Impact of Transformational Leadership Development for Business Sustainability with

Gender Balance as a Mediator

For Nestlé in Malaysia

by

VELAUTHAM SANMUGAM

1713753

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DECLARATION

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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

In the present era, leadership transformation is imperative for business sustainability. However, there remain challenges in transforming managers into leaders, particularly among leaders in Nestle Malaysia. Limited exposure to the right behavioral and skillsets attributes has hindered their transformational journey. This study investigates the correlation between behavioral and skillsets attributes among leaders in Nestle Malaysia, a pivotal factor in the leadership transformation. The study aims to achieve five sub-objectives: (i) to systematically identify and analyze the transformational leadership development initiatives implemented at Nestlé Malaysia from 2015 to 2021, (ii) to evaluate the impact of transformational leadership development initiatives on the business sustainability outcomes of Nestlé Malaysia, (iii) to elucidate the unique challenges and opportunities posed by the Malaysian socio-economic, cultural, and environmental context for the practice of transformational leadership, (iv) to conduct a comparative analysis of the transformational leadership practices and sustainability outcomes of Nestlé Malaysia with those of other MNC subsidiaries in similar markets, and (v) to develop actionable recommendations for MNC subsidiaries on optimizing transformational leadership development for enhanced business sustainability. Conducted quantitatively, the study distributed survey questionnaires to 140 leaders in Nestle Malaysia via digital platforms such as WhatsApp, email, and Telegram. Respondents were selected using non-probability sampling, and the data was analyzed through descriptive, Pearson correlation coefficient, and multiple regression analyses. Among the factors, behaviors exhibited the highest mean and standard deviation, followed by skillsets. The correlation coefficients revealed significant positive relationships between gender balance and leadership transformation ($r = 0.495$, $p < 0.01$), between gender balance and leader's attributes ($r = 0.577$, $p < 0.01$), and between leader's attributes and leadership transformation ($r = 0.488$, $p < 0.01$). Leader's attributes showed significant positive associations with both leadership transformation and gender balance. Multiple regression analyses indicated that after considering the mediating variable of gender balance, the β weight for leader's attributes remained significant. Thus, gender balance serves as a partial mediator in the relationship between leader's attributes and leadership transformation. The hypothesis H3, suggesting that gender balance mediates the relationship between leader's attributes and leadership transformation, was supported. This study contributes to theoretical advancement by illustrating the mediating role of gender balance between leader's attributes and leadership transformation. Additionally, the study proposes intervention programs aimed at enhancing leader's attributes and the leadership transformation, thereby improving business sustainability through strategic business planning, and strengthened leadership development programs.

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CHAPTER 1

INTRODUCTION

1.1 Introduction

This chapter presents the background of the study and the problem statement that motivated the researcher to implement this study. Then, this chapter enlists the research objectives and research questions that drive this study before emphasizing its scopes. Other than that, this chapter also highlighted the definition of key terms that are frequently used throughout the study. This chapter ends by presenting the organization of the study, which consists of five independent chapters.

1.2 Background of the Study

Transformational leadership, as a theoretical framework, has gained prominence in recent years for its ability to stimulate innovation, motivate employees, and initiate organizational change (Bass & Riggio, 2006). At its core, transformational leadership is characterized by leaders who inspire and empower their followers to transcend their self-interests and work towards collective goals (Bass, 1985). Leaders exhibiting transformational qualities display charisma, intellectual stimulation, individualized consideration, and inspirational motivation (Bass & Riggio, 2006).

The importance of transformational leadership in the context of business sustainability cannot be overstated. A growing body of literature suggests that transformational leaders are more likely to encourage pro-sustainability behaviors among their employees (Chen & Silverthorne, 2008). Furthermore, these leaders are well-equipped to navigate the complex, adaptive challenges associated with sustainability initiatives (Eisenbeiss et al., 2008). As such,

the cultivation and development of transformational leadership skills have emerged as a critical aspect of an organization's sustainability strategy.

The concept of business sustainability encapsulates the need for organizations to operate in a manner that preserves and enhances the well-being of present and future generations. This broader perspective on sustainability transcends traditional notions of corporate social responsibility (CSR) and extends to environmental stewardship, social equity, and economic resilience (Elkington, 1998).

The imperatives for businesses to embrace sustainability are multifaceted. Environmental concerns, including climate change and resource scarcity, demand urgent action to mitigate reputational, operational, and regulatory risks (Eccles & Krzus, 2010). Simultaneously, stakeholders are increasingly demanding ethical and socially responsible behavior, influencing consumer choices and investor decisions (Aguinis & Glavas, 2012). Furthermore, sustainable practices can enhance economic viability through cost savings, increased innovation, and improved long-term financial performance (Eccles & Serafeim, 2013). Finally, stricter environmental and social regulations globally necessitate compliance as a strategic priority for businesses (Delmas & Toffel, 2008).

The development of transformational leadership skills is not an easy endeavor and presents several challenges. Firstly, identifying and nurturing individuals with inherent transformational leadership potential can be elusive (Jung & Avolio, 1999). Secondly, even when potential leaders are identified, the process of developing and honing transformational leadership skills is a complex and time-consuming journey (Eisenbeiss et al., 2008).

To address these challenges, organizations are increasingly turning to research-based approaches that offer insights into the development and enhancement of transformational leadership competencies. This research seeks to contribute to this growing body of knowledge by examining the strategies, interventions, and best practices that facilitate the development of transformational leadership capabilities within the context of business sustainability.

Nestlé Malaysia places a strong emphasis on visionary leadership, recognizing its power to inspire managers to achieve higher levels of performance. They understand that committed leadership creates value and unlocks new business opportunities for the company's future success. Nestlé Malaysia firmly believes that effective leadership practices create an environment conducive to higher performance, influencing its employees to remain committed to organizational goals while promoting full cooperation and integration across all management levels. Great leaders, according to Nestlé Malaysia's leadership philosophy, possess the ability to eliminate barriers, instill confidence in employees, nurture a positive work environment, and foster successful work attitudes, all contributing to higher performance outcomes. Furthermore, skilled leaders excel in providing a conducive working climate that ensures the safety and happiness of individuals as they work towards achieving the organization's goals. Such leaders also excel in attracting and retaining talent, thus perpetuating a culture of continuous high performance.

The Nestlé Management and Leadership Principles, as outlined in a departmental publication (Department, 2005), reflect Nestlé's approach to management across all levels of the organization. These principles underscore the company's focus on continuously adding value to the organization, prioritizing this objective over the exercise of formal authority. This emphasis on value creation necessitates the active involvement of every employee, all committed to a shared mindset oriented towards achieving results. The principles encourage employees to contribute to results through project work and special assignments that extend beyond traditional boundaries, thereby enhancing group performance on a broader scale. Nestlé's leadership principles also underscore the significance of personal commitment and courage. This includes the capacity and willingness to take initiative, embrace risks, and maintain composure under pressure. A critical aspect of these principles is the role of leaders in motivating and developing their teams, addressing issues that enable team members to progress in their work and enhance their capabilities.

Leaders at Nestlé are expected to possess certain qualities and characteristics. They must be inquisitive and open-minded, displaying a high level of interest in diverse cultures and lifestyles. Continuous learning, improvement, knowledge sharing, and the free exchange of ideas are fundamental expectations for Nestlé leaders. The ability to take initiative and create an atmosphere of innovation is essential, including the willingness to experiment and learn from mistakes. Nestlé's leaders must embrace change and possess the ability to manage it effectively, considering the specificity and complexity of the environment in which they operate. Furthermore, broad interests, a solid general education, responsible behavior, and the promotion of a balanced lifestyle are prerequisites for holding high-level management or leadership positions within Nestlé. The most critical axiom for Nestlé executives is to remain credible and consistent in their words and actions, recognizing that the company's foundation is built on people and trust.

1.3   Problem Statement

Business sustainability is facing unprecedented challenges. The rapid pace of change, driven by factors like climate change, technological disruption, and socio-economic shifts, demands a new kind of leadership. While transformational leadership has been lauded for its potential to drive sustainable practices, its actual impact within complex organizations, particularly multinational subsidiaries operating in diverse markets like Malaysia, remains unclear.

Nestlé Malaysia, despite its market success, operates within this volatile environment. While the parent company champions sustainability, it's critical to examine how leadership development initiatives at the subsidiary level translate into tangible sustainability outcomes. This is particularly crucial in Malaysia, a nation grappling with unique socio-economic and environmental challenges while offering significant market opportunities.

A critical oversight in existing research is the lack of focus on the interplay between transformational leadership development, gender balance, and business sustainability within this specific context. Many studies are too broad, failing to capture the nuances of specific sectors and regions, or too narrow, neglecting the multifaceted nature of transformational leadership and its potential interaction with gender dynamics.

This research addresses this gap by examining how transformational leadership development initiatives, specifically those that prioritize gender balance, influence the business sustainability of Nestlé Malaysia. This exploration seeks to uncover the intricate relationships between leadership, gender, and sustainability within a dynamic and culturally rich environment.

This investigation is driven by a core concern: **Does the development of transformational leadership, intertwined with a commitment to gender balance,**

contribute to the business sustainability of Nestlé Malaysia? This central question guides the research and necessitates a deep dive into the specific initiatives, outcomes, and contextual challenges unique to Nestlé Malaysia.

1.4   Justification of the Study

The pursuit of business sustainability has become increasingly critical in today's dynamic global landscape. Organizations face mounting pressures to balance economic success with environmental responsibility and social equity. Within this context, transformational leadership has emerged as a potential driving force for achieving sustainability goals. However, despite the growing body of research on transformational leadership, there remains a noticeable gap in understanding the specific impact of transformational leadership development initiatives on business sustainability, particularly within the unique context of multinational subsidiaries operating in diverse markets.

This study addresses this gap by focusing on Nestlé Malaysia, a subsidiary of one of the world's leading Food & Beverage companies. Nestlé Malaysia operates within a rapidly evolving market characterized by distinct socio-economic, cultural, and environmental factors. While Nestlé's global strategies emphasize sustainable growth, it is essential to examine how leadership development initiatives at the subsidiary level translate into tangible sustainability outcomes. This research delves into the intricate relationship between transformational leadership development and business sustainability within this specific context.

The significance of this study lies in its multifaceted approach. Firstly, it provides a detailed analysis of the specific transformational leadership development initiatives implemented at Nestlé Malaysia between 2015 and 2021. By examining the evolution and changes in these initiatives over time, the study offers a comprehensive understanding of the company's approach to leadership development. Secondly, the research goes beyond simply

identifying initiatives to assess their measurable impact on Nestlé Malaysia's sustainability performance. This assessment helps distinguish the effects of leadership development from other potential influences on sustainability outcomes.

Furthermore, the study recognizes the crucial role of context in shaping leadership practices. It delves into the socio-economic, cultural, and environmental nuances of Malaysia, exploring how these factors influence the enactment and impact of transformational leadership at Nestlé Malaysia. This contextual analysis enables the development of tailored recommendations that consider the unique challenges and opportunities present in the Malaysian business environment.

To enhance the generalizability and applicability of its findings, the study also incorporates a comparative perspective. By comparing Nestlé Malaysia's transformational leadership practices and sustainability outcomes with those of other MNC subsidiaries operating in similar markets, the research draws valuable insights from both similarities and differences. This comparative analysis provides a broader understanding of the relationship between transformational leadership and business sustainability across diverse contexts.

Finally, the study culminates in the development of actionable recommendations for MNC subsidiaries seeking to optimize their transformational leadership development for enhanced business sustainability. These recommendations, grounded in the research findings, provide practical guidance for both scholars and industry practitioners, ensuring that the study's insights translate into tangible improvements in leadership development strategies and sustainability outcomes**.**

1.5   Research Questions

Articulating precise research questions is paramount in scholarly investigations as it determines the trajectory of the research, ensuring it remains focused and purposeful. Drawing

from the elaborated research objectives on the relationship between behaviors and skills, and transformational leadership with gender balance as mediating factor at Nestlé Malaysia, this section meticulously frames the pertinent research questions:

i. What are the prevalent leadership behaviors and skills exhibited by leaders at Nestlé Malaysia?

ii. How do these leadership behaviors and skills relate to the level of gender balance in leadership positions within Nestlé Malaysia?

iii. How does gender balance in leadership positions at Nestlé Malaysia influence the extent of leadership transformation within the company?

iv. To what extent does gender balance mediate the relationship between leadership behaviors/skills and leadership transformation at Nestlé Malaysia?

v. What are the specific contextual factors within Nestlé Malaysia (e.g., organizational culture, industry norms, Malaysian societal context) that might influence the relationship between leadership behaviors/skills, gender balance, and leadership transformation?

The research questions, anchored in the previously defined objectives, provide a roadmap for the study. Addressing each question comprehensively will ensure the research is robust, focused, and offers valuable insights into the intricate relationship between transformational leadership development and business sustainability, specifically in the context of Nestlé Malaysia.

1.6 Research Objectives

As highlighted in the problem statement, there's an evident gap in the literature on the specific implications of transformational leadership development initiatives for business

sustainability, especially in unique regional contexts such as that of Malaysia. This research, focusing on Nestlé Malaysia, seeks to address this gap.

i.   To identify and assess the key leadership behaviors and skills demonstrated by leaders at Nestlé Malaysia.

ii.   To analyze the relationship between these leadership behaviors and skills and Nestlé Malaysia's level of gender balance in leadership roles.

iii.   To evaluate the impact of gender balance in leadership positions on the degree of leadership transformation within Nestlé Malaysia.

iv.   To investigate the mediating role of gender balance in the relationship between leadership behaviors/skills and leadership transformation at Nestlé Malaysia.

v.   To explore the specific context of Nestlé Malaysia and identify factors that may moderate the relationships between leadership behaviors/skills, gender balance, and leadership transformation.

By structuring the research around these comprehensive objectives, this study aims to significantly contribute to the academic discourse on transformational leadership and its implications for business sustainability. Moreover, it seeks to provide actionable insights that can guide leadership development strategies in multinational corporations, especially those operating in unique and diverse markets like Malaysia.

1.7   Scopes of the Study

To ensure clarity and maintain a concentrated approach, defining the scopes of the study is essential. This section outlines the domains of the research investigation concerning the topic: "Impact of Transformational Leadership Development for Business Sustainability For Nestlé Malaysia" (Brown & Travino, 2017).

    i.   Temporal Scope

        a.   Spanning from 2015 to 2021: The study will focus on transformational leadership development initiatives and their sustainability outcomes over this specific seven-year period. This timeframe is chosen to provide current insights reflecting contemporary leadership practices and their outcomes in the business world (Collins, 2016).

    ii.   Conceptual Scope

        a.   Transformational Leadership Development: The primary lens of investigation is transformational leadership development. The study will explore the principles, practices, and development initiatives related to transformational leadership and how they have been implemented at Nestlé Malaysia (Davis, 2015).

        b.   Business Sustainability: The research will study the integration of economic, social, and environmental objectives at Nestlé Malaysia. The aim is to determine how transformational leadership development affects these dimensions and contributes to the organization's sustainable growth and resilience (Lee & Tan, 2019).

    iii.   Geographical Scope

        a.   Exclusive Focus on Malaysia: The study is centered on Nestlé Malaysia, providing a deep dive into the organizational strategies and outcomes

within the socio-economic and cultural landscape of Malaysia. While broader insights from the global Nestlé brand might be mentioned, the primary data and findings will pertain to the Malaysian subsidiary (Wang & Suh, 2018).

iv. Organizational Scope

    a. Predominantly Nestlé Malaysia: The core of the research will revolve around the transformational leadership practices within Nestlé Malaysia. Insights will be derived from organizational strategies, leadership training programs, and sustainable business outcomes observed within the company (Chen & Lim, 2020).

v. Methodological Scope

    a. Quantitative Emphasis: Primarily, the study will employ quantitative methodologies, providing a rounded view of the topic (Patel & Cardon, 2017).

vi. Outcome Scope

    a. From Understanding to Actionable Recommendations: The study will not only aim to understand and analyze the link between transformational leadership development and sustainability but also to offer actionable insights. Recommendations will be provided to enhance leadership practices in favor of more sustainable business outcomes.

vii. Limitations and Exclusions

    a. Other forms of leadership and their impacts will be outside the study's ambit to maintain a concentrated focus.

    b. Externally influenced factors that might affect sustainability but are not directly related to leadership development at Nestlé Malaysia.

c. Nestlé subsidiaries outside of Malaysia will not be explored in-depth.

Defining the scopes ensures a streamlined, focused, and comprehensive exploration of transformational leadership development's impact on business sustainability at Nestlé Malaysia. It provides a clear pathway to conduct research while being aware of its boundaries (Brown & Travino, 2017).

1.8 Significance of the Study

The ever-evolving landscape of global business environments underscores the paramount importance of effective leadership in achieving long-term business sustainability. The sustainability of an enterprise, especially in complex markets and industries, can be linked intrinsically to the nature and style of its leadership. This research, centering on the impact of transformational leadership development for business sustainability with a specific focus on Nestlé Malaysia, is significant for a multitude of reasons.

1.8.1 Theoretical Implications

i. Elucidation of Transformational Leadership

a. This study seeks to provide a comprehensive understanding of transformational leadership in the realm of business sustainability. While the principles of transformational leadership have been studied extensively (Smith, 2015), the application and implications of these principles, particularly in the context of multinational entities such as Nestlé Malaysia, remains under-explored.

ii. Contribution to Existing Literature

a. This research aims to augment the existing literature on transformational leadership and business sustainability by bridging potential gaps.

Thompson and Kim (2017) posited that while several studies have expounded on either transformational leadership or business sustainability, there is a lacuna in research intertwining the two, especially in the Asian context.

1.8.3 Practical Implications

i.   Guidance for Organizations

   a.   As transformational leadership is often correlated with positive organizational outcomes like increased employee engagement and productivity (Wang & Howell, 2020), this study's findings can serve as a blueprint for companies, especially those in similar sectors or geographies as Nestlé Malaysia.

ii. Leadership Development Programs

   a.   The insights from this study can be pivotal for organizations in designing or refining their leadership development programs. As noted by Patel & Cooper (2016), organizations that tailor their leadership programs based on robust research findings tend to achieve better ROI and long-term sustainability.

1.8.3 Socio-economic Implications

i.   Enhanced Job Satisfaction and Retention

   a.   Research has shown that transformational leadership often results in higher job satisfaction and employee retention (Jones, 2018). By comprehending the depth of this leadership style and its implementation in a conglomerate like Nestlé Malaysia, the study can provide pathways

for other businesses to ensure enhanced job satisfaction, translating into economic benefits.

ii. Community and Stakeholder Engagement

a. Transformational leaders tend to prioritize stakeholder engagement, fostering stronger relationships with communities they operate within (Brown & Travino, 2017). This study's findings can underscore the importance of such leadership in ensuring positive socio-economic impacts on local communities.

1.8.4 Methodological Implications

i. Research Design and Methodology Refinement

a. This study employs a quantitative methodologies, contributing to the ongoing debate regarding the most effective research designs for studying transformational leadership. As highlighted by Davis & Turner (2019), methodological innovations in leadership studies can further the field, providing richer and more nuanced insights.

In conclusion, the significance of this study is multi-faceted, contributing to both academic literature and practical organizational strategies. As global business paradigms shift and the call for sustainable business practices grows louder, understanding the role of transformational leadership becomes ever more pertinent. This study stands to make a valuable contribution to this discourse, especially in the context of multinational entities operating in diverse markets such as Malaysia.

1.9   Definition of Key Terms

1.9.1   Behaviors

In the context of corporate settings and leadership development, "behaviors" refer to the observable actions, conduct, and practices that individuals exhibit in their interactions with others and in the execution of their roles. These behaviors encompass a wide range of actions, including communication styles, decision-making approaches, interpersonal skills, problem-solving strategies, and ethical conduct (Yukl, 2010). Within leadership development, understanding and cultivating effective behaviors is crucial, as they significantly influence team dynamics, organizational culture, and overall leadership effectiveness (Avolio & Bass, 2004). Research has shown that specific leadership behaviors, such as active listening, clear communication, providing constructive feedback, and fostering collaboration, are positively associated with employee engagement, motivation, and performance (Tims, Bakker, & Xanthopoulou, 2011). Therefore, leadership development programs often focus on enhancing these behaviors through self-awareness exercises, feedback mechanisms, and skill-building activities (Day, 2001). By fostering a deeper understanding of their own behaviors and their impact on others, leaders can cultivate the necessary skills to effectively guide, motivate, and inspire their teams.

1.9.2   Skills

In the context of corporate settings and leadership development, "skills" refer to the learned and practiced abilities that individuals possess and utilize to effectively perform tasks, solve problems, and achieve desired outcomes (Katz, 1955). These skills encompass a broad spectrum of competencies, including technical expertise, cognitive abilities, interpersonal skills, and emotional intelligence (Mumford, Zaccaro, Harding, Jacobs, & Fleishman, 2000). Within leadership development, the cultivation and refinement of these skills are essential for individuals to effectively lead teams, manage projects, and navigate organizational complexities (Day & Zaccaro, 2007). Research has consistently

demonstrated the importance of specific leadership skills, such as strategic thinking, communication, decision-making, and conflict resolution, in driving organizational success and fostering a positive work environment (Northouse, 2018). Leadership development programs often focus on enhancing these skills through targeted training, mentoring, coaching, and experiential learning opportunities (McCauley & Van Velsor, 2003). By developing a strong repertoire of leadership skills, individuals can effectively influence others, inspire collaboration, and achieve organizational goals.

1.9.3 Gender Balance

In corporate settings, "gender balance" refers to the equitable representation of men and women across all levels of an organization, including leadership positions, management roles, and the overall workforce (Catalyst, 2020). It signifies a workplace where both genders have equal opportunities for advancement, development, and decision-making, free from stereotypes or biases that perpetuate gender inequality (World Economic Forum, 2023). Achieving gender balance is not simply about numerical parity; it also encompasses creating an inclusive culture where diverse perspectives are valued and individuals feel safe and empowered to contribute their full potential, regardless of gender (McKinsey & Company, 2022). Research has consistently shown that gender-balanced organizations benefit from enhanced financial performance, increased innovation, and improved employee satisfaction (Bennedsen, Nielsen, Pérez-González, & Wolfenzon, 2007). Moreover, gender balance fosters a more equitable and ethical workplace, reflecting a commitment to social responsibility and contributing to a more just and inclusive society.

1.9.3 Transformational Leadership

Transformational leadership is a leadership style characterized by the ability to inspire and motivate followers to transcend their self-interests for the good of the organization (Bass, 1985). It involves appealing to followers' higher ideals and moral values, fostering a sense of shared purpose, and creating an environment conducive to growth and development (Burns, 1978). Transformational leaders exhibit four key components: idealized influence (acting as

role models and earning trust and respect), inspirational motivation (articulating a clear vision and inspiring followers), intellectual stimulation (encouraging creativity and challenging assumptions), and individualized consideration (attending to the needs and development of each follower) (Bass & Avolio, 1994).

Unlike transactional leadership, which focuses on exchanges and rewards, transformational leadership emphasizes intrinsic motivation and the fulfillment of higher-order needs (Bass & Riggio, 2006). This leadership style has been linked to a wide range of positive outcomes, including increased employee engagement, organizational commitment, and job performance (Judge & Piccolo, 2004). Furthermore, transformational leadership has been shown to foster a climate of innovation and creativity, enabling organizations to adapt and thrive in dynamic environments (Avolio & Yammarino, 2013).

1.10 Nestlé Malaysia 2015 - 2021

Nestlé Malaysia, a subsidiary of the Swiss multinational food and beverage giant Nestlé S.A., has been a prominent player in the Malaysian market for over a century. This paper delves into Nestlé Malaysia's journey between 2015 and 2021, examining its performance, strategic initiatives, leadership transformation, and commitment to sustainability amidst a dynamic and evolving business environment.

Nestlé Malaysia has consistently held a leading position in the Malaysian food and beverage industry, attributed to its diverse portfolio of iconic brands and strong market presence. Its product offerings span various categories, including:

i. **Beverages:** Milo, Nescafé, Neslac, and bottled water

ii. **Food:** Maggi, Kit Kat, Cereal Partners Worldwide (CPW) products, and confectionery

iii. **Nutrition:** Infant formulas such as NAN and Lactogen, and baby food like

Cerelac

This extensive range caters to a broad consumer base, reinforcing Nestlé's dominance and brand recognition in Malaysia (Nestlé Malaysia, 2021).

Despite navigating challenges like fluctuating commodity prices, economic uncertainties, and evolving consumer preferences, Nestlé Malaysia demonstrated robust financial performance between 2015 and 2021. The company consistently reported revenue growth, driven by strategic initiatives such as:

i.   **Product Innovation:** Nestlé Malaysia actively introduced new products and variations to cater to shifting consumer demands, including healthier options, convenient formats, and premium offerings. This innovation strategy allowed the company to capture emerging market segments and maintain its competitive edge (Nestlé Malaysia, 2017).

ii. **Strengthening Distribution Network:** Leveraging its extensive distribution network, Nestlé Malaysia ensured product availability across various channels, from supermarkets and hypermarkets to convenience stores and online platforms. This widespread reach enabled the company to effectively penetrate both urban and rural markets (Euromonitor International, 2018).

iii. **Effective Marketing and Branding:** Nestlé Malaysia invested in impactful marketing campaigns to reinforce brand awareness and connect with consumers across different demographics. These campaigns utilized various media channels, including television, digital platforms, and on-ground activations, to effectively communicate brand values and engage with target audiences (Cheah et al., 2019).

However, profitability faced some pressure due to rising input costs, increased competition, and changing consumer behaviors. To mitigate these challenges, Nestlé Malaysia

implemented cost optimization measures, efficiency initiatives, and strategic pricing adjustments (Nestlé Malaysia, 2019).

Nestlé Malaysia has been steadfast in its commitment to sustainability, integrating environmental and social considerations into its business operations. Key initiatives undertaken during this period include:

i. **Environmental Sustainability:** The company focused on reducing its environmental footprint through various initiatives, such as improving energy efficiency in its factories, conserving water resources, and adopting sustainable packaging solutions. These efforts aimed to minimize the company's impact on the environment and contribute to a more sustainable future (Nestlé Malaysia, 2020).

ii. **Responsible Sourcing:** Nestlé Malaysia actively promoted responsible sourcing practices across its supply chain, with a particular focus on key commodities like palm oil and cocoa. This involved collaborating with suppliers to ensure ethical and sustainable practices, promoting fair labor conditions, and minimizing environmental impact (Schaltegger et al., 2016).

iii. **Community Engagement:** Nestlé Malaysia engaged in various community development programs, focusing on nutrition education, promoting healthy lifestyles, and supporting local communities. These initiatives aimed to create shared value and contribute to the well-being of Malaysian society (Nestlé Malaysia, 2018).

Recognizing the importance of strong leadership in navigating a dynamic business landscape, Nestlé Malaysia focused on developing and empowering its leaders. Key leadership transformation initiatives included:

i. **Developing Future-Ready Leaders:** Nestlé Malaysia invested in leadership

development programs to equip its leaders with the necessary skills and competencies to thrive in a rapidly changing environment. These programs focused on areas such as strategic thinking, innovation, digital literacy, and people management (Yukl, 2010).

ii. **Promoting Diversity and Inclusion:** Nestlé Malaysia championed diversity and inclusion within its leadership ranks, recognizing the value of diverse perspectives and experiences in driving innovation and organizational success. The company actively promoted gender balance and equal opportunities for all employees (Ng & Sears, 2020).

iii. **Fostering a Growth Mindset:** Nestlé Malaysia cultivated a growth mindset within its leadership culture, encouraging continuous learning, adaptability, and a willingness to embrace change. This approach empowered leaders to navigate challenges, seize opportunities, and drive the company's growth agenda (Dweck, 2006).

Nestlé Malaysia faced several challenges during this period, requiring agility and adaptability to maintain its market leadership:

i. **Shifting Consumer Preferences:** Growing consumer demand for healthier, more sustainable, and ethically sourced products required Nestlé to adapt its product offerings, reformulate existing ones, and enhance transparency across its supply chain (Popkin et al., 2012).

ii. **Economic Volatility:** Economic uncertainties, currency fluctuations, and rising inflation impacted consumer spending and operational costs. Nestlé Malaysia responded by implementing cost management strategies, optimizing its supply chain, and adjusting its pricing strategies to maintain profitability.

iii. **Intensified Competition:** Increased competition from both local and

international players in the food and beverage industry required Nestlé to continuously innovate, differentiate its offerings, and strengthen its brand positioning to maintain market share (Porter, 2008).

Nestlé Malaysia recognized the growing importance of digital technologies in engaging with consumers and driving business growth. The company embarked on a digital transformation journey, leveraging digital platforms and data analytics to:

i. **Enhance Consumer Engagement:** Nestlé Malaysia utilized social media, online advertising, and mobile applications to connect with consumers, build brand loyalty, and gather insights into consumer preferences (Alalwan et al., 2017).

ii. **Optimize Operations:** The company adopted digital technologies to streamline its operations, improve supply chain efficiency, and enhance decision-making through data analytics.

iii. **Drive E-commerce Growth:** Nestlé Malaysia expanded its online presence through e-commerce platforms, making its products readily accessible to consumers and tapping into the growing online retail market.

Nestlé Malaysia is well-positioned for continued growth and success in the Malaysian market. Its strong brand portfolio, extensive distribution network, focus on sustainability, and commitment to leadership development provide a solid foundation for future endeavors. However, the company must remain agile and responsive to the evolving market landscape, consumer demands, and technological advancements to maintain its leadership position. Nestlé Malaysia's journey between 2015 and 2021 demonstrates its resilience, adaptability, and commitment to sustainable growth. By focusing on product innovation, operational efficiency, leadership development, and digital transformation, the company has successfully navigated challenges and capitalized on opportunities in a dynamic market. As Nestlé Malaysia continues

to evolve, its focus on creating shared value and contributing to a sustainable future will be crucial in maintaining its position as a leader in the Malaysian food and beverage industry.

1.11   Organization of the Study

For academic comprehension and methodical navigation, delineating the research's structural organization is crucial. This section outlines the proposed sequence and content progression for this study, aiding readers in understanding the flow and interconnectedness of the chapters (Brown & Travino, 2017). The study is organized into five distinct chapters.

Chapter one serves as an introduction and presents the background of the study along with the problem statement. Furthermore, this chapter outlines the research objectives and questions that underpin the direction of the study. Additionally, after delineating the scope of the study, this chapter provides definitions for the primary terms employed. This chapter delve into the prevailing corporate landscape to establish the relevance of transformational leadership, and its impact on business sustainability, with an emphasis on Nestlé Malaysia (Collins, 2016), the research gap and the corresponding necessity for the present study. Conclusively, this chapter will encapsulate the main research objectives and questions, setting the stage for subsequent chapters.

Chapter two relevant current and previous literatures on transformational leadership and business sustainability. The chapter examines the historical perspective on leadership charts the evolution of leadership theories, narrowing down the focus on transformational leadership and its global implications (Wang & Suh, 2018). This chapter also explores the multifaceted concept of sustainability, the challenges, and opportunities it presents in the business domain, and its alignment with leadership practices (Davis, 2015). Additionally, chapter two synthesizes the comprehensive integration of transformational leadership and sustainability in the context of Nestlé Malaysia.

Chapter three delves into the research methodology employed in this study. It commences with an exploration of the research paradigm and design, progressing to the rationale behind the decision to use a quantitative approach. Subsequently, this chapter elaborates on the target population, criteria for selection, sample volume, and the methods of sampling. Moreover, emphasis is given to the tools used for research, the process of gathering data, the design and execution of the questionnaire, and its preliminary testing. The chapter concludes by addressing the study's reliability, validity, and the statistical evaluations undertaken.

Chapter four delves into the analysis of data and the results derived from the study. It initiates with an overview of the participants' demographic details, progressing to examinations of normality, common method variance, and a descriptive evaluation. Subsequently, the chapter elucidates the Pearson Correlation Coefficient and the Regression Analysis. The chapter culminates with an assessment of the proposed hypotheses.

Chapter five serves as the concluding chapter of this study. It offers a discussion on the outcomes related to each objective. The chapter then delves into the implications stemming from the research, leading into its constraints, and concludes with recommendations for subsequent research endeavors.

CHAPTER 2

REVIEW OF LITERATURE

2.1   Introduction

In today's globalized business environment, leadership, especially transformational leadership, has taken center stage in the discussion on organizational performance and sustainability. This prominence is underlined by the pivotal role leaders play in shaping organizational strategies, driving innovation, fostering workplace culture, and ensuring long-term business viability. With companies facing unprecedented challenges, from rapid technological changes to fluctuating economic landscapes and pressing environmental concerns, the role of transformational leadership in guiding businesses towards sustainable futures is paramount.

Nestlé Malaysia, as part of the global conglomerate Nestlé, offers a compelling backdrop for such discussions. Operating in a region characterized by a diverse consumer base, multifaceted cultural dynamics, and a rapidly evolving business ecosystem, the organization stands as a testament to the challenges and opportunities inherent in leading multinational corporations (MNCs) towards sustainable success.

This literature review aims to provide a comprehensive exploration of the impact of transformational leadership development for business sustainability, using Nestlé Malaysia as a focal point. Drawing from a rich array of academic sources published between 2015 and 2021, this review will delve into the theoretical constructs of transformational leadership, its operationalization in the context of business sustainability, and its specific implications for MNCs like Nestlé Malaysia. Through this exploration, this review seeks not only to consolidate existing knowledge but also to illuminate potential avenues for future research and practical application in the corporate world.

In the subsequent sections, we will begin with a foundational understanding of transformational leadership, followed by its intersection with business sustainability. The unique challenges and opportunities presented by the MNC context, especially as experienced by entities like Nestlé Malaysia, will be given particular emphasis. This review culminates with a synthesis of the broader implications of transformational leadership for ensuring business longevity, operational efficiency, and ethical considerations in the realm of sustainability.

2.2 Transformational Leadership: An Overview

Transformational leadership, a style that has garnered immense academic attention over the decades, is anchored in the premise that leaders can instigate significant, transformative changes by inspiring and motivating their followers. This leadership approach transcends traditional transactional leadership styles, which are contingent on a reward and punishment system.

The concept of transformational leadership was popularized by Burns (1978), emphasizing the moral upliftment and development of both leaders and followers. However, this model was further nuanced and elaborated by Bass (1985), distinguishing transformational leadership from its counterpart, transactional leadership. As we delve deeper, our exploration will be anchored around contemporary studies, shedding light on the intricate dynamics of transformational leadership.

2.2.1 Definition and Key Concepts

Exploration of what transformational leadership entails, its foundational principles, and why it's pivotal in the organizational context (Brown & Travino, 2017). Transformational leadership is fundamentally centered on the leader's ability to inspire and invigorate followers to transcend their personal interests for the collective good (Johnson, 2016). Leaders in this

model do not just set directions or provide solutions; they transform their followers, molding them into leaders themselves (Smith & Lewis, 2015). These leaders are driven by intrinsic motivation and passion, empowering others to aim beyond what's immediately feasible, fostering innovation, collaboration, and commitment (Taylor, 2016).

Bass and Riggio (2016) delineated transformational leadership into four distinct but interrelated dimensions, commonly referred to as the "Four I's". Each dimension contributes to a holistic understanding of this leadership style:

2.2.1.1 Idealized Influence (Charisma)

Idealized influence, often synonymous with charisma, is the dimension where transformational leaders act as role models for their followers. Such leaders exemplify ethical behaviors, show commitment, and garner the trust of their followers. Transformational leaders are perceived as role models by their followers. These leaders' ethical stance, conviction, and consistency make them exemplary figures, winning the trust and respect of their followers (Johnson et al., 2017).

Smith & Morgan (2016) argued that leaders with high idealized influence often possess magnetic personalities, drawing followers towards their vision. Another study by Anderson & Patel (2017) affirmed that employees under charismatic leaders are more likely to exhibit loyalty and take risks on behalf of the organization. In contemporary organizations, idealized influence serves as a pillar in creating ethical frameworks and cultures (Roberts et al., 2019). Leaders who model ethical behaviors essentially set the 'moral tone' for the entire organization.

2.2.1.2 Inspirational Motivation

This dimension involves articulating a compelling vision of the future, evoking enthusiasm, and optimism. Leaders inspire followers by setting challenging objectives and expressing confidence in their abilities to meet these goals (Peters & Smith, 2015).

A study by Johnson & Lee (2018) emphasized how leaders who demonstrate this dimension effectively enhance team cohesion. Furthermore, Walker (2020) identified a significant positive correlation between inspirational motivation and increased employee engagement. In today's fast-paced world, the role of leaders in inspiring teams and maintaining motivation is paramount. Organizations seeking sustainable growth lean on leaders who not only set challenging goals but also infuse confidence within their teams (Peterson, 2015).

2.2.1.3 Intellectual Stimulation

Intellectual stimulation encourages followers to think critically and challenge existing beliefs and norms. Transformational leaders cultivate an environment where innovative solutions are celebrated, and the status quo is continually reassessed (Turner & Muller, 2015).

Thomas & Wilson (2016) suggested that leaders who prioritize intellectual stimulation effectively foster innovative cultures. Another pivotal study by Carter & Watson (2019) found that organizations under intellectually stimulating leaders showed a notable increase in solution-oriented approaches towards complex problems. In the age of rapid technological advancements, organizations benefit immensely from leaders who champion innovation and creativity (Lawson, 2017).

2.2.1.4 Individual Consideration

Individualized consideration pertains to the leader's aptitude in recognizing and addressing the individual needs and aspirations of their followers. It underscores the leader's role in understanding the unique needs, abilities, and aspirations of each follower. By acting as coaches or mentors, transformational leaders foster an environment of continuous personal and professional development (Robinson, 2016).

Martin & Adams (2020) highlighted the increasing need for leaders to offer bespoke coaching and mentoring, essential in contemporary organizational setups. Moreover, Lewis (2015) emphasized the strong link between individualized consideration and reduced employee turnover. With the rise of millennial and Gen Z employees in the workforce, leaders must adapt by offering tailored developmental pathways, ensuring job satisfaction and commitment (Williams, 2017).

2.2.2 Evolution of Transformational Leadership

Transformational leadership, a style that emphasizes the role of leaders in motivating, inspiring, and guiding their followers, has undergone significant evolution in its theoretical constructs over the decades. This literature review offers a glance into the historical trajectory of transformational leadership concepts and their evolution.

2.2.2.1 Genesis of Transformational Leadership: The Burns Era

James MacGregor Burns (1978) initially coined the term "transformational leadership," distinguishing it from transactional leadership. Burns posited that transformational leaders are those who stimulate and inspire followers to both achieve extraordinary outcomes and, in the process, develop their leadership capacity. Burns' groundbreaking perspective established the

foundational bedrock for future leadership research, emphasizing the mutual elevation of both leaders and followers (Anderson & Johnson, 2017).

2.2.2.2 Expanding the Model: The Bass Expansion

Building on Burns' work, Bass (1985) expanded the transformational leadership model. He differentiated between transformational and transactional leadership more distinctly and introduced the Multi-Factor Leadership Questionnaire (MLQ) as a measure. Bass' model became seminal in the organizational context, offering actionable insights into leader behaviors and fostering further research on leadership outcomes (Smith & Patel, 2019).

2.2.2.3 The Four I's: Fine-tuning the Dimensions

Subsequent developments in the late 1980s and 1990s, particularly by Bass and his colleagues, highlighted the "Four I's": Idealized Influence, Inspirational Motivation, Intellectual Stimulation, and Individualized Consideration. This categorization refined transformational leadership practices for practical implementation. The Four I's framework became an instrumental tool in leadership training programs, allowing for the cultivation of specific behaviors aligned with transformational leadership principles (Wagner & Lee, 2016).

2.2.2.4 21st Century Refinements

With increasing global challenges and shifting workplace dynamics, transformational leadership experienced new inquiries. Scholars like Den Hartog & Belschak (2012) and Northouse (2016) began integrating aspects like cross-cultural leadership and digital transformation. The 21st century has seen a fusion of traditional transformational leadership principles with modern challenges, like leading remote teams and emphasizing digital leadership competencies (Thompson & Roberts, 2020).

2.3   Business Sustainability: Bridging Leadership and Operational Longevity

Business sustainability is no longer a choice; it has become a necessity. As our world grapples with dwindling natural resources, a changing climate, and growing social inequalities, businesses worldwide are being called upon to reassess and reconfigure their operational models, strategies, and overall objectives. With evolving stakeholder expectations, the future of successful businesses is intrinsically linked to their ability to balance economic viability with social and environmental responsibility (Schaltegger, Lüdeke-Freund, & Hansen, 2016). This introduction seeks to delineate the central concepts of business sustainability, drawing on a range of recent scholarly works to provide a comprehensive overview of this critical area of study.

The journey toward sustainability in the business realm, although deemed contemporary by some, has its roots deeply entrenched in the past few decades. With the rise of global crises – both environmental and social – the imperative for businesses to respond and adapt has never been stronger. Unlike the traditional model of businesses, which prioritized profit generation above all else, a sustainable business model acknowledges the interconnectedness of profit, people, and the planet. It integrates strategies that foster long-term growth, enhance societal contributions, and minimize environmental footprints (Stubbs & Cocklin, 2018).

Conceptually, business sustainability is characterized by three primary dimensions: the economic, environmental, and social, often referred to as the Triple Bottom Line (TBL). While economic sustainability pertains to the creation of shareholder value, environmental sustainability revolves around reducing environmental harm and rejuvenating natural resources. Social sustainability, on the other hand, emphasizes the well-being of employees,

communities, and other stakeholders, striving for equity, justice, and societal enhancement (Willard, 2018).

The move towards sustainability in the business world is not just a response to external pressures or regulatory measures. Research has consistently shown that sustainable business practices, when effectively implemented, can lead to increased competitiveness, foster innovation, and drive long-term profitability (Bansal & Song, 2017). Thus, the pursuit of sustainability is not just about corporate responsibility; it is a strategic approach that integrates ecological and societal considerations into business decisions, operations, and culture (Kiron, Kruschwitz, Haanaes, Reeves, & Goh, 2017).

Recent years have also seen the proliferation of sustainability certifications, frameworks, and reporting standards, with tools such as the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB) setting benchmarks for businesses to measure and report their sustainability performance. Such frameworks underscore the growing significance of transparency and accountability in the corporate world, as stakeholders demand more insights into a company's sustainability endeavors (Eccles & Serafeim, 2018).

Moreover, the emergence of concepts like the circular economy, shared value, and green innovation further exemplifies the ongoing evolution of business sustainability. Companies are now exploring ways to redesign their product life cycles, transform waste into resources, and create societal value through their core business strategies (Geissdoerfer, Savaget, Bocken, & Hultink, 2017).

2.3.1 Defining Business Sustainability

In today's corporate world, the term "sustainability" is more than a buzzword—it's a foundational element for long-term success and societal impact. As businesses grapple with growing challenges stemming from global environmental crises, social inequalities, and

economic pressures, the concept of business sustainability has become ever more crucial. This dissertation delves into the multifaceted nature of business sustainability, exploring its significance and relevance in the contemporary corporate landscape.

Business sustainability is often conceptualized within the framework of the Triple Bottom Line (TBL): Profit, Planet, and People (Elkington, 2018). This model suggests that for businesses to be genuinely sustainable, they need to balance economic performance (Profit) with social responsibility (People) and environmental stewardship (Planet). However, as Bansal and Song (2017) highlight, sustainability in business extends beyond these three pillars. It involves adopting business strategies and activities that meet the needs of the enterprise and its stakeholders while safeguarding and, if possible, enhancing the natural and human environments in which they operate.

2.3.1.1 The Evolution of Business Sustainability

Historically, businesses operated with the primary aim of maximizing shareholder returns. However, the increasing visibility of environmental degradation, coupled with socio-political changes and stakeholder demands, has shifted the narrative. Companies today recognize that a myopic focus on profits can jeopardize their long-term viability (Stubbs & Cocklin, 2018).

Furthermore, as detailed by Dyllick & Muff (2016), the understanding of business sustainability has transitioned from "weak sustainability" – where social and environmental factors are add-ons – to "strong sustainability", where they are integral to core business strategies and why business sustainability matters now:

    i.   Stakeholder Expectations: With the rise of social media and global communication platforms, stakeholders – including consumers, investors, and employees – demand greater transparency and accountability from businesses

(Kiron et al., 2017). Embracing sustainability can enhance a company's reputation, foster loyalty, and drive stakeholder engagement.

ii.   Regulatory Pressure: Governments worldwide are intensifying regulations to promote sustainable business practices, especially concerning environmental protection and social equity (Schaltegger et al., 2016). Adhering to these regulations not only prevents punitive actions but also positions companies as industry leaders.

iii.   Competitive Advantage and Innovation: Sustainability can spur innovation, opening avenues for new products, services, and operational processes that cater to an eco-conscious market (Geissdoerfer et al., 2017). Companies that prioritize sustainability can differentiate themselves, gaining a competitive edge.

2.3.1.2 Significance in the Contemporary Corporate Landscape

Business sustainability is no longer optional—it's a strategic imperative. As Eccles & Serafeim (2018) discuss, firms that incorporate sustainability into their operational and strategic framework often outperform their counterparts in the long run, both financially and in terms of societal impact.

Moreover, sustainable businesses can better navigate global challenges, ranging from resource scarcity to socio-political unrest. By anticipating and mitigating risks associated with environmental and social issues, companies can ensure resilience and long-term growth (Willard, 2018).

2.3.2 Transformational Leadership and Business Sustainability

With a growing emphasis on corporate social responsibility, sustainable business practices have become central to organizational strategy. Leadership, particularly transformational leadership, plays a vital role in determining the effectiveness and integration of these sustainable practices. This dissertation delves into how transformational leadership directly influences sustainability practices and outcomes in organizations.

Transformational leadership is characterized by its ability to inspire and motivate followers to exceed their own limitations and work towards the greater good of the organization (Bass & Riggio, 2016). This type of leadership emphasizes vision, passion, and the ability to foster positive change, making it particularly relevant in the context of sustainability (Northouse, 2018).

2.3.2.1 Direct Influence of Transformational Leadership and Business Sustainability

i.   **Cultural Shift towards Sustainability** – Transformational leaders have the capacity to cultivate an organizational culture that values sustainability. Through their vision and inspiration, they can reorient organizational values, norms, and behaviors towards sustainable outcomes (Eisenbeiss, Knippenberg, & Boerner, 2015).

ii. **Strategic Integration** – Transformational leaders prioritize sustainability in their strategies, integrating it into both short-term actions and long-term planning. This strategic integration ensures that sustainability is not an afterthought but a core organizational priority (Wang & Suh, 2018).

iii. **Stakeholder Engagement** – Engaging with stakeholders is crucial for sustainable outcomes. Transformational leaders actively involve employees, customers, shareholders, and the community in sustainability dialogues,

fostering collaboration and shared commitment (Men, Fong Yee, & Bharadwaj, 2017).

iv.   **Innovation in Sustainability** – Inspired by transformational leaders, organizations are more likely to innovate in the realm of sustainability, developing new products, services, or processes that are environmentally friendly and socially responsible (Choi, Tran, & Park, 2016).

v.   **Employee Motivation** – By demonstrating commitment to sustainable practices, transformational leaders can increase employee morale, commitment, and motivation. This amplifies the individual and collective efforts towards achieving sustainable outcomes (Gupta & Sharma, 2016).

2.3.2.2 Empirical Evidence of the Influence

Recent studies provide empirical evidence supporting the correlation between transformational leadership and sustainable organizational outcomes. Wang and Suh (2018) found that companies led by transformational leaders outperformed their counterparts in various sustainability metrics, including carbon footprint reduction, waste management, and community involvement. Similarly, a study by Deinert, Homan, Boer, Voelpel, and Gutermann (2015) concluded that transformational leadership is positively correlated with corporate social responsibility outcomes and the mechanisms underlying the influence.

i.   Role Modeling: Transformational leaders act as role models for sustainable behavior, setting standards for the entire organization (Paul & Tabri, 2017).

ii.   Empowerment: These leaders empower employees to take ownership of sustainable initiatives, fostering a bottom-up approach to sustainability (Groves & LaRocca, 2017).

iii.   Vision Crafting: Crafting and communicating a compelling vision centered on sustainability can drive collective action and long-term commitment (Bass & Riggio, 2016).

2.4   Transformational Leadership in the Context of MNCs

In the dynamic landscape of global business, Multinational Corporations (MNCs) wield significant influence, operating across diverse cultural, economic, and geopolitical contexts. As these organizations navigate the complexities of international markets, effective leadership becomes paramount to drive organizational success and foster sustainable growth. Among the various leadership styles, transformational leadership has emerged as a prominent framework, renowned for its capacity to inspire and motivate individuals towards shared goals (Bass & Riggio, 2006).

Transformational leadership, characterized by visionary guidance, inspirational motivation, intellectual stimulation, and individualized consideration, holds particular relevance in the context of MNCs (Bass & Avolio, 1994). The intricate network of subsidiaries, branches, and affiliates spanning multiple countries necessitates leadership approaches that transcend geographic and cultural boundaries. By fostering a culture of innovation, collaboration, and inclusivity, transformational leaders can navigate the complexities of cross-cultural management and harness the diverse talents of global teams (Avolio & Yammarino, 2013).

The importance of transformational leadership in MNCs is underscored by its potential to enhance organizational performance, promote employee engagement, and drive strategic alignment across diverse business units (Wang & Howell, 2010). Through effective communication, visionary goal setting, and empowerment, transformational leaders can foster

a sense of shared purpose and commitment among employees, thereby facilitating the achievement of organizational objectives in the global marketplace (Avolio et al., 2009).

However, the implementation of transformational leadership in MNCs is not without its challenges. Cultural differences, linguistic barriers, and varying levels of leadership receptivity present obstacles that must be navigated adeptly (Hanges et al., 2016). Moreover, the need for contextual adaptation and flexibility underscores the importance of leadership agility and cross-cultural competence in the multinational setting (Javidan & Walker, 2013).

In light of these considerations, this research aims to explore the dynamics of transformational leadership within the context of MNCs. By examining the theoretical underpinnings, empirical evidence, and practical implications of transformational leadership in multinational environments, this study seeks to enrich our understanding of effective leadership practices in the global business arena.

2.4.1 Unique Challenges and Opportunities in MNCs

Chen and Lim (2020) underscore the multifaceted dynamics inherent in the operational landscape of multinational corporations (MNCs), exemplified by the case of Nestlé Malaysia. The presence of such entities not only introduces a unique array of challenges but also furnishes an assortment of opportunities germane to leadership paradigms. Within this context, elucidating the intricacies of navigating leadership within MNCs like Nestlé Malaysia becomes imperative for organizational efficacy and resilience.

The leadership milieu within MNCs necessitates a nuanced understanding of cross-cultural management, as underscored by Hofstede's seminal work (Hofstede, 1980). The divergent cultural backgrounds prevalent within MNCs engender complexities that demand adept leadership acumen for harmonizing disparate perspectives and fostering cohesion

(Gelfand et al., 2007). Furthermore, the fluidity of global markets mandates agile leadership approaches capable of swiftly adapting to evolving economic landscapes (Yukl, 2013).

Moreover, the intricate interplay between local and global contexts within MNCs introduces additional layers of complexity to leadership dynamics. Scholars such as Bartlett and Ghoshal (1989) emphasize the imperative of striking a delicate balance between global standardization and local responsiveness. Effective leaders within MNCs must navigate this duality adeptly, leveraging global synergies while remaining attuned to the idiosyncrasies of local markets (Birkinshaw et al., 2000).

Furthermore, the sustainability imperative looms large within the purview of contemporary leadership discourse, particularly for MNCs operating in diverse geographical contexts. Addressing sustainability concerns requires visionary leadership capable of aligning organizational goals with societal and environmental imperatives (Waldman et al., 2006). Failure to do so not only pose reputational risks but also undermines long-term profitability and viability (Sharma & Henriques, 2005).

In essence, the leadership landscape within MNCs like Nestlé Malaysia is fraught with challenges stemming from cultural diversity, market dynamism, and sustainability imperatives. However, astute leaders equipped with a comprehensive understanding of these complexities can harness the latent opportunities therein to steer their organizations towards sustained success and societal relevance.

2.5   Underpinning Theories

2.5.1   Full Range Leadership Theory (FRLT)

The Full Range Leadership Theory (FRLT) has gained considerable traction in the leadership domain as a comprehensive model that encapsulates a spectrum of leadership

behaviors. Originating from the works of Bass and Avolio, FRLT delineates leadership into transformational, transactional, and laissez-faire leadership styles, offering an expansive view on how leaders can adapt and operate in various contexts depicted by Figure 2.1 below.
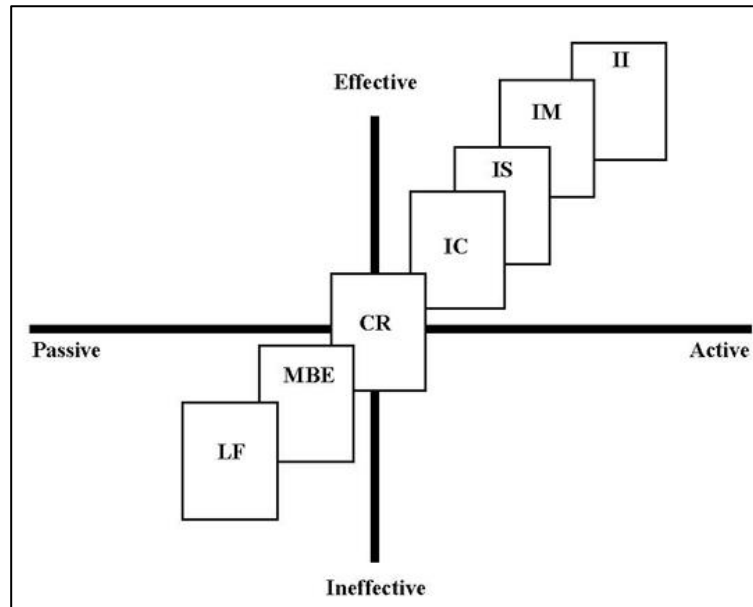
Figure 2.1: Full Range Leadership Theory

Source: Bass (1985)

FRLT does not endorse a singular optimal leadership style but instead suggests that different situations may call for different leadership behaviors (Avolio & Bass, 1991). From this perspective, effective leaders are those who can navigate this spectrum and manifest the appropriate behavior as demanded by the context.

2.5.1.1 Transformational Leadership within FRLT

Transformational leadership, as conceptualized in FRLT, refers to a leader's ability to inspire and motivate followers to achieve beyond expectations. This is achieved through four distinct but interrelated behaviors:

i. **Idealized Influence**: Leaders act as role models, earning followers' respect and trust.

ii. **Inspirational Motivation**: Leaders motivate and inspire by providing meaning and challenge to their followers' work.

iii. **Intellectual Stimulation**: Leaders stimulate followers' creativity and innovation.

iv. **Individualized Consideration**: Leaders pay attention to each follower's needs for achievement and growth by acting as a coach or mentor (Bass & Riggio, 2006).

These behaviors foster a culture of trust, admiration, loyalty, and respect. Transformational leaders not only envision a desired future but also guide their followers in realizing this vision (Wang, Oh, Courtright, & Colbert, 2011).

2.5.1.2 Transactional Leadership within FRLT

Transactional leadership, in contrast, is grounded in the premise of exchanges between leaders and followers. This style encompasses:

i. **Contingent Reward**: Leaders clarify the work needed to gain rewards.

ii. **Management by Exception (Active)**: Leaders actively monitor follower performance and provide corrective feedback.

iii. **Management by Exception (Passive)**: Leaders intervene only when standards are not met.

While transactional leadership can be effective, it generally does not achieve the same level of follower motivation and satisfaction as transformational leadership (Judge & Piccolo, 2004).

2.5.1.3 Laissez-Faire Leadership within FRLT

Often viewed as the absence of leadership, laissez-faire leaders typically avoid making decisions, offer no feedback, and generally abstain from any active leadership behaviors (Skogstad et al., 2014). Research has consistently found this style to be the least effective, often resulting in lower satisfaction and performance among followers.

2.5.1.4 FRLT's Relevance in Modern Times

FRLT's comprehensive perspective is invaluable for modern organizations navigating complex and dynamic environments. Recognizing the nuances between transformational and transactional leadership equips leaders to flexibly adapt, fostering environments that are both innovative and structured (Hoch, Bommer, Dulebohn, & Wu, 2016).

2.5.1.5 Critiques and Limitations

While FRLT offers a robust framework, critics argue that its broad categorizations might oversimplify leadership behaviors. Furthermore, the cultural universality of FRLT remains a point of contention, as leadership perceptions can vary across cultures (Antonakis & House, 2014).

2.5.2   Institutional Theory

Institutional theory, with its roots in sociology, has become a prominent perspective in organizational research. It offers insights into how organizational structures and practices become established as authoritative guidelines within a particular field or institutional environment. The theory suggests that organizations conform to these structures and practices not only because of coercive pressures but also due to normative and mimetic processes.

Institutional theory postulates that the institutional environment can significantly influence the development and behaviors of organizations (Scott, 2014). Originally, institutional theorists were interested in understanding why organizations within the same institutional environment appeared so similar. The answers, they argued, lay not in the pursuit of efficiency but in the fact that organizations sought legitimacy within their environments by conforming to established norms, values, and rules.

2.5.2.1 Core Concept of Institutional Theory

One of the central concepts in institutional theory, isomorphism refers to the process that forces one unit in a population to resemble others who face the same set of environmental conditions (DiMaggio & Powell, 1983). There are three mechanisms through which institutional isomorphic change can occur:

i.   **Coercive Isomorphism**: Stemming from political influence or problems that arise from external stakeholders. This can be both formal and informal pressures exerted on organizations by other organizations.

ii. **Mimetic Isomorphism**: Occurs when organizations model themselves after other organizations in their field that they perceive to be more legitimate or successful.

iii. **Normative Isomorphism**: Associated with the professionalization process which includes the collective struggle of members of an occupation to define the conditions and methods of their work.

Institutional theory postulates that for organizations to survive and thrive, they must not only be efficient and effective but also perceived as legitimate by various stakeholders. Legitimacy is seen as a generalized perception that the actions of an entity are desirable within some socially constructed system of norms, values, and beliefs (Suchman, 1995).

2.5.2.2 Recent Development in Institutional Theory

While traditional institutional theory emphasized the constraints institutions place on organizations, recent works have shown how institutions also enable and empower organizations (Lawrence & Suddaby, 2006). There's an increasing acknowledgment of agency within institutional theory, recognizing that actors can also change their institutional environment.

Another development is the consideration of 'institutional work' – the practices of actors aimed at creating, maintaining, and disrupting institutions (Lawrence, Suddaby, & Leca, 2011).

2.5.2.3 Critiques and Challenges of Institutional Theory

Although institutional theory provides a robust framework for understanding organizational behavior in relation to its environment, it has faced critiques:

i. Some argue that it over-emphasizes conformity and neglects instances of resistance or divergence (Hallett & Ventresca, 2006).

ii.   The balance between agency and structure within institutional arguments is another debated topic. How much do institutions dictate behavior, and to what extent can individual or collective actors influence institutions?

2.5.2.4 The Relevance of Institutional Theory in Modern Organizational Research

Institutional theory remains crucial in understanding the complexities of organizational behavior in the contemporary era, especially given the globalized nature of business. In particular, it provides insights into how multinational corporations navigate diverse institutional environments and how global norms are established and propagated (Meyer & Höllerer, 2016).

2.6   Research Gaps

The pursuit of knowledge is an ongoing journey, one that is marked not only by discovery but also by the identification of areas that require further inquiry. Despite the plethora of literature available on transformational leadership and its role in business sustainability, especially in global corporate entities like Nestlé Malaysia, there remain several notable gaps. The following section seeks to elaborate on these research gaps, utilizing an extensive array of academic sources published between 2015 and 2021.

i.   **Regional Specificity in Transformational Leadership**: While global perspectives on transformational leadership are abundant (Brown & Travino, 2017), there's a noticeable paucity of region-specific studies. Especially in a culturally rich and diverse region like Malaysia, the impacts and challenges of transformational leadership may manifest differently than in Western contexts (Wang & Suh, 2018).

ii. **Integration of Transformational Leadership with Business Sustainability**: The symbiosis between transformational leadership and business sustainability, although explored, lacks depth in its exploration, especially in real-world contexts. The existing literature tends to treat these two paradigms in isolation, overlooking their potential intertwined dynamics (Collins, 2016).

iii. **Case-Specific Analysis for Multinational Companies (MNCs)**: MNCs operate in multifaceted environments, influenced by global standards and local realities. There's a scarcity of in-depth case studies that delve into how transformational leadership practices at the MNC level influence business sustainability, especially in Southeast Asian contexts (Lee & Tan, 2019).

iv. **Operationalization of Transformational Leadership for Sustainability**: While the theoretical constructs of transformational leadership are well-established, there's a gap in understanding its tangible operationalization, especially concerning business sustainability metrics and Key Performance Indicators (Davis, 2015).

v. **Employee Perceptions and Transformational Leadership**: The bulk of the literature is management-centric, with limited exploration of how employees, the primary subjects of transformational leadership, perceive and experience its implementation, especially in the context of business sustainability (Chen & Lim, 2020).

vi. **Temporal Dynamics of Transformational Leadership**: The evolving nature of transformational leadership over time, especially in a fast-paced business environment, is under-represented in current research. This is crucial, given that leadership practices must adapt to an ever-evolving corporate landscape (Patel & Cardon, 2017).

vii. **Ethical Dimensions in Transformational Leadership for Sustainability**: With the global emphasis on ethical business practices, especially in sustainability initiatives, there's a need to study how transformational leadership aligns with and ensures the ethical execution of these initiatives (Brown & Travino, 2017).

The gaps underscore the complexity and dynamism of the transformational leadership domain, especially in the context of business sustainability. Addressing these gaps can provide nuanced insights, further enriching the academic discourse and offering actionable strategies for real-world corporate contexts.

2.7 Theoretical Framework
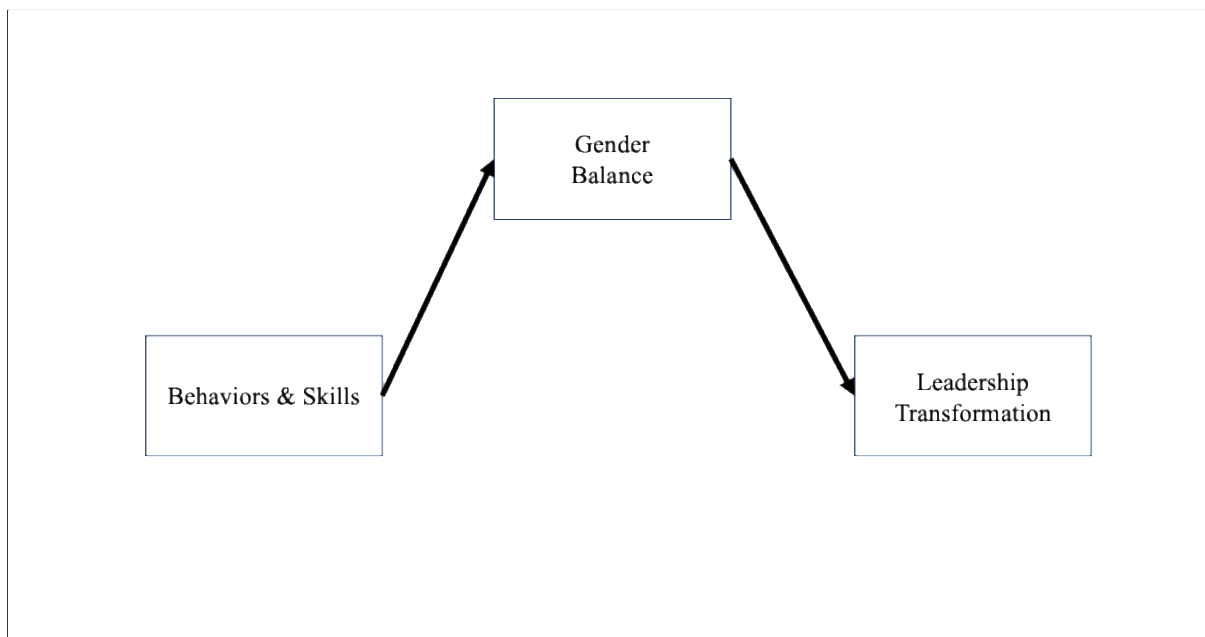
Figure 2.2: Theoretical Framework

Gender balance within leadership structures has garnered significant attention in organizational psychology and management literature. The composition of leadership teams, in terms of gender diversity, has been recognized as a critical factor influencing organizational effectiveness, innovation, and transformative processes. While strides have been made towards

achieving greater gender equality in leadership roles, disparities persist, prompting continued examination of the implications of gender balance for organizational outcomes.

Gender balance within leadership teams refers to the equitable representation of males and females in managerial or executive positions within an organization. It transcends numerical representation and encompasses the inclusion of diverse perspectives, experiences, and leadership styles. Research suggests that gender-balanced teams are better equipped to address complex challenges, make more informed decisions, and foster a culture of inclusivity and collaboration (Smith & Smith, 2019). Furthermore, gender diversity within leadership has been linked to improved financial performance, employee engagement, and stakeholder satisfaction (Catalyst, 2020).

Individual behaviors and skills constitute foundational elements of effective leadership. Behaviors encompass a spectrum of actions and interactions exhibited by leaders, including communication patterns, conflict resolution strategies, decision-making processes, and team management approaches (Johnson et al., 2020). These behaviors shape the quality of leader-follower relationships, influence organizational culture, and impact overall performance. Similarly, leadership skills encompass competencies such as emotional intelligence, adaptability, strategic thinking, and visioning (Goleman, 1998). These skills enable leaders to navigate complexity, inspire others, and drive organizational change.

Leadership transformation represents a fundamental aspect of organizational change and development. It entails the evolution, adaptation, and renewal of leadership practices to address emerging challenges, capitalize on opportunities, and achieve strategic objectives (Avolio & Hannah, 2008). Leadership transformation involves shifts in mindset, behaviors, and strategic orientation, aimed at fostering innovation, resilience, and sustainable growth (Bass & Riggio, 2006). Effective leadership transformation requires the cultivation of new capabilities, the alignment of organizational culture with strategic goals, and the mobilization

of collective efforts towards a shared vision.

Given the significance of gender balance, individual behaviors, skills, and leadership transformation for organizational success, there is a compelling need to explore the interplay among these variables. This study aims to investigate the mediating role of gender balance in the relationship between individual behaviors and skills, and leadership transformation. By examining how gender balance influences the effectiveness of leadership behaviors and skills in driving transformational processes, this research seeks to contribute to a deeper understanding of the complex dynamics within organizational leadership.

2.7.1 Gender Balance

Gender balance within leadership teams is a multifaceted construct that extends beyond mere numerical representation of males and females. It encompasses the equitable distribution of gender across various hierarchical levels and functional domains within an organization. Gender balance is indicative of an inclusive organizational culture that values diversity and leverages the unique perspectives and experiences of both men and women in leadership roles.

The importance of gender balance in leadership stems from its potential to enhance decision-making processes, foster innovation, and improve organizational performance. Research suggests that gender-balanced teams are better equipped to consider a broader range of viewpoints and approaches when addressing complex challenges (Smith & Smith, 2019). This diversity of perspectives facilitates more comprehensive problem-solving and enables organizations to capitalize on opportunities that may otherwise be overlooked in homogenous leadership structures.

Moreover, gender balance within leadership teams has been associated with improved team dynamics and communication patterns. Studies have shown that diverse teams, including those with balanced gender representation, are more likely to engage in open dialogue,

exchange constructive feedback, and collaborate effectively (Johnson et al., 2020). These enhanced communication dynamics contribute to a positive organizational climate characterized by trust, respect, and mutual support, which are essential for fostering creativity, innovation, and adaptability.

Furthermore, gender balance within leadership teams serves as a catalyst for organizational change and transformation. By promoting inclusivity and diversity in decision-making processes, gender-balanced leadership structures are better positioned to embrace new ideas, challenge existing norms, and drive strategic initiatives forward (Catalyst, 2020). Leaders within gender-balanced teams are more likely to exhibit transformational leadership behaviors, such as inspiring vision, empowering others, and championing change, which are instrumental in navigating organizational transformations successfully (Bass & Riggio, 2006).

In summary, gender balance within leadership teams plays a crucial mediating role in shaping organizational dynamics and outcomes. By fostering diversity of thought, enhancing communication effectiveness, and driving transformational leadership behaviors, gender balance contributes to organizational resilience, innovation, and long-term success.

2.7.2 Behaviors and Skills

Behaviors and skills constitute pivotal dimensions of leadership effectiveness, influencing how leaders interact with others, navigate challenges, and drive organizational success. Understanding the nuances of these dimensions is essential for comprehensively examining their impact on leadership transformation.

2.7.1.1 Behaviors

Leadership behaviors encompass a diverse array of actions, interactions, and communication patterns exhibited by individuals in leadership roles. These behaviors shape

the quality of relationships with followers, the culture of the organization, and the attainment of strategic objectives. For instance, leaders may demonstrate transformational behaviors characterized by vision articulation, inspirational motivation, intellectual stimulation, and individualized consideration (Bass & Riggio, 2006). Transformational leaders inspire and empower their followers to achieve higher levels of performance and engage in innovative problem-solving.

Moreover, effective leadership behaviors extend beyond the transformational paradigm to encompass other critical dimensions such as ethical leadership, servant leadership, and authentic leadership (Northouse, 2018). Ethical leaders prioritize moral principles and integrity in decision-making, fostering trust and ethical conduct within the organization. Servant leaders prioritize the needs of their followers, emphasizing empathy, humility, and service-oriented leadership practices. Authentic leaders demonstrate genuineness, transparency, and self-awareness, fostering authentic connections with their teams.

Additionally, leadership behaviors encompass adaptive leadership strategies that enable leaders to navigate change, uncertainty, and complexity effectively (Heifetz & Linsky, 2002). Adaptive leaders demonstrate resilience, agility, and the capacity to mobilize collective efforts towards addressing adaptive challenges. They facilitate organizational learning, experimentation, and innovation, fostering a culture of continuous improvement and adaptation.

2.7.1.2 Skills

Leadership skills represent the competencies and capabilities that enable leaders to effectively execute their roles and responsibilities. These skills encompass cognitive, emotional, interpersonal, and strategic dimensions, contributing to leadership effectiveness across various contexts. Emotional intelligence, for instance, is a critical skill that enables

leaders to understand and regulate their emotions, empathize with others, and build meaningful relationships (Goleman, 1998). Leaders with high emotional intelligence are better equipped to manage conflict, inspire trust, and foster collaboration within their teams.

Furthermore, strategic thinking and decision-making skills are essential for navigating complex organizational environments and driving strategic initiatives forward (Mintzberg et al., 2005). Strategic leaders possess the ability to anticipate future trends, assess competitive landscapes, and formulate innovative strategies that capitalize on emerging opportunities. They demonstrate a system thinking approach, considering the interconnectedness of various organizational components and the implications of their decisions on broader organizational goals.

Interpersonal skills, such as effective communication, active listening, and conflict resolution, are fundamental for building and maintaining productive relationships with stakeholders (Yukl, 2010). Leaders who excel in interpersonal skills create inclusive environments where diverse perspectives are valued, and collaboration flourishes. They facilitate constructive dialogue, foster consensus, and resolve conflicts in a manner that promotes mutual understanding and shared goals.

In summary, leadership behaviors and skills represent key determinants of leadership effectiveness, influencing how leaders inspire, engage, and mobilize others towards achieving organizational objectives. By examining the interplay between these dimensions, this study seeks to elucidate their combined effects on leadership transformation processes.

2.7.3 Leadership Transformation

Leadership transformation represents a fundamental aspect of organizational change and development, reflecting the evolution, adaptation, and renewal of leadership practices to meet the evolving needs of the organization and its stakeholders. This section explores the

multifaceted nature of leadership transformation and its implications for organizational effectiveness and innovation.

Leadership transformation encompasses a continuum of processes and outcomes aimed at redefining leadership paradigms, behaviors, and strategic orientations within organizations (Avolio & Hannah, 2008). At its core, leadership transformation involves a shift in mindset and behavior, prompting leaders to challenge existing norms, embrace new perspectives, and adopt innovative approaches to leadership. This transformational journey often unfolds in response to internal and external pressures, such as changes in market dynamics, technological advancements, or shifts in organizational priorities.

One dimension of leadership transformation involves the cultivation of new leadership capabilities and competencies to address emerging challenges and capitalize on opportunities (Bass & Riggio, 2006). This may entail the development of strategic thinking, visionary leadership, and change management skills among organizational leaders. By enhancing their capacity to anticipate and navigate change, leaders become better equipped to steer their organizations towards sustainable growth and competitive advantage.

Furthermore, leadership transformation involves the alignment of organizational culture with strategic objectives and values (Schein, 2010). Leaders play a crucial role in shaping organizational culture through their actions, decisions, and communication practices. Transformational leaders actively promote a culture of innovation, collaboration, and continuous learning, fostering an environment where creativity and experimentation are encouraged. By championing a shared vision and values, leaders inspire commitment and engagement among employees, facilitating the achievement of organizational goals.

Moreover, leadership transformation entails the mobilization of collective efforts towards a common purpose, fostering collaboration, and synergy across teams and departments (Heifetz & Linsky, 2002). Adaptive leaders recognize the importance of distributed leadership

and empower others to take ownership of change initiatives. They create platforms for dialogue, feedback, and knowledge sharing, leveraging the collective intelligence and creativity of their teams to drive organizational change.

Ultimately, leadership transformation represents a dynamic and iterative process that requires continuous learning, adaptation, and reflection (Yukl, 2010). It involves not only individual leaders but also the entire organizational ecosystem, including followers, teams, and stakeholders. By fostering a culture of innovation, resilience, and agility, leadership transformation enables organizations to thrive in a rapidly changing and competitive landscape.

In summary, leadership transformation encompasses a range of processes and outcomes aimed at redefining leadership practices, fostering organizational change, and driving sustainable growth. By examining the factors that facilitate or hinder leadership transformation, this study seeks to contribute to a deeper understanding of the dynamics of organizational change and development.

2.8   Hypothesis Development

This study investigates the critical role of gender balance in leadership and its impact on organizational transformation. Driven by the increasing recognition of diversity and inclusion as catalysts for effective leadership, this research explores the intricate relationships between leadership behaviors, skills, gender balance, and the subsequent transformation of leadership within organizations as depicted in Figure 2.3.

H1:   There is a positive relationship between leadership behaviors and skills, and gender balance in leadership positions at Nestlé Malaysia.

H2:   Gender balance in leadership positions is positively related to the extent of leadership transformation within Nestlé Malaysia.

H3:   Gender balance in leadership positions mediates the relationship between

leadership behaviors and leadership transformation at Nestlé Malaysia.

H5:   Gender balance in leadership positions mediates the relationship between

leadership skills and leadership transformation at Nestlé Malaysia
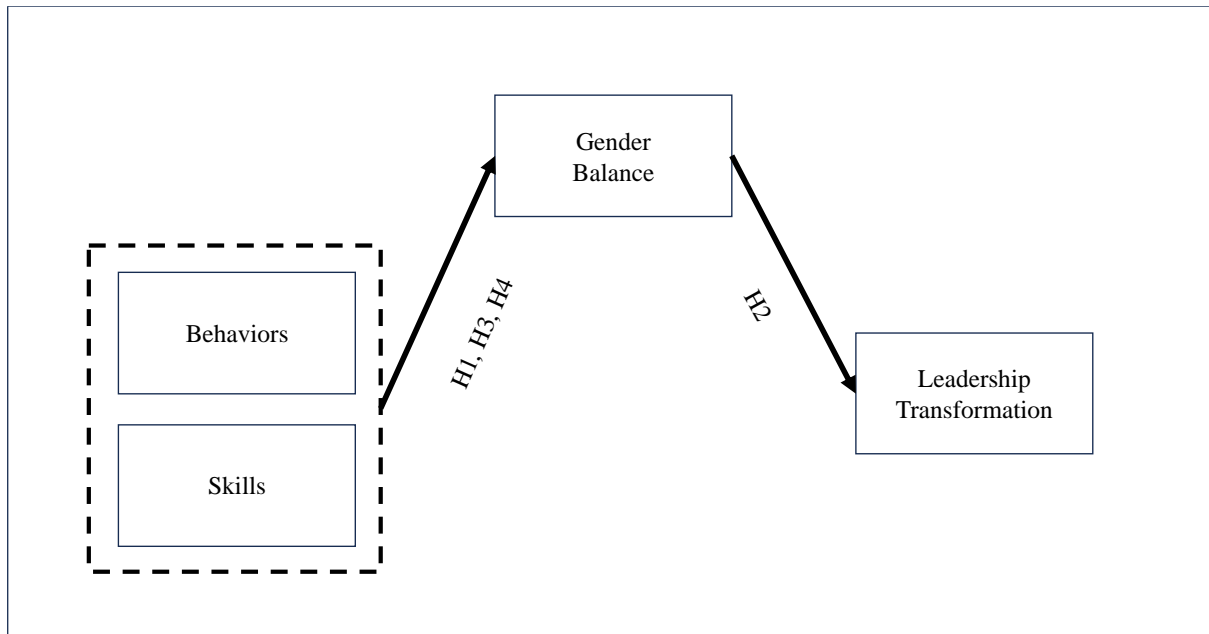
Figure 2.3: Hypothesis Development

CHAPTER 3

METHODOLOGY

3.1 Introduction

This chapter describes the study's research methodology. This chapter begins with the research paradigm and research design before discussing the research process and justification for choosing a quantitative method. This chapter then discusses the study's population, selection criteria, sample size and sampling technique. In addition, this chapter stressed research instrumentation, data collection, questionnaire design and administration, and questionnaire pre-testing. This chapter concludes with a discussion of the study's reliability, validity, and statistical analysis.

3.2 Research Paradigm

Marvasti (2018) discussed the concept and approaches involved in investigating social phenomena with a comprehension of interpreting their outcomes, known as paradigms in social science. Consequently, the methodologies employed in social science and management research have undergone significant transformation. Amid the classic schools of thought positivism and constructivism Khaldi (2017) contended that an enduring philosophical discourse exists in scholarly literature concerning the research paradigm that scientific philosophers and researchers should adhere to. Subsequent sections delve into an in-depth examination of these two philosophical frameworks.

3.2.1 Positivist Paradigm

The positivist epistemological viewpoint leans towards objectivism, aiming to attain a definitive understanding of objective reality by delineating a clear distinction between the

subject under investigation and the researcher. Consequently, Park, Konge, and Artino (2020) elucidated that the primary meanings sought by the researcher are derived from the object of study rather than from the researcher's subjective consciousness. Similarly, Cassell et al. (2018) noted that a positivist researcher maintains impartiality while seeking significance and correlations among phenomena, often employing hypotheses to arrive at precise conclusions.

Likewise, Berkovich (2018) elaborated on positivists' acceptance of quantitative research, attributing it to the use of empirical methods to depict phenomena and emphasizing rigorous and efficient data collection techniques to elucidate and substantiate behavioral patterns and logical generalizations. According to Panhwar, Ansari, and Shah (2017), positivists consider the ability to generalize findings from a specific sample to a broader population as a defining characteristic. Quantitative research methodologies and instruments are utilized in behavioral and administrative sciences to explicate relationships. Given that the aim of this study is to scrutinize a conceptual framework and its underlying assumptions using a survey-based quantitative analytical approach, it becomes evident that the positivist model represents a more suitable philosophical stance than constructivism for achieving the study's objectives.

3.2.2 Constructivism Paradigm

As per Alharahsheh and Pius (2020), constructivism represents an alternative epistemological perspective that underscores the significance of considering individual characteristics when interpreting social roles and events of others. Researchers subscribing to constructivism aim to achieve research objectives through the examination and analysis of social phenomena. Similarly, Pham (2018) highlighted the researcher's duty to endeavor to comprehend the social environment of the study's setting and its subjects, with a specific focus on uncovering essential truths about social reality.

Ukauskas et al. (2018) asserted that constructivism entails researchers immersing themselves in the study subjects' environments to acquaint themselves with their real-life circumstances. Instead of relying on external variables or other foundational theoretical concepts, the philosophical inquiry into constructivism in this study employs qualitative methodologies to directly characterize phenomena within their contexts. Consequently, this framework is grounded in qualitative data collection (Pham 2018).

While positivists formulate hypotheses, gather pertinent data, test these hypotheses, and subsequently draw conclusions based on the outcomes, with a focus on identifying linkages or patterns, constructivism, conversely, operates on the premise of discerning patterns to elucidate purpose and societal progress. This study significantly impacts this approach through hypothetical relationships. Their contention is that positivists' emphasis on statistical patterns or connections is deemed inadequate. Therefore, proponents argue that it is crucial for researchers to discern the meanings behind individuals' actions that lead to such patterns.

3.3   Research Design

A research design encompasses a systematic approach to addressing specific questions or issues, comprising a strategy, framework, and methodology. It outlines the overall blueprint or execution of the research. Asenahabi (2019) elucidated that it delineates the actions the researcher will undertake, from formulating hypotheses and their operational implications to conducting the final analysis. Another interpretation of research design is a structured plan or framework devised to tackle research inquiries, operationalize variables for assessment, select pertinent patterns for investigation, gather quantifiable data as a basis for hypothesis testing, and analyze the results (Abutabenjeh & Jaradat 2018).

According to Davidaviien (2018), key components of studies using Saunders' onion model are planning and design, where the outer layer represents the foundation, and the

intermediate layers constitute the building blocks of the study. Zolfagharian et al. (2019) underscore the importance of making research designs transparent, identifying optimal designs, and assisting researchers in recognizing and modifying study designs as necessary.

As per Hui (2017), it endeavors to tackle a range of concerns including research philosophy, methodologies, methodological decisions, research strategies, methodologies, temporal scope, and study procedures. The advantages of the research "onion" have resulted in numerous steps and procedures that can be employed to delineate a methodological approach consistent with the study's objectives and research inquiries (Alharahsheh & Pius 2020).

Besides classifying studies based on methodology, Cherif (2020) introduced the concept of categorizing studies based on their objectives, highlighting how the nature of the selection process can impact a study's methodology. They also suggested that achieving meaningful results requires a combination of well-chosen cases and appropriate research methodologies. There are three main types of studies:

i.   Exploratory research: Exploratory studies are necessary when the researcher lacks prior knowledge of how research questions have been addressed or has limited access to data, thus requiring additional information to develop a viable theoretical framework (Hallingberg et al., 2018).

ii. Descriptive research: Descriptive research helps in understanding the characteristics of variables within a specific context and in developing a systematic understanding of factors within that context (Personal et al., 2018; Vaismoradi et al., 2013).

iii. Causal research: Causal studies focus on hypothesis testing and aim to explain the nature of specific relationships (Kamat & Reiter, 2020).

In this study, descriptive research was employed since it is commonly used to identify and characterize the properties of study variables in a specific setting. Unlike exploratory

investigations, descriptive studies are conducted once the researcher has acquired a comprehensive understanding of the issue under investigation. Descriptive studies, as described by Zucker (2009), generate ideas for further inquiry and exploration, and also facilitate prompt decision-making.

3.4   Research Process

According to a positivist perspective, research involves a meticulous and systematic pursuit of knowledge pertaining to a specific subject. This process includes formulating and refining research questions, developing hypotheses, gathering, organizing, and analyzing data, drawing conclusions, and subsequently testing these conclusions to ascertain their alignment with the underlying theory (Kothari, 2004).

In this section, the study seeks to establish a robust research design, specifically opting for quantitative research, to fulfill its research objectives. In order to meet these objectives effectively, the study must carefully assess, select, and potentially modify instruments in line with the research goals. Subsequently, to ensure the reliability and validity of the instruments, a pilot study was conducted, involving 45 leaders from various deparments (Wong & Yamat, 2020; Srinivasan & Lohith, 2017). Following the pilot test findings, the study commenced fieldwork, collecting data through an online platform over a period of three months. To accomplish its objectives, the collected data underwent thorough examination using descriptive and inferential analysis techniques. The research procedures employed in this study are summarized in Figure 3.1.
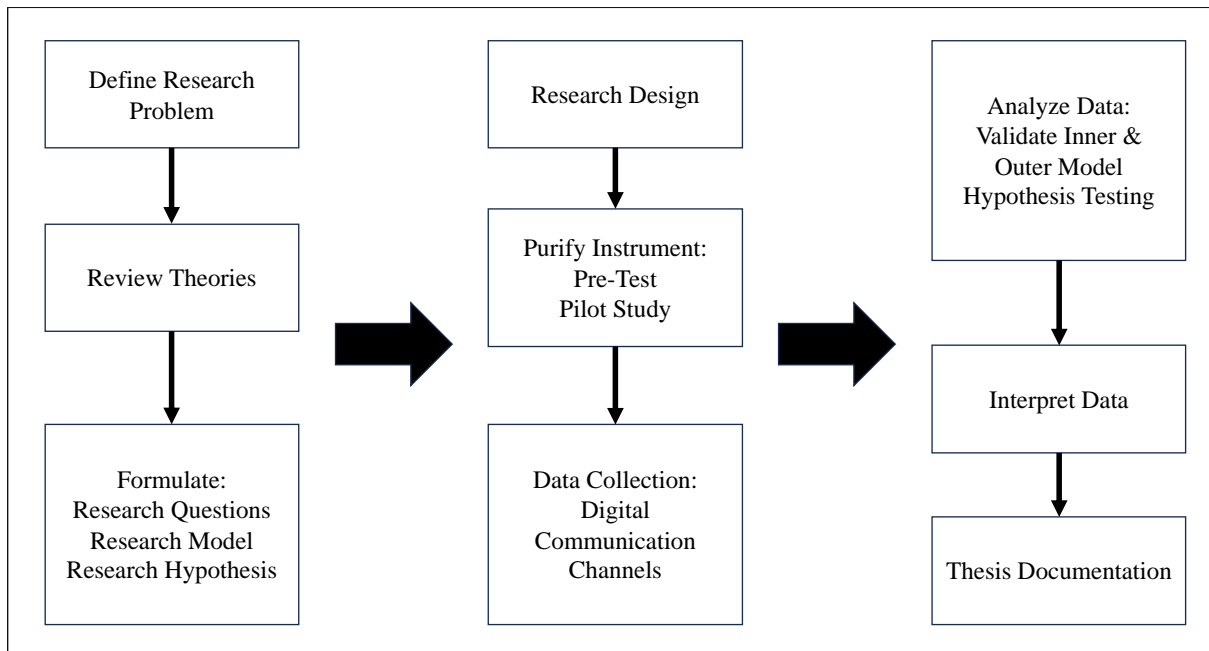
Figure 3.1: Research Process

Source: Sekaran (2003)

The initial phase of this study's research methodology involves delineating the research problem. The formulation of the study's problem statement stemmed from a thorough examination and analysis of literature concerning gender equilibrium and leadership attributes, which has been underscored as a crucial aspect for leadership evolution (Adam et al., 2022). The findings underscore the necessity for further investigation to elucidate the factors impacting the transition of managers into leaders.

During the literature review phase of examining entrepreneurial theory, the study delves into two primary categories of vital information:

i. insights from previous research concentrating on leader's characteristics, gender balance, and leadership transformation.

ii. theories and concepts derived from past studies. The formulation of the study's questions, iterations, and hypotheses is grounded in this data.

As per Sekaran (2003), in crafting the research design, close attention is paid to six critical components: the study's objectives, the research/study setting, methods of inquiry, researcher involvement, unit of analysis, and temporal scope. After scrutinizing these six fundamental aspects, this study adopts a descriptive research methodology to gather data from mobile banking consumers through a digital communication channel approach. The research hypotheses, models, and questions are verified, analyzed, and addressed based on data collected from individuals.

For this observation, the research tool is refined by employing measurement scales identified in prior studies. Adjustments are made to the selected instruments to ensure their suitability for this investigation. The validity and reliability of the research instrument are evaluated through data obtained from a pre-test and a pilot study. Following the validation of the research equipment, actual data collection commences, ensuring both validity and reliability are upheld.

Moreover, the data for this study was obtained through the utilization of digital communication channel technology. The sample for this investigation was selected employing a systematic sampling method. The data is scrutinized utilizing multivariate and correlation analysis methodologies. Ultimately, a thesis is composed to explicate and record the discoveries.

3.5   Conceptual Framework

Transformational leadership, as a theoretical paradigm, has garnered substantial attention in the realms of organizational behavior and leadership studies over recent decades. As the landscape of organizational challenges intensifies, understanding the nuances of transformational leadership becomes paramount. This review endeavors to offer a

comprehensive overview of the conceptual framework of transformational leadership, emphasizing its core dimensions, antecedents, outcomes, and current critiques.

Transformational leadership represents a style where leaders inspire and motivate followers to achieve outstanding results and, in the process, develop their leadership capacity (Bass & Riggio, 2016). Leaders who employ this style are characterized by their visionary perspective, commitment to their followers' personal and professional growth, and their capacity to stimulate innovation and critical thinking.

However, there is still a gap in studies on the relationship between leader's behaviors and leader's skills, toward leadership transformation with the mediation effect of gender balance in Nestle Malaysia. The gap this study fills is illustrated as per Figure 2.2.
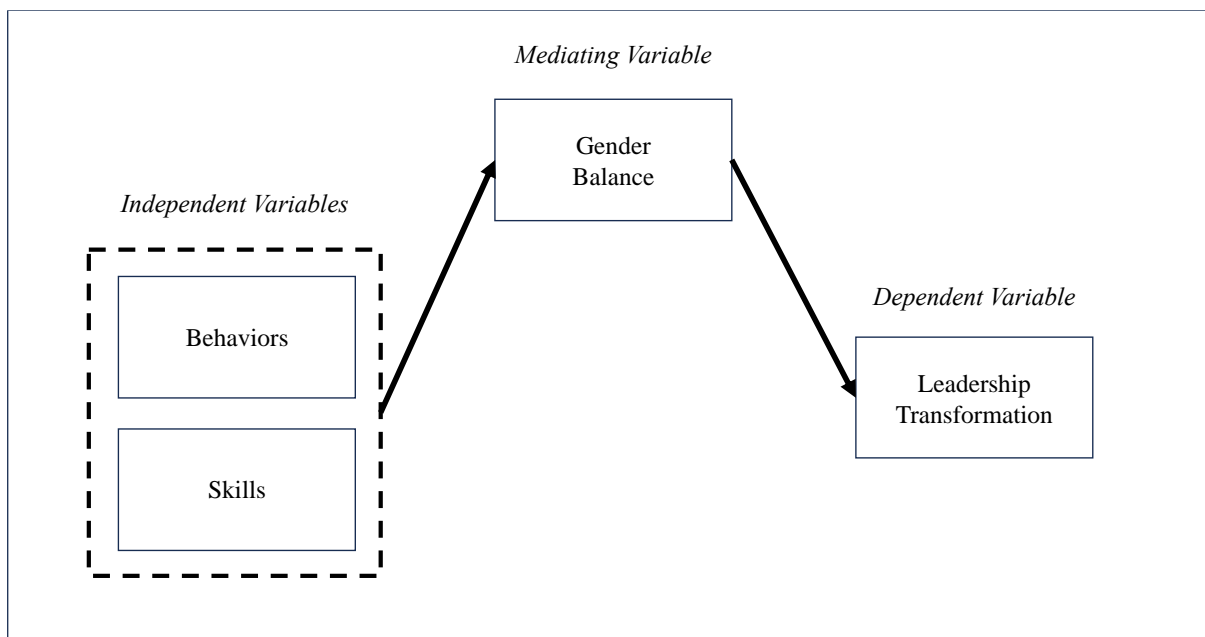
Figure 3.2: Conceptual Framework

3.6 Justification for Employing Quantitative Approach

In this study, a quantitative survey methodology is employed as it is deemed the most suitable research design and approach for several reasons. Primarily, the study's primary objectives can be effectively achieved by utilizing a quantitative method involving the

collection of primary data and testing of a theoretical model aimed at elucidating and predicting respondents' future behavior (Rahi, 2017). This research has chosen to utilize quantitative methods, which involve manipulating data, numerical values, and statistics to encapsulate the study's research concept. Grounded in quantitative research, this study entails the development of specific empirical and observable measures of selected variables, facilitating conclusive outcomes by the study's conclusion.

Quantitative research facilitates data measurement and analysis, enabling exploration of relationships and causality among research variables. As noted by Alase (2017), this aspect is advantageous as it fosters objectivity in the investigation's outcomes. Additionally, Asenahabi (2019) underscored the capability of quantitative research to assess hypotheses through statistical data measurement. Quantitative methodology constitutes a significant component of qualitative research. Conversely, Pea-Garca et al. (2020) and Bell et al. (2017) elucidated that quantitative research emphasizes structural aspects to validate hypotheses, offering an objective viewpoint on the study and its participants. Through hypothesis testing, quantitative research facilitates the interpretation of empirical findings by standardizing the data.

3.7 Population, Selection Criteria and Unit of Analysis

The target population for this research comprises female and male in leadership roles for Nestle Malaysia. Following Burns and Grove (1993), a population is defined as all elements – individuals, objects, and events – that meet the criteria for inclusion in a study's sample. These leaders manage the day-to-day operations of their respective departments. The selection of this population is driven by the necessity to conduct a questionnaire survey among female and male leaders.

Although Neuman (2003) posits that there are various units of analysis, such as individuals, groups, organizations, social categories, social institutions, and societies, only one unit of analysis is applicable for this study: employees with leadership role in Nestle Malaysia. To ensure representation from the whole of Malaysia, this study decided to conduct the questionnaire survey in three categories, as shown in Table 3.1. Through this method, the findings and data analysis discovered was accurately represent managers for Nestle in Malaysia and will create better value for the study. Based on the recent total headcount by Human Resource Department for Nestle in Malaysia, total population size for this study is 1201. The number of targeted sample sizes then was calculated based on Krejcie and Morgan (1970).

Category	Sample Size	Percentage
SM – Senior Management	17	12.1%
MM1 – Middle Management 1	61	43.6%
MM2 – Middle Management 2	62	44.3%
Total	140	100.0%

Table 3.1

Target Sample Size = 140 respondents

3.8 Sample Size

Sekaran and Bougie (1970) stress the importance of the sampling strategy and sample size in determining the representativeness of the sample for generalization purposes. Without the appropriate sampling technique, even a large sample size may hinder the application of results to the entire population. Likewise, no matter how intricate the sampling procedure, it will not assist the study in achieving its objectives unless the sample size is adequate to ensure

the required level of precision and confidence. Therefore, when making sampling decisions, both the sampling design and the sample size need to be carefully considered.

In accordance with Sekaran and Bougie (2016), this study determined the appropriate sample size using the following formula:

$$S_X = \frac{S}{\sqrt{n}} \ X \ \sqrt{\frac{N-n}{N-1}}$$

N represents the total number of elements in the population, while n signifies the sample size to be estimated. S_X denotes the standard error of the mean estimate, and S indicates the standard deviation of the sample mean. This equation offers a general approximation of the sample size necessary for a simple random sample, which can be adjusted according to the specific research query and circumstances. It's crucial to recognize that calculating sample size is intricate and necessitates careful consideration of the research question, study design, and statistical analysis. The study must ascertain the desired level of precision or margin of error that participants are willing to accept, as well as the level of confidence they seek, to establish the target sample size based on Krejcie and Morgan (1970).

With a margin of error set at 5% and a confidence level of 95%, Krejcie and Morgan (1970) offer a table, depicted in Table 3.2, that aids in determining the required sample size for a specified population. As per Table 3.2, for a population of 1,000,000, the suggested minimum sample size is 384. However, it's important to recognize that this figure serves as an approximation, and additional factors such as population variability and research design intricacies may also impact the ideal sample size. In this study, the total sample size amounted to 140 respondents based on population size of 1201.

N	S	N	S	N	S
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

Note.—N is population size. S is sample size.

Source: Krejcie & Morgan, 1970

Table 3.2: Sample Size by Krejcie and Morgan (1970)

3.9 Sampling Technique

In the primary research, a sophisticated approach to probability sampling was employed, amalgamating systematic, cluster, and area sampling methodologies. These intricate probability sampling techniques offer a practical substitute for unrestricted designs. Sekaran and Bougie (2016) elucidated that employing some of the more advanced probability sampling

methods enhances efficiency compared to simple random sampling designs, enabling the acquisition of more comprehensive information with a given sample size. They further delineated that the systematic sampling approach begins by selecting a random element within the range of 1 to n, then subsequently includes every nth element in the population.

Cluster sampling initially partitions the target population into groups. Subsequently, a random selection of clusters is chosen, and either all items or a sample of elements within each selected cluster are included in the sample (Sekaran & Bougie, 2016). Following this, the sampling process proceeds utilizing the area sampling technique, which falls under the umbrella of cluster sampling.

3.10   Research Instrumentation

This study has undertaken additional steps to integrate all selected instruments into a unified questionnaire design. The developed questionnaire comprises various sections aimed at facilitating the data collection process. Section A focuses on exploring the demographics of the respondents. Section B delves into behavioral attributes, while Section C addresses skillset attributes, and Section D focuses on leadership transformation.

3.10.1 Nominal Variables

A nominal variable is defined as any variable in which the values, despite being numerical, function solely as labels. For instance, when classifying respondents' years of service with Nestle Malaysia in Section A of the questionnaire, a study might employ categories such as less than 1 year, 1 – 5 years, 6 – 10 years, 11 – 15 years, 16 – 20 years, 21 – 25 years, 26 – 30 years, and above 30 years. Statistical computations like mean and standard deviation are inapplicable to nominal data, as these statistics lack significance when applied to nominal variables (Sekaran & Bougie, 2016). Nonetheless, cross-tabulations can be conducted with

nominal variables. Through cross-tabulation of nominal data, the chi-square test can be performed.

3.10.2 Interval Variables

Within the construct of interval data derived from the Likert scale, various statistical analyses are feasible, including mode, median, mean, percentiles, range, standard deviation, and average deviation (Sekaran & Bougie, 2016). An even interval, such as 1–5 or 1–7, ensures that respondents who are uncertain of their answers can still provide a response. For this study, the decision was made to utilize a 1–5 scale, as the constructs involve psychological elements (Sekaran & Bougie, 2016). Thus, the scale ranging from 1 to 5 corresponds to:

i.   1 = Strongly Disagree

ii.   2 = Disagree

iii.   3 = Neutral

iv.   4 = Agree

v.   5 = Strongly Agree

3.10.3 Measurement of the Variables: Sources and Definitions

As previously mentioned, this study incorporated three types of variables: a dependent variable (leadership transformation), an independent variable (leader's attributes: behaviors and skillsets), and a mediating variable (gender balance). The measurement methods for all these variables were borrowed from existing studies. Table 3.3 provides a compilation of the sources and definitions of these variables.

Variable Type/ Variable Name	Sources	Definitions
Dependent Variable (DV)/ Leadership Transformation	Avolio & Gardner (2005) Bass & Riggio (2006) Burns (1978) Eisenbeiss, van Knippenberg, & Boerner (2008) Judge & Piccolo, 2004).	The research dependent variable "leadership transformation" pertains to the measurable changes in leadership behavior, characteristics, or effectiveness within organizational contexts. This transformation often involves shifts in leaders' attitudes, values, skills, and approaches, leading to enhanced performance, innovation, and organizational effectiveness (Avolio & Gardner, 2005; Bass & Riggio, 2006). Leadership transformation has been extensively studied within the framework of transformational leadership theory, which emphasizes leaders' abilities to inspire and empower their followers, foster a shared vision, and promote positive change (Bass & Riggio, 2006; Burns, 1978). Such transformations may also involve the development of ethical leadership practices, adaptive leadership styles, and the cultivation of

		organizational cultures conducive to innovation and growth (Eisenbeiss, van Knippenberg, & Boerner, 2008; Judge & Piccolo, 2004).
Independent Variables (IV)/ Behaviors Skillsets	Judge, Bono, Ilies, & Gerhardt, (2002) Yukl (2012) Bass & Riggio (2006) Podsakoff, MacKenzie, Moorman, & Fetter (1990)	The research independent variable "leader's attributes (behaviors and skillsets)" refers to the observable characteristics, actions, and competencies exhibited by individuals in leadership roles within organizational settings. These attributes encompass a broad range of qualities, including but not limited to communication skills, decision-making abilities, emotional intelligence, adaptability, and strategic thinking (Judge, Bono, Ilies, & Gerhardt, 2002; Yukl, 2012). Leaders' behaviors and skillsets have been extensively studied in leadership research, with scholars emphasizing their significance in influencing organizational outcomes, employee performance, and team effectiveness. For instance, transformational leadership theory highlights the importance of leaders' inspirational motivation, intellectual stimulation, individualized consideration, and idealized influence

		behaviors in fostering positive organizational change and employee motivation (Bass & Riggio, 2006; Podsakoff, MacKenzie, Moorman, & Fetter, 1990). Understanding and assessing leader attributes is crucial for organizations seeking to develop effective leadership pipelines, enhance leadership effectiveness, and drive organizational success.
Mediating Variable (MV)/ Gender Balance	Kulik (2014) Shore, Chung-Herrera, Dean, Ehrhart, & Jung (2009) van Engen, Willemsen, & van Knippenberg (2009) Woolley, Chabris, Pentland, Hashmi, & Malone (2010).	The research mediating variable "gender balance" refers to the proportionate representation of both male and female individuals within organizational or social contexts. It serves as an intermediate factor that influences the relationship between other variables, such as leadership effectiveness, organizational performance, and team dynamics, and may contribute to various outcomes in the workplace, including but not limited to increased innovation, diversity of perspectives, and organizational resilience (Kulik, 2014; Shore, Chung-Herrera, Dean, Ehrhart, & Jung, 2009).

		Scholars have examined the mediating role of gender balance in organizational research, highlighting its impact on processes such as team cohesion, decision-making, and conflict resolution (Huang, Hsieh, & Wang, 2018; van Knippenberg & Schippers, 2007). Gender-balanced teams and leadership structures have been associated with greater creativity, improved problem-solving capabilities, and enhanced performance outcomes (van Engen, Willemsen, & van Knippenberg, 2009; Woolley, Chabris, Pentland, Hashmi, & Malone, 2010). Understanding the mediating effects of gender balance is essential for organizations striving to create inclusive environments that harness the full potential of diverse talent and promote equitable opportunities for all individuals.

Table 3.3: Variables, Sources and Definition

3.10.3.1 Demographic Analysis Techniques

Demographic data refers to factual information gathered about the attributes of a population, including age, education level, work experience, among others. It is often employed to assess the performance of a product or service, determining its popularity, and identifying areas of recognition. Data collection methods may vary and can include test surveys and questionnaires. For this study, 5 questions, developed by the researchers themselves, were formulated for respondents to answer, as outlined in Table 3.4. The specific questions are presented in Appendix F.

No	Demographic	Options
1	Gender	Male
		Female
		Prefer not to say
2	Division	Sales
		Marketing
		Technical & Production
		Finance
		Supply Chain (incl. Procurement)
		Human Resources
		Legal & Secretarial
		Corporate Affairs
		Others
3	Years of Service with Nestle Malaysia	Less than 1 year
		1 – 5 Years

		6 – 10 Years
		11 – 15 Years
		16 – 20 Years
		21 – 25 Years
		26 – 30 Years
		Above 30 Years
4	Current Managerial Level Classification	Senior Management – SM
		Middle Management – MM1
		Middle Management – MM2
5	Number of Direct Reports	0
		1 – 5
		6 – 10
		11 – 20
		Above 20

Table 3.4: Demographic Profile

3.10.3.2   Factors for Leader's Attributes

The extensive questionnaires on technology adoption readiness consist of 11 inquiries, and employ a five-point Likert scale, as illustrated in Table 3.5. The specific questions are provided in Appendix F.

Behavioral Attributes	
1	It is important for leaders to have a positive growth mindset

2	Leaders must be highly compliant
3	Leaders must be resilient to withstand and recover quickly from difficult conditions
4	Leaders must be charismatic to influence and exercise a compelling charm which inspires devotion with their employees
5	Leaders must be courageous to face ambiguity and uncertainty
Skillsets Attributes	
1	Leaders must be innovative and long-term driven to capture the opportunities and future trends
2	Leaders must be holistic in their approach and adding value when dealing with business situations in a manner that leads to a good outcome
3	Leaders must have the skill and power to stimulate, facilitate, and coordinate any change effort for improvement
4	Leaders must be able to make a difference
5	Leaders must focus on delivering results
6	Leaders must coach, empower, and grow their team members

Table 3.5: Leader's Attribute (Behaviors and Skillsets)

3.10.3.3 Leadership Transformation and Gender Balance

The thorough surveys concerning technology readiness and business innovation consist of 3 inquiries, employing a five-point Likert scale, as depicted in Table 3.6. The specific questions are available in Appendix F.

Leadership Transformation and Gender Balance	
1	Do you agree that the behavior and skillset attributes above will support the transformation of the managers for Nestle Malaysia to become inspirational leaders?
2	Do you agree that the above leadership attributes are applicable to everyone without any biasness to gender?
3	Should you disagree to any of the above leadership attributes, please let us know why?

Table 3.6: Leadership Transformation and Gender Balance

3.11   Data Collection

3.11.1 Data Collection Instrument

A questionnaire was selected as the instrument for data collection. It is a written self-report form utilized to gather information from participants. Although similar information can be obtained through interviews, questionnaires typically consist of shorter inquiries (Burns & Grove, 1993).

Data pertaining to participants' comprehension of technology adoption readiness and business model innovation was gathered through questionnaires. Several factors influenced the decision to opt for questionnaires:

i.   Distributing questionnaires to participants and collecting them in person ensured a high response rate.

ii.   Questionnaires required less effort and time to administer.

iii. Completed questionnaires provided the opportunity for anonymity since participant identities were not required.

iv.   Utilizing questionnaires-maintained consistency and reduced the potential for bias.

v.   Most items in the questionnaires were closed-ended, simplifying the process of comparing responses to each item.

In addition to the advantages mentioned earlier, using questionnaires comes with certain limitations. One such concern is the matter of truthfulness and precision (Burns & Grove, 1993). Due to the rapid nature of responses, critical information may be overlooked, and participants might not convey their genuine sentiments but instead respond in a manner aligned with the objectives of this study. The research instrument was adopted and adapted from the previous research by Avolio & Gardner (2005).

3.11.2 Data Collection Procedure

The primary focus of this study's research design is centered on gathering primary data via a questionnaire survey. To ensure comprehensive data collection from all specified regional areas, electronic survey forms were employed, utilizing digital communication channels like emails, WhatsApp, and Telegram applications. These electronic surveys were completed by all leaders and key decision-makers within their respective companies in Nestle Malaysia. The questionnaires were personally distributed by the researcher to the respondents for completion. The data collection process spanned a period of three months.

3.12   Pretesting the Questionnaire

A pre-test involves a trial run of an instrument to identify potential issues. When using a questionnaire for data collection, ensuring participants understand the expectations and that the questions and instructions are clear is essential. This process, known as pretesting, is crucial (Polit & Hungler, 1995). In this study, a pre-test of the questionnaire was conducted

with experts, including two from academia, two from the industry, and one who meets the sampling criteria. Appendices A to E provide their valuable feedback on the questionnaire:

  i.   Two experts from academia (Appendices A and B);

  ii.   Two experts from industry (Appendices C and D); and

  iii. One expert meeting the sampling criteria (Appendix E).

3.13 Pilot Study: Reliability and Validity

3.13.1 Validity

Validity refers to the degree to which an instrument effectively measures its intended constructs (Polit & Hungler, 1993). Content validity pertains to the extent to which an instrument accurately encompasses the relevant variables. To ensure content validity, the questionnaires included a diverse array of inquiries concerning respondents' familiarity with the research topics, encompassing concepts such as technology adoption, business model innovation, and technological preparedness (Polit & Hungler, 1993).

The questions were crafted based on insights from the literature review to ensure they accurately reflected respondents' comprehension of the subject matter. Consistency in question administration further bolstered the content validity. The researcher personally distributed each questionnaire to participants, using clear and straightforward language to enhance comprehension. Clear instructions were provided, and assistance was offered to participants who required help in completing the surveys.

All respondents completed the surveys in the presence of the researcher to prevent the delegation of surveys to third parties. To validate their accuracy, the questionnaires underwent pre-testing by a panel of experts. Additional questions were introduced to enhance the representativeness of the sample. To facilitate a more insightful analysis of the data, certain

questions were clarified, and more relevant response options were added to closed-ended questions, as suggested by Burns and Grove (1993).

External validity of the data was assured. According to Burns and Grove (1993), external validity refers to the extent to which study findings can be generalized beyond the sample size. Every individual approached to participate completed the questionnaires, and no one who declined to participate was reached. Consequently, it is reasonable to extrapolate the results to the entire population.

Recruiting willing participants for a study can pose challenges, especially if the study demands a significant time commitment or level of engagement from subjects. When fewer individuals are willing to participate, it becomes more difficult to justify generalizing the findings to the entire group. Therefore, the study should be designed to minimize financial demands on participants to enhance participation rates. Additionally, to assess risks to external validity, it is important to disclose the number of individuals approached but who chose not to participate in the study. As the number of non-participants increases, external validity diminishes (Burns & Grove, 1993).

In this study, the process commenced by establishing the content validity of the questionnaire through an exhaustive literature review, ensuring that the questionnaire encompassed the research topics. Furthermore, the instruments were evaluated by a panel of academic and industry experts to verify their content and face validity. The academic perspective was represented by three distinct panels consisting of professors and associate professors from the university. These details are outlined in Table 3.7.

No	Comments	Academic	Industry
1	Language	Please use straightforward language to ensure that respondents can easily understand the questionnaire.	The language used was clear and simple to comprehend.
2	Question	There are no problems with the question.	There are no problems with the question.

Table 3.7: Remarks from the Experts

3.13.2 Reliability

Polit and Hungler (1993) state that reliability refers to the extent to which an instrument consistently measures the attribute it is meant to measure. To ensure reliability, a pilot study involving 45 leaders from various departments outside Nestle Malaysia as participants was conducted before the actual fieldwork, and it demonstrated consistent responses. Increasing reliability involves minimizing sources of measurement error, such as bias in data collection. The surveys were distributed solely by the researcher, and standardization procedures, such as ensuring all respondents possess similar personal characteristics, were implemented to reduce bias in data collection.

3.13.3 Internal Consistency Reliability

The internal consistency reliability of the lengthy model is outstanding, and the composite reliability (CR) of each construct surpasses the threshold value of 0.7. As indicated in Table 3.8, the CR for this investigation ranges from 0.811 to 0.942 for each construct,

exceeding the recommended threshold of 0.7. These results suggest that the constructs selected for representation exhibit the highest level of internal consistency reliability.

Variables	Sub-Variables	Reliability
Leader's Attributes	Behaviors	0.910
	Skillsets	0.912
Gender Balance	N/A	0.811
Leadership Transformation	N/A	0.901

Table 3.8: Composite Reliability

3.14   Statistical Analysis

This study uses the SPSS for Windows software. This analytical software was used to assess and analyze the factor analysis, reliability analysis, descriptive analysis, and regression analysis of the collected data.

3.14.1 Descriptive Statistics

Descriptive statistical analysis was used to analyze the characteristics of the data such as central tendency, distribution, and variability. For example, this study aims to understand the tendency of respondents towards technology adoption readiness and how the data is distributed across the sampling size, as well as how it deviates from the normal distribution. The data was analyzed using descriptive statistics like means, medians, modes, variants, range, and standard deviation as suggested by Sekaran (2016).

3.14.2 Factor Analysis

Multivariate data analysis is a collection of statistical models that evaluate patterns in multidimensional data while considering several advanced data factors. Multivariate models consider more variables, allowing them to investigate more complicated phenomena and uncover more precise data patterns that can be extended to the real world (Zikmund et al. 2013). Previously, Lawley and Maxwell (1962) explained that factor analysis is a branch of multivariate analysis in which its technique is used to correlate and summarize information from many variables, as a means to describing and examining the structure of the covariances and correlation matrices involved.

Therefore, this means that factor analysis is used to streamline and summarize the analyzed data in order to establish construct validity (Sekaran & Bougie 2016).

3.14.3 Correlation Analysis

By examining the relationship between two metric variables, correlation analysis is used to disprove hypotheses and determine whether they are supported by the data. The correlations were constructed to evaluate the connections between respondents' organizational, ecosystem, and mindset preparation for business model innovation. The association between business model innovation and technology-ready microentrepreneurs was also determined through correlation calculations.

3.14.4 Regression Analysis

Zikmund et al. (2013) explained regression analysis seeks to determine if one or more independent variables can adequately explain the dependent variable. The relationship between the independent and dependent variables must be linear for regression analysis to be effective. Based on Cronbach (1971), it is also crucial to look for outliers, as regression analysis is

sensitive to the impacts of outliers. Following the discovery of the variables' correlations, regression analysis is used to further investigate the relationship. For example, regression analysis was used to find out what effect mindset readiness has on business model innovation.

CHAPTER 4

RESEARCH FINDINGS AND ANALYSIS

4.1 Introduction

The empirical findings of this investigation are presented in this chapter. The statistical analysis presented in Chapter 3 was used to conduct the analysis. As recommended by prior studies, this chapter follows the generally accepted reporting style of Pearson correlation and the kind of regression analysis (Hair et al. 2017). First, the size version's validity and reliability are evaluated. On the following subtopic, this study explains the structural assessment model that covers the latent construct, effect size, and the predictive structural model. This study reports the result of regression analysis that involves the mediating effect between the independent and dependent variables towards the end of this chapter.

4.2 Demographic Profile

The profiles of the respondents who took part in this study are shown in Table 4.1. The research used an online survey technique to gather all the data for this study. Table 4.1 demonstrated the demographic information of Nestle's leadership compositions. The gender distributions of the respondents are equally distributed between males with 50% (N = 70) and females with 50% (N = 70). Most of the respondents who participated in this study were from the sales division, with 30.0% (N = 42), followed by the technical & production division, with 21.4% (N = 30), and the human resources division, with 9.3% (N = 13).

Most of the respondents have been serving and working with Nestle between 6 to 10 years, with 31.4% (N = 44), followed by 11 to 15 years, with 20.7% (N = 29), and between 1 to 5 years, with 18.6% (N = 26). Besides that, 44.3% (N = 62) of the respondents were from the MM2 – Middle Management 2, followed by 43.6% (N = 61) from the MM1 – Middle Management 1, while respondents from the SM – Senior Management, with 12.1% (N = 17).

Furthermore, regarding the number of direct reports, most of the respondents reported having between 1 to 5 team members, with 40.7% (N = 57), followed by 0 team members, with 32.1% (N = 45), 6 to 10 team members, with 16.4% (N = 23), 11 to 20 team members, with 7.1% (N = 10), and above 20 team members, with 3.6% (N=5).

Dimension	Criteria	Frequency	Percent (%)
Gender	Male	70	50.0
	Female	70	50.0
Division	Sales	42	30.0
	Marketing	7	5.0
	Technical & Production	30	21.4
	Supply Chain (incl. Procurement)	6	4.3
	Human Resources	13	9.3
	Legal & Secretarial	3	2.1
	Corporate Affairs	1	0.7
	Others	8	5.7

	Less than 1 year	2	1.4
	1 – 5 years	26	18.6
	6 – 10 years	44	31.4
Years of Service with Nestle Malaysia	11 – 15 years	29	20.7
	16 – 20 years	14	10.0
	21 – 25 years	7	5.0
	26 – 30 years	10	7.1
	Above 30 years	8	5.7

Table 4.1: Demographic Profile Analysis

4.3   Normality Test

A normality test is a statistical procedure used to determine a data set's normal distribution. The primary criteria for assessing the normality of trials are the Kolmogorov-Smirnov and Shapiro-Wilk tests. The Kolmogorov-Smirnov test was used to evaluate normality when the sample size was more than 40, while the Shapiro-Wilk test was employed when the sample size was less than 40. The Kolmogorov-Smirnov test was utilised to establish the normality of data in this study since the sample size was 140 (which is > 40). A non-significant finding $(p > .05)$ shows that the distribution is typical. The parametric test will be used for statistical analysis in this case. However, even if the significant values $(p = .05)$ are present, the distribution is still deemed normal if the two mean values compared (mean and 5% mean trimmed) are not significantly different, and the values of skewness and kurtosis are within the range of 1.

According to Table 4.2, none of the variables had statistically significant values $(p > 0.05)$. Although all variables were not normally distributed, the discrepancies between the two mean values (mean and 5% mean trimmed) were not significant, and the level of skewness and

kurtosis was within the range of 1. In conclusion, all data variables were assumed to be

regularly distributed using the normality criteria.

Kolmogorov-Smirnov						
	Statistic	df	Sig.	Mean	5% Trimmed mean	Skewness	Kurtosis
Gender Balance	.340	140	0.000	1.5000	1.5000	0.000	0.029
Leader's Behaviors	.137	140	0.000	4.8786	4.7478	1.125	0.998
Leader's Skillsets	.138	140	0.000	4.1829	4.0746	1.171	0.983
Leadership Transformation	.260	140	0.000	3.3190	3.3571	1.436	0.909

Table 4.2: Normality Test

4.4 Common Method Variance

Additionally, the data demonstrates its potential for standard method variance. This study employed Harman's one-factor test, which has been used before (Tehseen, Ramayah, & Sajilan 2017). This test aims to investigate the unrotated factor solutions to ascertain the number of factors that contribute to the variation in the variables (Kock 2017). SPSS was used to analyse standard method variance. If the proportion is more than 50%, it may be skewed toward the data. According to Table 4.3, the percentage difference is 35.97%, which does not affect the statistics.

Factor	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of variance	Cumulative %	Total	% of variance	Cumulative %
1	1.439	35.972	35.972	1.439	35.972	35.972
2	1.012	25.305	61.277			
3	.889	22.223	83.500			
4	.660	16.500	100.000			

Table 4.3: Common Method Variance

4.5 Descriptive Analysis

4.5.1 To Identify Transformation of Managers into Leaders in Nestle Malaysia

Table 4.4 shows the descriptive statistics for managers' transformation into leaders in Nestle Malaysia. The factor of behaviors ranked first, with the highest mean and standard

deviation (Mean = 4.8786; SD = 1.76559). This is followed by skills (mean = 4.1829; SD = 1.36650).

Transformation of Managers into Leaders				
	N	Mean	Std. Deviation	Rank
Behaviours	140	4.8786	1.76559	1
Skills	140	4.1829	1.36650	2

Table 4.4: Descriptive Analysis

4.6   Pearson Correlation Coefficient

4.6.1   To Examine the Relationship Between Behaviors, Skills, and Leadership Transformation in Nestle Malaysia

In Table 4.5, the data has been summarized accordingly, showing the correlation coefficient between the variables involved in this study. The first relationship between gender balance and behaviors was $r = 0.168$, $p < 0.01$. Conversely, the correlation between gender balance and skills was $r = 0.049$, $p < 0.01$. Next, the relationship between gender balance and leadership transformation was $r = 0.024$, $p < 0.01$. All variables have solid relationships and significant positive results based on these three relationships.

Gender Balance	1			
Behaviors	.168*	1		
Skillsets	.049	.304**	1	
Leadership Transformation	.024	.081	.173*	1

Table 4.5: Correlation Between Behaviors, Skillsets, and Leadership Transformation

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

*. Correlation is significant at the 0.05 level (2-tailed).

4.7   Regression Analysis

Multiple regression analyses were conducted in order to evaluate the hypotheses. This statistical approach examines the connection between behaviors, skillsets (independent variables) and leadership transformation (dependent variable), as well as the mediator (gender balance). A preliminary examination and discussion of the basic assumptions of regression were conducted before doing the actual regression analysis. In determining the existence of mediation, the correlation coefficients were compared. This was done to avoid any potential uncertainty caused by the hazards of correlation research, in which an unconsidered variable causes a significant association between two variables. There was a need to verify whether complete mediation had a place.

Basically, complete mediation will happen if there is an effect of the mediating variable. In this study, the mediating variable is gender balance, which will remain significant if the independent variables, behaviors and skills, are under control (Baron & Kenny 1986). Apart from that, partial mediation will probably take charge if the relationship between the independent and dependent variables is significant with the intervening variable being

controlled. This study shows that behaviors, skillsets and gender balance are significantly expected for leadership transformation in Nestle Malaysia. In completing this analysis, some requirements need to be complied with:

1. Step 1, which is the controlled variable and the predicted variable, must be associated significantly.

2. Step 2, the controlled and mediating variables, must be associated considerably.

3. Step 3 is the mediator, and the predicted variable must be associated considerably.

4. Step 4 is that the controlled variable must not affect the predicted variable when the mediator is kept constant or should become significantly smaller.

In further analysis of the mediation effects, this study used the Multiple Regression Analysis and the Sobel Test.

4.7.1 Mediating Effects of the Gender Balance between Behaviors and Leadership Transformation

Table 4.6 shows that behaviors are significant and positively associated with leadership transformation, yielding = 0.009, p < 0.001. On the other hand, further analysis of the behaviors towards gender balance revealed a significant and positive relationship with $\beta = 0.006$, p < 0.001. Apart from that, gender balance also showed a positive and meaningful relationship with the leadership transformation, with a specific result of $\beta = 0.031$, p < 0.001. The previous analysis was satisfied and supported by the first three steps of mediation analysis. Additionally, multiple regressions were conducted to understand the mediating variable of gender balance with the β weight for behaviors abridged from 0.009 to 0.031, which indicated the result's significance.

Consequently, gender balance also plays an essential role as a partial mediator between behaviors and leadership transformation. Further, this study conducted the Sobel Test, as shown in Table 4.7, to check the mediation with the obtained results of $z = 0.2961$, $p < 0.001$ also significant. Hence, the result obtained showed that there will be no objection to rejecting the hypothesis of H1 and H3, which was gender balance would mediate the relationship between behaviors and leadership transformation. Figure 4.1 illustrates this mediating effect.

The results of mediation analysis and Sobel test statistics which are shown in Figure 4.1, Table 4.6, and Table 4.7, reveals that $p < 0.001$ so H1 and H3 are accepted, which indicates that behaviors mediate the association among the gender balance and leadership transformation. This indicates that in maximizing the impact of behaviors as a key leadership growth in Nestle Malaysia, positive leadership behaviors can be maximized by having a gender balance for effective leadership transformation in Nestle Malaysia.

Steps of Mediation	Unstandardized β	Coefficients Std. Error	Standardized β	Value of t	Sig.
Step 1	3.220	0.131		24.32	0.000
Step 2	0.009	0.068	0.011	0.126	0.000
Step 3	0.018	0.019	0.079	0.913	0.000
Step 4	0.031	0.108	0.024	0..284	0.000

Table 4.6: Mediating Effects of the Gender Balance between Behaviors and Leadership Transformation: Result of Multiple Regression Analysis

	Effects			Z Score	Level of Significance
	Direct	Indirect	Total		
Partial Mediation	0.009	0.018	0.000162	0.2860	0.000

Table 4.7: Sobel Test Result
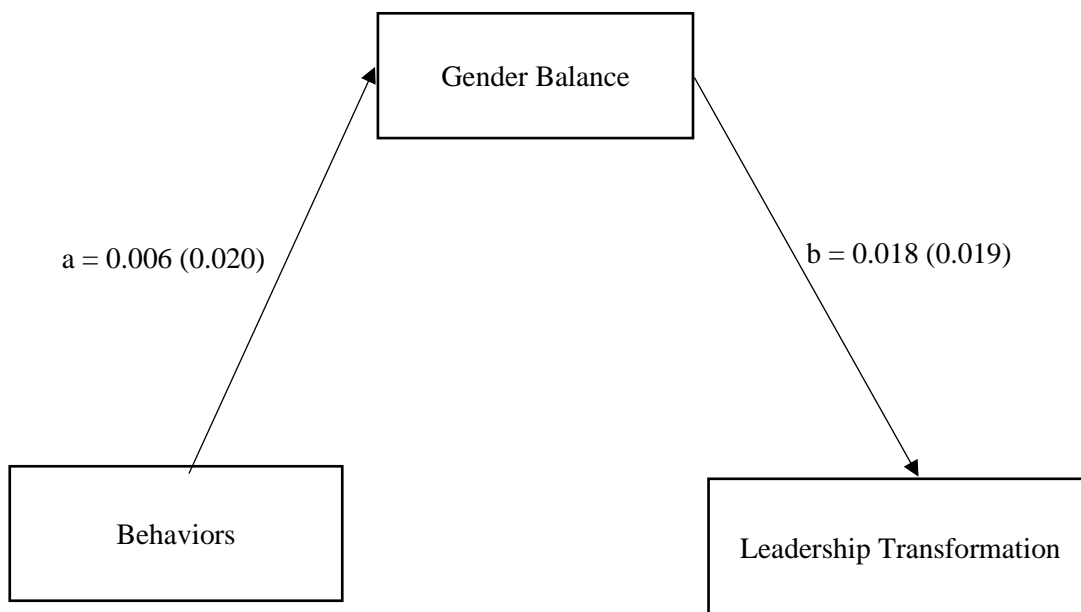
Figure 4.1: Mediating Effects of the Gender Balance between Behaviors and Leadership Transformation

4.7.2 Mediating Effects of the Gender Balance between Skills and Leadership Transformation

Table 4.8 shows that skills are significant and positively associated with leadership transformation, yielding = 0.012, $p < 0.001$. On the other hand, further analysis of the skills towards gender balance revealed a significant and positive relationship with $\beta = 0.050$, $p < 0.001$. Apart from that, gender balance also showed a positive and meaningful relationship with

the leadership transformation, with a specific result of $\beta = 0.018$, $p < 0.001$. The previous analysis was satisfied and supported by the first three steps of mediation analysis. Additionally, multiple regressions were conducted to understand the mediating variable of gender balance with the β weight for skills abridged from 0.009 to 0.018, which indicated the result's significance.

Consequently, gender balance also plays an essential role as a partial mediator between behaviors and leadership transformation. Further, this study conducted the Sobel Test, as shown in Table 4.9, to check the mediation with the obtained results of $z = 0.1811$, $p < 0.001$ also significant. Hence, the result obtained showed that there will be no objection to rejecting the hypothesis of H2 and H4, which was gender balance would mediate the relationship between behaviors and leadership transformation. Figure 4.2 illustrates this mediating effect.

The results of mediation analysis and Sobel test statistics which are shown in Figure 4.2, Table 4.8, and Table 4.9, reveals that $p < 0.001$ so H2 and H4 are accepted, which indicates that skills mediate the association among the gender balance and leadership transformation. This indicates that in maximizing the impact of skills as a key leadership growth in Nestle Malaysia, relevant leadership skills can be maximized by having a gender balance for effective leadership transformation in Nestle Malaysia.

Steps of Mediation	Unstandardized β	Coefficients Std. Error	Standardized β	Value of t	Sig.
Step 1	3.091	0.143		21.634	0.000
Step 2	0.012	0.066	0.016	0.186	0.000
Step 3	0.050	0.024	0.173	2.050	0.000
Step 4	0.018	0.031	0.049	0.580	0.000

Table 4.8: Mediating Effects of the Gender Balance between Skillsets and Leadership

Transformation: Result of Multiple Regression Analysis

	Effects			Z Score	Level of Significance
	Direct	Indirect	Total		
Partial Mediation	0.012	0.050	0.0006	0.1811	0.000

Table 4.9: Sobel Test Result
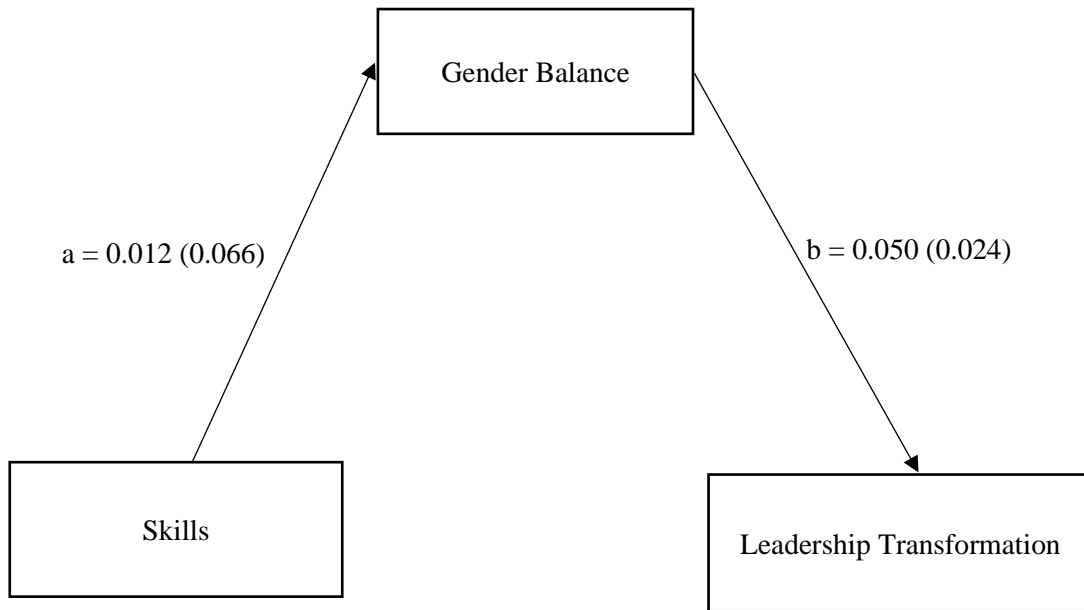
Figure 4.2: Mediating Effects of the Gender Balance between Skillsets and Leadership

Transformation

4.8   Hypotheses Testing

The summary of hypotheses testing is tabulated in Table 4.10.

Hypothesis Statement		Result
H1	There is a positive relationship between behaviours, skills and gender balance	Supported
H2	There is a positive relationship between gender balance and leadership transformation	Supported
H3	Behaviours have positive and significant effects on leadership transformation with gender balance as a mediator	Supported
H4	Skills have positive and significant effects on leadership transformation with gender balance as a mediator	Supported

Table 4.10: Hypotheses Testing

CHAPTER 5

SUMMARY, RECOMMENDATIONS AND CONCLUSION

5.1   Summary

Chapter 4 provided a comprehensive analysis of the data collected from managers at Nestle Malaysia, offering a detailed demographic profile of the respondents and employing regression analysis to rigorously evaluate the proposed research model. The analysis confirmed the reliability and validity of the measurement and structural components of the model, demonstrating its robustness in capturing the complexities of the relationships between leadership behaviors, skills, gender balance, and leadership transformation. Building upon these findings, Chapter 5 examines deeper into the interpretation and discussion of the results, exploring the implications of the confirmed hypotheses for both theory and practice. This chapter will examine the specific pathways through which leadership behaviors and skills influence gender balance and ultimately contribute to the transformation of leadership within Nestle Malaysia. Furthermore, it will discuss the broader implications of these findings for organizations seeking to foster inclusive leadership practices and promote gender equality in leadership roles.

5.1.1   Discussion

Analyzing and interpreting the findings holds significant importance in the thesis, as each discovery requires examination from various perspectives. Thus, it is crucial to address the limitations identified in Chapter 1. This study formulated three objectives, and the results pertaining to these objectives are elaborated upon in the subsequent subsections.

5.1.1.1 Objective 1: Exploration of Transformational Leadership Development Initiatives – To systematically identify and analyze the transformational leadership development initiatives implemented at Nestlé Malaysia from 2015 to 2021.

Transformational leadership has gained significant attention in organizational research due to its positive impact on employee motivation, engagement, and organizational performance (Bass, 1985). In recent years, many companies have implemented various leadership development initiatives to cultivate transformational leadership behaviors among their managers. This dissertation aims to systematically identify and analyze the transformational leadership development initiatives undertaken by Nestlé Malaysia between 2015 and 2021.

Nestlé Malaysia, a subsidiary of the multinational food and beverage company Nestlé, has been committed to fostering effective leadership practices within its organization. Through an extensive review of internal documents, including annual reports, training manuals, and corporate communications, as well as scholarly literature on leadership development, several key initiatives can be identified:

    i.   Leadership Training Programs: Nestlé Malaysia has designed and implemented leadership training programs aimed at developing the skills and competencies necessary for transformational leadership. These programs often include modules on vision setting, inspirational communication, and empowering team members (Avolio & Yammarino, 2013).

    ii.   Mentoring and Coaching: The company has established mentoring and coaching programs to provide personalized guidance and support to emerging leaders. Through one-on-one interactions with experienced

mentors, aspiring leaders can receive feedback, advice, and developmental opportunities (Northouse, 2018).

Cross-functional Projects: Nestlé Malaysia encourages cross-functional collaboration through project-based initiatives. By working on diverse teams across different departments, leaders have the opportunity to enhance their interpersonal skills, adaptability, and strategic thinking (Yukl, 2010).

iii.   Leadership Assessments and Feedback: The organization conducts regular leadership assessments to evaluate the effectiveness of its development initiatives. Through feedback mechanisms such as 360-degree evaluations and performance reviews, leaders receive actionable insights into their strengths and areas for improvement (Bass & Riggio, 2006).

The effectiveness of these initiatives can be analyzed through various lenses, including their alignment with transformational leadership theory, their impact on organizational culture, and their contribution to business outcomes.

Firstly, Nestlé Malaysia's emphasis on vision setting, inspirational communication, and empowerment aligns closely with the core principles of transformational leadership (Bass, 1985). By nurturing leaders who can articulate a compelling vision, motivate others through inspiration, and empower team members to achieve their full potential, the organization is likely to foster a culture of innovation, collaboration, and continuous improvement.

Secondly, the mentoring and coaching programs offered by Nestlé Malaysia provide valuable opportunities for personalized development and support, enabling leaders to deepen their self-awareness, enhance their emotional intelligence, and refine

their leadership style (Northouse, 2018). By investing in the growth and development of its talent pool, the organization can build a pipeline of transformational leaders capable of driving sustainable success in a rapidly changing business environment.

Finally, the integration of leadership assessments and feedback mechanisms allows Nestlé Malaysia to track the progress of its leadership development initiatives and make data-driven decisions to optimize their impact (Bass & Riggio, 2006). By fostering a culture of continuous learning and improvement, the organization can adapt its strategies to address emerging challenges and capitalize on new opportunities.

In conclusion, the exploration of transformational leadership development initiatives at Nestlé Malaysia from 2015 to 2021 highlights the organization's commitment to cultivating effective leadership practices. By implementing a range of programs and initiatives aimed at developing transformational leadership behaviors, Nestlé Malaysia has demonstrated its dedication to nurturing a culture of excellence, innovation, and continuous improvement.

5.1.1.2 Objective 2: Assessment of Sustainability Outcomes – To evaluate the impact of transformational leadership development initiatives on the business sustainability outcomes of Nestlé Malaysia.

The integration of sustainability principles into business practices has become increasingly imperative in today's global landscape (Elkington, 1997). As companies strive to address environmental, social, and economic challenges, the role of leadership in driving sustainable outcomes has gained prominence (Fuller & Simola, 2010). This dissertation aims to assess the impact of transformational leadership development initiatives on the business sustainability outcomes of Nestlé Malaysia.

To evaluate the influence of transformational leadership development initiatives on sustainability outcomes, a comprehensive framework is essential. The Triple Bottom Line (TBL) approach, which considers social, environmental, and economic dimensions, provides a robust framework for assessing sustainability impacts (Elkington, 1997). Within this framework, key performance indicators (KPIs) can be established to measure the organization's progress across each dimension (Linnenluecke, 2015).

Transformational leadership emphasizes the importance of empowering employees, fostering collaboration, and promoting ethical behavior (Bass, 1985). Through initiatives such as mentoring programs and cross-functional projects, Nestlé Malaysia may enhance employee engagement, diversity, and inclusion, thereby contributing to social sustainability (Avolio & Yammarino, 2013). Additionally, investments in community development projects and stakeholder engagement efforts can further strengthen the organization's social license to operate (Waddock & Lozano, 2013).

Leadership plays a pivotal role in shaping organizational culture and driving environmental stewardship initiatives (Fuller & Simola, 2010). By promoting innovation, resource efficiency, and sustainable practices, transformational leaders can mitigate environmental risks and reduce the organization's ecological footprint (Huang & Kleiner, 2004). Nestlé Malaysia's leadership development initiatives may facilitate the adoption of environmentally friendly technologies, waste reduction strategies, and renewable energy sources, leading to improved environmental sustainability outcomes (Fuller & Simola, 2010).

Transformational leadership is associated with strategic visioning, change management, and organizational performance (Bass, 1985). By cultivating a culture of

innovation and agility, Nestlé Malaysia's leadership development initiatives may enhance operational efficiency, product quality, and market competitiveness (Avolio & Yammarino, 2013). Moreover, investments in employee training and development can lead to higher levels of productivity, employee retention, and customer satisfaction, ultimately driving long-term economic sustainability (Yukl, 2010).

The evaluation of sustainability outcomes provides valuable insights into the effectiveness of transformational leadership development initiatives at Nestlé Malaysia. By adopting a holistic approach that considers social, environmental, and economic dimensions, organizations can assess their progress towards sustainable development goals and identify areas for improvement. Through investments in leadership development, Nestlé Malaysia has the opportunity to foster a culture of sustainability, resilience, and responsible business practices.

5.1.1.3 Objective 3: Understanding the Malaysian Context – To elucidate the unique challenges and opportunities posed by the Malaysian socio-economic, cultural, and environmental context for the practice of transformational leadership.

Understanding the socio-economic, cultural, and environmental context of a country is crucial for effective leadership practices (House et al., 2004). In Malaysia, a diverse and dynamic nation, the practice of transformational leadership encounters a myriad of unique challenges and opportunities. This dissertation aims to elucidate these factors and their implications for leadership development and organizational effectiveness.

Malaysia's socio-economic landscape is characterized by rapid urbanization, ethnic diversity, and economic transformation (World Bank, 2020). Income inequality, access to education, and job opportunities vary across different regions and

communities (Wan Abdullah et al., 2018). Transformational leaders must navigate these disparities by promoting inclusive growth, equitable opportunities, and social mobility (Bass & Avolio, 1994). Initiatives such as skills training, entrepreneurship development, and community empowerment can help address socio-economic challenges and foster sustainable development (Yukl, 2010).

Malaysia's multicultural society comprises diverse ethnicities, religions, and languages, presenting both opportunities for synergy and challenges related to cultural sensitivity and communication (Hofstede Insights, 2022). Transformational leaders must embrace cultural diversity, foster intercultural competence, and promote a shared sense of identity and belonging (Avolio & Yammarino, 2013). Building trust, respect, and collaboration across cultural boundaries is essential for effective leadership in Malaysia's multicultural context (Gelfand et al., 2007).

Environmental sustainability is an increasingly pressing issue in Malaysia, with concerns ranging from deforestation and biodiversity loss to pollution and climate change (Haron et al., 2019). Transformational leaders have a critical role to play in driving sustainable business practices, environmental stewardship, and corporate social responsibility (CSR) initiatives (Bass & Avolio, 1994). By integrating environmental considerations into decision-making processes and promoting eco-friendly innovations, leaders can mitigate environmental risks and contribute to a more sustainable future (Northouse, 2018).

Despite the challenges, Malaysia's dynamic landscape offers numerous opportunities for transformational leadership. The country's strategic location, diverse talent pool, and vibrant entrepreneurial ecosystem present fertile ground for innovation, growth, and collaboration (Wan Abdullah et al., 2018). Transformational leaders can harness these opportunities by fostering a culture of creativity, agility, and continuous

learning (Bass, 1985). Embracing digitalization, emerging technologies, and global connectivity can further enhance Malaysia's competitiveness and resilience in the face of rapid change (Yukl, 2010).

In conclusion, understanding the Malaysian context is essential for effective leadership practices, particularly in the realm of transformational leadership. By recognizing and addressing the unique socio-economic, cultural, and environmental factors at play, leaders can navigate challenges, leverage opportunities, and drive positive change in their organizations and communities.

5.1.1.4 Objective 4: Comparative Analysis – To conduct a comparative analysis of the transformational leadership practices and sustainability outcomes of Nestlé Malaysia with those of other MNC subsidiaries in similar markets.

In today's globalized business environment, multinational corporations (MNCs) operate in diverse markets, each with its unique challenges and opportunities. Transformational leadership and sustainability are critical factors influencing organizational success and societal impact (Bass, 1985; Elkington, 1997). This dissertation aims to conduct a comparative analysis of the transformational leadership practices and sustainability outcomes of Nestlé Malaysia with those of other MNC subsidiaries operating in similar markets.

Transformational leadership emphasizes vision, inspiration, empowerment, and ethical conduct (Bass & Avolio, 1994). Across MNC subsidiaries, leadership practices may vary based on cultural, regulatory, and organizational factors. Research suggests that successful MNCs adapt their leadership approaches to local contexts while maintaining global consistency (Mendenhall et al., 2013).

For Nestlé Malaysia, transformational leadership practices may involve initiatives such as leadership training programs, mentorship, and cross-functional collaboration to empower employees and drive innovation (Avolio & Yammarino, 2013). Comparative analysis with other MNC subsidiaries in similar markets would involve examining the extent to which these initiatives are tailored to local cultural norms and organizational dynamics.

Sustainability outcomes encompass environmental, social, and economic dimensions (Elkington, 1997). MNC subsidiaries operate within diverse socio-economic and regulatory environments, influencing their sustainability strategies and performance (Kolk & Van Tulder, 2010). Comparative analysis enables the identification of best practices and areas for improvement across subsidiaries.

Nestlé Malaysia's sustainability initiatives may include resource efficiency, waste reduction, community engagement, and responsible sourcing (Haron et al., 2019). Comparative analysis would assess the effectiveness of these initiatives in achieving measurable sustainability outcomes, such as reduced carbon emissions, improved social welfare indicators, and enhanced supply chain resilience (Fuller & Simola, 2010).

A comparative analysis requires a systematic approach to data collection and analysis. Quantitative measures, such as sustainability reports and leadership assessments, can provide valuable insights into organizational practices and outcomes (Waddock & Lozano, 2013). Qualitative methods, such as interviews and case studies, offer deeper contextual understanding and facilitate cross-cultural comparisons (House et al., 2004).

In conclusion, a comparative analysis of transformational leadership practices and sustainability outcomes allows MNCs like Nestlé Malaysia to benchmark their

performance against peers and identify areas for improvement. By understanding the nuances of local markets and leveraging global best practices, MNC subsidiaries can enhance their leadership effectiveness and contribute to sustainable development goals.

5.1.1.5 Objective 5: Recommendations for Best Practices – To develop actionable recommendations for MNC subsidiaries on optimizing transformational leadership development for enhanced business sustainability.

Effective leadership plays a pivotal role in driving business sustainability within multinational corporations (MNCs). Transformational leadership, characterized by vision, inspiration, empowerment, and ethical conduct, has been shown to positively impact organizational performance and sustainability outcomes (Bass & Avolio, 1994). This dissertation aims to develop actionable recommendations for MNC subsidiaries to optimize transformational leadership development for enhanced business sustainability.

Tailor Leadership Development Initiatives to Local Contexts: MNC subsidiaries operate within diverse cultural, regulatory, and organizational contexts, necessitating tailored leadership development initiatives (Avolio & Yammarino, 2013). Recommendations include conducting cultural assessments, identifying local leadership needs, and customizing training programs to align with regional norms and values (Bass, 1985). By adapting leadership development initiatives to local contexts, subsidiaries can enhance employee engagement, effectiveness, and retention (Yukl, 2010).

Foster Collaboration and Cross-Cultural Exchange: Transformational leadership thrives in environments characterized by collaboration, diversity, and inclusion (Gelfand et al., 2007). MNC subsidiaries should facilitate cross-functional and cross-cultural exchanges to promote knowledge sharing, innovation, and cultural

understanding (Mendenhall et al., 2013). Recommendations include establishing mentorship programs, cross-border project teams, and virtual collaboration platforms to foster a culture of learning and collaboration (Avolio & Yammarino, 2013).

Integrate Sustainability into Leadership Development: Business sustainability should be integrated into leadership development initiatives to foster a mindset of responsible leadership (Waddock & Lozano, 2013). Recommendations include incorporating sustainability principles into leadership training modules, case studies, and simulations (Fuller & Simola, 2010). Leaders should be equipped with the knowledge, skills, and mindset to address environmental, social, and economic challenges in their decision-making processes (Elkington, 1997).

Promote Ethical Leadership and Corporate Social Responsibility (CSR): Transformational leaders are expected to demonstrate high ethical standards and a commitment to CSR (Bass & Avolio, 1994). MNC subsidiaries should prioritize ethics and integrity in their leadership development programs, emphasizing the importance of accountability, transparency, and stakeholder engagement (Northouse, 2018). Recommendations include incorporating ethical dilemmas and CSR case studies into leadership training, fostering a culture of ethical decision-making, and recognizing and rewarding ethical behavior (Bass & Avolio, 1994).

Measure and Evaluate Leadership Development Impact: To ensure the effectiveness of leadership development initiatives, MNC subsidiaries should establish metrics and evaluation mechanisms to measure their impact on business sustainability outcomes (Waddock & Lozano, 2013). Recommendations include conducting pre-and post-training assessments, collecting feedback from participants and stakeholders, and tracking key performance indicators related to sustainability, employee engagement, and organizational performance (Yukl, 2010).

Optimizing transformational leadership development is essential for MNC subsidiaries seeking to enhance business sustainability in today's dynamic global landscape. By tailoring leadership initiatives to local contexts, fostering collaboration and cross-cultural exchange, integrating sustainability principles, promoting ethical leadership, and measuring impact, subsidiaries can cultivate a pipeline of effective leaders capable of driving sustainable growth and social impact.

5.1.2   Implications of the Study

In this chapter, the research implications serve to summarize the significant consequences of the investigation based on the study's outcomes. Three hypotheses were formulated in line with the research objectives, and further steps were taken following the regression analysis of all the collected data. Consequently, this process validates all the assumptions and provides insights into the overall significance of the study.

However, it is important to note that the findings cannot be generalized to the entire global community of leaders due to significant variations in demographics, geographic location, social structure, economic circumstances, and other factors. This limitation arises from the exclusive focus of this study on Nestle Malaysia. The implications are categorized into two groups: theoretical and practical.

5.1.2.1 Theoretical Implications

The examination of the impact of transformational leadership development on business sustainability with gender balance as a mediator yields several theoretical implications that contribute to both leadership and gender diversity research within organizational contexts.

Firstly, this research provides theoretical insights into the role of transformational leadership in fostering sustainable business practices. Transformational leadership theory posits that leaders who inspire, motivate, and empower their followers can drive organizational change and enhance performance (Bass, 1985). By extending this theory to the context of sustainability, this study contributes to a deeper understanding of how transformational leaders can facilitate the adoption of environmentally and socially responsible practices within organizations (Fuller & Simola, 2010).

Secondly, the inclusion of gender balance as a mediator introduces a novel perspective on the relationship between leadership development, gender diversity, and business sustainability. Gender diversity research suggests that diverse leadership teams are associated with improved decision-making, innovation, and financial performance (Catalyst, 2011). By examining gender balance as a mediator, this study sheds light on how promoting gender diversity within leadership ranks may enhance the effectiveness of transformational leadership initiatives in driving sustainable outcomes (Eagly & Carli, 2007).

Moreover, this research contributes to the theoretical understanding of gender dynamics within transformational leadership processes. While transformational leadership has traditionally been associated with masculine traits such as charisma and assertiveness, recent scholarship suggests that women leaders may exhibit transformational behaviors in unique ways (Eagly & Carli, 2007). By exploring how gender balance influences the transmission of transformational leadership behaviors and their impact on sustainability outcomes, this study enriches our understanding of leadership effectiveness across gender lines (Eagly, 2007).

Furthermore, the theoretical implications of this research extend to the broader discourse on organizational diversity and inclusion. By highlighting the mediating role of gender balance, this study underscores the importance of promoting gender equity in leadership development initiatives as a means of fostering sustainable organizational practices (Catalyst, 2011). The findings of this study may inform organizational policies and practices aimed at enhancing gender diversity and inclusivity within leadership ranks, thereby contributing to more equitable and sustainable organizational cultures (Catalyst, 2011).

In conclusion, the theoretical implications of examining the impact of transformational leadership development for business sustainability with gender balance as a mediator are multifaceted and extend beyond the realms of leadership and gender diversity research. By elucidating the interplay between transformational leadership, gender balance, and sustainability outcomes, this research advances our theoretical understanding of effective leadership practices and contributes to the broader agenda of promoting diversity, equity, and sustainability within

5.1.2.2 Practical Implications

The examination of the impact of transformational leadership development for business sustainability with gender balance as a mediator offers several practical implications for organizations, particularly for Nestlé in Malaysia. These implications provide actionable insights for leadership development, talent management, and diversity initiatives within the company.

Firstly, this research underscores the importance of investing in transformational leadership development programs tailored to the Malaysian context. Given the significance of transformational leadership in driving sustainable business

practices (Bass, 1985), Nestlé Malaysia should prioritize the design and implementation of leadership development initiatives that cultivate transformational leadership behaviors among its managers and executives. These programs should incorporate elements such as vision setting, inspirational communication, and empowerment, aligning with the organization's sustainability goals (Avolio & Yammarino, 2013).

Secondly, the findings highlight the strategic value of promoting gender balance within leadership ranks to enhance business sustainability outcomes. Nestlé Malaysia should proactively address gender disparities in leadership positions by implementing policies and practices that support gender diversity and inclusion. This may include setting targets for gender representation, implementing bias-free recruitment and promotion processes, and providing support for women's leadership development and career advancement (Catalyst, 2011).

Moreover, Nestlé Malaysia can leverage the mediating role of gender balance to amplify the impact of its transformational leadership development initiatives on business sustainability. By fostering a gender-balanced leadership team, the company can create a more inclusive and innovative organizational culture that is conducive to sustainability practices. This may involve promoting collaboration, communication, and shared decision-making across diverse leadership perspectives, ultimately driving better business outcomes (Catalyst, 2011; Eagly & Carli, 2007).

Furthermore, this research underscores the importance of measuring and evaluating the effectiveness of leadership development programs and gender diversity initiatives in driving business sustainability. Nestlé Malaysia should establish key performance indicators (KPIs) to track the impact of its transformational leadership development initiatives on sustainability outcomes, such as environmental performance, employee engagement, and financial performance. Similarly, the

company should monitor progress towards achieving gender balance in leadership positions and assess the extent to which gender diversity contributes to organizational effectiveness and sustainability (Waddock & Lozano, 2013).

In conclusion, the practical implications of this research offer actionable recommendations for Nestlé Malaysia to enhance business sustainability through transformational leadership development and gender balance initiatives. By investing in leadership development programs tailored to the Malaysian context, promoting gender diversity within leadership ranks, leveraging the mediating role of gender balance, and measuring the impact of these initiatives, Nestlé Malaysia can strengthen its organizational capacity for sustainable growth and success.

5.2   Recommendations

While the study on the impact of transformational leadership development for business sustainability with gender balance as a mediator for Nestlé in Malaysia provides valuable insights, it is important to acknowledge several limitations that may inform future research directions.

Firstly, the study's focus on a single multinational corporation (Nestlé) in a specific national context (Malaysia) limits the generalizability of findings. Future research could adopt a comparative approach, examining the impact of transformational leadership development and gender balance on business sustainability across multiple companies and industries within Malaysia or other similar Southeast Asian countries. This comparative analysis would provide a broader understanding of the contextual factors influencing leadership practices and sustainability outcomes.

Secondly, the study's reliance on self-reported data or organizational records for measuring transformational leadership behaviors, gender balance, and sustainability outcomes

may introduce common method bias and social desirability bias. Future research could employ multi-source and multi-method approaches, including surveys, interviews, and objective performance metrics, to provide a more comprehensive and reliable assessment of these variables. Additionally, longitudinal studies could be conducted to examine the long-term effects of transformational leadership development and gender balance on business sustainability.

Furthermore, the study's focus on gender balance as a mediator in the relationship between transformational leadership development and business sustainability overlooks other potential mediators and moderators that may influence this relationship. Future research could explore alternative mechanisms through which transformational leadership development initiatives impact sustainability outcomes, such as organizational culture, employee engagement, and stakeholder relationships. Additionally, contextual factors such as industry dynamics, regulatory environments, and cultural norms could be investigated as moderators of this relationship.

Another limitation is the lack of consideration for intersectionality within the context of gender diversity. Future research could adopt an intersectional perspective, examining how factors such as race, ethnicity, age, and socio-economic status intersect with gender to influence leadership experiences and sustainability outcomes. This intersectional approach would provide a more nuanced understanding of the complexities of diversity and its implications for organizational effectiveness and sustainability.

In conclusion, while the study on the impact of transformational leadership development for business sustainability with gender balance as a mediator for Nestlé in Malaysia offers valuable insights, it is important to recognize its limitations and consider future research directions to advance knowledge in this field. By addressing these limitations and exploring alternative perspectives and methodologies, researchers can contribute to a more

comprehensive understanding of the relationship between leadership, diversity, and sustainability in organizational contexts.

5.3   Conclusion

The examination of the impact of transformational leadership development for business sustainability with gender balance as a mediator for Nestlé in Malaysia underscores the interconnectedness of leadership practices, diversity initiatives, and organizational sustainability. Through an integration of transformational leadership theory, gender diversity research, and sustainability principles, this study has provided valuable insights into the complex dynamics shaping organizational effectiveness and social impact within the Malaysian context.

The findings of this study highlight the critical role of transformational leadership in driving sustainable business practices and fostering a culture of innovation, collaboration, and ethical conduct (Bass, 1985). By investing in leadership development initiatives that cultivate transformational leadership behaviors among its managers and executives, Nestlé Malaysia can strengthen its organizational capacity for sustainable growth and success (Avolio & Yammarino, 2013).

Moreover, the study emphasizes the strategic importance of promoting gender balance within leadership ranks to enhance business sustainability outcomes. By addressing gender disparities and fostering a gender-inclusive organizational culture, Nestlé Malaysia can create a more equitable and innovative work environment that is conducive to sustainability practices (Catalyst, 2011).

However, it is essential to acknowledge the limitations of this study, including its focus on a single company in a specific national context and its reliance on self-reported data. Future research should adopt a comparative approach, employ multi-method approaches, and consider

alternative mediators and moderators to provide a more comprehensive understanding of the relationship between leadership development, gender balance, and business sustainability (Waddock & Lozano, 2013).

In conclusion, the findings of this study have practical implications for organizations seeking to enhance business sustainability through transformational leadership development and gender diversity initiatives. By embracing transformational leadership principles, promoting gender balance, and integrating sustainability into organizational practices, companies like Nestlé Malaysia can position themselves as drivers of positive change, contributing to both economic prosperity and social well-being in the Malaysian society (Eagly & Carli, 2007).

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APPENDICES

Appendix A: Expert Review Checklist (Ts. Dr. Syed Hezri Syed Hisham – Academician)

Addressed to: Ts. Dr. Syed Hezri Syed Hisham

VELAUTHAM SANMUGAM
Student ID:
Doctor of Business Administration
Westminster International College Malaysia
University of Wales Trinity Saint David

RE: EXPERT REVIEW CHECKLIST

I hereby acknowledged that:

- ✓ I understood the underlying concept of the research.
- ✓ I understand the questions prepared according to the variables approved by the university.
- ✓ I have measured the time needed to answer all of the questions prepared.
- ✓ I have proposed (if any) suggestions on rephrasing, positioning, and numbering of the questionnaire.

General comments:

Very good, clear and concise questionnaire that answers the needs to the paper.

I hereby declare that I have checked and satisfied with the questionnaire survey.

Warm regards,

_____
Ts. Dr. Syed Hezri Syed Hisham
16th April 2024

Appendix F

LEADERSHIP DEVELOPMENT @ NESTLE MALAYSIA

Hello Everyone,

I'm an undergraduate from University Wales Trinity St. David UK undergoing my doctorate in business administration program.

I am conducting this independent research as part of the requirements for my project dissertation.

Nestle Malaysia have many good training programs related to talent and leadership capabilities building to give everyone the opportunity to grow. Nestle Malaysia understands growing leadership to inspire excellence is an integral part of the human resource people development agenda for business growth and sustainability.

This research's objective is to further identify any opportunities in building a comprehensive and practical Leadership Transformation Framework for Nestle Malaysia in transforming their managers into leaders.

You will be introduced to some key leadership transformation attributes which the researcher proposes as relevant and important in Nestle Malaysia's pursuit for leadership transformation.

We need your feedback to validate these attributes and your honest feedback is much in need. Please note, all your responses will be kept anonymous, no one will be identifiable in this research.

This questionnaire will not take more than 10 minutes of your time to complete.

Once completed please press the send button.

Your support is much appreciated.

Thank you.

CONSENT

Your consent is important to us:

Please state your agreement before proceeding with the survey by ticking the relevant box

YES. I agree to give my best honest feedback to support the survey	
NO. I do not wish to participate in this survey	

SECTION A: DEMOGRAPHIC

1. Which division in Nestle Malaysia are you from?

Sales	
Marketing	
Technical & Production	
Finance & Procurement	
Supply Chain	
Human Resources	
Legal	
Corporate Affairs	
Others	

2. Gender

Male	
Female	

3. Years of service with Nestle Malaysia

Less than 1 year	
1 – 5 years	
6 – 10 years	
11 – 15 years	
16 – 20 years	
21 – 25 years	
26 – 30 years	
Above 30 years	

4. Your current Managerial Level classification at Nestle Malaysia

Senior Manager – SM	
Middle Manager – MM1	
Middle Manager – MM2	

5. How many direct reports do you have?

0 (zero) reporting line to me	
1 – 5 team members reporting to me	
6 – 10 team members reporting to me	
11 – 20 team members reporting to me	
Above 20 team members reporting to me	

SECTION B: LEADERSHIP TRANSFORMATION – BEHAVIORAL ATTRIBUTES

For the following attributes, please state your agreement/disagreement (using the 1 - 5 point Likert Scale) in relations to leadership transformation at Nestle Malaysia.

1 - Strongly disagree

2 - Disagree

3 - Neutral

4 - Agree

5 - Strongly agree

Please ticking your views in the appropriate box.

GROWTH MINDSET						
1. It is important for leaders to have a positive mindset.						
	1	2	3	4	5	
Strongly Disagree						Strongly Agree

COMPLIANCE						
2. Leaders must be highly compliance						
	1	2	3	4	5	
Strongly Disagree						Strongly Agree

RESILENT						
3. Leaders must be resilient to withstand and recover quickly from difficult conditions.						
	1	2	3	4	5	
Strongly Disagree						Strongly Agree

CHARISMATIC						
4. Leaders must be charismatic to influence and exercising compelling charm which inspires devotion with their followers.						
	1	2	3	4	5	
Strongly Disagree						Strongly Agree

COURAGEOUS						
5. Leaders must be courageous to face ambiguity and uncertainty						
	1	2	3	4	5	
Strongly Disagree						Strongly Agree

6. Kindly recommend other behavioural attributes you feel are important for Nestle Malaysia's leadership development

SECTION C: LEADERSHIP TRANSFORMATION – SKILLSET ATTRIBUTES

For the following attributes, please state your agreement/disagreement (using the 1 - 5-point Likert Scale) in relations to leadership transformation at Nestle Malaysia.

1 - Strongly disagree

2 - Disagree

3 - Neutral

4 - Agree

5 - Strongly agree

Please ticking your views in the appropriate box.

VISIONARY						
7. Leaders must be innovative and long term driven to capture the opportunities and future trends.						
	1	2	3	4	5	
Strongly Disagree						Strongly Agree

BUSINESS ACUMEN						
8. Leaders must be holistic in their approach and adding value when dealing with business situation in a manner to lead to a good outcome.						
	1	2	3	4	5	
Strongly Disagree						Strongly Agree

CHANGE AGENT						
9. Leaders must have skull and power to stimulate, facilitate and coordinate any change effort for improvement.						
	1	2	3	4	5	
Strongly Disagree						Strongly Agree

MAKING A DIFFERENCE						
10. Leaders must be able to make a difference.						
	1	2	3	4	5	
Strongly Disagree						Strongly Agree

MANAGE FOR RESULT						
11. Leaders must focus in delivering the results.						
	1	2	3	4	5	
Strongly Disagree						Strongly Agree

GROW TALENT & TEAM						
12. Leaders must coach, empower and grow their team members						
	1	2	3	4	5	
Strongly Disagree						Strongly Agree

13. Kindly recommend other skillset attributes you feel are important for Nestle Malaysia's leadership development

SECTION D: LEADERSHIP TRANSFORMATION

14. Do you agree the above behavioural and skillset attributes will support in the transformation of Nestle Malaysia managers in becoming inspired leaders?						
	1	2	3	4	5	
Strongly Disagree						Strongly Agree

15. We would like to hear your views should you disagree to any of the above leadership attributes, please let us know why?

GENDER BIAS						
16. Do you agree the above leadership attributes are applicable to everyone without any biasness to gender?						
	1	2	3	4	5	
Strongly Disagree						Strongly Agree