

‘I admit that I have read  
This research dissertation and from my view  
The dissertation is satisfying in terms of scope and quality to be awarded with  
Bachelor of Technopreneurship with Honor’

Signature : .....

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Date : 20<sup>th</sup> JUNE 2014

THE RELATIONSHIP BETWEEN TRANSFORMATIONAL LEADERSHIP AND  
GROUP COHESIVENESS IN MANUFACTURING ORGANIZATION

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Laporan ini dikemukakan sebagai memenuhi sebahagian  
daripada syarat penganugerahan  
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JUN 2014

## DECLARATION

“I admit that this report is my original work except for the summary  
and each passage that I had described the sources”

Signature :

Name : NAWAR AIMI BT ISMAIL

Date : 20<sup>th</sup> JUNE 2014

**This thesis is dedicated to my parent and family,**

For their endless love, support and encouragement,

To my friends,

And

To the person who always support me through ups and downs,

I love you guys.

## ACKNOWLEDGEMENT

In the name of Allah, the Most Gracious and Most Merciful

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## ABSTRACT

This study will focus on the relationship between Transformational Leadership acts as independent variable and Group Cohesiveness acts as dependent variable. This study was conducted in manufacturing organization which is Hokuden (M) Sdn. Bhd. There are three main objectives for this study which are i) To identify the level of transformational leadership implementation in the organization studied, ii) To identify the level of group cohesiveness implementation in the organization studied and iii) To study the relationship between transformational leadership and group cohesiveness in the organization studied. For this study, the sample was collected from 50 respondents that are working at Hokuden (M) Sdn. Bhd which located at Bandar Tenggara, Kulai Johor by using the survey method. Questionnaire sample was developed by Bass (1985) and rematches by Dong I. Jung and John J. Sosik (2002) used to measure Transformational Leadership while for measuring the group cohesiveness, the research will use the questionnaire that was set up by Dobbins and Zaccaro (1986). The data from the survey was analyzed by using the descriptive statistics and inferences statistic. Result show Transformational Leadership style and Group Cohesiveness been implemented nicely in Hokuden (M) Sdn. Bhd. Besides, this study show significant result between Transformational Leadership and Group Cohesiveness which value  $r^2 = 0.320$ ,  $P < 0.05$ .

Keywords: Transformational Leadership, Group Cohesiveness and Multi-Factor Leadership Questionnaire (MLQ).

## **ABTSRAK**

*Kajian ini akan memberi tumpuan kepada hubungan antara Kepimpinan Transformasi bertindak sebagai pembolehubah bebas dan Kejelekitan Kelompok bertindak sebagai pembolehubah bersandar. Kajian ini dijalankan dalam organisasi pembuatan Hokuden (M) Sdn. Bhd. Terdapat tiga objektif utama untuk kajian ini yang i) Mengenalpasti tahap pelaksanaan kepemimpinan transformasi dalam organisasi iaitu dikaji, ii) Mengenalpasti tahap pelaksanaan kejelekitan kelompok dalam organisasi yang dikaji dan iii) mengkaji hubungan antara transformasi kepemimpinan dan kejelekitan kelompok dalam organisasi yang dikaji. Bagi kajian ini, sampel dikumpul daripada 50 responden yang bekerja di Hokuden (M) Sdn. Bhd yang terletak di Bandar Tenggara, Kulai Johor dengan menggunakan kaedah tinjauan dan soal selidik. Sampel soal selidik telah dicipta oleh Bass (1985) dan diolah semula oleh Dong I. Jung dan John J. Sosik (2002) yang digunakan untuk mengukur Kepimpinan Transformasi manakala untuk mengukur Kejelekitan Kelompok, penyelidik akan menggunakan soal selidik yang telah dicipta oleh Dobbins dan Zaccaro (1986). Data daripada kajian ini dianalisis dengan menggunakan statistik deskriptif dan inferens statistik. Keputusan menunjukkan gaya Kepimpinan Transformasi dan Kejelekitan Kelompok dilaksanakan dengan baik dalam Hokuden (M) Sdn. Bhd Selain itu, keputusan ini menunjukkan kajian yang signifikan antara Kepimpinan Transformasi dan Kejelekitan Kelompok yang bernilai  $R^2 = 0.320$ ,  $P < 0.05$ .*

*Kata Kunci: Kepimpinan Transformasi, Kejelekitan Kelompok dan Borang Soal Selidik Kepimpinan Multi -Faktor ( MLQ ).*

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## LIST OF SYMBOL

(	=	Open parenthesis
)	=	Close parenthesis
'	=	Apostrophe
“	=	Quote
,	=	Comma
.	=	Full Stop
N	=	Number
n	=	Number
%	=	Percentage
sig.	=	Significant
df	=	Degrees of freedom
$H_0$	=	Hypothesis Null
$H_1$	=	Hypothesis Alternative

## **CHAPTER 1**

### **INTRODUCTION**

#### **1.1 Introduction**

This chapter will provide an introduction to the study beginning with the background of the study followed by the problem statement, objectives of the study and the research questions. The chapter concludes with the definition of the key terms, significance of the study and its limitations.

#### **1.2 Research Background**

As an Austrian-born American management consultant and self-described “social ecologist”, Peter F. Drucker stated that management is doing things right; leadership is doing the right things. It shows that great leaders hold amazing social intelligence, passion for change, and above all vision that allows them to set their points on the matter that really require attention. From time to time, leadership has been defined as individual traits, leader behavior, interaction patterns, role relationships, followers’ perceptions, influence over followers, influence on task goals, and influence on organizational culture.



According to Hickman (2010) and Northouse (2013), though the fact that leadership has been proven in societies since groups of individuals gathers for a common goal, it was not until the twentieth century that scientific research on leadership began. Northouse (2013) stated that leadership is a process in which one person influences a group of individuals to achieve a common goal. By writing that leadership is a process, Northouse against the response that leadership resides in a person, and is a trait or characteristic; rather, Francine Walker (2013) argued that leadership is an interactive event that happens between leader and the followers, so that they are mutually affected by each other. It will open and available to anyone and not necessarily limited to the designated of formally appointed leader if leadership is a process. The second aspect of Northouse's (2013) definition shown that leadership is about the degree of effect that one person has on the other group members. Influence is central to the leadership phenomenon for without it, leadership would not exist for Northouse's opinion. Thirdly, he believed that leadership happens in groups in which the members share a common purpose or goal. The fourth aspect of Northouse's (2013) definition indicated that leadership includes careful attention to the achievement of organizational goals. In order to be effective, goals that have been set by the leader or the organization must be clearly communicated to and understood by the followers or subordinates.

There are two factors that have been considered as fundamental for organizational success which is effective leadership style and employee job satisfaction. A competent or capable leader will provides direction to lead followers towards reaching desired goals for the organization. In similar perspective, employees that have high in job satisfaction will like to mobilize more effort in the job tasks that have been given to them and continuing organizational interests. Besides, high job satisfaction will increase psychological and physical in employees that will positively affects employee performance in the organization.

There are two types of leadership which are ‘transformational’ and ‘transactional’. Transactional leadership is a type of leadership that their styles are more focus on maintaining the normal flow of operations. Transactional leadership also can be defined as “keeping the ship afloat”. Leaders will use disciplinary power and an array of incentives to give motivation towards their employees to perform at their best. While transformational leadership is a leader that goes beyond managing day to day operations and created strategies for taking his or her company, department or work team to the next level of performance and success. This type of leadership is a style that focuses on team building, motivation and collaborates with their employees at different levels of an organization to achieve change for the better.

Transformational leadership is a process that seeks to transform individuals (Northouse, 2013) and to empower them. As writing about transformational leadership, Northouse (2013) submitted that Burns thought is extremely important to differentiate between transformational and transactional leadership. While the previous leader taps into the motives of followers in order to better achieve the goals of both the leader and the follower, the latter leader switch things of value with subordinates in order to advance his or her own agenda as well as the subordinates’ agendas. In addition, transactional leadership is based on contingent rewards since it is and exchange process, and management by exception since it is characterized by corrective criticism, negative feedback and negative reinforcement (Northouse).

According to leadership researcher Yukl (2010) emphasize that different behavior of transformational leaders might involve different influence processes. In order to reach the desired organization’s objective, transformational leadership will be involved in the process of influencing great changes in organizational attitudes. Besides, transformational leaders is a process of change whereby leaders and followers become more who they aspire and want to be but also act more according to what they want to

do. Leaders will invite followers to travel with them to a preferable future which includes more in their personal and collective vision and respect that their shares values. In addition, Yukl (2010) also stated that transformational leadership has been shown to add shown to add to the effectiveness of transactional leadership on followers' attitudes and performance outcomes, thus demonstrating what is called the "augmentation effect".

If transactional theories focus on a task of oriented leader-follower exchange but transformational theory will focuses on a community oriented leader-follower engagement. Transformational theory determines leadership as wider than event-oriented exchange between leaders and followers. Other than that, transformational theory defines leadership more spread as a process of leader-follower involvement in the context of community in the organization. Followers will get more on what they want to do in the transformational theory of leader-follower involvement. Leaders will setting the pace on the extra mile and along that way the leaders will add the ethical dimension in helping followers become more and more aware of the community's values and the noble aspirations in both leaders and followers to continue. Transformational leaders will helped the followers to see the vision clearly and embrace the values with enthusiastic that they move themselves to maintained, even they will sacrifice extra mile effort as a way of life.

In addition, leadership and group cohesiveness are two elements that have a strong relationship. The ability of leadership to help group members restructure their personal values which can developed strong values of cooperation among employees will tends to be a strongly shared vision developed in the group and this will helps to increase group cohesiveness. Strong group cohesiveness will let group members feel sensible on what they need to direct their efforts to materialize their target goals. There have several researches about the impact of leadership on work group cohesiveness at

the level of analysis by the researchers and the result suggested a positive relationship between leadership and group cohesiveness.

In order to prove this leadership aspect influence on group cohesiveness, a researcher will reveal through the research on the latest leadership style namely as the relationship between transformational leadership and group cohesiveness. As stated by Griffin and Rafferty (2009), the link between transformational leadership and teams has received a lot of attention in recent years. They also stated that it has also been found that transformational team leaders facilitate team commitment. This displays the existence of a manifest between the behaviors that are shown by a team leader and commitment in a team. However, according to Northouse (2010) that some research supports the prediction that leader's defectiveness is positively related to worker satisfaction when tasks are ambiguous, but other research has failed to confirm this relationship.

### **1.3 Problem Statement**

Every leader has its own challenges which the most common is how to lead a team that very diverse and get them to work as one unit in harmony and being productive. It is not always easy for the leader to work through others to get the result that he or she needs. The toughest challenge for a leader to face is managing poor performance and it really depends on the level of the leader and their responsibilities towards the team members. For attitude of leadership that will affect people in the organization is when leaders are less engages with their followers and do not create any connection, this could be the beginning of problems for the leader. This kind of leadership will decrease the level of motivation and morality in both the leader and the

follower. They absolutely cannot be acceptable if the organizational want to be successful. When the employees feel bad towards leader, it will have an effect on the organizational performance.

According to Raimi-Akinleye Abiodun (2010) stated that when a leader cannot communicate effectively with their staff, the leader will create room for rumors, dissatisfaction, and a high stress level among employees. Lack of communication can lead to the creation of informal leaders who are not necessarily in line with the leaders' viewpoint or the leaders' direction for the organization. He also stated that "I have seen meetings at which the only person who talks is the leader. When it gets to question-and answer time, the room is quiet as a graveyard. Nobody talks or contributes to the discussion." He defined that a failure to ask questions may be a sign of discomfort or fear among the employees. If a leader is someone that loves to lead, dominate, and be right at all times, then the leader needs to check on their leadership style which may be the reason why their followers are not comfortable during meetings and are not contributing meaningfully to the discussion.

On the other hand, it has been stated by Gilley, McMillan and Gilley (2009) that as it is known that motivation, communication and team building skills are interrelated and complementary that's why leadership needs to development in these areas. On the other hand, communication, motivation and team building is needed to fully engage the employees and to foster success for effective change development of interpersonal skills. Leaders operate at different levels of management and to be an efficient leader at Lower Level, the leader should have the capability to encourage the employees to get the work done because actual work is incurred at this level of management. Secondly, it must have the capability to interact with the workers' problems, recommendations and suggestions and others for the higher level. Therefore, they stated that if leader has

ability to communicate well than he will be effective leader and as a result will bring positive change in an organization.

Besides, it will improve team work when leaders understand how they can help rather than hinder and how they can use the different talents of their different people and how members support each other. Everyone in a team need to contribute to make a harmonious teamwork and value for team by the particular role he or she takes, as well as to the contribution to the work to be done. This will lead to a bigger question for a leader on what type of leadership style is suited the best with the employees. So, this leads the research to examine in detail the Transformational Leadership theory as it stressed on the adaptation of the best leadership styles in different states in order to increase collaboration among employees and job satisfaction. Based on the research topic, this research paper will answers on questions or problems as stated earlier in the problem statement section. Therefore, three research questions which would indicate and identify the three core ideas are:

- What is the level of transformational leadership implementation in the organization studied?
- What is the level of group cohesiveness implementation in the organization studied?
- How is the relationship between transformational leadership and group cohesiveness in the organization studied?

## **1.4 Research Objectives**

There are three main objectives to be achieved for this research and act as the focal points for the study. These three objectives will cater the problems which has stated in the previous chapter. The objectives for this research are:

1. To identify the level of transformational leadership implementation in the organization studied.
2. To identify the level of group cohesiveness implementation in the organization studied.
3. To determine the relationship between transformational leadership and group cohesiveness in the organization studied.

## **1.5 Research Hypothesis**

Hypotheses are single tentative guesses, good hunches that assumed for use in devising theory or planning experiments intended to be given a direct experimental test when possible (Eric Rogers, 1966). The hypothesis is:

H<sub>0</sub>: There is no significant relationship between transformational leadership and group cohesiveness.

## **1.6 Scope of Study**

The general outline of this research is looking for the relationship between transformational leadership and group cohesiveness. This research has covered by two

variables which are transformational leadership that have four major dimensions and group cohesiveness. Hence, this research concentrated on the level of transformational leadership and group cohesiveness being implemented in order to identify the relationship between both of it in the research organization.

The scope of the research is covers the non managerial departments which are supervisor in several main departments. This research will only focus on the relationship between transformational leadership and group cohesiveness. This research will be conducted only in Malaysia which the research population that has been targeted to be respondent is Hokuden (M) Sdn. Bhd. The authenticity of this research will depend on the feedback from each respondent.

### **1.7 Limitations of Study**

In order to finding the result for the research, it is limited to the supervisors of Hokuden (M) Sdn. Bhd. only. The result from this research also may not be the same for the other organizations. This research will obtain the result through survey by giving questionnaires instrument to the employees for achieving the desired objectives.

### **1.8 Importance of the Study**

This section will provide the knowledge view and practical view of leadership style and group cohesiveness.