

# CHAPTER 6

## CONCLUSION

Based on the findings and results obtained from the statistical analyses, the following hypotheses are proven to be valid and acceptable. This study concludes the following:-

## **6.1 Human Capital**

*(a) There is a positive relationship between human capital and operational efficiencies derived from offshore outsourcing.*

The more an organization is able to develop, deploy and exploit the human capital resources, the higher the operational efficiencies that will be realized. On the contrary, the inability to capitalize on the human capital resources places the organization in a significantly disadvantaged position as the operational efficiencies that will be realized will be relatively much lower. This results in the organizations losing the much needed competitive edge to sustain and compete globally in the offshore outsourcing environment.

*(b) The relationship between human capital and operational efficiencies is moderated by risk*

To further complicate matters, poor risks control and management will reduce the potential operational efficiencies that can be realized by an organization despite being able to develop, deploy and exploit the human capital resources effectively and

efficiently. The findings of this research have proven that risk does play a significant role in determining the realization of operational efficiencies.

## **6.2 Costs**

*(a) There is a positive relationship between cost and operational efficiencies derived from offshore outsourcing*

Cost efficiency has always been cited as the primary focus of most organizations to embark on outsourcing practices. The more an organization is able to reduce costs (both coordination and transaction risks costs), the higher the operational efficiencies that will be realized as they will be able to reap the cost efficiencies and benefits that places organizations in a competitive and sustainable position. On the contrary, if an organization is not able to reduce costs (both coordination and transaction risks costs), the lower the operational efficiencies that will be realized. In this scenario, it defeats the purpose and/or strategic objectives of organizations which embark on outsourcing primarily to leverage on cost benefits.

*(b) The relationship between cost and operational efficiencies is moderated by risk*

The risk element is not something that can be ignored although an organization is able to maximise cost efficiencies. Poor risks control and management is all one need to potentially regress into a disadvantaged position. The research has established that risk

can impact the operational efficiencies of an organization although they may have cost competitiveness which may not be sustainable unless the risk factor is given due consideration.

### **6.3 Quality**

*(a) There is a positive relationship between quality and operational efficiencies derived from offshore outsourcing*

There are various ways where organizations are able to improve quality (conformance and performance) which adds value and significance in ensuring that overall operational efficiencies are derived and sustained. On the contrary, an organization is severely handicapped if the quality level deteriorates despite leveraging on offshore outsourcing strategic initiatives. The direct relationship that was proven in this study indicates that the lower the capability of an organization to improve quality (conformance and performance), the lower the operational efficiencies that will be realized

*(b) The relationship between quality and operational efficiencies is moderated by risk*

The risk factor is not an element to be ignored in relation to quality level. Poor risks control and management can have considerable impact on overall quality which potential reduces the operational efficiencies that can be realized by an organization despite being able to improve quality (conformance and performance) effectively and efficiently.

## 6.4 Innovativeness

*(a) There is a positive relationship between innovativeness and operational efficiencies derived from offshore outsourcing*

The more an organization is able to gain access to technology, expertise and increase innovativeness, the better are the opportunities to gain operational efficiencies. Innovativeness also relates to the adaptability of the organization to changing needs internally and externally. Many organizations have reaped the benefits of improved operational efficiencies primarily due to the ability to constantly innovate. However when organizations fail to gain access to technology, expertise and increase innovativeness, lower or nil operational efficiency will be realized.

*(b) The relationship between innovativeness and operational efficiencies is not moderated by risk*

This shows that an organization can potentially have high risk and yet still embark on innovative strategies to gain and sustain operational efficiencies. This could be due to the fact that innovativeness and creativity is subjective to organizational culture, behavior, the strength of human capital skills and also the alignment of business strategies and their performance management systems. The existence of risk (or the lack of it) does not in any way reduce nor increase the capability of organizations to derive operational benefits.

## 6.5 Flexibility

*(a) There is a positive relationship between flexibility and operational efficiencies derived from outsourcing (offshore)*

Increasing flexibility relates to the ability to increase supply chain flexibility, volume capability and responsiveness which could lead to higher operational efficiencies. This study has proven that flexibility is a significant contributing factor and therefore the lower the capability of an organization to increase supply chain flexibility, volume capability and responsiveness, the lower the operational efficiencies that will be realized.

*(b) The relationship between flexibility and operational efficiencies is moderated by risk*

The flexibility of an organization may or may not increase risk. However poor risks control and management can definitely reduce the potential operational efficiencies that can be realized by an organization despite being able to increase supply chain flexibility, volume capability and responsiveness effectively and efficiently. Therefore it is essential to be aware of the risk elements and stringent controls implemented to be able to realize the operational efficiencies.

## **6.6 Managerial Implications**

Having proven that human capital, cost, quality, innovation and flexibility to be the key factors contributing to the capability of an organization to gain and sustain operational efficiencies, the implications of the research findings provide significant contributions to the operations management, especially in the offshore outsourcing (shared services) industry. This study provides an understanding on how managers can use these five factors to their advantage by aligning their competitive priorities and business performance. In reality many organizations pay less attention to critical factors such as recruitment, retention, cross-training and effective performance management which form the crux of human capital benefits. This study proves that offshore outsourcing is not all about being able to minimise cost. Cost efficiency should be one of the key objectives but it should not be at the expense of other critical elements such as human capital, for example. Other factors such as quality, flexibility and innovation are rapidly emerging as the key to gaining a competitive edge for organizations especially to sustain competitively at a global level. Unless organizations are able to leverage on the five factors at the very least, they will not be able to gain let alone sustain their operational efficiencies.

Risk which was previously examined in a direct context to operational efficiencies was investigated from the angle of a moderator in this study. It is undeniable that many practitioners are aware of the five factors mentioned above as key contributors to the overall performance of an organization. In fact most business strategies are created and

implemented surrounding these factors. Nevertheless many outsourcing initiatives have failed due to the lack of attention paid to one other critical factor that has the capability to ‘make’ or ‘break’ any business initiatives. Risk has always been given less focus or priority unless the situation warrants focus and attention. Most managers are guilty of taking a reactive stance when it comes to risk management instead of proactively identifying and managing it effectively. Risk is everywhere, in every business and is definitely unavoidable. However being aware of the various types of risk and emphasizing on the control measures in a timely manner is crucial to the survival of any business. Although there is a positive trend of organizations educating their managers and employees of the risk elements surrounding businesses, this is mainly limited to selective multi-national corporations. This study provides a guide for practitioners to be aware of the contributing factors to operational efficiencies as well as the potential implications of failure to proactively manage and control risk.

## **6.7 Malaysia: The Way Forward**

Malaysia is at the heart of a pulsating region and its strategic location will serve to attract investment to build transportation and logistics hubs. Malaysia’s rich endowments will help to attract foreign direct investment (FDI) and foreign portfolio investment (FPI) from China, India and East Asia as these countries seek currency stability through diversity, access to natural resources, and niche markets that reinforce bilateral ties.



Malaysia is not a poor country but it is a country with good infrastructure. As a nation, Malaysia largely eradicated poverty and moved into the upper middle income category in the early 1990s (New Economic Model, 2010). Substantial investment has resulted in the building of a world-class infrastructure in Malaysia. In this changing world, globalization has created a fierce competition for talent, forcing companies and the government to recognize that people are the most valuable assets. According to the New Economic Model (2010), to compete on a regional and global scale, Malaysia must retain and attract talent. Malaysia must also be seen by its people and by others as a land of equal opportunity to earn a good living and provide a secure, happy life for each individual and their families. In order to do this, some changes must be seen in the Malaysian economy.

#### **6.7.1 Private Sector**

One of the first few things that need to be done is to re-energize the private sector (New Economic Model, 2010). Malaysia must target high value added product and services to step up and assume a delicate profile in the country's transformation. And to do this, the country must align its incentives to foster investment in high value added activities. Besides that, tailoring the incentives to meet the needs of each and every firm should also be carried out.

By removing distortions in regulation and licensing in Malaysia, certain barriers and cost of doing business can be removed in order to keep re-energizing the private sector.

Likewise, direct state participation in the economy must also be reduced which may ensure that the government linked companies (GLCs) operate on a strict commercial basis free of government interference.

Another important aspect is the implementation of efficient and transparent processes for procurement at all levels encourage efficiency through healthy competition. Moreover, the playing field for the private sector should be leveled through transparent standard settings. Support must also be given for a stronger competitive environment with competition law.

Malaysian providers should look at their pricing based on outcomes instead of inputs. Clients are looking for providers to take on more risk where possible and fixed pricing may not be readily acceptable in the near future. A time and material based pricing is more applicable to move towards usage and outcomes. More attention needs to be paid to customers' requirements in order to be more customers centric like the MNC counterparts. This will not only help them grow locally but also to go global by transforming the business to suit the international market where they are able to move amongst the bigger players within Asia Pacific.

Local companies should view outsourcing as a venture and try to acquire captive operations which are currently in the country as a basis to springboard overseas. For local providers who do not have all the required expertise, they should build their capability based on a consortium approach such as Symphony House. Malaysian

companies should not expect customers to readily embrace them as providers in the same manner they have taken to using Malaysia as an offshore location.

Finally, Malaysia must encourage partnerships with private-sector companies and pursue aggressive regional networking with ASEAN, China, India and the Middle East (New Economic Model, 2010).

### **6.7.2 Workforce**

Another important aspect is the quality of workforce. The labor markets must work well, where jobs and workers must be matched efficiently to increase productivity, consequently raising wages. The labor market adjustment must be smooth. The right workers should be able to find the right jobs; and the right jobs must rapidly attract the right workers, including those from abroad.

At the same time, Malaysia's talent base must improve. A quality education system which nurtures skilled, inquisitive and innovative workers are needed to constantly drive productivity towards the foundation of sustained economic growth. Malaysia cannot miss the opportunity to put the most valuable resource to work. Therefore, Malaysia must remove barriers that are preventing its smartest people from gaining skills, while enticing these gifted people to remain within its borders.

To do this, local talent must be increased over time. It is time for Malaysia to review the education system. The system must shift the educational approach from ‘rote learning’ to ‘creative and critical thinking’. An increasing emphasis should be given to reintroduce the technical and vocational training colleges. Talent should be identified and nurtured through a demand-driven process.

The educational institutions must improve their autonomy and accountability, can start encouraging research and development collaborations between institutes of higher learning and industry and deliver high quality education, within reach of all localities (New Economic Model, 2010). Most importantly, all educational institutions must boost the usage of the English language.

Besides that, Malaysia must also upgrade the skills of the bottom segment of the labor force through continuing education and training, establish a labor safety-net for displaced workers, formalize international quality standards and certification of skills and allow wage levels to be reflective of the skill level (New Economic Model, 2010).

In addition to that, local and global talent must be retained. A review of existing programmes to attract highly-skilled Malaysians overseas to return home. Malaysia can also build up critical mass of skilled professionals through simpler work permit and immigration procedures (New Economic Model, 2010). On the company front, there must be sufficient investment into talent where service providers should begin breeding a pool of its own talent through succession planning and management tools to keep track of

its employee's progress. Employees who are certified should be recertified to ensure that their skills are kept up to-date with the changes in technology.

Last but not least, the Malaysian workers must be protected through a stronger safety net while encouraging labor market flexibility. The legal and institutional framework to facilitate hiring and firing should be revised. Pay must also be raised.

### **6.7.3 Competitive domestic economy**

According to the New Economic Model (2010), many distortions would be removed and the economy will experience greater competitiveness from the elimination of subsidies, price controls and a myriad of incentives which have lost their original objectives.

To improve the economic efficiency, Malaysia can strengthen the competitive environment by introducing fair trade legislation, improve competition law to safeguard the interest of domestic firms, set up an Equal Opportunity Commission to cover discriminatory and unfair practices, review remaining entry restrictions in products and services sectors and adopt the international best practices and standards for local industries to become highly competitive (New Economic Model, 2010).

According to the New Economic Model (2010) also, the country can revamp the seed and venture capital funds to support budding entrepreneurs, simplify bankruptcy laws pertaining to companies and individuals to promote vibrant entrepreneurship and provide

financial and technical support for SMEs and micro businesses, to move them up the value chain in order to build entrepreneurship.

As a final point, Malaysia must also remove market distortions leading to misallocation of resources.

#### **6.7.4 Public sector**

Public institutions must be re-engineered (New Economic Model, 2010). It also must not duplicate functions better provided by the private sector instead it should seek to undertake tasks that the private sector cannot perform. The delivery of government services must be efficient and effective, using a ‘whole of government’ approach to facilitate the operations of the private sector. Fiscal management must be strengthened to include greater transparency and to provide the right incentives. The government’s revenue base must be diversified and expenditure streamlined to foster better utilization of revenue.

To improve the decision making processes, the state and local entities should be empowered to perform their tasks locally, the local input and authority in economic should be encouraged to support regional differences and needs, a process for effective implementation, monitoring and evaluation of policy measures can be developed and an effective one-stop-agency to facilitate foreign investment to be empowered.

In order to improve service delivery, the country can reform the government to be lean, consultative, and delivery focused, upgrade skills of staff to enable them to multitask and modernize human resource management to match qualifications with jobs (New Economic Model, 2010).

Malaysia must also see zero tolerance for corruption, address underlying weak governance structures, codify best practices and implement an open, efficient and transparent process of government procurement at all levels to reduce ‘friction costs’.

Strengthening the public finance management is another vital aspect. To achieve this, Malaysia can widen the tax base, lower the personal and corporate income tax rates, implement standardized criteria for state revenue receipts, use results-based budgeting, implement programme-based, medium-term budgeting, adopt international standards for fiscal transparency and use technology for efficient collection of duties and taxes.

#### **6.7.5 Transparent affirmative action**

Fostering of equal and fair economic opportunities is a key component of inclusiveness. According to the New Economic Model (2010), affirmative action will consider all ethnic groups fairly and equally as long as they are in the low income 40% of households. Affirmative action programmes should be based on market-friendly and market-based criteria together taking into consideration the needs and merits of the applicants. Besides that, an Equal Opportunities Commission must be established to ensure fairness and

address undue discrimination when occasional abuses by dominant groups are encountered (New Economic Model, 2010).

With the intention to create a market friendly affirmative action, the country can use transparent procedures and criteria, use affirmative action as a means to promote building of capacity and capability and phase out approaches that contributed to rent seeking and patronage. Also, according to the New Economic Model (2010), Malaysia can encourage reward on the basis of performance by encouraging greater competition in the economy by removing excessive protection and accelerating sectoral liberalization. Besides that, the country can also redesign affirmative action to take into account merit and phase out approaches that contributed to rent seeking and patronage.

In addition to all these, the country must promote equal and fair access to opportunities. This can be done by; emphasizing equitable and fair opportunities for employment, health and education and access to business opportunities, applying government savings to wider social safety net, creating a fund to assist distressed firms during the reform period and setting up an Equal Opportunities Commission to deal with possible cases of unfair treatment and discrimination.

#### **6.7.6 Knowledge base infrastructure**

Economic transformation in the industrial, agricultural and services sectors is a process requiring continuous innovation and productivity growth with significant technological



advancement and entrepreneurial drive (New Economic Model, 2010). The implementation of these processes in line with the best practices and international standards will perk up the chances for firms to do well in the global market place.

Malaysia should encourage an environment for innovation by improving access to specialized skills, ensuring protection of intellectual property rights, giving incentives to firms to embrace technology and move up the value chain, enforcing strict adherence to global standards and benchmarks, fostering research and development links between the institutions of higher learning and the private sector, immediately rolling out nationwide fast broadband connectivity, reviewing and consolidating all present government research and development funding, aligning research and development to national growth objectives particularly in innovative and high technology fields, opening access to funding to competition among researchers, ensuring public procurement supports local innovation and establishing key performance indexes for universities based on commercialization (New Economic Model, 2010).

Last but not least, the country must realize that establishing stronger enabling institutions is a vital part of change in this day and age. According to the New Economic Model (2010), Malaysia must set up a technology research powerhouse and centre of excellence on a commercial basis, operationalise the National Innovation Model announced by the government in 2007 and balance the technology-driven innovation approach with market led policies such as global procurement through technology intermediaries.

### **6.7.7 Sources of growth**

Together with the comparative advantages arising from its natural resource endowment, Malaysia must build on its strategic location to establish production platforms which drive high value added growth with spillover effects. According to the New Economic Model (2010), there must be a focus on economies of scale through growth corridors to energize promising expansions into new markets such as downstream agricultural outputs, ecotourism, alternative energy generation and climate change mitigation.

To develop greater integration between products, Malaysia should further priorities the logistics industry, leveraging on roads, ports and the information communication technology infrastructure to be readily available in Malaysia. Also, the country must improve seamless tourism services by ensuring quality services along the value chain (New Economic Model, 2010).

In line with this is the creation of new markets which will be able to capture greater share as a distributional hub as intraregional trade expands, move into alternative energy generation as well as energy saving products and services and expand service-oriented industries to regional markets based on Malaysia's natural biodiversity.

Another essential aspect is the building scale of industries and production networks for specialization. To do this, Malaysia can encourage a corridor-based development, promote competition between localities, cluster industries to leverage on integration,

scale and connectivity, exploit economies of scale through networking of production and supply chains leveraging on location to speed the market and establish a global presence through international acquisitions of companies in the same field.

According to the New Economic Model (2010), Malaysia can recognize the importance of harnessing innovation potential by adopting an open innovation system to acquire technology and expand networks, supporting rapid transformation of small medium enterprises with potential for innovation and developing industries that support sustainable development such as use of traditional plants and herbs for modern applications.

#### **6.7.8 Sustainability of growth**

Preserving our natural resources and safeguarding the interest of future generations must be facilitated by applying appropriate pricing, regulatory and strategic policies to manage non-renewable resources efficiently (New Economic Model, 2010). The sustainability of public finances through rigorous fiscal discipline is the foundation to maintaining macroeconomic balance and financial stability, which can necessitate the reduction of wastage and cost overruns.

According to the New Economic Model (2010), to see a sustainable growth, Malaysia can leverage on comparative advantages for high value added products and services by increasing focus on downstream high value added production and services, while

developing a comprehensive energy policy. On another note, to ensure sound public finances, the country can use appropriate pricing, regulatory and strategic policies to manage non-renewable resources sustainably, reduce wastage and avoid cost overrun by better controlling expenditure, establish open, efficient and transparent government procurement process and adopt international best practices on fiscal transparency.

#### **6.7.9 Final note**

OM Chairman David Wong informs that Malaysia is certainly among the most attractive locations for outsourcing as attested by many high rankings obtained in numerous surveys, of which in AT Kearney's survey Malaysia is at 3rd ranking (2009). Wong added that the country needs to continue to put in more efforts towards making the industry a thorough success.

Another source from IDC on what separates the “successful” countries from the “up-and-coming” ones which a high degree of influence in the decision making process and could “make-or-break” the deal are factors such as current skill sets and capabilities, outsourcing domestic market demand, outsourcing export market demand, labour cost, and language proficiency. This is agreed by Bobby Varanasi and he further went on to elaborate on the two deal clinching criteria. First is the ability to address client industry knowledge, and the second is the ability to offer flexible business and financial models built around client value and not around service costs. Malaysia lags behind in these two areas as compared to other mature provider nations and companies. In addition although Malaysia is well-known as an attractive location as a result of its living cost,

infrastructure and overall stability, the drawback can be in terms of lack of higher value-skills required for technical outsourcing engagements.

While Malaysia made a great start towards attracting global leading MNCs and vendors to Malaysia in the early 2000s, the country has slowly taken her 'foot off the gas' and has stagnated somewhat (Outsourcing Malaysia, 2009). The Malaysian government should act as an enabler to ensure create a conducive environment for collaboration such as providing subsidies, loans and other support. It should incentivize innovations with rewards through a credible patent system, and ensure that the public service is serving the society in a transparent fashion. While the Malaysian government has indeed done a lot to drive information and communications technology (ICT) growth, its failure to provide sufficient infrastructure may prove to be yet another big snag. Broadband penetration rate, cost and quality are still disappointing in Malaysia compared to our regional peers, thus hampering the shift to a more progressive knowledge-based economy, which in turn slows the ICT growth engine. David Wing, Chairman of OM and PIKOM cited that recently his company SnT Global, tried to bid for a BPO project from Australia. The communication infrastructure cost works out to almost 30% of the total operating expenses of the project, which, by far, is almost 50% higher than equivalent connectivity to countries such as the Philippines or Hong Kong.

In addition Malaysian providers should leverage local and regional business to move into other outsourcing markets in the manner that Symphony House has done to retain its market share globally. Comments from other sources such as Meta Group Asia Pacific

indicates for local providers to be successful the trend is to move into joint ventures where they can leverage on the skills of the other partners in areas where they are lacking. Many local companies are still struggling to find opportunities in the local market and many are not able to undertake big complex jobs. Collaboration with a foreign partner would make technology transfer possible and both sides would certainly benefit from it. This is something which is currently happening in our local environment and one such example is the recent joint venture of Sunway IT shared services with the Japanese company. Another area is that Malaysian providers should convince customers that they have the necessary resources at the right level of skills (technically and business) and also possess strong communication skills to deliver their presentation. The reliance on only technical skills is not the way forward as there is a need to position one as the solution provider that add values. Local providers need to proof themselves with the means in terms of possessing a stable, scalable and secure infrastructure that will not hinder the client. This should be viewed as a value proposition and long term partnership for both parties concerned. In other words, the rules of strong engagement should not be ignored as they need to overcome the trust barrier. They can do this through embracing what is required of them to be forerunners of the new service delivery models that will give them the edge and lead position needed.

We discussed that the Malaysian government has put in a lot of initiatives to grow this part of the industry and during the interview with Bobby, the question of whether this protection and help given is actually hindering the industry in the long term. Will a reduction of government intervention drive companies into a strong position where the

survival of the fittest survived? If we take on the view of the capital market then little government intervention is required and one such example is in India where over the last few years this same industry has grown in leaps and bounds when compared to ours. There is little assistance from the government and the country lacks the infrastructure compared to us and why have they or rather how have they then overtaken us. There is no model answer to that as other players like Singapore and China have strong governmental influences.

In the short term which between twelve and twenty four months, Malaysia providers should focus on cost as the primary driver and leverage on 3<sup>rd</sup> party services that required value of service as a reference to build relationship with customer. They should ensure that short term results with strong return on investments and key services offerings are meeting targets and standards. This is to establish the fact the local providers can meet clients expectations and this should be extended to maintenance based services. More conscience efforts to get jobs that embed professional services such as consulting, integration, project that can transform, modernized customer environment with the aid of technology as part of outsourcing services deals instead of handling project based areas such as consulting services, training, application development and deployments.

In the long term which is referring to more than three years plan, they need to invest in shifting their current platform to a more utility centric system. Local players which need or desire to go global will need to maintain/ strike a balance in a manner that they are appealing to the local as well as have a global outlook. As discussed earlier there is this

need to have a total solution team of talent with subject matter experts to develop a push strategy. As indicated by David Wong, PIKOM and Outsourcing Malaysia Chairman, we need to also focus on our language and culture skills to cater for the Asian market.

Malaysia also needs to improve on its “brand” and change any inaccurate perceptions in countries where many potential outsourcing customers reside, such as the US and Europe. In the Black Book of outsourcing, Kuala Lumpur was listed as among the top five riskiest offshore locations in the world. The rankings of safest and riskiest places are based on criteria like high terrorist or rebel target threats, uncontrolled environmental waste and pollution, corruption and organised crime, unstable currency, geopolitical conditions and unsecured networks and technology. Such perception must be corrected, hence the need for branding and perception management.

As a final summation, Malaysia must put in place firm action plans to accelerate the growth of outsourcing as a viable export industry or risk being left behind by others. In this current economic scenario, with increasing competition from developing nations that have a much lower cost base, we need to enhance and protect Malaysia’s comparative advantages. This certainly requires a lot more support and cooperation from the government.



## **6.8 Limitations of this research**

Although the sample population of respondents were a good mix to cater to the need of a holistic and diversified view, one limitation of the respondent population was the industry representation. 49% of the respondents were from the banking sector followed by 19% from the IT industry whereas all other industries have less than 9% of representation. As a result, we conclude that this research should have had a better generalization of many other sectors.

## **6.9 Possible research extension**

This study has investigated the relationship between five (5) factors that determines the success of offshore outsourcing practices through operational efficiencies. It also looked at the risk factor as the moderator that could further elevate the success of a business or dampen their growth altogether. However there are various other factors that could contribute to the success or failure of offshore outsourcing.

There are many challenges facing practitioners when an organization embarks on offshore outsourcing. The ability to effectively transfer best practices across different locations, manage human resources abroad, relationship management between Client and Vendor, building and sharing organizational culture are among some of the key challenges. It is interesting to note that these factors relates closely to personality, organizational behaviour and motivation. Hence researchers and practitioners who are

interested to investigate the success or failure of offshore outsourcing due to the attitude and drives of the employees within an organization, be it the Client or the Vendor, could investigate the relationship between motivation, leadership and organizational behaviour. Existing motivational and leadership theories can be used to examine the relationships in the context of organization behaviour.