

Chapter 1

INTRODUCTION

1.1. Background

1.1.1 Setting and Background

This research study was conducted in Malaysia, which composed of two landmasses, which are Peninsular Malaysia (131,573 square kilometres) and East Malaysia (198,160 square kilometres) situated in the heart of Southeast Asia. Peninsular Malaysia comprises of eleven states and one Federal Territory and East Malaysia consists of two states. The study was limited to the Klang Valley and Kuala Lumpur.

According to the Census 2000 (<http://www.statistics.gov.my/English/pressdemo.html>), the Malaysia's population has reached 23.27 million. In term of population by state, Selangor is the most populous state with 4.9 million people. In term of ethnic composition, Malaysia consists of three main races namely the Bumiputra comprises 65.196 per cent, the Chinese consists 26.096 per cent and the Indian that makes up 7.796 per cent. There are also other major races like Kadazan Dusun, Dayak and Bajau namely in East Malaysia.

The per capita gross national income was RM12, 956 as at year 2001. Our total labour stood at 10,046,500 with unemployment rate of 3.7% as at the first quarter of year 2002. We have been a leading producer and exporter of commodities such as rubber, palm oil, cocoa, timber, pepper, tin, petroleum and gas (<http://www.statistics.gov.my/English/keystats.html>). Today, Malaysia is one of the world's leading exporters of electronic semiconductors, room air conditioners,

audio-visual equipment, and Proton cars (<http://www.statistics.gov.my/English/keystats.html>).

After the Asian Financial Crises in July 1997, the Malaysia's Gross Domestic Product (GDP) growth was at negative 7.4 per cent in 1998 and improved to 1.1 per cent in 2002. After achieving a growth rate of 5.3 per cent in 2003, the Malaysia's GDP growth strengthened further to 8 per cent in second quarter of 2004 and expected to remain until the end of 2004 and first quarter of 2005. These positive high growths are driven by robust external demand and a pick-up in private consumption (*Bank Negara Monthly Statistical Bulletin*, 2004).

1.1.2. A Brief History of Psychometric Tests and Myers-Briggs Type Indicator

The history of the use of psychometric tests has existed since the beginning of the twentieth century. In the past twenty-five to thirty years, these tests have been brought into widespread use in industry because of the need of employers to ensure that they place the right people in the right job from the onset with many a reason for this is the high cost of errors, including the need to re-advertise and interview new applicants, and reinvestment in training.

Today, psychometric tests are extended to provide objective information about different areas of candidates' skills comprising the extent of their knowledge, motivations, personality and potential. The British Psychological Society defines a psychometric test as an instrument designed to produce a quantitative assessment of some psychological attribute or attributes (Carter and Russell, 2001).

There are two main types of psychometric tests, namely personality questionnaires and aptitude tests or intelligence tests on candidate's abilities in a

number of disciplines such as verbal understanding, numeric, logic and spatial or diagrammatic reasoning skills. In this study, the psychometric profiling uses the Myers-Briggs Type Indicator (MBTI) personality questionnaires to elicit the respondents' pattern of thought, feeling and behaviour that translates into their preferred managing styles that are unique to every one of them, and the predictability of how the respondents are likely to perform in their managerial capacity as managers.

The authors of the MBTI, Katherine Cook Briggs (1875-1968) and her daughter, Isabel Briggs Myers (1897-1980) studied and elaborated the ideas of Swiss psychiatrist Carl G. Jung (1875-1961) and applied them to understanding people around them in term of human personality differences. Prompted by the waste of human potential in World War Two, Myers began developing the Indicator to give a wide range of individuals' access to the benefits she found in knowing psychological type and appreciating differences (Briggs Myers, 1998).

The MBTI today, after more than fifty years of research and development, is used for a wide variety of purposes, including self-understanding and development, career development and exploration, organization development, problem solving, relationship counselling, education and curriculum development, academic counselling, management and leadership training, management styles, managerial performance development, team building and diversity and multicultural development (Briggs Myers, 1998).

More than two million Indicators are administered annually in the United States. The MBTI is also used internationally and has been translated into more than thirty languages. David Freeman from Australia Psychologists Press initiated the translation into Malay language (for use in Malaysia) and Mandarin (for use in China) in 2002 (personal communication, April 22, 2002).

1.1.2. Managing Styles and Managerial Performance: An Epigrammatic Account

Many studies have already examined the managing styles and managerial performance in the U.S.A, Europe and Asia. For example, past management scholars like Blake & Mouton (1964); Reddin (1992), Howie (1997); Walmsley (1998), Briggs-Myers (1998), Moser-Wellman (2001), Musashi and Low (2001).

According to Low (2001) there is a general consensus among scholars that the Asian management wisdom such as Sun Tze's art of war, Lao Tzu's Tao Te Ching (for effective leadership) and modern management paradigm like Blake and Mouton's Leadership Grid (1964) can co-exist. However, in this study the researcher would examine the managing styles of the Malaysian managers as predictor to their managerial performance using Myers Briggs Type Indicator (MBTI) as instrument of survey.

Academic research using MBTI is very rare in Malaysia. It is also significantly needed in the many facets life of the Malaysian society at large, but also the Malaysian managers. In fact, MBTI is widely used by our government-training arm that is National Institute of Public Administration (INTAN) in management training for high profile government management team.

Recently, the first of MBTI Malaysian Chapter was held on December 11, 2004 at the National Institute of Public Administration (INTAN), Bukit Kiara, Kuala Lumpur. This event marked the significant presence of MBTI thus paving towards the making of a MBTI Association in Malaysia in time to come.

During the Asian Financial Crisis, many companies that relied on heavy borrowings from overseas (the United States of America and Europe) were at the brink of bankruptcy. There were sudden declining businesses worldwide and sharp depreciation of their nations' currencies of more than 100 per cent in the

case of Malaysia. For example, the government of Malaysia had to bail out Renong Berhad, a government-linked company) with huge debts of RM 20 billion in 1998 from financial distress (Mahathir, 2000).

Most recently, our newly elected Prime Minister, Datuk Seri Abdullah Badawi along with Second Finance Minister, Datuk Seri Nor Mohamed had revamped the management team of almost all government-link companies (GLCs) including Renong Berhad, Malaysia Airlines Systems Berhad, and Tenaga National Berhad. These transformations included changes in management team across almost all government-link companies were decided with strong affirmation on what I coined as “good management good business” philosophy in May 2004. In fact, Azman Mokhtar was appointed as Khazanah’s new chief executive officer with a mandate to accelerate the government-linked companies transformation into world-class competitors (<http://www.washingtontimes.com/upi-breaking/20040928-081158-4794r.htm>).

According Drucker (1999), managers have become a leadership group in the last two decades largely because they have developed such discipline for the managerial half of their job: the planning, building and leading of the human organization of a business. But for the other, the entrepreneurial half deals with the specific and unique economic function of business enterprise that is the specific task that systematically directs resources to economic performance and results. All over the world, managers have committed themselves to management as a discipline.

Management as a discipline requires managing styles to attain managerial performance. Meyer (2000, p. iv) predicates, “Benchmarking begins with improved managerial styles and practices”. What had happened since July 1997 had brought us to the light of this question, “Are we managing the right way effectively?”

The post-financial crises have witnessed immense restructuring, re-engineering and mergers between companies in Malaysia. For example, the mergers of our commercial banks into ten core banks as directed by the Bank Negara Malaysia in order to gain competitive edge over foreign banks (<http://www.washingtontimes.com/upi.breaking/20041011-065239-5826r.htm>). This study will elicit the managing styles of Malaysian managers as predictor to their managing performance. It must be noted here that if managers are armed with improper and inappropriate managing styles will result in inefficient and ineffective managerial performance. Therefore, how can these types of managers manage its organization to greater heights of success and gaining competitive advantage? Machiavelli once said, "A prince who is not himself wise cannot be wisely advised" (cited in Meyer, 2000, p.xi). In short, managing styles and managerial performance are the basic foundation stone for managing organization successfully.

1.2. Problem Statement

There is no comprehensive study into the managing styles of Malaysian managers using MBTI. Do we know the managing styles of the Malaysian managers or we are just guessing? Is there any academic research to confirm or substantiate the managing styles our Malaysian managers especially using the MBTI as the psychometrics assessment profile?

If we do not know the managing styles of the Malaysian managers, can we envisage and predict his or her managerial performance and development accurately and effectively? Therefore, the overall investigation into this study is to shed light on the salient features and understanding of the preferred managing styles of the Malaysian managers as predictor to managerial performance and development. In other words, there is still a large vacuum in indigenous research into the managing styles of Malaysian managers, which is so important to the survival and success of many, an organization today.

According to Abdullah (1993), most of the Malaysian managers are outdated or anachronistic in approach with emphasis on merely caretakers and traditional number-crunching administrative managers, thus losing out to new opportunities and challenges. He presented evidence of the phenomenon some eleven years ago. Does this view still hold?

Using the Myers and Briggs Type Indicator (MBTI) to identify the managing styles of the Malaysian managers against the four indicators of managerial performance, this study will also recommend managerial development for each preferred styles. Those four managerial performance indicators are job promotion, performance bonus or incentives, set targets and goals achievements and potential candidate for advancement. (The four indicators of managerial performance will be dealt with lengthy discussion in chapter three and four.)

1.3. Purpose Of The Study

This study aims to examine and investigate into the prominent characteristics of the preferred managing styles of the Malaysian managers as measured by using psychometric assessment profile as predictor to managerial performance. This study also attempts to identify how some of the most important managing styles combine and interact when managing, to produce different management action styles and managerial performance.

This study's objectives are:

1.3.1. To investigate into what sort of managing styles prevail among the Malaysian managers. That is to inquire into the distinctions between the more preferred managing styles of today's Malaysian managers and the lesser-preferred managing styles.

1.3.2. To investigate if the more preferred managing styles and the lesser-preferred styles compliment each other. That is to inquire into if these two styles compliment each other to greater height of managerial performance.

1.3.3. To investigate if there are various relationship between managing styles of the Malaysian managers and their managerial performance. That is to inquire into if managing styles contribute to the prediction of managerial performance.

1.3.4. To understand the managerial performance development needs of today's managing styles of the Malaysian managers. That is suggesting and recommending the most effective method to calibrate the shortcomings in each preferred styles by developing their less preferred dichotomies in tandem towards achieving managerial performance.

1.3.5. To draw management implications from the findings and make suggestions to organization in order to aid them in their organization and management development generally, and to make managing styles more effectively to enhance managerial performance specifically with the business philosophy that says, " Good people good business".

1.4. Significance Of The Study

The primary significance of this study is that the findings will essentially be a step forward towards explaining the distinctive managing behavioural patterns of today's Malaysian managers and managerial performance development in Malaysia. By understanding the managing styles of the Malaysian managers and their managerial performance, an organization will be able to gauge into the significant impact to calibrate into the challenges and development needs of the Malaysian managers relating to managing styles as predictor to (any potential ailing) managerial performance.

These, when identified, trouble-shoot and developed will enhance and improve managerial performance. Moreover, this study adds and shades lights to the understanding of management process and perceptions on the relationships between managing styles and various managerial performance such as job performance, performance bonus or incentives, set targets and goal achievements and potential candidate for advancement among the Malaysian managers. These needs are even made more demanding and importance in today's world of business towards total economic globalization and liberalization starting with ASEAN Free Trade Agreement (AFTA) in 2003.

1.5. Scope Of The Study

The scope of this study is in the area of Malaysian management context. All the respondents are Malaysian management staff only, including chief executives, heads of departments, middle managers, headmasters, executives, officers and supervisors. This research does not cover non-managerial workforce like clerical staff, and expatriate managers.

It covers a great deal of relevant, useful information about managing styles of the Malaysian managers as predictor to managerial performance, their strengths and weaknesses, and areas for development as measured using the MBTI as psychometric assessment profile as indicator.

1.6. Limitation Of The Study

Since this is only an epigrammatic study, the findings will be, by no mean, a generalization of the studied managerial population in Malaysia. However, it can be used as a guide and notes of reference and comparison for more comprehensive and extensive studies in time to come.

The limitation of this study is the sample size of 215 Malaysian managers rather than a bigger sample size. As a rule of thumb, the bigger the sample size the more representative the sample is to the studied managerial population. Therefore, the findings of this research are to be interpreted within the limit of the sample size (n=215 Malaysian managers), location (mainly Klang Valley and Kuala Lumpur) and time (the data was collected over a one year period).

1.7. Organization Of The Study

The study is organized into five chapters. A summary of each chapter follows.

The first chapter introduces briefly the current interests of the research in the area of managing styles and managerial performance and introduces some significant information pertaining the research to be carried out. This includes its problem statement, purpose and significance of the study, scope, limitations and organization of the study.

Chapter two is literature review on relevant books, journals and periodicals that relates to this study. Emphases are given to areas pertaining to managing styles, managerial performance and psychometric tests.

The following chapter three explains in detail on research methodology including the selections of measures, sampling design, and data collection procedure and data analysis techniques data collection and interpretation, which were used to establish this research finding. Different stages involved in the research, including the preparation of the questionnaire, validity and reliability of the measurements, the strategy used in choosing the sample; the phrases of the fieldwork; and all other aspect related to the process of gathering the information are also discussed. This chapter also briefly introduces data processing and analysis using the software package SPSS for Windows (Version 10.0).

Chapter four is the research results, which comprise the summary statistics of respondent, analysis measures, testing of the research hypotheses and summary of research findings. That is evidently discussed and support that managing styles of the Malaysian managers as measured using the MBTI psychometric profile contributes to the prediction of managerial performance (and development).

The final chapter is conclusion and recommendations. This chapter summarises the findings with suggestions for additional research, and implications that might profit from this research. The chapter concludes with an overview of the findings of the research and highlights the preferred managing styles of the Malaysian managers as predictor to managerial performance.

The references are shown in the bibliography section and appendices. The appendices also provide a copy of the questionnaire circulated to the Malaysian managers. Also included in the organization of the study are acknowledgement, abstract and lists of tables used in this research.