ORGANISATIONAL BEHAVIOUR, LEADERSHIP AND TOTAL QUALITY MANAGEMENT IN PRIVATE HIGHER EDUCATIONAL INSTITUTIONS (A MALAYSIAN PERSPECTIVE)

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Contents

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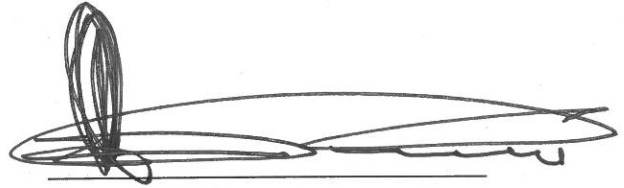
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DECLARATION

I hereby declare that the project paper is based on my original work except for quotations and citations that have been duly acknowledged. I also declare it has not been previously or concurrently submitted for any other degree at AeU or other institutions.

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ABSTRACT

Organisational behaviour (OB) is the study and application of knowledge about how people, individuals, and groups act in organisations. A systematic approach is necessary to undertake the study of organisational behaviour in Private Higher Educational Institutions (PHEI) to achieve the status of Quality Higher Education Provider. That is it interprets people-organisation relationships in terms of whole person, whole group, whole organisation, and whole social system. Its purpose is to build better relationships by achieving human objectives, organisational objectives, and social objectives.

Organisational behaviour encompasses a wide range of topics such as human behaviour, management style, leadership style, teamwork etc. This project paper focuses on attributes of Organisational Behaviour, Leadership and Total Quality Management for PHEIs to achieve the status of 'Quality Higher Education Provider'.

The attributes are:

1. Elements of organisational behaviour
2. Models
3. Social systems
4. Organisational development
5. Work life
6. Action learning
7. Change
8. Quality Management System
9. Quality Management Tools

Many organisations not only in Malaysia but also in other parts of the world are currently facing great difficulty in controlling and managing individuals, groups and whole of organisation's people behaviours. In an organization, resources such as materials, methods, machines, money, management styles, and market are controlled and

managed by the so called superpower that is manpower. If the behavioural pattern of manpower in an organisation is not in favour of organisation's vision, mission, objectives, goals and values, the organisation may fail to achieve its aspirations as a quality education provider and bound to lose its identity in this contemporary and competitive world. Managers of organisations have to be competent in managing people by understanding human behaviours to tap the valuable resources from employees. Organisations usually operate with four management models. They are autocratic, custodial, supportive and collegial. No organisation operates exclusively with one model. There is usually a predominant one, with one or more areas over-lapping in the other models. Managers are the drivers of 'Change' in organisations who act as a medium between stakeholders and employees. When a 'Change' is introduced by managers in organisations, resistance from employees is usually expected. Managers are the ones who have to overcome the resistance by recognising and understanding the human behaviours.

Managers have to be trained to be knowledgeable in 'Organisational Behaviour' and 'Leadership' attributes to ensure that they can get the most out of the employees (subordinates) and keep them happy and active at the same time.

Issue: As at May 31st 2010, Ministry of Higher Education (MOHE) had approved and issued 518 licenses to Private Higher Education providers. They are active and categorised as:

1. Universities – 20
2. University Colleges – 22
3. Foreign Universities' Branch Campuses – 6
4. Colleges – 468

Table 1

PRIVATE HIGHER EDUCATION LANDSCAPE (as at 31st May 2010)	Number
PHEI - University	20
PHEI - University Colleges	22
Foreign University Branch Campus	6
PHEI - Colleges	468
Total	**516**

Source: MOHE

The Malaysian government is continuously approving licenses to operate Private Higher Educational Institutions in Malaysia with the aim of transforming Malaysia as an 'Educational Hub' in South Pacific region but how supportive and effective will be the regulatory framework of MOHE and Private Higher Education Management Department (PHEMD), and how effective and efficient will be the private institutions' 'Governance' and its 'Total Quality Management System' to achieve the status of 'Quality Higher Education Provider' in South Pacific region is yet to be seen and questionable.

Objectives of the study:

1. What type of 'Management and Leadership' style would be suitable for a Private Higher Educational Institutions?

2. How does the 'Total Quality Management Systems' helps Private Higher Educational Institutions to produce globally recognised qualifications?

3. Why the understanding of organizational behaviour and adoptive culture is important for a Private Higher Educational Institutions?

4. Why Good governance is necessary in Private Higher Educational Institutions?

This project paper is an extended essay of critical review of literatures in relation to Management, Leadership, Organizational behaviour, Governance and Total Quality Management for private higher educational institutions. International academic journals from Asia-e University's e-library had been referred for relevant theories, information, and models and also used as references.

Newsletters, Guides, Legal acts and Portals of the following listed departments have been referred for additional information:

1. Ministry of Higher Education of Malaysia (MOHE)
2. Private Higher Education Management Department of Malaysia (PHEMD)
3. Malaysian Qualifications Agency (MQA)
4. Quality Management Systems Consultancies
5. Private Higher Educational Institutions Act 1996 (Act 555) (PHEIA)

Key words: Total Quality Management, Organisational Behaviour, Leadership, Quality Education Management and Motivation.

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ABBREVIATIONS

1. 10MP – Tenth Malaysian Plan
2. 9MP – Ninth Malaysian Plan
3. AUQA – Australian Universities Quality Agency
4. COPIA – Code of Practice for Institutional Audit
5. COPPA – Code of Practice for Program Accreditation
6. CQI – Continuous Quality Improvement
7. FDI – Foreign Direct Investment
8. HEI – Higher Educational Institution
9. HKCAAVQ – Hong Kong Council for Accreditation of Academic and Vocational Qualifications
10. IBM – International Business Machine
11. LAN – Lembaga Akreditasi Negara
12. MOE – Ministry of Education
13. MOHE – Ministry of Higher Education
14. MPI – Malaysian Private Institutions
15. MQA – Malaysian Qualifications Agency
16. MQAA – Malaysian Qualifications Agency Act
17. MQF Malaysian Qualifications Framework
18. MQR – Malaysian Qualifications Register
19. NAAC – National Accreditation and Assessment Council
20. NORC – National Opinion Research Centre
21. NZQA – New Zealand Quality Authority
22. OB – Organisational Behaviour
23. PHEI – Private Higher Educational Institution
24. PHEIA – Private Higher Education Institution Act
25. PHEMD – Private Higher Education Management Department
26. PI – Performance Indicator

27. PTPTN – National Higher Education Fund Corporation

28. QA – Quality Assurance

29. QAA UK – Quality Assurance Agency of United Kingdom

30. QAD – Quality Assurance Department

31. SAQA – South African Qualifications Authority

32. SPM – Sijil Pelajaran Malaysia

33. STPM – Sijil Tinggi Pelajaran Malaysia

34. TQC – Total Quality Control

35. TQM – Total Quality Management

CHAPTER 1

Introduction

The Malaysian Higher Education Strategic Plan outlines the key thrusts in four distinct phases:

Phase 1 – Laying the Foundation – (2007 – 2010)

Phase 2 – Strengthening and Enforcement (2011 – 2015)

Phase 3 – Excellence (2016 – 2020)

Phase 4 – Glory and Sustainability (beyond 2020)

The above action plan of Ministry of Higher Education (MOHE) encapsulates Phase 1 which lays the foundation and establishes prerequisite actions to be undertaken within the Ninth Malaysia Plan (9MP) period. These actions will prepare the ground for systematic changes necessary to the fulfilment of long term plans for higher education as envisioned and conceptualised by Malaysian government.

Malaysia can no longer depend on foreign direct investments (FDI) in low-cost labour-intensive industries for its future economic growth. To remain competitive in these changing market conditions, Malaysia must generate high value-add knowledge-intensive investments, but also to export its own products and service innovations to other markets. The importance of higher education in this process must not be underestimated – it is today considered by both developed and developing countries to be a critical agenda in the formulation of education policies. Wealth will continue to be created in countries that can develop and attract human capital that is able to generate new knowledge and commercialise it to meet the world's needs.

This transformation plan aims squarely on holistic human capital development to produce Malaysians who are intellectually active, creative, and innovative, ethically and morally upright, adaptable and capable of critical thinking. The model of human capital would also need to be well-rounded individuals with an appreciation for humanistic pursuits such as the arts, culture, sports and volunteerism. This process will create the environment necessary for the development of an individual to find and fully achieve his or her personal potential. Tertiary education in Malaysia includes skills training, vocational training, matriculation and university education that fall within the domains of various ministries. The scope of this project paper only covers institutions and agencies that are directly under the jurisdiction of the Ministry of Higher Education (MOHE), Private Higher Education Management Department (PHEMD) and licensed Private Higher Educational Institutions in Malaysia.

The MOHE has set as its mission the creation of higher education environment that will foster the development of academic and institutional excellence. Majority of the action plans formulated by MOHE has been undertaken in the public institutions since the Ministry is directly responsible for the operations and performance of these institutions. Private Institutions will continue to be guided by the MOHE's policy guidelines, objectives and will be involved in certain transformation initiatives such as rating academic performance audit, leadership training and quality management system.

Malaysia wished to be a world class successful nation via democratization and proliferation of higher education and ensuring broad access to higher education in equitable development. In order to meet the demands of new global challenges, however Malaysian authorities should ensure that quality remains as an integral focus of higher education. "Quality determines Quantity and Pride of a Nation".

MOHE has outlined its focus on seven (7) strategic thrusts:

1. Widening Access and Enhancing Equity
2. Improving the Quality of Teaching and Learning
3. Enhancing Research and Innovation
4. Strengthening Institutions of Higher Education
5. Intensifying Internationalisation
6. Enculturation of Lifelong Learning
7. Reinforcing the Higher Education Ministry's Delivery System

MOHE will conduct a mid-term review to ensure that execution of the Action plan remains focus and effective and also the government will guide the MOHE in the formulation of the next Action Plan for the Tenth Malaysia Plan (10MP).

On 9th of November 2006, Ex-Prime Minister of Malaysia, Dato' Seri Abdullah Haji Ahmad Badawi in his two educational speeches had said that 'In Vision 2020, the sixth challenge is to establish a scientific and progressive society, a society that is innovative and forward-looking – one that is not only a consumer of technology but also a contributor to the scientific and technological progress of our future'.

The 9th Malaysian Plan's five strategic focuses, echo the importance of Badawi's concern for Human Capital Development. The national mission under Badawi's leadership identified five critical areas for promoting national progress and prosperity namely:

1. Moving the economy up the value chain
2. Raising the capacity for knowledge and innovation and nurture a first-class mentality
3. Addressing persistent socio-economic inequality constructively and productively
4. Improving Malaysian's quality of life and ensuring sustainability
5. Strengthening institutional and implementation capacities

Ex-Prime Minister Badawi had also reminded Malaysians of the need 'to develop the necessary first-class human capital, so that Malaysia can be intellectually self-sufficient and be able to engage as equals the world over, especially in advancing new theories and solutions. He developed this vision further in a notable speech that is Malaysia fifty (50) years from now.

The MOHE of Malaysia intended to strengthen the foundation of its higher education institutions (HEIs) and take the necessary steps to enhance the overall capacity of its higher education system to produce human capital with first-class mentality.

Ex-Prime Minister Badawi said 'this will not only require the active participation of all stakeholders within the higher education sector but also ensure continuity within the nation's education pipeline. As such the MOHE and the Ministry of Education (MOE) established a joint committee to align initiatives contained in MOHE's Action plan and MOE's Education Blueprint'.

The higher education capacity in Malaysia has grown from the establishment of the country's first university, University of Malaya in 1961, to the 2007 enrolment of 942 200 students in 20 public universities, 32 private universities and university colleges, 4 foreign university branch campuses of international universities, 22 polytechnics, 37 public community colleges, and about 495 private colleges.

Malaysian government has also formed the National Higher Education Fund Corporation (PTPTN) to provide low-cost educational loans to students who pursue diploma and first degree level programmes at public and private higher educational institutions. Since its inception in 1997 to 2006, PTPTN has enabled 896,500 qualified students to pursue their studies in approved higher educational institutions.

Malaysia is steadily establishing its reputation as an international hub for education. By attracting students from all over the world a diversity of perspectives, culture and knowledge has been added into its both public and private higher education institutions.

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MOHE is also committed to enhance and promote lifelong learning through open universities such as Open University of Malaysia and Asia-e-University.

1.2. Transformation objectives and approach

The purpose of education is the holistic development of character and capabilities, the acquisition of specific skills, the realization of intellectual, physical and spiritual potential, and the training of human capital. During the tabling of 9MP in parliament in March 2006, The Ex-Prime Minister Badawi said:

'Development of human capital will be intensified. The approach must be holistic and emphasise the development of knowledge, skills, intellectual capital in fields such as science, technology and entrepreneurship. At the same time we must develop a culture that is progressive, coupled with high moral and ethical values. This is what is meant by human capital with 'First-Class Mentality'.

Based on the above facts, the MOHE has produced a profile of the desired human capital based on three principles. Knowledge, personal, and interpersonal attributes. The model of desired human capital is described as below.

Knowledge Attributes

1. Mastery of core subjects and ability to apply that knowledge
2. Mastery of National Language (Bahasa Malaysia) and Business Language (English Language) and at least one other global language
3. A continuing passion for knowledge through lifelong learning
4. Excellent general knowledge and interest in current events
5. Appreciation of the arts, culture and sports
6. Sound analytical and problem-solving skills
7. Awareness of business and management principles and technology

Personal Attributes

1. Goal-oriented, proactive, self-starting, self-disciplined, confident, resilient, motivated and fiercely competitive
2. Intellectually engaging, creative, innovative, and possessing critical thinking skills
3. Quick learner, adaptable and flexible
4. Entrepreneurial
5. Ethically and morally upright
6. Spiritually grounded
7. Compassionate and caring (through volunteerism and social services)

Interpersonal Attributes

1. Able communicator and effective presenter
2. Able to relate and be comfortable with people at all levels
3. Able to develop and leverage on personal and professional networks to achieve goals
4. Natural leader and Team player

The above attributes are basic and to be customised based on level of study and private institutional charter.

It is recognised that not all graduates will be able to demonstrate excellence across all attributes upon graduation. Nevertheless, PHEIs must seek to ready their teaching resources, revamp programmes and systems, and re-engineer learning processes to instil these attributes in all students.

To make it more pragmatic exercise, HEIs are allowed to place higher emphasis on certain attributes depending on each institution's mission, charter and student's level of study. HEIs must aid the individual in building a foundation strong enough to enable each student to acquire or enhance these attributes throughout life.

Human capital thus defined cannot rise from vacuum. Ex-Prime Minister Badawi called for an educational revolution, requires a radical transformation to bring about the desired change. Only through such processes can we seek to rejuvenate higher education in order that it, in turn, can help individuals manifest the attributes detailed above.

All of us know excellent HEIs when we see them. They are crammed with thought leaders, crackle with creativity and their scholars are in demand the world over. They are avidly courted and closely consulted by political leaders, captains of industry and the world's intelligentsia.

These are the kind of universities and colleges Malaysia can and must have. The production of human capital is the singular rationale for the existence of all HEIs. All other considerations are subordinate to this imperative. A nations rise and fall, depends on the quality of human resources and the educational institutions that produce them.

In order to achieve the objectives set out, the right incentives, legislation, policies and governance must be put in place. As such Malaysian Qualifications Agency (MQA) and National Higher Education Fund (PTPTN) were formed to control the quality of education and facilitate the needy students respectively. [32]

1.3. Malaysian Qualifications Agency (MQA)

The National Accreditation Board (Lembaga Akreditasi Negara, LAN) was established in 1997 to quality assure private higher education in Malaysia. Quality assurance of public higher education institutions was entrusted to the Quality Assurance Division (QAD) of the Ministry of Higher Education. In 2005, the Malaysian Cabinet decided to merge LAN and QAD into a single quality assurance body. Thus, the Malaysian Qualifications Agency (MQA) was born under the Malaysian Qualifications Agency Act 2007(MQAA 2007). Concurrently, the Malaysian Qualifications Framework (MQF) was developed to unify and harmonise all Malaysian qualifications. MQA is now the single quality

assurance agency in Malaysia, whose scope now covers both the public and private Higher Education Providers (HEP).

This development is in line with Malaysia's long term development plans as well as the Ministry of Higher Education's aspirations for the transformation of higher education in Malaysia. These reflect a maturing Malaysian higher education system that encourages providers to adopt a more systematic and holistic approach in the provision of quality education.

Assigned the task to ensure quality in higher education in the spirit of the MQF, the MQA has published a series of guidelines, standards and codes of practice to assist the higher education providers enhance their academic performance and institutional effectiveness. MQA has developed the 'Code of Practice for Programme Accreditation' (COPPA), 'Code of Practice for Institutional Audit' (COPIA) and MQF.

COPPA and COPIA are intended to be useful guides for providers of higher education, quality assurance auditors, officers of the MQA, policy makers, professional bodies and other stakeholders engaged in higher education. The codes not only contain an overview of the Malaysian quality assurance system for higher education, they also guide the reader on the nine areas of evaluation for quality assurance as well as the two levels of standards – benchmarked and enhanced standards – that underline them. In addition, the two documents provide guidance for internal quality review to be conducted by the institution and external audit to be conducted by the MQA's panel of assessors. They also include site visit schedules as well as guidelines on report writing.

COPPA and COPIA have been developed by bringing together the good practices adopted by the QAD and LAN, with inputs from experts and stakeholders via a series of focus group discussions. They were also benchmarked against international practices. In doing this, references have been made to quality assurance practices of MQA's counterparts, which include the Quality Assurance Agency for Higher Education (QAA)

of the United Kingdom, Australian Universities Quality Agency (AUQA), the New Zealand Qualifications Authority (NZQA), Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ), South African Qualifications Authority (SAQA) and National Accreditation and Assessment Council (NAAC) of India.

Quality Assurance is a continuous quality improvement process and it is the responsibility of all parties involved. Thus, it is of utmost importance for MQA to continuously review its quality assurance practices to ensure their relevancy, reliability, adaptability and effectiveness to address the ever changing environment within which higher education operates. The MQA hopes that both COPPA and COPIA would assist institutions to enhance their quality provisions through the self-review and internal assessment processes as well as the external audit conducted by the MQA. In the spirit of shared responsibility and balancing the demands of autonomy, flexibility and accountability, the MQA looks forward to continuous collaboration with all stakeholders in enhancing the quality of higher education in Malaysia. [36]

The Malaysian Qualifications Agency Act 2007 (MQAA 2007) assigns the responsibility for quality assuring higher education in Malaysia to the MQA. The responsibilities of the MQA are:

1. To implement the Malaysian Qualifications Framework (MQF) as a reference point for Malaysian qualifications.
2. To develop, with the cooperation of stakeholders, standards and criteria and instruments as a national reference for the conferment of awards.
3. To quality assure higher education providers and programmes.
4. To accredit course programmes, have to fulfil a set of criteria and standards.
5. To facilitate the recognition and articulation of qualifications.
6. To establish and maintain the Malaysia Qualifications Register (MQR).
7. To advise the Minister of Higher Education on any matter relating to quality assurance in higher education.

All Private Higher Educational Institutions (PHEI) are required to strictly follow the standards set by MQA for programme accreditation. The nine areas of evaluation for PHEIs are:

1. Vision, Mission, Educational goals and Learning outcomes
2. Curriculum design and delivery
3. Assessment of students
4. Student selection and support services
5. Academic staff
6. Educational resources
7. Programme monitoring and review
8. Leadership, Governance and Administration
9. Continual quality improvement

CHAPTER 2

Review of Literature

2.1. Review on 'Quality of Education'

Given the most recent push by the Ministry of Higher Education (MOHE) of Malaysia for assessing higher education quality, it is instructive to review the research literature which demonstrates that there has been ongoing assessment effort in Malaysia over the past one decade. This assessment has occurred simultaneously at multiple levels. At the national level, recent research found that Malaysia had some form of higher education assessment policy; however the researchers note that 'little systematic knowledge has been available to measure the extent and scope of publicly mandated outcomes assessments'. At the institutional level, all institutions engaged in some form of assessment often linked to self-studies for accreditation purposes, however of the 47 Malaysian public and private universities and other higher educational institutions, including seven set up by foreign universities, Malaysian Qualification Agency (MQA) has classed 18 as 'excellent', 25 as 'very good' and four as 'good'. None earned a 'distinction'.

The SETARA [17] ratings compiled by the Malaysian Qualifications Agency were released on 11th of July 2010. Higher Education Minister Datuk Seri Mohamed Khaled Nordin said 'the Setara ratings would be used by the Higher Education Ministry in developing 'appropriate higher education policies'. Khaled said public and private institutions that had earned an excellent rating would be entitled to local and foreign government-sponsored students as well as government research grants. They would also be eligible for 'research university statuses and could enrol more graduate and postgraduate students. 'Through the rankings, we hope it could increase healthy competition in our higher education', he said. A total of 58 institutions were listed to be assessed but 11 universities and university colleges were excluded. The official Setara

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website said this was because they were new institutions without final year students and had not produced graduates; did not offer undergraduates programmes; or were non-conventional institutions such as open universities 'which may require instruments configured upon different criteria'.

Malaysia has 18 public universities or higher education institutions and 40 run by private organizations. The 'Malaysian Qualifications Agency' (MQA) uses a six–tiered system of rankings based on a rating mechanism that measures the performance of undergraduate teaching and learning. The assessment was carried out by an independent committee appointed by MQA and headed by Professor Muhamad Jantan of University Sains Malaysia (Chair), Robin Pollard of Monash University, Sunway campus, Vincent Pang of University Malaysia Sabah, Nabishah Mohamad of University Kebangsaan Malaysia Ahmad Murad Merican of University Teknoloji Petronas, Sharifah Norul Akmar Syed Zamri of University Malaya and Arfah Salleh of University Putra Malaysia. It took place between October 2008 and June 2010 with the data collected based on year 2009. An independent 'Verification Committee' was set up for SETARA 2009 processes and instrument as well as verifies data submitted by the universities and university colleges.

The agency said 25 criteria were used 'captured through 82 indicators comprising the generic framework of input, process and output'. Under the system, tier six (6) is classed as 'outstanding', tier five (5) as 'excellent', tier four (4) as 'very good', tier three as 'good', tier two (2) as 'satisfactory' and tier one (1) as 'weak'. No university earned an 'outstanding' rating but nor were there any classed as 'unsatisfactory' or 'weak' while 25 universities and university colleges were rated as 'very good'. Of these, 14 were private and 11 public institutions; four private institutions were rated good. In 2007 only 20 local universities were evaluated for ranking but in 2009, the ranking was expanded to include local and private universities.

Higher Education Minister Khaled said private institutions rated as excellent would enjoy greater flexibility and exemptions in applying for teaching permits and seeking approval