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Supervisor Name :

Date :

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Panels' Name :

Date :

SUPERIOR LEADERSHIP STYLE TOWARD SUBORDINATES'
JOB SATISFACTION IN PUBLIC SECTOR ORGANIZATION IN MALAYSIA

MUHAMMAD SUKRI BIN A. RAHMAN

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DECLARATION OF WORK

I, Muhammad Sukri Bin A. Rahman (I/C Number: 910207-11-5167)

“I hereby declare that the work of this exercise is mine except for the quotations and summaries that have been duly acknowledge.”

Signature :
Name : **MUHAMMAD SUKRI BIN A. RAHMAN**
Date :

DEDICATION

A special appreciation to my beloved mother,

Madam Samsiah Binti Yusof.

ACKNOWLEDGEMENT

A sincere appreciation to my project supervisor, Associate Professor Dr. Ahmad Rozelan Yunus for his support, guidance and giving me the wisdom in fulfil this research.

Appreciation is also extended to all those who involved directly and indirectly helping the success of this research project. Hopefully this research project would be a reference to others in the future.

ABSTRACT

The leader behaviour or leadership styles are important in influencing the followers' job satisfaction in the organization hierarchy. The employees' job satisfaction may affect the employees' job performance in fulfilling the job task.

The study aimed to identify the significant relationship between the leadership styles perform by superior leader in the public sector organization in Malaysia and the subordinates' job satisfaction. The independent variable in this research is the superior leadership style and subordinate' job satisfaction is the dependent variable.

This research is using causal study design as the research design and the data collection will be calculated through quantitative method. The Statistical Package for Social Science (SPSS) will be the tools to be used to analyse the data.

Keyword: Leadership Styles, Transactional Leadership, Transformational Leadership, Subordinates' Job Satisfaction

ABSTRAK

Tingkah laku atau gaya kepimpinan seorang pemimpin adalah penting dalam mempengaruhi kepuasan kerja pekerja di dalam sesebuah organisasi. Reputasi seorang pekerja boleh terjejas sekiranya seseorang pekerja itu tidak mencapai tahap kepuasan kerja dalam sesebuah organisasi.

*Kajian ini bertujuan untuk mengenal pasti hubungan yang signifikan antara gaya kepimpinan yang dilaksanakan oleh seseorang pemimpin dalam organisasi sektor awam di Malaysia dan kepuasan kerja pekerja bawahan. Pembolehubah yang dikaji dalam kajian ini ialah gaya kepimpinan pemimpin jenis **transactional** dan gaya kepimpinan pemimpin jenis **transformational** atasan dan kepuasan kerja pekerja bawahan.*

*Kajian ini menggunakan reka bentuk kajian sebab dan akibat sebagai reka bentuk penyelidikan dan pengumpulan data akan dikira melalui kaedah kuantitatif. *The Statistical Package for Social Science (SPSS)* akan menjadi alat yang akan digunakan untuk menganalisis data.*

*Kata Kunci: Gaya Kepimpinan, Gaya Kepimpinan Pemimpin Jenis **Transactional**, Gaya Kepimpinan Pemimpin Jenis **Transformational**, Kepuasan Kerja Pekerja Bawahan.*

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CHAPTER 1

INTRODUCTION

1.1 Background of Study

Effective leadership and subordinate job satisfaction are the important factors toward achieving organizational success. Good leadership styles leading the followers to be in a right direction for organizational desired goals. Leadership is the influence process between leaders and followers where leader attempts to influence the behaviour of followers to achieve the organizational goals (M.L. Voon, 2011). M. L.Voon (2011) also defined that a capable leader can provides the direction for the organization and lead followers towards achieving the organizational goals.

Employees' job satisfaction is influenced by many organizational contextual factors, ranging from salaries, job security, workplace environment, workplace flexibility, to top management leadership styles. Leadership style that performs by the superior leader has positive significant impacts to employees' job satisfaction in an organization. It is important for a leader in the organization to adapt appropriate leadership styles to enhance the employees job satisfaction, commitment and productivity.

According to Al-Ababneh (2010) the employees with high job satisfaction will contribute their maximum effort to fulfil their assigned tasks. High interest in job satisfaction in the organization derives from its relationship to other

organizational outcomes includes the organizational commitment, absenteeism and performance (Zoran Susanj, 2013). The job satisfaction can be categorised into two groups. The first group includes the job environment and some factors that related to the job where the second group includes individual factors related to person that bring this factor to the job including previous experience and personality.

This study is generally indicated the significant relationship between subordinates job satisfaction and superior leadership styles in the public sector organization in Malaysia. There are two leadership styles that examined in this particular study, namely, transactional and transformational leadership style (M.L.Voon, 2011). According to Duncan (2011), the blend of transactional and transformational leadership style is the form of optimal leadership style.

The transactional leadership style can be define where the leader engage their followers by offering rewards to enhance the productivity of followers to achieve desired goals (M.L.Voon, 2011). There are three dimensions of transactional leadership style, namely contingent rewards, management by exception (active) and management of exception (passive).

Transformational leadership style is where the transformational leaders can emphasize their followers' intrinsic motivation and personal development. They seek to align followers' needs and aspirations with desired outcomes (M.L.Voon, 2011). According to W.A Wan Omar (2013), the transformational leaders provide the vision and the organizational mission, respect and trust among their followers. There are four dimension of transformational leadership. There is idealized influence, inspirational motivation, intellectual stimulation and individualized consideration (M.L.Voon, 2011).

1.2 Problem Statement

Problem can be defined as a broad statement of the general research problem and identification of the specific components (Malhotra, 2007). Problem Statement is a clear, precise, and succinct statement of the questions or issues that is to be investigated with the goal of finding an answer or solution (Sekaran, 2003).

The services that provided in public sector organization today's are still on the dissatisfactory level based on consumers' evaluation. The behaviour of the staffs' is the main potential effects of the dissatisfaction of the services in public sector organization in Malaysia. There are many effects that can contribute to the public sector organization employee's job performance.

The researcher define that poor job performance performed by the employees in public sectors organization in Malaysia is because the lack of satisfaction in task fulfilment as the statement of the problem in this research. Interest or disinterest in job satisfaction implies a positive or negative affect to organizational outcome including commitment and performance of the employees (Zoran Susanj, 2013).

The satisfactory levels of employees in public sector organization in Malaysia are affected by the effectiveness of the top management leadership styles. Leadership style of a leader can influence the followers' behaviour and motivate the followers towards achieving the organizational goals (M.L.Voon, 2011).

1.3 Research Questions

The research questions in this research develop by the background of the study and the problem statement above. The research questions identified are:

- i. What is the relationship between the transactional leadership styles (contingent reward, active and passive management by exception) with the subordinates' job satisfaction in the public sector organization in Malaysia?
- ii. What is the relationship between the transformational leadership styles (idealized influence, inspirational motivation, intellectual stimulation and individualized consideration) with the subordinates' job satisfaction in the public sector organization in Malaysia?

1.4 Research Objectives

- i. To determine the relationship between the transactional leadership styles (contingent reward, active and passive management by exception) with the subordinates' job satisfaction in the public sector organization in Malaysia.
- ii. To determine the relationship between the transformational leadership styles (idealized influence, inspirational motivation, intellectual stimulation and individualized consideration) with the subordinates' job satisfaction in the public sector organization in Malaysia.

1.5 Hypothesis

Consistent with the objectives that had been constructed, there are two (2) possible hypotheses developed for testing. The hypotheses are mark as H1 represent hypothesis 1 and H2 represent hypothesis 2. The hypotheses to be testing:

H1: There is a positive significant between the transactional leadership styles with the subordinates' job satisfaction (work condition) in the public sector organization in Malaysia.

H2: There is a positive significant between the transformational leadership styles with the subordinates' job satisfaction (work condition) in the public sector organization in Malaysia.

1.6 Research Scope

This particular study focused on the superior leadership styles that influenced subordinates' job satisfaction in the public sector organization in Malaysia. Appropriate leadership styles performed by the superior can make positive impact to the employees' job satisfaction. Maximum scale of job satisfaction of the employees' can enhance the quality and effectiveness of subordinate job performance.

1.7 Research Significance

This study will examine the several factors of the leadership styles that influence the employees' satisfaction and more appropriate to be performing in the public sector organization in Malaysia. The study will determine the types of leadership styles that are suitable to be implemented by the superior in the public sector organization in Malaysia to maximize employees' job satisfaction.

1.7 Summary

This research examines the influence of the superior or top management leadership styles toward the subordinates or the employees' job satisfaction in the public sector organization in Malaysia. There are two (2) types of leadership styles on focus, transactional leadership style and transformational leadership style. The contingent reward, active management by exception and passive management by exception is the three (3) determining factors of transactional leadership style. The determining factors in the transformational leadership style are including the idealized influence, inspirational motivation, intellectual stimulation and individualized consideration. The aspects that being determined from the leadership styles are used to determine the significant relationship with the subordinates' job satisfaction in public sector organization in Malaysia.

CHAPTER 2

LITERATURE REVIEW

2.1 Leadership Style

The process of interaction in all aspects between leaders and followers is known as leadership. It can be described as the process of social influence of the leader to support the followers in the accomplishment of tasks. This process shows that the leader attempts to influence the followers to achieve the target goal (Ali Faghihi, 2012). There are various types of leadership styles that being practice by the leader in the organizations all over the globe. The leadership styles significantly related with the performance of the followers where leader influenced the followers moods and senses. (Hajar Jannesari, 2013) The previous studies of leadership style subject are mostly focus on the two (2) most popular leadership styles, transactional and transformational leadership styles (M.L.Voon, 2011; Dr. Mubbsher Munawar Khan. Muhammad Ramzan, 2011).

2.2 Transactional Leadership Style

Transactional leadership style focused on maintaining the job flow on the standard benchmark and not looking to make changes to achieve performance beyond the benchmarking. Transactional leader believe that the followers can be motivated by rewards and punishments (W.A Wan Omar, 2013). There are three dimensions that consist in the transactional leadership style, namely contingent rewards, active management by exception and negative management by exception (M.L. Voon, 2011).

2.2.1 Contingent rewards

The contingent rewards are the rewards that appoint to the followers that achieved good performance on task fulfilment (M.L. Voon, 2011). The leader of the organization will reward the employees that successfully achieve the work target and perform the task very well.

2.2.2 Active management by exception

The active management by exception refers to the leader that monitoring the followers that performing the task given to ensure that standard met (M.L. Voon, 2011).

2.2.3 Passive management by exception

The passive management by exception refers to the leader who only response to the followers task when there are problems occurs (M.L. Voon, 2011).

2.3 Transformational Leadership Style

The transformational leadership is the process where the leader and the followers are working together to enhance the morale level and motivation. Transformational leader giving challenging tasks to the followers and encourage them to carry out the task with their own approach (W.A Wan Omar, 2013). That method will enhance the creativity of the followers to find new approach to find the solution. There are four dimensions of transformational leadership according to the W.A Wan Omar (2013). There is idealized influence, inspirational motivation, intellectual stimulation and individualized consideration with the subordinates' job satisfaction that can influence the followers' job satisfaction in the organization (M.L. Voon, 2011).

2.3.1 Idealized Influence

The leaders' power, charisma, self-confidence, trust, consistency and ideals to influence the followers are the factors that can make the followers make effort to imitate and respect (W.A Wan Omar, 2013). Idealized influence concerns the formulation and articulation of vision and challenging goals and motivating the followers to work beyond their self-interest to achieve the goals (M.L. Voon, 2011). The leaders that have maximum idealized influence are willing to take risk and consistency rather than arbitrary by demonstrating high standards of morale and ethical (M.L. Voon, 2011).

2.3.2 Inspirational motivation

The inspirational motivation refers to the way of the leader inspired and motivated their followers towards achieving the organizational vision (M.L. Voon, 2011). The visionary aspects of leadership are supported by communication skills that make the vision understandable, precise, powerful and engaging (W.A Wan Omar, 2013).

2.3.3 Intellectual stimulation

The ability of the leader to keep the followers thinking about the task handed, asking questions and solving problems (W.A Wan Omar, 2013). Transformational leader has the ability to stimulate followers to be creative in problem solving by generate new and unique ideas to solve the problems. The leader helps the followers by providing with a logic and analysis of situation for a preparation and overcome it for best possible solutions (Dr. Mubbsher Munawar Khan. Muhammad Ramzan, 2011).

2.3.4 Individualized Consideration

Individualized consideration refers to the leaders that have awareness on paying special attention to each of the followers need for achievement by acting as a coach or mentor (M.L. Voon, 2011). It also the behaviour of leaders to deal with the followers by advice, support and considering the individual needs to develop their self-esteem and self-actualization (Dr. Mubbsher Munawar Khan. Muhammad Ramzan, 2011).