components and defined leadership as 'the process of influencing others to understand and agree about what needs to be done and how to do it, and the process of facilitating individual and collective efforts to accomplish shared objectives' whilst Mitonga and Coetzee (2012) expressed leadership as, ‘the pattern associated with managerial behaviour that is designed to integrate the organizational or personal interest and effects for achieving particular objectives’. Therefore, leadership describes the involvement of both the leader and followers, and their work to achieve the shared objectives.

Establishing the shared objectives can be challenging but it is worth the time and effort of the leader and followers to have mutual understanding so that they can work together to accomplish the shared goals. Scholars of leadership have continuously carried out studies to explore how leaders lead and what kind of leadership was needed for organizations to excel

and improve their performance. Mitonga & Coetzee (2012) explained leadership style as a combination of characteristics, traits and behaviour that is used to interact with employees whilst Harris (2007) said it describes the relationship between the leader and follower to work together to achieve a common goal.

2.5.1 Agile Leadership

Even after decades of research, the topic of leadership has been highly sought-after by people in the business world as they seek answers to questions like: ‘what kind of leaders are needed to lead organizations effectively and efficiently today? What kind of qualities, attributes or characteristics are essential in the new generation of leadership?’ and so forth. The increasingly complex world continues to pose more complex challenges to the survival of many organizations and to navigate the chaotic situation, a new calibre of leaders who embrace agility is required to lead effectively to achieve success (Joiner and Josephs, 2007; Bennett and Lemoine, 2014; Aghina et al., 2018; Smet, 2015; Horney and O’Shea (2015); Livorsi, 2016; Zitkiene and Deksnys, 2018; Bazigos et al., 2019; Zaucha, 2019; Brosseau et al., 2019; Harraf et al., 2015; Moreno, 2017; Skousen, 2020; Cottmeyer, 2020)

Agile leaders gained popularity because they demonstrated the abilities to think fast, focused and flexible in considering situations from different perspectives before deciding on their actions. These leaders focus on the people of the organization by being empathetic, caring, passionate, and motivate them so that the people get inspired to take more responsibilities to reach higher level. They constantly seek feedback from all members and never ignore suggestions that are provided because they respect every member in their team. Agile leaders provide a secured work environment and constantly communicate relevant and sufficient information to all team members. They develop teams and provide them with the authority and freedom to work confidently without being dependent on their leaders (Gardner et al., 2009; Joiner, 2009; Islam, 2007; Parker et al., 2015; Rigby et al., 2016; Mulder, 2018). This practice could at times result in mistakes or failures but according to Livorsi (2016), Rigby et al., (2016) and Mulder, (2018), agile leaders create a stable environment that allows experimentation, risks and failures without repercussion, thus, eliminating fear and encouraging team members to explore and learn from failures. Agile leaders also ensure sufficient training is provided to all

team members on the areas of expertise so that they are able to act independently and fast in producing quality products (Livorsi ,2016; Rigby et al., 2016; Mulder, 2018).

On the other hand, Islam (2007) explained the key terms of agile as being iterative and incremental, evolving requirements, evolving solutions and self-organizing teams. He said agile leaders are able to respond to change fast with high quality solutions because the entire project is planned by including the team members and customers. They instantly map changes according to the customer's requirement and work with the customers throughout the project life-cycle, which is totally a different approach adopted in the conventional leadership style where formal process of planning and documentations are emphasized. Therefore, agile leaders are very confident, leads team with fewer burdens, less paperwork and are in power to make change without fear of retribution (Islam, 2007). Conversely, the Agile Business Consortium (2017) described agile leaders as one who adapts and improves over time.

In addition to this, Shriar (2015), Livorsi (2016) and Brosseau et al. (2019) referred agile leaders as having a mind-set that aids growth and adopt key business strategies for success. Agile leaders can be differentiated with others as leaders who are able and willing to adapt to change; remain resilient in times of change and uncertainty; and appreciate learning from both good and bad experiences. These leaders are fast in responding to change and seize opportunities that are available in the environment. They inspire others to spot and seize opportunities, and drive people to be nimble. Hence, they create cultures that accepts and adapts change in response to the environment with speed and flexibility (Joiner and Josephs, 2007; Bennett and Lemoine, 2014; Aghina et al., 2018; Smet, 2015; Horney and O'Shea (2015); Livorsi, 2016; Zitkiene and Deksnys, 2018; Bazigos et al., 2019; Zaucha, 2019; Brosseau et al., 2019; Harraf et al., 2015; Moreno, 2017; Skousen, 2020; Cottmeyer, 2020).

In the current environment, Agile leaders are favoured because besides being able to predict and plan, they are also able to sense-and-respond in designing environments that generate results. They have the ability to catalyse the organization's sense-and-respond capabilities to overcome organizational barriers (Joiner, 2019; Hamman and Spayd, 2015). As such, leadership style has become the key factor for organizations to pay attention because it is able create a huge impact on the overall performance of the organization in its way of leading. However, Fiedler (1996) argued that the major determinant of success or failure of a group, organization or a country highly depends on the effectiveness of the leader and the

effectiveness of a leader would depend on the leader's ability and ways to cope with the increasing turbulence in the external environment (Darcy and Kleiner, 1991; Hennessey, 1998). Hence, it requires leaders to be well-trained and experienced to lead organizations in the VUCA environment.

In summary, the speed of change in market conditions and the need for flexibility in organizations favours agile leadership approach because of its concepts of guiding vision, teamwork, collaboration, and being current with trend and changes (Kouzes and Posner, 2017); simple rules, open information, light/minimum control (Sergiovanni, 1991); and agile vigilance (George, 2004; Avolio and Gardner, 2005).

2.5.2 Leadership Agility Described

In order to overcome the challenges in the business environment today, Agile leaders are in great demand because they are required to transform and lead agile organizations successfully. In order to achieve this, leadership cultures that models and support agility for the entire organization is needed. Joiner, (2009) explained leadership agility as the leader's ability to lead effectively, and to have capabilities to consider different views when making decisions. According Joiner (2009), highly agile leaders adopt four types of agility to conclude initiatives effectively, that is, context-setting agility; stakeholder agility; creative agility; and self-leadership agility.

The context setting agility demonstrates the leader's abilities required to scan the business environment, anticipate change, decide initiatives, outline its scope and determine desired results to be achieved. Similarly, Bennett and Lemoine, (2014) and Zaucha (2019) described this as the ability to analyze the entire situation as well as of individual parts to obtain the "big picture". Leaders are required to carefully diagnose the information and not get lost in the mass of details. They should understand the situation for what it is and be flexible in the way they think to make decisions. On the other hand, stakeholder agility describes leader's ability to identify key stakeholders of the initiatives, understand their views and priorities, and determine where alignment that is required. Likewise, Zaucha (2019) described this as the ability of cohesiveness that enables the leader to know one's self-worth and self-efficacy which would

provide the ability to collaborate with others and lead with a unity of thoughts, speech and action.

Meanwhile, creative agility demonstrates the leader's ability to transform difficult issues to desired outcome by considering creative solutions whilst self-leadership agility emphasizes the leader's ability to think of their own development and look at possible ways to increase their self-awareness and align behavior with values and aspirations. Joiner (2009) said that highly agile leaders have the ability to learn and they are able to develop capabilities because of their mental and emotional capacities. He further added that leaders who embrace agility would master competencies at one level and move up to the next level of agility to develop new capabilities while skills and capacities that were learnt from the previous levels would be retained. Hence, for leaders to move to the next agility level, they must be involved in developmental activities so that they can learn easily through reflective learning (Joiner and Josephs, 2017). In support of this, Zaucha (2019) said when leaders continue to learn and grow, they would become aware of their own potentials, and this becomes the source of motivation for themselves as well as others whom they lead.

Joiner (2009) identified five levels of leadership agility: expert leadership level, achiever leadership level, catalyst leadership level, co-creator leadership level and synergist leadership level. The expert leadership agility is at the tactical level that is problem-solving oriented and under a stable environment whereas the achiever leadership is at the strategic level and it is outcome-oriented under a moderately complex environment between significant change and stability stages. The next is the catalyst leadership where innovative, inspiring vision and people with the right expertise are put together to transform the leader's vision into reality whilst the co-creator level is aimed toward shared purpose and collaboration. Lastly, the synergist leadership level is holistic where every stakeholder's benefit is considered and at the same time personal transformation is also considered.

Similar descriptions on leadership agility can be also be found in Horney and O'Shea's Agile Model. Refer to Figure 2.2. There are five critical drivers of agility that is linked with the leadership agility to highlight the leader's ability that is required under each process. The first agility driver is to anticipate change in the internal and external environment, and this is done through visioning, sensing and monitoring. According to Horney and O'Shea (2015), vision describes the leader's aspiration for the organization and visioning refers to the process of

crystallization and communication of the leader's imagination to the stakeholders. Hence, leaders are required to have the ability to obtain the basic view of the environment, understand the change forces and determine factors that would influence the leader's vision. This requires the leader to have an effective sensing system that can help to receive early alerts on the external disruptions and opportunities against the internal capabilities. Sensing would allow leaders to scan for relatedness and patterns in various forms and sources so that conclusions on the meaning of information of issues can be obtained. Therefore, sensing creates the learning agility for better and timely decisions to be taken by leaders. This process ends with the monitoring function where the leader's capabilities are required identify change in trend and patterns through the leading performance indicators. Knowing the trend and identifying change at early stage would enable leaders to take prompt actions. However, Sull (2009) said making predictions too far ahead can be too risky as inappropriate decisions could result in disastrous outcomes, as such leaders should make predictions within a reasonable timeframe to achieve better outcomes. Similarly, the processes and capabilities of leaders described by Horney and O'Shea were supported by Aghina et al., (2018), in their discussions for identifying trademarks of agile organizations. The processes were linked under organizational-agility practices, which included shared purpose and vision, sensing and seizing opportunities, flexible resource allocation and actionable strategic guidance.

The next agile driver is the ability to generate confidence among people within and outside the organization. This describes the leader's ability to understand stakeholder's capacities and creating satisfaction for all stakeholders of the organization that can be achieved through an effective process of connecting, aligning and engaging with stakeholders (Horney and O'Shea, 2015). Connecting refers to the leader's influence on stakeholders to create excitement, inspiration and commitment to achieve the organizational goals and objectives. Leaders do this by aligning the organization's goals and objectives with the stakeholders, make it relevant to them, and engage through emotions such as giving appreciation to the team members and acknowledging their valuable contributions for the team's success. Therefore, agile leaders must have the ability to develop relationships with all stakeholders so that they are able to create a highly-engaged organization (Horney and O'Shea, 2015). Similarly, Aghina et al., (2018) emphasized on developing a network of empowered teams by understanding human networks, design and build teams, collaborate across them, nurture and sustain them.

According to Horney and O'Shea (2015) leaders find it difficult to plan and execute strategies nowadays because of the speed of change and uncertainties. Aghina et al., (2018) and Horney and O'Shea (2015) agreed that technological advancements have caused massive disruptions and have made leaders to move away from strong hierarchical, highly controlled decision-making and management processes because quick actions are required. In order to overcome this, leaders are expected to be proactive and develop a shared mindset with a sense of urgency so that employees are able to take fast actions therefore an effective process such as bias for action, widespread decision-making capabilities and skills for active collaboration would be required of the leaders (Horney & O'Shea, 2015; Aghina et al., 2018). According to Horney and O'Shea (2015), true bias for action can only be achieved if the leader is able to provide clarity on the organization's goals and objectives which would enable leaders to make timely decisions upon considering multiple alternatives, risks and consequences in relation to the organizational goals, values, resources and limitations.

Further, Horney and O'Shea (2015) said, 'the speed of action is often limited by the speed of decision-making' and leaders face great challenges on this because of the slow decision-making process. Thus to overcome this, leaders must be able to set proper conditions on decision-making rights in the organization at each level and commit to develop employee skills and confidence so that they can be made accountable and responsive to come up with reliable solutions. This was also supported by Aghina et al., (2018) where leaders were required to emphasize on continuous learning so that rapid decisions can be taken. In addition to this, Horney and O'Shea (2015) said leaders allow collaboration with others, within and outside, the organization and find common ground for solutions so that everyone's interest is considered when decisions are taken.

On the other hand, innovations have also impacted business through change in customer taste and preference for products that are of value for money. This requires leaders to have the ability to be bias for innovation and be focused on customer's needs and desires so that suitable solutions are developed on a timely manner. According to Horney and O'Shea (2015), leaders must be able to re-examine the existing method of doing things and generate new ideas to do things the new way in order to be cost-effective and to add value to the final products/services, therefore, it requires leaders to have an open mind to look for ideas from variety of perspective. In view of this, to liberate thinking leaders should develop a culture for creativity so that employees can be encouraged to share their ideas to improvise or invent new products/services,

which can result in positive outcomes. Leaders must include this in the strategic process so that everyone in the organization is able to re-align and connect to make better products/services.

Similarly, Aghina et al., (2018) said leaders play an important role in integrating customer preference, the business environment and organization, thus, leaders must take a cohesive approach and provide clear, actionable, strategic guidance on priorities and expected outcomes at team levels and the organization as a whole. They must be able to ensure that everyone stays focused in delivering tangible value to all stakeholders, receive feedback and coach people so that work can be done autonomously toward achieving team outcomes.

The final driver of the Agile Model is focused on evaluating results where the outcomes are evaluated against the desired results. According to Horney and O'Shea (2015), leaders should have the ability to create expectations and this should focus is on customer satisfaction. Satisfaction here refers to the difference between what was expected against what has happened. Leaders must be able to use real-time feedback to track changes efficiently and use fact-based measurements to assess issues, evaluate options available, arrive at conclusions and make relevant decisions to resolve the issues (Horney and O'Shea, 2015).

In summary, all the 15 abilities under the 5 agile drivers described in the Agile Model is critical and should be equally applied throughout the organization to achieve true organizational agility. Horney and O'Shea (2015) said leaders who are keen in building agile organizations must commit to the fundamental principles of the agile core belief system as each element is critical for the organization's long-term success. Refer to Figure 2.3.

| AGILITY CORE BELIEF SYSTEM |
|---|
| <ul style="list-style-type: none"> • The world will continue to move faster and get more volatile, uncertain, complex and ambiguous (VUCA) in the future - a lot more. |
| <ul style="list-style-type: none"> • Agility is not just nice to do. It is imperative for survival and a competitive advantage opportunity in a VUCA world |
| <ul style="list-style-type: none"> • Your people are the highest priority. They are the basis of your adaptability and the key to customer satisfaction. Providing them the opportunity to grow and develop is paramount. |
| <ul style="list-style-type: none"> • The members of your organization must all share a mind-set of commitment to being focused, fast and flexible, fuelled by achieving excellence in the five drivers of The Agile Model. |
| <ul style="list-style-type: none"> • The agile culture elements are vital to success: caring, connecting, committed, challenging, curious and creating. |
| <ul style="list-style-type: none"> • The operating principles that help share organizational agility include simplicity, speed, synchronicity, fluidity, modularity and scalability. |

Figure 2. 2: The Agility Core Belief System

(Adopted from Horney and O'Shea (2015) Focused, Fast and Flexible: Creating Agility Advantage in a VUCA world, pp.22)

As agility gets built into the organization, stronger culture can be cultivated to prepare the organization to face the VUCA challenges. Horney and O'Shea (2015) explained that the agility core belief system represents an intellectual model for leaders to follow. Leaders who truly belief in the agility belief system would be able to create and sustain agility in the organization, however, variation from the model can influence the change pattern and the development of adaptive capabilities.

On the other hand, leadership agility is regarded to be critical because it helps leaders understand the kind of abilities that are required to lead organizations in a turbulent environment. Horney and O'Shea (2015), Zaucha (2019), Aghina et al., (2018) and Bennett and Lemoine (2014) said forces of change could come in many forms and from different directions, such as, competitive change, labour market change and organizational change. Therefore, leaders with broader experience, global presence, relevant skills and attributes that facilitates agility would be essential to unlock improvements on the organizational performance

(Aghina et al., 2020; Horney and O'Shea, 2015, Bazigos, Smet and Gagnon, 2015; Bennett and Lemoine, 2014; Joiner and Josephs, 2007). According to Bazigos, Smet and Gagnon, (2015) and Aghina et al., (2020), research has constantly proven agility to be powerful in creating an impact on both financial and non-financial performances.

2.5.3 Challenges of Agile Leadership

Leading with agility has two key benefits. It gives the employees the empowerment that they want, and enables leaders to focus wholly on refining strategies and developing new business models (MacIntyre, 2017). On the other hand, Korn Ferry, a management consultancy firm in the United States too agreed that agile organizations are able to move quickly by making fast decisions and executing them, which also enables the organization to adapt to the rapid market and environmental changes. However, research conducted by Korn Ferry experts have revealed that the level of agility would not necessarily assure long term success unless organizational capabilities that is necessary to achieve sustainable success in the digital age were identified such as empowerment and Alignment, Connectivity, Openness and Transparency, Discipline and Focus and Agility. Both Korn Ferry and McKinsey & Company consultancy firms agreed that although these dimensions may help in achieving success, it is still important that the leaders operationalise them by changing the organizational culture, and this can be challenging as it involves changing people's behaviour and feelings. Similarly, Mark Barber, a business agility specialist from Adaptovate further agreed that changing behaviours in teams can be challenge but it can be overcome by having constant communication so that the teams understand the new methods and it sinks into them as the practice over a period of time.

In addition to this, Mark Barber said to adopt agility in the business approach can be very challenging because agile requires empowered decision makers at the team level. Agile leaders must be prepared to give up their traditional control otherwise it could slow down the team, hence, these leaders must learn to trust their teams by focusing on the alignment and transparency between leadership and teams. On the other hand, leaders out of their normal practice may focus on traditional success metrics that are based on internal factors but has to be changed. They should start focusing externally on driving valuable customer outcomes rather than concentrating on the internal factors. The team should be coached to shift their focus towards customer value by constantly interacting and helping them to learn on removing the

organizational obstacles. In doing this, agile leaders will be able to see improvements in the internal metrics as they eliminate wasteful processes. Barber also said organizational silos in the organizational structure can cause great obstacles as it makes it difficult for collaborations and delays in marketing the product(s) or service(s). Hence, agile leaders find it challenging to build cross-functional teams as it takes time to break the organizational silos. Lastly, Mark Barber said, “Agile ways of working require people to learn new skills, from looking at how we break down our work differently to visual work management and new ways of tracking progress to goals. By not investing in learning these new skills we add unnecessary stress and put solid change management practices at risk”. Therefore, agile transformation requires investment on training for employees to learn new skills that are needed for agile ways of working and this can be challenging because it may increase the organization’s cost of development.

Basically for agile leadership to succeed, McKinsey Consulting in its report published in 2018 on Leading agile transformation has stressed that the leaders themselves should first change the way they think and speak, constantly help teams to work in new ways, and be able to embed new agile ideas into the organization for the long term. This is because the mind-set of leaders can create high impact on the company’s efforts on the hallmarks of agility, such as, customer centricity, speed, growth, efficiency and many more. Therefore, leaders who intend to lead agile transformation must go beyond their comfort zone to develop skills and abilities that has made them successful in the past and develop more on what they have (Rigby et al., 2020).

2.6 ORGANIZATIONAL PERFORMANCE

Organizational Performance is a subjective perception of reality as there are various critical concepts and measuring instruments that can create the confusion. The term performance was originally interpreted in relation to mechanics and sports field and subsequently characterized as good results in other fields therefore it reflects the best outcome achieved that is ‘special’. Special here means that it has been better than the past results, it is superior compared to others and has exceed the objectives that were set favorably.

In 1988, Brumbach defined organizational performance by relating it to behaviour and results, where behaviour emanating from the performer turns the concept of the performance into

concrete actions. This is typically applied in defining and assessing performance of teams and individuals. However, measuring behaviour of the performer is ambiguous unless it is clearly explained and expectation of results are clearly identified. Lebas (1995) said organizational performance was dependent between capability and future thus according to him performance can be viewed as the higher result of the present compared to the past, which connotes something positive or negative when compared with past results. As opposed to this, Wholey (1996) said organizational performance is not something in reality that is to be measured and assessed but it can be a socially constructed reality that is in people's minds.

Lebas (1995) and Wholey (1996) jointly agreed that to consider performance can be subjective and interpretative, thus, it can be ambiguous. Rolstadas (1998) said organizational performance is complex and it relates to seven dependent criteria such as effectiveness, efficiency that is supported by Neely (2002), quality, productivity, quality of work, innovation and profitability, thus, there were no clear definitions to it. On the other hand, Folan (2007) stressed that organizational performance is influenced by the environment, the objectives to be achieved, and the relevant and recognizable features. However, Luliana and Maria (2016) said no performance can be independent of the targeted objectives as achieving the objectives would translate the achieved performance. The authors also said that organizational performance should take into account all the activities that takes place in a different entity and the different interests of those involved. As an entity's objectives are volatile, controversial and contradictory, performance can be a subjective phenomenon.

Conversely, organizational performance is referred to the results or final output of an organization that is ultimately contributed by marketing, operations, human resources and strategy, which can be combined together and measured against the desired outcomes (Tomal and Jones, 2015; Richard et al., 2009, Venkatraman & Ramanujam, 1986). Therefore, it includes three areas of an organization's outcomes: financial performance, product market performance and shareholder returns (Richard et al., 2009; Gavrea et al., 2011). Financial performance refers to the organization's profits, return of assets, return on investment and others, whilst product market performance refers to sales, market share and other product/service related outcomes, and shareholder returns covers the total shareholder return, economic, value added and others (Richard et al., 2009; Venkatraman & Ramanujam, 1986).

Similarly, Lorino's work in 1995 that linked organizational performance and value creation was supported by Carton in 2004. Lorino (1995) explained how strategies planned would translate the cost-value couple into strategic objectives whilst Carton (2004) described the relationship and contributions that are derived from all factors of production: assets, human, capital and so forth, when put to work together would help the organization accomplish a common goal. According to Carton (2004) successful organizational performance is associated with the successful value creation for stockholders because it provides a unique and key information on shareholders returns, identifies high and low performing organizations in relation to shareholder returns by scrutinizing and measuring the financial performance of organizations.

2.6.1 Measurements of organizational performance

Carton (2004) stressed that the critical point on the concept of performance is the measurement of the effects, which refers to the organization's actions that are required to be taken thereafter. Bates and Holton (1995) expressed the concept of performance as a multidimensional concept and said that the measurement of performance would depend on a variety of factors, hence, it is necessary that the measurement objectives are determined clearly, which can be to measure the effects of performance or the performing behaviour. However, this concept was not well accepted as there were no proper ratings defined and it is influenced by variety of factors.

However, Carton (2004) too agreed with Bates and Holton to say that organizational performance has multiple dimensions of assessments and it is situational that emphasized on the stakeholder's perspectives. He referred situational assessment to both financial or non-financial returns and the key area of focus was on the type of business: public or private organizations whilst multiple dimensions was referred to the differing dimensions of performance that can be evaluated such as building market share for a new venture or stable resources and market share via increased productivity and profitability for a mature organization. Nevertheless, different stakeholders have different perspectives of performance according to their interest or benefit and to evaluate the overall performance of the organization it is only appropriate that the right model of organizational performance that matches the existing circumstances was considered (Carton, 2004).

Venkatraman and Ramanujam (1986) narrowed down ten different types of performance measurements into two core dimensions to measure organizational performance: financial versus operational indicators which include business performance and organizational effectiveness and classified two different sources to measure the results: primary data sources versus secondary data sources. The financial performance indicators aim to enhance the economic value of the firm whilst operational performance indicators are used to measure operational efficiency. In order to measure this, data must be collected via primary or secondary sources. Similarly, Richard et al., (2009) described organizational performance into three distinctive areas of outcomes: financial performance, product market performance and shareholder return. Conversely, Kaplan and Norton (1996) developed the Balanced Scorecard for the purpose of the internal management and control of performance by including explicitly financial performance, customer outcomes, innovation and internal processes. However, the Balance Scorecard does have its limitations as it does not allow comparisons among firms possible merely because it is often tailored made to match individual firm's requirement thus makes comparison impossible (Adams and Neely, 2000; Schneiderman, 1999).

Carton (2004) stressed that the set of indicators that are used in the past must be incorporated with the risk assessment to the present value of opportunities so that fair evaluation and results can be obtained. However, Carton and Richard's views on stakeholder's expectations on organizational performance is now challenged because there is continuous flow of disruptions in the modern business world, which has brought about change to the attitude and expectations of stakeholders. According to Finzi (2018), investors used to focus on increasing profits via improved efficiency, but financial markets and the board of directors now expect organizations to optimize the current business model and expect them to continue looking for newer ones to match the current business conditions.

According to Velimirovic et al., (2011) modern organizations use the key performance indicators (KPI) concept to evaluate their business performances. He said both financial and non-financial indicators are used to testify the performance and the achievement of the organizational goals and objectives. In support of Smith's (2001) views, Velimirovic (2011) said since KPIs are stable indicators, organizations are able to rate their performance from the past, with the present and plan for the future. As Professor Sir Andrew Likierman of London Business School said, "As someone working on ways to improve organizational performance measures, I know how important it is to look for guidance and the best of what others have

done. Those looking to improve their choice and use key performance indicators will find thought provoking ideas and valuable examples of good practice”. Therefore, KPI has been identified as a quantifiable measurement that enables organizations to measure any area of performance that are critical to the success of the organization, and which must be aligned to the organization’s vision and strategy. In addition to this, it is important that leaders communicate the KPIs clearly to everyone so that desired outcomes can be achieved.

2.6.2 Determinants of Organizational Performance

According to Randeree and Al Youha (2009), Samad (2010), Germano (2010) and Daft (2012), success and survival of the business depends on the performance of the organization, which is related to the ability of the organization to effectively implement strategies to achieve the organizational objectives. There are many variables to organizational performance such as the external environment and internal environment in which the organization operates (Samad, 2013), however, a large part of it is influenced by the leader’s abilities as they are responsible in implementing the strategies to achieve the organizational objectives (Yukl, 2008; Boyatzis & Boyatzis, 2009; Germano (2010); Silva, 2014; Almatrooshi, 2016). Bennett and Lemoine, (2014) argued that leaders develop the discipline to diagnose the environment as part of the practice and allocate resources appropriately to enhance the organization’s performance

According Yukl (2008), leaders influence the organization’s performance via their leadership behaviour and decision-making skills, however, this can be limited by the structure and programs due to stringent rules and operating procedures. In order overcome this, it is important that leaders achieve synergy among the performance determinants by constantly assessing the external situation and make informed decisions on the behaviour, programs, management systems and structural forms that is relevant and compatible with one another (Yulk, 2008). Similarly, Silva (2014) suggested that leaders adopt flexibility in their approach so that they are able to accommodate to change quickly and easily.

According to Germano (2010) and Yukl (2013), leader’s style and behaviour can influence member’s attitude, motivation and execution of plans, thus, change can impact the cultural values of the organization that includes member’s behaviour, rewards system and management programs. Therefore, it is necessary that leaders provide explanation on why change was

required and highlight the potential benefits so that members can create an impact on the organizational performance. Further, Ryan (2012) and Silva (2014) said leaders and followers have a conditional relationship and employees create an impact on the organizational performance when working in teams (Mukherjee et al., 2012). However, Pech (2003) said effective leaders are needed for teams to succeed whilst Joiner (2007) and Almatrooshi (2016) said agility and cognitive competencies of both leader and team members were important to achieve better organizational performance.

Joiner (2007) identified four leadership agility competencies for leaders to be successful in leading in the turbulent environment: context-setting agility, stakeholder agility, creative agility and self-leadership agility. Whilst Almatrooshi (2016) identified cognitive, social and emotional intelligence as leadership competencies and Boyatzis & Boyatzis (2009) identified social intelligence competency as it enables leaders to focus on innovation. Boyatzis & Boyatzis (2009) social intelligence enables leader to motivate employees as they are given the power to explore new ideas. Yukl (2013) further added that the leaders who support for company-wide training and encouragement for innovative thinking would also raise the member's confidence because idea generation is supported.

On the other hand, Ryan (2012) in support of Boyatzis and Boyatzis, added cognitive and emotional intelligence competencies to social intelligence and concluded that significant relationship exists between leadership competencies and organizational performance. Sun and Hui (2012) further explained the leader's abilities to resolve problems, taking effective decisions, communicating effectively and learning from experience as part of cognitive competencies that would contribute to effective organizational performance. Therefore, to achieve improved organizational performance, leadership competencies play a role to influence employee's performance that will ultimately impact the overall performance of the organization (Joiner, 2007; Yukl, 2013; Boyatzis & Boyatzis, 2009; Sun and Hui, 2012; Almatrooshi et al., 2016; Darino et al., 2019).

Agile leaders put people in self-managed, customer focused, multidisciplinary teams to avoid working in silos. They also have the ability to constantly communicate with the team members on the greater purpose of the organization to create powerful effect on their behaviours. This rich interaction enables agile leaders to connect and align individuals with the leader's inspiration, thus develops a stronger relationship and respect, which drives them to achieve the

common purpose. Therefore, agile leaders are well equipped with all the required competencies that would enable them not only to accelerate profits and growth but also create a new generation of highly skilled managers who are able to impact the organizational performance (Joiner, 2007; Parker et al., 2014; Rigby, et al., 2016).

Kantabutra (2006), Frontiera (2010) and Zehir et al., (2011) said that leaders with the right leadership style are able to create a direct impact to improve business performance in the long run, whilst, Wang et al., (2010) and Khan et al., (2012) agreed that different leadership styles create significant effect on the organizational performance. However, Ogbonna and Harris (2000) said leadership styles do not have a direct impact on organizational performance but they have a direct impact in creating an appropriate culture in relation to organizational performance. He said bureaucratic and community cultures are internally oriented cultures as opposed to competitive and innovative cultures that is responsive and focuses on the external forces. Thus there is a strong connection between externally oriented culture and performance, hence, culture change efforts should be externally focused and create internal steadiness and consistency.

Likewise, Jaharuddin (2003) also agreed that there was no relationship between leadership style and performance, but there is some association between culture and performance. Therefore, to further verify the association of the concepts and the link between leadership style and organizational performance, the first hypothesis was developed to test the relationship between leadership style and organizational performance as follows:

H1 : Agile leadership style has significant effect on organizational performance.

This evaluation would enable the researcher to justify the relationship between the two constructs and further make recommendations to the Fourth Schedule Companies Act 2016 prescribed professional bodies in Malaysia to adopt the Agile Leadership Style for improved Organizational Performance.

2.7 ORGANIZATIONAL CULTURE

Literature has highlighted that leadership and organizational culture are 'two sides of the same coin'. It explained that there is a strong interaction between leadership and organizational culture as an immense part of it is developed by leaders, who are also the founders of the organizations. According to Schein (2017), culture of an organization that is developed over the years will create an impact on the development of leadership as the business conditions revolutionizes. There have been many studies conducted in the past to investigate the relationship between leadership style and organizational culture in relation to organizational performance. So far most of the findings have indicated that a healthy organizational culture and a suitable leadership style can enable organizations to achieve lasting business success (Jaharudin, 2003; Rasid, 2013).

Zehir et al., (2011) emphasized that organizational culture is the key influencing factor between the two constructs: leadership and organizational performance, hence, it is vital that leaders focus in developing the organizational culture, if improved business performance is desired. Likewise, Salleh & Sulaiman (2013), Klien et al., (2013), Zuhairy, (2015), Cummings (2010), Sofi and Devanadhen (2015), Jyoti and Bhau (2015), Khan, Nawaz, and Khan (2016) agreed that leadership styles have significant impact on the organization's performance through the influence of the organizational culture. Therefore, it is convinced that leaders are the people in the organization who are responsible in shaping an appropriate culture that is relevant to the current business conditions so that it significantly impacts the performance of the organization (Klein et al., 2013).

2.7.1 Organizational Culture Defined

Organizational culture describes the work activities, how they are done, how decisions are made and how the written and unwritten rules are used to influence the individual and group's behaviour (Pettigrew, 1979; Schein, 2004; Robbins and Judge, 2016; Daft, 2012). Robbins and Judge (2016) identified seven characteristics to define culture, that is, innovative and risk taking, attention to details, outcome oriented, people oriented, team oriented, aggressiveness and stability. Conversely, Schein (2017) defined culture as, "a pattern of shared basic assumptions learned by a group as it solved its problems of external adaptation and internal

integration, which has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems”. He also said the organizational culture basically describe the founder leader and/or leader’s shared beliefs, rituals, values and assumptions, which are passed onto every individual member in the organization to follow. Consequently, Samad (2007; 2013) and Cameron and Quinn (2006) said that gaining an in-depth understanding of the organizational culture was important for effective leadership because leaders who are well informed of the organizational culture would be able to develop appropriate strategies to achieve the organizational goals. They also said that knowing the organizational culture well would enable leaders to facilitate change in a more organized manner.

2.7.2 Leadership and Organizational Culture

How culture is conceptualized will help uncover the relationship between culture and leadership. Smircich (1983) identified culture as an element that is prone to change, and can be influenced by leaders, especially those who have transformational behaviour and qualities (Nicholls, 1984; Quick, 1992; Simms, 1997). On the other hand, culture can be shaped by the leader's thinking, feeling and responses as the integral part of the organization (Schein, 1992). According to Schein (1992), the founder leader builds the organization based on his/her values and beliefs at the formation stage, however, as the organization grows, the culture will influence the leader and shape the leader’s style and actions, thus demonstrating the ongoing relationship between leadership and culture (Avolio, 1993).

According to Bass (1985), leaders who adopt transactional leadership style will work within the culture whilst transformational leaders will consider changing the culture in line with their vision. Leaders constantly develop their knowledge and skills to remain current with the recent developments and may change the culture to achieve better organizational performance. Conversely, Hennessey (1998) and Xenikou (2019) highlighted that leaders nurture suitable organizational culture for the purpose of improving the implementation of specific change. They also agreed that effective leaders would influence the shared thoughts and behaviour of members in the organization to cultivate culture that supports suitable management style in line with change to increase efficiency and effectiveness. However, culture creation is significantly

affected by the leadership support from followers and the leader-follower decision-making process (Ogbonna and Harris, 2000).

Ogbonna (1993) and Legge (1994) agreed that the management of organizational culture was not possible, however, Martin and Meyerson (1988) argued that leadership can provide the opportunity to influence the organizational culture. Therefore, changing the organizational culture involves paying attention to leadership style, which is easily achievable (Ogbonna and Harris, 2000). Likewise, Gamble (2014) argued that in every organization leadership transforms the behaviour and practices in order to change the existing culture of doing things. A change of mind set and different skills will be required for acclimatize to change. As Schein (1985) constantly says, 'leadership and culture are central to understanding organizations and making them effective that we cannot afford to be complacent about either one'.

Hamman and Spayd (2015) said agile leaders assume the role of facilitative leader in cultivating a culture of shared meaning and less directing of employees as they are clear of the organization's direction whilst Aghina et al., (2018) said leaders in agile organizations develop a cohesive community with a common culture that exhibits an entrepreneurial drive in order for employees to take ownership in achieving team goals, decisions and performance. Refer to Figure 2.3 on the Agile Core Belief System. In addition to this, the Vice President of Scrum.org, Eric Naiburg, in his speech at the Agile and Beyond 2018 conference said that for leaders to improve their agile efforts they should focus to support and protect agile values with strong leadership, help teams and stakeholders to self-organize, manage portfolios based on outcomes, remove the causes of delay and waste that the agile teams face, and measure to improve value through frequent feedback.

The functionalist method made propositions about leaders being the key agents in the process of culture management (Schein, 2014; Trice & Beyer, 1993, Bass and Avolio, 1994). It said that leaders use various mechanisms such as communication, vision, allocation of resources and rewards, organizational design and formal statements such as organizational philosophy, to manage organizational culture. Conversely, anthropological method conceptualized culture as what the organization is and leaders were only part of the culture, thus, they do not do anything to manage culture (Smircich, 1983). However, most research has adopted the functionalist approach and concluded that organizational culture has a significant impact on the organizational performance and leadership, and organizational culture has great influence

on organizational performance (Ogbonna & Harris, 2000; Xenikou, 2014; Ryan & Denison, 2015; Lim, 1995). Especially where it expresses the shared assumptions, values, behavioural norms and practices that describes the organization demonstrates how members of the organization interpret their work environment and establish the meaning under given situation at work (Xenikou, 2014, Schein, 2014).

According to Schein (2017) and Zennouche, M. & Zhang, J., (2014), leadership and culture are connected in the development and implementation of changes whilst Kotter and Heskett (1992) said that 'only through leadership, can one truly develop and nurture the culture that is adaptive to change'. In support of Schein (2014) and Zennouche, M. & Zhang, J., (2014) descriptions on leadership and corporate culture, Ogbonna (2000) too stressed that there is a connection between leadership style and organizational culture, the latter being the mediator between leadership style and organizational performance, hence, an indirect association.

Organizations that seeks to achieve improved organizational performance must enhance the union of leadership and organizational culture. The leader's role in creating, managing and developing the right culture that promotes creativity, innovation, continuous learning and agility, would make the difference in the overall performance in organizations (Zennouche and Zhang, 2014). Therefore, to further verify the association of the concepts and the link between leadership style and organizational culture, the second hypothesis was developed to examine the relationship between leadership style and organizational culture as follows:

H2 : Agile leadership style has significant effect on organizational culture.

This evaluation would enable the researcher to justify the relationship between the two constructs and further make recommendations to the leaders of the Fourth Schedule Companies Act 2016 prescribed professional bodies in Malaysia on the impact of the Agile Leadership Style on the Organizational Culture.

2.7.3 Influence of Organizational Culture on Organizational Performance

Scholars and corporate managers have referred culture to the practices and atmosphere that is present in organizations and have emphasized that adopting the "right" kind of culture would

influence the effectiveness of the organization. Managers believe that the stronger the culture, the more effective the organization would become. Scholars who explored the correlation between culture and economic performance support the manager's statement (Denison, 1984; Kotter and Heskett, 1992; Sorensen, 2002). However, Schein (2017) has firmly said that it was inappropriate to qualify that certain type of culture as the "right" one for the organization as effectiveness of an organization is dependent on both the culture and its relationship to the environment that it exists and operates.

Organizational culture is a critical factor in the operations of an organization as it drives the employee's behaviour to take necessary actions to improve business performance. Studies related to organizational culture and performance conducted by Ezirim (2010), Samad et al., (2013) and Lee et al., (2018) found that organizational culture is directly related to organizational performance. However, Ogbonna (2000), Frontier (2010) and Zehir, et al., (2011) said culture will remain significant to organizational performance only if it is adaptable to changes to match the environmental conditions. They also stressed that an organization's culture must be of a unique quality so that it cannot be imitated. In addition to this, the empirical evidences gathered by Ogbonna (2000) supported the literature on organizational culture as the mediating variable between leadership style and organizational performance.

According to Ogbonna (2000) different types of cultural traits, such as, competitive and innovative cultures were proven to be directly linked with performance whilst community and bureaucratic cultures have had an indirect effect on performance. On the other hand, the early research from Ouchi in 1981 has indicated that there is a positive relationship between organizational culture and productivity. Meanwhile in 1982, Peters and Waterman said successful organizations possessed some unique cultural attributes, which has helped to determine the effectiveness of the organizations. On the other hand, Scholz (1987) and Martins & Martins (2002) linked cultural perception with competitive advantage. However, Krefting and Frost (1985) said organizational culture can create competitive advantage only if the boundaries in an organization is structured to assist members to interact and share relevant information. Similarly, Ogbonna and Harris (2000) said managers who strongly held and shared cultural values would be able to anticipate employee reactions to strategic choices and this would help the managers to focus on the right path to avoid unwanted situations.

According to Barney (1986), organizational culture may influence organizational performance if three conditions were present in the culture, that is, flexibility to allow groups to behave in a manner so that better performance, lower cost and other improved results can be attained; create distinct features to differentiate the organization from others in the same industry; and cultivate extraordinary culture so that it is difficult for others to imitate. On the other hand, Xenikou and Simosi (2006), Samad (2102a), Schein (1990), Gordon and DiTomaso (1992), Denison, 1986; Kotter and Haskett (1992) agreed that the most important aspects of organizational culture that enhances organizational performance was involvement, consistency, adaptability and mission.

On the other hand, Samad (2013) stressed that involvement and participation of staff to adapt with the changing needs from the environment is the most important aspect of the organizational culture to influence organizational performance. He said cooperation, commitment to employees and customers, and avoiding status differences by leaders would guarantee high organizational performance. However, Givens (2012) disagreed and said that the high level of involvement can create lack of specialization and it may cause difficulties in identifying the right people for job assignments.

In addition to this, Samad (2013), Daft (2012), Givens (2012) and Schein (2017) agreed that consistency would help employees to follow rules, support culture, earn rewards, be balanced and have proper way of doing things, which can lead to better performance. Nevertheless, the current trend has forced leaders to shift toward cultures to a more flexible approach to match the environmental changes, hence, leaders have no choice than to adapt and adjust to the environmental needs of the organization. However, Nongo and Ikyanyon (2012) said there was no relationship between consistency and employee commitment, and organizational performance, thus, consistency may not be an important aspect of the organizational culture.

Adaptation refers to the interpretation of signals from the environment. Trevi-O (2003), Manning (2008), Daft (2012), Cacciattolo (2014) agreed that the external environment is a strong contributing factor for organizational culture to enhance organizational performance, especially in chaotic situations (Samad, 2012a). Organizations are required to act fast in responding to situations and be prepared to take high-risk decisions to manage challenges (Horney and Oshea, 2015; Daft, 2012). Therefore, culture transformation would be required with new behaviour and mind-set in order to achieve improved performance and organization

excellence (Schein, 2004; Samad, 2013; Trevi-O, 2003; Manning, 2008; Shore and Warden, 2008; Daft, 2012; Cacciattolo, 2014; Mousavi et al., 2015;).

Above all, the mission is the most important value to organizational performance because it is the foundation for the development of goals and objectives. According to Saffold (1998), Schein, 2004; Mousavi et al., (2015), Nongo & Ikyanyon (2012) and Raza et al., (2014), having clear mission would enable leaders to set appropriate goals and strategies for both short and long-term. Raza et al., (2014) said leaders who align the organization's mission to the organizations priorities would be able to enhance organizational performance and also determine the future direction of the organization. Mousavi et al. (2015) said involvement and adaptability has direct impact on organizational performance but consistency has an indirect impact on organizational performance. Similarly, Nongo and Ikyanyon (2012) confirmed that there is positive relationship between adaptability and commitment in improving organizational performance whilst Givens (2012) said that is strong relationship between mission and organizational performance.

Denison (1986) argued that even though the characteristics of organizational culture is correlated with organizational performance, some measurement indicators has showed differing levels of strengths when measuring the relationship, thus, the limitations. Results from his study indicated the link between decision-making, work design and long term financial performance whilst supervisory leadership was associated with short term financial performance. Similarly, Rousseau (1990) used monies that were raised in fund a raising campaign to measure performance and the Organizational Culture Inventory developed by Cooke and Lafferty (1989) to measure organizational culture. However, results revealed that there was no significant positive correlation between these variables.

Similarly, Ogbonna and Harris (2000) used customer satisfaction, sales growth, market share, competitive advantage and sales volume whilst Yesil and Kaya (2013) used sales growth and return of assets as variables to measure performance in four different cultural dimensions. According to Ogbonna (2000), each dimension was associated with organizational performance based on external and internal orientations. Yesil and Kaya (2013) concluded that there was no direct link evident between organizational culture and organizational performance, however, they agreed with the presence of a mediating factor such as knowledge management (Zheng et al., 2010), innovation (Han et al., 1998), processes (Saffold, 1988) and

knowledge conversion (Tseng, 2010), organizational performance can be influenced by the organizational culture. On the other hand, Kotter and Heskett (1992) who examined the relationship between strong cultures and long term performance found only a minor correlation between the two variables, but those organizational cultures that matched the external environment generated better organizational performance.

Marcoulides and Heck (1993) said they found strong influence between organizational culture and organizational performance particularly significant where workers' attitudes and organizational activities were concern. They used organizational structure, values, task organization, climate, individual values and beliefs to measure organizational culture; and capital, market and financial indicators to measure organizational performance, thus, the positive relationship. However, Lim (1995) critiqued studies that were linked to employee perception as a more relevant measurement of organizational climate rather that organizational culture.

Lagan (2019) highlighted the importance of people and structure in designing an organizational culture. In support of Denison's (1986) theory on employee involvement, Lagan (2019) said developing ethical employee behaviour will increase employee engagement, which expedites decision-making and encourages innovation to improve organizational performance. In addition to this, he further made reference to the structural views that were provided by Handy (2007), Trevi-O (2003), Manning (2008) and Cacciattolo (2014) to explain that how structure would help leaders in culture development especially in developing fairness in treating and serving. This develops the motivation and trust that builds up employee engagement, job satisfaction and commitment, which would result in improved organizational performance.

On the other hand, Gerry Johnson and Kevan Scholes in 1992 identified six inter-related components in the Cultural Web: control systems, organizational structure, power structures, symbols, stories, rituals and routines, all of which related to people in the organization, their behaviour, perceptions and actions that influences organizational performance. Therefore, organizational culture is powerful, tacit and unconscious set of forces that determines the behaviour, perception, thought patterns and values (Schein, 2017).

The influence of organizational culture matters because it determines strategy, goals and modes of operating. It also plays a significant role in making the organization function efficiently and

effectively. Therefore, cultivating an appropriate organizational culture to match the environment would create significant impact on the organizational performance (Chiavenato, 1990, Tolfo and Wazlawick, 2008). Even though organizational culture and organizational performance are both multi-dimensional and shaped by various criteria (Yildiz, 2014), organizational culture still remains as an important factor that influences the performance of an organization (Aidla and Vadi, 2007).

There has been extensive number of research conducted to investigate how organizational culture serves as the mediator between leadership styles and organizational performance in relation to employees' commitment, innovation and organizational identification (Ogbonna & Harris, 2000; Xenikou & Simosi, 2006; Sarros et al., 2008; Elenkov & Manev, 2005; Jung et al. (2003). According to Ogbonna and Harris (2000), supportive and participative leadership styles were positively associated with performance through competitive and innovative organizational cultures whilst Xenikou and Simosi (2006) argued that transformational leadership and humanistic culture orientation had indirect effect on business unit performance through culture.

On the other hand, competitive and performance oriented culture had a mediating effect on vision articulation, individual support, high performance expectations, and innovation (Sarros et al. ,2008) whilst Elenkov and Manev (2005) said there is a relationship between transformational leadership and innovation through the mediation of performance-oriented and competitive organizational cultures. Likewise, Jung et al., (2003) provided evidence that transformational leadership and innovation was mediated by culture as members get together to discuss and implement innovative ideas and suggestions.

In summary to explore the above, the researcher developed two hypotheses to examine the significant effect between Organizational Culture and Organizational Performance, and to determine the role of Organizational Culture as the mediator between Leadership Style and Organizational Performance.

H3 : Organizational culture has significant effect on organizational performance.

H4 : Organizational culture mediates leadership style and organizational performance.

These evaluations would enable the researcher to develop an understanding on the role of organizational culture in organizations and determine the impact it has upon the organizational performance of organizations.

2.8 ORGANIZATIONAL CULTURE, INTERNAL INTEGRATION AND ORGANIZATIONAL PERFORMANCE

The dynamic business environment continues to create huge impact on business operations in many ways. Leaders are expected to be constantly alert on the external conditions so that they are able to take necessary actions in managing the internal conditions to match the external expectations (Schein, 2017). Katz & Kahn (1978) said an organization is able to achieve success when it adapts to the external environment, and adopts the right resources and methods to manage its operations efficiently. They classified the internal conditions as closely inter-related and critical in influencing the business operations and outcomes. Further, Schein (2017) and Yukl (2013) supported Katz & Kahn's 'adaptation to the environment' as necessary in the contemporary business world because of the volatility caused by rapid development in technology, economic turmoil, politics and threats from competitors that could create too much of uncertainties to organizations. Therefore, scanning the external environment would enable organizations to organize better business plans to capitalize opportunities and overcome challenges.

According to Gordon and DiTomaso (1992), Denison (1986), Schein (2017), Yukl (2008), and Joiner (2009), organizational strategies can only become attainable if the organization pays attention and adapts to the external conditions. Under most circumstances, change becomes essential especially in the products and services, and also the way they are marketed to the customers (Schein, 2004; Yukl, 2013). Information that are obtained from the external environment helps organization with adaptation to improve organizational situation. As Yukl (2008) said members learn new things together, create the right mental model on the determinants of organizational performance, diffuse new knowledge, innovate, practice flexibility and introduce new initiatives and/or manage crisis.

2.8.1 Performance Determinants

Field research conducted in the past identified variable internal conditions that are closely linked with and has significant impact on the performance of organizations. Out of which attitudinal and behavioural aspects that is in the organizational culture were identified as the most significant variables of them all. According to Samad (2013) and Soebbing et al., (2015), success of an organization depends on the competency of the leader and the organizational culture. Samad (2013) further argued that organizational culture has a positive link to organizational performance, thus, it creates significant impact on organizational performance McNair et al., 2011, Ssekakubo et al., (2014), Samad (2013) and Mastrangelo et al., (2014) also agreed that leadership competencies can improve employee performance through their persuasive power, which in turn improves organizational performance. Mastrangelo et al., (2014) said competent leaders influence their followers by creating conducive environment that affects their behaviour and attitudes whilst and Babcock-Roberson and Strickland (2010) explained competent leader empower and engage employees, all of which results in improved organizational performance.

In addition to this, Samad (2013) said that the involvement of employees would enhance organizational performance when they adhere to the standard rules to accomplish the organization's objectives, however, these factors need careful consideration because change in trend can influence the outcome, and it is essential that leaders create a flexible culture to accommodate the shift. Conversely, Bowen & Ostroff, (2004) and Yukl (2013) explained that better organizational performance can be achieved by having good quality employees with relevant skills and experience, motivated workforce, good quality social relations and network. Thus, talented and dedicated employees are the key to achieve performance efficiency and innovation to happen. Bowen & Ostroff, (2004) stressed that to acquire highly talented people, good human resources program is required in the areas of recruitment, training, compensation, staffing and succession planning.

On the other hand, Mintzberg (1979) said organizational efficiency can be improved through the organizational structure when formalization, standardization and specialization of functions are introduced whilst Yukl (2013) and Tomal and Jones (2015) said leaders influence organizational performance through their decision-making on competitive strategies, human resources and management programs, systems and organization structure. Hakim et al., (2016)

said research has proven that the organizational structure has significant and positive impact on the organizational performance, which can be achieved through continuous improvement initiatives and this requires the organizational structure to be flexible so that improvement to processes can be done easily.

Apart from people and organizational structure, the internal business processes which involves usage of resources, systems and processes are part of the organizational culture that can have significant effect in producing improved outcome through efficiencies. Yukl (2013) said that process reliability can be improved if additional resources were used but efficiency can only be improved if there are savings arising from the improvements. It is important that optimum usage of resources is observed through minimized costs and wastage, which may require re-designing of work processes such as adopting new technology. This will enable the organization to coordinate activities better and avoid errors, quality defects and/or delays.

In summary, cost reduction, process and quality programs, performance management and goal setting programs, and appraisal, recognition and rewards programs would help improve efficiency and reliability. Standardization of policies and procedures, and uses of technology for process automation can help to reduce labour costs. Improvement programs on innovation and adaptation may help in understanding customer preference and competitor's actions. Structural forms that increases innovation and adaptation can be stimulated via R & D and cross functional product development teams. According to Yukl (2013), employee skills development, talent management, succession planning, employee benefit program, socialization program, employee empowerment, recognition and rewards, are a few that may help to improve efficiency.

2.8.2 Internal Capabilities and Organizational Performance

According to Germain and Iyer (2006) and Rodrigues et al., (2004), internal integration is a driving force for organizations that are aiming to achieve better competitiveness and profitability. Neely (2002) in support of Annick and Bourguignon (1997) associated performance in relation to efficiency and effectiveness of actions, and results of actions. As such, it is the 'sum of the effects of work' as pointed by Bernadin (1995) which relates to the organization's strategic objectives, hence, integrating the internal activities would enable

organizations to achieve the strategic objectives. On the other hand, Schein (2017) and Yukl (2013) stressed on the need for leaders to understand the external environment and organizational capabilities as they plan strategies to improve the organizational performance.

In analysing organizational capabilities to match the external conditions, change may be required for improvement, however, improvements made to one performance determinant can either deter or affect another performance determinant (Yukl, 2013; Schein, 2004). Hence, leaders are required to understand that not all improvement programs and management systems implemented can result in improvements. It could be due to poor execution or incompatibilities with the organization's culture. On the other hand, Gupta et al., (2006) and Yukl (2008) said leaders must understand the inherent trade-offs to be made and recognize potential synergies among the performance determinants so that better performance can be achieved. A right balance must be created when deciding trade-offs and look into ways how more than one performance determinant can be enhanced at the same time.

Competitive strategies are another performance determinant that has influence on the financial performance and success of organizations (Porter, 1980). This strategy focusses on the types of products and services offered, customer's needs, trends and methods used to influence customers/clients. According to Yukl (2013), leaders formulate competitive strategies by evaluating threats and opportunities from the external environment, and the internal core competencies. They use this information to plan for innovation and adaptation to plan other alternative strategies, which may bring about changes to other performance determinants.

All these discussions lead us back to Schein's argument on organizational culture as a determinant of organizational performance where Schein (2017) explained culture as a social control mechanism that looks into people's perception, thoughts and feelings in an organization. He said if improvements are to be made, leaders must be able to change the stable thinking of their members first and make them believe that the change is necessary as it would result in enormous improvements to the organization's performance (Schein, 2004).

Schein (2017) stressed that organizations as part of its culture, must cultivate the need to consider adaptation to the environment, that is, a process that he named as the 'coping cycle', and integrate it to the internal processes because it holds up to the organization's capabilities in adapting and performing better. As the initial step, he said the mission and strategies

developed must be feasible, match the organization's assumptions and ensure that it is clearly understood by the members so that consensus can be achieved. Leaders should use a common language, that is obvious in the cultural practice, to explain to its members the desired goals and reasons why change is required otherwise members would not adhere and desired results may not be achievable (Schein, 2004). Therefore, it is important that leaders understand the content of the organization's culture such as the basic assumptions and deeper issues on cultural assumptions, which includes the nature of truth, time, space, human nature and relationship, are considered when planning the mission, strategies and even in the measurement of results.

Having different methods of measuring outcomes may result in wrong actions to be taken even though the information is relevant thus affecting the adaptation to the external environment. Schein (1980) said organizations can become ineffective if consensus in obtaining information and processing it is not achieved as actions could go wrong because of different beliefs from members. Hence, final consensus is necessary on information gathering and dissemination to the right department so that appropriate alterations can be done in the internal process. Leaders must look at the entire organization, that is, the structure, people skills, knowledge, technology and any other factors that is influenced by the external environment so that it can be responded to uphold the organization's effectiveness (Schein, 2004).

In summary, literature and field research from the past has proven that elements of the organizational culture such as employees, organizational structure and internal business processes does have a significant impact on organizational performance. According to Bennett and Lemoine (2014), Horney and O'Shea (2015), Zaucha (2019), Brosseau et al. (2019) and Aghina et al., (2020), market challenges that include competition, change in trend in delivering products and services, and customer expectations creates huge impact on the performance of organizations. Therefore, it is important that organizations understand the changing business environment so that customer needs and expectations can be met.

In addition to this, Smet (2018) also stressed that continuous digital development has provided huge opportunities to organizations and it is vital that organizations consider leveraging on these developments when developing and delivering products/services. He said ignoring trend and failure to provide customer convenience could impact adversely on the performance of the organization in the long run. On the other hand, Horney and O'Shea (2015) and Zaucha (2019) highlighted leadership of the organization as having significant effect on the performance of

organization because strong leaders demonstrate effective leadership through new inventions and flexibility to change. These leaders are able to analyse and synthesize opportunities and challenges in the business environment, and develop multiple initiatives before taking relevant actions for success.

Therefore, the following hypotheses would be examined in the Fourth Schedule Companies Act 2016 prescribed professional bodies in Malaysia to prove the significant effects between relationships: organizational culture and internal integration, and internal integration and organizational performance as follow:

H5 : Organizational culture significantly effects Internal Integration.

H6 : Internal Integration significantly effects organizational performance.

2.9 RESEARCH GAPS AND UNRESOLVED QUESTIONS FROM PAST

LITERATURE

Even though there are sufficient knowledge available on the influence of leadership style and organizational culture in organizational performance, these variables were identified under certain preconditions when developing sustainable corporations (Schein, 2017; Baumgartner, 2009). Based on the assumption that leadership is directly linked with organizational performance, Fiedler (1996) said the effectiveness of leaders could determine the organization's success only if they were constantly trained to be well-equipped with relevant knowledge and skills to face the challenges in the turbulent environment (Hennessey, 1998; Darcy and Kleiner, 1991).

On the other hand, organizational culture would have a direct relationship with organizational performance but superior performance can only be achieved if culture change happens (Gordon and D'Tomaso, 1992; Dyer and Denison, 1991). Therefore, leaders are required to cultivate a culture that is strong with unique qualities so that others cannot imitate them (Barney, 1991) and since they also have the skills and ability to manipulate culture, by adopting the right leadership style these leaders will be able to transform the culture to match the current business situations (Smircich, 1983).

Organizational culture reflects the way the leaders think, feel and respond to situations thus leadership and culture are intertwined and they influence each other in either way (Schein, 2017; Bass and Avolio, 1994). As such, the impact on culture would depend on the leader and the leadership style that is adopted (Bass, 1985), and good leaders who constantly develop their skills will tend to change the cultural aspects of the organization so that better overall performance can be achieved (Brown, 1992). However, leaders must gain in-depth understanding of the cultural norms first before implementing culture change (Jaskyte, 2004).

As explained in management and organizational theories above, leadership and organizational culture are the most popular concepts explored so far and this is purely because both these concepts have had high influence on the performance of organizations, which include financial performance, firm effectiveness and market competitiveness. However, these variables have always been examined independently, that is, leadership with organizational performance or organizational culture with organizational performance or leadership with organization culture. It has been seldom that all three concepts have been examined simultaneously to understand the association among them in the business environment. Therefore, there is no sufficient theoretical framework available to justify the direct relationship between leadership style and organizational performance that can be mediated through the organizational culture. Neither has there been any theories established to identify organizational structure, people and internal business processes, as the core cultural elements that a leader would use to integrate to influence the overall performance of the organization. Very few scholars have made these associations to provide theoretical support but none have made any association between the three concepts under the current VUCA environment so far.

From the current literature that is available, many researchers have conducted primary research to explore the application of theories in the real world. Up to now there are many evidences available to demonstrate the direct link between leadership and organizational performance (Kantabura, 2006; Hasan et al., 2018; Wahab et al., 2016; Al Khajeh, 2018), leadership with organizational culture (Frontiera, 2010; Jaharuddin, 2003) and organizational culture with organizational performance (Lee et al., 2018). However, very few primary research is available on the exploration of the three concepts. So far one research was conducted on companies located in the United Kingdom by Ogbonna and Harris in 2000 whilst another was conducted by Zehir et al., in 2011 on the multinational organizations that are located in Istanbul. Both these primary research concluded the association of all the three variables: leadership style,

organizational culture and organizational performance, by relating them to the factors based on the organizations surveyed at its respective locations. However, no research has been conducted in Malaysia so far to examine the association of the three concepts, neither from the profit-making organization's perspective nor from the non-profit organization's perspective. Therefore, the purpose of this research is to explore the absolute truth on the association of the three concepts in relation to non-profit organizations in Malaysia, that is, the Fourth Schedule Companies Act 2016 prescribed professional bodies.

The Malaysian Companies Act 2016 came into effect on 31 January 2017. The Act explains and facilitates changes that are related to the conduct of businesses and simplifies the administrative requirements of the companies. The Act has restated the current rules and introduced new concepts of the incorporation of companies, decisions on capital allocation, secured creditors' rights, reporting requirements, corporate governance and rescue mechanisms. These are functions that are closely related to the role of company secretaries who are not only advisors to the board of directors in a company but also compliance officers who assure that good corporate governance is in place in the organization at all times. Therefore, the recognition of the qualified company secretaries is defined by the Act under the Fourth Schedule. The Schedule has listed seven professional bodies, that is, The Malaysian Association of Chartered Secretaries and Administrators (MAICSA), The Malaysian Institute of Accountants (MIA), The Malaysian Institute of Certified Public Accountants (MICPA), The Malaysian Bar Council, The Sabah Law Association and The Advocates Association of Sarawak, that are approved the prescribed professional bodies where its members are automatically recognized and approved by the Act as qualified company secretaries for organizations in Malaysia.

For the purpose of this study, the researcher who is an employee in one of the prescribed professional body of the Fourth Schedule, has selected the employer organization (the "Company") to conduct an in-depth analysis on the Chief Executive Officer's (CEO) leadership style and evaluate the impact it has on the performance of the organization. The selected prescribed professional body that is referred as the "Company" in this research, was established in Malaysia 60 years by the parent organization from the United Kingdom. It was setup as the examining body for company secretaries' qualifications for students in Malaysia. Individuals who wish to become a qualified Chartered Secretary were required to complete the qualifying programme that was offered by the Institute. In 2004, the "Company" attained the

status as a division in Malaysia and was delegated to conduct its own professional examination in Malaysia under the local laws and requirement. Members who successfully complete the program in Malaysia would have equal status as Chartered Secretary as any other members for the parent organization in the United Kingdom and the other division around the world thus it is an internationally recognized qualifications. Hence, members of the “Company” have the privilege to practice as Chartered Secretaries in Malaysia or in any other such as Singapore, Hong Kong, Australia, New Zealand, South Africa, Zimbabwe, Canada and the United Kingdom. This was found to be one of the salient points that the “Company” has established over the years since the delegation was established. However, over the past 20 years the “Company” began to face survival issues in Malaysia due to market competition from other universities and professional bodies. This became worst with the amended Companies Act 2016, where six other local professional bodies were elected as the prescribed professional bodies where their members were given the recognition to act as company secretaries without further applying for the practice license from the Companies Commission Malaysia (CCM). This imposed the biggest challenge to the “Company” until now.

The “Company”, since its establishment in Malaysia, has not changed much on its policies or its business practices. The CEO has led the “Company” the same way in the last 30 years and only minimal changes have been implemented due to the delegation agreement with the parent organization in the UK and the introduction of the new qualifying program. However, most of the cultural practices have remained the same and very little technology have been introduced in the internal operations of the “Company”. As a result of this, services to members have been affected thus decline in membership numbers, subscription income and the surplus can be seen as reported in the “Company’s” annual reports over the last few years. Therefore, this has created an interest in the researcher’s mind to explore if the current situation in the “Company” was related to the CEO’s leadership style thus empirical study would be conducted on the “Company” to explore if there was a significant relationship between leadership style and organizational performance and if organizational culture is the mediator between the leadership and the organizational performance. Field research is also done on the other six prescribed professional bodies listed in the Fourth Schedule Companies Act 2016, to help make a comparative analysis on the organizational performance of professional bodies in Malaysia.

From the published annual reports of the prescribed professional bodies, it has been noted that a few of them have a steady financial health condition probably because they are directly

supported by the regulators such as the Companies Commission of Malaysia (CCM) or they are a regulator themselves such as the Malaysian Institute of Accountants. Therefore, the researcher is very keen to know apart from the external factors if the CEO's leadership style plays an important role in creating a positive or negative impact on the organizational performance through the mediation of the organizational culture where internal integration of the business functions would impact the overall organizational performance by matching the external expectations. Therefore, the "Company" has been selected to obtain answers to the research questions developed.

The CEO of the "Company" currently adopts transactional leadership style in leading the organization. The CEO places great emphasis on short-term goals and favours structured policies and procedures. Even though this provides a systematic approach in leading the "Company", it does create barriers to transform the internal operations to match the externalities and/or new ventures. The CEO also thrives in following rules that are imposed by the parent organization from the UK so that things can be done correctly, however, this imposes challenges in meeting the local market needs, trend and legislative procedures of the professional practice. As a transactional leader, the CEO is very inflexible and does not welcome change, thus, making it difficult for the "Company" to leverage on technology and/or innovate to improve process and service efficiencies.

As a result of the CEO's leadership style, the "Company" is still having a laid back approach in managing the business operations as compared to the other six prescribed professional bodies that is listed in the Fourth Schedule Companies Act 2016. This has certainly affected the performance of the "Company" over the past few years thus resulting in the decline in membership numbers and income. Therefore, to improve the organizational performance, it is important that the CEO adopts the agile leadership style that is more relevant to lead organizations effectively in the VUCA environment. The capabilities in this leadership style would enable the leader to become focused, fast and flexible in responding to the external environment. By being focused, the leader would be able to manage the core competencies by improving or innovating them. By being fast, the leader would be able to act quickly in capitalizing any opportunities that the external environment provides, and all of this requires flexibility so that changes can be made to adopt new ways of doing business.

The volatile, uncertain, complex and ambiguous (VUCA) business environment today has affected the performance of most organizations including non-profit organizations such as the professional bodies. The “Company” being the pioneer professional body of Chartered Secretaries for more than a decade in Malaysia has suffered great losses in terms of membership numbers growth and subscriptions income. Market competition from the other six professional bodies, business degree programs and the licensed secretary certificate program conducted by the regulator, Companies Commission of Malaysia (CCM), has imposed great challenges to the “Company”. On the other hand, competitors who have leveraged on technology are able to serve customers efficiently and effectively, unlike the “Company” that has failed to recognize the trend. The lack of market surveys has also created limitations in establishing suitable products for the Malaysian market whilst the strong influence of its parent organization from the United Kingdom (UK) has created the bureaucracy, thus, causing delays in taking relevant actions to overcome challenges in the Malaysian business environment. As a result of this, the performance of the “Company” has been affected adversely as decisions taken and its delays has become irrelevant to the Malaysian business environment.

From the issues highlighted above, the researcher is of the opinion that transforming from the transactional leadership style to agile leadership style would enable the CEO to acquire new leadership competencies to lead the “Company” effectively in the volatile, complex, uncertain and ambiguous (VUCA) business environment. The CEO, by developing an agile culture, would be able to focus critical areas that requires attention, make quick decisions and be flexible in making changes especially in the internal operations so that the external environmental conditions can be met. As result of this, the “Company” would be able to achieve readiness to face challenges and benefit from opportunities that leads to improved organizational performance.

2.10 THE CONCEPTUAL FRAMEWORK

From the underlying theories discussed above, a conceptual framework is drawn below to exhibit the relationship between three variables namely the leadership style (independent variable), organizational performance (dependent variable) and organizational culture (mediating factor). The framework illustrates a typical business environment where the internal environment of an organization is pictured within the scope of the external environment thus

demonstrating the influence it has on business operations and performance. Although the significant impact of leadership style on organizational performance has not yet been proven, assumptions are made in the model to hypothesize the relationships through the mediation of organizational culture. Refer to Figure 2.4.

Leaders play an important role in leading and managing people who would be assigned to roles and tasks in achieving the organization's goals and objectives. The leaders strategize and implement strategic plans to ensure organizational performance is improved for the long-term survival. To do this effectively, leaders must understand the business environment well so that appropriate strategies can be developed to capitalize the opportunities that is available. At the same time, scanning the environment would enable leaders to prepare the organization to face challenges and uncertainties that could cause disruptions to their business operations.

However, the way an organization is led would depend on the leader's leadership style as different leaders would have different approaches to lead the people in the organization. For the purpose of this research, the leadership approach that is described by Horney and O'Shea, that is, the agile leadership style would be used to assess the CEO's style of the Fourth Schedule Companies Act 2016 prescribed professional bodies in Malaysia. The agile leadership is chosen because it has great transformational qualities to build in agility that is required in leading organizations in the contemporary business world.

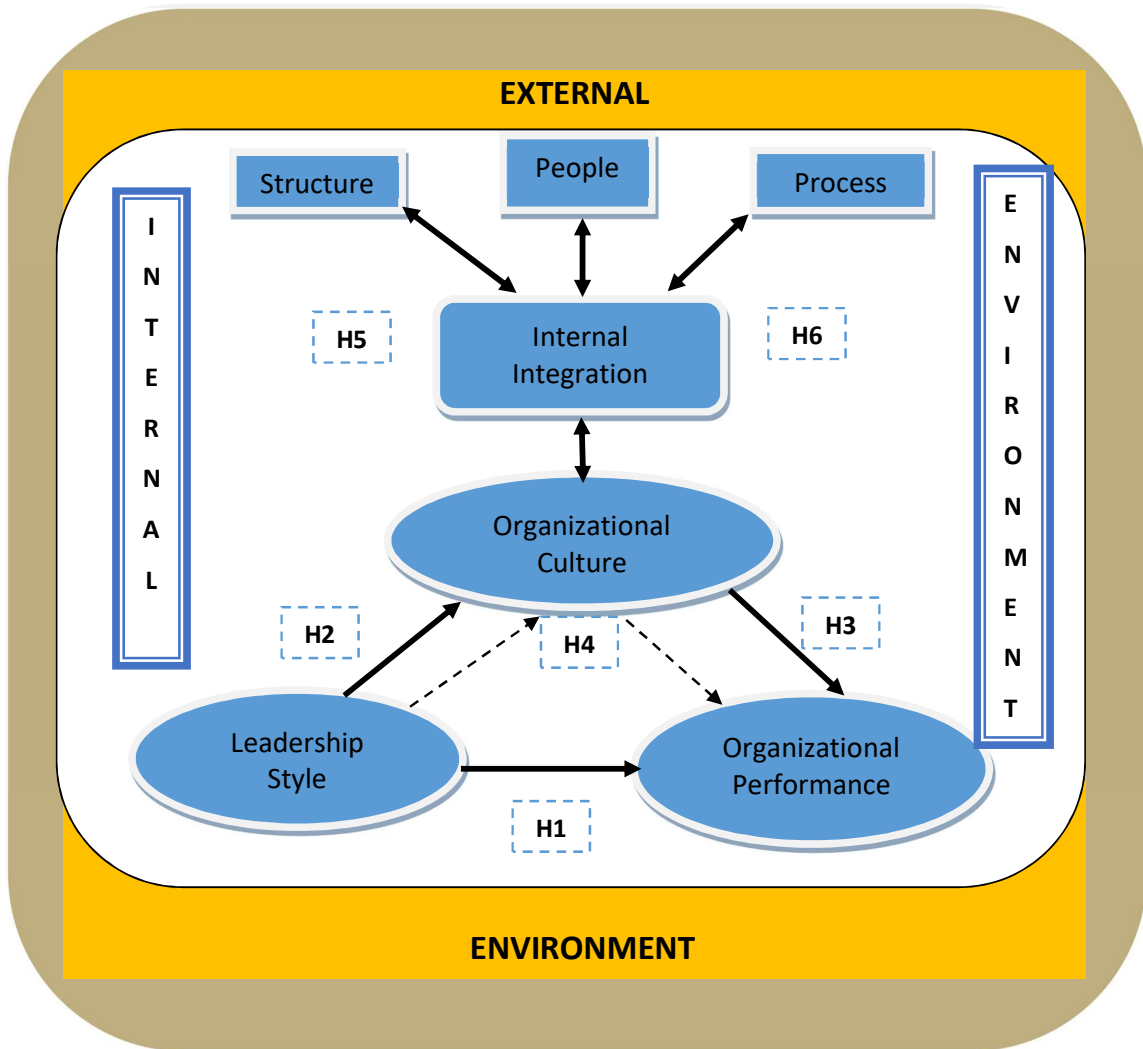


Figure 2. 3: Impact of Leadership Style on Organizational Performance through the mediation of Organizational Culture

Writers own construction (2019) based on Deal and Kennedy, (1982), Denison, (1986), Kotter and Heskett, (1992), Ogbonna and Harris (2000), Jaharuddin (2003), Schein (2017), Kanbutra and Avery (2004), Zehir et al., (2011), Rasid (2013), Samad et al., (2013) and Hakim et al., (2016)

The academic writing by Edgar Schein, Kotter and Heskett, and Deal and Kennedy have acknowledged the fact that leaders create significant effect on an organization's performance, and the organizational culture is used by the leader's to create the impact. Leaders cultivate the right culture by transforming and integrating the internal conditions to match the external needs so that performance of the organization is not disrupted. Similarly, Kathuria et al., (2007) emphasized on the necessity to align the organization's resources across different levels in the organization, vertically and horizontally, because aligning the internal conditions with the external demand would enable organizations to achieve a strategic fit, which is the source to achieving competitive advantage.

However, there are various different types of culture that a leader can create and this would depend on the type of leadership style the leader adopts. For the purpose of this study, the development of agile culture through agile leadership style would be explored amongst the Fourth Schedule Companies Act 2016 prescribed professional bodies in Malaysia. The agile organizational culture emphasizes on promptness and responsiveness, therefore, the readiness and responsiveness of the Fourth Schedule Companies Act 2016 prescribed professional bodies in Malaysia would be examined for the purpose of this research.

Irrespective of the type of culture, performance can be influenced by many cultural elements. Various studies were conducted across the globe to identify the most critical elements that has the greatest impact on an organization's performance, and findings had revealed that organizational structure, people and internal business processes to be most highly influential elements. Schein (2017) described these three elements as being inter-dependent and integrating them would be necessary to match the external needs, if improved organizational performance is desired. Hence, the author has included these core cultural elements into the conceptual framework to assess the internal integration and its impact on the performance of the Fourth Schedule Companies Act 2016 prescribed professional bodies performance in Malaysia.

2.10.1 Organizational Structure

The first element of an organization culture is the organization structure. It shows how the organization is laid out in terms of levels of authority, segregation of duties, management practices and the lines of communications. The structure provides an indication on how fast the organization responds to the environmental needs, the decision-making process and the work relationship between departments. Therefore, the organization structure is able to display the degree of bureaucracy in an organization which can create limitations to the organization's growth and survival.

According to Pugh (1990), the organization structure provides the description of activities in an organization, the coordination and supervision, which is done to achieve the organizational aims and objectives. It affects the actions and provides the basis of forming the standard operating procedures. It also highlights the participation of individuals in decision-making, the effect of each action, allocation of responsibilities of different functions and processes. Similarly, Jacobides (2007) and Daft (2004) agreed that an organization structure provides the wider perspective of the organization and the business environment in which it operates. Organizations can be structured in many different ways however it is the mode that it operates and performs determines the structure. Therefore, an organization structure should be clear as it provides information on the reporting protocol and the functioning of the entire organization without confusion (Robbin, 1991; Ahmed, 2017; Nene and Pillay, 2019).

Early theorists Burns & Stalker (1961) classified two types of structures: mechanistic structure, which is rigid and found in stable and predictable environment whilst organic structure is fluid and it is found to be suitable for changing environmental conditions. Further research was conducted on the two opposing continuum by Damanpour in 1991 and Germain in 1996, however, no consensus was made on the specific sub-dimensions to be used to define organizational structure. Generally, most organizations have functional organizational structure but this may cause problems as each function aims to achieve its own objectives, which sometimes may not be in line with the organization's overall objectives.

According to Maskell et al., (2012), organizations today are focusing on value stream because it is where the money is earned. Value stream highlights the steps from suppliers up to the delivery of products/services to customers and it helps to identify gaps between current and ideal state for improvements (Bryman and Bell, 2010; Rother and Shook, 1999; Kuhlman, 2013). Value stream organizations create teams of people to work together to maximize results by looking at the overall stream rather than focusing on single functions (Östman, 2017). Maskell et al., (2012) also said value stream that is well managed is able to help organizations simplify performance reporting, organization structure and infrastructure processes.

Early theorists like Taylor, Fayol and Weber stressed that efficiency and effectiveness can be achieved through the organizational structure and people will be able to design whichever structure that is deemed fit in any given situation (Lundberg and Mohr, 1983). Similarly, Lim (2017) too emphasized that for organizations to achieve sustainable competitive advantage, it is important that they are efficient, flexible, innovative and caring. Further, Lim, Griffiths and Sambrook (2010) said that the development of organizational structure was dependent on the organization's strategies and behaviour of people, which include management and employees, the power distributed among them, and the influence from the business environment and outcome. Therefore, the development of the organization's structure would depend on the leader and the way the leader creates the mind-set of people in the organization, which in the end would influence the bottom line results.

According to Lagan (2019), organizational structure is the key to developing the organizational culture. Leaders are required to assess the model to see if employee's desires have been considered so that a good organizational social infrastructure that is fair in treating and serving people is developed. As a result of this, employees will be motivated and trust gained can develop employee engagement, job satisfaction and commitment to achieving the organizational goals and objectives. Similarly, organizational structure also plays an important role in organizational learning for continuous improvement (Stinchcombe, 1990) and it does not only facilitate execution of tasks but helps to gain authenticity and cultural support (DiMaggio & Powell, 1983; Epstein, 2000). According to Linich and Bergstrom (2014), the work environment is constantly changing and it has become more services oriented where employees are responding to resolve issues on an ad hoc basis. This is only possible if flatter structures are available for fast decision-making.

2.10.2 People

Culture is normally reflected through the behaviour of employees, their thinking patterns and the way they perform their job functions in achieving the organizational objectives. The entire organization is represented by these groups of people who can be shaped through emotional and intelligent factors such as motivation, knowledge, competencies and many others. They are very strong and have direct influence on the end results either positively or negatively thus the culture developed by leaders would influence the performance of the organization through its employees.

Kaplan and Norton (1996) said, “employees are an integral part of the organization’ and they are represented under the “learning and growth perspective” in the Balanced Scorecard, which focuses on employee satisfaction, retention, and training and development. Employees who are satisfied and happy will serve their customers and this will improve customer satisfaction that results in loyal customers and increase in revenue via repeat sales (Yeung and Berman, 1997). Therefore, employee satisfaction is directly linked with organizational effectiveness hence it has been proven that they do create a significant impact on the organizational performance (Lee and Young, 2010). In support of this, Gharibvand et al., (2013) who conducted a study in the semiconductor industry in Malaysia identified a positive relationship between organizational culture, leadership style and employee job satisfaction which has helped to accelerate technological and economic development of the industry in the country.

Kanter (1985) said, ‘organizational culture plays an important role in motivating and shaping entrepreneurial behaviour in organizations’ and according Hsu et al., (2014), this initiates renewal and reasons to create innovation. Conversely, Babcock-Roberson and Strickland (2010) expressed competent leadership who empower employees’ involvement would result in improved organizational performance whilst Lagan (2019) said leaders encourage ethical behaviour and increase employee engagement by designing organizational culture that eliminates bullying behaviour and provide social landscape to support innovation. As mentioned by Moorhead and Griffin (1992) and supported by Haizam and Saudi (2016) employee attitude plays a critical role and has significant influence on organizational performance because their behaviour can determine the achievement of the organization’s mission and objectives.

According to Flynn (2004), innovation is the process of creation, new idea generation, changes and implementation of the changes hence it is the route to long term organizational success. Innovation can be influenced at the individual level based on personality, learning and commitment; group level via team attributes, leadership and communication; and system level that include structure and corporate culture. Schein (2017) said leadership can have a major effect on innovation because they create and manage culture that promotes innovation, implement initiatives through process implementation and also create structure that supports innovation.

Leaders are also required to make employees be aware of their goals, communicate and justify the reasons for any actions taken and its benefits thus influencing the employee's work behaviour would result in creativity and innovation (Szczepańska-Woszczyzna, 2015; Kalay, 2016). Conversely, Huang et al., (2011) who conducted a study on nine different countries across the globe also stressed that the presence of strong group culture would strengthen the relationship between organic structure, and continuous improvement and learning however the group culture may be limited to national culture, which does not support the leadership style in an organization.

Responses received on the overall performance of the organization, be it strategy or employee related outcomes, is essential for remedial actions to be taken. Information related to strategy or objectives, and complaints and criticism on products and services provides opportunities for development and improvement. According to Forza and Salvador (2000) responses received helps organizations to enhance the organizational performance. Employees are able to analyse results against the department and overall goals, and take corrective actions to resolve areas of weaknesses. Leaders then use the feedback to evaluate employee's capabilities and organize training programs to either close the skills gap identified or enhance their thinking skills that may help with idea generation for innovation and development. As concluded by Zennouche and Zhang (2014) from their 12 years of analysis, leaders nurture employee work behaviour and attitude through organizational culture, and as a result of this employee efficiency and effectiveness is achieved.

2.10.3 Internal Business Processes

The final critical element of culture is the internal business processes that illustrates the entire work flow in delivering products and services. This is the area of focus where efficiency and effectiveness of the organization is constantly examined for improvements. Continuous improvement and innovation is highly concentrated in these areas of function. Changes in culture that promotes efficiency and innovation can highly impact the business processes thus results in a direct influence on the organizational performance.

Competition in the modern business environment is highly centred on the strategic resources and the ability to deploy them efficiently and effectively (McCormack et al., 2009). As such, the capabilities of organizations in delivering the products and services marks the competitive edge. Therefore, the organizational processes have become a key strategic resources in today's business world as it directly creates an impact on the performance of the organization. Functional and silo operations have become irrelevant because organizations are now viewed as a combined highly integrated processes that generates better outcomes. Additionally, investments and developments in the business processes has also become essential as they mature and interact to adapt with the external business environment (McCormack and Johnson, 2001).

According to (McCormack and Johnson, 2001), the Business Process Orientation (BPO) is a concept that pays attention to the relevant core processes between departments, across organizations and countries. It helps to minimize operational costs, increase employee satisfaction and promote customer satisfaction. On the other hand, the field research conducted by Milanović Glavan and Bosilj Vukšić (2017) in Croatia has disclosed that Business Process Orientation has a direct impact on the non-financial performance and an indirect effect on the financial performance via the non-financial factors. Therefore, leaders who seek to improve or sustain the organizational performance should have a combined integrated internal processes view as it they have significant impact on both the financial and non-financial performance of the organization.

The internal business process creates and delivers value propositions to customers. It illustrates the way how organizations operate to accomplish their corporate objectives. There are many processes in an organization and each of it builds values in its own way however leaders are required to focus on those key processes that adds value and are critical in generating the desired outcomes (Kaplan and Norton, 2001). The Balance Scorecard developed by David Norton and Robert Kaplan in 1992 has grouped the most common categories of business functions, that is, financial and non-financial categories for evaluation. The internal process perspective is further divided into four themes, that is, the operations management processes, customer management processes, innovation processes, and regulatory and social processes.

Kaplan and Norton (2001) noted these processes as the “value-creating processes” where each one of them has a significant impact on the customer perspective and financial perspective. This is similar to Peitzker (2015) discussion where organizations are expected to move towards becoming a value-stream organization in the Industry 4.0 era. Operations management processes relates to the day-to-day processes of producing products/services, whereas customer management processes include activities related to acquiring new customers as well as serving quality product/services to the existing customers. Efficiency in this process would enable organizations to build and maintain good relationship with all customers, thus achieve excellent customer retention. Leaders must also note that customers can only be retained if they are satisfied and this can only be achieved through the entire internal operations.

According to (Kaplan and Norton, 2001), factors such as cycle time, quality, employee skills and productivity are a few that would impact customer satisfaction. These actions are normally seen at the lower levels in the organization hence evaluations that are made at the respective departments should be linked to the overall corporate objectives to identify key areas for improvements. (Kaplan and Norton, 2001) also said that by doing this, employees would understand the management decisions, targets set and improvement planned on activities in view of achieving the organization’s overall objectives. On the other hand, the changing work environment poses the growing need for knowledge workforce, ad hoc functions, big data analysis and rapidly changing processes. There is must be certain level of flexibility in the common processes be allowed for improvement to take place in the common processes. Therefore, leaders must design effective structure to allow continuous improvement that focuses on value and key objectives to happen without barriers as this can support the

innovation initiatives in organizations (Linich and Bergstrom, 2014; McCormack and Johnson, 2001).

Innovation processes focuses on new products, processes and services that can help the organization to venture into new markets and customer segments. It is also important to note that the contemporary business environment today gives no options to organizations than to consider innovating the processes to achieve efficiency. Especially with the introduction of the Industry 4.0, redesigning of processes has become critical and essential for continuous improvement (Peitzker, 2015; Linich and Bergstrom, 2014). Adopting technology in the design, and development of processes and products/service would help improve organizational effectiveness and organizational performance, which is essential for sustaining the competitive position in the industry (Linich and Bergstrom, 2014; Langfield-Smith et al., 2012). According to Linich and Bergstrom (2014), major changes are taking place in most organizations especially, the way how organizations are managed and tasks are executed. The continuous improvement concept is embedded in to the organizational culture so that process improvement projects can be executed to achieve better organizational performance. The final category in the Balanced Scorecard is the regulatory and social processes, which gives the rights to organizations to operate in a particular community or country and ensure that the best corporate governance practices are exercised.

Kaplan and Norton (2001) stressed that resources and processes are equally important elements and the key driver of operating performance is the internal business processes, which has a direct link with the performance measurements. Performance measurements help organizations to assess the organizational efficiency by emphasizing what it should do to become the best in the industry. Hence, processes that derives low performance measures should be examined to be improved for better results. Kaplan and Norton (2001) also said if there were any missed opportunity on recruitment of the right people and inability of the organization to realize processes, the final outcome can be affected. Hence, internal processes should be re-visited by organizations from time to time to ensure that efficiency can achieve through reduced wastage, and minimized time and cost.

On the other hand, it is important for organizations to have the capabilities to learn and act fast to the challenges and opportunities available in the external environment as compared to its competitors. These organizations are called as 'learning organizations' that constantly look for doing things in a different way far from the norm. They can be recognized by looking at the agility it has in reflecting towards the external environment and the conduct of its the internal operations. The internal operations are constantly modified through learning from challenges and/or mistakes that are made hence it helps to create new solutions and thereafter share the knowledge among members of the group (Sugarman, 2001). Therefore, it is essential that leaders develop the culture of openness at the workplace so that the employees are able to develop trust and the mind-set to share ideas, highlight constraints on the current processes and recommend solutions to resolve issues for better results.

CHAPTER SUMMARY

In the course of reviewing the related literature for this study, knowledge and understanding was gained on VUCA environment and how organizations could achieve improved organizational performance by embracing agility. It was noted that improvements to the organizational performance in the VUCA environment could only be achieved if the CEOs were focused, fast and flexible in responding to the challenges and uncertainties. As such, the agile leadership style was identified as the most relevant leadership style to be adopted in leading organizations effectively. Leaders who adopts this leadership style would transform the organizational culture so that the it embraces agility in every action. Therefore, the links between leadership style and organizational performance together with the organizational culture were explored to examine its influences. The successful outcome of the organization's performance through the transformation of core cultural elements and internal integration were also investigated further.

In summary, there was sufficient and detailed knowledge available on the three variables and the significant effect against one another. However, the influence of the leadership style and organizational performance through the mediation of the organizational culture was not available in reference to the non-profit organizations, hence, the potential topic identified to be explored as part of this research.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 INTRODUCTION

The Encyclopedia of Social Sciences (1930) defined research as 'the manipulation of generalizing to extend, correct or verify knowledge....', which explains the primary purpose of research that features experimentation. On the other hand, William (1976) and Clover et al., (1979) defined research as a search for facts in an organized manner that helps in providing explanation to the unexplained phenomenon, clarify doubtful proposition and misconstrued information therefore it is regarded as a mechanism to resolve issues.

Kerlinger (2007), Saunders (2019) and Krishnaswami (2016) agreed that research is systematic, controlled and experiential. Saunders (2019) supported the term 'systematic' that emphasizes on the logical relationships as meaningful and not just based on beliefs; and the multiple possible purposes to find out things by describing, explaining, understanding, criticising and analysing the subject matter in order to obtain answers to question(s). However, Krishnaswami (2016) argued on research as being done for specific purpose for investigation of hypothetical proposition that was described by Kerlinger (2007), because not all research would be carried out to formulate hypotheses as some would collect descriptive information on an occurrence.

Conversely, Black and Champion (1976), and Best et al. (1998) described research as obtaining information through observation that results in an overview, philosophy or theories, prediction and possibly ultimate control of events. Likewise, Young (1977) defined research as intention to discover, verify and test old and new facts, analyze sequences, interrelationships and causal justification to develop new scientific tools, models and theories.

Overall, research is a search for facts that can be done through an arbitrary method (unscientific) that is subjective because it is based on opinion or scientific method that is systematic and objective because conclusions are derived by verifying evidences (Colver, et al., 1979; Lastrucci, 1964). As the aim of this research is to gather evidence to make valid conclusions in the areas explored, the scientific approach is adopted to fulfil its purpose.

3.2 RESEARCH METHODS

There are two types of research methods: primary research and secondary research, that researchers can use to collect data for research purposes. Primary research refers to investigations made by collecting first hand data, which is new and relevant for the purpose of a specific study. This type of data that is collected is raw and not altered by any person or published, hence, they are valid and reliable for the purpose of answering research questions or objectives of the specific research. In contrast, secondary research refers to sourcing of published data that are compiled by others for different purposes but can be used or referenced by researchers for their own research (Saunders et al., 2019). However, data that is retrieved from the secondary research can be less valid and should be re-analysed to make it significant to the specific research either partially or fully.

In this study, the quantitative survey questionnaire was used as the primary research method to collect first hand data for analysis. The process was initiated by constructing questions to obtain participant's views in reference to the key variables highlighted in this research: leadership style, organizational culture and organizational performance. These questionnaires were distributed to all participants of the Fourth Schedule Companies Act 2016 prescribed professional bodies in Malaysia. The feedback received were summarized for analysis and results were interpreted to conclude the research objectives.

Similarly, the secondary research was also conducted at the preliminary stage to gain an in-depth knowledge on agile leadership style, transformation and/or cultivation of a new organizational culture that would create an impact on the overall organizational performance. A few favourite international journals such as the Journal of Leadership and Organizational Studies, the human resources, business and public administration journals, and published research findings from Researchgate, Academia.edu and Scencedirect were explored. From this the researcher was led to make further references to books published by renowned scholars: Horney and O'Shea (2015) on *Focus, Fast and Flexible: Creating Agility Advantage in a VUCA World*, Peter Northouse (2016) on *Leadership: Theory and Practice* and Edgar Schein's *Corporate Culture Survival Guide* (2009) and *Organizational Culture and Leadership* (2004), and many others. These were also used as the main textbooks to support the bulk of the literature review in this study. Nevertheless, the consultancy reports published by Deloitte and McKinsey were also explored to obtain real time information that is related to the VUCA

environment, agility, leadership, culture and organizational performance. Similarly, the annual reports of the respective prescribed professional bodies were also referenced to understand the organization’s activities and financial status for the past few years.

Information gathered from the secondary research were also considered when constructing the survey questionnaires in the areas of leadership styles, organizational culture and organizational performance. Questions on organizational culture were further dissected into the three core cultural elements: organizational structure, people, and internal business processes, to understand and explore how these elements can influence the organization’s performance through internal integration.

3.3 RESEARCH PHILOSOPHY

In 2007, Saunders et.al., developed the “Research Onion” to assist researchers planning the research methodology. Refer to Figure 3.1.

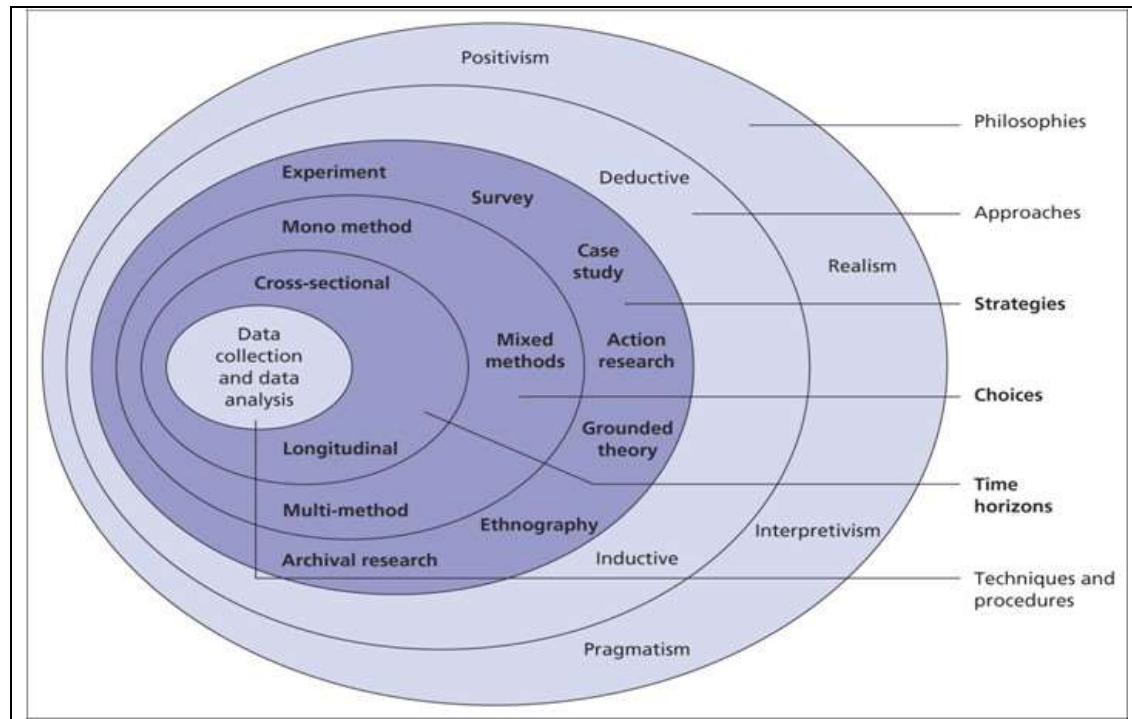


Figure 3. 1: The Research Onion

Source: Research Methods for Business Students, Saunders et. al., 8th Ed., Pearson, 2019

The “research onion”, at its simplest form, provides clear guidance with a range of choices for researcher to make different decisions at each level. It begins from the outside of the onion inwards where the appropriate philosophies are selected up to the techniques and procedures that involves the data collection analysis stage is decided.

According to Saunders (2019), research philosophy deals with the source, nature and development of knowledge. In other words, it refers to the knowledge creation that describes how the research was built upon, that is, the set of beliefs. Saunders (2019) further explained that the research philosophy adopted can be expressed from the ontology, epistemological and methodology point of views. Ontology describes the nature of reality, that is, what we are able to know and understand, epistemology that describes how the knowledge was obtained and its limitations followed by methodology that describes various “methods” the researcher would use to obtain data to test the reality. Therefore, he identified three research philosophies: positivism, interpretivism and pragmatism, under which each would have different ontological and epistemological assumptions that would express different techniques and procedures to be adopted in collecting and analysing data for interpretation.

In this study, the researcher intends to stress on the “true facts and beliefs” of a single reality, where the relationship between three variables: leadership style, organizational culture and organizational performance are to be examined objectively through measurement and observation, therefore, the ontology of the research. Although extensive research has been conducted to proof the relationships between these variables in the past, only two variables have been tested at any given time. Insufficient associations are available to proof the relationships between all three variables, especially where the organizational culture is viewed as the mediator between leadership style and organizational performance, and its effect from the non-profit organization’s perspective. Therefore, the ontology of this research would be to elaborate the concepts related to the three variable in such a way that they could be measured objectively, identify the causality links, reduce the phenomena to the simplest elements, formulate appropriate hypotheses in relation to this and test them on the significance.

Professional bodies are structured differently, hence, it has a different leadership approach in leading these organizations, especially if the professional body is a division located in a different country. The parent organization may still have high control over the division’s policy

setting procedures and to some extent on the operations too. There are also instances where the CEOs leadership style in these organizations have not changed and management practices have remained unchanged for a long time. As a result of this, the performance of these organizations have been affected very badly as they are unable to cope with the environmental challenges.

This has inspired the researcher to explore the truth from the participants of the Fourth Schedule Companies Act 2016 prescribed professional bodies in Malaysia to confirm if the CEO's leadership style has affected the overall performance of the organizations, and if it is the responsibility of the CEOs to transform the organizational culture to match the external requirements so that favourable organizational performance could be achieved. The participant's views on the reality would enable the researcher to justify the beliefs and underlying truth on the significant effect of leadership style on organizational performance through the mediation of the organizational culture.

The researcher narrowed down the study of philosophy to epistemology to gain in-depth knowledge on the three related variables: leadership style (independent variable), organizational performance (dependent variable) and organizational culture (mediating variable). Detailed analysis was done to analyse the impact between leadership style and organizational performance, leadership style and organizational culture, and the relationship between organizational culture and organizational performance through the internal integration of three core cultural element: organization structure, people and processes. The causative explanations of each were used to verify the hypotheses developed and confirm the reality of the impact of leadership style on the organizational performance through the mediation of the organizational culture.

The researcher used survey questionnaires and statistical tools to make objective assessments on the data collected to provide empirical evidence to support the justifications that the researcher intends to make in the area of study. As Merton (1957) explained, 'Empirical research goes far beyond the passive role of verifying and testing theory.... Research plays an active role, it performs at least four major functions....it initiates, it formulates, it deflects and it clarifies theory', hence the research.

3.4 RESEARCH PARADIGM

According to Creswell (2015), the research framework includes philosophical worldview, strategies of inquiry linked to the worldview and research methods that helps to execute plans into practice whilst Saunders, Lewis and Thornhill (2019) referred to the philosophy of knowledge to differentiate the research paradigms: ontology, epistemology, axiology and methodology. From this, Creswell (2015) went on to identify the four worldviews as positivism, constructivism, pragmatism and participatory, whilst Saunders (2019) identified positivism, interpretivism, pragmatism and critical realism as the research paradigms.

Creswell (2015) said positivism is a scientific method of research that adopts the traditional form of quantitative research and postpositivism as the thought process after positivism. This is where the absolute truth of knowledge that is founded becomes questionable especially in human behavioural studies (Philips & Burbules, 2000; Creswell, 2015). Researchers who adopt positivism paradigm will always explore the subject matter by identifying and assessing factors that impacts or influences the end results. Conversely, Saunders (2019) said positivism is an observable social reality and the outcomes derived are used to generalize the norm. Research using this paradigm is referred to existing theories, and hypotheses are developed to be examined.

A deductive approach will be used to break down issues into small and discreet areas so that the variables can be tested to obtain answers to the research questions. Research using this paradigm is done in a value-free way where the researcher is seen independent and does not influence the subject matter or change the facts in the area of study (Saunders, 2019). In summary, positivism measures observations and behaviour of people by using quantitative methods where theories are tested and verified to understand the worldview (Creswell, 2015; Saunders et al., 2019; Philips and Burbules, 2000). Therefore, positivism begins with theoretical discussions, proceeds with data collection and analysis that can either support or reject theories, which at the end could result in further inquiry or revision.

Conversely, Saunders (2019) described the philosophy of realism, that is, reality as part of scientific enquiry that is independent of one's mind as compared to idealism that states only the mind and its contents is real. Realism, similar to positivism, looks at what constitutes acceptable knowledge and makes assumptions based on data collected. Realism can be direct

or critical and both stresses that the world keeps changing. In direct realism the world operates at one level only, however, critical realism relates experiences in the real world that is connected to feelings and not the exact truth. Multi-level studies would be required as each level may influence the researcher's understanding. It also considers the social conditioning and it cannot be judged independently of the participants. In summary, direct realism is most suitable when change becomes the agenda (Saunders et al., 2019).

Constructivism is the opposite of positivism where knowledge is co-created by interacting with participants in the environment. The ontology is that there are multiple realities and truths that exist so it is important that every possibility and influence is understood under different situations. An inductive method is adopted to determine the pattern of meaning to develop a theory. Adopting this approach requires extensive collection of data from participants that will be interpreted to derive a new knowledge (Creswell, 2015). Similarly, interpretivism paradigm looks at people for better understanding of the world they live and work, which is socially constructed and subjective (Saunders et al., 2019). Hence, social constructivist can be combined with interpretivism as both advocates the need for the researcher to understand the differences between people and their views. According to Creswell (2015) and Saunders (2019), the constructivism and interpretivist is dependent of the subject matter and as discussions are held with various participants, variety of opinion can be received as a result of their past experiences.

The researcher has also taken into consideration the historical and cultural background of participants to help them shape their interpretations on the subject matter, which makes the entire research process too complex. However, this may satisfy the aim of the researcher to gather as much views as possible for interpretation. Normally the qualitative method of data collection is used to obtain participant's views, and the inductive method is used for analysis. The patterns of meanings are then drawn to develop a theory rather than testing a particular theory and its relationship with variables similar to the positivism paradigm. However, using this method can be challenging because the interpretivist must associate closely with participants and see the world from their perspectives and not from what the researcher assumes or beliefs (Saunders et al., 2019). According to Saunders (2019), the interpretations can be done by referring to phenomenology that describes the way how people perceive the world around them and symbolic interpretivism that highlights a continuous process of interpretations which leads to new meanings and actions.

The pragmatic worldview looks for absolute results arising from situations and consequences rather than antecedent conditions (Saunders, 2019; Creswell, 2015). It enables researchers to focus on problems and use suitable methods to understand situations. Morgan (2007), Saunders (2019) and Creswell (2015) agreed that pragmatism does not commit to one philosophical system and reality, hence, it gives researchers the freedom of choice. Saunders (2019) explained the 'freedom of choice' of researchers as being given the option to choose between positivist or interpretivist research philosophies. In this paradigm, the world is viewed as not having an absolute unity where there are variations in the epistemology, ontology and axiology, and the search is on 'what' and 'how' questions.

The research is conducted in a social, historical, political and other context, and the mind of the individual and the external world is considered to be independent (Cotton et al., 1999); Saunders, 2019). Hence, the pragmatist approach has mixed methods of research, both qualitative and quantitative, as the most appropriate way of data collection and analysis of the specific study that accommodates to the different worldviews and assumptions. Saunders (2019) agreed with Cotton et al. (1999) to say that pragmatist paradigm can be appealing because the researcher is independent and it allows them to explore the topic of interest. It is also valuable to researchers as they explore things in different ways and use the outcomes derived from the study to enhance the researcher's value system.

Apart from the three common paradigms discussed by Creswell and Saunders, 'participatory' was identified by Creswell (2015) as another worldview where researchers could adopt to resolve the oversight of the positivist paradigm on the marginalized issues of individuals or social righteousness due to its stringent approach to laws and theories. The perspective of this philosophy was introduced by Marx, Habermas and Freire, Heron and Reason in the 1980s and 1990s, and was further examined by Kemmis and Wilkinson in 2000s (Creswell, 2015). This paradigm adopts qualitative as well as quantitative research where the researcher performs the study with participants who would also assist in the designing of questions, collection and analysis of data concurrently. The inquiry combines issues with actions and results in a united voice of participants that concludes the reformation of the participants and the researcher's lives.

Following the worldviews discussion by Creswell and Saunders, the researcher decided to adopt positivism paradigm for this study as the aim of the research is to discover the absolute truth of knowledge, and the cause and effect of links between variables. The researcher also intends to be precise with the observations so that logical reasoning on the hypotheses tested could be used as the means of recommendations to the Fourth Schedule Companies Act 2016 prescribed professional bodies in Malaysia. Therefore, measurable data would be gathered to analyse answers and confirm the hypotheses related to the variables. Even though constructivism has the benefit of knowing people's feeling and experience, this paradigm was not adopted because the researcher wanted to be independent of the study and did not want to form any opinion in interpreting the results. Likewise, the pragmatic approach could have been another good choice because it has a mixed method of assessment, however, the researcher avoided adopting this paradigm due to the complexity of issues, hence, positivism was chosen as the best paradigm for this study.

3.5 RESEARCH DESIGN

Research design describes the research strategies and choices to be adopted, and the time horizon to be undertaken to complete a particular research project. It illustrates the entire research process from the beginning where discussions are held on the related theories, research questions, data collection method(s), analysing techniques and limitations of study. However, the criteria for selecting the research design highly depends on the research problem in question, the researcher's personal experience and the target audience for whom the report would be presented. The 'research problem' is the area of concern that the researcher intends to investigate, hence, it requires different approaches for special cases such as diagnosing factors influencing the outcome, utility of intervention, knowing the best practices and understanding them (Creswell, 2015).

3.5.1 Purpose of research

Research questions and objectives explains the reason(s) why the research is conducted and enables the researcher to determine the nature of the study whether it exploratory, descriptive

and explanatory or a combination of more than one, which is influenced by the research literature (Saunders et al., 2019).

The purpose of this research is to examine the leadership style and its impact on the organizational performance through the mediation of the organizational culture. The Fourth Schedule Companies Act 2016 prescribed professional bodies were selected for this study as there has been no research conducted on the leadership style, organizational culture and performance of professional bodies in Malaysia so far. Since the nature of this type of business and culture are different from profit-making organizations, the researcher feels that it is important to know if application of theories would be the same. Moreover, these professional bodies have been in existence for decades and they do contribute well to the economy of the country, thus the performance in the organizations can be of some concern. In addition to this, change in these professional bodies are rare, hence, could the leadership style and management practices affect positively to the overall performance of these organization in the VUCA environment and could transformation in the organizational culture be possible to improve the overall performance in these organization. Therefore, the researcher is keen to know if the CEOs leadership style could create a significant impact on the organizational performance through change and integration of its internal business environment, that is, organizational culture.

To begin with the research, quantitative data is collected from the Heads of Departments and Managers, to understand how leaders are currently leading the Fourth Schedule Companies Act 2016 prescribed professional bodies in Malaysia. Questions are raised to understand how the business operations are managed and if these are directly linked to the performance of the organizations to achieve the desired goals and objectives. For this purpose, the executive at the middle-management level were selected to be represent the sample population of the study because the nature of their role is balanced between strategic and operational functions, hence, they are able to judge the CEO's leadership style fairly from the onset. Directors and operational staffs were excluded from this study because the directors be bias in forming their opinion on the CEO leadership style whilst staffs at the operational level may not experts to form fair judgements on the CEO's leadership style, organizational culture and organizational performance. Therefore, the Heads of departments and Managers were considered to be the best group of respondents for this study.

3.5.2 Types of research

An exploratory research is undertaken when better understanding is required about an issue or a problem. This is looked at by considering the 'what' and 'why' things happen, so that the facts can be assessed based on a new perspective. This approach is good when the topic of research is new, no research has ever been done and/or if any theory exists to support the study, hence, relevant literature could be explored and interviews could be conducted with experts from the relevant field of study and focus groups to explore the area of study (Creswell, 2015). According to Adams and Schvaneveldt (1991), exploratory research is flexible to changes and it enables the researcher to narrow down a broad area of focus as the research progresses.

On the other hand, descriptive studies can be an extension of exploratory or explanatory type of research, however, it is important that the facts on what is required to be collected is clearly understood before collecting the data. Researchers using descriptive studies would be required to have good skills to evaluate data and synthesize the information, which is also known as a descripto-explanatory studies (Saunders et al., 2019). On the other hand, explanatory studies are also known as causal studies because they seek to establish relationships between variables. Correlation tests are performed on data collected in order to determine the relationship between the variables.

As this research is aimed to test the impact of Agile leadership Style on Organizational Performance through the mediation of Organizational Culture, the relationship between these variables should be identified, thus, the explanatory type of research is adopted for this study. Agile leadership style, organizational performance, identification of core cultural elements such as organization structure, people and processes and the integration of these internal elements were altogether explored to understand the underlying theories and thereafter understand the causal relationships that exist between these variables. Statistical tests are performed on the data collected from Heads of departments and Managers, to confirm the correlation between these three variables as stated in the hypotheses developed.

3.5.3 Research strategy

The selection of a strategy or strategies for research will depend on the research questions, research objectives, availability of theories, philosophies adopted by the researcher as well as the length of time that is available to complete the research efficiently. There are various strategies available such as experiment, survey, case study, action research, grounded theory, ethnography and archival research. According to Saunders (2019), researchers may adopt a single strategy or opt for a combination of strategies to complete their research because these strategies are not mutually exclusively.

The term 'experiment' explains the tests carried out in natural sciences research where two homogeneous groups: experimental group and control group, are established and exposed to the planned interventions. It explores the link between an independent variable and dependent variable to examine the consequences when change happens in one of the other variable. Therefore, the experiment strategy is suitable to be used in an exploratory and explanation type of research. According to Saunders (2019), experiment strategy has more internal validity because the researcher has control over the sample size and the environment, however, it is not practical for business research because it is difficult to predict or establish the externalities.

Survey strategy, the most common strategy, is used for business research. It is closely linked to the deductive approach, and commonly used for exploratory and descriptive research. Researchers who adopt this strategy are able to obtain answers to several questions simultaneously, which are truly based on people's perception that is easy to explain. The researcher is able to use statistical method to analyse quantitative data collected, make recommendations and produce models on variables tested. According to Babbie (1990), 'survey research includes cross-sectional and longitudinal studies using questionnaires or structured interviews for data collection, with the intent of generalizing from a sample to a population' whereas experimental research is used to find out what influences an outcome. However, survey strategy has its limitations as the number of questions can be limited and the duration to collect feedback for analysis can be time consuming due to the large sample population. To overcome the limitations, observations and interviews can be included to collect data promptly.

On the contrary to the experiment and survey strategies, case study strategy can also be used to conduct experiential exploration on current occurrence on real life situation, that is, explanatory and exploratory research. Using this strategy enable researchers to gain understanding on a framework and a clearer perspective on the area of study. It also enables the researcher to challenge a theory and develop new areas for research. A combination of data collection methods can be used in this strategy. Case study strategy can be distinguished between single case where one organization is referred as opposed to multiple case where findings of one is used to generalise among others, and holistic case that refers to an entire organization as opposed to embedded case where the study is divided into separate units, groups or departments between organizations for in-depth examination (Saunders et al., 2019; Yin, 2018).

The action research strategy, on the other hand, is completely different from other strategies because it has a strong focus on change. It guides researchers through a process of identifying, creating action plans and evaluating change results. Researchers adopting this strategy is highly involved in the research process together with heads of departments and managers at every stage, to diagnose and fix organizational issues by changing and evaluating the improvements thereafter.

Grounded theory and ethnography strategies are the least favoured approach for business research. Grounded theory aims to explain behaviours to develop new theories that are built through deductive and inductive approaches. Theories are normally developed by predicting events that are observed and tested, however, there is a drawback to this because literature cannot be ignored as data collected is analysed by using them. Therefore, researchers must be clear on the purpose of the research as it can be very messy and may require hard work and experience. Whilst ethnography strategy originates from the anthropology studies that explores the 'science of humanities'. This strategy can be time consuming as critical analysis has to be conducted on issues related to the social world of which the researcher is required to be deeply involved in the subject matter. Researchers must also be flexible to changes as the research progresses and only trustworthy participants will be selected for the study. Due to the respective drawback and hindrances both these strategies are least popular for business research.

Lastly, 'archival' research strategy uses historical and current administrative data as the fundamental source. It enables researchers to explore details from the past and the evolution

thereafter. Data contained via this source should not be combined with secondary data as it may defeat the purpose of the current research. However, this cannot be avoided because it was collected for a different purpose in the past thus researchers must ensure precise information is available to answer the research questions otherwise extended search may be required. This type of strategy can be used for exploratory, descriptive and explanatory research approaches.

In this study, the researcher has adopted the survey strategy to conduct the empirical analysis of the three variables on the Fourth Schedule Companies Act 2016 prescribed professional bodies in Malaysia. Under the survey strategy, the deductive approach is used to explore theories and develop hypothesis to examine the causal relationship between leadership, organizational culture and organizational performance. Questionnaires were distributed to the sample population to receive the participant's perception for interpretation. Statistical method is used to analyse data, make recommendations and develop the research framework on the variables tested.

3.5.4 Research choices

At this stage, researchers make a choice on the data collection method(s) and technique(s) to be used to analyse them. Data can be numeric or non-numeric, thus strategies of inquiry can be quantitative, qualitative or mixed. However, the method(s) to obtain them would depend on the type of study the researcher intends to conduct.

Quantitative research quantifies data and generalizes the results from the sample to target population. When occurrences are expressed in quantitative terms, it is called as a quantitative research. Quantitative data refers to the numeric data that is collected via questionnaires and it can be analysed using statistical techniques to interpret the outcomes. This strategy was initiated in the positivism approach where the research involved findings on the correlation of multiple variables, causal paths and identifying the strengths of variables. This type of study can be conducted by way of survey or experimental research that helps to generate quantified description of results that represents the large population (Babbie, 1990).

On the other hand, qualitative approach helps researchers to gain knowledge about problems at hand and it is based on qualitative phenomenon. Research on human behaviour, attitudes,

cultures and experiences that is conducted through observation and interpretation is called qualitative. This type of data is non-numeric and the analysis would be done by either categorising them or making reference to pictures or objects. Research strategies that commonly adopt qualitative choice of data collection and analysis with complete procedures include ethnography (Creswell, 2015), grounded theory (Strauss and Corbin, 1990; 1998), case studies (Stake, 1995), phenomenological research (Moustakas, 1994) and narrative research (Clandinin & Connelly, 2000).

Business and management researchers normally chose single data collection method with the corresponding analysis procedures. However, there are times when multiple methods are chosen to nullify the 'method effect', to complement the weaknesses of either method so that more reliable outcome can be achieved (Saunders, Lewis and Thornhill, 2019). Since this research is conducted using the positivism approach, the researcher has opted to use quantitative research inquiry for data collection. This method is very structured, clear, simple and easy to understand as direct questions can be constructed to test the absolute truth of theories, correlation of variables and to disclose the influence of the causal path on outcomes. Delays in the analysis and/or interpretations based on researcher's opinion on the results can be avoided as values received are measured using statistical software to obtain objective results for analysis.

3.5.5 Duration of research

This is the last stage of the research planning process where the researcher decides on the duration to complete a particular research project. Saunders (2009) identified two different time horizons that a researcher has to consider when planning for research: cross-sectional studies or longitudinal studies. The choice of the duration depends strictly on the research questions. Cross-sectional studies involve research of a particular experience during a particular time. This is normally found in case studies and surveys approaches where the subject matter is explored for a short duration. On the contrary, longitudinal studies cover a longer period of time where research is conducted to observe change and development.

For the purpose of this study, the researcher has used the cross-sectional perspective to examine the significant effect of leadership style (independent variables), organizational performance

(dependent variable) and organizational culture (mediating variable) of the Fourth Schedule Companies Act 2016 prescribed professional bodies in Malaysia, in the current VUCA environment.

3.6 RESEARCH APPROACH

Research approach demonstrates the process of how the research project is going to be done, that is, by adopting the deductive or inductive approaches or a combination of both approaches. Deductive testing is applied mostly in the positivism paradigm whilst inductive testing is used in the interpretivist paradigm, however, there is no general rule to follow on its application. The choice of approach is important because it helps the researcher to decide on the research design, methods for data collection and procedures to analyse the outcome. This include the consideration of choices that best suits the researcher that would also help overcome barriers or constraints, if any. Therefore, research approach helps researchers with the type of evidence to be gathered, identify source(s) of data, tactics to be used, and how this would help interpret suitable answers to the research questions (Saunders, Lewis and Thornhill, 2019).

Deductive approach is used when existing theories and hypotheses that are developed are to be tested. Each hypothesis is deduced from theories to ascertain the links between variables and to be tested. The specific outcomes are then queried to confirm the hypothesis and if necessary suggestions could be made for change. The deductive approach explains the casual relationships between variables, defines data collection method(s), enables the researcher to be independent of the study, and identifies elements and measurement methods, and make generalisations from the sufficient samples that were tested in a highly structured manner.

Conversely, inductive approach is used to collect data for analysis and development of new theories. The benefit of an inductive approach is that it enables the researcher to have thorough understanding of the subject matter because every individual's interpretation of the social world is considered and smaller sample sizes of data is adequate for this approach. Qualitative data is used by adopting variety of methods to gather participant's views for analysis but no generalisation would be made from the outcome instead a new theory would be developed. The structure of the inductive approach is flexible. It allows the researcher to make changes while the study progresses, and the researcher is dependent on the research project.

According to Saunders (2019), to select the best approach for a research would depend on various factors. Firstly, the researcher must understand the emphasis and nature of the research topic and be certain that there is enough literature available to develop the hypothesis. The length of time and risk associated with this factor could influence the researcher's decision. The longer the research period, the riskier it would be for the inductive approach whilst deductive approach may have a higher risk of questionnaires not returned. Therefore, the selection of suitable approach is dependent on the researcher's needs, preference and interest and it must not alter the real meaning to the research question(s).

Since this study adopts the positivism paradigm, the deductive approach is used to test the theories on leadership styles, cultural elements and internal integration, all of which is assumed to have an impact on the performance of the organizations. Research questions, research objectives and hypotheses were developed with reference to the theories defined. The focus was to examine the relationships and significant effects between the organizational performance (dependant variable) and leadership style (independent variable) through the influence of organizational culture (mediating variable). The outcomes derived from this study would enable the researcher to either accept or reject the hypotheses that are being tested and make generalizations in the area of leadership style and organizational performance studies.

3.7 SELECTION OF SAMPLES AND SAMPLING TECHNIQUES

Sampling techniques allows researchers to use various methods to collect data by adopting proper procedures (Peck et al. 2005). It helps in selecting small sample size of the group to represent an entire population (Black and Champion, 1976). The population size for research can be very large especially for a survey-based strategy and it would not be practical to list all elements to represent the set of all values in the population, hence, samples are collected, tested and analyzed to make logical reasoning. Samples are normally used when it is impractical to survey the entire population, prompt results are required, and when there is limited budget and time. According to Henry (1990), smaller samples provide better accuracy of data because it allows the researcher to spend sufficient time to plan and collect data that is required and also reach out to difficult cases.

There are two sampling techniques: probability sampling and non-probability sampling, available for research and to select the best technique, researchers may need to refer to the research questions (RQs) and research objectives (ROs). In probability sampling, chances of a case to be selected is clearly known and all cases in the population has an equal chance of being selected, whereas for non-probability sampling, the chance of a case to be selected in a population is unknown. Hence, it is not possible to obtain answers to research questions or objectives without making statistical assumptions and because of this generalization cannot be made on the population.

3.7.1 Probability sampling and Non- probability sampling

Probability sampling, also known as representative sampling, is suitable for large population that are found in survey-based research. Firstly, the sampling frame must be identified by looking at the research questions or objectives, followed by the decision on the sample size then the sampling techniques. Sampling frame refers to the complete list of an entire population. It is important that the list is complete, accurate and current, and generalizations made on a population must remain within the sampling frame.

According to Saunders (2019), the larger the sample size the lesser the level of error, thus generalizations made to the population are deemed to be fair and justifiable. Samples are complete when all objects chosen from the population satisfies the defined selection criteria (Pratt et al., 1995) and reasonable sample may come about when selections are made without making any reference to the properties of the objects (Hahs-Vaughn and Lomax, 2019), thus each case in the population stands a chance to be selected (Cochran, 1977). The choice of sample size using this technique also takes into consideration the level of certainty and accuracy of data, types of analyses to be undertaken and the size of the entire population.

Saunders (2019) and Malhotra (2017) identified five sampling techniques available in probability sampling: simple random sampling, systematic sampling, stratified random sampling, cluster sampling and multi-stage sampling. The authors explained simple random sampling, as being a simple method of randomly selecting samples using number tables or computer programs. Similar approach is also adopted in systematic sampling except that

samples are selected at regular intervals systematically whereas for stratified random sampling, the population is divided into two or more samples based on a stratum.

All three sampling techniques are suitable for all sample sizes and researchers can adopt face-to-face contact, if necessary. However, the simple random sampling technique can be very costly if large sample size is required. Cluster sampling is similar to stratified sampling except that the population is split into discrete groups and clustered before sampling, whereas multi-stage sampling is an extension of cluster sampling but there are various sampling frames needed to identify samples at different stages. These techniques are good to be used for very large samples and less expensive even though the population is geographically spread (Henry, 1990; Sharma, 2017; Malhotra, 2017). However, there are major weaknesses in these techniques when compared to the simple random sampling because accuracy can be low in cluster sampling due to the list of relevant clusters available and errors in multi-stage sampling can be substantial due to adjustments made on differential response rates (Sharma, 2017; Malhotra et al., 2017). Refer to Table 3.1 on the summary of strengths and weaknesses of the sampling techniques provided by Malhotra et al, 2017.

Table 3.1: Strength and Weaknesses of Sampling Techniques

| Techniques | Strengths | Weaknesses |
|--|---|--|
| <i>Non-probability sampling</i> | | |
| Convenience sampling | Least expensive, least time consuming, most convenient. | Selection bias, sample not representative, not recommended for descriptive or causal research. |
| Judgmental sampling | Low cost, convenient, not time consuming. Ideal for exploratory research designs. | Does not allow generalisation, subjective. |
| Quota sampling | Sample can be controlled for certain characteristics. | Selection bias, no assurance of representativeness. |
| Snowball sampling | Can estimate rare characteristics. | Time consuming. |
| <i>Probability sampling</i> | | |
| Simple random sampling (SRS) | Easily understood, results projectable | Difficult to construct sampling frame, expensive, lower precision, no assurance of representativeness. |
| Systematic sampling | Can increase representativeness, easier to implement than SRS, sampling frame always not necessary. | Can decrease representativeness depending upon 'order' in the sampling frame. |
| Stratified sampling | Includes all subpopulations, precision. | Difficult to select relevant stratification, variables, not feasible to stratify on many variables, expensive. |
| Cluster sampling | Easy to implement, cost effective. | Imprecise, difficult to compute and interpret results. |

Source: Marketing Research: An Applied Approach, Malhotra et al., 2017.

On the other hand, Saunders (2019) and Malhotra (2017) further explained that there are no sampling frames used in business related research such as market survey or case study, hence, researchers can use other ways to select their samples. This is known as the non-random sampling method where decisions on the selection of element to include are decided by the researcher, hence, a very subjective method (Battaglia, 2009). Non-random sampling technique enables researchers to undertake an in-depth study of a case to discover and gain theoretical insights to answer research questions. It is also less expensive and can be implemented quickly.

Unlike probability sampling, there is no general rule for determining the sample size for non-probability sampling. As long as there is a logical relationship with the purpose and focus of the research, generalizations can be made on the theory but not on the population (Saunders et al., 2019). However, determining the sample size also depends on the research questions or objective. According to Guest, Bunce and Johnson (2006), 12 interviews would suffice if qualitative data collection from homogeneous group was desired but this may not be suitable for heterogeneous groups. Conversely, Creswell (2015) stressed that 25 to 30 interviews is more appropriate for an unspecific study.

Saunders (2019) and Malhotra (2017) further identified four types of techniques in the non-random sampling method: quota sampling, judgmental sampling, snowball sampling and convenience sampling. They explained that quota sampling is similar and has similar requirements to probability sampling like the stratified sampling where the populations are divided into specific groups. It was said to be most applicable for interview surveys, less costly and can be done very fast even though the population size is large. However, the other extreme of the range is the convenience sampling where samples are haphazardly selected and to be the easiest whereas self-selection sampling is where individuals selected have the desire to participate in the research. The authors added that in between these two extremes was judgmental sampling that enables the researcher to select samples based on the researcher's judgment to adopt the appropriate strategy such as extreme case, heterogeneous, homogeneous, critical case and typical case sampling. However, Saunders (2019) said that this method would be suitable to be used for small sample sizes which are normally found in case study and grounded theory strategy. Lastly, snowball sampling, is normally used when the members of the population are difficult to be identified, hence, using this method can be difficult because to make the initial contact with the participants can be problematic (Saunders, 2019; Malhotra, 2017).

3.7.2 The Selected Sampling Technique

For the purpose of this study, the researcher has decided to use the non-probability sampling technique to select the samples required from the Fourth Schedule Companies Act 2016 prescribed professional bodies. As this is a case study, judgmental sampling has been adopted to select a homogeneous group of respondents, that is, Heads of departments and Managers, as suitable participants to answer the survey questions. As these members are at the middle-management level, they are certainly exposed to the development and execution of strategies, hence, they are able to provide unbiased views on the CEOs leadership approach towards achieving better organizational performance. Since the workforce size is different in each organization, different sample sizes can be expected across all the seven prescribed professional bodies. However, a total population of 75 participants ranging from Heads of Departments up to Managers were approached for the purpose of this study.

According to Bryman (2016) and Sekaran (2000), large and adequate sample size will ensure data collected provides a reliable basis for drawing inferences, to make recommendations and support decisions. This also removes biasness and ensures that the criteria required by the analytical methods used in the research is met. Malhotra et al. (2017) further has stressed that the required sample size for research would depend on the proposed data analysis techniques that are used to analyse data. Conversely, Roscoe (1975) said a sample size of less than 30 or more than 500 with about 10% size of the parent population would be appropriate for behavioural research, but if it is a simple experimental research, then less than 10 is permissible.

Likewise, Sekaran (2003) said that a sample size larger than 30 and less than 500 is most appropriate for questionnaire research. Conversely, Bryman (2016) said selecting the sample size has to be related to the size of the population and he has provided guidelines to select the minimum sample of thirty (30) participants as acceptable to the total population. However, Krejcie & Morgan came up with a table in 1970 to address the increasing need for a representative statistical sample in empirical research. They developed the table as an effective method and easy reference to help determine the sample size for finite population. As this research has a limited population, Krejcie and Morgan's table was used to determine the sample size for the population of 75 participants. Hence, 63 respondents were determined as an effective sample size for the purpose of this research.

3.8 QUESTIONNAIRE DESIGN

Questionnaire is a set of questions that is developed in a pre-set order for every participant to respond in view of a topic or issues, thus, it is the most efficient and effective way of collecting quantitative data for analysis (Saunders, 2019; Malhotra, Nunan and Birks, 2017). Questions that are relevant and clear must be prepared so that relevant data can be collected for analysis. The distribution of questionnaire must also be carefully planned so that responses are collected on a timely manner. Malhotra et al. (2017) said questionnaires should translate the desired information into specific questions for respondents to answer appropriately, it must stimulate the interest of participants and encourage participation until completion of the task so that it can minimize response error while interpretation of data is done. Therefore, the researcher has adopted the scientific approach to gather evidences prior to making valid conclusions in the area of this research.

Malhotra et al. (2017) and Saunders (2019) stressed that sufficient knowledge on theories is essential when designing questionnaire as the in-depth knowledge of theories would enable the researcher to develop relevant questions for the research. Questions communicate, set the frame of mind and influence the perception of respondents to provide the right answers accordingly, hence, due care should be given to the process of questionnaire design. Refer to Figure 3.1.

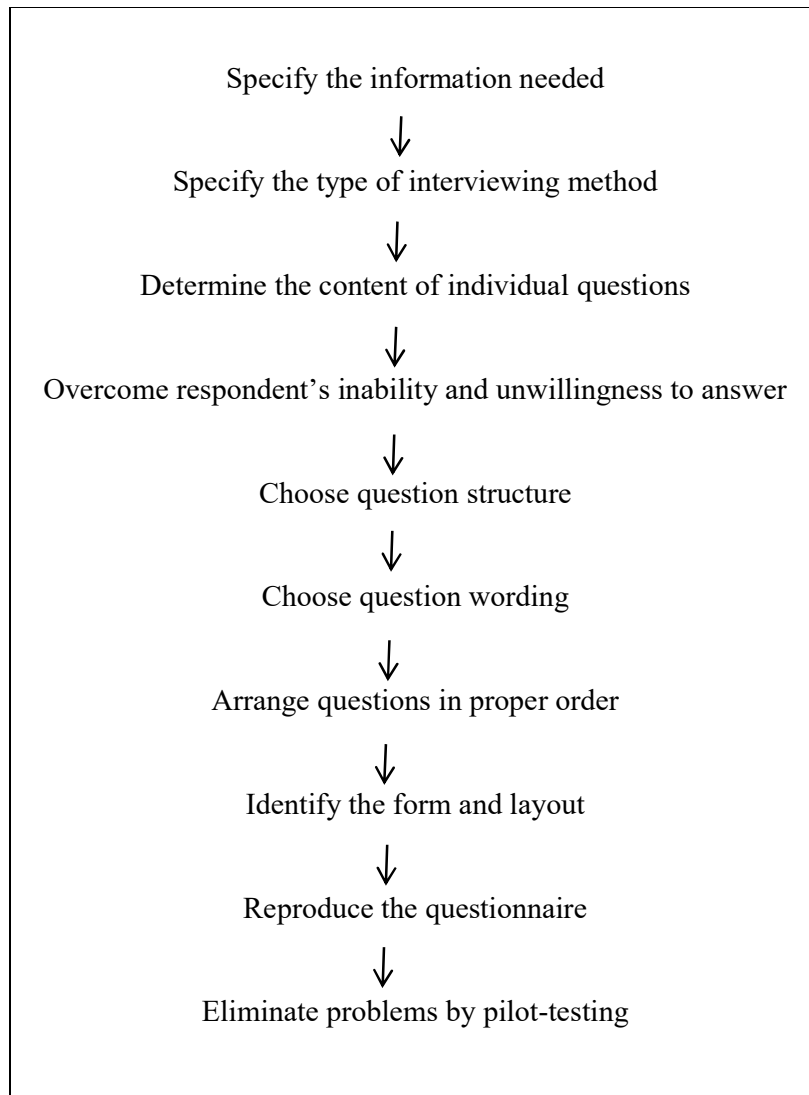


Figure 3. 2: Questionnaire design process

Source: Malhotra, Nunan and Birks, 2017, p. 375.

As this is an explanatory research, theories related to agile leadership style, organizational culture, internal integration and organizational performance were used to develop questions to examine the significant effect between variables. Saunders (2019) further explained that the validity and reliability of data collected would depend on the question designed, structure and rigour of the pilot-testing. However, there are times when researchers may decide to adopt or adapt questions from other questionnaires instead of developing one of their own.

Refer to Appendix A. With the permission obtained from Denison Consulting Group, the researcher was able to adopt questions from the Leadership and Organizational Culture survey questionnaire to construct the questions for the purpose of this study. Minor amendments on the questions were made to make it more relevant to the study. Horney and O'Shea's Agile Model that highlights the key drive factors, agile leadership abilities and the VUCA environment were used to re-phrase questions for the purpose of this study. Closed-ended, 5-point Likert scale rating questions were developed to obtain the pre-determined answers for an efficient and effective data analysis. The questionnaire was formatted by dividing the contents into six parts so that the Research Objectives (ROs) and Research Questions (RQs) could be measured effectively. Refer to Table 3.2.

Table 3.2: Summary of questions, measurement of RO(s) and RQ(s).

| Part | Questionnaire Description | Research Objective | Research Question |
|-------------|--|---------------------------|--------------------------|
| A | to understand the CEO's leadership style in relation to the performance of the organization. | RO 1 | RQ1 |
| B | to understand how the CEO cultivates the beliefs and thoughts of people, and the way things are done in the organization. | RO2 | RQ1 |
| C | constructed to understand how the CEO develops good practices to influence organizational performance. | RO3 | RQ3 |
| D | to assess the mediating effect of organizational culture on organizational performance through core cultural elements: Organization structure, People and Processes. | RO4 | RQ4 |
| E | to understand how the CEO's belief and intentions in creating an impact for better organizational performance can be translate through internal integration | RO5 and RO6 | RQ5 and RQ6 |

Source: Leadership and Organizational Culture survey questionnaire, Denison Consulting Group, 2019.

The sixth part of the questionnaire, Part F, was included at the end of the questionnaire to obtain the participant's profile, such as, the position held and years of employment in the respective prescribed professional body. This information was included to summarize the employment background of the selected participants so that the researcher could justify the validity and reliability of their feedback based on the calibre of the participants.

Each part of the survey questionnaire has five questions that has been phrased to match the five key drivers stated in the AGILE Model: Anticipating Change, Generating Confidence, Initiating Action, Liberate Thinking and Evaluating Results. These are linked to the leadership agility and used to assess the leadership style, its influence on the organizational culture in

view of achieving improved organizational performance at the respective prescribed professional bodies.

3.9 PILOT TEST

According to Saunders (2019) and Malhotra et al. (2017), it is important that a pilot test of the questionnaire is done on a small sample of the main group of participants of the actual study. The aim of the pilot test would be to refine the questionnaire so that it become sensible and logical for the participants to select the correct answers to the questions posed (Saunders, 2019). This test would further assist to eliminate potential problems that may arise due to the contents, structure, wording, instructions, rewards and the level of difficulty (Malhotra et al., 2017).

In this study, the researcher selected ten (10) participants from the researcher's place of work, which is part of the Fourth Schedule Companies Act 2016 prescribed professional body, to test the validity and reliability of the survey questionnaire. Instructions and questions were read out to participants so that they are clear and confident in selecting the right answers to the survey questions. During the pilot test, the attitudes and reactions of the executives were observed closely. Suggestions to re-phrase some of the questions were accepted so that questions were clear and misinterpretations could be avoided. Refer to Appendix B.

The revised questionnaire was tested again with another group of ten (10) executives from the main group of participants selected. This is to ensure that the revised questionnaire was clear and complete so that accurate data can be obtained for analysis. Hence, the pilot test of the survey questionnaire was tested among twenty participants (20) in total for the purpose of this research. Refer to Appendix C.

3.10 DATA COLLECTION TECHNIQUE

Data collection is a process that involves gathering of information from all related sources. It provides answers to the research problem, test concepts and evaluates the outcomes (Saunders, 2019). This is the most important part of a research because it captures quality evidence and provides convincing answers to the research questions. Hence, it is essential that accurate data collection is adopted to maintain the integrity of the research. To avoid errors from happening, it is essential that correct data collection instrument is selected and instruction to use them are clearly stated. The task of data collection can be very demanding, hence, proper planning and execution is expected. In order to begin with data collection, it is important that the kind of data required is determined from both the primary and secondary studies.

In this research, both the primary and secondary data were used to complete the research findings and analysis. As this is an explanatory research, the researcher has decided to use self-administered survey questionnaire as the most appropriate technique to collect primary data to answer the research questions and objectives. Survey questionnaires were developed with reference to the underlying theories of leadership, organizational culture and organizational performance. Instructions to answer the questions were provided as guidance to participants to revert on their feedback effectively. Clauses on data protection and privacy statements were also included for the participant's notation.

Questionnaires can either be self-administered through internet/intranet, postal or delivery and collection method or interviewer-administered by telephone or structured physical interview. For this research, the survey questionnaire was distributed to all selected participants of the Fourth Schedule Companies Act 2016 prescribed professional bodies through emails. The document was encrypted with a password for security reasons. The researcher followed-up with a telephone call with the participants to provide the information on the password.

Since judgemental sampling approach was adopted for this study, the researcher was able to gain control over issues related to response rate and time. Prior to the commencement of the research process, an email was sent to the CEOs office of the respective prescribed professional bodies. In the email, the objective of the research was explained and permission to contact the executives of the organization was requested so that it would help both the researcher and the participants to work closely on the research without prejudice. The sample questionnaire with

clear instructions and guidance for participants were also attached to the email for the participating organization's information.

3.11 QUANTITATIVE DATA ANALYSIS

Quantitative data analysis refers to analysis that is performed on raw data collected using numbers. Numbers helps researchers to easily convert, interpret and present their findings to a group of audience (Jansen and Warren, 2020). According to Jansen and Warren (2020), plotting data is an extremely useful first stage for any analysis, as this reflects the extreme observations (outliers) together with any interesting patterns. Similarly, Saunders (2019) explained that the raw data that is collected should be converted into meaningful information through rational and critical thinking. He further added that the analysis techniques such as graphs, charts and statistics can be used to transform quantitative data collected via primary research into meaningful information. This can be done by performing various computations to determine frequency of occurrences and differences between variables (Saunders, 2019; Jansen and Warren, 2020), hence, it involves statistics.

Statistical analysis methods can vary from simple computations up to a more sophisticated analyses, and this would depend on the research questions, aims and objectives (Saunders, 2019; Jansen and Warren, 2020). There are two general types of statistical analysis methods available for quantitative analysis, that is, descriptive statistics and inferential statistics. Descriptive statistics focuses on the sample that describes its details for better understanding, whilst, inferential statistics enables the researcher to make predictions on the entire population arising from the sample findings. Researchers normally start with descriptive statistics first, followed by inferential statistics to measure the differences between groups, assess the relationships between variables and/or to test hypotheses in a rigorous way (Patel, 2009; Saunders, 2019; Jansen and Warren, 2020).

The common tests performed under descriptive statistics are mean, median, mode, standard deviation and skewness. This helps the researcher obtain both the micro and macro view of the data and spot potential errors that the data may contain. This further helps the researcher on the type of inferential statistical techniques required to be performed as the skewness of data influences this. Under this technique, the common tests may include T-tests, correlation

analysis that measures the relationship between two variables and regression analysis that helps understand the cause and effect between variables (Patel, 2009; Saunders, 2019; Jansen and Warren, 2020). In this study, the descriptive statistics purely involved the analysis of participants that included the heads of departments and managers together with their years of service in their respective organizations. However, this had very minimal influence on the research as judgemental sampling approach was adopted where selected population comprising the heads of departments and managers of the respective professional bodies were targeted to share their views via the survey questionnaire. Therefore, the descriptive statistics were performed to obtain the macro and micro-level view of data only. This led to the inferential statistical techniques to make predictions on the relationships between variables and to perform hypotheses testing. Therefore, the correlation analysis and regression analysis were computed to examine the relationships between variables.

However, Saunders (2019) and Jansen (2020) agree that prior to analysing data it is important for the precision of measurement to be established as different levels of measurement has different techniques for data presentation, summary and analysis. Data type can be categorical, that is, non-measurable and be categorized according to the characteristics of variables, which would subsequently be sub-divided further into descriptive and ranked. On the other hand, it can be numerical so that it can be measured and sub-divided into intervals or ratios. No matter what the precision of measurement be, the researcher should ensure that all data is coded with numerical codes to facilitate data analysis (Saunders, 2019). Similarly, Jansen and Warren (2020) too stressed that the type of quantitative data; nominal, ordinal, interval and ratio, research questions and hypotheses would help the researcher to choose the appropriate analysis method otherwise results could be largely meaningless. Therefore, the first factor to consider would be the type of data to be collected and its shape: normal distribution or skewed, which leads to the subsequent factor, that is, descriptive statistics that is highly influenced by the research questions and hypotheses. Hence, the entire process begins with data preparation and checking, selection of the data presentation format and statistics to describe data to examine relationship and trend in data.

In this research, categorical data type with 5-point Likert scale was used in the self-administered questionnaire to facilitate the quantitative data analysis. Data collected was structured into six sections where individual questions were included to receive answers to various research questions relating to leadership style, organizational culture, internal

integration and organizational performance. These were coded and checked for errors prior to the initial analysis. The Structural Equation Modelling-AMOS (SEM-AMOS) was used as the preferred statistical software to examine the relationships between variables and to test the hypotheses.

According to Beran and Violato (2010) and Jurgis (2016), SEM is not a single statistical technique but a general modelling framework that integrates a number of different multivariate techniques into a one model fitting framework. SEM is an integration of measurement theory, factor analysis, path analysis, regression modelling and simultaneous equations, which all comes together to form structural equation modelling. Being a general model fitting environment, SEM is able to address many different kind of research questions, particularly in situations where the key constructs that the researcher is interested in are complex, multi-faceted and measured with error. SEM also has the ability to make corrections for errors of measurement. Apart from this, SEM is well suited to be used to address research questions that specify ‘‘systems’’ of relationships rather than a single dependent variable and a set of predictors. In addition to this, SEM can also be used to address research questions that focus on indirect (mediated) effect as well as direct effects of variables on other variables. Therefore, SEM can be described as the thought of path analysis using latent variables, that is, variables that are not directly observable or measurable thus making them hypothetical or latent constructs. However, these latent variables can be measured using observable indicators together with other factors that are measured as error.

In this study, the pooled Confirmatory Factor Analysis (CFA) was used to compute the value of factor loading, correlation and the fitness indexes. The reliability and validity tests were determined by using Composite Reliability (CR), Average Variance Extracted (AVE), and discriminant validity, and was concluded with the normality assessment with the use of Multivariate of Kurtosis. The final computation was performed to determine the mediation effect by using the Bootstrap approach that is available in SEM-AMOS. Tables, charts and graphs were used to demonstrate the analysis of variables and the strength of relationships between variables.

3.12 ETHICAL CONSIDERATION

The purpose of this research was to help organizations realize the importance of the leadership style that is adopted as this would influence their role in shaping the organizational culture to match the evolving business environment. Failure to respond to external changes promptly could cause disruptions to the survival of the entire business. Hence, the type of leadership style adopted would highlight the leader's directions in achieving success for the organization. Leaders today are expected to be vigilant about their surroundings and be agile in making appropriate decisions so that they are able to move the organization to the next level. This includes in taking prompt decisions to implementing change and transforming the organization into the new era where innovation and technology are core in the production of products and services. Agile leaders adopt an 'inside-out' approach for continuous business performance, which is then matched against external expectations for better organizational fit. As a result of the uncertainties and expectations of the external environment, agile leaders continuously shape and re-shape the internal business environment to strengthen its internal capabilities to achieve organizational readiness.

In this research, questions were posed to receive feedback from participants to understand and evaluate the current practices adopted in their respective organizations. This is then matched against the organizational performance and industry expectations to make informed conclusions on the survival of the Fourth Schedule Companies Act 2016 prescribed professional bodies in Malaysia. The research was carried out with integrity and quality by adhering to the general scientific research guidelines.

For the purpose of this study, the initial permission to conduct the research was obtained from the Research Ethics Committee of the University of Wales Trinity Saint David, United Kingdom. This was to ensure that the general research principles and practices of conduct and governance that are stipulated in Research Ethics & Integrity Code of Practice (2017-2020) and The Malaysian Code of Responsible Conduct in Research (MCRCR), 2018, were strictly followed so that the rights and welfare of the researcher, the University, participating organizations and participants of this research project are highly protected from risks and negligence.

Subsequently, an email to the participating organizations was sent to seek permission to conduct the research with the selected participants in their organizations. Detailed information on the research topic, objectives, confidentiality and precautions to minimise risks associated to the research such as emotional harm, data protection and/or reputational risks were included in the email to create confidence to the participating organization and their participants. Assurance was made on the secrecy and privacy of their participation and contributions, with reference to the Code of Ethics and Code of Conduct of the professional bodies, and data security and archiving, with reference to the Data Protection Act 2010, Malaysia. Hence, the names of the participants and their organizations were excluded from the questionnaire to gain confidence from the participants and would be kept confidential to minimize reputational damage. Even though the researcher is an employee in one of the participating organization, independent opinion was rest assured by signing the declaration form to avoid conflict of interest. Above all, it was made known to the participating professional bodies and participants that all information collected would be used for personal knowledge and academic purposes only.

Since the researcher works in one of the participating organization, gaining access to other professional bodies through known contacts had made it easier. Formal emails were prepared to explain to the respective gatekeepers on the purpose of the research, the selection of participants, research design and the confidentiality measures that were in place. The gatekeepers were also informed of the positive contributions that the research could make to the academic world and the industry, especially in recognising relevant leadership style that would create an impact on the organizational performance in the VUCA world. Therefore, professional bodies would be able benefit from the findings and use it as a guidance to re-assess their present conditions and transform themselves to become more agile.

Similar approach was used again by the research as the individual participants were approached along the research process. Detailed explanations were provided to clarify their role and confidentiality of information in answering questions related to the CEO's leadership style, organizational performance and culture. The researcher gave assurance that questions were crafted prudently to avoid personal risks to the participant's position in their respective organizations. It was also assured that no personal information of participants would be required to be disclosed as it does not serve any purpose for the research, hence, privacy of the intended participants was strictly maintained at every stage of the research process.

CHAPTER SUMMARY

In this chapter the research paradigms, methodologies and data collection techniques were reviewed. The positivism research paradigm (positivism) and quantitative methodology that was selected for this research was justified by providing detailed explanations. A structured questionnaire based on six categories in relation to the independent, dependent and mediating variables were adopted as the most suitable data collection framework to be used. Protocols and procedures of data collection and analysis together with the ethical issues were considered in the development and distribution of the survey questionnaire. Therefore, a robust and rigorous research methodology that sufficiently addressed the issues relating to methodology, validity, reliability, and ethical considerations, were developed and used for the purpose of this study.

The next chapter contains the data analysis of findings phase of this research project.

CHAPTER FOUR: ANALYSIS OF DATA AND INTERPRETATIONS OF FINDINGS

4.1 INTRODUCTION

The purpose of this study was to explore the impact of agile leadership style on organizational performance through the mediation of the organizational culture. The research was pursued over a period of eighteen academic months (18) by compiling primary and secondary data that was used to dissect six research questions to explore. The below-referenced research questions guided the researcher to perform data collection and analysis throughout the study.

Research questions one (RQ1), two (RQ2) and three (RQ3) aimed to examine the significant effect between two variables, that is, agile leadership style with organizational performance, agile leadership style with organizational culture and organizational culture with organizational performance. The subsequent research question four (RQ4) aimed to assess the mediating effect of the organizational culture between agile leadership style and organizational performance. Whilst the final research questions four (RQ5) and five (RQ6) aimed to examine the significant effect of organizational culture with internal integration and internal integration with organizational performance respectively.

The core cultural elements of organizational culture that were examined included structure, people and the internal business processes where the actions and integration of the cultural elements were evaluated against the impact on the organizational performance. The internal integration of the three cultural elements were highlighted as inter-dependent of each other. The operational function of one would impact either directly or indirectly with the other two elements. Therefore, changes made to these elements should be synchronized so that the desirable outcomes can be achieved. This will also ensure that the organization's internal capabilities operated together holistically. Therefore, the final two research questions were included to demonstrate how the internal integration of the cultural elements could mediate between the leadership style and organizational performance.

The research work that provided the inspiration for the exploration of ideas and understanding which is tracked within this study were connected to the Fourth Schedule Companies Act 2016 prescribed professional bodies located Malaysia. These are non-profit organizations that are prescribed by the Act where members of the prescribed professional bodies are allowed to

practice as licensed company secretaries in Malaysia. In total there are seven (7) prescribed professional bodies under this Schedule where five (5) of them are located in the Klang Valley, one in Sabah and another in Sarawak. The research provided equal importance to all seven prescribed professional bodies where the influence of every CEO's leadership style was examined to assess the impact on the organizations' performances. Questions were posed to understand the CEO's approach in leading their organizations and their influence upon the organization's culture that contributes to the performance of the organization. Questions were also included to identify the internal integration of the core culture elements and demonstrate how it creates a significant impact between the leadership style and the organizational performance.

4.1.1 Objective of the Chapter

The objective of this chapter is to present the analysis on the outcome derived from the survey questionnaires that were distributed to the selected sample population of the Fourth Schedule Companies Act 2016 prescribed professional bodies in Malaysia, and its relevance to the respective research questions that is being explored. The findings are then presented in detail in Chapter Five (5) for discussion by relating them to the context of the literature that was reviewed in Chapter Two (2).

4.1.2 Pilot Test

Upon completion of the draft questionnaire and the selection of the valid group of 75 sample participants, two pilot tests were conducted to validate and test the usability of the questionnaire for the quantitative data collection. The first batch consisted of 10 participants, 13% of the sample size, who provided their feedback on the survey questionnaire. The feedback received enabled the researcher to gain some understanding on the participant's perception of the questionnaire, which was further used to refine the survey questions to attain better clarity. The refined questionnaire was tested again with another group of 10 sample participants to confirm the reliability and validity of each amended items before proceeding to the complete field research. Reliability refers to the consistency of the outcome derived as a result of a particular research conducted. It is important that the results obtained are reliable as

it would be used to confirm the hypotheses that are tested and to fulfill the research aims. It also assures that the results were achieved due to the study and was not influence by any other factors or variables.

In this study, the reliability of each construct was measured using the Cronbach Alpha, which is a measure of scale reliability. It measures the internal consistency of a set of items and its close relationship with one another as a group. Refer to Table 4.1 on Reliability Results.

Table 4.1: Reliability Results

| Construct | No. of Items | Cronbach Alpha |
|----------------------------|---------------------|-----------------------|
| Leadership Style | 10 | 0.810 |
| Organizational Culture | 5 | 0.867 |
| People | 5 | 0.895 |
| Process | 5 | 0.896 |
| Organizational Performance | 5 | 0.908 |
| Structure | 5 | 0.895 |

Table 4.1 shows the reliability results for each construct namely Leadership style, Organizational Culture, People, Process, Structure and Organizational Performance. All items under each construct were included in the reliability analysis to produce the Cronbach Alpha value using SPSS software. According to Nunnally (1978) and Afthanorhan et al., (2019), the constructs are considered reliable when the value of Cronbach Alpha achieved is at least 0.70.

In this study, all constructs generated a value of more than of 0.70 thus demonstrating good reliability. Amongst all of them, the Organizational Performance was identified as the most reliable construct as it had the highest value of Cronbach Alpha of 0.908. As a result, all items from the questionnaire were concluded at a good level, hence, the researcher proceeded with the questionnaire for the field research.

4.1.3 Demographic Profile of Participants

The structured survey questionnaire was distributed via email to a total of 75 participants across the seven prescribed professional bodies. The final section of the questionnaire was included with two questions that described the basic demographic information of the participants, that is, position held and number of years of service at the respective prescribed professional bodies. The selection criteria ranged from different levels for managers, such as, assistant, deputy, managers and senior managers, whilst heads of departments (HODs) ranged from deputy to HOD of the respective departments. These groups of participants were selected as their job functions related to both strategic and operational actions that are linked directly between the leader and the organizational performance. Hence, the executives selected were deemed fit to participate in the study.

From the total population of 75 participants, 63 survey responses were received from managers and heads of departments across all seven prescribed professional bodies. This made up to a total of 84% from the total population. All responses received were first coded and tabulated using the Microsoft Excel software. These data were then further fed into the SPSS SEM statistical software to construct the path analysis and confirmatory factor analysis to help examine the significance of relationships between the dependent, independent and mediating variables.

Based on the respondent's demographic information, the proportion of respondents for this study were 22% Assistant Managers, 5% Deputy Managers, 36% Managers, 8% Senior Managers, 5% Deputy Heads of Departments and 24% Heads of Departments. Refer to Figure 4.1.

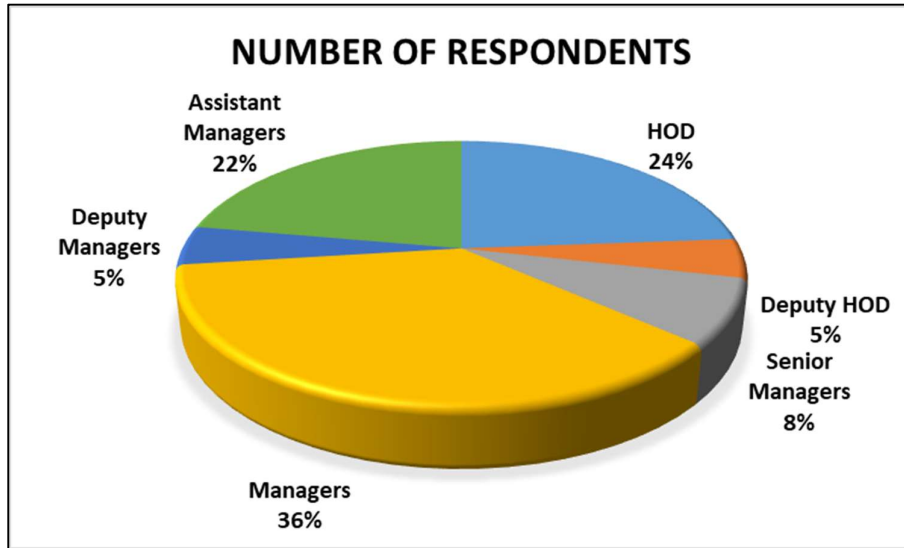


Figure 4.1: Number of Respondents

From the same demographic information, 63% of the respondents have been in employment at the respective prescribed professional bodies for more than 5 years, 29% between 1 to 5 years and 8% have been employed for less than a year. Hence, 92% of the respondents have sufficient years of experience to evaluate the CEO's leadership style and their impact on the organizational performance at the respective prescribed professional bodies. Refer to Figure 4.2

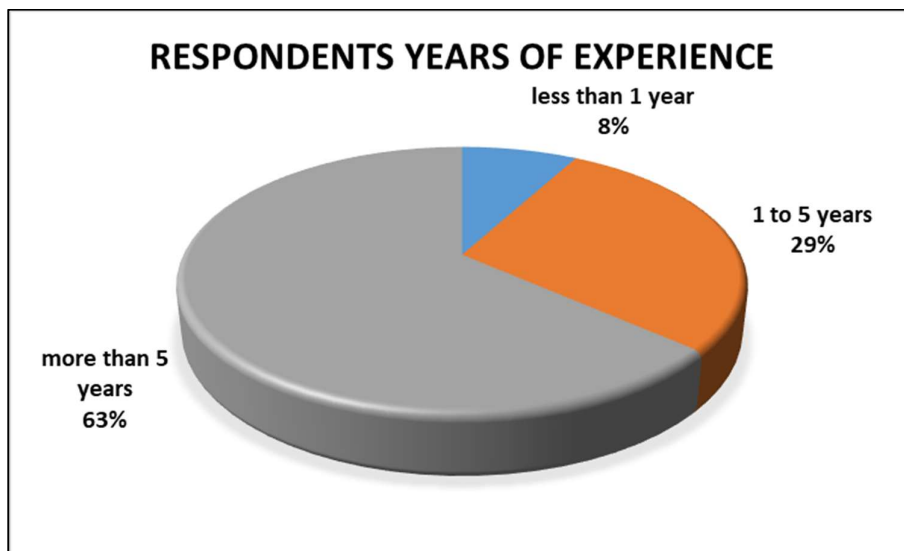


Figure 4.2: Respondents years of employment at the prescribed professional body

In using the Pooled CFA method, all constructs were combined to produce the value of factor loading, correlations and fitness indexes. To follow the Anderson (1998) practice, the value of factor loading should be examined at the first step by removing items with poor loading. According to Hair et al. (2019) and Awang et al., (2015), the factor loading should be surpassing the minimum required value of 0.60. From this observation, three items from Leadership Style namely A4, B4 and B5 were identified as a ‘carry loading’ below the recommended value of 0.60, hence, these three items were dropped from the model as shown in the Figure 4.3.

The next step was to determine the fitness indexes where several fitness indices were selected by the researcher to determine the fitness of the model. There are three categories of fitness indices available, such as, absolute fit, parsimonious fit and incremental fit, which should be represented by fitness index. In this research, the absolute fit is represented by Root Mean Squares Error Approximation (RMSEA); parsimonious fit is represented by Chi-square normalized by degree of freedom; and Incremental fit is represented by Tucker-Lewis Index (TLI), and Comparative Fit Index (CFI). The fitness of a model can be achieved when all fitness indices surpass the recommended values. As such, the model for this research can be considered valid based on the results received. Refer to Table 4.2.

Table 4.2: The Summary of Fitness Indexes for Pooled CFA

| Name of category | Name of index | Index value | Comments |
|-------------------------|----------------------|--------------------|---|
| Absolute fit | RMSEA | 0.091 | The required level is achieved since lower than 1.0 |
| Incremental fit | CFI | 0.943 | The required level is achieved since higher than 0.90 |
| | TLI | 0.929 | The required level is achieved since higher than 0.90 |
| | IFI | 0.947 | The required level is achieved since higher than 0.90 |
| Parsimonious fit | Chisq/df | 1.513 | The required level is achieved since lower than 5.0 |

As the final step, the construct reliability and validity were determined by using Composite Reliability (CR), Average Variance Extracted (AVE), and discriminant validity. The construct reliability is met when the value of CR is above 0.70 (Nunnally & Bernstein, 1994; Afthanorhan et al., 2019b) while the convergent validity represented by AVE should be at 0.50, the least, to consider that the construct validity is achieved. Refer to Table 4.3.

Table 4.3: Composite Reliability and Average Variance Extracted

| Construct | Composite Reliability | Convergent Validity AVE |
|-----------------------------------|------------------------------|--------------------------------|
| Leadership Style | 0.878 | 0.508 |
| Organizational Culture | 0.858 | 0.548 |
| Internal Integration | 0.946 | 0.853 |
| Process | 0.887 | 0.612 |
| People | 0.884 | 0.604 |
| Structure | 0.912 | 0.676 |
| Organizational Performance | 0.904 | 0.654 |

Table 4.3 presents the results of the CR and AVE for each of the construct available in the research model. The results indicate that there is a higher CR and AVE value to reflect higher reliability and validity for that particular construct, especially where the range value for AVE for each construct falls between 0.508 and 0.853 whilst the value of CR for each construct falls between 0.858 and 0.946.

The next table demonstrates the results of the discriminant validity that was measured to determine the uniqueness of each construct for this study. Refer Table 4.4.

Table 4.4: Discriminant Validity

| Construct | Leadership Style | Organizational Culture | Internal Integration | Organizational Performance |
|-----------------------------------|-------------------------|-------------------------------|-----------------------------|-----------------------------------|
| Leadership Style | 0.72 | | | |
| Organizational Culture | 0.53 | 0.86 | | |
| Internal Integration | 0.31 | 0.84 | 0.92 | |
| Organizational Performance | 0.46 | 0.45 | 0.42 | 0.81 |

The discriminant validity for this study is achieved as depicted in the Table 4.4. The results in bold shows the diagonal values are greater than the value of each construct under same column and row. This indicates that the measures under a particular construct is indeed important and explains well about the role of the construct. On the other hand, the values of construct correlations should be lower than the threshold value of 0.85, and in this case, the values of the construct correlations are between the range of 0.28 and 0.81. This explains that there is no multi-collinearity problem that was detected in the current study.

Lastly, the assessment of normality was conducted to determine the distribution of data at hand. Refer to Table 4.5. The normality assessment includes the analysis of skewness, which has the rule of thumb of value between -1.5 to 1.5 (Awang, 2015). Table 4.5 also consists of the Kurtosis test, which is used to determine the normality pattern. According to Gaskin & Lowry (2014), the minimum acceptable value for kurtosis is between -3.0 to 3.0.

In this study, the assessment revealed that the data was normal, and all items were satisfied for parametric analysis such as SEM. Moreover, the latest prominent assessment of normality was with the use of Multivariate of Kurtosis, which must be lesser than 50.0 (Awang, 2015). In this case, the result for Multivariate of Kurtosis indicated a value of -2.078, thus, being a satisfied value as it is lower than 50.0. Refer to Table 4.5.

Table 4.5: Assessment of normality

| Variable | min | max | skew | c.r. | kurtosis | c.r. |
|--------------|-------|-------|-------|--------|----------|--------|
| A1 | 1.000 | 5.000 | .281 | .859 | .364 | .556 |
| A2 | 1.000 | 5.000 | -.049 | -.151 | -.153 | -.233 |
| A3 | 2.000 | 4.000 | -.184 | -.562 | -.746 | -1.139 |
| A5 | 2.000 | 4.000 | .379 | 1.158 | .302 | .462 |
| C5 | 2.000 | 4.000 | .706 | 2.157 | .509 | .777 |
| C4 | 1.000 | 5.000 | .012 | .038 | -.287 | -.439 |
| C3 | 1.000 | 5.000 | .303 | .924 | .797 | 1.217 |
| C2 | 2.000 | 4.000 | -.003 | -.008 | -.293 | -.448 |
| C1 | 1.000 | 5.000 | .173 | .529 | -.613 | -.937 |
| ST5 | 1.000 | 4.000 | .461 | 1.407 | -.460 | -.703 |
| ST4 | 1.000 | 5.000 | -.087 | -.266 | -.375 | -.572 |
| ST3 | 1.000 | 4.000 | -.111 | -.339 | -.177 | -.270 |
| ST2 | 1.000 | 4.000 | -.200 | -.612 | -.461 | -.704 |
| ST1 | 1.000 | 5.000 | -.053 | -.162 | -.348 | -.532 |
| PP5 | 1.000 | 4.000 | .096 | .292 | -.631 | -.964 |
| PP4 | 1.000 | 5.000 | .164 | .502 | -.197 | -.301 |
| PP3 | 2.000 | 5.000 | -.055 | -.167 | -.118 | -.180 |
| PP2 | 1.000 | 5.000 | -.125 | -.380 | -.565 | -.863 |
| PP1 | 1.000 | 5.000 | .126 | .384 | -.362 | -.553 |
| PR5 | 1.000 | 5.000 | .044 | .133 | -.603 | -.922 |
| PR4 | 1.000 | 5.000 | -.264 | -.806 | -.607 | -.928 |
| PR3 | 1.000 | 5.000 | -.003 | -.008 | -.587 | -.897 |
| PR2 | 1.000 | 5.000 | .034 | .103 | -.807 | -1.232 |
| PR1 | 1.000 | 5.000 | -.179 | -.547 | -.452 | -.690 |
| D1 | 1.000 | 5.000 | -.337 | -1.030 | -.594 | -.908 |
| D2 | 1.000 | 5.000 | -.326 | -.996 | .629 | .961 |
| D3 | 2.000 | 5.000 | -.288 | -.880 | -.339 | -.518 |
| D4 | 1.000 | 5.000 | -.155 | -.474 | -.627 | -.958 |
| D5 | 1.000 | 4.000 | -.249 | -.762 | -.674 | -1.030 |
| B1 | 1.000 | 5.000 | .629 | 1.923 | 1.444 | 2.206 |
| B2 | 1.000 | 4.000 | .545 | 1.664 | .453 | .692 |
| B3 | 2.000 | 4.000 | .141 | .430 | -1.117 | -1.707 |
| Multivariate | | | | | -2.078 | -.167 |

4.2 ANALYSIS OF RESEARCH

4.2.1 Research Objective, Research Question and Hypothesis 1

The primary research objective (RO1) of this study was to examine the impact of Agile Leadership Style and Organizational Performance. The core research question (RQ1) constructed was aimed to obtain confirmation if the Agile Leadership Style has a significant effect on the Organizational Performance. The hypothesis (H1) proposed for RO1 aims to confirm the positive relationship between the two constructs: Agile Leadership Style and Organizational Performance.

The RQ1 was examined in Section A of the survey questionnaire where five (5) sub-questions were constructed to best describe the CEO's Leadership Style in relation to the Organizational Performance of the Fourth Schedule Companies Act 2016 prescribed professional bodies in Malaysia. The 5-point Likert scale rating from (1) - Strongly disagree, (2) - Disagree, (3) - Neutral, (4) - Agree and (5) - Strongly Agree, were used in the survey questionnaire for participants to rate their responses accordingly. Refer to Table 4.6.

Table 4.6: Summary of findings for RO1

| Question Number / Ratings | A1 | | A2 | | A3 | | A4 | | A5 | |
|----------------------------|----|------------|-----------|------------|-----------|------------|-----------|----|-----------|------------|
| | # | % | # | % | # | % | # | % | # | % |
| 1 Strongly Disagree | | | | | 1 | 2 | | | | |
| 2 Disagree | | | | | 5 | 8 | | | 2 | 3 |
| 3 Neutral | 5 | 8 | 9 | 14 | 2 | 3 | 8 | 13 | 7 | 11 |
| 4 Agree | 57 | 90 | 53 | 84 | 54 | 86 | 50 | 79 | 53 | 84 |
| 5 Strongly Agree | 1 | 2 | 1 | 2 | 1 | 2 | 5 | 8 | 1 | 2 |
| Total / % | | 100 | 63 | 100 | 63 | 100 | 63 | | 63 | 100 |

The summary of results of Section A of RO1 is explained in the following discussion:

Question A1 – The CEO has a long-term viewpoint with clear mission and strategies outlined.

This question was constructed to understand if the CEO of the respective prescribed professional bodies were visionary leaders who has a long-term vision, mission and strategies planned to lead the organization in the right direction. Refer to Figure 4.4.

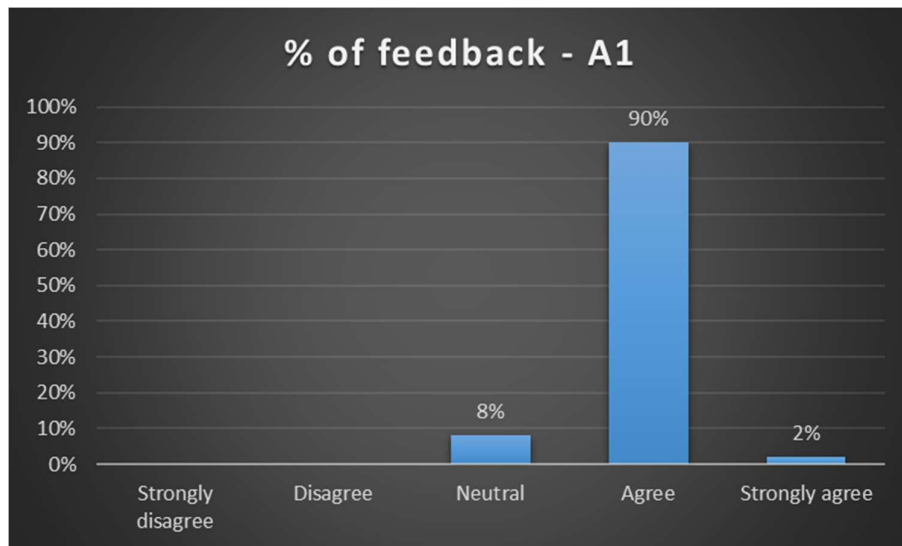


Figure 4.4: Summary of results for Question A1 - Section A

From the data collected, it was noted that 2% of the respondents had Strongly Agreed and 90% Agreed to say that the CEOs in their respective organizations have a long-term viewpoint with clear vision, mission and strategies outlined to the best for the organization and for everyone to follow. However, 8% of the respondents rated Neutral in relation this.

This indicates that a total of 92% of the respondents agreed that the CEOs of the respective organizations are visionary leaders who have long term aims and objectives to be achieved. These type of leaders ensure that everyone in the organization is aware of the leader’s vision, hence, they belief in having constant communication throughout the organization. They also have well planned strategies and directions that are shared with employees as guidance to achieve the organizational goals and objectives.

Question A2 – The CEO sets realistic goals with clear objectives annually and review them intermittently.

Question A2 was constructed to understand if the CEO of the organizations set realistic goals with clear objectives on an annual basis and would review them occasionally in view of monitoring the organizational performance. Refer to Figure 4.5.

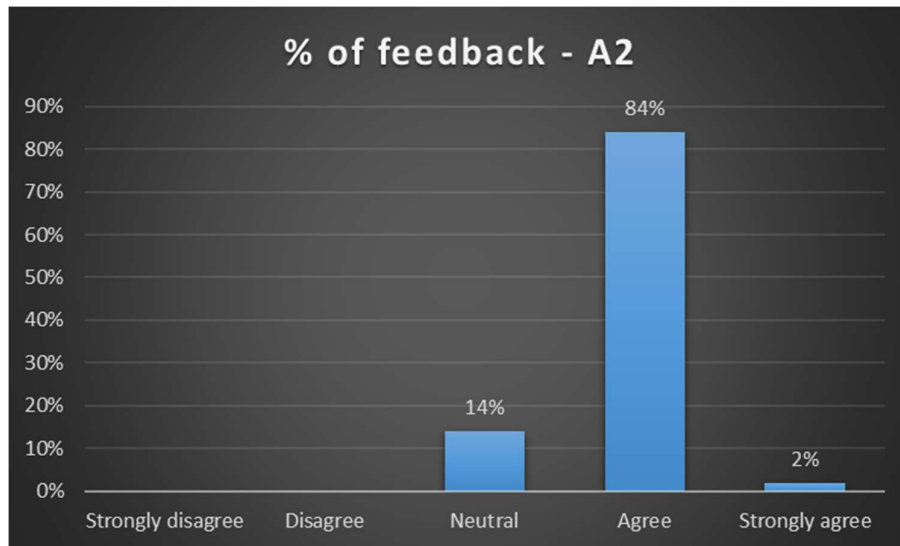


Figure 4.5: Summary of results for Question A2 - Section A

Findings revealed that 2% of the respondents had Strongly Agreed and 84% had Agreed to say that the CEOs in the respective prescribed professional bodies set realistic goals with clear objectives, which are also reviewed annually from time to time. This indicates that the leaders constantly monitor the environment to see if the desired goals are achievable and if there were any challenges in attaining them so that corrective actions could be taken to overcome the issues. On the other hand, 14% of the respondents rated Neutral, and an assumption is made that there are a few CEOs who set their goals and objectives at the beginning of the financial year but they may not actively engage themselves in analysing the outcomes against the internal and the external situations.

However, a majority of 86% of the respondents agreed that their CEOs set realistic goals with clear objectives and reviewed them constantly against the performance to avoid surprises. This indicates that the CEOs of the respective organizations are conscious of the external environment and vigilant of the challenges and opportunities that it may impose on the

organization's business. Hence, they monitor the environment from time to time to identify challenges that may affect the organization's performance and take remedial actions to overcome the barriers in achieving the organizational goals.

Question A3 – The CEO is dynamic, focused and fast in responding to challenges.

Question A3 was included for respondents to answer if the CEO was dynamic, focused and fast in responding to challenges. As the business environment has become very volatile, uncertain, complex and ambiguous, agility is important thus leaders are required to be focused, fast and flexible in the approach. Refer to Figure 4.6.

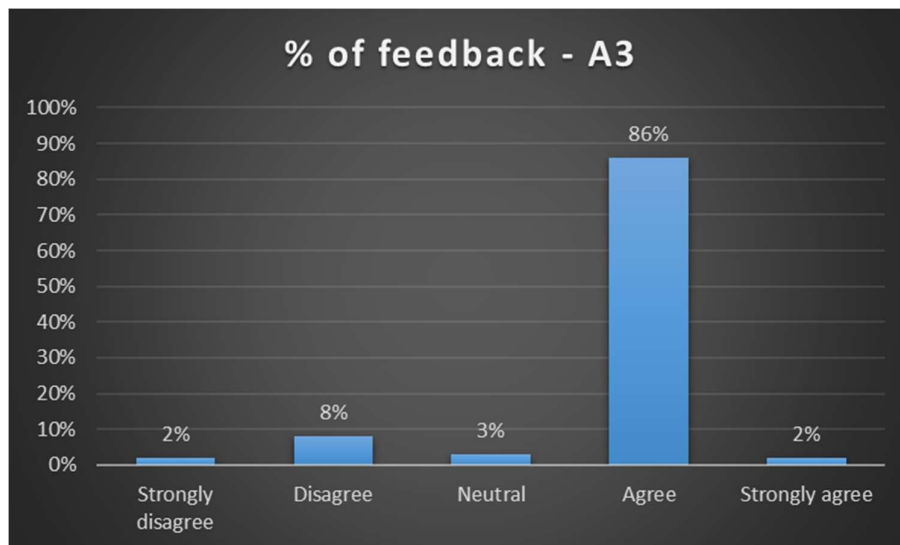


Figure 4.6: Summary of results for Question A3 - Section A

Findings revealed that 2% of the respondents had Strongly Agreed and 86% had Agreed to say that the CEOs of their organizations were dynamic, focused and fast in responding to challenges. On the other hand, 3% of the respondents indicated Neutral, 8% Disagreed and 2% Strongly Disagreed, thus, indicating the weakness in the leadership approach among a few of the prescribed professional bodies.

However, a total of 88% of the respondents agreed that the CEOs of their organisations were dynamic, focused and fast in responding to challenges, which reflect on their alertness in recognizing changes in the external environment that may affect the performance of the organization. These leaders would be able to take timely actions to avoid adverse conditions from happening whilst the other leaders may take longer time to resolve issues probably because they are highly influenced by the governance structure of the organization.

Question A4 – The CEO views customer feedback as important source to improve organizational performance.

Question A4 was constructed to understand if the CEO of the respective prescribed professional bodies viewed their customer feedback as an important source to improve organizational performance. This includes the leader’s awareness on the level of the customer service provided, customer expectations as well as change in customer trend. Refer to Figure 4.7.

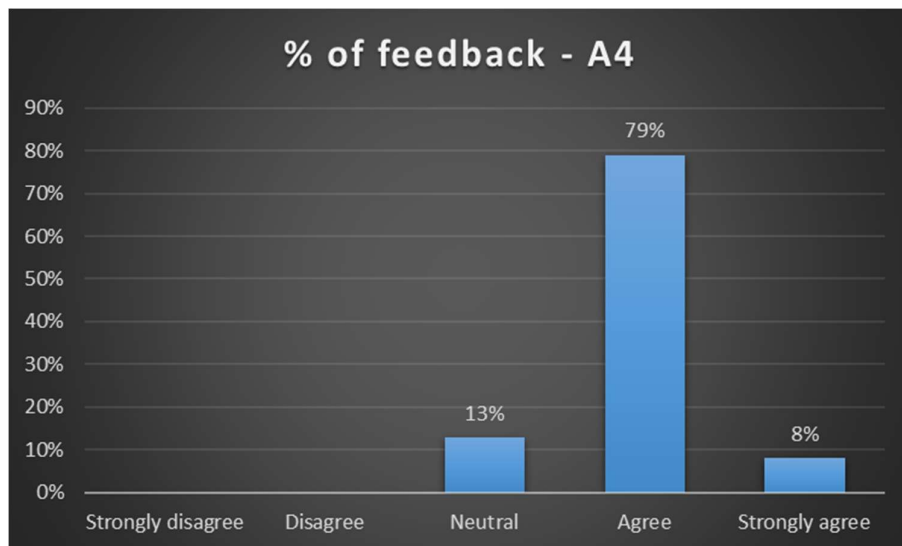


Figure 4.7: Summary of results for Question A4 - Section A

Findings revealed that 8% of the respondents have Strongly Agreed whilst 79% Agreed that the CEOs in the respective prescribed professional bodies gave importance to customer feedback so that improvements made to satisfy the customers would improve the organizational performance in the long term. On the other hand, 13% of the respondents rated Neutral, and an assumption is made that there was no formal survey conducted in these respective prescribed

professional bodies and there may be only informal feedback used to evaluate customer's views. This indicates that these are leaders do not take customer feedback as an important source to improve the organizational performance, thus, may have had adverse impact on customer retention and growth. As a result of this, the organization might have lost their customers to the other competitors who have given priority in satisfying the customer needs and expectations.

However, a total of 87% of the respondents agreed that the CEO's aim was to ensure that their customers are served well so that their satisfaction on the products/services that are offered by the respective organizations would result in good customer retention and growth. Hence, customer feedback is treated seriously as it provides valuable information on change in market trend and customers' expectations, thus, enabling the organization to work towards complementing the change. This may include innovation that requires new idea generation to produce new products/services or to enhance the current products/services that would create a positive impact on the organization's performance.

Question A5 – The CEO focuses on enabling the best in employees rather than commanding it from them.

This questioned was constructed to find out if the CEOs lead the team of employees with flexibility and allowed them to have the freedom of speech to share views and ideas with the leaders and team members. Enabling the best from employees will motivate and encourage individuals to be creative and goal-oriented, thus, improving the overall performance of the organization. Refer to Figure 4.8.

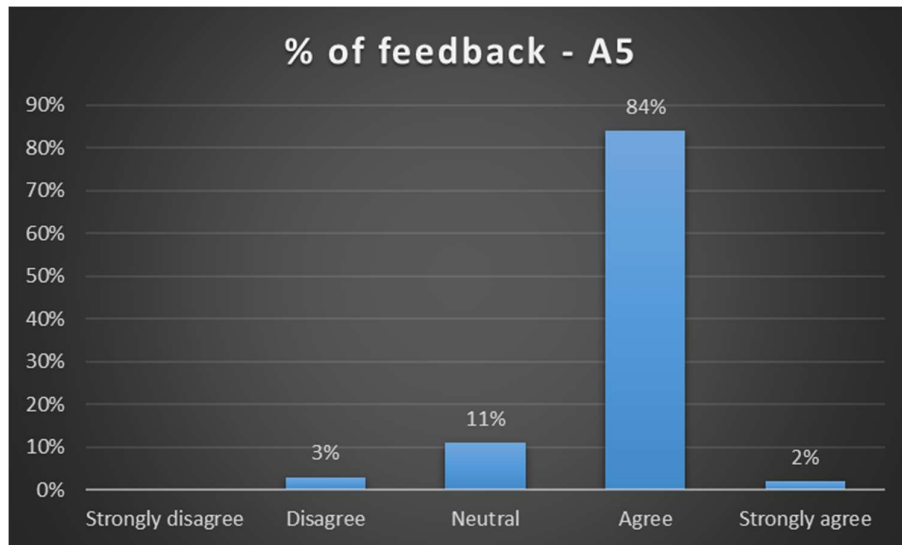


Figure 4.8: Summary of results for Question A5 - Section A

Findings revealed that 2% of the respondents had Strongly Agreed and 84% had Agreed to fact that the CEOs in their respective prescribed professional bodies have always enabled the best from their employee. On the other hand, 11% of the respondents rated Neutral, and an assumption is made that these respondents may not have realised the CEO's actions and intentions as they continued to carry out their tasks as part of their responsibility. The remaining 3% of respondents disagreed to say that their CEOs has enabled the best from their employees as these leaders could still be commanding the employees to carry out their tasks. Under this circumstances, the employees may not be able to share their views or be able to generate new ideas at their workplace, thus, innovation cannot be witnessed in these organizations.

However, a majority of 86% of the respondents agreed that the CEOs of the respective prescribed professional bodies have been very encouraging and supporting of their employee's actions towards resolving issues or sharing of new ideas to improve the way tasks are being carried out. This would have cultivated the culture for innovation that can bring about changes to products/services and internal processes of the respective organizations. Therefore, improvements may involve in strengthening the internal capabilities to match the external expectations.

On completion of the interpretation of findings on the significant effect of Leadership Style and Organizational Performance in Section A, the hypothesis 1 (H1) testing was performed to determine the causal effect of the two constructs. The H1 represents the hypothesis for the causal effect of Leadership Style on Organizational Performance. Refer to Table 4.7.

Table 4.7: Leadership Style and Organizational Performance

| | Estimate | S.E. | C.R. | P | Result |
|--|----------|------|--------|-----|-------------|
| Organizational_Performance <--- Leadership_Style | 1.898 | .139 | 13.654 | *** | Significant |

Note: ***: < 0.001

The result of this hypothesis testing is explained in the following discussion:

The path coefficient of Leadership Style on Organizational Performance is 1.898. This value indicates that for every one-unit increase in Leadership Style, its effect would contribute 1.898-unit increase in the Organizational Performance. The regression weight estimates of 1.898 has a standard error of 0.139. The critical ratio is reported as 13.654 standard errors above zero. The probability of getting a critical ratio of 13.654 in absolute value is 0.001, which means that the regression weight for Leadership Style in the prediction of Organizational Performance is significant at 0.001 level. Hence, the H1 hypothesis that Leadership Style has a positive and significant effect on Organizational Performance is highly supported.

4.2.2 Research Objective, Research Question and Hypothesis 2

The second research objective (RO2) of this study was to examine the impact of Agile Leadership Style and Organizational Culture. The core research question (RQ2) constructed was aimed to obtain confirmation if the Agile Leadership Style has a significant effect on the Organizational Culture. The hypothesis (H2) proposed for RO2 aims to confirm the positive relationship between the two constructs: Agile Leadership Style and Organizational Culture.

The RQ2 was examined in Section B of the survey questionnaire where five (5) sub-questions were constructed to best describe how the CEO's Leadership Style helps to shape the Organizational Culture in the Fourth Schedule Companies Act 2016 prescribed professional bodies in Malaysia. The 5-point Likert scale rating from (1) - Strongly disagree, (2) - Disagree,

(3) - Neutral, (4) - Agree and (5) - Strongly Agree, was used in the survey questionnaire for participants to rate their responses accordingly. Refer to Table 4.8.

Table 4.8: Summary of findings for RO2

| Question Number / Ratings | B1 | | B2 | | B3 | | B4 | | B5 | |
|----------------------------|----|------------|-----------|------------|-----------|------------|-----------|----|-----------|------------|
| | # | % | # | % | # | % | # | % | # | % |
| 1 Strongly Disagree | | | | | | | | | | |
| 2 Disagree | 1 | 2 | 6 | 10 | 2 | 3 | 5 | 8 | | |
| 3 Neutral | 10 | 16 | 17 | 27 | 12 | 19 | 7 | 11 | 9 | 14 |
| 4 Agree | 51 | 81 | 38 | 60 | 49 | 78 | 49 | 78 | 52 | 83 |
| 5 Strongly Agree | 1 | 2 | 2 | 3 | | | 2 | 3 | 2 | 3 |
| Total / % | | 100 | 63 | 100 | 63 | 100 | 63 | | 63 | 100 |

The summary of results of RO2 is explained in the following discussion:

Question B1 – The CEO challenges the way things have always been done and looks for better ways to do them.

Question B1 was constructed to understand if the CEOs in the prescribed professional bodies welcomed change to enhance the products/services that are offered and also looked for new ways to improve the work practices in the organization so that it remains relevant to the current to the current business environment. Refer to Figure 4.9.

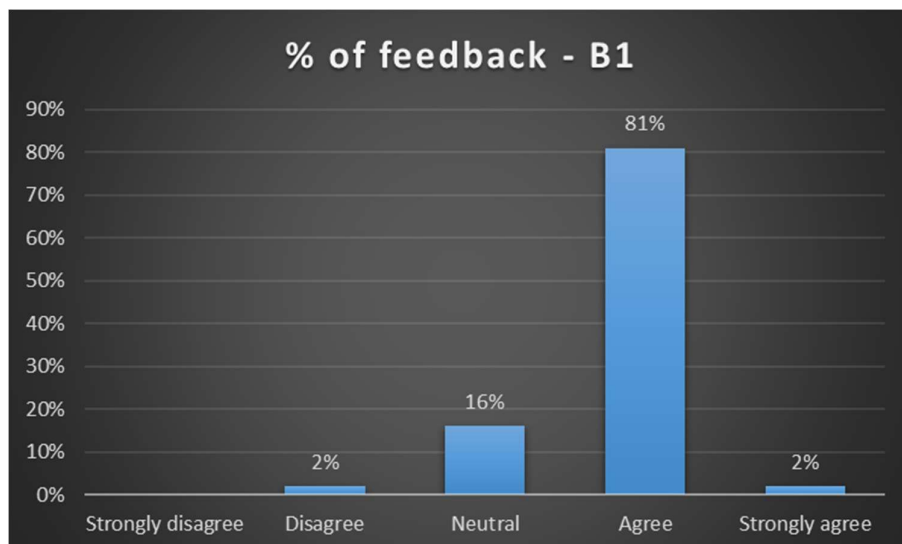


Figure 4.9: Summary of results for Question B1 - Section B

The summary of feedback received for Question B1 has indicated that 2% of the respondents had Strongly Agreed and 81% had Agreed that the CEOs of their respective organizations preferred to explore new ways of doing things rather than sticking to the old rules and procedures that may not be relevant to the current workplace environment. On the other hand, 16% of the respondents rated Neutral, and an assumption is made that the CEOs do believe in exploring new ways to do things but they may also have preference to stick to the older ways because they are comfortable with the methods and it could have generated good results in the past. Finally, 2% a very small group of the respondents had Disagreed that their CEOs look for better ways to do things probably because these leaders do not welcome change, thus, they continue to adopt the older work practice until now.

However, a total of 83% of respondents have agreed that the CEOs of the respective prescribed professional organizations believe in change and they prefer to explore new ways of doing things, which could be better and more suitable for the current business environment. This approach would also help ensure that the current resources are up to date and could be utilised efficiently in producing the desired outcomes.

Question B2 – The CEO emphasizes on lifelong learning for employees.

Question B2 constructed to determine if the CEOs of the prescribed professional bodies take into consideration the development of employee’s knowledge and skills as part of their lifelong learning. Employees who are constantly trained and developed can be the source of creativity and innovation. Refer to Figure 4.10.

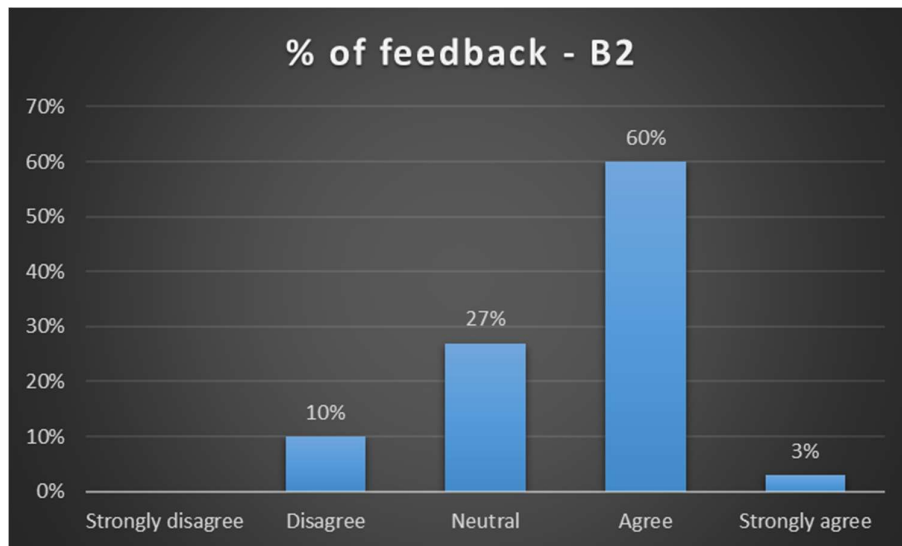


Figure 4.10: Summary of results for Question B2 - Section B

Finding have indicated that 3% of respondents had Strongly Agreed and 60% had Agreed to say that the CEOs of the respective prescribed professional bodies prioritise employee lifelong learning. The remaining 27% rated Neutral, and an assumption is made that the CEOs were keen in developing the employees’ knowledge and skills but it may not be a priority to them as it involves investments on employee time and cost. On the other hand, 10% of the respondents had Disagreed and indicated that their leaders do not consider to educate or train to enhance their employee’s knowledge and skills. As a result, employee growth cannot be expected in this environment and this could cause limitations to the creativity and innovation from happening under such leadership.

In summary, only 63% of the respondents have reverted positively on the CEOs belief in employee lifelong learning. This is an area for concern as almost half the population of the respondents have indicated negatively on their CEO’s leadership approach, which could restrict the organizational growth and threaten the survival of the organization due to the increase in the level of competition among other professional bodies in the Malaysian industry.

Question B3 – The CEO necessitates constant communication and collaboration across departments.

The aim of Question B3 was to understand if the CEOs of the respective professional bodies practice constant communication to encourage sharing of information and ideas, and collaboration of tasks across departments to avoid working in silos. Refer to Figure 4.11.

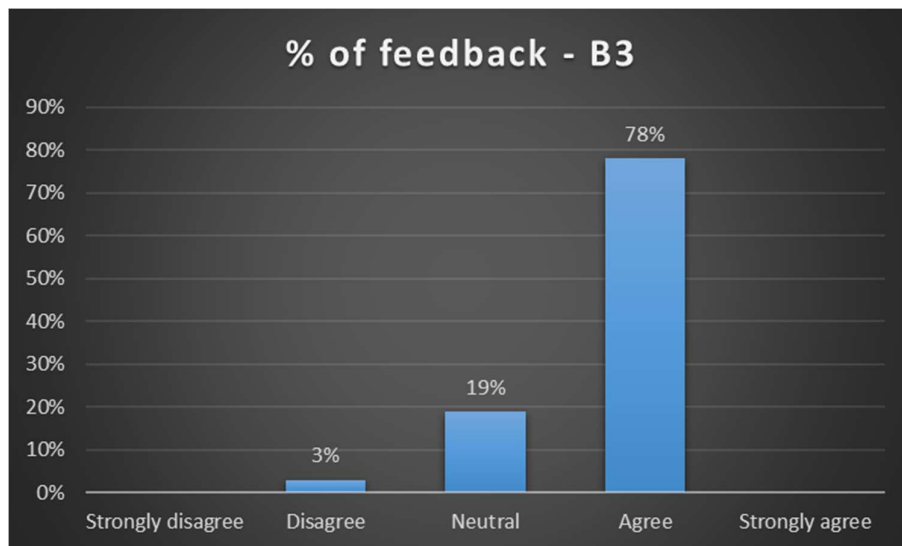


Figure 4.11: Summary of results for Question B3 - Section B

Findings revealed that 78% of respondents had Agreed to Question B3 where it proves that there is clear and constant communication throughout the organization and the collaboration between departments has proven that there is teamwork culture in the respective prescribed professional bodies. On the other hand, 19% of the respondents rated Neutral, and an assumption is made that the size of the organization may be small, hence, the respondents could not have realised the constant communication and collaborative efforts amongst employees. However, 3% of the participants have Disagreed that the CEOs of the respective prescribed professional bodies emphasized on constant communication and collaboration across departments.

Question B4 – The CEO allows decisions to be made at the level where the best information is available.

Question B4 focused on the decision-making process where the respondents were asked if the CEOs in the respective prescribed professional bodies allowed decisions to be made at the level where the best information was available. This question would enable the researcher to identify who has the decision-making authority and if the CEO delegates this authority to the others. Refer to Figure 4.12.

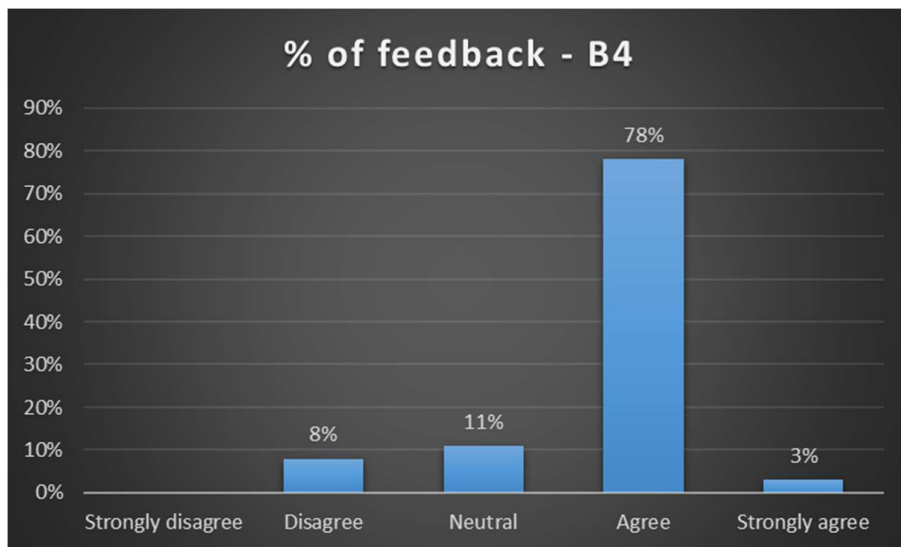


Figure 4.12: Summary of results for Question B4 - Section B

Findings revealed that 3% of the respondents have Strongly Agreed whilst 78% Agreed to say that the CEOs in the respective prescribed professional bodies allowed decisions to be made at the level where the best information was available. On the other hand, 11% of the respondents rated Neutral, and an assumption is made that the decision-making authority could be dependent on the nature of the issues and/or the size of the organization where decisions are only made by the CEOs. This may also relate directly to the 8% of the respondents who had Disagreed to this question, thus, indicating that the CEOs make all decisions in a smaller organization.

However, a total of 81% of the respondents have agreed that the CEOs of the respective prescribed professional bodies have delegated the decision-making authority at the right level so that prompt actions can be taken for immediate results. As these professional bodies are highly driven by Committees, the governance structure also allows them to raise issues to the respective Committees for timely decisions to be taken.

Question B5 – The CEO emphasizes on ethical code that guides best employee behaviour.

The final question to this section, that is, Question B5 was constructed to know if CEOs of the respective prescribed professional bodies emphasized strongly on the ethical code to ensure that employees behave ethically in carrying out their roles and responsibilities at work. Refer to Figure 4.13.

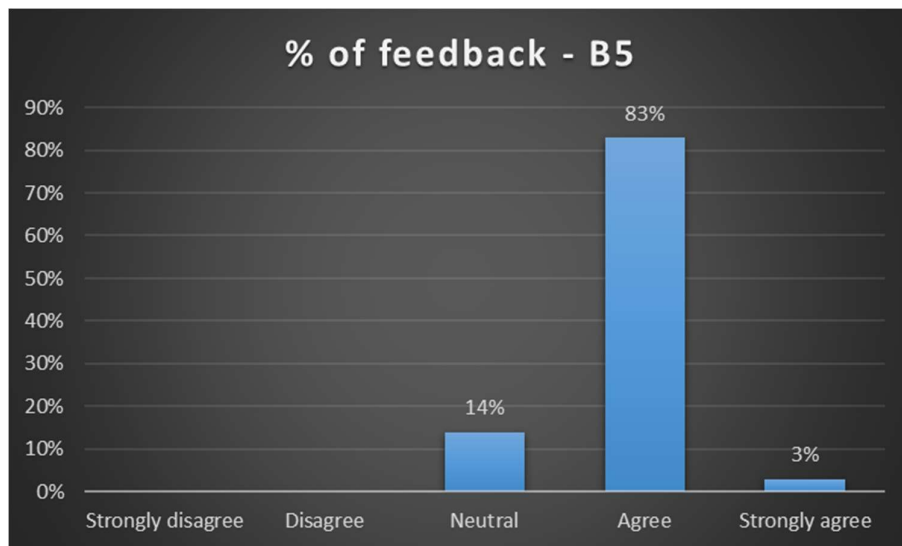


Figure 4.13: Summary of results for Question B5 - Section B

Findings revealed that 3% of the respondents have Strongly Agreed whilst 83% had Agreed to the CEOs approach on emphasizing employee behaviour in accordance to the organization’s ethical code. On the other hand, 14% of the respondents rated Neutral, and an assumption is made that the ethical behaviour of the employees is an implied term and it comes along with the job responsibilities, hence, the CEOs may not have paid much attention on this. However, ignoring employee behaviour and ethical conduct could result in unfavourable situations unless if the employees are reminded of this from time to time.

Nevertheless, 86% of the respondent have agreed that the CEOs at the respective prescribed professional bodies have implemented proper ethical codes to guide employees on their behaviour at work. This assures that there is a clear understanding between the employee and the organization and the CEOs expectation on the employee behaviour is clearly outlined, hence, employees are expected to observe high professionalism when serving customers and clients. This directly relates to the point where the CEOs of the respective prescribed professional bodies prioritise customer feedback in section A Q4 where employees behaving in good faith on behalf of the organization is expected.

On completion of the interpretation of findings on the significant effect of Leadership Style and Organizational Culture in Section B, the hypothesis 2 (H2) testing was performed to determine the causal effect of the two constructs. The H2 represents the hypothesis for the causal effect of Leadership Style on Organizational Culture. Refer to Table 4.9.

Table 4.9: Leadership Style and Organizational Culture

| | | Estimate | S.E. | C.R. | P | Result |
|------------------------|-----------------------|----------|------|-------|------|-------------|
| Organizational_Culture | <--- Leadership_Style | .483 | .163 | 2.958 | .003 | Significant |

Note: ***: < 0.001

The result of this hypothesis testing is explained in the following discussion:

The path coefficient of Leadership Style on Organizational Culture is 0.483. This value indicates that for every one-unit increase in Leadership Style, its effect would contribute 0.483-unit increase in Organizational Culture. The regression weight estimates of 0.483 have a standard error of 0.163. The critical ratio is reported as 2.958 standard errors above zero. The probability of getting a critical ratio of 2.958 in absolute value is 0.001, which means that the regression weight for Leadership Style in the prediction of Organizational Culture is significant

at 0.001 level. Hence, the H2 hypothesis that Leadership Style has a positive and significant effect on Organizational Culture is highly supported

4.2.3 Research Objective, Research Question and Hypothesis 3

The third research objective (RO3) of this study aimed to examine the relationship between Organizational Culture and Organizational Performance. The core research question (RQ3) was constructed to find out if the Organizational Culture has significant effect on the Organizational Performance. The hypothesis (H3) for RO3 is to confirm that Organizational Culture has significant effect on Organizational Performance.

The RQ3 was examined in Section C of the survey questionnaire where five (5) sub-questions were constructed to explain how the CEOs of the Fourth Schedule Companies Act 2016 prescribed professional bodies in Malaysia cultivated good practices that could significantly impact the Organizational Performance. The 5-point Likert scale rating from (1) - Strongly disagree, (2) - Disagree, (3) - Neutral, (4) - Agree and (5) - Strongly Agree, was used in the survey questionnaire for participants to rate their responses accordingly. Refer to Table 4.10.

Table 4.10: Summary of findings for RO3

| Question Number / Ratings | C1 | | C2 | | C3 | | C4 | | C5 | |
|----------------------------|----|------------|-----------|------------|-----------|------------|-----------|----|-----------|------------|
| | # | % | # | % | # | % | # | % | # | % |
| 1 Strongly Disagree | | | | | 1 | 2 | | | | |
| 2 Disagree | 7 | 11 | 6 | 10 | | | 1 | 2 | 2 | 3 |
| 3 Neutral | 8 | 13 | 23 | 37 | 12 | 19 | 20 | 32 | 20 | 32 |
| 4 Agree | 48 | 76 | 32 | 51 | 48 | 76 | 39 | 62 | 38 | 60 |
| 5 Strongly Agree | | | 2 | 3 | 2 | 3 | 3 | 5 | 3 | 5 |
| Total / % | | 100 | 63 | 100 | 63 | 100 | 63 | | 63 | 100 |

The summary of results of RO3 is explained in the following discussion:

Question C1 – Review is constantly conducted on the internal processes to identify gaps and improve service efficiency.

Question C1 was constructed to understand if the CEOs of the prescribed professional bodies constantly reviewed the organization’s internal processes and identified areas for improvements. This enables the organization to become more effective and efficient in delivering its products and services to customers and clients, which may improve the overall performance of the organization. Refer to Figure 4.14.

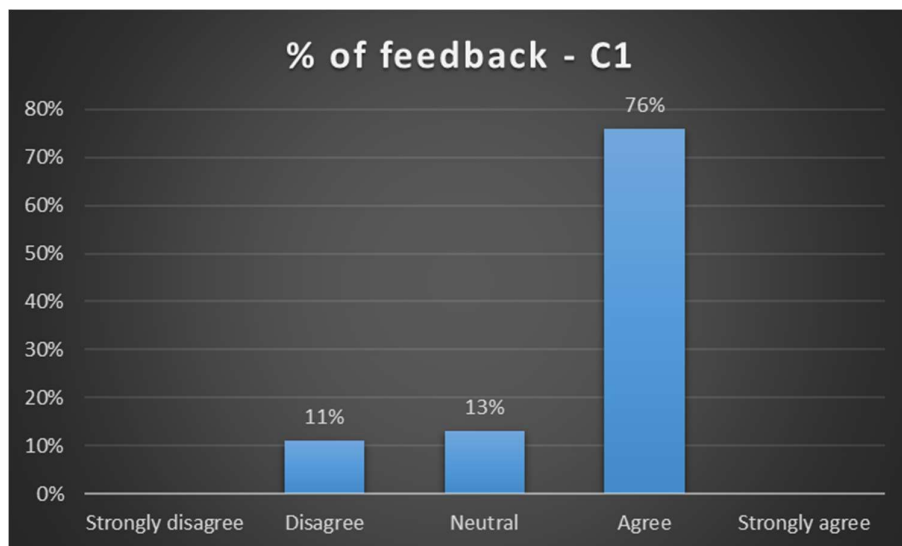


Figure 4.14: Summary of results for Question C1 - Section C

Findings revealed that 76% of the respondents have Agreed to say that their CEOs have constantly reviewed the internal processes for improvements. On the other hand, 13% of the respondents rated Neutral, and an assumption is made that this could be due to the size of the organization that is small, hence, the internal processes may be simple, direct and manageable. Moreover, these prescribed professional body may not want to invest on any improvements due to shortage of funds, thus, change becomes unnecessary. Similarly, the same could be assumed for the 11% of respondents who had Disagreed to this question or it could be that the CEO prefers to remain continue with existing practices as they are comfortable with it, hence, the internal processes may not be changed.

However, a total of 76% of the respondents have agreed that their CEOs are dynamic and keen in improvising the internal processes through process efficiency and resource efficiency. As a result of this, customer satisfaction and improved organizational performance can be achieved by the respective organizations. The findings from this question also be directly linked to the feedback received for section B Q1, where the CEOs interest in identifying performance gaps in their respective organizations were stated.

Question C2 – Investments are made on training and development programs to improve employee talents and skills to stimulate creativity and innovation.

The aim of Question C2 was to know if the prescribed professional bodies emphasized on training their employees as part of the employee development program. Investments on employee training programs would help enhance the employee’s knowledge and skills. As a result of this, employees would be able to become creative and share news ideas for innovation. Refer to Figure 4.15.

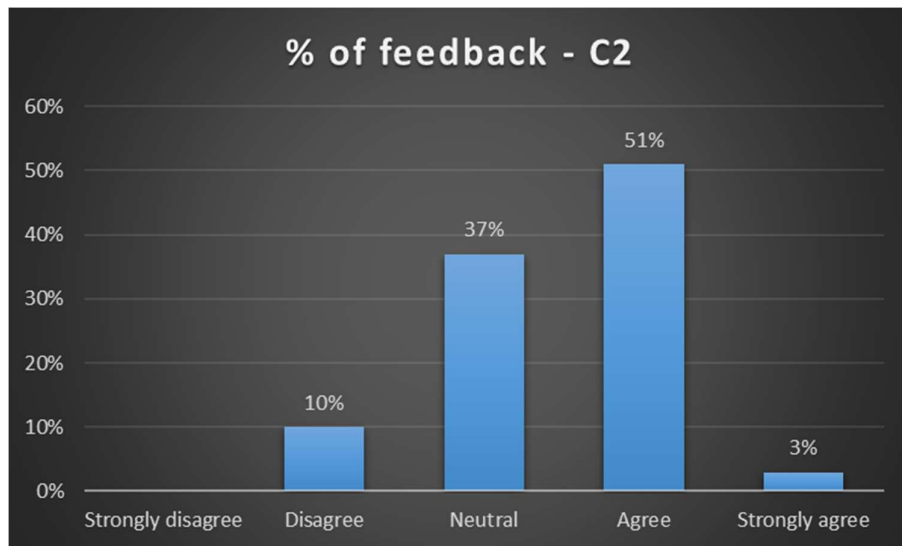


Figure 4.15: Summary of results for Question C2 - Section C

Findings revealed that 3% of respondents Strongly Agreed and 51% Agreed to say that their CEOs were willing to invest on employee training and development programs. However, 37% rated Neutral whilst 10% had Disagreed to this. The results indicate that only 54% the respondents agree that CEOs of the prescribed professional bodies were keen in investing on

employee development whereas 37% were Neutral, and an assumption is made that the CEOs may support employee development but it may not their priority probably due to the high investment cost. This would certainly limit employee creativity as they may not be able to generate new ideas for business improvements, thus, limiting organizational growth. The outcome of this question can be directly linked to section B Q2, where the emphasis on employees lifelong learning was also not supported by the CEOs.

Question C3 – Employees are encouraged to work in teams to generate better and holistic ideas for improvements.

Question C3 emphasized on teamwork as this is the preferred work practice in agile organizations. Teamwork minimizes working in silos and it is the source of generating new ideas across departments that could result in improved performance. Thus, Question C3 was constructed to know if the CEOs of the prescribed professional bodies encouraged teamwork culture in their organizations. Refer to Figure 4.16.

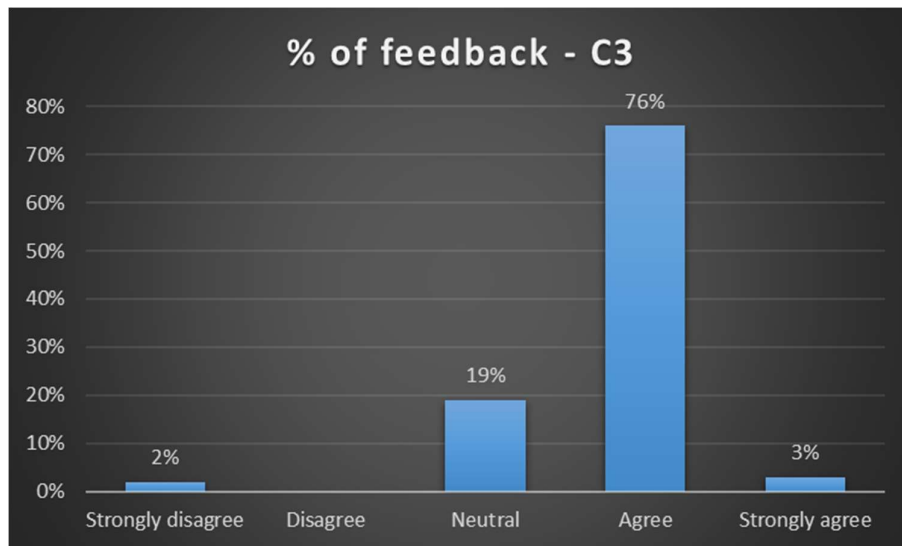


Figure 4.16: Summary of results for Question C3 - Section C

Findings revealed that 3% of the respondents Strongly Agreed and 76% Agreed to say that the CEOs of the prescribed professional bodies encouraged teamwork among employees. On the other hand, 19% of the respondents rated Neutral, and an assumption is made that these respondents were for a small organization, hence, there could be some overlap duties between individuals, thus, teamwork may not be apparent. On the other hand, 2% of the participants Strongly Disagreed to the CEOs approach in encouraging teamwork among employees, hence, working in silos could still be expected in these organizations.

In summary, a total of 79% of the respondents agree that the CEOs preferred their employees to work in groups and encouraged group efforts that would drive a holistic approach to achieving improved overall organizational performance. This results are directly linked to section B Q3 where collaborations between departments were encouraged by the respective CEOs of the prescribed professional bodies.

The subsequent questions, C4 and C5, focused on the performance measurement objectives in the prescribed professional bodies.

| |
|---|
| <p>Question C4 – Key Performance Indicators (KPIs) are set on an annual basis for all departments.</p> |
|---|

Question 4 was constructed to know if the CEOs of the prescribed professional bodies set Key Performance Indicators (KPIs) on an annual basis for all the departments in the organization. The KPIs are set against the departmental goals and objectives, and the performance of the Heads of Departments and Managers are assessed against this on annual basis. Refer to Figure 4.17.

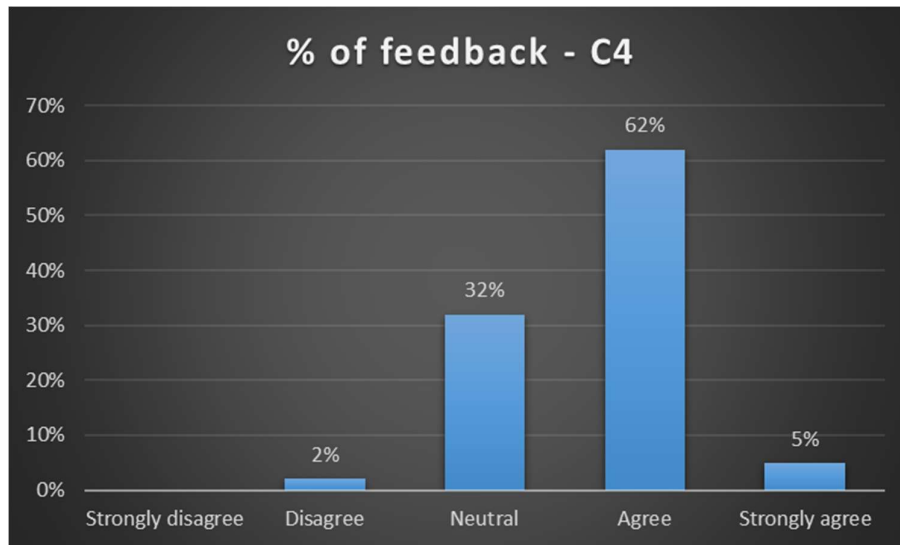


Figure 4.17: Summary of results for Question C4 - Section C

Findings revealed that 5% of the respondents had Strongly Agreed and 62% Agreed to the CEOs setting KPIs on an annual basis for all the departments in the respective prescribed professional bodies. On the other hand, 32% of the respondent's rate Neutral whilst 2% Disagreed that KPIs were set in their respective organizations. Therefore, 67% of the respondents agreed that the CEOs of the prescribed professional bodies believe in setting KPIs for as the yardstick to measure performance of individuals and departments that contributes to the achievement of the overall objectives of the organization.

However, 32% of the respondents rated Neutral on their CEOs approach, which may be an area of concern, and an assumption is made that there may not be a proper performance management system in place to evaluate the performance of the individuals and departments in the organizations. In a situation like this, the heads of departments and managers may not be focused on any goals and/or objectives, thus, the end results may not contribute fairly to overall performance of the organization. Above all, there is no proper monitoring and control system to measure, compare, rectify or even benchmark against competitors.

Question C5 – Performance measurement system is used to generate monthly management reports for evaluation and control.

The aim of Question C5 was to know how CEOs of the respective prescribed professional bodies evaluate and control the outcome of business activities internally and externally and if a proper performance measurement system is in place to generate monthly managements reports for the CEO and Council to consider when planning for organizational growth and achievements. Refer to Figure 4.18.

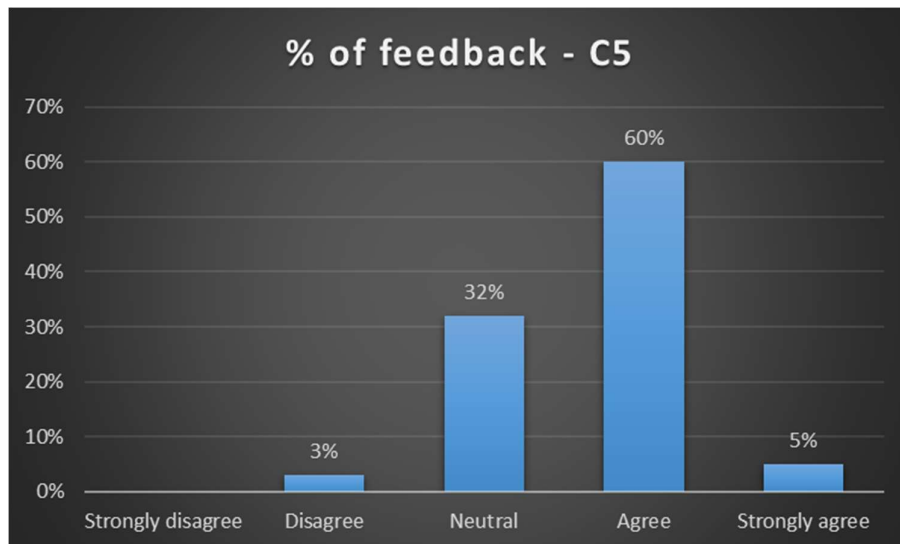


Figure 4.18: Summary of results for Question C5 - Section C

Findings revealed that 5% of the respondents had Strongly Agreed and 60% Agreed in using performance measurement system in their organizations. However, 32% rated Neutral whilst 3% Disagreed that the CEOs of the respective prescribed professional bodies used any performance measurement system to generate reports for evaluation and control.

This indicates that a total of 65% of the respondents agreed that the CEOs of the respective prescribed professional bodies were serious in analyzing the organization’s performance for improvements. On the other hand, for the 32% of the respondents who rated Neutral an assumption is made that the CEOs may have a performance measurement system and they do refer to the statistics and performance results to interpret the actions but this may not be system generated, thus, manually performed year after year.

In summary, the findings from this question can be linked directly to section A Q2 where the question had queried on how the CEOs keep track of the organization's performance and compare them against the goals set. As the organizational performance is the key to survival, it is important that a proper dashboard of measurements is developed for assessment, therefore, this is a major area of concern for the weaker organizations to consider carefully.

On completion of the interpretation of findings on the significant effect of Organizational Culture and Organizational Performance in Section C, the hypothesis 3 (H3) testing was done to determine the causal effect of the two constructs. The H3 represents the hypothesis for the causal effect of Organizational Culture on Organizational Performance. Refer to Table 4.11.

Table 4.11: Organizational Culture and Organizational Performance

| | | Estimate | S.E. | C.R. | P | Result |
|-------------------------------------|------------------------|----------|------|--------|-----|-------------|
| Organizational_ <--- Performance | Organizational_Culture | -2.458 | .551 | -4.458 | *** | Significant |

Note: ***: < 0.001

The result of this hypothesis testing is explained in the following discussion:

The path coefficient of Organizational Culture on Organizational Performance is 2.458. This value indicates that for every one-unit increase in Organizational Culture, its effect would contribute 2.458-unit decrease in Organizational Performance. The regression weight estimates of 2.458 have a standard error of 0.551. The critical ratio is reported as 4.458 standard errors above zero. The probability of getting a critical ratio of 4.248 in absolute value is 0.001, which means that the regression weight for Organizational Culture in the prediction of Organizational Performance is significant at 0.001 level. Hence, the H3 hypothesis that Organizational Culture has a positive and significant effect on Organizational Performance is highly supported.

4.2.4 Research Objective, Research Question and Hypothesis 4

The fourth research objective (RO4) of this study aimed to assess relationship between the three constructs: Leadership Style, Organizational Culture and Organizational Performance especially where Organizational Culture as the mediating variable between the other two constructs. Therefore, the core research question (RQ4) was constructed to find out if the Organizational Culture mediates the effects between Leadership Style and the Organizational Performance, hence, the hypothesis (H4) for RO4 was developed to confirm Organizational Culture as the mediating variable between the two constructs: Leadership Style and Organizational Performance.

The RQ4 was examined in Section D of the survey questionnaire where five (5) sub-questions were constructed to explain how the organizational culture translates the CEO's beliefs and intentions in creating an impact for better organizational performance in the respective Fourth Schedule Companies Act 2016 prescribed professional bodies in Malaysia. The 5-point Likert scale rating from (1) - Strongly disagree, (2) - Disagree, (3) - Neutral, (4) - Agree and (5) - Strongly Agree, were used in the survey questionnaire for participants to rate their responses accordingly. Refer to Table 4.12.

Table 4.12: Summary of findings for RO4

| Question Number / Ratings | D1 | | D2 | | D3 | | D4 | | D5 | |
|----------------------------|----|------------|-----------|------------|-----------|------------|-----------|----|-----------|------------|
| | # | % | # | % | # | % | # | % | # | % |
| 1 Strongly Disagree | | | | | | | | | | |
| 2 Disagree | | | | | | | 1 | 2 | | |
| 3 Neutral | 13 | 21 | 11 | 17 | 11 | 17 | 21 | 33 | 19 | 30 |
| 4 Agree | 47 | 75 | 50 | 79 | 49 | 78 | 39 | 62 | 44 | 70 |
| 5 Strongly Agree | 3 | 55 | 2 | 3 | 3 | 5 | 2 | 3 | | |
| Total / % | | 100 | 63 | 100 | 63 | 100 | 63 | | 63 | 100 |

The summary of results of RO4 is explained in the following discussion:

Question D1 – The organization’s vision creates excitement and motivation to all employees in the organization.

The aim of Question D1 was to understand if the vision of the respective Fourth Schedule Companies Act 2016 prescribed professional body has created excitement and motivation to all employees in the organization. This would clearly indicate how the leader’s aspiration and intentions have inspired all employees to work together towards achieving the leader’s vision. Refer to Figure 4.19.

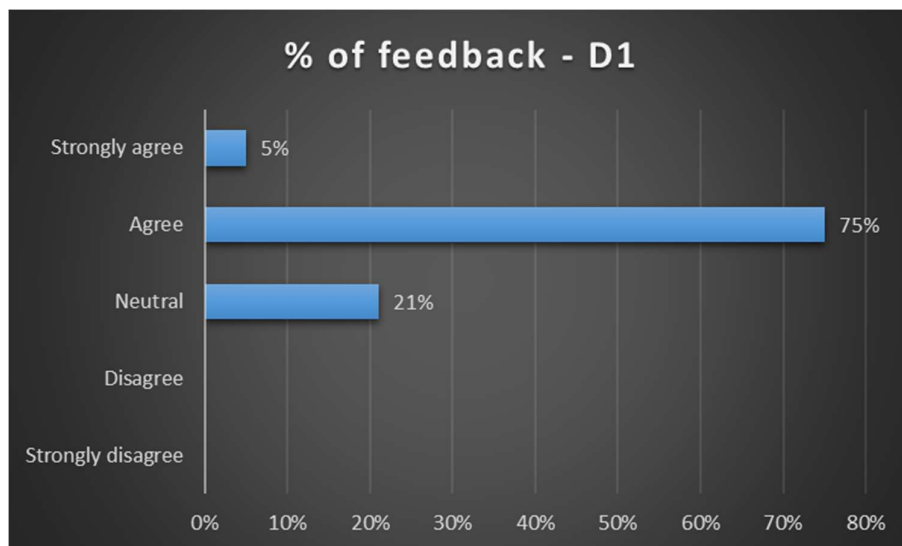


Figure 4.19: Summary of results for Question D1 - Section D

Findings revealed that 5% of the respondents had Strongly Agreed and 75% Agreed that the organization’s vision has created excitement and motivated all employees to work towards achieving them. On the other hand, 21% of the respondents rated Neutral, and an assumption is made that the CEOs may not have clearly explained the organization’s vision to all the heads of departments or managers, hence, there was no the excitement or motivation. In addition to this, it can also be assumed that the CEOs may have set unrealistic vision without taking into consideration the internal capabilities of the organization, hence, achieving the vision may not be possible.

However, a total of 80% of the respondents have agreed that the CEO’s vision has created excitement and has motivated all employees. This can be linked directly to the feedback received for all the first three questions posed in Section A whereby feedback for Q1 has indicated that the CEOs have a long-term view, and sets clear mission and strategies; Q2 has indicated that the CEOs set realistic goals with clear objectives; and lastly where feedback for Q3 has indicated that the CEOs are dynamic, focused and fast in responding to the environment. Therefore, the CEOs approach in leading these organizations certainly creates excitements and inspires the heads of department and managers to work towards achieving the organization’s vision.

Question D2 – There is clear and consistent set of values that governs the way the business is to be done.

The aim of Question D2 was to understand if the Fourth Schedule Companies Act 2016 prescribed professional bodies has clear and consistent set of values that helps in the managing the business professionally. This is to indicate if the CEOs of the respective prescribed professional bodies have translated their principles, policies and procedures to all employees so that they are able to carry out their roles and responsibilities according to the leader’s philosophies and the nature of the business. Refer to Figure 4.20.

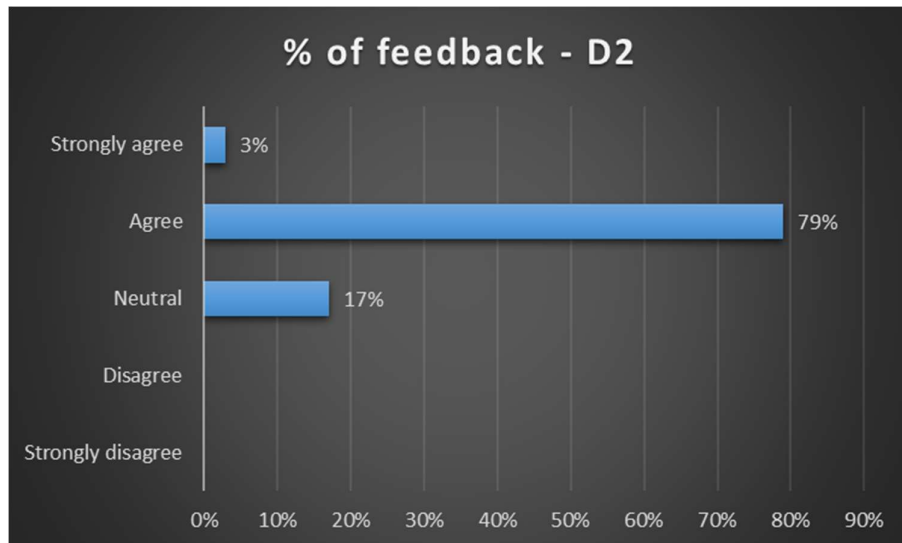


Figure 4.20: Summary of results for Question D2 - Section D

Findings revealed that 3% of the respondents had Strongly Agreed and 79% have Agreed that there are clear set of values available for everyone to follow. On the other hand, 17% of the respondents rated Neutral, and an assumption is made that there the values are available as expressed by the leader’s actions and no formal documents were available for reference. In addition to this, subcultures may exist in these organizations and the influence from other leaders, that is, heads of departments could be stronger than the core culture, hence, different values may be practiced in different parts of the organization.

However, a total of 82% of the respondents have agreed that the CEOs have implied and expressed good values to be maintained when doing business. Moreover, as these are professional organizations that governs and serves professional members, high level of professionalism is expected from every employee.

Question D3 – Ethical codes and operating procedures are available to guide employee behaviour and good practices.

The aim of Question D3 was to obtain feedback from participants on the availability of the ethical codes and operating procedures as guidance for employees to follow when performing their job functions. This is to confirm that formal documents on procedures are available for employees to refer to act ethically and professionally. Refer to Figure 4.21.

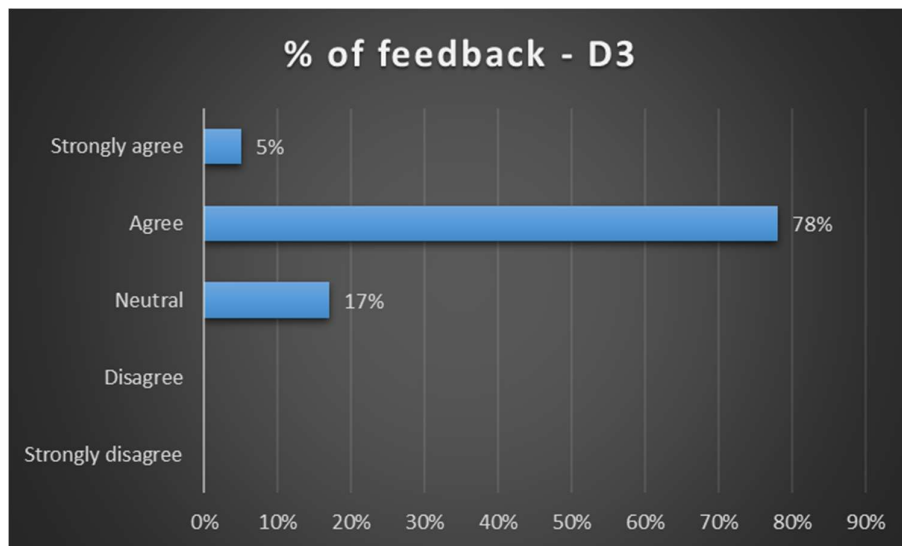


Figure 4.21: Summary of results for Question D3 - Section D

Findings revealed that 5% of the respondents had Strongly Agreed and 78% Agreed that the ethical codes and standard operating procedures are available in the respective prescribed professional bodies for employee's reference. These documents would provide guidance on what would constitute good employee behaviour, ethical practices and breach of conduct, if any.

Conversely, 17% of respondents rated Neutral, and an assumption is made that there may not be any formal documents available to guidance employees on good behaviour and ethical work practices, however, the CEOs may make reference to parent organization's policies for guidance. Hence, this could be an area of concern as this reflects the presence of a weak and unstable governance structure in these organizations.

However, a total of 83% of the respondents have agreed that the CEOs have very good and strong governance policies implemented, which is essential for the survival of organizations in the current business world.

| |
|---|
| <p>Question D4 – Innovation, transformation and consideration/challenging of risks are appreciated and rewarded.</p> |
|---|

The aim of Question D4 was to understand if the CEOs of the Fourth Schedule Companies Act 2016 prescribed professional bodies encourage innovation, transformation and are willing to take risks to face the environmental challenges. In addition to this, the question also aims to understand if employees who share ideas on new developments and enhancements are appreciated and rewarded accordingly. Refer to Figure 4.22.

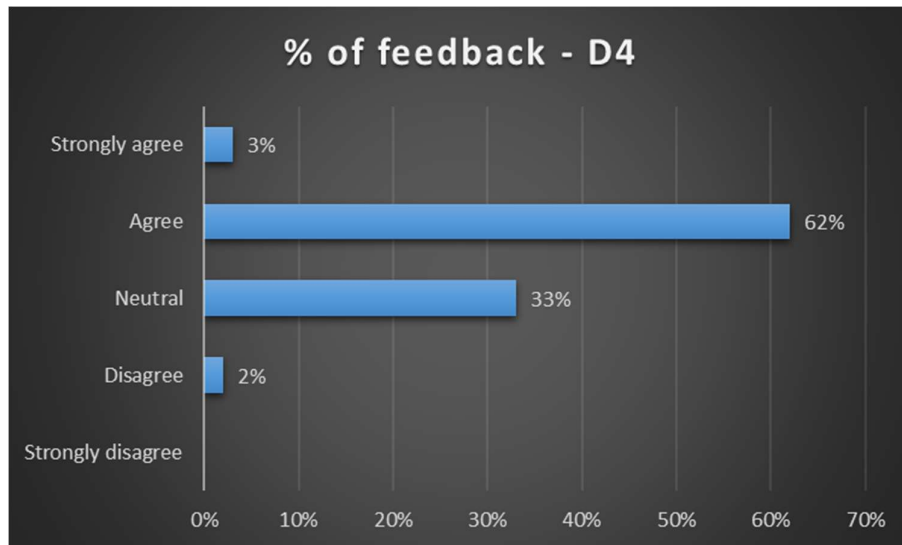


Figure 4.22: Summary of results for Question D4 - Section D

Findings revealed that 3% of the respondents have Strongly Agreed and 62% Agreed to say that their CEOs were supportive of new ideas that brings about innovation and change. Employees who contribute to the creativity and ideas are also encouraged and rewarded by the organizations accordingly. On the other hand, 33% of the respondents rated Neutral, and an assumption is made that the CEOs may not be willing to favour change or explore new things probably because they are comfortable with the existing methods, which that has generated good results and are not willing to invest on something that does not provide guaranteed results. Hence, they are not willing to take the risk and incur losses on such new investments. Similarly, 2% of the respondents Disagreed that the CEOs were willing to consider innovation or transformation, thus, a laid back approach may still exist in these organizations.

Nevertheless, a total of 65% of the respondents have responded positively that the CEOs of the prescribed professional bodies have cultivated a culture for innovation and experimentations, which has encouraged employees to share new ideas that are supported and rewarded.

Question D5 – Key metrics to measure performance results in shared/aligned across all levels.

The aim of the final question D5 was to understand if the Fourth Schedule Companies Act 2016 prescribed professional bodies uses key metrics to measure performance results, and if these were shared and/or aligned across different levels and departments in the organization. By sharing this information internally, employees would be well informed of the organization’s health and be able to plan better to achieve improved results in future. Refer to Figure 4.23.

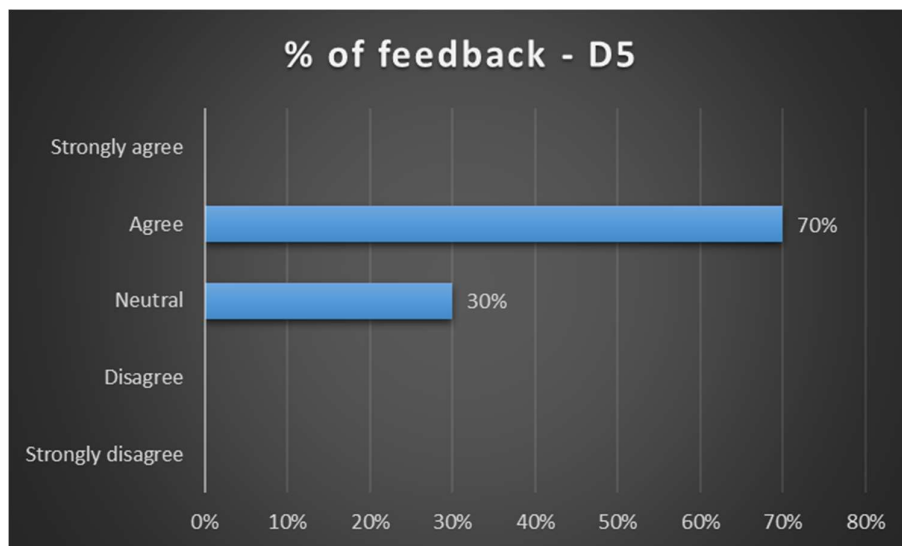


Figure 4.23: Summary of results for Question D4 - Section D

Finding revealed that 70% of the respondents have Agreed that the CEOs use key metrics to evaluate the performance of each department, which is then integrated to the overall performance of the organization. Further, this information is also shared internally with others for their information and further actions. On the other hand, 30% of the respondents rated Neutral, and an assumption is made that these organizations may use metrics to evaluate the performance of each department but it might not be tied up to the overall performance of the organization and probably not shared with the others internally for comparison or information. Hence, the heads of departments and managers may not know what had contributed to overall performance of the organization, further improvements required and by which department so the overall results could be improved. Limiting the information sharing with others would also restrict idea sharing or suggestions for improvement among heads of departments and managers, thus, the entire organization may end up operating in silos.

In addition to the findings above, the researcher further moved on to test the mediation effect of Organization Culture with the two constructs: Leadership Style and Organizational Performance, by employing the Bootstrap approach, as the best recommended approach, that is available in the AMOS software. Refer to Table 4.13. The results of the assessments are shown below:

Table 4.13: Indirect Effect Results

| | Indirect Effect | Direct Effect |
|------------------------|--|----------------------|
| Bootstrapping Estimate | 0.263 | 0.074 |
| Bootstrapping P-Value | 0.034 | 0.831 |
| Result | Significant | Not Significant |
| Research Hypothesis | Mediation occurred since the indirect effect is significant. Therefore, the Organizational Culture mediates the significant effect of Leadership Style and Organizational Performance | |
| Type of Mediation | Full Mediation | |

Table 4.13 exhibits the result for the analysis of the mediator construct. To recap, the researcher proposed that the Organizational Culture construct as the mediator, whilst, Leadership Style was examined as an exogenous construct and Organizational Performance as the endogenous construct. The application of this AMOS analysis produced the output for bootstrapping estimates and p-value. Moreover, the researcher analysed the result for all direct effect in the measurement model to estimate the type of mediation for Organizational Performance construct. The regression weight for the direct effect of for all mediation relationship as follows: Leadership Style and Organizational Performance is 0.074.

Meanwhile, the probability of getting bootstrap p-value (< 0.05) for the direct effect of for all mediation relationship as follows; Leadership Style and Organizational Performance is 0.831, Accordingly, the researcher concluded that the type of mediation for Organizational Performance construct in this model is **Full Mediation** because there is no significant effect observed in the direct causal effect. Therefore, H4 hypothesis of the mediation relationship in this model is accepted.

4.2.5 Research Objectives, Research Questions and Hypotheses 5 and 6

Subsequent to the research objectives and research questions discussed in the earlier paragraphs, the researcher developed two further research objectives as the final step to examine how cultural elements through the internal integration process can create significant effect on the Organizational Performance. Therefore, research question RQ5 was constructed to investigate the significant effect between the Organizational Culture and the Internal Integration whilst RQ6 was constructed to investigate the significant effect between the Internal Integration and the Organizational Performance. Hence, hypothesis 5 (H5) for RQ5 was developed to agree that Organizational Culture significantly effects Internal Integration and hypothesis 6 (H6) for RQ6 was developed to agree that Internal Integration significantly effects Organizational Performance.

The RQ5 and RQ6 were examined in Section E of the survey questionnaire according to the three core cultural elements identified: Organization Structure, People and Internal Business Processes. There were five (5) sub-questions constructed for each cultural element to examine how organizational culture can influence the artefact, constitution, composition of people and business processes in creating an impact on the Organizational Performance in the Fourth Schedule Companies Act 2016 prescribed professional bodies in Malaysia. The 5-point Likert scale rating from (1) - Strongly disagree, (2) - Disagree, (3) - Neutral, (4) - Agree and (5) - Strongly Agree, was used in the survey questionnaire for participants to rate their responses accordingly. Refer to Table 4.14.

Table 4.14: Summary of findings for RQ5 and RQ6

| Research Question | RQ5 | | | | | | | | RQ6 | |
|----------------------------|-----------|------------|-----------|------------|-----------|------------|-----------|------------|-----------|------------|
| | E(i)Q1 | | E(i)Q2 | | E(i)Q3 | | E(i)Q4 | | E(i)Q5 | |
| | # | % | # | % | # | % | # | % | # | % |
| 1 Strongly Disagree | | | | | | | | | | |
| 2 Disagree | | | 1 | 2 | | | 1 | 2 | 1 | 2 |
| 3 Neutral | 2 | 3 | 10 | 16 | 12 | 19 | 8 | 13 | 12 | 19 |
| 4 Agree | 55 | 87 | 52 | 83 | 46 | 73 | 54 | 86 | 50 | 79 |
| 5 Strongly Agree | 6 | 10 | | | 5 | 8 | | | | |
| Total / % | 63 | 100 | 63 | 100 | 63 | 100 | 63 | 100 | 63 | 100 |

The summary of results of RO5 of RQ5 on organizational culture and internal integration via structure is explained in the following discussions:

Question E(i) Q1 – The corporate governance and structure is highly influenced by the organizational culture.

The aim of Question E(i)Q1 was to understand if the system of rules, practices and processes, and the design of the organization structure in the Fourth Schedule Companies Act 2016 prescribed professional bodies is highly influenced by the respective organization’s culture. Refer to Figure 4.24.

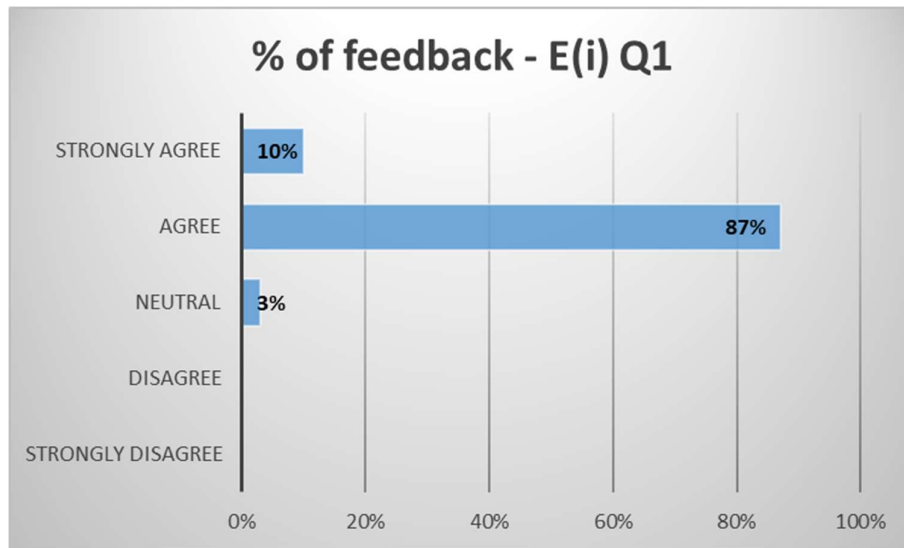


Figure 4.24: Summary of results for Question E(i) Q1 - Section E

Findings revealed that 10% of the respondents had Strongly Agreed and 87% Agreed that the respective organization’s culture highly influences the corporate governance and structure of the organization. On the other hand, 3% of respondents rated Neutral, and an assumption is made that the size of the organization could make it difficult for the respondents in these organizations to observe its influence.

Nevertheless, 97% of the respondents agreed that the organizational structure and governance is closely linked to the organizational culture and changes to the organizational culture would create an impact on the corporate and governance structure. Even though these elements are flexible to change, they would still form a strong foundation in these organizations.

Question E(i) Q2 – For better coordination and integration of work, teamwork is strongly encouraged.

Question E(i) Q2 was constructed to understand if the organization structure of the respective prescribed professional body enables teamwork at the workplace through coordination and integration of work within and across different levels and departments in the Fourth Schedule Companies Act 2016 prescribed professional bodies. Refer Figure 4.25.

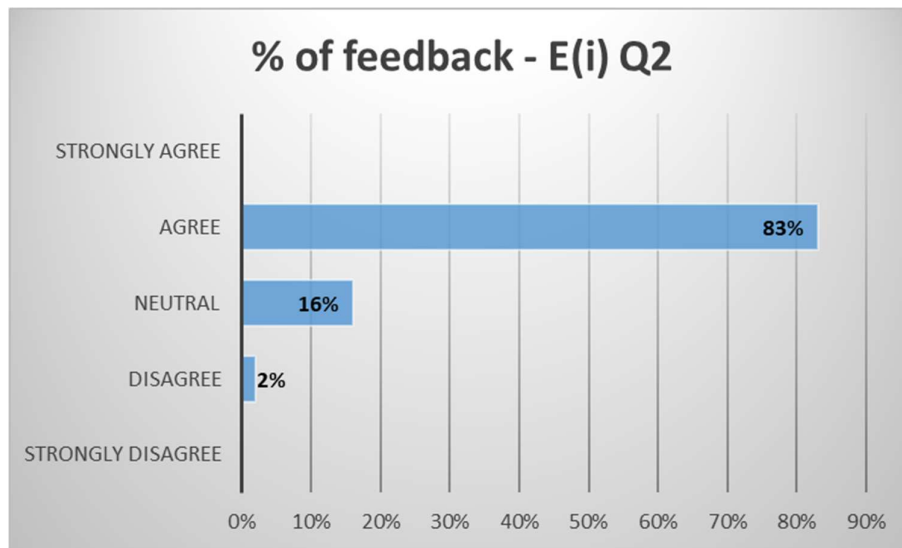


Figure 4.25: Summary of results for Question E(i) Q2 - Section E

Findings revealed that 83% of the respondents have Agreed that the organization structure in the prescribed professional bodies were designed to allow teamwork. This can be linked directly to the feedback received from section B Q3 and section C Q3, where 78% and 79% respectively had supported to the CEO's belief in teamwork, hence, the confirmation.

On the other hand, 16% of the respondents rated Neutral, and an assumption is made that the size of the organization of these respondents could be small, hence, all employees would work closely but according to their job functions. The same assumptions could also be linked to the remaining 2% of respondents who had Disagreed, hence, employees would carry out their tasks and follow the lines of authority for discussions, decision-making and/or approvals.

Question E(i) Q3 – The core structure of the organization is dynamic, stable and focused.

The aim of the Question E(i) Q3 was to understand if the core structure of the Fourth Schedule Companies Act 2016 prescribed professional bodies is vibrant, structurally stable and focuses on the core competencies. Refer to Figure 4.26.

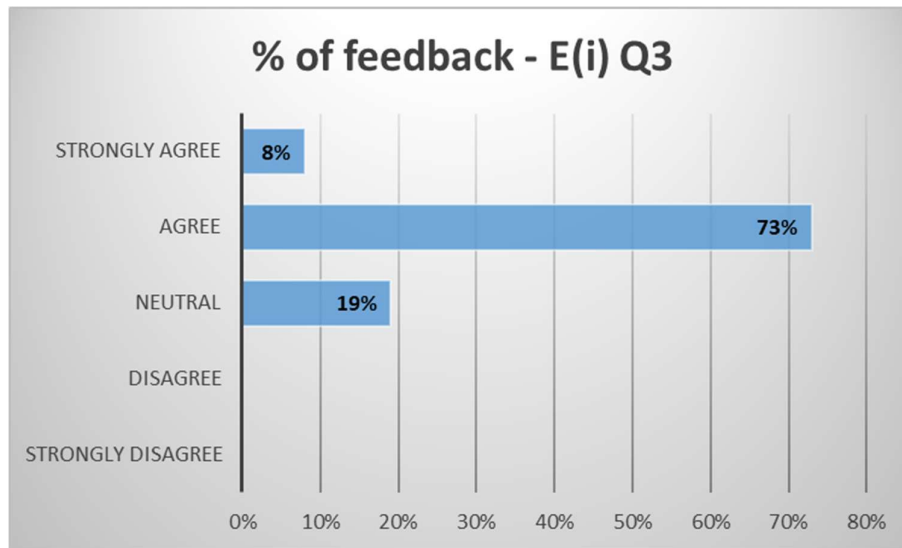


Figure 4.26: Summary of results for Question E(i) Q3 - Section E

Findings revealed that 8% of respondents had Strongly Agreed whilst 73% had Agreed to say that the respective prescribed professional bodies have a dynamic and stable structure that enables the organizations to be flexible to changes, and at the same time it is focused on the core competencies that may require development or enhancements. On the other hand, 19% of the respondents rated Neutral, and an assumption is made that the size of these organizations could be small, thus, the respondents were unable to justify if the organization structure was dynamic, stable and focused.

Nevertheless, 81% of the respondents have agreed positively that the structure of their respective prescribed professional bodies is flexible to change and remains stable. It also highlights the area of core competencies for the CEOs, heads of departments and managers to pay specific attention to strengthen its capabilities.

Question E(i) Q4 – The structure of teams, committees and working groups are flexible and fast in responding to changes in the environment.

The aim of Question E(i) Q4 was to obtain information on the flexibility and prompt responses of teams, committees and working groups in the Fourth Schedule Companies Act 2016 prescribed professional bodies. It was important to know if these organizations were flexible to changes and fast in taking appropriate decisions to respond to the environmental changes. Refer to Figure 4.27.

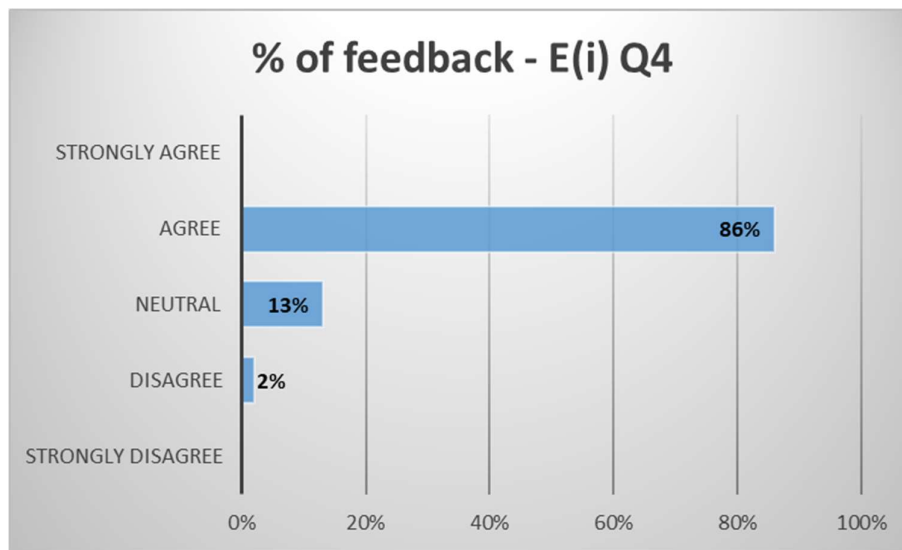


Figure 4.27: Summary of results for Question E(i) Q4 - Section E

Findings revealed that 86% of the respondents have Agreed that their respective organizations were flexible and fast in responding to the environmental changes. On the other hand, 13% respondents rated Neutral, and an assumption is made that the size of these organizations could be large, thus, the decision-making authority may lie at the higher management level. This could be an area of concern as delays can be expected in responding to environmental changes, and opportunities could be missed out. Similarly, the remaining 2% of the respondents Disagreed to say that the committee structures did not allow flexibility to act fast.

The summary of results of RO6 of RQ6 on the internal integration process via structure on organizational performance is explained in the following discussions:

Question E(i) Q5 – Work is designed to enable people to see the relationship between their core job functions and team roles against the organizational goals.

Question E(i) Q5 required respondents to provide feedback if the Fourth Schedule Companies Act 2016 prescribed professional bodies have structured the work functions in such a way that employees are able to understand how tasks completed by them would support or contribute towards achieving the organization's goals. Refer to Figure 4.28.

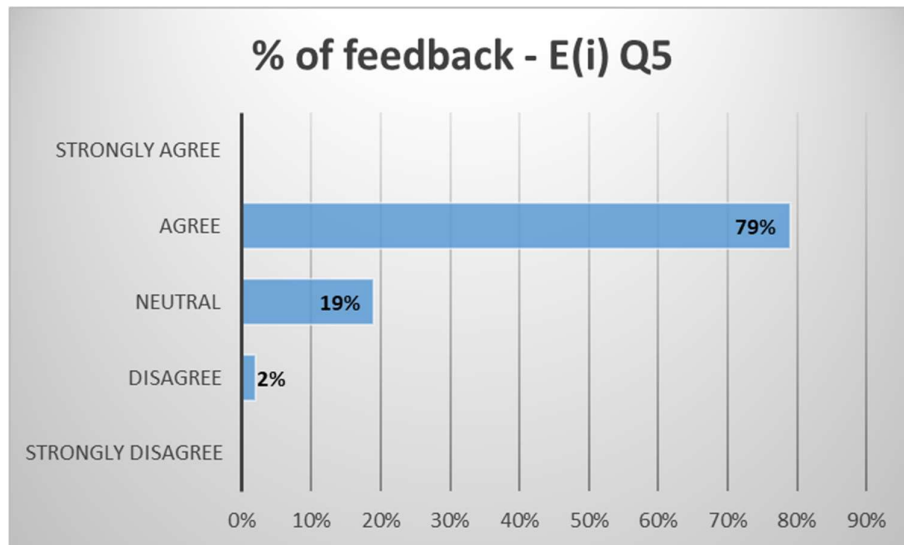


Figure 4.28: Summary of results for Question E(i) Q5 - Section E

Findings revealed that 79% of the respondents Agreed to say that the respective prescribed professional bodies have designed work clearly for employees to see how the accomplishments of tasks can be connected towards achieving the organization's goals. On the other hand, 19% respondents rated Neutral, and an assumption is made that employees in these organizations may have multiple roles that makes it difficult for them to see the connections and contributions it had made to the overall performance of the organization.

This also makes it difficult to identify the areas for improvement, hence, it is an area of concern for the CEO to rectify the situation in these respective organizations. However, 2% of the respondents Disagreed thus reflecting the incompetency of the respondents to notice the workflow, identify primary and support functions, and its contributions toward the organizational goals.

The next section of E(ii) will highlight the summary of results of RO5 of RQ5 on organizational culture and the internal integration process via employees behaviour; and RO6 of RQ6 on the internal integration process via employee behaviour and organizational performance. Following is the summary of findings. Refer to Table 4.15.

Table 4.15: Summary of findings for RQ5 and RQ6

| Research Question | RQ5 | | | | | | | | RQ6 | |
|----------------------------|-----------|------------|-----------|------------|-----------|------------|-----------|------------|-----------|------------|
| | E(ii)Q1 | | E(ii)Q2 | | E(ii)Q3 | | E(ii)Q4 | | E(ii)Q5 | |
| | # | % | # | % | # | % | # | % | # | % |
| 1 Strongly Disagree | | | | | | | | | | |
| 2 Disagree | 7 | 11 | | | 6 | 10 | 6 | 10 | 5 | 8 |
| 3 Neutral | 11 | 17 | 17 | 27 | 25 | 40 | 14 | 22 | 22 | 35 |
| 4 Agree | 45 | 71 | 46 | 73 | 32 | 51 | 43 | 68 | 36 | 57 |
| 5 Strongly Agree | | | | | | | | | | |
| Total / % | 63 | 100 | 63 | 100 | 63 | 100 | 63 | 100 | 63 | 100 |

The summary of results of RO5 of RQ5 is explained in the following discussions:

Question E(ii) Q1 – The organization strongly believes in the continuous investment on employee development.

The aim of Question E(ii) Q1 was to find out if the Fourth Schedule Companies Act 2016 prescribed professional bodies strongly believes in the investing in training and seminar programs to constantly develop their employee’s knowledge and skills. Refer to Figure 4.29.

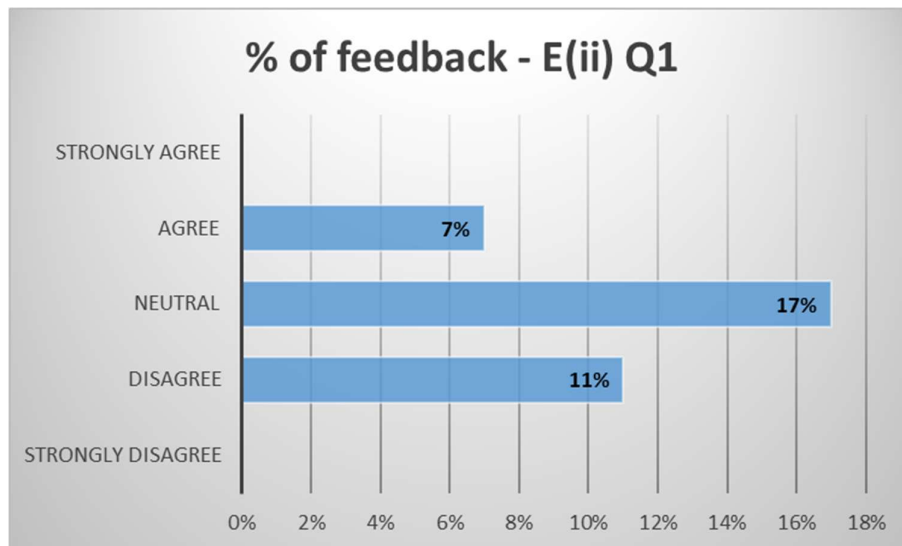


Figure 4.29: Summary of results for Question E(ii) Q1 - Section E

Findings revealed that 67.9% of the respondents have Agreed that the respective prescribed professional bodies believe in investing in programs that would help develop their employee’s knowledge and skills. These organizations may treat this as a capital investment that contributes to the organization’s growth, hence, sufficient funds may be allocated on an annual basis for its purpose.

On the hand, 19.6% of the respondent rated Neutral, an assumption is made that employees in these organizations were trained but may not be on a frequent basis as these training programs could involve high investment costs. However, 12.5% of the respondents reverted their Disagreement, and it is assumed that as a non-profit organization, the CEOs may not be keen in utilising the income derived from member’s subscription to train their employees. In addition to this, it can also be assumed that these CEOs may consider investing in such activities as a

liability to the organization because the knowledge and skills that is gained by the employee can be lost if the employee leaves the organization.

However, this is an area of concern to all CEOs as employees are the greatest assets of an organization and failure to invest in enhancing their skills and capabilities may hinder the level of creativity and innovation in the organization. This question can be linked directly with Question B2 and D2 where positive feedback on employee creativity and innovation initiatives were also received.

Question E(ii) Q2 – Employees are encouraged to share their ideas for product development and innovation.

The aim of Question E(ii) Q2 was to understand if the employees in the Fourth Schedule Companies Act 2016 prescribed professional bodies were encouraged to share their ideas to develop and/or enhance the products/services that are offered to members. Refer to Figure 4.30.

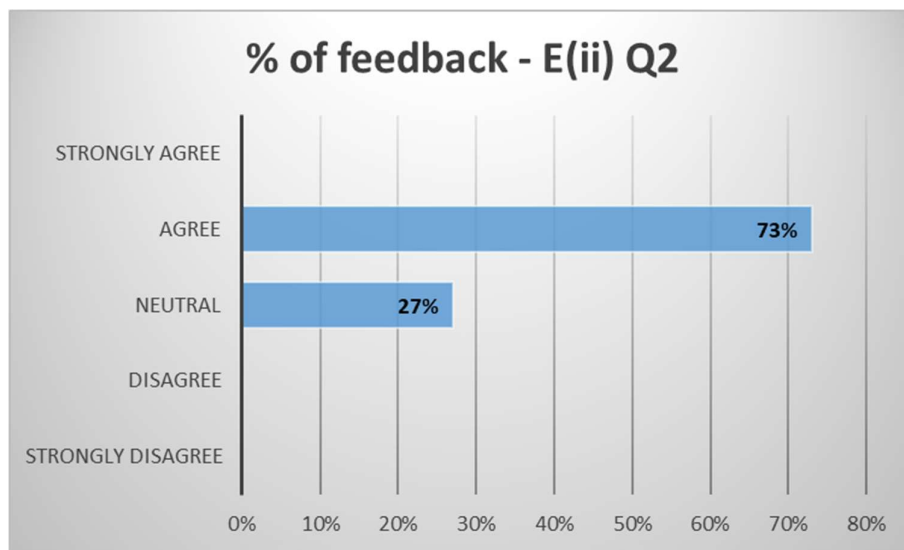


Figure 4.30: Summary of results for Question E(ii) Q2 - Section E

Findings revealed that 73% of the respondents Agreed that the respective prescribed professional bodies encourage their employee to exchange new ideas in view of enhancing the existing products/services or to develop new ones. This feedback on question can also be directly linked with the feedback received from section A Q5 where majority of the respondents agreed that CEOs have always enabled the best in their employees.

On the other hand, 27% of respondents rated Neutral, and an assumption is made that the CEOs may not restrict idea generation on product/services from its employees, but it could be a policy that the development and new ideas on products/services are discussed and decided by the parent organization at the global level. Nevertheless, it is important that the local requirements are also escalated to the parent organization so that it meets the industry requirements in the respective countries. This somehow can take time, hence, a major weakness in the present system that must be addressed by the CEOs of the respective prescribed professional bodies.

Question E(ii) Q3 – Authority is delegated to employees to act promptly on their own.

The aim of Question E(ii) Q3 was to understand if employees were given the authority to act on issues arises from time to time so that prompt decisions can be taken by employees on their own. Refer to Figure 4.31.

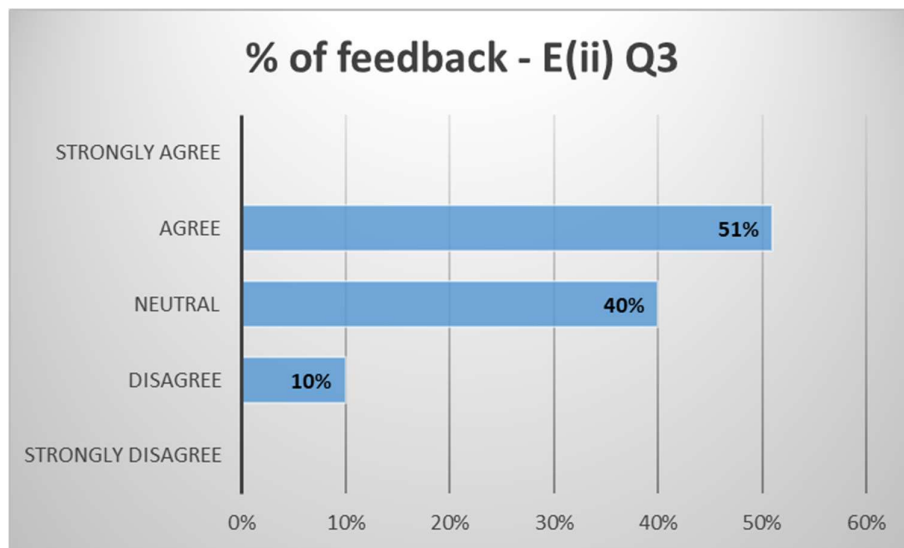


Figure 4.31: Summary of results for Question E(ii) Q3 - Section E

Findings revealed that only 51% of the respondents rated Agreed to note that these prescribed professional bodies believed in the employee's capabilities in resolving issues that arose amicably as they hold the requirement information to take immediate action. On the other hand, 40% of the respondents rated Neutral, and an assumption is made that it could be the policy of the organization that operational matters can be resolved at the respective level, however, critical issues that concerns policy and stakeholder matters must be escalated to the higher authorities or committees for advice on actions to be taken. There can also be cases where policy matters could be escalated to the parent organization.

Similarly, the remaining 10% respondents rated their Disagreement, and an assumption could be made that the size of the organization could be small, hence, all issues must be escalated to the higher authorities for decision making. In summary, these results can be linked to section B Q4 where queries where decision are allowed to be made at the level where best information was available. However, this could cause delays in providing solutions, hence, it is a major area of concern on the decision-making process.

The summary of results of RO6 of RQ6 on the internal integration via employee behaviour on organizational performance is explained in the remaining two discussions:

Question E(ii) Q4 – The organizational performance is constantly reviewed based on the revenue, retention and growth of customers against employee performance.

Question E(ii)Q4 was constructed to understand how the Fourth Schedule Companies Act 2016 prescribed professional bodies reviewed its organizational performance. Respondents were asked if the revenues earned, retention and growth in customer numbers were used to measure employee performance. Refer to Figure 4.32.

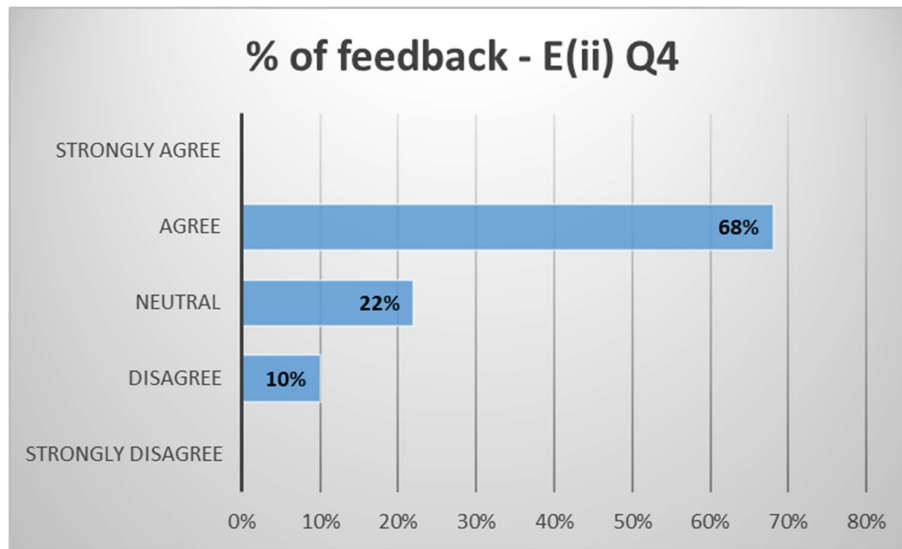


Figure 4.32: Summary of results for Question E(ii) Q4 - Section E

Findings revealed that 68% of the respondents have Agreed to say that employee performance was measured against revenue, retention and customer growth whilst 22% rated Neutral and 10% rated their Disagreement. An assumption is made that there are no proper performance measurement tools available for these organizations to monitor employee productivity against the overall performance of the organization.

This can be an area of concern because from section C Q4 findings revealed that 34% of the respondent said there were no KPIs set in the respective organizations and in this case 22% responded Neutral and 10% rated Disagreement, which sums up to a total of 32%. Thus, it strongly justifies that there is no proper measurement tool available to help measure productivity. As a result, the compensation and rewarding of deserving employees could be weak and may result in dissatisfied employees who could adversely impact the productivity of the departments. Therefore, it is important CEOs to invest in a proper performance management system so that KPIs can be developed and a proper dashboard is in place to interpret all results objectively.

Question E(ii) Q5 – The organization beliefs in rewarding employees on outstanding performance.

The aim of Question E(ii) Q5 was to understand if the Fourth Schedule Companies Act 2016 prescribed professional bodies reward their employees who had outstanding performance annually. Refer to Figure 4.33.

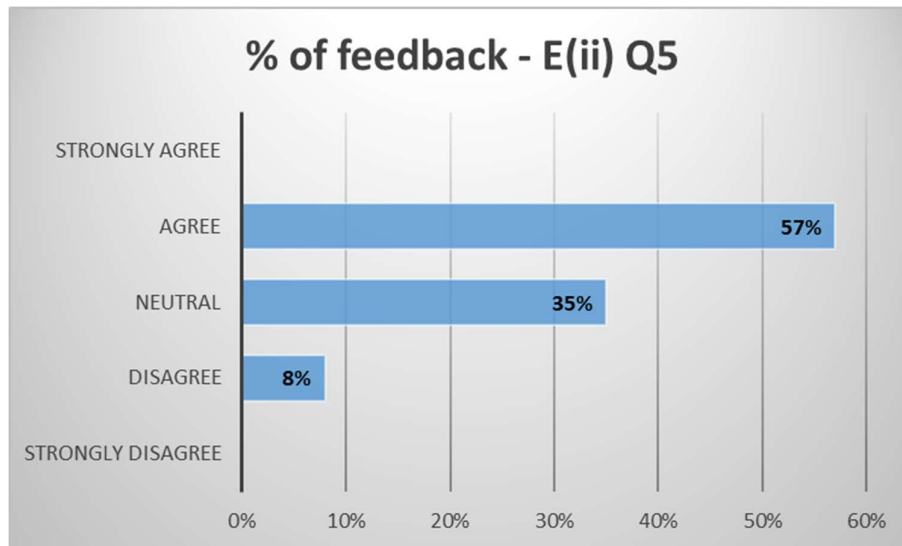


Figure 4.33: Summary of results for Question E(ii) Q5 - Section E

Findings revealed that only 57% of the respondents Agreed to say that their organizations have rewarded employees who had done well for the year. On the other hand, 35% of the respondents rated Neutral, an assumption is made that the financial status of the respective prescribed professional bodies did not warrant for good amount of rewards to be paid to well performed employees. However, 8% Disagreed that employees were rewarded for outstanding performance in their organizations.

In summary, this can be linked directly to feedback received from section C Q4 and E(ii) 4 where it was noted that only CEOs who have set KPIs and have proper performance management system implemented would be able to reward their employees fairly. Organizations that do not have a proper performance management dashboard will not be able to reward the deserving employees well, hence, could result in employee dissatisfaction and high rate of resignations from talented employees.

The final part to Section E(iii) focused on the internal business processes of the Fourth Schedule Companies Act 2016 prescribed professional bodies. The section will highlight the summary of results of RO5 of RQ5 on organizational culture and the internal integration process via internal business processes, and RO6 of RQ6 on the internal integration process via business processes on organizational performance. Following is the summary of findings. Refer to Table 4.16.

Table 4.16: Summary of findings for RQ5 and RQ6

| Research Question | RQ5 | | | | | | | | RQ6 | |
|----------------------------|-----------|------------|-----------|------------|-----------|------------|-----------|------------|-----------|------------|
| | E(iii)Q1 | | E(iii)Q2 | | E(iii)Q3 | | E(iii)Q4 | | E(iii)Q5 | |
| | # | % | # | % | # | % | # | % | # | % |
| 1 Strongly Disagree | | | | | | | | | | |
| 2 Disagree | 6 | 10 | | | 4 | 6 | 4 | 6 | 4 | 6 |
| 3 Neutral | 17 | 27 | 31 | 49 | 19 | 30 | 17 | 27 | 18 | 29 |
| 4 Agree | 38 | 60 | 32 | 51 | 28 | 44 | 29 | 46 | 40 | 63 |
| 5 Strongly Agree | 2 | 3 | | | 12 | 19 | 13 | 21 | 1 | 2 |
| Total / % | 63 | 100 | 63 | 100 | 63 | 100 | 63 | 100 | 63 | 100 |

The summary of results of RO5 of RQ5 is explained in the following discussions:

Question E(iii) Q1 – Internal processes are constantly reviewed to find new ways to serve the customers and clients better.

The aim of Question E(iii) Q1 was to know if the Fourth Schedule Companies Act 2016 prescribed professional bodies have constantly reviewed the internal business processes to identify the areas of weakness for improvements as it would highlight how the organization is able to strengthen its internal capabilities to match the external conditions so that improved organizational performance could be achieved. Refer to Figure 4.34.

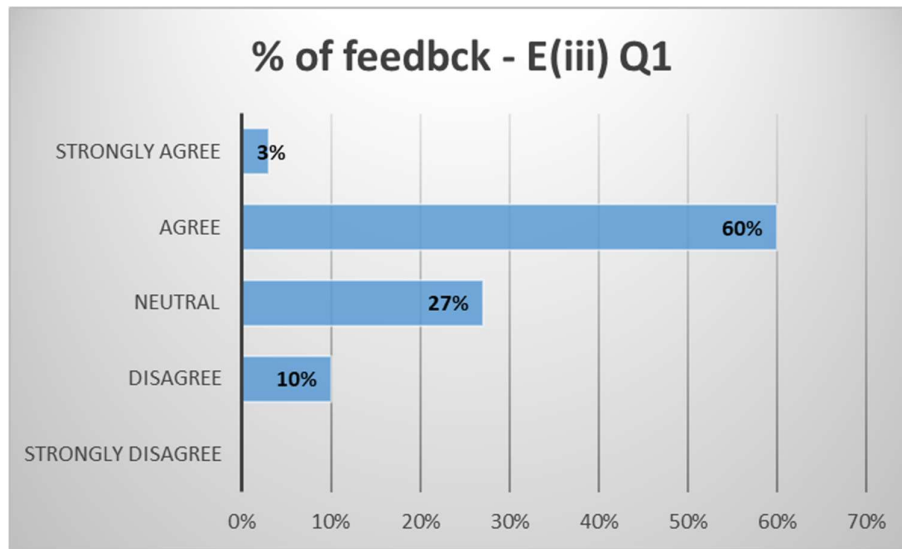


Figure 4.34: Summary of results for Question E(iii) Q1 - Section E

Findings revealed that 3% of the respondents have Strongly Agreed and 60% Agreed to say that their respective organizations were constantly reviewing the internal business processes so that improvements can be made in serving its customers and clients. On the other hand, 27% of the respondents rated Neutral whilst 10% Disagreed on this. On the 27% who rated Neutral, an assumption is made that the respective prescribed professional bodies may not have considered change in the internal business processes because of the limited funds it has and probably the current processes could still serve its purpose, hence, change is not required.

This can be linked to section C Q1 and Q2 where employees may not have the capabilities to identify the gaps or think of new ways to do things and/or this can be linked with section E(ii) Q5 where the de-motivated employees may not be inspired to share suggestions for improvements as they would not be rewarded even if the suggestions had resulted in outstanding performance. This is an area of concern as improvements are necessary to achieve processes efficiency that leads to improved organizational performance.

Question E(iii) Q2 – All departments collaborate to create the change in the policies and operating procedures.

The aim of Question E(iii) Q2 was understand to understand if the Fourth Schedule Companies Act 2016 prescribed professional bodies facilitate changes to the management policies and practices through the involvement of all the departments in the organization, that is, a collaborated effort. Refer to Figure 4.35.

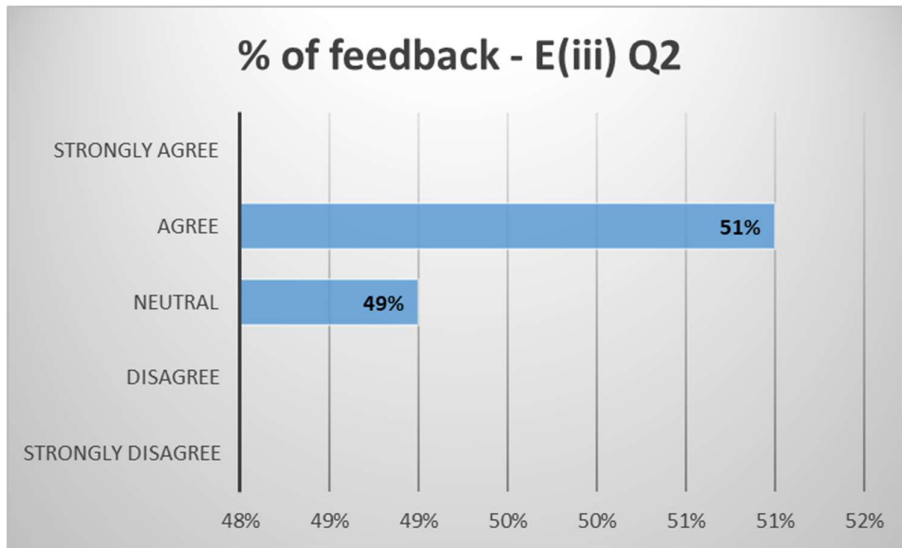


Figure 4.35: Summary of results for Question E(iii) Q2 - Section E

Findings revealed that 51% of the respondents Agreed that change in the policies and operating procedures are done by taking into consideration the views from all the department in the organizations. On the hand, 49% of the respondents rated Neutral, and an assumption is made that policy change could be facilitated by the Council, be enforced by the regulator’s actions or by the parent organizations. Hence, it is assumed that collaboration between department could be minimal where change in policies are made, however, changes in procedures may involve views from other departments as it relates to the internal process flow of the organization.

Question E(iii) Q3 – Identifying customer needs and creating customer convenience is of paramount importance.

The aim of Question E(iii) Q3 was to understand if the Fourth Schedule Companies Act 2016 prescribed professional bodies strongly emphasizes in fulfilling customer needs and to create convenience when products/services are acquired, especially from remote locations. Refer to Figure 4.36.

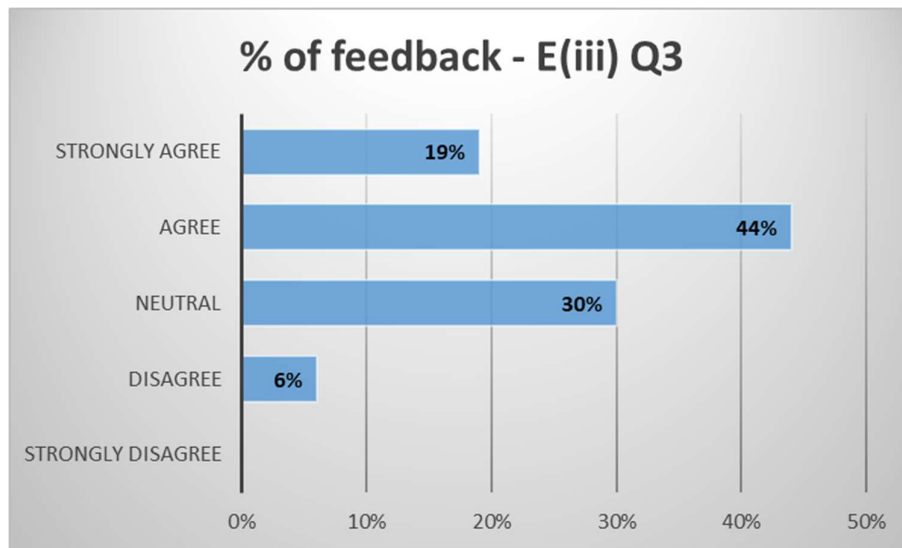


Figure 4.36: Summary of results for Question E(iii) Q3 - Section E

This question can be closely linked with section A Q4. Findings revealed that 19% of the respondents had Strongly Agreed and 44% Agreed to say that their organizations have always given priority to achieving customer satisfaction through satisfying the customer needs. They also believe in creating customer convenience by enabling easy access to products/services.

On the other hand, 30% of the respondents rated Neutral, and an assumption is made to say these organizations would have served their customers and clients according to their needs but there could be some weaknesses in creating customer convenience, which may require huge investments on technology. In addition to this, there is a possibility that no formal surveys could have been conducted to clearly identify the customer's needs and what does 'creating convenience' would mean to them. Hence, this can be an area of concern for the CEOs in these organizations to explore as organizational performance is directly related to this.

However, 6% of the respondents rated their Disagreement as initiatives to identify customer views and needs were never seriously considered by these organizations.

The summary of results of RO6 of RQ6 on the internal integration via internal processes on organizational performance is explained in the remaining two discussions:

Question E(iii) Q4 – Customer feedback is highly valued to eliminate pain points and improve service deliverables.

The aim of Question E(iii) Q4 was to find out if the Fourth Schedule Companies Act 2016 prescribed professional bodies highly valued customer feedback and use them to improve service deliverables. Refer to Figure 4.37.

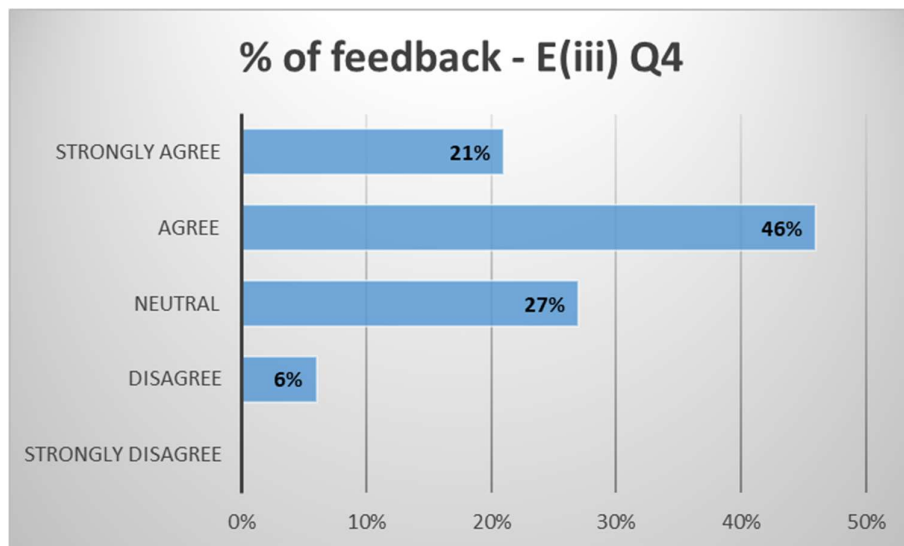


Figure 4.37: Summary of results for Question E(iii) Q4 - Section E

Findings revealed that 21% of the respondents had Strongly Agreed, and 46% Agreed that the organizations have a good feedback system to receive customer’s views and/or complaints, and have used them to improvise the service quality. On the other hand, 27% of the respondents rated Neutral, and an assumption is made that these organizations may not have a formal system to collect customer feedback and may use ad hoc surveys to obtain customer views, which might only help to improve the areas of weaknesses for a short period of time. However, the remaining 6% of the participants reverted with their Disagreement, indicating that these

organizations may receive feedback from their customers but may not use them to improve their products/services.

This question can be linked again to section A Q4 and section E(iii) Q4 because 27% of the respondents rated Neutral for the same reasons, thus, indicating high chances of no proper customer survey being conducted to identify the pain points. However, a total of 67% of the respondents agreed to say that their organizations give priority to customer feedback and have used them to improve service deliverables. As a result, better customer growth and retention rate may have been achieved.

Question E(iii) Q5 – Customer growth and retention is constantly measured against financial performance on a regular basis.

Finally, Question E(iii) Q5 was constructed to understand if the Fourth Schedule Companies Act 2016 prescribed professional bodies have adopted any good performance management system to measure and interpret results on customer growth and retention; and have used them to compare against the financial performance on a regular basis. Refer to Figure 4.38.

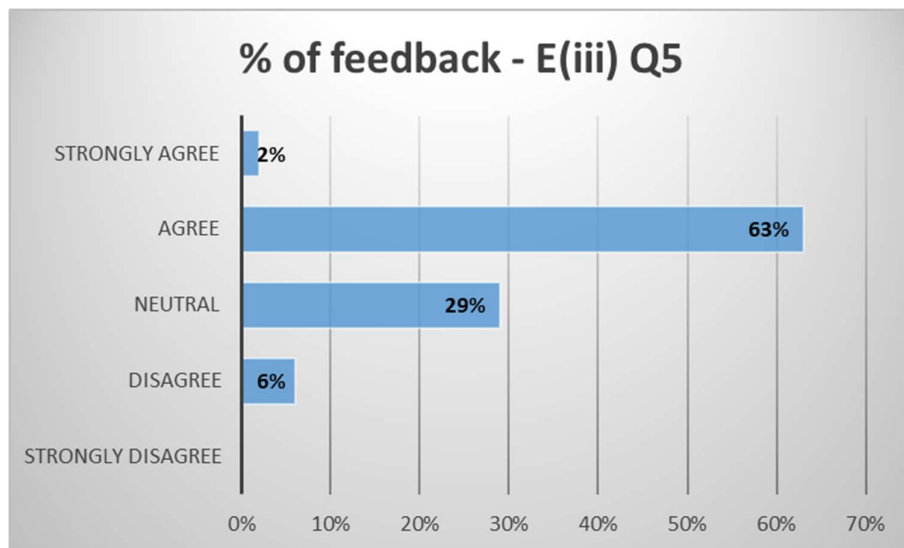


Figure 4.38: Summary of results for Question E(iii) Q5 - Section E

Findings revealed that 2% of the respondents have Strongly Agreed and 63% have Agreed to say that the respective prescribed professional bodies have their dashboard in place to measure customer growth and retention, whilst 29% rated this Neutral and 6% of the respondents reverted with their Disagreement on this.

This indicates that a total of 65% of the respondents agree that their respective organizations prioritize customer growth and retention as one of the important key performance metrics that measures the organizational growth for survival. The membership retention and growth rates are measured against the total turnover of the organization to understand the organization's health conditions. On the other hand, 29% of respondents rated Neutral, and an assumption is made that these prescribed professional bodies may consider customer growth and retention but they may be relying on the membership subscriptions income earned rather than the number of customers.

Therefore, the evaluation against the overall performance and surplus earned may not justify organization's growth truly. This can be linked with section C Q4 and Q5 where the absence of KPIs and performance measurements were discussed. Hence, this is a major area of weakness for the CEOs in these organizations to consider and improve the performance management system where clear metrics on customer growth and retention is clearly identified for assessment.

From the first half of interpretation of findings on the significant effect on Organizational Culture and Internal Integration in Section E, the hypothesis 5 (H5) testing was done to determine the causal effect of the constructs. The H5 represents the hypothesis for the causal effect of Organizational Culture on Internal Integration where the three elements of the organization's culture: organization structure, people and internal processes, are required for organizations to function effectively. Refer to Table 4.17.

Table 4.17: Organizational Culture and Internal Integration

| | | | Estimate | S.E. | C.R. | P | Result |
|-----------------------|------|------------------------|-----------------|-------------|-------------|----------|---------------|
| Internal_ Integration | <--- | Organizational Culture | 1.115 | .184 | 6.076 | *** | Significant |

Note: ***: < 0.001

The result of this hypothesis testing is explained in the following discussions:

The path coefficient of Organizational Culture on Internal Integration is 1.115. This value indicates that for every one-unit increase in Organizational Culture, its effect would contribute 1.115-unit increase in Internal Integration. The regression weight estimates of 1.115 has a standard error of 0.184. The critical ratio is reported as 6.076 standard errors above zero. The probability of getting a critical ratio of 6.076 in absolute value is 0.001, which means that the regression weight for Organizational Culture in the prediction of Internal Integration is significant at 0.001 level. Therefore, the hypothesis that the Organizational Culture has a positive and significant effect on Internal Integration is highly supported.

Subsequently, the second half of the interpretation of findings that represented the significant effect on Internal Integration on Organizational Performance in Section E, the hypothesis 6 (H6) testing was done to determine the causal effect of the next two constructs. The H6 represents the hypothesis for the causal effect of Internal Integration on Organizational Performance where the integration of the three cultural elements: organization structure, people and internal processes, would create significant effect on the overall performance of the organization. Refer to Table 4.18.

Table 4.18: Internal Integration and Organizational Performance

| | | | Estimate | S.E. | C.R. | P | Result |
|----------------------------|------|-----------------------|-----------------|-------------|-------------|----------|---------------|
| Organizational Performance | <--- | Internal_ Integration | 1.707 | .327 | 5.216 | *** | Significant |

Note: ***: < 0.001

The result of this hypothesis testing is explained in the following discussions:

The path coefficient of Internal Integration on Organizational Performance is 1.707. This value indicates that for every one-unit increase in Internal Integration, its effect would contribute 1.707-unit increase in Organizational Performance. The regression weight estimates of 1.707 has a standard error of 0.327. The critical ratio is reported as 5.216 standard errors above zero. The probability of getting a critical ratio of 5.216 in absolute value is 0.001, which means that the regression weight for Internal Integration in the prediction of Organizational Performance is significant at 0.001 level. Hence, the hypothesis that Internal Integration has a positive and significant effect on Organizational Performance is highly supported.

4.3 THE STRUCTURAL MODEL

The researcher developed the following Structural Model to display the hypotheses tested on the relationships between constructs and understand the perceptions of the relationship from the data analysed. Refer to Figure 4.39.

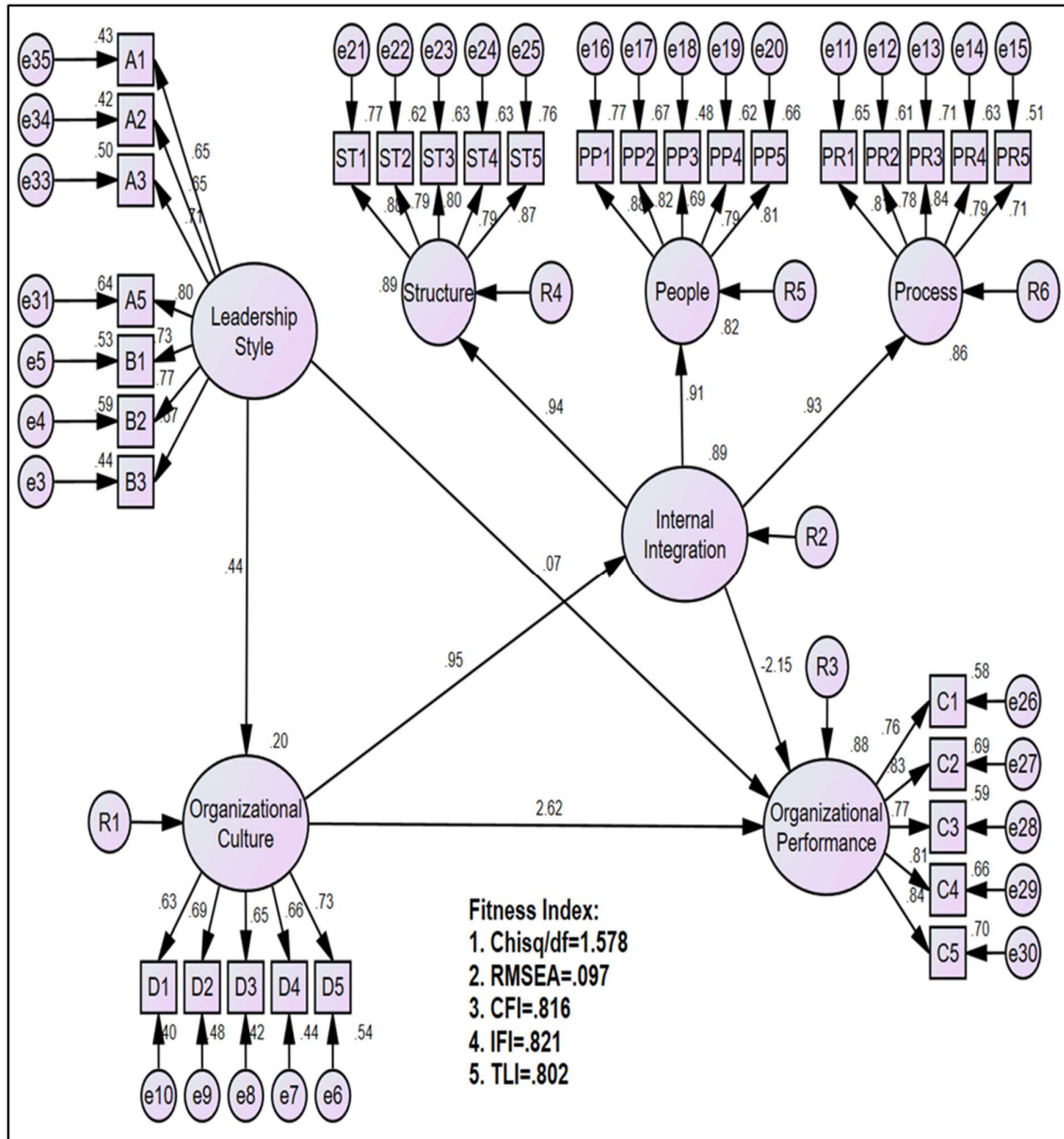


Figure 4.39: The Structural Model

Figure 4.40 presents the structural model that considers the Organizational Culture as the mediator construct, while the Organizational Performance as the endogenous construct, that is, all paths from each exogenous and mediator construct exerting on Organizational Performance. The model was tested with the use of Maximum Likelihood Estimator to generate the beta coefficient and standard error for hypothesis testing. Refer to Table 4.19.

Table 4.19: Direct Effect Results

| | | | Estimate | S.E. | C.R. | P | Result |
|----------------------------|------|------------------------|----------|------|--------|------|-------------|
| Organizational Culture | <--- | Leadership Style | .483 | .163 | 2.958 | .003 | Significant |
| Internal Integration | <--- | Organizational Culture | 1.115 | .184 | 6.076 | *** | Significant |
| Organizational Performance | <--- | Internal Integration | 1.707 | .327 | 5.216 | *** | Significant |
| Organizational Performance | <--- | Organizational Culture | -2.458 | .551 | -4.458 | *** | Significant |
| Organizational Performance | <--- | Leadership Style | 1.898 | .139 | 13.654 | *** | Significant |

Note: ***: < 0.001

CHAPTER SUMMARY

Overall, all relationships involved in the research model are significant, which indicates that all constructs are important to assess the Organizational Performance. The result is considered significant when the p-value for hypothesis testing is lower than 0.05. In this case, all p-values are lower than the threshold value hence indicates the significance. Therefore, the link between all constructs tested: Leadership Style and Organizational Performance; Leadership Style and Organizational Culture; Organizational Culture and Organizational Performance; Organizational Culture and Internal Integration; and finally Internal Integration and Organizational Performance, are all highly supported. Refer to Table 4.20 and Appendix D on the summary of analysis conducted using SEM.

Table 4.20: Summary of Research Hypotheses

| NO. | RESEARCH HYPOTHESES | RESULT |
|------------|---|---------------|
| 1 | Leadership Style has significant effect on Organizational Performance | Supported |
| 2 | Leadership Style has significant effect on Organizational Culture | Supported |
| 3 | Organizational Culture has significant effect on Organizational Performance | Supported |
| 4 | Organizational Culture has significant effect on Internal Integration | Supported |
| 5 | Internal Integration has significant effect on Organizational Performance | Supported |
| 6 | Organizational Culture mediates the significant effect of Leadership Style and Organizational Performance | Supported |

CHAPTER FIVE: DISCUSSION AND CONCLUSION

5.1 INTRODUCTION

The purpose of this quantitative research was to examine the impact of agile leadership style on the organizational performance through the mediation of organizational culture. The major part of this chapter includes discussions on the research findings and the literature on agile leadership, organizational performance and organizational culture in the VUCA environment. Further discussions were included on the integration of internal process of the cultural elements, such as, people, organizational structure and the internal business processes, which were identified as being the key elements of the organizational culture. These elements were also used to test the mediation effect between leadership style and organizational performance in the Fourth Schedule Companies Act 2016 prescribed professional bodies. The chapter discusses the research findings with regard to the findings of scholarly work in the Literature Review and concludes it with the discussion on the limitations of the study together with possible areas for future research and a chapter summary.

In this chapter, discussions and future research possibilities with regard to the following six (6) research questions are also included:

- RQ1 : Does Agile Leadership Style have a significant effect on Organizational Performance?
- RQ2 : Does Agile Leadership Style have a significant effect on Organizational Culture?
- RQ3 : Does Organizational Culture have a significant effect on Organizational Performance?
- RQ4 : Does Organizational Culture mediate the effect of leadership style on organizational performance?
- RQ5 : Does Organizational Culture have a significant effect on Internal Integration?
- RQ6 : Does Internal Integration have a significant effect on Organizational Performance?

The theory on how improved organizational performance can be achieved has been associated with multiple dimension, however, the leader's approach in leading an organization has been highly supported as the most critical variable in creating an impact on the organizational performance, especially in the current business environment that is volatile, uncertain, complex and ambiguous (VUCA). Besides, the organizational culture has also been considered as an important factor that could influence the performance of the organization, however, this

requires the leader's involvement to evaluate and transform the internal business environment to match the external conditions.

From the research conducted, findings have revealed that Leadership Style has a significant effect on Organizational Performance and the Organizational Culture mediates the significant effect of Leadership Style and Organizational Performance.

5.2 OVERVIEW OF STUDY

The aim of the research was to explore the influence of agile leadership style on organizational performance that is mediated through organizational culture where the core cultural elements were identified as critical drivers to help leaders execute the strategic action to achieve improved organizational performance. The research is explanatory where theories with regard to leadership style (independent variable) and organizational culture (mediating variable) in relation to performance of organizations (dependent variable) were explained and the causal effects of these variables were determined by examining the hypotheses. Six research objectives together with six research questions were developed to determine the impact between the variables, and six hypotheses were deduced from the literature to examine the significant effects between variables. Refer to Table 6.1.

This research was based on a case study conducted on the non-profit organizations in Malaysia where the prescribed professional bodies listed in the Fourth Schedule of the Malaysian Companies Act 2016 were selected to examine the area of study. The quantitative approach of data collection via survey questionnaire was used to obtain feedback from the participants of the prescribed professional bodies. The Denison Consulting Group's questionnaire that focused on bridging the organizational culture and leadership to the bottom line results was adopted with minor amendments so that each of the research objectives, research questions and hypotheses could be addressed sufficiently. In total there were six sections to the questionnaire where five questions in each section were constructed to address the CEO's Leadership Style, the influence on Organizational Culture and Organizational Performance. Questions were also included to understand how the core cultural elements were influenced by changes made in the organizational culture and how the internal integration process takes place to create an impact on the overall performance of the organization. The researcher used judgmental sampling

technique to select the sample size of participants from the seven prescribed professional bodies listed in the Fourth Schedule Companies Act 2016. The survey questionnaires were emailed to 75 participants that involved the Heads of Departments and Managers of the prescribed professional bodies. These participants were selected as they were deemed to be suitable to provide feedback on the CEOs leadership style, organizational culture and organizational performance.

The SEM-AMOS statistical technique which is an extension of the general linear model was used to perform the analysis for interpretation. This statistical technique is unique as it allows researchers to perform regression analysis simultaneously, where a set of variables are measured to conclude the relationships among them. For the purpose of this study, the confirmatory factor analysis was used to measure the possible set of relationships, eliminate errors and chart the path diagram for clear and testable analysis. The results featuring the overall indexes of the model, parameter estimates, standard errors and tests statistics were determined for each of the constructs in order to conclude the outcomes. Hence, the uniqueness of the SEM-AMOS has provided a unifying framework that is flexible and powerful for this study.

As a result of the evaluation using SEM-AMOS, the research findings revealed that all six research objectives have had positive and significant effect between variables, thus, all six hypotheses examined were highly supported as follows:

- H1 - Leadership Style has significant effect on Organizational Performance.
- H2 - Leadership Style has significant effect on Organizational Culture.
- H3 - Organizational Culture has significant effect on Organizational Performance.
- H4 - Organizational Culture mediates the significant effect of Leadership Style and Organizational Performance.
- H5 - Organizational Culture has significant effect on Internal Integration.
- H6 - Internal Integration has significant effect on Organizational Performance.

Therefore, indicating that Leadership Style and Organizational Performance, Leadership Style and Organizational Culture, Organizational Culture and Organizational Performance, are directly linked and changes made to one variable would affect the performance of the other. Similarly, it was proven that Organizational Culture acts as the mediator that links between the

leader's initiatives into actions, and would bring about change to the Organizational Performance. In addition to this, the findings also demonstrated that the core elements of the Organizational culture, that is, organization structure, people and internal business processes, are inter-dependent of one another. Hence, changes made to the existing culture can be executed via these three elements to attain the desired organizational performance.

In summary, the CEO's leadership style plays an important role in creating the impact on the organizational performance. The leaders influence the achievement of their desired outcomes through their strategic actions as they translate their beliefs and intentions into organizational goals and objectives, and set directions to achieve them. Hence, the leader's way of leading the organization determines the health conditions of the organization. The CEO's use the cultural elements as the means to support their intentions. They transform the culture to improve the internal capabilities and eliminate undesirable barriers. They also ensure that the cultural elements are strong, stable and flexible so that it is able to adapt and respond to changes quickly without disruption. As such, adopting the Agile Leadership Style would benefit modern leaders who look forward to achieving improved Organizational Performance.

Agile leaders are strong and have special qualities that enables them to take risks, accept challenges, change, and learn from past experiences. They do not shy away even if they or or their team members fail. They inspire the team members to be operationally nimble so that they can respond fast to facilitate rapid growth. In conclusion, Agile Leaders are well-equipped with capabilities that can enable them to transform organizations to become fast, focused and flexible to achieve outstanding organizational performance in the VUCA environment.

Table 5. 1: Research Objectives, Research Questions and Hypotheses

| | | |
|-----|---|--|
| RO1 | : | To examine the impact of agile leadership style and organizational performance. |
| RQ1 | : | Does agile leadership have a significant effect on organizational performance? |
| H1 | : | <i>Agile leadership style has significant effect on organizational performance.</i> |
| RO2 | : | To examine the impact of agile leadership style and organizational culture. |
| RQ2 | : | Does agile leadership have a significant effect on organizational culture? |
| H2 | : | <i>Agile leadership style has significant effect on organizational culture.</i> |
| RO3 | : | To examine the relationship between organizational culture and organizational performance. |
| RQ3 | : | Does organizational culture have a significant effect on organizational performance? |
| H3 | : | <i>Organizational culture has significant effect on organizational performance.</i> |
| RO4 | : | To assess the mediating effect of organizational culture in the relationships between leadership style and organizational performance. |
| | | Does organizational culture mediate the effect of leadership style on organizational performance? |
| RQ4 | : | |
| H4 | : | <i>Organizational culture mediates leadership style and organizational performance.</i> |
| RO5 | : | To investigate the effects between organizational culture on internal integration. |
| RQ5 | : | Does organizational culture have a significant effect on internal integration? |
| H5 | : | <i>Organizational culture significantly effects Internal Integration.</i> |
| RO6 | : | To investigate the effects between internal integration on organizational performance. |
| RQ6 | : | Does Internal Integration have a significant effect on organizational performance? |
| H6 | : | <i>Internal Integration significantly effects organizational performance.</i> |

5.3 INTERPRETATION OF FINDINGS

While Chief Executive Officers (CEO) are responsible on the outstanding performance of their organizations, the leadership style of these leaders have been determined as the key area of focus to be surveyed in this study. Similarly, the culture of the organization has also been determined as the mediator to help leaders execute strategic actions to achieve the desired organizational performance. The effect of these variables on the organizational performance are described in detail in the following sections.

5.3.1 Agile Leadership Style and Organizational Performance

In line with the Hypothesis 1 (H1), causal effect was found between the two constructs: Leadership Style and Organizational Performance, therefore, indicating that Leadership Style has a positive and significant effect on Organizational Performance, which is similar to the findings gathered from the studies conducted by Kantabutra (2006), Frontiera (2010), Zehir et al. (2011), Wang, Shieh and Tang (2010) and Khan et al., (2012).

In this research, findings revealed that 91% of the respondents have Agreed that the CEOs of their organizations are visionary leaders who emphasize on the long-term plans of the prescribed professional bodies. They organized well-planned strategies that outlines the mission, goals and objectives to be achieved within the stipulated timeframe. This information is then communicated to all employees of the organization to provide them with a clear guidance on the CEO's long-term plans together with the strategic actions to be taken to achieve the shared objectives.

Similarly, 84% of the respondents have also agreed that the CEOs of the respective prescribed professional bodies belief in setting realistic goals and objectives. In view of this, the CEOs would analyse both the external and internal business environment to understand the internal capabilities and external challenges. They constantly consider situations from different perspectives before deciding on the right actions to be taken. It is concluded that the CEOs of the respective prescribed professional bodies are very concern about the influence that the external environment has on the performance of the organization. Therefore, they are regarded as vigilant leaders who remain alert on the changes that takes place in the external environment

as these changes could impose limitations in achieving the organizational goals and objectives. They also explore on best possibilities and take timely actions to transform challenges into opportunities for the organizations, thus, 86% of the respondents have agreed that the CEOs of the respective prescribed professional bodies are dynamic, focused and fast in responding to challenges.

In planning for improvements on the organizational performance, findings have revealed that 86% of the participants have indicated that the CEOs of the respective prescribed professional bodies gave preference to customer feedback. This enables the organization to gain better understanding on the customer expectations and market trend, thus, resulting in product/service enhancements and/or innovation, which would improve revenue in the long-term. Employees working on customer feedback are able to generate high quality solutions that can be implemented on a timely manner.

The involvement of employees at every stage of the business process is essential as they would be able to understand the customer's requirements at each stage, thus, the best would be to work in teams as preferred by Agile Leaders. Working in teams will encourage employees to exchange ideas and views freely among team members. It also motivates the team members to be creative and goal-oriented, thus, aiming to achieve the common objectives of the team. Findings have revealed that 84% of the participants had agreed that the CEOs of the respective prescribed professional bodies encourage their employees to resolve issues on their own and share ideas to do things in a new and improved ways so that better end-results could be achieved. Therefore, the CEOs of the prescribed professional bodies do not command their employees in completing their tasks, rather they are encouraged to innovate and implement change to the product/services or even the internal business processes to achieve business process efficiency.

In summary, the CEO's analyse the business environment and implement strategic plans to ensure that the desired organizational goals and objectives can be achieved within the given timeframe. Therefore, it is proven that Leadership Style has a positive and significant effect on the Organizational Performance, hence, the Hypothesis 1 (H1) is highly supported.

5.3.2 Agile Leadership Style and Organizational Culture

In line with the Hypothesis 2 (H2), causal effect was found between the two constructs: Leadership Style and Organizational Culture, therefore, indicating that Leadership Style has a positive and significant effect on the Organizational Culture, which has been extensively supported by the literature that are provided by Schein (2017), Avolio (1993), Kotter and Heskett (1992), and Bass (1985) and from field studies that are conducted by Zennouche, M. & Zhang, J., (2014), Xenikou, (2014), Hamman & Spayd, (2015), and Aghina et al., (2018).

Findings have revealed that 80% of the respondents have agreed that the CEOs of the respective prescribed professional bodies believe in change and accepts the challenge to do things the new way. They believe that change can bring about favourable outcomes to the overall performance of the organization through various internal improvements. For example, investments on technology advancements would help improve process efficiencies, minimise wastage and provide opportunities to invent new products that would match the current trend. As a result of this, customer satisfaction can be maximised through new or enhanced products/services, which would result in improved organizational performance. Therefore, leaders who belief in change would cultivate an organizational culture that supports change for innovation.

On the other hand, for effective change to take place, idea generation has to happen and this is only possible if the leaders and team members are constantly updated with the new knowledge and skills. Trained employees are normally effective and creative, and they would be able to generate newer ideas that can result in new inventions. Therefore, it is important that leaders develop a learning culture that highly supports employees lifelong learning that can bring about positive impact on the overall performance of the organization through change and developments.

However, findings revealed that only 59% of the respondents have agreed that the CEOs of their respective prescribed professional bodies support employee lifelong learning. This is an area of concern to most of the CEOs because customers nowadays expect to see new inventions and/or enhancement of product/services that would provide value for money. Hence, CEOs have no choice then to accept the environmental challenges and create new ways of doing things. The CEOs are expected to transform themselves and the current culture so that employee learning is emphasized. The organization's strategies, policies and procedures must

be altered/changed to include and prioritize employee lifelong learning so that it encourages change and innovation to happen naturally. Therefore, CEOs are required to commit to employee lifelong learning and cultivate the culture that supports learning and innovation so that creativity, business efficiency and innovation can be attained. Organizations that has emphasized and invested on employees' lifelong learning are able to develop a highly-skilled workforce that are constantly looking for new ways to do things. As a result of this, these organizations have become highly sustainable and competitive among others in the business industry.

Culture truly reflects the way how people perform their tasks in order to the shared organizational objectives. It carries the leader's beliefs, assumptions and mind-set that can influence the thinking and behaviour of others in the organization. Findings have revealed that 75% of the CEOs of the prescribed professional bodies necessitate constant communication and collaborations throughout the entire organization. This cultivates the culture of having employees work in teams effectively rather than working in silos. Similarly, having constant communication across the organization would enable employees to have better understanding on why certain actions were taken to resolve issues and keeps everyone abreast on the developments in the organization.

This subsequently links to the next stage where the level of decision-making at the respective prescribed professional bodies is discussed. As the business environment is very dynamic and volatile, quick decisions are necessary to make use of opportunities that are available in the external environment. Findings have revealed that 79% of the respondents have agreed that the CEOs of the prescribed professional bodies have always encouraged decisions to be taken at the respective levels where adequate information is available. It indicates that the CEOs belief in decentralising the decision-making process so that prompt actions can be taken. On the other hand, it indicates that the CEOs have empowered their employees in taking appropriate actions where necessary. This certainly motivates the employees to work better on the roles assigned and encourage active participation in the team.

However, assigning such decision-making authorities to employees could raise some concerns to the leaders as decisions taken by employees at the respective levels must be appropriate and ethical according to the conditions. Therefore, the formal policies and procedures that are described in the Code of Practice and Code of Conduct should be implemented to guide

employees to act in an ethical manner in their job functions and decision-making. Findings have revealed that 84% of the respondents agreed to say that the CEOs of the prescribed professional bodies have in place the ethical codes and practices for employees to follow. The Code highlights the organization's policies and procedures, ethical behaviour and professionalism that every employee should follow as part of acting in 'good faith' when dealing with the organization's customers and clients.

In summary, the prescribed professional bodies CEO's beliefs and basic assumptions have been translated into the organizational culture for all employees to follow and adapt. Findings have provided sufficient evidence to prove that Leadership Style has a positive and significant effect on the Organizational Culture, therefore, the Hypothesis 2 (H2) is highly supported.

5.3.3 Organizational Culture and Organizational Performance

In line with the Hypothesis 3 (H3), causal effect was found between the two constructs: Organizational Culture and Organizational Performance, therefore, indicating that Organizational Culture has a positive and significant effect on the Organizational Performance, which has been extensively supported by literature provided by Dennison (1984), Kotter and Heskett (1992) and Sorensen (2002), and from field studies that are conducted by Ezirim (2010), Samad et al., (2013), Aidla and Vadi (2007) and Lee et al., (2018). However, Ogbonna (2000), Frontier (2010) and Zehir et al., (2011) argued to say that the organizational culture only becomes significant to organizational performance if it was flexible to changes to match the external environmental conditions.

Findings revealed that 73% of the respondents agreed that the CEOs of the prescribed professional bodies belief in reviewing the internal processes regularly so that process efficiency can be attained. By constantly performing internal checks, leaders would be able to identify process gaps and the area of weaknesses to be improved. This would help in minimising wastage of resources, save time and cost that would result in improved organizational performance. However, to facilitate improvements highly talented and skilled employees would be required to explore how the unwanted work processes can be eliminated and the existing processes can be enhanced.

Employees who are trained would be able to use their newly acquired knowledge and skills to think how tasks can be performed in a better way. Therefore, leaders who commit to employee learning would be able to develop a culture that stimulates creativity, which can be the source for innovation. Findings have revealed that only 48% of the CEOs gave preference to employee training and development. Hence, very few of the prescribed professional bodies have employees who are constantly updated with the latest knowledge and skills that would help to improve the organizational performance.

Apart from improving employee talents and skills, it is also important that employees work in teams to generate better outcomes. As these employees work together, more ideas could be generated, views could be shared and concluded as part of the best actions to be taken for better results. Findings revealed that 77% of the respondents have agreed that CEOs of the prescribed professional bodies have implemented teamwork as part of the organizational culture. The leader's belief that by working in teams, views from different perspectives can be obtained as employees range from different departments and job functions. As a result, final outcomes arising from the team work, that is, decisions on actions to be taken, would be holistic and beneficial to the entire organization.

Organizational performance can be divided between financial and non-financial performance, however, to evaluate each outcome key performance indicators (KPIs) would be assigned on the critical success factors (CSFs) as targets to be achieved. Therefore, KPIs are set to help leaders measure the achievements against the organizational goals and objectives, which are linked to the CEO's vision. Findings revealed that 67.9% of the respondents agreed that the CEOs of the respective prescribed professional bodies strongly believe in setting KPIs for both the individual employees and departments in their organizations. These are further linked to the overall performance of the organization to form the basis of assessment on contributions, comparisons with past results and projections for future, which is the process of performance management.

Organizations that wish to build best in class operations must ensure that proper measurement system is in place for evaluation and control, and for effective decision-making. Findings have revealed that 66% of the respondents agreed that the CEOs of the respective prescribed professional bodies have a good performance management system implemented to help assess the overall growth and performance of the organization. The system generates monthly

management reports for CEOs, heads of departments and manager to review both the financial and non-financial performance indicators of each department that are critical to the success of the organization. These reports are also used to make effective strategic decisions and future planning organized for the organization.

In summary, policies, procedures, work practices and employee behaviour forms major part of the organization's culture and these are some of the common factors that would influence the performance of the organization directly and indirectly. Therefore, findings have provided sufficient evidence to prove that Organizational Culture has a positive and significant effect on the Organizational Performance, hence, Hypothesis 3 (H3) is highly supported.

5.3.4 Organizational Culture Mediates Leadership Style and Organizational Performance

In line with the Hypothesis 4 (H4), mediating effect was found on Organizational Culture with the two constructs: Leadership Style and Organizational Performance, therefore, indicating that Organizational Culture has a mediating relationship between Leadership Style and Organizational Performance, which are found to be similar with conclusions derived from field studies conducted by Ogbonna (2000), Jung et al., (2003), Elenkov & Maneve (2005), Xenikou & Simosi (2006) Sarros et al., (2008), Zehir et al., (2011) and Yesil and Kaya (2013).

Findings have revealed that 82% of the respondents have agreed that the CEO's of the respective prescribed professional bodies create visions that inspires and motivates employees to work in the organization. Leaders who are focused and belief in innovation would create vision that excites employees as they explore the opportunities that are available in bringing new inventions to improve product quality and services. Hence, the culture of innovation results in enhanced products/services that would improve on the overall performance of the organization.

Besides motivating employees, the leader's style in leading the organization could influence the attitude and execution of plans. Therefore, cultural values of the organization can influence employee behaviour, rewards system and management programs. Findings have revealed that 86% of the respondents agreed that the CEOs of the respective prescribed professional bodies

have good cultural values created for employees to follow. As these organizations serve members who are professionals, high degree of professionalism is always expected from employees, therefore, having clear and consistent cultural values would help employees to perform their tasks efficiently and effectively, thus, resulting in having more satisfied and loyal members.

In addition to this, ethical codes and standard operating procedures are also essential to guide employee behaviour and good work practices. It demonstrates how employees of the organization interpret their work environment and establish the meaning under given situation at work, therefore, helps to avoid distortion to the real meaning of the organization's intentions and priorities. Findings have revealed that 86% of the respondents agreed that the CEOs of the respective prescribed professional bodies have put in place good corporate governance to help employees understand their role in the organization and how their attitude and behaviour at work would contribute to the overall performance of the organization.

The current business environment requires organizations to be more flexible in their approach thus making leaders shift the cultural approach to be more flexible to match the environmental needs. This may at times require innovation, transformation and/or taking risks in facing challenges that are posed by the external environment, hence, the right mind-set is needed. Employees who are willing to explore and exchange ideas should be rewarded fairly on their initiatives and success. Findings reveal that 66% of the participants agreed that the CEOs of the prescribed professional bodies encourage innovations and willing to take business risks when exploring new things. Employees who cooperate and participate in sharing their ideas are appreciated and rewarded, and this has created a healthy work environment where happy employees have served customers and clients with dedication.

Results that are generated using key metrics are important to be shared between levels and departments in the organization as it would help each department understand the overall performance of the organization and how each department has added value in producing the final outcomes. Findings have revealed that 66% of the respondents agreed that the CEOs of the respective prescribed professional bodies encourage sharing of performance results across all levels and departments in the organization. Sharing such information has enabled employees to understand the organization's overall health conditions as well as identify the areas where the organization has probably slacked in its performance. As a result of this, employees are

able to share their views on how improvements could be made to achieve better outcomes in future.

In summary, the organizational culture is used to help crystalize the leader's intentions in producing the organizational performance. Therefore, findings have provided sufficient evidence to prove that Organizational Culture has a mediating effect between the two constructs: Leadership Style and Organizational Performance, hence, Hypothesis 4 (H4) is highly supported.

5.3.5 Organizational Culture and Internal Integration

In line with the Hypothesis 5 (H5), causal effect was found between the two constructs: Organizational Culture and Internal Integration, where change has significant effect on the integration of the core cultural elements: organization structure, people and internal business processes. These results were in line with the literature provided by Schein (2017), Katz & Kahn (1978), Yukl (2013), Horney & O'Shea (2015) and findings gathered from research conducted by Germain and Iyer (2006) and Rodrigues et al., (2004), Kathuria et al., (2007).

The first part of the findings on organization structure has revealed that 96% of the respondents agreed to the fact that organizational culture has strong influence on the corporate governance and structure of the organization. Organizational structure is the foundation of an organizational culture because it provides the organization a good organizational social infrastructure to treat employees fairly in terms of job functions, responsibilities and processes. It also highlights the value stream that simplifies performance reporting rather than focusing on a single function. Further, findings revealed that 80% of the respondents agreed that the prescribed professional bodies organization structure does allow teamwork for better coordination and integration of work. Therefore, employees across departments and functions in the organization are able to work together efficiently and effectively to maximize results.

Business efficiency and effectiveness can only be achieved if a proper organizational structure exist to support the current business conditions. As the business environment constantly changes, re-designing the organizational structure would become necessary to make it leaner, stable, stronger and flexible to adapt to changes. Findings revealed that 78% of the respondents

agreed that the respective prescribed professional bodies have a dynamic, stable and focused organization structure, which has enabled the CEOs, heads of departments and managers to act fast in their co-ordination, delegation and decision-making. Further, this has also helped the CEOs to manage the internal capabilities to match against the external expectations in the strategic planning process for the future.

Similarly, flexible organization structure helps organizations to adjust themselves easily to the changing environmental conditions so that business efficiencies can be maintained. Findings revealed that 84% of the respondents have agreed that the respective prescribed professional bodies have a flexible structure that allows teams, committees and working groups to be formed, which has enabled the organization to act fast in adapting to the external conditions. This has also enabled the organizations to take advantage of the opportunities that are available and retain its competitiveness in the industry.

Subsequent to the organization structure, people in the organization are also an important element of the organizational culture. The way they behave, think and feel creates an impact on their job performance. Satisfied, empowered and motivated employees perform better in accomplishing the organizational objectives. They also show commitment through learning and innovation to produce better outcomes. Findings revealed that 68% of the respondents agreed that the respective prescribed professional bodies belief in investing on its employee development to enhance their knowledge and skills whilst 20% were neutral in providing their feedback on this.

At this juncture, it is worth to note that organizations which has invested on employee development were able to witness steady organizational growth. This is because employees who are trained think differently and become creative by providing new ideas for new creations, which can be in line with the CEOs belief of transforming the organization to become an innovative organization. Findings revealed that 70% of the respondents agreed that the employees in these respective prescribed professional bodies were able to share their ideas to improve the products and services and this has helped to improve growth in the membership numbers and subscription revenue.

Employees who are well-trained also become more competent and they are able to carry out their tasks efficiently and effectively. They are able to take corrective actions promptly on

issues that requires immediate attention, thus, reducing the number of customer complaints and dissatisfied customers. Empowering these employees would enable them to think fast in making appropriate decisions on current issues and also enable them to think ahead of time on any possible issues that may crop up as a result of change in the business environment. Findings revealed that only 44.6% of the respondents agreed that the respective prescribed professional bodies delegate the decision-making authority to employees whilst another 44.6% were neutral in providing their feedback on this.

This indicates a major weakness in the organizational culture of the prescribed professional bodies as employees are not given the authority to act on their own. This could cause delays in resolving business issues, which may not be acceptable to the customers and clients. This could also make these organizations miss out on good business opportunities and lose out to its competitors. Therefore, the CEOs of the respective prescribed professional bodies should take this issue seriously and consider to revamp the decision-making policies by delegating some authority to its employees at the respective levels.

The next critical element of the organizational culture that has significant influence on the performance of the organization is the internal business processes. This is where the efficiency and effectiveness on the capabilities of each function and usage of the resources are focused. In most cases, this is where change can be expected to take place in order to sustain competitive advantage through improvements on the core competencies of the organization. Findings revealed that only 59% of the respondents have agreed that the respective prescribed professional bodies were keen in reviewing the internal processes constantly whilst 30% were neutral in providing their feedback.

This indicates that there some minor weaknesses in the organization's system because a few of the prescribed professional bodies do not review their internal processes regularly and improvise them. As a result, this could impact the outcomes of each function as gaps may still exists in the current processes. Hence, it is important that constant review is conducted on the internal business processes so that weaknesses can transformed and strength can be built on the internal capabilities to generate better performance. This function is also closely related to employees as it highlights the talents and skills that are required to perform efficiently whilst organizational structure would connect the work across the organization, functions and

processes. As such, it is a critical business function that requires close review and improvements so that process efficiency can result in improved organizational performance.

On the other hand, work processes are guided by policies and operating procedures in an organization and this should also be reviewed from time to time to support organizational change. Findings revealed that only 48% of the respondents agreed that change to policies and operating procedures were done together with all departments whilst 52% gave a neutral feedback. As some of the prescribed professional bodies are governed by the parent organizations, it is assumed that policies changes in these organizations may not be within their purview and/or it could be regulated by the regulators as an act of law. However, change in operating procedures could happen within the influence of departments in the organization as it involved business processes. Thus, collaboration between department is possible in reviewing and improving procedures in the organization.

Lastly, achieving customer satisfaction by satisfying customer's needs and wants are essential for all organizations and one way to achieve this would be by providing efficient services through customer convenience using technology. Findings revealed that 59% of the respondents agreed that the respective prescribed professional bodies were keen to serve their members according to their needs and they were willing to go the extra mile to create customer convenience by enhancing their services using technology. However, 34% of respondents rated neutral and this may be because of two reason.

Firstly, the organization may not be interested to conduct customer surveys to understand their needs and expectations. Secondly, the organization may not be interested to invest or commit to explore various ways to serve their customers better, or it can be for both reasons. However, CEOs of the prescribed professional bodies must understand that serving their members efficient services according to the needs and expectations is important as they are the source of the main income for these organizations. Therefore, the CEOs should act immediately to resolve this issue otherwise performance of the organizations can be affected in the long run. It is essential that a proper customer survey system is implemented to obtain feedback on the members needs and analyse to see how these needs can be met. This can form as part of the organization's performance measurement system where evaluations and actions can be taken to improve customer retention and growth.

In summary, the core cultural elements such as organization structure, people and internal business processes are interdependent of one another. Integrating them would enable the organization to create an internal balance, which would result in achieving the shared objectives of the organization successfully. Therefore, Organizational Culture has a positive and significant effect on Internal Integration, hence, Hypothesis 5 (H5) is highly supported.

5.3.6 Internal Integration and Organizational Performance

In line with the Hypothesis 6 (H6), causal effect was found between the two constructs: Internal Integration on Organizational Performance, where the integration of the three cultural elements has significant effect on the Organizational Performance. These results were in line with the literature provided by Schein (2017) and Horney & O'Shea (2015) and findings gathered from research conducted by Zaucha (2019), Bennett and Lemoine (2014), Brosseau et al., (2019), Smet (2008) and Aghina et al., (2020).

Organizational structure outlines the functions, coordination and supervision of internal activities that are linked to the departments and organization's aims and objectives. Therefore, organizational structure provides a clear picture on the work design, roles and responsibilities of individual and departments in an organization. Findings have revealed that 76.8% of the respondents agreed that the respective prescribed professional bodies have a very structured work design in place. This provides a clear picture on the core job functions and team roles, that are linked to the department's goals and objectives, which is in line with the organization's overall goals and objectives. However, 21.4% of the respondents have responded neutral on this probably because of the size of the organization that is small and employees may have multiple roles across various functions. Thus, the contributions from the mixed roles can make it difficult to link individual and departmental goals to the overall performance of the organization.

Adopting proper performance management system is essential for every organization as it helps to identify, monitor and control the performance determinants, and thereafter for strategic planning purposes. It has been noted that the leader's influence on the employee behaviour and attitude can influence the employees to generate better outcomes, hence, employees have significant effect on the performance of the organizations. Findings revealed that 64.3% of the

respondents have agreed that the respective prescribed professional bodies constantly measure revenue, customer growth and retention against employee performance as the CEOs believe contributions from employees have direct effect on the performance of the organization. Employee productivity is measured by setting KPIs for the individuals and departments that is measured and rewarded through the employee performance appraisal system.

Outstanding performances by employees should be rewarded fairly because it would motivate them to work efficiently and effectively in generating better business results. Findings revealed that 52% of the respondents agreed that the respective prescribed professional bodies do reward employees who achieve their KPIs and perform well whilst 40% reverted neutral on this. However, the CEOs of the prescribed professional bodies set realistic KPIs for individuals and departments so that it is achievable. Together with the KPIs, a proper compensation and rewards system should be implemented so that employees are rewarded fairly. It is important for the CEOs of the respective prescribed professional bodies to understand that employees are the assets of the organization and they lay the strongest foundation for the organization's success. Happy and satisfied employees generate happy customers, hence, the contributions of happy would have positive impact on the growth and retention of customers, thus, resulting in improved organizational performance in the long run.

In addition to this, better customer growth and retention can only be achieved if customers are happy with the products/services that is offered. Therefore, constant customer feedback is necessary to understand customer needs and their pain points so that improvements can be made to close these gaps. Findings revealed 62% of the respondents have agreed that the respective prescribed professional bodies believe in conducting customer surveys to understand their expectations whilst 30% of the respondents reverted neutral on this. This is probably because they may not be conducting any formal customer surveys or it may be done but not as frequent as the other professional bodies.

However, organizations that has an efficient customer feedback system would be able to maintain a close relationship with the customers. They are able to find out the customer's expectations, and take measures to fulfil their satisfaction. It is important that every customer of the organization is happy and satisfied with the organization because they would remain loyal and probably recommend others to the organization, hence, contributing to customer growth. Customer growth and retention should be measured against the financial performance

to determine the net earnings derived from the customer database. Findings revealed that 61% of the respondents agreed that the respective prescribed professional bodies measure customer growth and retention rate annually against the revenue earned from membership subscriptions. These are also measured against the surplus arising for activities related to membership services such as training and seminars that are conducted annually.

On the other hand, 32% of the respondents rated neutral on this probably because they may not have implemented a proper performance management system to measure customer growth and retention against the overall performance of the organization. Therefore, it is important that the CEOs of the prescribed professional bodies consider implementing a good performance measurement system in place so that the heads of departments could take responsibilities in customer growth and retention. The organization should also be able to evaluate the contributions of these rates to the overall performance of the organization so that better planning can be made for the future organizational growth.

In summary, the integration of the core cultural elements such as the organization structure, people and internal business functions are inter-dependent when evaluating the performance of the organization. The structure provides clarity on the roles and functions of employees whilst the internal business process through the employee's contributions shows how at each stage value can be added in producing the final products/services that are served to the customers and clients. Therefore, the Internal Integration has a positive and significant effect on the Organizational Performance, hence, Hypothesis 6 (H6) is highly supported.

5.4 THEORETICAL IMPLICATIONS

The Chapter 2 of this research introduced the theoretical concepts that were related to the study. The concepts on leadership style, organizational culture and organizational performance that were developed by renowned authors like Smircich (1983), Bass and Avolio (1990), Darcy & Kleimer (1991), Kotter and Haskett (1992), Fiedler (1996), Hennessey (1998), Northouse (2013), Baumgartner (2009), Jaskyte (2004), Schein (2017) and Gary Yukl (2013) were included to demonstrate the features. The concepts founded by Smircich (1981), Schein (2017) and Baumgartner (2009) explained the impact of leadership and organizational culture on performance of organizations. Other authors such as Fiedler (1996), Hennessey (1998) and

Darcy & Kleimer (1991) explained the direct link between leadership style and organizational performance whilst Gordon D'Tomaso (1992) and questionnaire (1990) demonstrated largely on the relationship between organizational culture and organization.

This proves that most of the theoretical concepts available have only demonstrated the relationship between two variables. There are very few theories that has demonstrated concepts that are related to all three constructs: leadership style, organizational performance and organizational culture. However, as the result of this study sufficient evidence is now available to justify the inter-relationship between the three variables through a combined perspective. As such, this would help enhance the existing knowledge by elaborating the links between the three variables, especially where the organizational culture is seen to connect the leader's abilities and intentions to improve the organizational performance.

In addition to this, the concept on VUCA environment that was developed by Horney & O'Shea (2015) was referred to explain how leading effectively in the chaotic business environment can be achieved. According to Yukl (2013), Schein (2017) and Horney & O'Shea's (2015), leadership development and culture change can be expected when business conditions revolutionize. In view of this, further discussions were included to explain agility and how this could influence in the transformation of the leader's abilities and organizational culture. Change in the mind-set of leaders together with change in mind-set of employee's mind-set are included to show how the organizational agility is achieved as this cultivates a new organizational culture for organizations to perform better in the VUCA environment. Therefore, this proves again how leadership style has a significant effect on the organizational performance through the organizational culture. However, these concepts have not provided in-depth explanations on leadership and organizational agility as these are fairly new concepts to the VUCA environment. Therefore, knowledge on agility, leadership and organizational abilities together with the significant effects between agile leadership style, organizational culture and organizational performance should be added to enhance the existing body of knowledge.

The current knowledge on agile leadership defines agile leadership as being an entirely new approach in leading people and there is very limited theoretical framework available to provide in-depth knowledge on this unique leadership style. However, corporate consultants like

McKenzie Consulting and Deloitte have conducted extensive research and concluded agile leaders to be leaders who think differently, very focused on people, acknowledge their perspectives, provide care and support so that people are able to achieve their work and personal goals. They also commented that agile leaders believe working in teams and involve members of the team in decision-making where needed as this would develop the sense of community within their teams that leads to higher engagement, trust and stronger relationships among team members and other stakeholders.

In addition to this, the President of the Centre for Agile Leadership, Rikk Skwartz said, 'agile leadership has become very important now because the traditional leadership has become outdated and ineffective in the current workplace and this was because of the change in the current workforce as a lot are expected from their leaders to satisfy their needs, wants, and create different motivators'. According to Skwartz, if leaders and organizations do not change, they would end up struggling in engaging with the increasingly dis-engaged workforce, which can adversely affect the performance of the organizations. As such, agile leadership should be considered as the leadership of the next generation of business leaders because they think differently, inspire others, re-engage teams, re-vitalize the organization and change the way work is done.

Agile leaders transform organizational culture to help improve the capabilities of the organization. The traditional command and control leadership styles are replaced with the agile management techniques that encourages collaboration and foster accountability. By making agility fundamental to the design and culture of the organization, the organizational capabilities eventually get developed. As a result, the entire organization transforms with the change in mind set and behaviour of people, and teamwork, to attain the organizational goals. Therefore, agile leaders use the organizational culture to execute their plans in order to improve organizational performance.

In this study, the non-profit organizations such as professional bodies were aimed because these organizations have been largely affected by the environmental turbulence over the past few years. The governance structure of these organizations are unique where volunteers establish large councils and complex committee structures. Although this gives the sense of ownership to members, it also slows down the organization with its poorly co-ordinated procedures, decision-making and strategies. In 1998, Professor Andrew Friedman from the University of

Bristol (UK), setup the Professional Associations Research Network (PARN) to help professional bodies in the United Kingdom (UK) to transform the way the professional bodies are led. He noted that a new governance structure, better professional services, balanced strategy and accountability was required to serve the end-users well. With the help of PARN, large number of professional bodies in the UK transformed and benefitted themselves through PARN's new model of governance. This model focused primarily on agility that helped change the way professional bodies made decisions.

Most of the professional bodies in Malaysia that are affiliated with the UK division were able to follow the change and record improved performance, however, there are a few who face challenges as their leaders are not willing to accept the new model. Hence, as expressed by Rikk Schwartz (President of Centre for Agile Leadership) and Professor Friedman (University of Bristol), it is of paramount importance that transformation should be the agenda for all professional bodies in Malaysia and this is only possible if the new generation leadership style is adopted.

Overall, the outcome of this research has been similar to a few of the other field studies that were conducted by Ogbonna and Harris (2000), Jaharuddin (2003), Frontiera, (2010) and Zehir et al., (2011), Salleh & Sulaiman (2013), Klien et al., (2013), Zuhairy (2015), Cummings (2010), Sofi and Devanadhen (2015), Joyti and Bhau (2015), Khan, Nawaz, and Khan (2016). However, the researcher is of the opinion that there is insufficient knowledge provided in explaining the core cultural elements and the integration process that leads to improved organizational performance through efficient and effective resource management. Therefore, the concepts on the organizational structure, people and internal business processes should be expanded by including the internal integration process and demonstrate how this could impact the organizational performance as proven by the outcome of this research project.

5.5 PRACTICAL IMPLICATIONS

The results from this study has provided significant evidence to prove that Leadership Style is linked to Organizational Performance through the intervention of the Organizational Culture. Results gathered explains that leaders impose their intentions by influencing the organization structure, people and internal business processes, to attain the desired organizational outcomes.

They lead by constantly scanning the business environment, evaluate and transform the internal capabilities to facilitate the implementation of strategies. Effective leaders identify performance gaps, change and integrate the core cultural elements to ensure a balanced approach is adopted in producing the outcomes.

The core competencies are identified, monitored and enhanced to attain better results whilst functions that are no more relevant would be eliminated to minimize wastage of resources. Above all, agility is focused in leading organizations today because by being agile makes both the leader and the organization to become focused, fast and flexible in managing challenges from the VUCA environment. Therefore, it is necessary that agile leadership style cultivates agile organizational culture in achieving improved organizational performance in the long term.

It is believed that the outcome of this research would provide as a guidance to the CEOs of the Fourth Schedule Companies Act 2016 prescribed professional bodies in Malaysia and make them understand how a non-profit organization should be led efficiently and effectively in the VUCA environment. Embracing agility would be the right choice for these leaders as it helps the organizations to be more focused, fast and flexible in developing strategies and executing action plans that are relevant to the VUCA environment. The CEOs who adopt the agile leadership style would be able to cultivate an agile organizational culture that prioritizes teamwork, employee development and innovation. As a result, transformation could take place where the CEOs transform the conservative corporate culture to a dynamic organizational culture that would help organizations to innovate new and enhanced products/services that can improve the status of its professional members. Therefore, the professional bodies in Malaysia would be able to revamp its business approach and sustain its competitiveness across industries.

5.6 RECOMMENDATIONS

From this research, it is proven that the performance of an organization is reflected on the leadership of the CEOs as they have great influence on the future directions of the business. Basically, it refers to the leadership style where the CEO's capabilities demonstrate how the business is supposed to be managed and what has to be done in order to achieve the organizational goals and objectives. Especially in the VUCA environment where there is a high

degree of volatility and uncertainties, CEOs are expected to be more vigilant on their surroundings, be nimble in their actions and flexible in adopting to changes in order to complement the expectations from the external factors. For example, technology advancements, market trend and workplace changes has highly impacted the survival of many organizations today, thus, to improve organizational performance leaders are required to be agile to lead effectively.

The Fourth Schedule Companies Act 2016 prescribed professional bodies that was explored in this research were established more than a decade ago in Malaysia. As pioneers in the respective fields of specializations, most of these professional bodies have been able to sustain their businesses as they transform themselves and adapt to new ways of doing business. However, the weaker organizations such as the “Company” has been struggling to sustain good organizational performance, hence, the following recommendations are made as a guide for the CEO to consider so that improved organizational performance can be achieved. The recommendations are divided into two areas of focus, that is, Agile Leadership Style and Organizational Culture, which leads to improved Organizational Performance.

5.6.1 Agile Leadership Style

Agile leaders are democratic leaders who are very open to new ideas and innovation. They inspire others by demonstrating passion for learning that focuses greatly on developing their team of people, have the abilities to define and communicate their vision and be the agent who facilitates change within the organization. They re-energize their organizations by changing the way work is done. Unlike traditional leadership practices, Agile leaders are strongly engaged with their employees and work in teams. They focus on other people’s needs, acknowledge their perspectives and often involve their employees when considering decisions to be made. This creates a strong sense of belonging that leads to stronger employee engagement and trust, which eventually develops a positive relationship between the leader, team members and other stakeholders.

From the research findings, it has been noted that the CEO of the “Company” and the other prescribed professional bodies have clear missions, sets realistic goals and review them annually. The organizations are also dynamic, focused, fast in responding to challenges and

market needs, and encourages employee engagement. However, the CEOs in few of these organizations did not demonstrate the passion for employee development as they failed to emphasize on employee lifelong learning. They are not committed to invest on training and development programs that is essential for creativity and innovation to happen. As a result of this, these organizations may not have capable employees to provide the necessary support to the CEOs to achieve the leader's vision.

The VUCA environment imposes extreme challenges to organizations and in order to survive this, it is important that organizations are able to invent, innovate and transform into doing this differently. As such organizations are expected to be flexible to changes, focused in enhancing the core competencies and fast in taking relevant decisions. In order for this to happen, a new leadership approach that accepts challenges and willingness to take the risk to transform the organization onto the next level would be required. Therefore, it is highly recommended that all CEOs are able to adopt the Agile Leadership style that has high abilities in leading organizations efficiently in the VUCA environment. By adopting this leadership style, the CEOs would able to transform the organization into a more dynamic, agile and innovative organization, which would result in improved organizational performance.

5.6.2 Organizational Culture

Agile leaders cultivate a culture of adaptation where they create the mindset among team members to accept and respond to changes by being flexible and fast. They also create a strong backbone that supports the stability of structure when developing capabilities. Structural stability emphasizes on the standard operating procedures, and cultural stability reflects on the shared purpose, values and direction of the organization, which would remain strong and stable. Unlike others such as the organizational strategies would be fluid so that changes can be implemented in response to the fast-changing environmental conditions.

In order to achieve the balance between stability and flexibility, it is important that the organizational structure, people and internal business processes are transformed concurrently. These cultural elements help generate healthier organizational performance in the areas of customer satisfaction, employee engagement, operational performance and financial

performance. Therefore, it is recommended that the right culture is cultivated by incorporating changes to the cultural elements so that the organizational goals and objectives can be attained.

The findings from this study have revealed that the organization's structure encourages teamwork, and provides support on the coordination and integration of work. As such, people are able to see the relationship of their core job functions between different departments, teams and different levels of the hierarchy, and also see how departments contribute in attaining the end results. However, there has been instances where employees have been restricted to act on their own in taking actions to overcome challenges. This is probably because the CEO is not convinced that employees are capable of taking appropriate actions, hence, matters were escalated to the higher authorities for decision-making. This causes delays in taking timely actions and missing out on the business opportunities. Therefore, to overcome such situation, it is strongly recommended all CEOs are ready to commit themselves into investing some funds on people development programs to enhance their skills and competencies. As a result of this, the CEOs would be able to cultivate a culture that promotes employee lifelong learning that would be beneficial for the organization's development in future. Therefore, a highly skilled and competent workforce can be developed to prepare employees to think and act fast in performing their job functions effectively.

On the other hand, employees who perform well should be compensated fairly and should not be penalized for mistakes done as it could affect their commitment and motivation to perform better in future. Agile Leaders belief in learning from both the good and bad experiences, thus, they inspire employees to explore and learn even through failures. Therefore, investing on employee development would not only enhance employee skills but also give them the opportunity and confidence to explore new business models that would significantly affect the organizational performance. Furthermore, employees who are capable would be able to collaborate and learn from customers their expectations, and find ways how to meet their requirements without wasting any time and resources. In summary, collaboration with customers can shorten the time taken to market the products/services, and help generate higher improved income through customer growth and retention.

In addition to the above, the CEOs should consider implementing a proper performance management system so that proper measurements can be identified to measure both the financial and non-financial performances. The non-financial performance includes

measurements such as customer satisfaction, process efficiency, employee productivity and so forth. Customers are the main source of income in any organization, hence, customer surveys should be conducted to obtain feedback on customer satisfaction, expectations, complaints and suggestions for improvement. Analyzing this information would help the CEOs to measure customer growth and retention against customer satisfaction. Therefore, it is strongly recommended that all CEOs should seriously consider implementing customer surveys to compile feedback from customers for improvements. On the other hand, employees and team performances should be measured to determine the productivity level and its contributions towards revenue and surplus, which can also be linked to customer retention and growth whilst operational performance could be measured against productivity, revenue and utilization of resources.

By identifying the key performance measurements, organizations would be able to conduct an in-depth analysis on the current and past year's performances. The CEOs can use these measurements to make effective strategic planning and actions for future, and set the departmental KPIs by cascading it from the overall organizational goals and objectives. By implementing the performance measurement system, heads of department and managers are able to monitor and control the achievement of results on regular basis. This help them to be more alert and take corrective actions where necessary so that the achievement of KPIs is not disrupted. In summary, the CEO, heads of department and managers of the organization can use the performance dashboard to assess and understand the organization's overall performance and industry position. Therefore, the CEOs should implement proper performance management system and policies to assist in the assessment of the organization's performance for future planning.

In summary, the recommendations that are suggested above can be adopted by any organizations that intends to improve its organizational performance. The CEOs may need to re-assess their current leadership style to see if it is suitable to lead organizations effectively in the VUCA environment. It is important that the CEOs are willing to accept change otherwise remaining stagnant would eventually make the organizations to become extinct over time. Therefore, it is important that the CEOs of the modern organizations adapt the Agile Leadership style, transform the organizational culture that embraces agility so that the organization becomes fast, focused and flexible in facing the environmental challenges. As a result of this, healthier overall organizational performance can be attained for survival.

5.7 LIMITATIONS OF RESEARCH

The researcher was of the opinion that quantitative research was the best choice for this study as the researcher aimed to examine existing theories and hypotheses developed. Hence, survey questionnaires were distributed to participant to obtain answers by rating them using the 5-point Likert scale rating. However, more credibility could be added to this study if the research was coupled with qualitative research where one-to-one interview sessions and/or observations were conducted to substantiate answers that were provided in the survey questionnaire. This would have enabled the researcher to make stronger and firmer conclusions to the findings and hypotheses examined.

In addition to this, sampling of data was performed using judgmental sampling where only heads of departments and managers were approached to provide reliable information on the CEO's leadership style, organizational culture and management practices of the prescribed professional bodies. This limited the sampling size to a minimum of 75 persons in total across all the seven prescribed professional bodies. Although, validity of the sample size was justifiable in accordance to Roscoe (1975) and Sekaran (2003), the researcher is still keen to know if a larger sample size would provide additional insights on the topics researched through a wider perspective. Furthermore, the researcher is keen to know if employee were included in the survey, would the employee's views on the CEO's leadership qualities in relation to organizational culture and organizational performance be the same as assessed by the heads of departments and managers. Therefore, this provides an opportunity for further research to be conducted in the same areas of research.

5.8 RECOMMENDATIONS FOR FURTHER RESEARCH

This research was conducted on the non-profit organizations in Malaysia to find out if the performance of these organizations were being influenced by the leader's approach in managing the business. Only a specific type of professional bodies that belonged to the non-profit organization category were examined for the purpose of this study. However, it would be good to explore to see if the other different types of non-profit organizations such as clubs, societies and associations for banking, insurance, engineers and medical field would generate similar results in the area of study. Gathering similar findings would result in firmer

conclusions on the concepts tested here. Even though these are non-profit organizations, their existence and survival in the industry is still vital as they serve special groups, communities and the environment at large, for its own specific purpose and benefits. Therefore, attaining good organizational performance is still an important agenda in these non-profit organizations.

5.9 CONCLUSION

The purpose of this chapter was to discuss the research issues examined in chapter four in the context of the literature that was discussed in chapter two. The applicability of the existing knowledge was weighed against the research findings and issues, and thereafter were categorised with new contributions to the enhance current knowledge and practical claims. With the hypotheses tested, relationships between constructs were confirmed to exist: Agile Leadership Style and Organization Performance, Agile Leadership and Organizational Culture, Agile Leadership Style and Organizational Performance through the mediation of Organizational Culture, Organizational Culture and Organizational Performance, Organizational Culture and Internal Integration, Internal Integration and Organizational Performance. Having discussed this, it is now appropriate to articulate the conclusion that Agile Leadership Style can significantly impact the Organizational Performance Through the Mediation of Organizational Culture. Every organisation will benefit from this study as reliable information is available to proof the influence of the CEO's leadership style on the overall performance of the organization. However, it is highly recommended that further research be conducted on the research issue if firmer conclusion is required as there were some limitations to the study.

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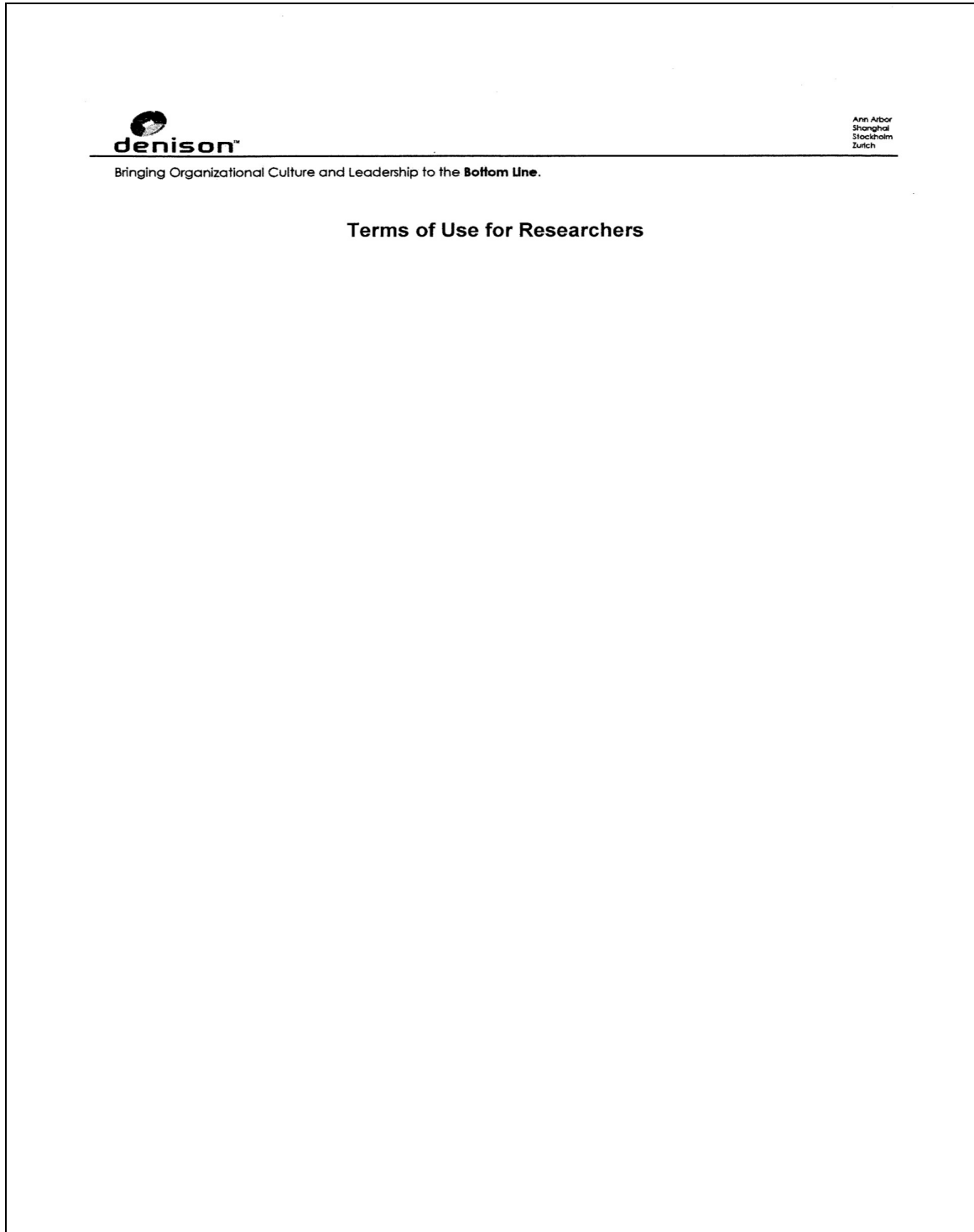
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APPENDICES

APPENDIX A – Permission from Denison Group Consulting



APPENDIX B – 1st draft Questionnaire

Dear Sir/Madam

You are invited to participate in this survey on the *'The Impact of Leadership Style on Organizational Culture to Sustain Organizational Performance'*. This is a case study that is conducted on a few selected professional bodies in Malaysia, to examine the leadership style and the influence on the organizational culture that can create a significant impact on the organizational performance. This survey has six pages of questions for you to answer and might take you approximately 15 minutes to complete them.

Your participation in this study is completely voluntary but it is highly encouraged as your contributions will enable the researcher to make informed judgments to support the research objectives mentioned above. It is rest assured that there are no foreseeable risks associated with this project, however, if you feel uncomfortable in answering any of the questions, you may call the researcher for clarifications and/or withdraw from proceeding with the survey at any point.

Confidentiality

Your survey responses will be treated confidentially. All results will be reported on an aggregated level without identification and upon request only.

Questions about the research

If you have any questions about this study, you may contact Thilagawathi at:

Mobile:

Email ID:

Thank you very much for your time and support.

The following questions best describes the leadership style of the CEO in my organization.

The CEO....

1. Has a long-term viewpoint with clear mission and strategies outlined.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

2. Realistic goals with clear objectives are set annually and reviewed intermittently.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

3. Is dynamic, focused and fast in responding to challenges.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

4. Views customer feedback as important source for improvement.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

5. Focuses on enabling the best in employees rather than commanding it from them.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

The following questions best describes how the CEO in my organization has shaped the cultural beliefs, thoughts and ways of doing things in my organization.

The CEO

1. Challenges the way things have always been done and looks for better ways to do them.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

2. Emphasizes on lifelong learning for employees.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

3. Necessitates constant communication and collaboration across departments.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

4. Allows decisions to be made at the level where the best information is available.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

5. Emphasizes on ethical code that guides best employee behaviour.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

The following questions explain how the CEO has instilled good practices to influence organizational performance.

1. Review is constantly conducted on the business processes to identify gaps and improve service efficiency.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

2. All employees are required to attend training to improve their talents and skills.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

3. Creativity and innovation is encouraged at all times.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

4. All employees work in teams to generate ideas for improvements.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

5. Performance measurement systems is used to generate monthly management reports for review.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

The following questions best describes how the organizational culture translates the CEO beliefs and intentions to impact organizational performance.

1. The organization's vision creates excitement and motivation to all employees in the organization.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

2. There is clear and consistent set of values that governs the way the business is to be done.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

3. Ethical codes and operating procedures are available to guide employee behaviour and good practices.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

4. Innovation, transformation and risk taking are encouraged and rewarded.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

5. Key metrics to measure performance results is shared/aligned across all levels.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

The following questions describes how organizational culture (beliefs and the ways work is done) can influence the artefact, constitution and composition of people in groups can impact the organizational performance.

1. The corporate governance and structure is highly influenced by the organizational culture.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

2. For better coordination and integration of work, teamwork is strongly encouraged.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

3. The core structure of the organization is dynamic, stable and focused.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

4. The structure of teams, committees and working groups are flexible and fast in responding to changes in the environment.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

5. Work is designed to enable people to see the relationship between their core job functions and team roles against the organization's goals.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

6. The organization strongly beliefs in the continuous investment on employee development.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

7. Employees are encouraged to share their ideas for product development and innovation.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

8. Authority is delegated to employees to act promptly on their own.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

9. The organizational performance is constantly reviewed on the revenue, retention and growth of customers against employee performance.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

10. The organization beliefs in rewarding employees on outstanding performances.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

11. Business processes are constantly reviewed to find new ways to serve the customers and clients better.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

12. All departments collaborate to create the change in the management policies and practices.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

13. Identifying customer needs and creating customer convenience is of paramount importance.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

14. Customer feedback is highly valued to eliminate pain points and improve service deliverables.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

15. Customer growth and retention is constantly measured against financial performance on a regular basis.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

APPENDIX C – Revised Survey Questionnaire

Dear Sir/Madam

You are invited to participate in this survey that aims to explore *'The Impact of Leadership Style on Organizational Culture to Sustain Organizational Performance'* that is conducted on a group of selected professional bodies in Malaysia. The core objective of this survey is to understand the importance of leadership style and its influence upon organizational culture as the most suitable leadership approach is necessary in cultivating suitable culture that would enable organizations to achieve improved performance in the contemporary business environment.

This survey has six sections of questions of which you are required to answer based on your own organization's perspective. Your participation is voluntary but it is highly encouraged that you share your views as your contributions are invaluable to make informed judgments on the research objectives.

The entire survey will take approximately 15 minutes to complete and rest assured that there are no foreseeable risks associated with this project, however, if you feel uncomfortable in answering any of the questions, you may call the researcher for clarification and/or withdraw from proceeding with the survey at any point.

Confidentiality

Your survey responses will be highly confidential. All results will be presented without the identification of individuals or organizations and will be reported on an aggregate level upon request only.

Questions about the research

If you have any questions about this study, you may contact the researcher, Ms Thilagawathi, at:

Mobile:

Email ID:

Thank you very much for your time and support.

A. The following questions best describes my CEO's leadership style in relation to the performance of the organization.

The CEO....

6. Has a long-term viewpoint with clear mission and strategies outlined.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

7. Sets realistic goals with clear objectives annually and review them intermittently.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

8. Is dynamic, focused and fast in responding to challenges.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

9. Views customer feedback as important source to improve organizational performance.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

10. Focuses on enabling the best in employees rather than commanding it from them.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

B. The following questions best describes how the CEO in my organization shapes the beliefs and thoughts of people, and the ways things are to be done in the organization.

The CEO

6. Challenges the way things have always been done and looks for better ways to do them.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

7. Emphasizes on lifelong learning for employees.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

8. Necessitates constant communication and collaboration across departments.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

9. Allows decisions to be made at the level where the best information is available.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

10. Emphasizes on ethical code that guides best employee behaviour.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

C. The following questions explain how the CEO in my organization cultivates good practices that have significantly created an impact on organizational performance.

6. Review is constantly conducted on the **internal** processes to identify gaps and improve service efficiency.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

7. Investments are made on training and development programmes to improve employee talents and skills to stimulate creativity and innovation.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

8. Employees are encouraged to work in teams to generate better and holistic ideas for improvements.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

9. Key Performance Indicators (KPIs) are set on an annual basis for all departments.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

10. Performance measurement system is used to generate monthly management reports for **evaluation and control**.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

D. The following questions best describes how the organizational culture translates the CEO's beliefs and intentions in creating an impact for better organizational performance.

6. The organization's vision creates excitement and motivation to all employees in the organization.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

7. There is clear and consistent set of values that governs the way the business is to be done.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

8. Ethical codes and operating procedures are available to guide employee behaviour and good practices.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

9. Innovation, transformation and consideration/challenging of risks are appreciated and rewarded.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

10. Key metrics to measure performance results is shared/aligned across all levels.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

E. The following questions **best** describes how the organizational culture (beliefs and the ways work is done) influences the artefact, constitution and **composition of people in creating impact on the organizational performance.**

Culture and Structure

2. The corporate governance and structure is highly influenced by the organizational culture.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

6. For better coordination and integration of work, teamwork is strongly encouraged.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

7. The core structure of the organization is dynamic, stable and focused.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

8. The structure of teams, committees and working groups are flexible and fast in responding to changes in the environment.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

9. Work is designed to enable people to see the relationship between their core job functions and team roles against the organization's goals.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

Culture and People

1. The organization strongly beliefs in the continuous investment on employee development.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

2. Employees are encouraged to share their ideas for product development and innovation.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

3. Authority is delegated to employees to act promptly on their own.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

4. The organizational performance is constantly reviewed on the revenue, retention and growth of customers against employee performance.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

5. The organization beliefs in rewarding employees on outstanding performances.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

Culture and Processes

1. Internal processes are constantly reviewed to find new ways to serve the customers and clients better.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

2. All departments collaborate to create the change in the policies and operating procedures.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

3. Identifying customer needs and creating customer convenience is of paramount importance.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

4. Customer feedback is highly valued to eliminate pain points and improve service deliverables.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

5. Customer growth and retention is constantly measured against financial performance on a regular basis.

| | | | | | | | | | |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|
| 1 | Strongly disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly agree |
|---|-------------------|---|----------|---|---------|---|-------|---|----------------|

F. The following best describes you in this organization.

1. I am a.....

| | |
|----|---------------------------|
| a. | Head of Department |
| b. | Deputy Head of Department |
| c. | Senior Manager |
| d. | Manager |
| e. | Deputy Manager |
| f. | Assistant Manager |

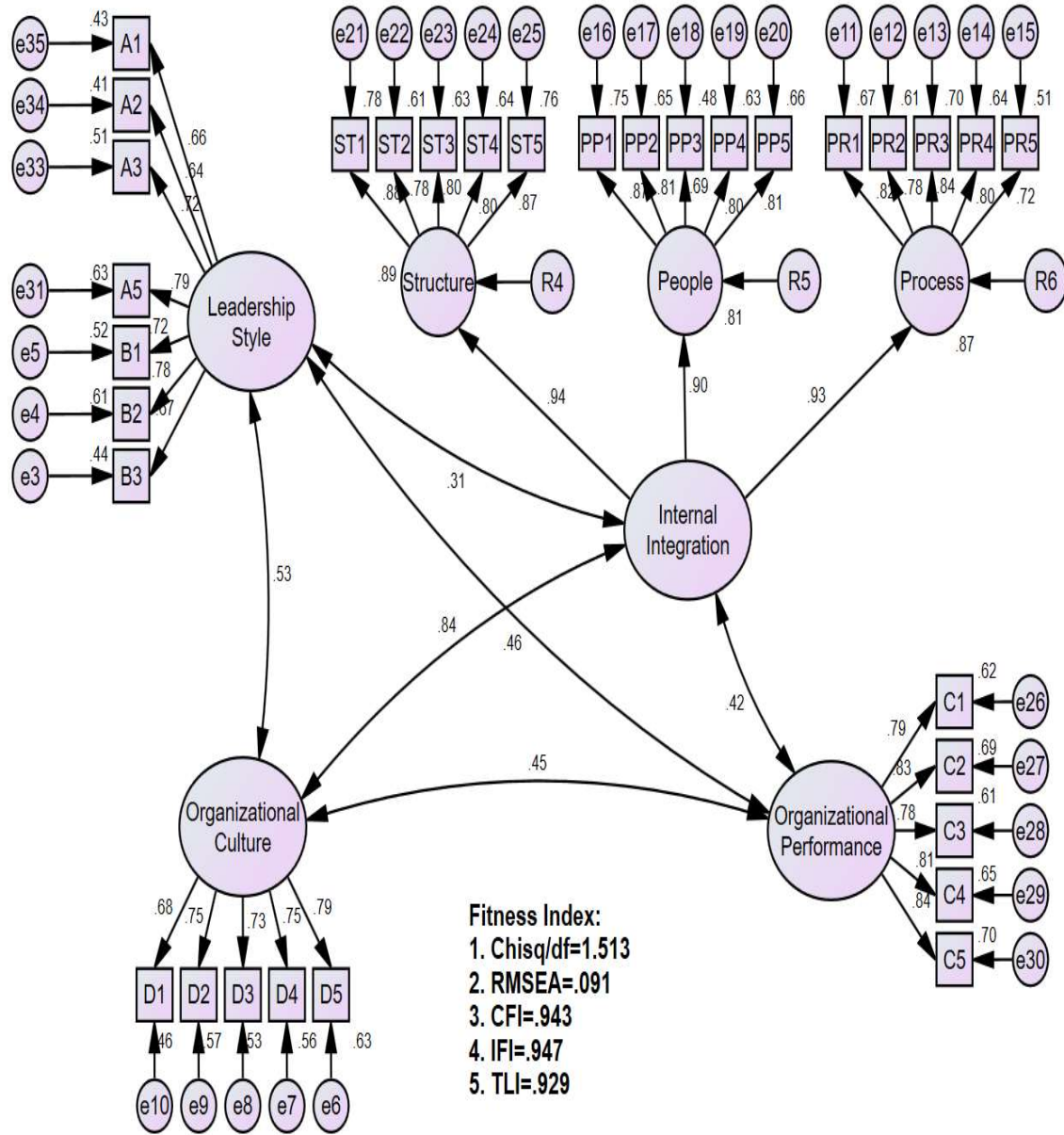
2. I have worked in this organization for

| | |
|----|-------------------|
| a. | Less than a year |
| b. | 1 to 5 years |
| c. | More than 5 years |

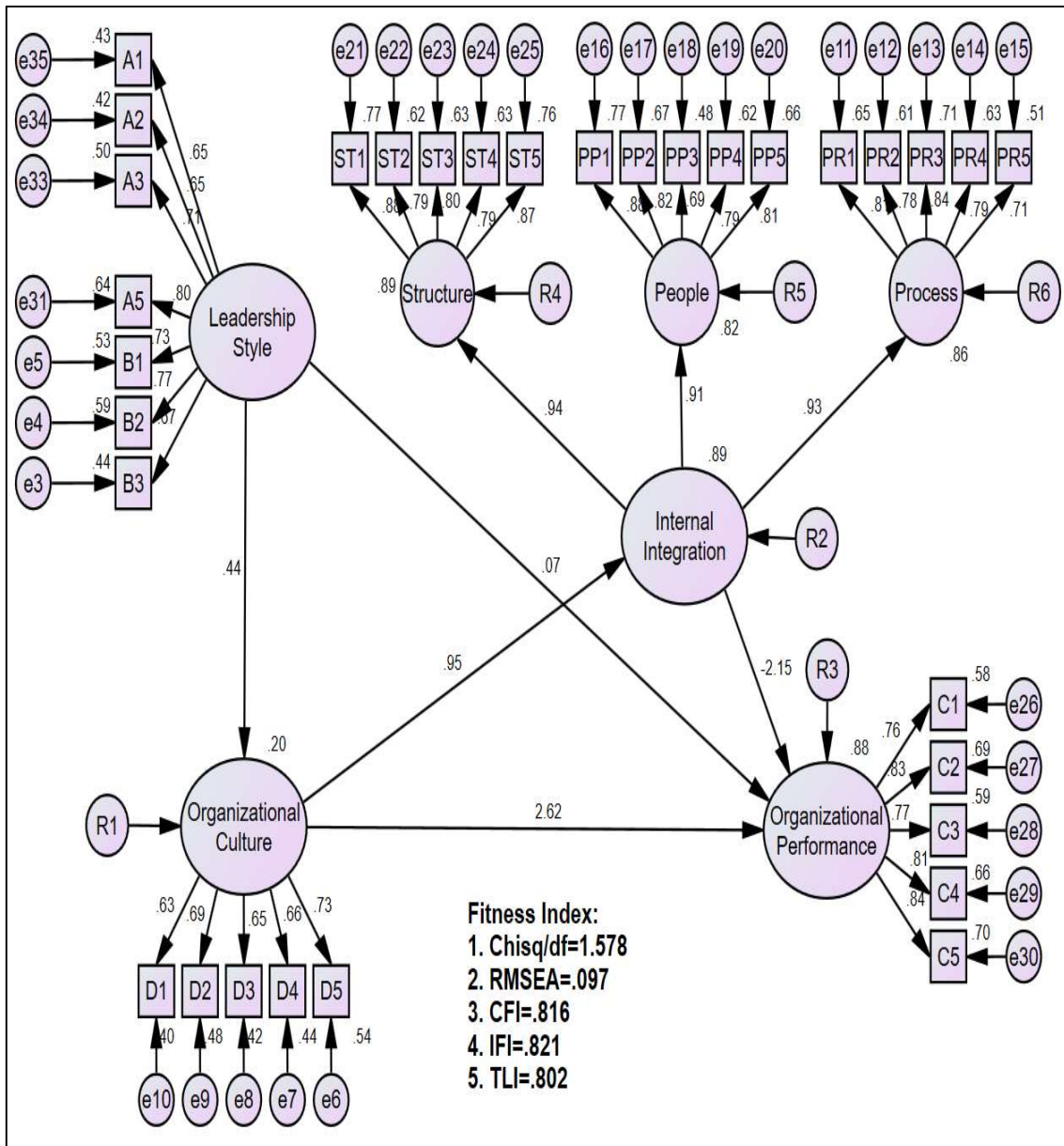
~ End of survey ~

APPENDIX D – Summary of Analysis extracted from SEM

Pooled Confirmatory Factor Analysis (CFA)



Structural Model



Assessment of normality

| Variable | min | max | skew | c.r. | kurtosis | c.r. |
|--------------|-------|-------|-------|--------|----------|--------|
| A1 | 1.000 | 5.000 | .281 | .859 | .364 | .556 |
| A2 | 1.000 | 5.000 | -.049 | -.151 | -.153 | -.233 |
| A3 | 2.000 | 4.000 | -.184 | -.562 | -.746 | -1.139 |
| A5 | 2.000 | 4.000 | .379 | 1.158 | .302 | .462 |
| C5 | 2.000 | 4.000 | .706 | 2.157 | .509 | .777 |
| C4 | 1.000 | 5.000 | .012 | .038 | -.287 | -.439 |
| C3 | 1.000 | 5.000 | .303 | .924 | .797 | 1.217 |
| C2 | 2.000 | 4.000 | -.003 | -.008 | -.293 | -.448 |
| C1 | 1.000 | 5.000 | .173 | .529 | -.613 | -.937 |
| ST5 | 1.000 | 4.000 | .461 | 1.407 | -.460 | -.703 |
| ST4 | 1.000 | 5.000 | -.087 | -.266 | -.375 | -.572 |
| ST3 | 1.000 | 4.000 | -.111 | -.339 | -.177 | -.270 |
| ST2 | 1.000 | 4.000 | -.200 | -.612 | -.461 | -.704 |
| ST1 | 1.000 | 5.000 | -.053 | -.162 | -.348 | -.532 |
| PP5 | 1.000 | 4.000 | .096 | .292 | -.631 | -.964 |
| PP4 | 1.000 | 5.000 | .164 | .502 | -.197 | -.301 |
| PP3 | 2.000 | 5.000 | -.055 | -.167 | -.118 | -.180 |
| PP2 | 1.000 | 5.000 | -.125 | -.380 | -.565 | -.863 |
| PP1 | 1.000 | 5.000 | .126 | .384 | -.362 | -.553 |
| PR5 | 1.000 | 5.000 | .044 | .133 | -.603 | -.922 |
| PR4 | 1.000 | 5.000 | -.264 | -.806 | -.607 | -.928 |
| PR3 | 1.000 | 5.000 | -.003 | -.008 | -.587 | -.897 |
| PR2 | 1.000 | 5.000 | .034 | .103 | -.807 | -1.232 |
| PR1 | 1.000 | 5.000 | -.179 | -.547 | -.452 | -.690 |
| D1 | 1.000 | 5.000 | -.337 | -1.030 | -.594 | -.908 |
| D2 | 1.000 | 5.000 | -.326 | -.996 | .629 | .961 |
| D3 | 2.000 | 5.000 | -.288 | -.880 | -.339 | -.518 |
| D4 | 1.000 | 5.000 | -.155 | -.474 | -.627 | -.958 |
| D5 | 1.000 | 4.000 | -.249 | -.762 | -.674 | -1.030 |
| B1 | 1.000 | 5.000 | .629 | 1.923 | 1.444 | 2.206 |
| B2 | 1.000 | 4.000 | .545 | 1.664 | .453 | .692 |
| B3 | 2.000 | 4.000 | .141 | .430 | -1.117 | -1.707 |
| Multivariate | | | | | -2.078 | -.167 |

Date: Monday, 18 October, 2021

Time: 4:29:47 PM

Title

Pooled cfa: Monday, 18 October, 2021 4:29 PM

Groups

Group number 1 (Group number 1) Notes for Group (Group number 1)

The model is recursive. Sample size = 63

Variable Summary (Group number 1)

Variable counts (Group number 1)

Number of variables in your model: 74
Number of observed variables: 32
Number of unobserved variables: 42
Number of exogenous variables: 39
Number of endogenous variables: 35

Parameter Summary (Group number 1)

| | Weights | Covariances | Variances | Means | Intercepts | Total |
|-----------|---------|-------------|-----------|-------|------------|-------|
| Fixed | 42 | 0 | 3 | 0 | 0 | 45 |
| Labeled | 0 | 0 | 0 | 0 | 0 | 0 |
| Unlabeled | 28 | 6 | 36 | 0 | 0 | 70 |
| Total | 70 | 6 | 39 | 0 | 0 | 115 |

Default model (Default model) Notes for Model (Default model)

Computation of degrees of freedom (Default model)

Number of distinct sample moments: 528
Number of distinct parameters to be estimated: 70
Degrees of freedom (528 - 70): 458

Regression Weights: (Group number 1 - Default model)

| | Estimate | S.E. | C.R. | P | Label |
|-------------------------------------|----------|------|-------|-----|--------|
| Structure <--- Internal_Integration | .954 | .130 | 7.324 | *** | par_23 |
| People <--- Internal_Integration | 1.000 | | | | |
| Process <--- Internal_Integration | .856 | .130 | 6.598 | *** | par_24 |
| B3 <--- Leadership_Style | .816 | .165 | 4.955 | *** | par_1 |
| B2 <--- Leadership_Style | 1.136 | .196 | 5.806 | *** | par_2 |
| B1 <--- Leadership_Style | 1.000 | | | | |
| D5 <--- Organizational_Culture | 1.000 | | | | |
| D4 <--- Organizational_Culture | .814 | .132 | 6.177 | *** | par_3 |
| D3 <--- Organizational_Culture | .717 | .119 | 6.009 | *** | par_4 |
| D2 <--- Organizational_Culture | .884 | .141 | 6.246 | *** | par_5 |
| D1 <--- Organizational_Culture | .759 | .137 | 5.548 | *** | par_6 |
| PR1 <--- Process | 1.000 | | | | |
| PR2 <--- Process | .893 | .123 | 7.248 | *** | par_7 |
| PR3 <--- Process | 1.077 | .134 | 8.026 | *** | par_8 |
| PR4 <--- Process | 1.017 | .135 | 7.514 | *** | par_9 |
| PR5 <--- Process | .892 | .139 | 6.404 | *** | par_10 |
| PP1 <--- People | 1.000 | | | | |
| PP2 <--- People | .740 | .089 | 8.285 | *** | par_11 |
| PP3 <--- People | .711 | .110 | 6.446 | *** | par_12 |
| PP4 <--- People | .838 | .104 | 8.054 | *** | par_13 |
| PP5 <--- People | .862 | .103 | 8.383 | *** | par_14 |
| ST1 <--- Structure | 1.000 | | | | |
| ST2 <--- Structure | .821 | .103 | 7.986 | *** | par_15 |
| ST3 <--- Structure | 1.005 | .122 | 8.208 | *** | par_16 |
| ST4 <--- Structure | .882 | .106 | 8.296 | *** | par_17 |
| ST5 <--- Structure | 1.063 | .109 | 9.774 | *** | par_18 |
| C1 <--- Organizational_Performance | 1.000 | | | | |
| C2 <--- Organizational_Performance | .968 | .137 | 7.087 | *** | par_19 |
| C3 <--- Organizational_Performance | 1.001 | .152 | 6.571 | *** | par_20 |
| C4 <--- Organizational_Performance | 1.102 | .160 | 6.885 | *** | par_21 |
| C5 <--- Organizational_Performance | 1.080 | .150 | 7.189 | *** | par_22 |
| A5 <--- Leadership_Style | .884 | .150 | 5.892 | *** | par_25 |
| A3 <--- Leadership_Style | .852 | .160 | 5.324 | *** | par_26 |
| A2 <--- Leadership_Style | .773 | .163 | 4.741 | *** | par_27 |
| A1 <--- Leadership_Style | .863 | .177 | 4.885 | *** | par_28 |

Covariances: (Group number 1 - Default model)

| | | | Estimate | S.E. | C.R. | P | Label |
|----------------------------|------|----------------------------|----------|------|--------|------|--------|
| Leadership_Style | <--> | Organizational_Culture | .483 | .163 | 2.958 | .003 | par_29 |
| Leadership_Style | <--> | Organizational_Performance | 1.898 | .494 | 13.654 | *** | par_30 |
| Leadership_Style | <--> | Internal_Integration | .214 | .108 | 1.989 | *** | par_31 |
| Organizational_Culture | <--> | Organizational_Performance | -2.458 | .551 | -4.458 | *** | par_32 |
| Organizational_Culture | <--> | Internal_Integration | 1.115 | .184 | 6.076 | *** | par_33 |
| Organizational_Performance | <--> | Internal_Integration | 1.707 | .327 | 5.216 | *** | par_34 |

Model Fit Summary

CMIN

| Model | NPAR | CMIN | DF | P | CMIN/DF |
|--------------------|------|----------|-----|------|---------|
| Default model | 70 | 692.832 | 458 | .000 | 1.513 |
| Saturated model | 528 | .000 | 0 | | |
| Independence model | 32 | 1946.926 | 496 | .000 | 3.925 |

RMR, GFI

| Model | RMR | GFI | AGFI | PGFI |
|--------------------|------|-------|------|------|
| Default model | .097 | .650 | .597 | .564 |
| Saturated model | .000 | 1.000 | | |
| Independence model | .441 | .155 | .101 | .146 |

Baseline Comparisons

| | Delta1 | rho1 | Delta2 | rho2 |
|--------------------|--------|------|--------|-------|
| Default model | .644 | .615 | .842 | .825 |
| Saturated model | 1.000 | | 1.000 | 1.000 |
| Independence model | .000 | .000 | .000 | .000 |

Parsimony-Adjusted Measures

| Model | PRATIO | PNFI | PCFI |
|--------------------|--------|------|------|
| Default model | .923 | .595 | .774 |
| Saturated model | .000 | .000 | .000 |
| Independence model | 1.000 | .000 | .000 |

NCP

| Model | NCP | LO 90 | HI 90 |
|--------------------|----------|----------|----------|
| Default model | 234.832 | 167.934 | 309.693 |
| Saturated model | .000 | .000 | .000 |
| Independence model | 1450.926 | 1319.051 | 1590.324 |

FMIN

| Model | FMIN | F0 | LO 90 | HI 90 |
|--------------------|--------|--------|--------|--------|
| Default model | 11.175 | 3.788 | 2.709 | 4.995 |
| Saturated model | .000 | .000 | .000 | .000 |
| Independence model | 31.402 | 23.402 | 21.275 | 25.650 |

RMSEA

| Model | RMSEA | LO 90 | HI 90 | PCLOSE |
|--------------------|-------|-------|-------|--------|
| Default model | .091 | .077 | .104 | .000 |
| Independence model | .217 | .207 | .227 | .000 |

AIC

| | AIC | BCC | BIC | CAIC |
|--------------------|----------|----------|----------|----------|
| Default model | 832.832 | 992.142 | 982.851 | 1052.851 |
| Saturated model | 1056.000 | 2257.655 | 2187.575 | 2715.575 |
| Independence model | 2010.926 | 2083.754 | 2079.506 | 2111.506 |

ECVI

| Model | ECVI | LO 90 | HI 90 | MECVI |
|--------------------|--------|--------|--------|--------|
| Default model | 13.433 | 12.354 | 14.640 | 16.002 |
| Saturated model | 17.032 | 17.032 | 17.032 | 36.414 |
| Independence model | 32.434 | 30.307 | 34.683 | 33.609 |

HOELTER

| Model | HOELTER | HOELTER |
|---------------|---------|---------|
| | .05 | .01 |
| Default model | 46 | 48 |
| Independence | 46 | 48 |

Execution time summary

Minimization: .078
Miscellaneous: 1.875
Bootstrap: 8.921
Total: 10.874