BLUE OCEAN LEADERSHIP DETERMINANTS

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Abstract- The Malaysian Government has acquired a large shareholding in several Malaysian companies to meet national aspirations, social concerns and global challenges. Known as 'Government-Linked Companies' or GLCs, they play a vital role in the country's economy. For the GLCs to sustain it need to build a sustainable business and community in the organization and it has to find ways to optimize the best practices such as in leadership which can help in improving its organization competencies, particularly the performance. Blue Ocean Leadership aims is to achieve an organizational increase in leadership strength quickly and at low cost, which translates into high performance for the business. The sample includes three organization under GLC that were recognized by the Government Linked Companies Transformation Program (GLCTP). The study uses a structured questionnaires to collect the data from the organization. The structured survey questionnaires was distributed to leaders from middle to top management level. The findings showed that the blue ocean leadership has satisfactory construct validity with 16 factors extracted. Reliability results for the instrument shows that based on the 16 variables, all the variable are acceptable but for laissez fair even with cronbach alpha less than 0.6, it is still accepted due to the number of sample which is low

Keywords- Government-Link Company (GLC), Leadership, Blue ocean leadership

I. INTRODUCTION

There is an agreement in the literature (Maritz, 1995; Bass, 1997) that leadership is a critical factor in the success or failure of an organization this is because an excellent organizations begin with excellent leadership, and a successful organizations would reflect their leadership. An effective leader will be influencing followers in a desired manner to achieve desired goals and a different type of leadership styles would affect the organizational effectiveness or performance (Nahavandi, 2002). According to Oladipo et al (2004), leadership styles has been largely credited for the success or failure of the organization, nations, and even other social units.

It is becoming evident that a different kind of leadership is needed in the 21st century, for it is an era of many complexities and challenges. Blue ocean leadership are known as a new styles of leadership which were introduced by Kim and Mauborgne (2014), it is a leadership styles which helps organization engage the previously disengaged employee by changing the organization leadership profile.

Daft and Marcic (2006) stated that leadership is one of the key and most important demands in each organization. It is always considered as the way to solve most organizational problems. Leadership is truly important in each organization as well as the Government-linked Companies (GLC) since many expectation has been placed on GLC to perform and be a catalyst of the economic. The importance of leadership in GLC has also been well taken and seriously studied by the country's leadership (Rahman et.al., 2009).

Thus, the objective of this study is to identify the blue ocean leadership determinants which could be used in measuring the blue ocean leadership attributes.

II. LITERATURE REVIEW

2.1 Leadership

Leadership has been always a vital issue since it is an important function of management which helps to maximize efficiency and to achieve organizational goals. The word leadership has been described in terms of the position, personality, responsibility, influence process, instrument to achieve a goal, behaviors (Limsila & Ogunlana, 2007).

Leadership are known as a term that were used in building teams in order to make a synergy and to be the ones on top. Leader are the one whom inspires and motivates people engaged with their work. Employees nowadays spend most of their time in activities which are influences by a leader, thus this is why the importance of leadership is tangible. The speed of changes in today's business environment has also makes leadership become increasingly important (Kocolowski, 2010).

In the field of organizational leadership three categories of leadership which are largely used are the transformational leadership, transactional leadership and laissez-faire (Rukmani, Ramesh, & Jayakrishnan, 2010). All of this three leadership styles are briefly explained below:

Transformational: Transformational leadership is defined by Northouse (2001) as a process where an individual could change and transforms. Transformational leadership are also an ability to get people to improve, change and too led. Additionally,

it also involves assessing associates' motives, satisfying their needs as well as valuing them (Frances and Cohen, 1999). According to, Antonakis et al (2003), transformational leadership is a combination of categories like 1) idealized influence 2) inspirational motivation 3) intellectual stimulation and 4) individualized consideration.

Transactional: Transactional leadership is where he leader focuses on having internal actors perform the tasks required for the organization to reach its desired goals (Boehnke et al, 2003). It includes three factors which are known as (1) Contingent reward, (2) Management by exception: active and (3) management by exception: passive.

Laissez-Faire: Laissez-fair also describes leaders who delay decision-making, give no feedback and make little effort to help followers satisfy their needs or to help them grow (Northouse, 2004).

2.2. Blue Ocean Leadership

Blue oceans are known as an ocean which represent all industries which are not exist in the present time, it is also known as unknown market space, where there are no rivals in this ocean (Kim & Mauborgne, 2005). Blue ocean leadership on the other hand are a new leadership styles which were developed by Kim & Mauborgne (2014) where it focuses are on achieving an organizational increases in leadership strength quickly and at low cost, which could be translated into high performance for the organization business. According to Malhotra and Seth (2014) in today's times, strategic leadership needs to be revamped and reconsidered as Blue Ocean Leadership and companies also need to focus on core areas which were more value creating.

In blue ocean leadership, the blue ocean leadership grid were used to identified what acts and activities leaders should eliminate and reduce in what they do as on what they should raise and create to become highly effective leaders. Figure 1 below shows the blue ocean leadership grid which involves a four step process developed by Kim, & Mauborgne (2014)

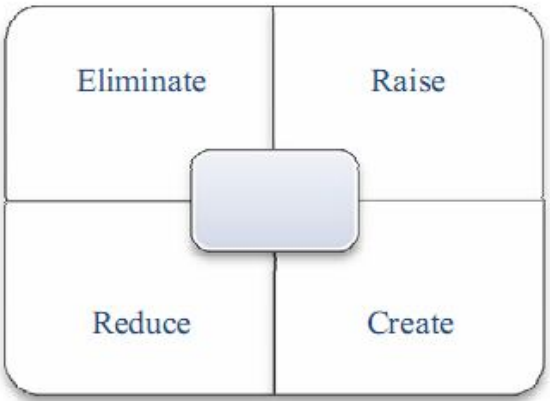

Figure 1: Blue ocean leadership grid

As we know, most of the leadership strategies are designed to improve the cognitive and behavioral skills of leaders. Blue ocean leadership, in contrast, distinct from traditional leadership development approaches in several ways, Table 1 below shows the different between the two leadership styles:

Table 1: Different between two leadership

Traditional leadership	Blue ocean leadership
Focuses on the values, qualities and behavioral styles	Focuses on what acts and activities leaders need to undertake, not on who leaders need to be.
Tends to be quite generic and is often detached from what organizations stand for	Connects leaders' actions closely to market realities
Focuses mostly on the executive and senior levels	Distributes leadership across all three management levels
Invests extra time for leadership practices	Pursues high impact leadership acts and activities at low cost

Blue ocean leadership is a leadership styles which achieves a transformation with a less time and effort, because leaders are not trying to alter who they are but they are changing the tasks that they carry out. One of the strengths of blue ocean leadership is its scalability. This is because, with blue ocean leadership, all three management levels are involves which are the top level, middle level and also the lower level. (Kim & Maubourgne, 2014).

Nur Lyana, Salina, Aerni, & Yunus (2015) in their study has come out with the leader attributes for transformational, transactional and blue ocean leadership, as in Table 2 below:

Table 2: Leaderships traits

Traits	Transformational	Transactional	Blue Ocean Leadership
Visionary	Leader sets vision	Vision is not clear	The vision is to always challenge the ordinary
Contingent Reward	Intrinsic satisfaction	Extrinsic satisfaction	Team gratification
Courage	Empowerment	Initiation by leader	Let's go (togetherness)
Idealized Influence	Use of charisma	Use of power	Promotes new ideas & thinking
Inspiration	High inspiration	Leads the way	Walks with the team
Intellectual Stimulation	High intellectual stimulation	Low intellectual stimulation	Engagement in creativity & innovation
Passion	Beyond organizational goals & objectives	Organizational goals & objectives	Always connected to reality
Strategic Thinking / Planners	Long term planners	Short term planners	Game changer
Focus	Vision and goals of organization	Values, qualities and behavioral style	Acts and activities leaders need to undertake
Collaborate	Executive & senior level	With subordinates	All levels in organization
Innovate	Encouragement	Slow or no innovation	Innovates to survive
Willingness to change	Moderate to fast	Only when problem exists	Do or die
Communication	Two-way	Top-down	360 degrees

Based on the above leadership traits, a new set of survey questions were developed to test the blue ocean leadership attributes. The multifactor leadership questionnaire (MLQ) (Bass and Avolio, 1999) were also included in the new set of survey questions.

III. RESULTS AND DISCUSSION

A total of 150 questionnaire were distributed to the three top three GLC under the G20 based on the Government Link Company Transformation Program (GLTCP) under Khazanah Nasional Berhad. The three organization selected are Tenaga Nasional Berhad (TNB), Petronas and Telekom Malaysia (TM). For each organization 50 set of questionnaire were distributed. The total number of questionnaire that were completed and returned back are as follow, 28 from TNB, 32 from Petronas and 32 from Telekom Malaysia. The total response rate for all three organization are 61.33%. This response rate is acceptable according to Hair et.al (2010)

Table 3: Response rate

Name of the organization	Total number of questionnaire distributed	Total number of questionnaires completed and returned	Response rate per organization
TNB	50	28	56%
PETRONAS	50	32	64%
Telekom Malaysia	50	32	64%
Total	150	92	61.33%

3.1 Blue Ocean Leadership Determinants

Blue ocean leadership is a new leadership styles developed by Kim & Mauborgne (2014). The suggested determinant under blue ocean leadership are based on the traits that were listed from previous study by Nur Lyana et al (2015), all the traits were listed as in Table 2 above.

3.2 Validity and reliability of blue ocean leadership determinants

Factor analysis is used to extract factors in the data and also to see items that load best on each factor (Pallant, 2007). According to (Hair et al, 2010) factor analysis is most often performed only on the metric variables, there should be minimum absolute sample size of 50 observations, and factor loading is ±.30 to ±.40 are minimally acceptable, generally values greater than ± .50 are consider significant.

Blue ocean leadership consist of sixteen (16) determinants which is visionary with five (5) items, contingent reward with four (4) items, courage with three (3) items, idealized influences with four (4) items, inspiration with four (4) items, intellectual stimulation with three (3) items, passion with three (3) items, strategic thinking/planner with five (5) items, focus with five (5) items, collaborate with four (4) items, innovate with six (6) items, willingness to change with three (3) items, communication with three (3) items, transformational with nine (9) items, transactional with six (6) items and lastly laissez faire with three (3) items.

Table 4 below shows the extraction based on factor loading. According to Hair et al, (2010) factor loading is ±.30 to ±.40 are minimally acceptable as shown in the table below, no item is deleted since they had a factor loading more than 0.30.

Table 4: Extraction

Variable	Extraction
Visionary	.641
Contingent reward	.510
Courage	.773
Idealized influence	.641
Inspiration	.672
Intellectual stimulation	.514
Passion	.597
Strategic thinking/planner	.548
Focus	.744
Collaborate	.473
Innovate	.607
Willingness to change	.636
Communication	.557
Transformational	.687
Transactional	.706
Laissez-fair	.649

A sound measurement must meet the tests of validity and reliability. Smith (1991) defined the validity as the “degree to which the researcher has measured what he has set out to measure.” It is essential that the questionnaire can measure the concept accurately. Tapping the concept comprehensively enhances the credibility of the instrument. Three type of validity were to be discuss on this study which is the content validity, construct validity, and convergent validity

Content validity for this questionnaire has been validated by a panel of experts in the field of management. All this experts are lecturers in University Tenaga Nasional who validated the suitability of the research questionnaire to be used in Malaysian context. This panel was selected based on their experience in the field of education, their knowledge in research work as well as their familiarity with the subject. The panel response reveal that the Blue Ocean Leadership instrument survey is a suitable instrument. Some improvement has been made based on the comments from the panel.

Construct validity requires a definition with clearly specified conceptual boundaries (Newman, 2002) and concerned with the underlying attributes rather than with the scores the instrument produces (Salkind, 2000). The validation emphasizes a logical analysis and tests the relationships predicated based on theoretical considerations.

Convergent validity is a method to test construct validity. The word of construct shows a theoretical viewpoint to explain some phenomenon (Wiersma, 2000). According to (Van Dalen, 1973) states that construct usually refers to a complex concept which

includes several interrelated factors. In this study, convergent validity was assessed by factor loading.
Reliability test is used to enhance the reliability and ensure the accuracy of the data (Zikmund et al., 2010). Cronbach's Alpha is the most familiar method applied to measure reliability (Sekaran, 2003). According to Sekaran (2003) in Cronbach's alpha reliability analysis, the closer it is to 1.0, the higher the internal consistency reliability. Reliability test for this study was conducted using Cronbach's Alpha based on the items that were confirmed in order to ascertain the measure of the degree to which a research instrument would yield the same results of data after repeated trials (Devellis, 1991). Reliability results is as shown in table 5 below.

Table 5: Reliability coefficient

Variable	Number of Items	Cronbach's Alpha
Visionary	5	.886
Contingent reward	4	.791
Courage	3	.846
Idealized influence	4	.856
Inspiration	4	.838
Intellectual stimulation	3	.805
Passion	3	.902
Strategic thinking/planner	5	.709
Focus	5	.867
Collaborate	4	.900
Innovate	6	.907
Willingness to change	3	.853
Communication	3	.845
Transformational	12	.902
Transactional	6	.783
Laissez fair	3	.537

From the table above based on the 16 variables, all the variable are acceptable accept for laissez fair with cronbach alpha less than 0.6. This may occur because of the number of sample that were used for this study is small.

CONCLUSIONS

Based on the findings above it could be concluded that each variables are important in order to represent the blue ocean leadership attributes and help the organization to improve their leaderships as well as their organization performance. This findings could help in contributing towards a new survey instrument for blue ocean leadership determinants.

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