









Leadership Styles and Organizational Commitment at a Public University in Malaysia

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Abstract

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This applied dissertation was designed to investigate the impact of leadership styles on leadership outcome variables (extra effort, leadership effectiveness, and satisfaction with leadership) and organizational commitment among faculty members in a public university in Malaysia. The study utilized the Organizational Commitment Questionnaires developed by Mowday, Steers, and Porter (1979) and the Multifactor Leadership Questionnaires Form 5X Short developed by Bass and Avolio (2004). The population of this study consisted of 78 full-time faculty members from the Faculty of Management and Economics.

The study found that the most exhibited leadership behavior was transformational leadership, followed by transactional and laissez-faire leadership. The study also found that the faculty members had moderate to high level of organizational commitment. Results from multiple regression analysis revealed that both transformational and active transactional leadership were making a significant unique contribution in the prediction of leadership outcomes and organizational commitment. The study concluded that leaders need to exhibit both transformational and active transactional leadership to influence leadership outcomes and organizational commitment among subordinates.









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Chapter 1: Introduction

The past 50 years have witnessed extensive international research in the field of leadership. It is not surprising there has been such an overwhelming focus from researchers as leadership issues are vital for organizational success (Kumar & Kaptan, 2007). Without strategic and effective leadership, it is difficult for members of organizations to sustain profitability, productivity, and competitive advantage (Lussier & Achua, 2007). In recent years, leadership styles have become an important topic of study in the management field and many researchers consider leadership style as an important variable in influencing how members of an organization function (Wu, 2009). Subsequently, leadership style has also been found as an important predictor of an organization's performance (Bass, Avolio, Jung, & Berson, 2003).

organizational commitment over time (Mathieu & Zajac, 1990; Meyer & Parfyonova, 2010; Meyer, Stanley, Herscovitch, & Topolnytsky, 2002; Mowday, Porter, & Steers, 1982; Porter, Steers, Mowday, & Boulian, 1974). The positive effects of organizational commitment have been well acknowledged in management literature. Commitment has repeatedly been identified in organizational literature as an important variable in understanding the work behavior of employees in organizations (Meyer et al., 2002; Meyer & Herscovitch, 2001; Mowday, Steers, & Porter, 1979). Previous research suggested that commitment has an impact on several work-related attributes like intention to stay (Chew & Chan, 2008; Mathieu & Zajac, 1990; Meyer et al., 2002; Porter et al., 1974), absenteeism (Angle & Perry, 1981; Meyer et al., 2002; Porter et al., 1974), and job satisfaction (Chugtai & Zafar, 2006; Meyer et al., 2002; Yousef, 2000). This is pertinent as organizations with committed employees can avoid the cost associated with high











turnover rate and absenteeism. In addition, committed employees are more likely to have higher work motivation as well as higher job performance (Abdul Rashid, Sambasivam, & Johari, 2003; Chen, Silverthorne, & Hung, 2006; Riketta, 2002; Samad, 2005; Yousef, 2000).

This study investigated the relationships between perceived leadership style and organizational commitment in a public higher education institution in Malaysia. The study established the perceived leadership styles of department heads using the most recent version (Form 5X Short) of the Multifactor Leadership Questionnaire (MLQ) developed by Bass and Avolio (2004) and the organizational commitment levels of faculty members were measured using the Organizational Commitment Questionnaire (OCQ) developed by Mowday et al. (1979) to investigate if a relationship existed between perceived leadership style and organizational commitment.

The relationship between leadership styles and organizational commitment have received substantial attention in past organization behavior research. Research suggested that leadership styles and organizational commitment are positively related to performance (Camps & Rodriguez, 2011; Chen, 2004; Limsila & Ogunlana, 2008; Yousef, 2000). Leadership style was found to be significantly related to organizational commitment (Dale & Fox, 2008; Erkutlu, 2008), job satisfaction (Erkutlu, 2008; Walumbwa, Orwa, Wang, & Lawler, 2005), and higher-level job performance (Mehta, Dubinsky, & Anderson, 2003; Yiing & Ahmad, 2009; Yousef, 2000). Transformational leadership had positive relationship with employees' performance (Bass et al., 2003; Boerner, Eisenbeiss, & Griesser, 2007; Camps & Rodriguez, 2011; Ozaralli, 2003) and firms' performance (Ling, Simsek, Lubatkin, & Veiga, 2008). Likewise, organizational commitment was found to influence work performance positively (Chen et al., 2006;











Yousef, 2000) and subsequently improve financial performance of the company (Abdul Rashid et al., 2003; Samad, 2005).

Several researchers attempted to investigate the relationship between leadership and organizational commitment within different contexts (Dale & Fox, 2008; Hawkins & Dulewicz, 2009; Lok & Crawford, 2004; McGuire & Kennerly, 2006; Tremblay, 2010).

However, there was very little evidence on the influence of leadership on employees' organizational commitment in educational setting particularly in developing countries.

Therefore, this study examined the level of organizational commitment of faculty members at a public university in Malaysia. The study also examined the perceptions of the formal leadership at the faculty and its relationship with organizational commitment of the faculty members. The main purpose of this study was to investigate the relationship between organizational commitment of faculty members and faculty leadership to make recommendations for faculty development. Thus, the results of the study were used to make recommendations to enhance commitment and job performance of the faculty members at the target university. This chapter discusses the statement of the problem, the definitions of terms, and the purpose of the study.

Statement of the Problem

The topic. There was substantial research on the relationship between leadership styles and organizational commitment (Chen, 2004; Dale & Fox, 2008; Lo, Ramayah, Min, & Songan, 2010; Lok & Crawford, 1999, 2004; Rowden, 2000). According to Rowden (2000), one of the many factors that have been noted to show the influence of commitment of an employee to an organization is the leadership style of the supervisors or managers. Thus, it may be in the best interest of the organization for managers and leaders to understand how their behavior might affect the commitment of employees to









the organization.

Despite the large number of studies on leadership styles and organizational commitment, empirical research examining leadership styles and organizational commitment in educational institutions was limited (Nguni, Sleegers, & Denessen, 2006). In the review of the commitment literature, Reyes (1990) noted that although the general empirical literature on commitment of employees had generated over 70 articles, very few of these studies had been conducted within educational settings. Indeed, very little research on organizational commitment had used educational organizations as the unit of analysis (Chugtai & Zafar, 2006). This meant there was a lack of empirical assessment of the commitment of educators to their organizations.

The research problem. Malaysian leaders have consistently and resolutely reiterated the call for higher education in the country in order to attain world-class status and become a regional center of excellence in education. During the Eighth Malaysia Plan period from 2001 to 2005, emphasis was given to increase accessibility to education at all levels, to strengthen the delivery system, and to improve the quality of education (Economic Planning Unit, 2001). Thus, education at tertiary levels was expanded to better respond to market requirements as well as to develop education as an export industry (Economic Planning Unit, 2001). In the Ninth Malaysia Plan (Economic Planning Unit, 2006) period, the emphasis was on enhancing the quality of tertiary education in order to attain international standing. For this purpose, local higher education institutions were benchmarked against international standards and a rating system was introduced (Economic Planning Unit, 2006). The Tenth Malaysia Plan (Economic Planning Unit, 2010), which covers the duration between 2011 and 2015, sets another milestone in higher education as the government stressed the importance of











developing world-class educational institutions, particularly universities, with world-class leadership.

In line with the country's inspirations to create tertiary institutions of international standing, the government introduced several mechanisms to measure and to enhance the quality of higher education institutions. For example, the Key Performance Index (KPI) was implemented to ensure that all faculty members move toward the same direction to accomplish the goals, mission, and vision of the university. In addition, a rating system was also implemented in public institutions of higher education. The rating system is an instrument to assess the quality and competitiveness of the institutions of higher education. This is to ensure that faculties in universities conform to standards for quality assurance outlined in the Malaysia Qualification Framework (Economic Planning Unit, 2006). The Malaysian Qualifications Agency (MQA) was set up in 2006 to support the implementation of the framework and to establish a unified quality assurance system (Economic Planning Unit, 2006). The MQA Act makes it mandatory for all institutions of higher education to assess their performance either through a self-accrediting mechanism or an external evaluation by the MQA. In the MQA's rating system for Malaysian Higher Education Institutions (or SETARA), a Tier 6 category will be awarded to tertiary institutions that comply with the standard under the framework. The SETARA exercise is carried out once every 2 years and classifies the university into the following categories: outstanding, excellent, very good, good, satisfactory, and weak/poor.

The target university was one of the 21 public universities in Malaysia. In SETARA 2007, the target university achieved a Tier 2 rating and was rated as "satisfactory" (Merican, 2008). In 2009, the target university achieved a Tier 4 rating











(MQA, n.d.), but this was still considered low compared to other public universities in Tier 5 and Tier 6. Data from the human resource department showed that for the 2009 assessment, 104 out of 430 active faculty members at the target university (those who were not on study leave) did not achieve 80% scores in KPI. This figure needs to be addressed as it represented 24% of the total faculty members at the target university. Twenty-three percent of the active faculty members (10 out of 43) at the Faculty of Management and Economics (FME) did not achieve 80% scores on the KPI.

As the target university KPI achievements and ratings received in SETARA were not satisfactory, the level of organizational commitment of the faculty members and its relationship with leadership styles needed to be improved. This recommendation resulting from the study will be used for faculty development as the research stated that leadership styles and organizational commitment significantly impact workers' publication of the faculty development as the research stated that leadership styles and organizational commitment significantly impact workers' productivity and work performance (Limsila & Ogunlana, 2008; Yousef, 2000).

Leadership styles and organizational commitment have been extensively studied in Western culture. However, in Malaysia, studies on commitment to the organization have not yet attracted many researchers in educational organizations compared to studies on job satisfaction, leadership styles, and decision making (Ali, 2002; Samad, 2005). The existing research studies on commitment focused on school organizations rather than higher education institutions (Ali, 2002; Hanifah, 1981; Hon, 1996). Based on this, one may argue that the level of organizational commitment of faculty members in Malaysia is not well documented. Similarly, it is not clear to researchers and practitioners how leadership styles influence commitment of Malaysian academicians. Several studies on the relationship between leadership styles and organizational commitment in Malaysia were based largely in the private and manufacturing sectors (Abdul Rashid et al., 2003;









Lo et al., 2010; Yiing & Ahmad, 2009). The researcher did not find a study examining the relationship between leadership styles and organizational commitment that specifically focused on higher learning institutions. Therefore, given the lack of research on the relationship between leadership styles and organizational commitment in Malaysia, there was a need to fill the gap in the literature.

Background and justification. Since the proclamation of independence in 1957,

the educational system in Malaysia has undergone dramatic changes and development.

During the changes and development, a number of new educational policies have been formulated and implemented (Ali, 2002). The national education policy, which was in existence since Malaysia achieved independence, is enshrined in the Education

Ordinance 1957 and in the Education Act 1961 (Ministry of Higher Education [MOHE],

2006). The introduction of Education Act 1996 replaced Education Act 1961. In

Education Act 1996, the education policy was consolidated to cover all education levels in the national education system, including higher education. This effort has improved the access to education as well as the quality of the education system in Malaysia. In an effort to make Malaysia a center of excellence for education, the government made a significant change by establishing the MOHE in 2004 (MOHE, 2006). The establishment of MOHE is in line with the aspiration of the government to transform the country into a knowledge-based economy by developing the country's human capital (Economic Planning Unit, 2006).

On January 17, 2005, members of the MOHE appointed a committee to study, review, and make recommendations pertaining to the development and direction of higher education in Malaysia. The committee has carried out benchmark studies to identify international best practices through visits to prestigious higher education









institutions throughout the world. The committee produced a report that contained 138 recommendations. The recommendations focused on the development and direction of higher education in Malaysia, including the formulation of a sound and viable higher education policy (MOHE, 2006). Those changes and recommendations are important to leadership because leaders play a major role in not only determining the goals of the organization but also how to accomplish those goals. The reforms demand greater performance and commitment from faculty members because they are the catalysts who will implement the educational policies and reforms on a daily basis. Therefore, institutions of higher education in Malaysia have to meet the challenge to manage transformational change whilst building the commitment of faculty members at the same time.

The concepts of leadership and commitment have received increasing attention as a potential determinant of employees' performance and high productivity in various types of occupation and organizations. Previous studies suggested that leaders in public organization need to make an effort to ensure high level of organizational commitment of subordinates (Buka & Bilgic, 2010; Gortner, Mahler, & Nicholson, 1987). The majority of the studies revealed the organizational commitment of employees in public sectors is low compared to employees in private sectors (Buka & Bilgic, 2010; Cho & Lee, 2001; Gortner et al., 1987; Goulet & Frank, 2002). Based on these findings, organizational commitment should be an important issue for all leaders especially in public organizations.

Deficiencies in the evidence. Research on leadership style and organizational performance has attracted great attention from researchers from Western countries such as the United States and the United Kingdom. Despite the importance of the topics of









leadership and organizational commitment to any organization, very few empirical investigations have examined the leadership styles and organizational commitment in Asian settings (Chen, 2004; Lee, 2005; Limsila & Ogunlana, 2008; Lo et al., 2010). A review of the literature revealed that few studies focused on the Asian setting and very few were relevant to Malaysia (Lo et al., 2010; Yiing & Ahmad, 2009). Thus, it was of great importance to study the topic of leadership and organizational commitment in the Malaysian setting as it would not be appropriate to apply generalizations derived from studies in the Western countries due to the fact that the Malaysian culture is different from the West. Moreover, the growth and development of organizations in Malaysia is not similar to those in the Western countries (Lo et al., 2010). Based on the low achievement in both the KPI and the SETARA ratings of the target university, it was crucial to understand the leadership and organizational commitment among faculty members to determine whether leadership theory and organizational commitment derived from the West were applicable in the target university.

Research Questions. This study answered the following research questions:

- 1. How do faculty members at the target university rate the formal leadership style of the faculty leaders (Limsila & Ogunlana, 2008)?
- 2. To what extent are faculty members committed to the target university (Al-Ammaj, 2000)?
- 3. What is the relationship between leadership style and the leadership outcome variables of extra effort, leadership effectiveness, satisfaction with leadership, and organizational commitment (Chen, 2002; Erkutlu, 2008; Klinsontorn, 2005; Limsila & Ogunlana, 2008; McGuire & Kennerly, 2006; Snodgrass & Shachar, 2008)?
 - 4. What is the difference between the male and female faculty members of their











Audience. The outcome of this study identified the specific leadership styles of leaders for improving organizational commitment and job performance of the faculty members at a public university in Malaysia. The results of this study are anticipated to contribute to the literature by expanding empirical evidence regarding the relationships between leadership styles, organizational commitment, and job performance in Malaysia. The compilation of the findings of this particular study with other studies would result in better understanding (a) the level of organizational commitment among faculty members, (b) the faculty members' perception about the leadership style being practiced among the faculty, and (c) whether there was a relationship between leadership styles and the level

of organization commitment. Julmy Perpustakaan Tuanku Bainun Kampus Sultan Abdul Jalil Shah







The results will assist those in formal leadership positions at the university to understand the level of organizational commitment of the faculty members and its relationship to leadership style. Leaders may use the findings from this study to plan appropriate training and program to enhance commitment among faculty members. In addition, this study will assist the MOHE and other scholars to develop a better understanding of the importance of leadership styles and its role in institutions of higher education. The type of leadership employees experience may impact organizational commitment and consequently contribute to better organizations. Therefore, this study provides a thorough understanding of the role of commitment in organizations and the leadership styles needed to foster greater commitment among employees.

Definition of Terms

Leadership style is the characterization of consistent behavior of a leader (Dubrin,









2004).

Transformational leadership is a leadership style exhibited by leaders that inspires and motivates followers to achieve a higher level of performance (Bass, 1990). Transformational leadership enhances followers' confidence to do more than they originally thought possible (Bass & Avolio, 2004).

Inspirational leadership means leaders inspire subordinates to work hard and be committed to achieve organizational goals. Inspirational motivation leaders motivate followers by providing meaning and challenge to the followers' work (Bass & Avolio, 2004).

Intellectual stimulation means that leaders arouse subordinates to challenge their own thinking and beliefs and be creative in problem solving (Bass, 1985). It implies that leaders encourage followers to try new ways of solving problems and ask them to question the methods they use to improve them (Bass & Avolio, 2004).

Individualized consideration is where leaders build a strong relationship with followers by understanding the needs of each follower. Individualized consideration leaders satisfy followers' needs and work continuously to get them to develop to their full potential (Bass & Avolio, 2004).

Idealized influence is the ability of leaders to influence and to gain the trust and respect from followers. Such leaders arouse and inspire followers with a vision of what can be accomplished through extra personal effort (Bass & Avolio, 2004).

Transactional leadership is a leadership style exhibited by leaders that attempts to increase performance based on the exchange process between leaders and followers (Burns, 1978). Transactional leadership involves setting up goals and standards, specifying rewards and compensation, and identifying and correcting mistakes (Bass &









Avolio, 2004).

Contingent reward is when leaders clarify what is expected from followers and what they will receive if they meet expected levels of performance (Bass & Avolio, 2004).

Active management by exception is when leaders focus on monitoring employee performance for any problems that might arise and correcting those problems (Bass & Avolio, 2004).

Passive management by exception is when leaders wait for things to go wrong before taking action. Leaders take corrective action only after problems have become serious (Bass & Avolio, 2004).

Laissez-faire or passive avoidant leadership is a leadership style used by leader attempts to avoid responsibility and decision making (Bass, 1997). Leaders are not around when needed and avoid getting involved when important issues arise (Bass & Avolio, 2004).

Extra effort refers to the willingness of subordinates to exert extra efforts beyond the norm. Subordinates are willing to try harder and to do more than expected (Bass & Avolio, 2004). Subordinates experiencing transformational leadership are willing to exert a greater degree of effort than those experiencing transformational leadership (Bass, 1985).

Effectiveness refers to the ability of leaders to produce desired results. Leaders are effective in meeting followers' job-related needs and organizational requirements and in representing their group to higher authority (Bass & Avolio, 2004). Bass (1985) argued that transformational leaders are more effective compared to transactional leaders.

Satisfaction with leadership refers to how closely the leader meets expectations of











subordinates. It depends on the difference between the expectations of subordinate and his or her actual experiences with the leader. Leaders use leadership that is satisfying and work with followers in a satisfactory way (Bass & Avolio, 2004).

Organizational commitment was defined by Porter et al. (1974) as "the strength of an individual's identification with and involvement in a particular organization" (p. 604). This was further characterized by three factors by Porter et al. (1979): "(a) a strong belief in and acceptance of organization's goals and values; (b) a willingness to exert considerable effort on behalf of the organization; (c) a definite desire to maintain organizational membership" (p. 604).

Affective commitment, as defined by Meyer et al. (2002), reflects "an emotional attachment to, identification with, and involvement in the organization" (p. 21).

Continuance commitment, as defined by Meyer et al. (2002), refers to "the perceived costs associated with leaving the organization" (p. 21).

Normative commitment, as defined by Meyer et al. (2002), represents "a perceived obligation to remain in the organization" (p. 21).

Purpose of the Study

The purpose of this study was to investigate the impact of leadership styles (transformational, transactional, and laissez-faire) on the leadership outcome variables (extra effort, leader effectiveness, and satisfaction with leadership) and organizational commitment of faculty members. Specifically, the goals of this study were as follows:

- 1. To investigate the perception of the faculty members of the formal leadership of the faculty.
 - 2. To determine the level of organizational commitment of the faculty members.
 - 3. To investigate the effects of leadership styles on the leadership outcome





















variables of extra effort, leadership effectiveness and satisfaction with leadership, and organizational commitment.

4. To explore the difference of the level of organizational commitment between the male and female faculty members.

















