

## Leading Change: Analysis of Two Business Organizations

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### Introduction

The domestic economy and industries continue to develop and grow. Malaysia's industries are divided into several segmentations, for instance food, attire, and motorsports. Industries of today must adopt technology to facilitate human work. Technology should be implemented in relevant areas and suit the preferences of the local population. Organization is defined as a consciously coordinated social unit composed of two or more people that functions on a relatively continuous basis to achieve a common goal or set of goals (Robbins & Judge, 2019). A company must have a mission and vision to be used as the main yardstick to analyze the yearly, quarterly, or monthly performance of management. In Malaysia, the Ministry of Entrepreneur Development and Cooperatives (MEDAC) develop policies and programs for entrepreneur development. To be an entrepreneur, one must be passionate and courageous against uncertainty and risk. To realize his dream, an entrepreneur must have a business mind. Business mind is a mindset that actively conceives ways to gain profit or new idea to solve consumers' problems in daily life. Scholars also described entrepreneurial mindset as the ability to sense, act, and mobilize under uncertain conditions (Mathushan, 2020).

### Literature Review

Organization theory provides detailed and well-documented explanation for organizational size and how it varies (Davis & Sinha, 2021). Uberization is the act or process of changing the market for a service by introducing a different way of buying or using it, especially using mobile technology (dictionary.cambridge.org). There are many creative ideas that have been conceived to create an innovative product or service. Uberization can be relate to the changes of businesses and industries. Conceiving the context for firms in terms of nationally specific institutional configurations suggests a way to understand how disruptive technological changes the shapes of organizations around the world (Davis & Sinha, 2021). Discipline-spanning overview of action research and its implications for technology and innovation management (TIM) can be useful. TIM is characterized by complex socio-technical problems which include the involvement of a large variety of stakeholders across the entire lifecycle of a product-service system (Guertler et al., 2019). Organizational behavior theory suggests six forces of changes: nature of the workforce, technology, economic shocks, competition, social trends, and world politics. According to Fellbrant et al. (2021), there are two psychological philosophies of change management: human response and empowerment (Fellbrant et al., 2021).

From this point, the changes of an organization depend on the leader. Transformational leadership is a proactive leader who acts as a change agent, raises followers' awareness by transcending their collective interests and helping them to achieve exceptional goals (Islam et al., 2021). The effects of transformational leadership can be analyzed through a full-range model of leadership composed of three distinct leadership styles: laissez-faire, transactional, and transformational (Faupel & Süß, 2019). According to Hughes (2018:4), leadership is a complex phenomenon involving the leader,

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the followers, and the situation. In Management Principles (2017:208), leadership is described as the process of influencing employees to work willingly towards the achievement of organizational objectives. Leadership is related to motivation, interpersonal behavior, and the process of communication (Mullins, 2017:384).

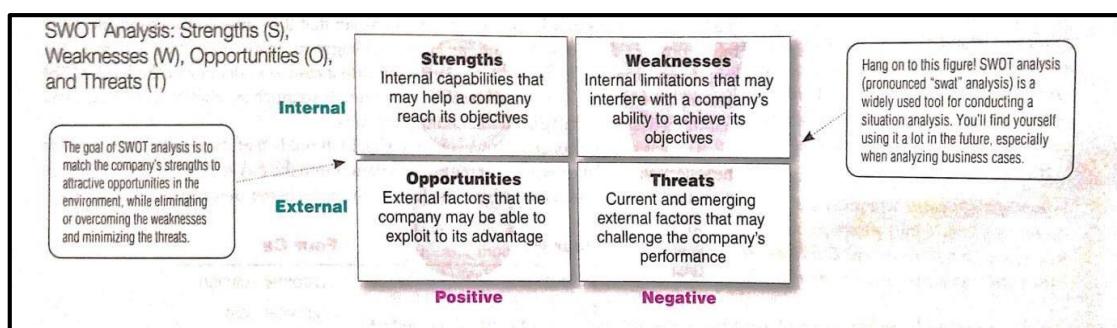
Leadership style is the recurring pattern of behaviors exhibited by a leader (Schermerhorn, Davidson, Poole, Simon, Woods and Chau, 2016:321). DuBrin (2016:348) defined leadership style as the typical pattern of behavior that a leader uses to influence his or her employees to achieve organizational goals (DuBrin, 2016:348). Leadership style is the manner in which a leader provides direction, implements plans and motivates people, and approaches each of the functions (Jooste, 2019:33).

Leadership is the backbone behind every organization's survival, and its importance can never be underestimated (Zareen et al, 2017). The importance of leadership styles for the motivation and engagement of employees cannot be ignored. Leadership styles have to correspond to the situation faced by the employees. This research only concentrates on three leadership styles: transformational, transactional, and laissez-faire. The holistic approach to measuring organizational performance is through assessing employee performance.

Transactional leadership is a "give and take" leadership style, where employees are rewarded for good and excellent performance and punished for bad results. In other words, employees are motivated by satisfying their self-interests. Bass and Avolio (2018) suggested that transactional leadership involves a great importance of exchange, conditions, and rewards associated with meeting requirements as stated by the leader (Bass and Avolio, 2018). Rukmani (2018) considered transactional leadership as a leadership style where the leaders dedicate most of their time and efforts to explain about what is needed from their followers and the expected rewards upon completion of those requirements (Rukmani, 2018).

## Methodology

This paper examined leading change in two business organizations, ExcelVite Sdn. Bhd. and Bismi Empire Sdn. Bhd., through qualitative in-depth interview. These cases are presented as a general overview. Leading change was the dependent variable, defined as company response and experience in strategy development. The cases were analyzed using SWOT analysis as a problem-solving tool. SWOT analysis has proven its validity and accuracy in many different fields and contexts, for instance education, industry, and agriculture (Benzaghta et al., 2021). SWOT is a convenient tool at the evaluation stage in order to gain an initial idea of possible future consequences (Benzaghta et al., 2021).



Source: Kotler & Armstrong (2016; p.80)

As the above figure shows, SWOT contains four aspects: strengths, weakness, opportunities, and threats. Each term was used to interpret the information obtained from the two organizations. Strengths and weakness refer to the internal environment while opportunities and threats to the external environment.

Anupama Gupta (2018) explained the consequences of the challenges faced by human resource management in relation to the current economic situation. These challenges should be taken in consideration (Anupama Gupta, 2018). The review insisted on the challenges caused by the lack of talented employees (Anupama Gupta, 2018). It also showed how human resources management tackles the problems in its day-to-day activities (Anupama Gupta, 2018). It suggested some important points on how to handle things better (Anupama Gupta, 2018).

Tripathy (2018) explained that an organization has to optimally use human resources by following the 3Cs, which are competencies, commitment, and culture (Tripathy, 2018). By following these 3Cs, the work culture within the organization can give positive results to it (Tripathy, 2018). This practice is considered as the most effective and can increase the financial growth of the organization (Tripathy, 2018).

This review explained that employee should maintain high productivity to enable organizational growth (Singh S.K, 2018). The dedication of employees can help them achieve their target and increase their work quality (Singh S.K, 2018). Organizations should also help their employee by training them and developing their interpersonal skills (Singh S.K, 2018). Both employers and employees should equally contribute for each other's growth (Singh S.K, 2018).

Another review explained the changing role of human resources (Hemant Rao, 2017). There has been extraordinary changes in the role of the human resource department (Hemant Rao, 2017). The department (and organization) should treat employees equally irrespective of their race, religion, and gender (Hemant Rao, 2017). The productivity of the company is determined by the work quality of its employees (Hemant Rao, 2017).

## **Findings and Discussions**

Although the two sample companies operate in different industries, their strategies on business and trading development were largely similar. The leading change elements in Excelvite were direct training of employees, supporting customers who attend their exhibition, and the management experience of the CEO. They also had various strategic plans on how to publish and market phytonutrient products. Additionally, the employees were guided by experienced supervisors and their welfare were taken care of.

The second organization was Bismi Empire, also called Ayam Bismi, which envisions itself as the leading supplier of halal chicken for Muslims in Malaysia. Ayam Bismi implements a 100% halal production chain, beginning from breeding, slaughter, to distribution. The competitive advantage of Ayam Bismi lied in its high attention for the Sharia-compliance and safety of its breeding, slaughter, and distribution processes.

**Table 1: SWOT of ExcelVite Sdn. Bhd**

STRENGTHS	WEAKNESSES
<p><b>STRENGTHS</b></p> <ol style="list-style-type: none"> <li>1. Largest producer of tocotrienol (vitamin E) and mixed-carotene complex for dietary supplement, functional food, and cosmetic.</li> <li>2. Its vision is to be the leader of unique biotechnology products and research and provide strong customer protection and comprehensive services.</li> <li>3. Implement Good Manufacturing Practice (GMP).</li> <li>4. Cost-saving on Tocotrienol.</li> <li>5. Attaching the company logo on final products as branding.</li> <li>6. Salespeople are trained to gain more information from customers.</li> </ol>	<p><b>WEAKNESSES</b></p> <ol style="list-style-type: none"> <li>1. The company is registered as a private listed company.</li> <li>2. Palm oil may increase the risk of cholesterol and heart disease.</li> <li>3. More towards B2B business.</li> </ol>

Based on the overall analysis, these two organizations developed their idea and generated growth through self-influence and individual view. Furthermore, they employed expert researchers and continued to learn so that they better understand the market. During the Covid-19 pandemic, there were some uncertainties of whether they could maintain their performance. External shocks like the Covid-19 pandemic require the rebalancing of entrepreneurial action through internal frugal mechanisms as well as external support mechanisms (Nielsen & Aagaard, 2021). As a private listed company, ExcelVite did not have many stakeholders and investors. However, the circulation of economy in Malaysia was in the same place. Economic theory suggests that privately owned enterprises, as opposed to state-owned ones, exhibit greater economic efficiency (Hussain & Sulaiman, 2020). These two companies serve as an example to other Bumiputra businesses on how the control of the firm ultimately rests on the

OPPORTUNITIES	THREATS
<ol style="list-style-type: none"> <li>1. Offers products at the highest quality to customers.</li> <li>2. Offers comprehensive services to external market like the USA and Australia.</li> <li>3. Focuses on palm oil industries.</li> <li>4. Demand from healthcare industries (vitamin E) to reduce cholesterol and liver fatigue (diabetes, obesity, and hypertension).</li> <li>5. Focuses promotion of supplement and cosmetics to the USA, Europe, Singapore, and China.</li> </ol>	<ol style="list-style-type: none"> <li>1. Export barriers, e.g., racial or economic issues.</li> <li>2. The government is not easily approachable.</li> <li>3. Competitors may affect the growth and sustainability of the company.</li> </ol>

stockholders, who elect the board of directors and who in turn hire and fire managers. The fact that stockholders control the corporation was made abundantly clear by Steve Jobs's experience at Apple (Ross et al., 2019). Table 2 shows the SWOT analysis for Bismi Empire.

**Table 2: Nature of Bismi Empire Sdn. Bhd.**

STRENGTHS	WEAKNESSES
<ol style="list-style-type: none"> <li>1. Chicken processing, manufacturing, and retailing.</li> <li>2. Learned business from Federal Agricultural Marketing Authority (FAMA).</li> <li>3. The founder feels that he is unsuited to work for someone else, so he operates his own business.</li> <li>4. The company has its own chicken farms.</li> <li>5. The company also holds a Halal certification from JAKIM for processing and supplying chickens to outlets and agents around Malaysia.</li> <li>6. Flock health team ensures the absence of porcine traces in the chickens.</li> <li>7. Outsourcing experts with factory experience (Japanese culture).</li> </ol>	<ol style="list-style-type: none"> <li>1. Breeding to final product takes some time.</li> <li>2. Electric supply issues at the farm.</li> </ol>

Strategic human resource management (SHRM) research increasingly focuses on the performance effects of human resource (HR) systems rather than individual HR practices (Combs, Liu, Hall, & Ketchen, 2006). Researchers tend to agree that the focus should be on systems because employees are simultaneously exposed to an interrelated set of HR practices rather than single practices one at a time. The effects of HR practices are likely to depend on the other practices within the system (Delery, 1998; Jiang, Lepak, Han, Hong, Kim, & Winkler, 2012; Lepak, Liao, Chung, & Harden, 2006). Research indeed consistently shows a positive association between broad HR systems and performance (e.g., Boselie, Dietz, & Boon, 2005; Jiang, Lepak, Ju, & Baer, 2012). The idea of complementarities or synergies between practices in an HR system is widely accepted as the

OPPORTUNITIES	THREATS
<ol style="list-style-type: none"> <li>1. Expanding the business by supplying to restaurants and schools.</li> <li>2. Cooperate with Ayamas Food Corporation Sdn. Bhd.</li> <li>3. Introduce Muslim products in the frozen food industry.</li> <li>4. Build more entrepreneurs for Muslim products (positioning the Ayam Bismi brand in the mind of customers).</li> <li>5. Hire unemployed graduates to learn the business.</li> </ol>	<ol style="list-style-type: none"> <li>1. Many competitors also sell chickens and have their own farms.</li> <li>2. Poultry diseases are unpredictable.</li> </ol>

conceptual logic behind the effectiveness of HR systems (e.g., Chadwick, 2010; Delery, 1998; Gerhart, 2007; Jiang, Lepak, Han et al., 2012). Despite this agreement, the extent to which this fundamental assumption in the field of interactions and synergy in the system holds true is unclear. In other words, understanding the systems element of HR systems seems more nascent than one might expect, given the sizable body of literature on HR systems (Winkler, 2012).

## Conclusion

Leading change is trending during the previous Covid-19 pandemic as the use of technology in Malaysia is rapidly growing. Change has become the new normal, where companies are constantly updating and changing their systems and ways of working (Koistinen, 2021). The important variables and the key determinants of successful business excellence structure implementation are management commitment to business excellence and continuous improvement, training for excellence throughout the organization, customer focus and continuous improvement, and a focus on employee involvement and empowerment. A well implemented excellence structure should look at all the critical aspects of employment, recruiting, retention, and relationships. It should also align measures to business needs and makes measures relevant to the goals of the senior management team. The best way to manage and improve performance is to track and measure the right factors and to ensure that all levels of the organization accept the metrics. Implementation issues can be best taken care of by involving employees in the development and implementation of excellence frameworks across organizations.

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