

THE MEDIATING EFFECTS OF ORGANISATION CULTURAL TRAITS
ON THE RELATIONSHIP BETWEEN TRANSFORMATIONAL
LEADERSHIP STYLE AND CORPORATE MEMBERS'
ATTITUDINAL OUTCOMES: A STUDY OF
GOVERNMENT-LINKED COMPANIES
IN MALAYSIA

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ARMAN HADI BIN ABDUL MANAF

A Thesis Submitted to the School of Management,
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Requirements for the Degree of
Doctor of Philosophy
in Business Administration

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Abstract

This study investigates the relationships between transformational leadership styles, organisational culture and organisational members' attitudinal outcomes of job satisfaction, organisational commitment and trust in management. Hierarchical multiple regression analysis is used to investigate the relationships between transformational leadership style, the mediating effect of organisational culture and organisational members' level of job satisfaction, their organisational commitment and trust in their upper management. This study was conducted among corporate members at the managerial levels in the selected Government-linked companies (GLCs) controlled by the GLIC constituents of Putrajaya Committee GLC High Performance (PCG) under the GLC Transformation Programme and the GLCs which are listed in Bursa Malaysia. The results of this study have showed that cultural traits have been positively mediated (fully and partially) the link between transformational leadership styles and corporate members' attitudinal outcomes. The traits in culture practiced in an organisation through leadership is the main element to design and strategize on the way an organisation works in order to deliver tangible and sustainable results in the future. This study contributes to the dynamics of the causative relations between the selected variables, and highlights the important role of transformational leadership, organisational culture in ascertaining corporate members' job satisfaction, organisational commitment and trust in management especially in the Malaysian context.

Keywords: Leadership, Cultural Traits, GLCs, Job Satisfaction, Organisational Commitment, Trust in Management, Bursa Malaysia, Malaysia

APPROVAL PAGE

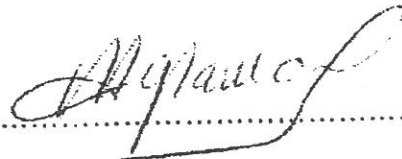
certify that I have supervised / read this study and that in my opinion it conforms to acceptable standards of scholarly presentation and is fully adequate, in quality and scope, as a thesis for the fulfillment of the requirements for the degree of Doctor of Philosophy.



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Declaration

I hereby declare that the thesis is submitted in fulfilment of the PhD degree is my own work and that all contribution from any other persons or sources are properly and duly cited. I further declare that the material has not been submitted either in whole or in part, for a degree at this or any other university. In making this declaration, I understand and acknowledge any breaches in this declaration constitute academic misconduct, which may result in my expulsion from the programme and/or exclusion from the award of the degree.

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LIST OF ABBREVIATIONS AND ACRONYMS

GLC	Government-Linked Companies
GLIC	Government-Linked Investments Companies
GLCT	Government-Linked Companies Transformation Programme
GTP	Government Transformation Plan
ETP	Economic Transformation Plan
JOBSATISFAC	Job Satisfaction
ORGCMMIT	Organisational Commitment
TRUSTMGT	Trust in Management
TRANSFORM	Transformational Leadership Styles (Idealised Influence: Attribute, Behaviour; Inspirational Motivation; Individual Consideration; Intellectual Stimulation)
TRANSTY 1	Idealised Influence (Attribute)
TRANSTY 2	Idealised Influence (Behaviour)
TRANSTY 3	Inspirational Motivation
TRANSTY 4	Individual Consideration
TRANSTY 5	Intellectual Stimulation
CULTRAITALL1	Overall Cultural Traits (Involvement; Consistency; Adaptability; Mission)
CULTRAIT 1	Involvement Trait
CULTRAIT 2	Consistency Trait
CULTRAIT 3	Adaptability Trait
CULTRAIT 4	Mission Trait
CEO	Chief Executive Officer
MLQ 5X	Multifactor Leadership Questionnaire 5X
DOCS	Denison Organisational Culture Survey
OCQ	Organisational Commitment Questionnaire
JSS	Job Satisfaction Scale
PCG	Putrajaya Committee GLC High Performance
IV or X	Independent Variable
DV or Y	Dependent Variable
M	Mediator
A	Relationship of X to M
B	Relationship of M to Y adjusted for X
C'	Relationship of X to Y adjusted for M

APPENDICES

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CHAPTER ONE

INTRODUCTION

In this chapter, the background of this research study is presented, followed by the problem statement, the research questions, and the research objectives and significance of the research. The organisation of the chapters is outlined as well.

1.1 Background of the Study

The study of leadership is not a recent phenomenon. Vast amount of literatures in the mainstream business continue to predominate on styles in leadership indicated that it could be perceived as effective when those styles are able to influence organisation culture (Casida, 2008; Burke and Litwin, 1992; Yafang, Shih-Wang and Hsien-Jui, 2009; Yafang, 2011) as well as organisational outcome (Robbins and Davidhizar, 2007; DeGroot, Kiker and Cross, 2000; Finkelstein and Hambrick, 1990; Parry and Proctor-Thomson, 2003). As such, this study examined the styles of leadership, traits in culture and the attitudinal outcomes of corporate members in Malaysia.

1.1.1 Leaders and Their Leadership Styles

According to Byrne and Bradley (2007), Koene, Vogelaar and Soeters (2002) and Arnold, Palmatier, Grewal and Sharma (2009), prior studies on effective styles on leadership has been in promoting competitive advantage and as an important element to followers (Cassiday, 2005), the importance of effective communication as a mixture of various factors (Church, Katigbak, Reyes, Salanga, Miramontes and Adams, 2008), rather than a single variable in defining a perplexing concept (Ligon, Hunter and Mumford, 2008; Mello, 1999).

Leadership is an ongoing process of interaction between organisational leaders and their subordinates whereby a leader often attempts to influence the behaviour of their subordinates to obtain goals set by the organisation (Yukl, 2008). Earlier, leadership was identified as the basic preference of being influential (Krause, 2004; Mumford and Licuanan, 2004). Leadership is therefore, a systematic series of action by which an individual generates ideas, feelings, and actions of others. Leaders have to provide guidance, to facilitate in foreseeing upcoming events; to facilitate in recalling achievements; to motivate and to inspire their people.

The act of leadership drives us toward the same direction and equips our common and collective efforts. Leadership is the ability to influence others to perform tasks that they might otherwise decline. It is the process of supporting others toward goal-attainment through enabling others to generate a collaborative and teamwork atmosphere (Jaskyte, 2004).

On the flip side of the coin, with the absence of leadership, a group of individuals may disagree as to the solving of problems. This means that organisational leaders are important in the positive transformation of societies and the business world.

For example, according to Kouzes and Posner (2002) prior studies found that US businesses claimed that leadership as a necessary tool has not been realised until today. In order to face the era of ever demanding and evolving business conditions, organisations need to be led by leaders who are capable enough to manage unpredictable conditions.

As Goldstein and Ford (2002, p. 271-272) stated:

“...the more global competencies are expected to not only predict behaviour across wide variety of tasks and settings but also provide the organisation with a set of core characteristics that distinguish the company from others in terms of how it operates its business and treat its employees”.

Therefore, the aspect of leadership often demands leaders to engage to “walk the talk”, to reduce the gap between adopted values and their actual behaviours. This is where leadership obliges an individual to inquire favourable options in enabling others to engage in an unpleasant frustration of reality (Heifetz and Linsky, 2004). Leaders must be able lead effectively in addressing issues dictated by the modern, complex and unpredictable business climate. They must not allow personal values and beliefs to impede their judgement.

Leaders must also realise that leadership is a responsibility and not to be treated as personal gratification in an organisation’s top hierarchy. As Naisbitt and Aburdene (1990 in Winston and Patterson, 2006) stated that leaders are in position to demonstrate strong commitment and strong motivation by becoming role models with valuable traits such as consistency, open-mindedness and highly disciplined. Leaders who possess these valuable traits shall be a source of strength, confidence and inspiration to their subordinates.

Meanwhile, House, Hanges, Javidan, Dorfman and Gupta (2004) stressed that an instance of seeking the righteous definition term for effective leadership has been extended over a considerable time as an indication that the topic is worth significant debate. Effective leadership is crucial in inspiring others to

work effectively towards reaching organisational goals. Aside from that, effective leadership enhances job performance culminating in organisational success.

In order to promote effective leadership, it is essentially important for organisational leaders to have influence over their superiors, peers and subordinates to guide and to sustain their proposals, ideas and induce them in making their own decisions (Blickle, 2003; Drouillard and Kleiner, 1996). This means that leaders are held responsible for developing and executing strategic organisational decisions, acquiring, developing, and deploying an organisation's resources to maximise the best interest of stakeholders and to bring out the best outcome.

It has been a necessity in understanding the relationship between leadership and its effectiveness in order to identify ways to increase employee motivation levels pertaining to achievement in organisational performance (Silverthorne, 2000; Jui-Chen and Silverthorne, 2005; Rowe, 2001; Zhu, Chew and Spangler, 2005).

Leaders have to play an important role to establish high performance teams, where they are facing greater challenges than ever before nowadays. Importantly, even though leaders are in position to lead as granted by the higher authorities, their ability to lead is dictated by the perception and acceptance of others (Boseman, 2008).