A STUDY ON INTERPERSONAL RELATIONSHIP BETWEEN LEADERS AND EMPLOYEES WITH REFERENCE TO COMMITMENT TOWARDS KEDAH STATE DEVELOPMENT CORPORATION, MALAYSIA.

HANIF BIN HASSAN

OTHMAN YEOP ABDULLAH GRADUATE SCHOOL OF BUSINESS

JUNE 2012

A STUDY ON INTERPERSONAL RELATIONSHIP BETWEEN LEADERS AND EMPLOYEES WITH REFERENCE TO COMMITMENT TOWARDS KEDAH STATE DEVELOPMENT CORPORATION, MALAYSIA.

A Project Paper Submitted to Graduate School of Business in Partial Fulfilment of the Requirements for the Degree of Master of Human Resources Management Universiti Utara Malaysia

BY

HANIF BIN HASSAN

807274

(C) HANIF BIN HASSAN, 2012. ALL Rights Reserved.

PERMISSION TO USE

In presenting this project paper in partial fulfilment of the requirements for the award of Post Graduate degree from the Universiti Utara Malaysia (UUM), I agree that the Library of this university may make it freely available for inspection. I further agree that permission for copying this project paper in any manner, in whole or in part, for scholarly purposes may be granted by my supervisor or in their absence, by the Assistant Vice Chancellor of the College of Business where I did my project paper. It is understood that any copying or publication or use of this project paper or parts of it for financial gain shall not be allowed without my written permission. It is also understood that due recognition shall be given to me and to the Universiti Utara Malaysia (UUM) in any scholarly use which may be made of any material in my project paper. Request for permission to copy or to make other use of materials in this project paper in whole or in part should be addressed to:

Dean Othman Yeop Abdullah Graduate School of Business Universiti Utara Malaysia 06010 UUM Sintok Kedah Darul Aman

Abstract

Employee commitment has emerged as one of the most important topics in the sphere of human resource management. It stands for the extent to which the employees are fully involved in his/her work and will act in a way that furthers their organization interests. The main objective of this study is to identify the interpersonal relationship between leadership style, of leadership personality and leaders' attitude with employees' commitment.

A total of 120 questionnaires were distributed to the respondents in Kedah State Development Corporation (KSDC) and 101 of them were returned for analysis. Data were collected and analyzed using the Statistic Package for Social Science (SPSS) version 16.0. The study indicates that there is a significant relationship between leaders' attitude and leadership personality. However, leadership style does not have a significant influence to organization commitment.

ACKNOWLEDGEMENT

Praise to God, the most merciful and most gracious for bestowing me with patience, strength and excellent health throughout the process of completing my Master Degree Programme in Human Resource Management. I would like to present my humble appreciation and gratefulness to all the people who made this journey possible those who knowingly and unknowingly were so helpful and important in the difficult moments.

Firstly, my deepest appreciation goes to DR. VIMALA SANJEEV KUMAR for her expert advice, guidance and support throughout this entire research.

I would like to express my thankfulness to my organization which has sponsored me throughout my studies and my special gratitude goes to the Chief Executive Officer of Kedah State Development Corporation (KSDC), Y.Bhg. Dato' Hj. Abdul Rahman bin Ibrahim.

My appreciation goes to all who have been involved in the accomplishment of this project paper. Your endless contribution and encouragement are very much appreciated.

My special gratitude is also extending to my family for giving extraordinary understanding and support. All of you have made my two and a half years of study the most amazing experience of my life.

VI

TABLE OF CONTENTS

	Page
PERMISSION TO USE	IV
ABSTRACT	V
ACKNOWLEDGEMENT	VI
TABLE OF CONTENTS	VII
LIST OF TABLES	XI

CHAPTER ONE: INTRODUCTION

1.1	Introduction		
1.2	Problem Statement		
1.3	Research Objective		
1.4	Research Questions		
1.5	Significance Of The Studies		
1.6	Definition Of Key Terms	8	
	1.6.1 Leader	8	
	1.6.2 Leadership styles	8	
	1.6.3 Personality	9	
	1.6.4 Attitude	9	
	1.6.5 Commitment	9	
	1.6.6 Employees	10	

CHAPTER TWO: LITERATURE REVIEW

2.1	Introduction		
2.2	Leader		
2.3	Leadership		
2.4	Leadership Style		
	2.4.1	Autocratic	16
	2.4.2	Democratic	17
	2.5	Personality	19
	2.5.1	Five-Factors Model	20
	2.6	Attitude	21
	2.6.1	Attitude measurement	23
2.7	Commitment		23
2.8	Organization		
2.9	Conclusion		

CHAPTER THREE: RESEARCH METHODOLOGY

3.1	Introduction		
3.2	Theoretical Framework		
3.3	Hypothesis		
3.4	Research Design		
	3.4.1 Type of study	30	
	3.4.2 Sources of Data	31	
3.5	Unit of Analysis		

3.6	Research population and sampling	32
3.7	Research instrument	32
3.8	Data Analysis Techniques	34

CHAPTER FOUR: FINDINGS

4.1	Introduction	35
4.2	Rate of respond	35
4.3	Reliability Analysis	36
4.4	Demographic profile of the respondent	37
4.5	Descriptive Analysis of the Variables	39
4.6	Correlation Analysis	39

CHAPTER FIVE: DISCUSSION AND CONCLUSION

5.1	Introduction		
5.2	Discu	ssion	42
	5.21	Relationship between Leadership Style and	
		Employee Commitment	42
	5.22	Relationship between Leaders' Personality and	
		Employee Commitment	43
	5.23	Relationship between Leaders' Attitude and	
		Employee Commitment	43
5.3	Implic	cation of the study	44

5.4	Limitation of the Study				44
5.5	Recommendation of Future Research				45
5.6	Conclusion				46
REFERENCES					47
APPE	NDICES				
	Appendix I	:	Sample of Questionnaire		56
	Appendix II	:	Analysis Output		65

LIST OF TABLES

- Table 4.1Reliability Analysis
- Table 4.2Demographic Profile of the Respondents
- Table 4.3Results of Descriptive Analysis
- Table 4.4Correlations between the Variable
- Table 4.5:Summary of Hypothesis Testing

CHAPTER ONE

INTRODUCTION

1.1 Introduction To The Study

A successful management can be relates to leadership styles which capable to lead an organization to achieve its goals. The management normally will be lead by calibre leaders who are capable to get attention by everybody in an organization. Leaders should be view in a bigger view and not only focusing on leaders' activities such as political leaders only.

Leaders are appointed by group, organization, association or any parties whether in a formal or non-formal situation. Leaders are capable to influence their followers to do something with dedication, sincerity and commitment and with highest satisfaction. They also have freedom to dedicate their views and opinion which includes creating strategies in long term decision making in an organization.

The influence of leadership style on job performance, satisfaction, stress, and turnover intention has been well established. While leadership style has an impact on organizations, departments, and teams, as well as work climate and atmosphere, leaders who want the best results should not rely on a single leadership style (Goleman 2000).

The contents of the thesis is for internal user only

References

- AL-Hussami, M. (2008). A study of nurses' job satisfaction: the relationship to organizational commitment, perceived organizational support, transactional leadership, transformational leadership, and level of education. European Journal of Scientific Research, 22(2), 286-295.
- Al Rasasi (2005). Transformational leadership and service quality in United Arab Emerald (UAE) Hospital.
- Avolio, B. J., & Bass, B. M. (1991). The full-range of leadership development. Centre for Leadership Studies, Binghamton, New York.
- Bain (1927). An Attitude on Attitude Research. American Journal of Sociology, 33 (1927-28):940-957

Bass, B.M, (1990). Bass and Stogdill's Handbook of Leadership. The free press.

Bartol, K.M., & Martin D.C. (1998). Management. Mc Graw Hill

Becker H.S. (1960). Notes on the Concept of Commitment

Chapman (1994) Journal of Personality Assessments, Vol 73, Issue 3.

Chapman (2000) Journal of Abnormal Psychology, Vol 109(2), May, 222-226.

Chin Kok Goon. (1994) Relationship Between Attitude Towards classroom environment and attitude towards chemistry and achievement in chemistry among four students. Master Thesis (Education).

Clark.D. (1998). Leadership Style Surver. Obtained on 25th of May 2012, from <u>http://www.nwlink.com/-donclark/leader/survstyl.html</u>

- Cohen, L., & Holiday, M (1982). Statistic for Social Scientist. Harper & Row, Publisher. London
- Cook, J., & Wall, T. (1980). New work attitude measures of trust, organizational commitment and personal need non-fulfillment. Journal of Occupational Psychology, 53, 39-52.

Goleman, D. (2000). Leadership that gets results. Harvard Business Review, 78-90

Goleman, D. (2004). "What Makes a Leader". Harvard Business Review. January. 82-83

H. Cambell Black. (1979). Black's Law Dictionary page 471 (5th ed. 1979).

- Haiman, F.S. (1951). Group Leadership and Democratic Action. The Riverside Press, USA.
- Hersey, Paul and Balanchard, K.H. (1982). Life Cycle Theories of Leadership. Southwest Publishing Com.
- Hughes Richard L., Ginnett Robert C., dan Curphy Gordon J. (2002). Leadership:Enhancing TheLessons of Experience (4 th Ed.) McGraw-Hill
- John, O.D. (2000). The Big Five Personality Test. Obtained on 4nd. April 2012 from http://www.autofservice.com/bigfive/

Haiman, F.s.(1951), Group Leadership and Democratic Action. The Riverside Press, USA.

- Hamilton, J.D. (1990), "Analysis of Time Series Subject to Changes in Regime," Journal of Econometrics, 45, 39-70.
- Henerson, M.E., Morris, L.L. & Fitz-Gibbon, C.T. (1987), How to measure attitudes, SAGE Publications Inc. USA
- Kamal Shukri B. Abdullah Sani. (1998). Malaysia employee attitudes towards the style of Japanese management: A case study of Japanese firms in Malaysia. Master Thesis, Universiti Putra Malaysia.
- Kanter, R. (1968). Commitment and social organization: A study of commitment mechanisms in utopian communities. American Sociological Review, 33, 499-517
- Katz, D. (1974). The skills of an effective administrator. Harvard Business Review, September-October, 90-102.
- Koch and Steers 1978 "Job attachment, satisfaction, and turnover among public sector employees." Journal of Vocational Behavior, 12: 1 19- 128.

Lumley (1928), F. E. Principles of 'sociology. New York: McGraw-Hill, 1928. Pp.562.

Meyer, J. P., Allen, N. J., & Smith, C. A. (1993). Commitment to organizations and occupations: Extension and Extension and Test of a Three-component Conceptualization. *Journal of Applied Psychology*, Vol. 78 No. 4, pp. 538.

Mitchell, T.R.& Larson, R.J. (1988). People in organization. New York: McGraw-Hill.

- Mowday, R.T., Porter, L.M., & Steers, R.M. (1982). Employee-organization linkages: The psychology of commitment, absenteeism and turnover. New York. Academic Press
- Mohamed Sulaiman (1996). Leadership and Strategic Management for Organization Excelent. Universiti Sains Malaysia
- Mustafa Haji Daud. (1994). Islamic Management. Utusan Publication and Distribution Sdn. Bhd. Kuala lumpur.

Noraini Mohd. Hashim. (1997). Welfare Journal, 19.

North (1932). Social problems and social planning. New York: Mc-Graw-Hill, 1932. Pp.409.

- Nunnally, J.C., & Bernstein, I.H. (1994) Psychometric Theory (3rd. Edition). New York: Mc Graw-Hill.
- Robbins, S. (2000). Organizational Behaviour. Translater: Abdul Razak Ibrahim dan Ainin Sulaiman. Prentice Hall.
- Robbins, S. P., & Judge, T. A. (2009). Organizational Behavior (13th ed.). New Jersey: Education International.
- Rohayati Shariff. (1990). Employee perceptions of Leadership Style on job satisfaction and improve employee motivation. A comparative study between sectors AAM (NEB) and private (STM). Master's Thesis (Literature). Universiti Kebangsaan Malaysia.
- Roscoe, J. T. (1975). Fundamental Research Statistics for the Behavioral Sciences. New York: Holt, Rinehart and Winston, Inc.
- Rowland and Ferris. (1996). Research in Personnel and Human Resource Management (Vol.9, pp.73-120)

Sadler, P. (2003). Leadership. Biddles Ltd. Guildfordend King's Lynn, Great Britain.

Samson (2005). Management: second Pacific Rim edition . Melbourne, Victoria: Thomson

- Savery, L.K. (1994). Attitudes to Work: The influence of perceived styles of leadership on a group of workers. Leadership and Organization development Journal, 15, 12-18.
- Siti Aisyah. (1999). Komitment ahli Gerakan Belia 4B Pulau Pinang Terhadap Organisasi. Master Thesis of Social Science, Universiti Sains Malaysia
- Siti Nora bt. Ya (2001). Teacher personality and its effect on academic achievement. Master of Science (Social) thesis. Universiti Kebangsaan Malaysia.
- Sondang P. Siagian, (1980). The role of employees in Management, Jakarta: PT Gunung Agung
- Staw, M.B. (1991). Psycological Dimension of Organizational Bahavior. Mac Millan Publishing Company, New York.
- Teoh Chong Huat. (1982/83). Leadership styles among executives: A comparative study between local organizations with Japanese organizations in Malaysia.Bachelor Project Paper. Universiti Kebangsaan Malaysia.

- Uma Sekaran (2009). Research methods for Business. A skill Building Approach, Third Ed. John Wiley & Sons Inc.
- Vasanta Kumari Raman.(1999). Perceived principal leadership style and job satisfaction among secondary school teachers. A case study. Master Thesis. Universiti Putra Malaysia.
- Vroom, V. H., & Jago, A. G. (1988). <u>The new leadership: Managing participation in</u> <u>organizations</u>. Englewood Cliffs, NJ: Prentice Hall.

White, R.E.(2003). The Effective Leader. Kogan Page Limited: London UK

Wilkinson & Wagner. (1993). Leadership & Organization Development Journal

Zaini Hussain.(2004) *Careers and Organization*. Published and printed by Institut Pentadbiran Awam Negara (INTAN), Kuala Lumpur.

Zaabar b. Mohd. Zainal. (1999). The relationship between commitment to the organizational climate. Master's thesis. Universiti Putra Malaysia.

Zimbardo,P.G. (2004) A Situationist Perspective on the Psychology of Evil: Understanding Hoe Good People are Transformed Into Perpetrators. In A.G. Miller (Ed), The Social Psychology of Good and Evil (pp21-50). New York: Guilford Press.