PM Najib's Transformation Agenda in Transforming Malaysia intoa High Income Nation

LukmanThaib& Muhammad FahmiMdRamzan

University of Malaya, Malaysia

ABSTRACT

Malaysia is a country that since its independence has endeavoured to practice democratic governance. In line with this, it seeks to ensure that the Malaysian government is representative of the will of the people. To achieve this, there must be in place numerous mechanisms to ensure accountability and transparency while also ensuring that it has an 'ear to the ground' so to speak. The ruling AMNO coalition government has come under increasing public criticism for its failure to observe these fundamental features of a progressive democracy. Such public scepticism is perhaps best manifested in the AMNO's relatively poor performance in past elections. This development expedited reforms calling for effective leadership to guide such reforms. It is to this end that this paper is committed, namely to analysing the important role played by the Sixth Prime Minister of Malaysia, YAB Dato' Sri NajibTun Abdul Razaktowards outlining a clear vision of national development since taking office on 3 April 2009. For this,YAB Dato' Sri Najib appears to have opted to pursue atransformational agenda while aptly adopting transformational leadership to ensure the cooperation of all citizens in Malaysia towards a common goal.

Key Words: Malaysia, Dato' Sri NajibTun Abdul Razak, Transformational Leadership, High Income Nation.

INTRODUCTION

Leadership exerts an important influencing over the activities of a person or a community, especially towards achieving a particular purpose. Without leadership, organizations are without direction.Leadership is also a trait that can influence others in elicitingcooperation to achieve a commonlydesired vision. Thus, leadership is the capability to influence the attitudes and behaviour of others.

In today's context, a leader is not only a person who meet the leadership requirements of a country but also as the pulse of change by nurturing new ideas toward creating change in the organization.As such, an effective leader is someone who can encourage the energies of subordinates to be directed towards a common vision.

Warren Bennis in his, "*Leaders: The Strategies for Taking Charge*", states that leadership is needed in helping an organization in developing new insights with the aim of creating a development that can bring changes towards a better organization. Leadership is also the result of interactions involving two or more peoples to acts in achieving specific goals stimulated by the want and needs of both parties (Bass, 1985; Burns, 1978).

In Malaysia, to overcome the diverse challenges involved inadministrative transformation, transformational leaders is one form of leadership that requireshigh levels of self-confidence capable of steering the organization toward overcoming all challenges. Previous studies have shown that transformational leadership is a leadership concept with a high correlation by increasing the effectiveness of the organization's management towards higher achievement. According to Black and Porter, examples of leaders who practice transformational leadership are Bill Gates and Steve Jobs (LiungHui, 2002: 20).

Transformational leadership is also a form of leadership that is often associated with a higher level of work achievement and satisfaction towards the leader. Jason (2000) states that transformational leaders is a concept of leadership in whichshared norms, values and beliefs with the followers often motivate and influence their followers. Transformational leadership is a form of leadership that has the ability to give encouragement, motivation, enthusiasm and energy to the followers.

CONCEPT OF TRANSFORMATIONAL LEADERSHIP

In an era of global competition and dynamic environments, many organizations shift the paradigms of their leaderships from a transactional style to transformational leadership style in order to achieve their strategies and goals (Bass, 1999; Howell &Avolio, 1993). 'Transformational Leadership' is a model in a series of leadership studies discussed by Burns (1978) and Bass (1985).Both are important figures in the study of transformational leadership. However, the concept of transformational leadership is newly incarnated in the study of leadership of a country or organization as the approach is more practical and more relevant to contemporary times (Khairil, 2009). An important feature of an effective leader is instigating within subordinates organic sentiments for developing toward a given end.

The concept of transformational leadership was introduced by James MacGregor Burns (1978) in the context of political leadership. According to Burns, transformational leadership is a process in which leaders and followers help each other to improve motivation and moral towards a higher level. Burns categorized transformational leadership into four main categories, namely the intellectual leader, reformist leader, revolutionary leader and charismatic transformational leader (Suraiya, 2011).

Burns' idea regarding transformational leadership wasexpanded by Bass(1985) (Khairil, 2009, who focused on the needs of a group or organization for bilateral relations between leaders and followers. According to him, transformational leadership has four original dimensions, namely individual influence, inspirational motivation, intellectual stimulation and individual consideration.

Rasid Muhammad on the other hand, interpreted the transformational leadership style as leadership that is comprehensive and can be leveraged for individual excellence capable of contributing meaningfully to the organization and the community. There are four dimension of transformational leadership, namely charisma, individual consideration, intellectual stimulation and inspirational motivation.Rasid further argues that charisma is a key characteristic of transformational leadership that will convince subordinates ofthe merits of the attributes possessed by the leader. This character is capable of realizing all the required changes (Rasid, 2007). Rasid also interprets individual consideration by viewing individuals as unique.

Intellectual stimulation is an approach that is taken by a leader based on knowledge that encourages those who are under his care to strive towards improving their knowledge, and eliciting imaginative, creative and innovative thinking suitable with the challenges and demands of the times. Meanwhile, inspirational motivation is seen as something capable of nourishing the leader's influence among his subordinates.

The existence of a good relationship with one follower will make a leader always liked by his followers. Leaders that practice transformational leadership is a leader that is visionary, goal-oriented and with foresight as well as possessing a higher culture (Rolfe, 2011). Transformational leadership is also a leadership model that provides strategic direction to the organization that is considered as work quality process and gives solutions for recruitment and retention of human capital that can be used as the foundation for the future of a sustainable organization.

The theory of transformational leadership is also used as one of anapproach to perform a given task. In order to implement it, it is important for each individual to understand the theory of transformational leadership as '*one process that involves changes to an individual*'. Furthermore, it is also closely related to the ability in ensuring the individual make changes, improvements and ability to be lead through employee performance appraisal that can meet their needs. A transformational leader will make the organization and his followers more successfully through careful assessment on the ability of an employee and the organization's direction (Northouse, 2010).

There are four factors in transformational leadership and according to Northouse, it is known as '4I' whichare idealized influence, inspirational motivation, intellectual stimulation and individual consideration. All four factors will be discussed to assist the manager of an organization to use this approach in their jobs. Northouse emphasizes that these four components also explain the features that must be present in the transformational process. After 39 researches byNorthouse, he found

that individuals who practice'4I' are more effective, produced better outcomes, and havea high impact.

J.V Downtown (1973) defined transformational leadership as "*a process of creating, sustaining, and enhancing leader-follower, follower-leader and leader-leader partnership in pursuit of a common vision, in accordance with shared values and on behalf of the community in which leaders and followers jointly serve*". His view concerning transformational leadership is closely related to the process of strengthening the relationship between the leader and follower in an organization towards achieving a vision based on values that aremutually agreed toward achieving a shared goal.

Burn who is one of the founder of transformational leadership, understands that the transformational leadership model is a leadership concept that emphasizes that a leader must motivate subordinates to perform their duties more than expected. Besides, Bryman also said that transformational leadership is a new concept of leadership whereas;Sarros and Butchatsky called it a breakthrough. As for Avolio and Bass, theyconsider transformational leadership different from transactional leadership in the two cases (Avolio& Bass, 1986: 85-90). In the first case, although transformational leaders are effective in identifying the needs of subordinates, they are different from active transformational leader. Effective transformational leaders will strive to increase the needs of subordinates. In the second case, transformational leaders work toward developingtheir subordinates so that they can become a leader. Bass highlighted three transformational leadership characteristics, namely charismatic, intellectual stimulation and individual attention that indicates the inspirational character that exists in transformational leaders.

This kind of leadership paves the way for a leader to solve old problemsthrough new approaches, especially in the contemporary context. Their approach is to create the ability to generate a vision and mobilize energy toward change. By having this kind of approach, the leader should realize that he is the agent of change. Besides that, the leader also serves as '*a long life learner*' and '*visionary*' who is able to withstand complex situations (Kasturi, 2012).

Among itsmany definitions, transformational leadership was also defined as "*the process whereby the person engages with others and creates a connection that raises the level of motivation and morality in both the leader and the follower*" (Northouse, 2010: 171-175). This is an important process for a leader to give deep observations of individuals around him that can provide motivation thus helping to improve values that exist in a leader and his followers in making changes for long-term benefit.

AN OVERVIEW OF TRANSFORMATIONAL LEADERSHIP

Originally developed by Burns (1978: 20), transformational leadership occurs when one or more persons engage with others in such a way that leaders and followers raise one another to a higher level of motivation, performance, and morality. Transformational leaders have been described in prior literature as highly interactive, passionate, empowering, visionary, and creative (Hackman & Johnson, 2004). Bass (1985) further expanded Burn's theory by conceptualizing transformational leadership behaviours into four categories: idealized influence, intellectual stimulation, individualized consideration, and inspirational motivation (Harrison, 2011).

Idealized influence: Bass (1999: 19) described idealized influence as the transformational leader's ability to articulate a vision clearly to followers and the ability to motivate them to join the vision. As

a result, followers place a high degree of trust in the leader (Bass, 1985). Yukl (2006) stated that idealized influence behaviours arouse strong follower emotions and identification with the leader. Banjeri and Krishnan (2000: 407) found that followers usually describe this aspect of transformational leadership in terms of charisma. Banjeri and Krishnan went on to note that followers describe their charismatic leaders as making followers enthusiastic about tasks, commanding respect, and having a sense of mission that they transmit to followers (Harrison, 2011).

Intellectual stimulation: Avolio et al. (1999: 444) described intellectual stimulation as getting followers to question the tried and true methods of solving problems by encouraging them to improve upon those methods. Intellectual stimulation encourages followers to challenge leader decisions and group processes, thus encouraging innovative thinking (Bass &Steidlmeier, 1999). Brown and Posner (2001) advocate intellectual stimulation as a component of organizational learning and change by appealing to follower needs for achievement and growth in ways that the follower finds attractive. Brown and Posner (2001) found that the intellectual stimulation component of transformational leadership plays a healthy and beneficial role in organizational learning because leaders place value in learning for both themselves and their followers (Harrison, 2011).

Individualized consideration: Avolio et al. (1999) found that through the process of transformational leadership, the leader takes on the role of mentor by assigning responsibilities to followers as opportunities for growth and development through a process of self-actualization. Corrigan and Garman (1999) found that individualized consideration positively affects and facilitates team-building efforts. Yukl (2006) described individualized consideration behaviours as support, encouragement, and coaching to followers. The relationship used for mentoring and coaching is based on followers' individual development needs with the outcome being the evolvement of followers into leaders (Bass &Steidlmeir, 1999; Bass, 2000). Barnett, McCormick, and Conners (2001) described individualized consideration as occurring when leaders develop interpersonal relationships with followers. It is these interactions that allow the leader to personalize leadership and establish goals for each individual follower (Barnett et al.).

Inspirational motivation: Bass (1999) described inspirational motivation as providing followers with challenges and meaning for engaging in shared goals. Bass and Steidlmeier (1999) took it further by identifying inspirational motivation as the leader's ability to communicate his or her vision in a way that inspires followers to take action in an effort to fulfil the vision. Inspirational motivation enables leaders to remain focused on the vision of the group despite any obstacles that may arise (Kent, Crotts, &Azziz, 2001). Yukl (2006) described inspirational motivation behaviours as communicating an appealing vision, using symbols to focus subordinate effort, and modelling appropriate behaviours. Some researchers have related inspirational motivation to concepts of ethics, claiming that when leaders show concern for organizational vision and follower motivation, they are more inclined to make ethical decisions (Banjeri& Krishnan, 2000; Kent et al.).

THE TRANSFORMATIONAL LEADERSHIP MODEL

In the mid-1980s, Bass developed the concept of transformational leadership in greater detail. Inspired by Burns, Bass focused attention to the needs of the followers compared to the needs of a leader, besides suggesting that a transformational leader can adapt to situations where the results is not positive and by describing transactional and transformational leadership as the only ongoing continuum (Northouse, 2010).

According to Bass (1985), the thing that distinguishes between transactional and transformational leadership is an effective transformational leader recognizes the needs of his subordinates. An effective transformational leader is always striving for the needs of subordinates. With enthusiasm and motivation, hewill meet and raise the expectations of his subordinates in order to achieve better performance. As an example, subordinates are encouraged to take greater responsibility and own the autonomy or authority to undertake tasks. Secondly, transformational leaders are also trying to develop theirsubordinates so that they also become leaders.Among the three important characteristics oftransformational leadership presented by Bass (1999) are charismatic character, intellectual stimulation and individual attention.

The application of the transformational leadership model can be show through a few examples presented by Burns (1978) through Mohandas Gandhi whobecome an example of classic transformational leadership. Gandhi successfully evoked the hope and demands of millions of Indians while making changes to himself. In addition, this process is manifest in the life of Ryan White who able generated public awareness among Americans of the dangers of AIDS. In the process, he became aspokesperson to create public awareness while securing greater government support for research on AIDS.

In the world of organizations, an example of transformational leadership can be seen through the efficiency of a manager who attempts to change the corporate value of the company to reflect a more humane and fair standard. In this process, both manager and workers may appear more powerful and have higher moral values (Northouse, 2010).

In terms of transformation framework of a government and governance, it can be seen through the initiatives made by a government in other countries. The first example, in the United Kingdom, Andrew Massey and \Robert Pyper (2005) in their work entitled '*ThePublic Management and Modernisation in Britain*' show that improvements carried out by the Prime Minister, Margaret Thatcher and Tony Blair are considered the 'next step' and 'modernization'.

As for the United States, Elaine C. Kamarck (2007) in her '*The End of Government as We Know It: Making Public Policy Work*' highlighted the initiative by President Bill Clinton known as '*Revaluation of the National Performance*'. Others like JingjingHuo (2009) in his '*Third Way Reforms: Social Democracy After the Golden Age*' discussed three forms of government frameworks that have existed in Europe and the Pacific, namely 'Social Democrats' (Denmark, Sweden and Norway), 'Christian-Democrat Welfare' (Netherlands, French and German) and 'Liberal Welfare' (United Kingdom, Australia and New Zealand) (Saifuddin, 2011).

With reference to theabove examples and all forms of leadership existing in these countries, in order for transformational leadership to be successful, it is important for an organization to realize the dimensions necessary to make it more effective.

TRANSFORMATION APPROACH IN ADMINISTRATION

Burns states that transformational leadership can occurin normal and in unusual situations involving different levels of society. He added that for an individual to be a transformational leader, they can be,"*anyone who articulated a compelling vision of the future: tied this vision to follower's values, worked to raise follower's standard of conduct, and ultimately caused change in a society, an organizations or institution an institution was capable of being a transformational leader*" (Hughes, 1999: 291).

According to Burns, the existence of this phenomenon among leaders will beanunusual characteristic because many leaders fail to indicate the criteria described above in transformational leadership. Leaders who do not meet the above criteria are considered transactional leaders.

The nature of transformational leadership that exists within a leader also requires the ability to operate 'pan-organization' and consider long-term views in an effort to justify the short-term priorities. This is composed of a variety of specialized jobs obtained from generalist knowledge sufficient to establish new relationships and high value throughout the entire organization.As such, individuals who become transformative leaders should be selected based on their potential to collegially and consensually implement a transformation agenda. Strong individual performance is a requirement for selection; however, performance alone is unable to guarantee the selection since the matter should be balanced between power, knowledge and being proactive. In addition, a transformative leader educates, challenges and inspire superiors, managers and employees to make a positive difference in changing scenarios.

PM NAJIB AND THE TRANSFORMATIONAL LEADERSHIP AGENDA

Dato' SriNajib bin Tun Abdul Razak (born 23 July 1953) is a Malaysian politician and the sixth Prime Minister of Malaysia. He previously held the post of Deputy Prime Minister from 7 January 2004 until he succeeded Tun Abdullah Ahmad Badawi as Prime Minister on 3 April 2009. He is the son of Malaysia's second Prime Minister, Tun Abdul Razak and the nephew of Malaysia's third Prime Minister, Tun Hussein Onn. Najib is also the Minister of Finance.

As a leader, Dato'Sri Najib was an inspiration to his followers and all Malaysians to strive and achieve the goals set. He is an individual who meets the characteristics of transformational leaders in part to recognize the need, create new insights and institutionalize reforms tomutually increase the level of morality andhigher motivation. In line with 'Burns' definition of transformational leadership as a process in which leaders and followers engage in a process of advancing morality and motivation towards achieving a given objective, Dato' Sri Najib has demonstrated a variety of visions to be implemented by the government on important decisions. This can be seen through his speeches in the General Assembly wherein he acted as President, Vice President, Deputy President or Youth Chief of the largest party in the country.

Irrespective of the leadership of the country, whether in BN, UMNO or the administrative bureaucracy, Dato'Sri Najib is seen as a leader and visionary who can make objective decisions as a great leader. Therefore, as a transformational leader Dato'Sri Najibisable to improve morale and motivate greater interest among followers to adhere to principles and higher values.

The transformation agenda in his leadership manifests in the introduction of the concept of 1Malaysia, the Government Transformation Programme (GTP), the Political Transformation Programme (PTP), the Economic Transformation Programme (ETP) and the New Economic Modelall of which are geared towards transforming Malaysia into a high-income nation. In conclusion, Dato 'Sri Najib has met Burns' theories that explain the existence of the four categories that must be present in a person who is regarded as a transformational leader, including intellectual leaders who transform society through a clear vision, the leader of the reform that transforms society by addressing morality, and transformational leaders who make a difference in the community through charismatic leadership.

OVERVIEW OF THE GOVERNMENT TRANSFORMATION PROGRAMME (GTP)

The Government Transformation Programme (GTP) is an effort by Malaysia's current government to address seven key areas concerning the country. The programme was unveiled on 28 January 2010 by the Malaysian Prime MinisterNajibTunRazak. Itis expected to contribute in making the country a developed and high-income nation as per its Vision 2020 (Prime Minister Office).

The Government Transformation Programme (GTP) was designed to be an ambitious programme of change aiming to transform the very foundations of the Malaysian government. The implementation of the GTP is in part a response to requests from the rakyat (the people), who were demanding more from the government, and in part a recognition of the fact that the deadline to become a high-income nation by 2020 is fast approaching.

In undertaking its programmes, the GTP left no stone unturned, obtaining feedback and buy-in from all stakeholders: from civil servants to the private sector and, most importantly, the rakyat. The need for a major overhaul of the government engine of growth became evident after regional peers started to pull ahead despite Malaysia's ascendant position in the early years after independence.

While efforts by the government had significantly grown the Malaysian economy, and delivered crucial infrastructure for both therakyat and business community, the government felt that the Malaysian engine needed to shift up to the next gear if the country wasto reach its ambitiousdevelopmental goals. At the same time, the rakyat has also been calling for change. Expressing concerns over key issues such as the rising cost of living, corruption, crime and education, the rakyat was calling on the government to step up its efforts to improve these areas. The GTP is a clear response to these calls (GTP – Annual Report, 2012: 8).

People First, Performance Now

The government, under the oversight of Prime Minister, Dato' Seri NajibRazak, is focused on executing initiatives under its "*People First, Performance Now*" directive. The GTP is from the start a rakyat-centric programme of change that strives to address issues raised by the people. The GTP is thus a responsive programme of change, which is also directed towards the overarching goals of Vision 2020.

For example, 2012 saw a public outcry in the middle of the year owing to a spate of high-profile criminal cases. The Reducing Crime National Key Result Area (NKRA) took immediate action to deal with the root causes of those criminal cases. This resulted in the development of the far-

reaching *United Against Crime* campaign, which saw unprecedented collaboration between the police, commercial mall operators and schools to solve the issue.

In its fight against corruption, the Fighting Corruption NKRA reported record number of whistle-blowers coming forward to report instances of corruption within government agencies after the *Whistleblower Protection Act 2010*came into force last year. Malaysia's international Corruption Perceptions Index (CPI) has improved as a direct result of these initiatives.

However, more can and needs to be done. The government has, since the implementation of GTP, demonstrated an unprecedented level of transparency and accountability in the execution of its initiatives, and is committed to maintaining this level of accountability in the coming years. The people are encouraged to be as proactive as possible in voicing their concerns and criticisms of the GTP, with the promise that every concern will be addressed (GTP – Annual Report, 2012: 9).

The NKRAs: Pistons of the GTP Engine

From the intensive consultations with the rakyat and the private sector in GTP labs come the sevenkey result areas – otherwise known as NKRAs. The NKRAs make up the heart of the GTP programme and are also supported by initiatives under the Ministerial Key Result Area (MKRA). The MKRA looks at important issues not addressed by the NKRAs but deemed important to the overall success of the GTP.

The GTP is unprecedented in terms of scale and ambition, and looks to drive the country towards achieving its 2020 development goal of becoming a high-income nation and delivering the accompanying promise of a better quality of life for all Malaysians. The GTP is thus very much in line with the 1Malaysia framework of putting people and performance first (GTP – Annual Report, 2012: 10).

Drilling Downto the 3-Foot Level

Whereas most governmentprogrammes are planned andimplemented at a level ofabstraction, the GTP is a detail-orientedprogramme that drillsdown to the smallest details toachieve discrete initiatives, whichtogether form the overall plan of the GTP.

The metaphor employed inthe GTP is one of a map that shows the topography of a plan on different levels of scale. While the 3,000-foot scale is useful to help navigate and plan routes at a level of abstraction, the actual roads and navigation points are only visible at the 3-foot scale. Initiatives in the GTP are thus specified to the 3-foot level, while the overall plan is visible at the much broader scale.

In line with this metaphor, key goals were assigned National Key Performance Indicators (NKPIs) and robust delivery plans were specified for each initiative. The results of the GTP are also subject to a rigorous review process, which is conducted by both local and foreign external reviewers. Results of these reviews are reported regularly to the rakyat through the publication of annual reports and other public engagement sessions such as the GTP Open Days.

The initiatives of the GTP are anchored by a commitment to deliver Big Fast Results. More than a motto, Big Fast Results is a philosophy: it guarantees that the initiatives tailored under the GTP are

designed to deliver changes that are as far-reaching as possible in as short a time as possible (GTP – Annual Report, 2012: 10).

THE HORIZONS OF THE GTP

The GTP is divided into three phases or horizons, each with its individual emphasis. 2012 represented the last year of the first horizon, otherwise known as GTP 1.0, while the second horizon will run from 2013 to 2015. The final horizon will begin in 2016 and end in 2020.

GTP 1.0 (2009-2012)

The first horizon of the GTP may prove to be the most challenging of the three, as the NKRA teams were charged with the monumental task of introducing and inculcating the spirit of sustainable change within the very foundations of the civil service. Change is difficult to cultivate, especially when faced with a work culture that has been in place since Malaysia's independence in the 1950s.

However, change was ultimately necessary as it became clear that the way things were being done was simply not delivering results fast enough for the country to achieve its developmental ambitions by 2020. Layers of bureaucracy and a tenure-driven rather than performance-driven culture encouraged mediocre performance, which was a point of frustration for the rakyat and private sector investors.

The goal of GTP 1.0 was to transform the status quo via the implementation of transformational initiatives to get the Malaysian engine of growth started again. This required a two-pronged approach: introducing transformational change and laying the foundation for further change to come.

The task has not been an easy one and the NKRA teams have reported some resistance from government bodies. This resistance was largely anticipated, but it is a fair conclusion by any account that the work of GTP 1.0 has been successful (GTP – Annual Report, 2012: 12).

GTP 2.0 (2013-2015)

The GTP has now entered its second phase of execution. If the GTP 1.0 is akin to jump-starting a dormant engine, GTP 2.0 can be likened to shifting gears from first to second. In other words, the transformation is not yet quite in cruise control, and requires some revving to bring it up to speed.

GTP 2.0 looks to further enhance and build on the initiatives established in GTP 1.0 by synthesising lessons learned with new targets to be attained over the next three years. In many of the NKRAs, there is a clear qualitative difference between the initiatives of GTP 1.0 and GTP 2.0.

For example, in the case of the RBI NKRA, the team is implementing specific initiatives that focus on rural economic development, which is a shift from its GTP 1.0 focus on basic infrastructure alone. The team is thus changing its name from Improving Rural Basic Infrastructure to Improving Rural Development in GTP 2.0.

GTP 2.0 will see the foundation for transformation reinforced even as the NKRAs start to make truly innovative changes in their respective areas. Hiccups from GTP 1.0 will be smoothed out and

further efforts will be made to obtain greater public support and buy-in for the GTP (GTP – Annual Report, 2012: 13).

GTP 3.0 (2016-2020)

The third and final phase of the GTP anticipates completion of the Government's reforms, paving the way for innovative measures to better serve the rakyat. While the specific details of the third horizon are still too far away to be determined, the goal is to ensure that all Malaysians regardless of background will enjoy the rewards of a high-income nation.

The GTP is a programme that dovetails with the Economic Transformation Programme (ETP), which directly addresses economic sectors of Malaysia to transform them into high-value, high-income generating industries. This approach ensures not only that Malaysia will become a thriving, competitive nation, but that it is supported by a government infrastructure, which is efficient and effective.

Moreover, the GTP and ETP will operate in tandem to ensure that the Malaysian workforce is transformed to be on par with the best in the world, thus securing the competitiveness of the rakyat's talent for high-value jobs both within and outside Malaysia (GTP – Annual Report, 2012: 14).

POLITICAL TRANSFORMATION PROGRAMME (PTP)

When Dato' SriNajibTunRazak took over as the sixth prime minister on April 3, 2009, he set his sights on resolving domestic economic issues and tackling political reform.In his maiden speech over television as the nation's premier, Najib even pledged to conduct a comprehensive review of the Internal Security Act (ISA), which allowed for the indefinite detention of people without trial and even announced the release of 13 people held under the draconian act.

He then unveiled the Government Transformation Programme (GTP), Economic Transformation Programme (ETP) and Political Transformation Plan (PTP), a reflection of his integrated and visionary push to transform Malaysia into a truly developed nation by 2020.

For political transformation, Dato' Sri Najib even suggested that the BarisanNasional (BN) charter be amended to allow direct membership into the ruling coalition through four new kinds of membership in BN – affiliate membership, associate membership, Friends of BN and fourth, the BN RakanMuda club.However, the biggest transformation since he took over and regarded as Najib's boldest step in political reform was the repealing of the ISA. In other words, the prime minister has delivered on his promise (Bernama, 25 September 2011).

The announcement made by the government to repeal the Internal Security Act 1960 (ISA) and several other legislations has not only created history but also brought about change to the national political landscape in 2011. The bold move taken by Prime Minister Datuk Seri NajibTunRazak to implement his Political Transformation Programme (PTP) took many by surprise.

On 15 September 2011, Najib announced the repeal of ISA, Banishment Act 1959, and a review of the Restricted Residence Act 1933, Printing Presses and Publication Act 1984 and Section 27 of Police Act 1967. The ISA will be replaced by two new acts, deemed more suitable, providing a balance between individual rights, civil liberty and safeguards for public order.

In October, the Dewan Rakyat approved the repeal of the Banishment Act 1959 without amendment.This was followed by the repeal of the Restricted Residence Act 1933 and the release of 125 individuals detained under the act. Two hundred unserved warrants had also been cancelled.

Dato' Sri Najib said the repeal of the acts was part of the Political Transformation Program (PTP) and complemented the Government Transformation Programme (GTP) and Economic Transportation Programme (ETP). He said that the seriousness of the government in carrying out the political transformation process,was not influenced by any party.

He also said the PTP took into account the aspirations towards a modern, progressive and developed Malaysia with a functional democracy.It was aimed at balancing the security needs and individual freedom by taking into account the complex national plurality and the threats of global terrorism post-Sept 11.

The opposition was quick to hop onto the issue and said that the political transformation was their idea, a claim thatNajib has dismissed as reckless and frivolous.Other than stamping out outdated and oppressive legislations, Dato' Sri Najib's PTP can also be seen in the way his administration deals with pressure from the opposition, by putting the larger interest of the people first, particularly in handling the July 9, 2011 illegal gathering in the national capital.

PTP also entails employing a fresh approach — by doing away with confrontational approach and replacing it with dialogue, and restriction with openness.This was exemplified by the tabling of the Peaceful Assembly Bill 2011 to replace Section 27 of the Police Act aimed at allowing citizens to gather peacefully.The bill which was approved by the DewanRakyat at the end of November 2011 was one of the efforts of the government to transform the framework of existing law.

In line with Dato' Sri Najib's determination to implement phase two of the PTP — marked by the abolition of these proclamations — 36 detainees under the Emergency Ordinance were also released.He did not stop there. The government decided to amend Section 15 of the University and University Colleges Act (UUCA) 1974 to allow students to join political parties when they reach 21 years old (Bernama, 25 December 2011).

ECONOMIC TRANSFORMATION PROGRAMME (ETP)

The Malaysian Prime Minister Dato' Sri NajibRazak launched the Economic Transformation Programme (ETP) in September 2010. A new Prime Minister often institutes new policies (Yeoh and Farizal, 2006: 210), and the ETP is his policy to stimulate new employment, investment and the

growth of knowledge, although the economic crisis was spreading across Europe and North America at the time. The ETP consists of six Strategic Reform Initiatives (SRIs) and 12 National Key Economic Areas (NKEAs) and is directed by Performance Management and Delivery Unit (PEMANDU) in the Prime Minister'sDepartment.

The SRIs aim to reform business policies while the NKEAs include various Entry Point Projects (EPPs) in numerous industries (PEMANDU, 2012). The NKEAs are intended to alter the economic profile of Malaysia, as Malaysia can no longer depend solely on favourable export conditions and non-renewable resources, which are not sustainable (Jomo, 1990; 2003). Through the SRIs and NKEAs, the ETP helps to realise Vision 2020. In Vision 2020, Malaysia should become a developed country by the year 2020.

The ETP continues the efforts of the New Economic Policy (1970–1990), the National Development Policy (1991–2000), the National Vision Policy (2001–2010) and the New Economic Model (2010 onwards), aimed at diminishing economic disparities between ethnicities and regions of Malaysia. Such policies help legitimise BarisanNasional, the governing political party (Jomo, 2003), because they provide evidence that BarisanNasional is seeking to develop the economy. The economy is important in political discourse in Malaysia. BarisanNasional consistently pledges economic development (e.g., via its election manifestos), and the ETP can be seen as the latest manifestation of this pledge. The government, particularly the Prime Minister, must ensure that citizens understand the ETP's contribution to economic development, as this will reflect positively on BarisanNasional (Kumaran, 2013: 20).

NEW ECONOMIC MODEL (NEM)

Globalization and the need for Malaysia to advance its global competitiveness have made it imperative for Malaysia to modify its previous paradigm of economic development. Two economic models preceded the introduction of the New Economic Model (NEM). Developed in the aftermath of the 1969 racial tensions, the New Economic Policy (NEP) (1969-1990) sought to eradicate poverty and eliminate the identification of race with economic function. However, the NEP failed in its aspiration (Second Malaysia Plan, 1971-1975 – Government of Malaysia, 1970). The New Development Policy (NDP) replaced the NEP while retaining the same objectives of the NEP (Seventh Malaysia Plan, 1991-1995 – Government of Malaysia, 1995).

Justification for the New Economic Model

Since its independence in 1957, Malaysia has progressed socio-economically. The country has a first-class network of infrastructure that is comparable to those in developed countries. It has a strategic location in the fastest-growing region of the world with a strong natural resource endowment (NEAC, 2010; Mansor, 2010). It has a high literacy rate of 92 per cent and an educated workforce. Its per capita has risen steadily to USD 7,000 – a 20-fold increase over the last 40 years from USD 370 in 1970. The people enjoy superior standards of health and education. They livelonger too with the average life span of males and females being 72 and 76 years respectively. Poverty has declined to 2 per cent. Over 95 per cent of the households enjoy electricity and have piped water.

However, the country is mired in the middle-income trap. As such, one of the objectives of the NEM is to help the country become a high-income nation with average income level of at least USD 15,000. This initiative to become a high-income nation gained greater urgency after the global financial crisis of 2008. The competitive advantages of lower costs and labour-intensive production have since been eroded by other emerging economies such as Vietnam and Indonesia. Malaysia is unable to compete with high value-added economies. With stiff global competition, Malaysia's impressive growth rates of 9 per cent of the 1980s fell to 5 per cent (Xavier &Zafar, 2012: 234).

Additionally, consumption, and non-investment was driving the economy. Over the2000-2006 period, private consumption and investment grew at 9 per cent and 14 percent respectively while average annual growth of private investment fell drastically to4 per cent. At 10-12 per cent, private sector investment as a percentage of the GDP wassignificantly lower than the 25-30 per cent levels witnessed in other advanced countriessuch as Singapore (Mansor, 2010). And, compared to Singapore and Hong Kong, whichrecorded average growth in new company registrations of 16 per cent and 12 per centrespectively between 2001 and 2009, Malaysia's new company registration growth was2 percent, signifying weak private sector dynamism and an urgency in economictransformation (Mitra and Byrne, 2010; Yeah, 2010).

The New Economic Model (NEM) has three primary goals:
1) High per capita income target of USD 15,000-20,000 per year by 2020 premised on a 6.5 per cent annual growth;
2) Inclusiveness (all racial communities to benefit from increased national wealth); and
3) Sustainable growth that does not compromise the quality of life of future generations. (Xavier &Zafar, 2012: 236).

The NEM seeks to focus on innovative processes and cutting edge-technologies that are reliant on skilled talent and high-value operations. It seeks to push the private sector into the forefront of economic development with incentives for technologically-capable industries and innovation in high value-added production and concentration of industries to secure economies of scale (Xavier &Zafar, 2012: 236).

The NEM also seeks to integrate the economy with regional production and financial networks while promoting inflows of FDIs. While previously, it feared that foreign talent would crowd out local talent and, accordingly, restricted entry of foreign talent, now, the NEM aggressively promotes talent attraction and retention. To transform Malaysia into a high-income nation, the NEM outlines eight strategic reform initiatives (Xavier &Zafar, 2012: 237). These are:

1) Re-energising the private sector;
2) Developing quality workforce;
3) Creating a competitive domestic economy;
4) Strengthening the public sector;
5) Carrying out transparent and market-friendly affirmative action;
6) Building a knowledge base infrastructure;
7) Enhancing sources of growth; and
8) Ensuring sustainable growth.

MALAYSIA HAS MADE SIGNIFICANT PROGRESS

Sustained rapid economic growth has raised Malaysia from an agricultural and commodity-basedlow-income economy to a successful middle-income economy. Our story of moving from low-to middle-income status is one of the world's success stories of the past few decades. Since 1945, Malaysia is one of only 13 countries (another countries are Botswana, Brazil, China, Hong Kong SAR, Indonesia, Japan, Republic of Korea, Malta, Oman, Singapore, Taiwan and Thailand) to have sustained growth of over 7 percent or more for 25 years. This strong economic performance has helped improve the quality of life for Malaysians and supported advances in education, health, infrastructure, housing and public amenities.

Growth has also been accompanied by a near-eradication of hardcore poverty, which fell from 6.9 percent in 1984 to 0.9 percent in 2010. Primary school enrolment is now nearly universal. Basic healthcare has improved in the past two decades with life expectancy rising and infant mortality rates falling significantly. As a result, Malaysia's score in the United Nations Human Development Index rose from 0.67 in 1980 to 0.83 in 2007, surpassing the 0.8 score benchmark for countries with high standards of human development.

Despite this progress, significant challenges remain. For example, 7 percent of the rural population live below the poverty line; only 80 percent of the workforce have education up to SPM *(SijilPenilaianMenengah)* qualifications (high school equivalent to O-levels); and Malaysia's economic growth has beensluggish over the decade since the Asian financial crisis. Our task is to build on the platform we haveestablished over the past few decades and create the next generation of national development (ETP-A Roadmap for Malaysia, 2012: 57).

BECOMING A HIGH-INCOME NATION THAT IS BOTH INCLUSIVE AND SUSTAINABLE

The government is aiming for Malaysia to become a high-income nation that is both inclusive andsustainable by 2020. These goals will be reached jointly. The government will not seek short-term progress on one goal at the expense of delaying progress on the others. The ETP is designed to drive Malaysia forward from its current stagnant situation to be a high-incomeeconomy that is both inclusive and sustainable(ETP-A Roadmap for Malaysia, 2012: 58).

High-Income Economy

The government under Dato' Sri Najib defines high income as a per capita income USD15,000 or RM48,000 in 2020, based on the World Bank's current definition of high income. Malaysia's per capita gross national income (GNI) is currently about RM23,700 or USD6,700. Therefore, achieving high-income status by 2020 will require GNI to grow at an annual real growth rate of 6 percent between 2011 and 2020.

The government's high-income objective is not just a quantitative target. It is also about Malaysia becoming an advanced, developed nation with an economy possessing the characteristics that are common to developed nations. Specifically, Malaysia will focus on developing:

- A large and thriving services sector, to supplement the nation's historical strengths in oil and gas, agriculture and manufacturing;

- A balanced economy, with significant contributions from private consumption and investment as well as from government spending and exports. In developed countries, domestic demand typically accounts for 50 to 70 percent of GDP. In Malaysia it is currently 53 percent; and
- Productivity levels similar to those of other leading Asian economies. Achieving this will require developing an economy that is more heavily driven by skills, innovation and knowledge.

These three structural shifts in the economy will support Malaysia's ongoing growth and will enable Malaysia to compete more effectively with other developed nations in the region and beyond (ETP-A Roadmap for Malaysia, 2012: 59).

Inclusive Society

The way in which Malaysia grows to achieve this high-income target will be inclusive in nature, enabling all Malaysians to share in the benefits. The government will encourage employment-rich growth that creates new higher-wage jobs. We will also invest in education and training to ensure that more Malaysians are able to participate in these new opportunities.

A key focus will be on ensuring that substantial improvements are made for people with the lowest household incomes. Specific attention will be paid to lifting the incomes of the bottom 40 percent of households, with a target of increasing the mean monthly income of this group from RM1,440 in 2009 to RM2,300 in 2015, as stated in the Tenth Malaysia Plan (ETP-A Roadmap for Malaysia, 2012: 60).

Sustainable Growth

The measures we take to achieve high-income status must be sustainable in both economic and environmental terms, meeting present needs without compromising those of future generations.

In economic terms, growth will have to be achieved without running down Malaysia's natural resources. Malaysia will not achieve high-income status simply through the income derived from extracting Malaysia's natural resources.

In addition, Malaysia's fiscal policy will be made sustainable. There will be a much stronger focus on investment led by private sector that will avoid reliance on government funding. As stated in the Tenth Malaysia Plan, the government is committed to reduce its fiscal deficit from 7 percent in 2009 to 3 percent in 2015.

In environmental terms, the government is committed to the stewardship and preservation of our naturalenvironment and non-renewable resources. The government will ensure that environmental resources areproperly priced and that the full costs of development are understood before investment decisions are made (ETP-A Roadmap for Malaysia, 2012: 60).

CONCLUSION

Leadership is an important element that should exist in a country to improve performance in all aspects, either spiritual or material. Thus, the leadership style of a leader should be a benchmark to the ruling system in a country. The model of transformational leadership newly highlighted by Western scholars clearly shows that it is one of the best leadership models in this modern era.

Transformation requires the ability to operate an organization by having view and long-term planning to shape the direction of the country. However, its application in some developed countries has proved one of the best examples to serve as a role model for leaders in Malaysia.

In Malaysia, the government through the transformational leadershipof Dato'SriNajibTunRazakhas introducedsometransformation agendato transformMalaysiainto a high-income nationby 2020.TheGovernmentTransformation Programme (GTP), Political Transformation Programme (PTP)and Economic Transformation Programme (ETP) introduced byhim, are strategic means to realise national aspirationsandtransforming Malaysiainto a developed nation.

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