# IMPACT OF LEADERSHIP BEHAVIOR ON SUBORDINATE:

# CASE OF JAPANESE MANAGEMENT IN MALAYISA

 $\mathbf{BY}$ 

# SATSUKI NAGASAWA

Research report submitted in partial fulfillment of the requirement for the degree of Master of Business Administration

For my grandfather...

#### **ACKNOWLEDGEMENT**

First of all, it is amazing for me that I am completing my study in Malaysia. It has been great challenge, mentally, emotionally, and physically, to carry out my studies for two years away from home.

I would like to express my gratitude and thanks to my research supervisor, Associate Professor Dr. Zainal Ariffin Ahmad for his valuable time, assistance and guidance for my research. I am also grateful to Professor Mahfooz for his assistance and advise. Dr. Anees, Thank you very much for your valuable advises.

My special thanks goes to Jay for his heartfelt encouragement, critical insights and helpful comments throughout my study in USM. I would also extend my appreciation to Vedha, my big sister Juliet Tembe, and Tomoko san, Gary and all of my MBA course mates who gave great help, company, support and contribution. Without you guys, I have not gotten where I am today.

Last but not least, eternal thanks and appreciation to my parents, grandparents, all of my family in Japan for their warm support, encouragement from far away and their understanding on my studies throughout the course of this program in Malaysia.

最後に、お父さん、お母さん、おじいちゃん、おばあちゃん、まっこ、峻、ありがとう。みんなの温かい応援、励まし、理解のおかげでここまで頑張ることができました。本当に辛い2年間だったけれど、マレーシアに留学してよかったと心から思います。

# **Table of Contents**

Acknowledgement	iii
Table of Contents	iv
List of Tables	vii
List of Figures	viii
Abstrak	ix
Abstract	X
Chapter 1 INTRODUCTION	1
1.1 Problem Statement	4
1.2 Research Objectives	5
1.3 Research Questions	6
1.4 Scope of the Study	6
1.5 Significance of the Study	7
1.6 Definition of Key Terms	9
1.6.1 Leadership Behavior	9
1.6.2 Job Satisfaction	10
1.6.3 Organizational Commitment	11
Charter 2 LITED ATLIDE DEVIEW	12
Chapter 2 LITERATURE REVIEW	12
2.1 Overview of Leadership Theories	12
2.2 Leadership Behavior	13
2.2.1 Behavioral Approach	13
2.2.2 Contingency (Situational) Approach	14
2.2.3 Leadership Behavior in Japan	17
2.2.4 Leadership Behavior in Malaysia	19
2.2.5 Search for Appropriate Leadership Behavior in	
Cross Cultural Context	21

2.3 Cultural Context	24
2.3.1 Cultural Orientation in Japan	29
2.3.2 Cultural Orientation in Malaysia	30
2.3.3 Comparison between Japan, Malaysia and India	31
2.4 Satisfaction and Commitment	32
2.4.1 Overall Review on Job Satisfaction and	
Organizational Commitment	33
2.4.2 Impact of Leadership Behavior on Job	
Satisfaction and Organizational Commitment	34
2.5 Theoretical framework	36
2.6 Hypotheses	39
CL AMETINO DOLO CIV	10
Chapter 3 METHODOLOGY	43
3.1. Research Design	43
3.1.1 Type of Study	43
3.1.2 Nature of Study	44
3.1.3 Study Setting	44
3.1.4 Unit of Analysis	44
3.1.5 Sampling and Population	45
3.1.6 Data Collection Method	46
3.2. Measures and Instrument	48
3.2.1 Measures of Cultural Orientation	49
3.2.2 Measures of Leadership Behavior	49
3.2.3 Measures of Job Satisfaction	50
3.2.4 Measures of Organizational Commitment	50
3.3. Data Analysis Procedure	52
3.3.1 Data Preparation and Entry	52
3.3.2 Factor Analysis	52
3.3.3 Reliability of Measures	53
3.3.4 Data Analysis	53

Chapter 4 RESULTS	55
4.1. Descriptive Analysis	55
4.1.1 Sample Profile	55
4.1.2 Perceived Leadership Behavior	59
4.1.3 Malaysian Cultural Orientation	59
4.2. Factor Analysis	60
4.2.1 Factor Analysis on Cultural Orientation	61
4.2.2 Factor Analysis on Leadership Behavior	63
4.2.3 Factor Analysis on Job Satisfaction	65
4.2.4 Factor Analysis on Organizational Commitment	67
4.3. Reliability of Measures	68
4.4. Restatement of Hypothesis	69
4.5. Relationship Between Leadership Behavior, and Job	
Satisfaction and Organizational Commitment	70
4.5.1 Relationship between Leadership Behavior and	
Job Satisfaction	73
4.5.2 Relationship between Leadership Behavior and	
Organizational Commitment	76
4.6. Overall Results of Hypotheses Testing	77
Chapter 5 DISCUSSION AND CONCLUSION	79
5.1 Recapitulation of the Study	79
5.1.1 Cultural Context of the Malaysian Employees in	
Japanese Companies	80
5.1.2 Leadership Behavior and Job Satisfaction	81
5.1.3 Leadership Behavior and Organizational	
Commitment	86
5.2 Implication	87
5.2.1 Implications for the Japanese Expatriates	87
5.2.2 Implications for the Japanese Companies in Malaysia	89
5.3 Limitations and Suggestions for Further Research	89
5.4 Conclusion	91
REFERENCES	92
APPENDICES	101

# LIST OF TABLES

Table 1.1	Malaysia: Trade and Investment	2
Table 2.1	Major Leadership Theories and Outcome Criteria	16
Table 2.2	Conceptions of Autocratic and Demographic Leader	23
Table 2.3	Scores on Cultural Dimensions of National Culture of	
	Japan, Malaysia and India	29
Table 3.1	Summary of Measures of the Study's Variables	51
Table 4.1	Demographic Profile of the Respondents	56
Table 4.2	Mean and Standard Deviation of Demographic Profile	57
Table 4.3	Business Nature and Company Size by Number of	
	Employees	58
Table 4.4	Factor Analysis for Cultural Orientation	62
Table 4.5	Factor Analysis for Leadership Behavior	64
Table 4.6	Factor Analysis for Job Satisfaction	66
Table 4.7	Factor Analysis for Organizational Commitment	68
Table 4.8	Reliability of Measure	69
Table 4.9	Result of the Hierarchical Multiple Regression for	
	Satisfaction with Supervision	72
Table 4.10	Result of the Hierarchical Multiple Regression for	
	Satisfaction with Supervision	72
Table 4.11	Result of the Hierarchical Multiple Regression for	
	Affective Commitment	75
Table 4.12	Result of the Hierarchical Multiple Regression for	
	Continuous Commitment	75
Table 4.13	Results of the Hypotheses Testing	78

# LIST OF FIGURES

Figure 2.1	Managerial Attitude and Employee Behavior	26
Figure 2.2	Theoretical Framework	39

#### **ABSTRAK**

Sikap kepimpinan amat mempengaruhi prestasi syarikat dan juga motivasi pekerjanya. Apakah pendapat pekerja Malaysia tentang sikap pengurusan orang Jepun? Bagaimana ia memberi kesan kepada kepuasan pekerja dan komitmen organisasi? Untuk menjawab persoalan ini, kajian ini cuba menyelidik pertalian di antara sikap kepimpinan Jepun yang bermaustatin di Malaysia dengan tahap kepuasan dan komitmen organisasi pekerja Malaysia.Begitu juga dengan kesan budaya pekerja Malaysia terhadap pertalian ini. Kajian ini merangkumi seramai 88 pekerja Malaysia yang bekerja terus di bawah pengurusan Jepun yang bermaustatim di Malaysia. Sikap pihak kepimpinan ini dinilai dengan kepimpinan Partisipatif, Nurturant-Task dan Autokratik yang disyorkan oleh Sinha (1980). Hasil daripada regressi berganda yang diperolehi, sikap kerjasama yang ditunjukkan oleh pihak kepimpinan Partisipatif memberi kesan positif terhadap kepuasan pekerja dan komitmen organisasi. Sikap kepimpinan Autokratik akan membawa kepada kepuasan kerja dengan yang tinggi. Kesimpulan kajian ini mendapati sikap kerjasama pihak kepimpinan (Kepimpinan Partisipatif) adalah cara yang berkesan untuk mendapatkan tahap kepuasan kerja yang tinggi serta komitmen organisasi di kalangan syarikat Jepun di Malaysia. Keputusan yang diperolehi akan dapat membantu orang Jepun yang bermaustatin di Malaysia untuk memahami pekerja Malaysia dan juga penyediaan latihan kepimpinan untuk mereka.

#### **ABSTRACT**

Leadership behavior significantly influences the performance of the companies and the motivation of subordinates. How Malaysian subordinates perceive Japanese expatriates' leadership behavior, how does it impact on their satisfaction and organizational commitment? To address these questions, this research attempts to investigate the relationship between Japanese expatriates' leadership behaviors and job satisfaction and organizational commitment of Malaysian subordinates among Japanese companies in Malaysia, and the impact of subordinates' cultural orientation on this relationship. A sample of 88 Malaysian subordinates who work under immediate supervision of Japanese expatriate participated in this study. The leadership behavior is measured by Participative, Nurturant-Task and Autocratic leadership behavior proposed by Sinha (1980). The results of the multiple regression showed that Participative leadership behavior has positive impacts on both job satisfaction and organizational commitment. Autocratic leadership behavior leads high satisfaction with supervision. This study concludes that Participative leadership behavior is found as an effective style to sustain high satisfaction and organizational commitment among Japanese companies in Malaysia. The result identified can assist Japanese expatriates to understand the Malaysian workforce and prepare leadership training for them.

## Chapter 1

#### **INTRODUCTION**

Malaysia's economic relationship with Japan was formalized 23 years ago with the 'Look East' policy that was announced by the previous Malaysian Prime Minister, Datuk Seri Dr. Mahathir Mohammad in December 1981. Since the early 1980s the Malaysian government has shown a great interest in Japanese-style management system. Japan's rapid economic growth was perceived by Malaysian government as guaranteeing an ideal model for the development of the country.

Looking back, investment by Japanese companies in Malaysia began to take place as early as the 1970s. However, it was not until the 1980s that Japanese investment become significant in terms of quantity as well as quality. By 1989, Malaysia had become the world's third largest producer of semiconductors and the world's largest exporter of electronic products. In this regard, some studies have suggested that the move into neighboring countries, including Malaysia, by Japanese companies was primarily driven by the search for lower labor cost (e.g. Kobayashi, 1985; Ozawa, 1979).

As presented in Table 1, Malaysian trade with Japan and Japanese Direct Investments has positively increased year by year. This trend also complemented the growing number of Japanese companies in Malaysia. According to the report of the Japanese External Trade Organization (JETRO) in Malaysia, there are now 1,337 Japanese related companies operating in Malaysia, 764 companies are involved in manufacturing area and 573 companies are involved in non-manufacturing industry (JETRO, 2002).

Table 1.1

Malaysia: Trade and Investment

	Trade wit	h Japan (US\$ N	Tillion)	Inves	tment (US\$ M	illion)
Year	Import	Export	Surplus	Foreign Direct Investment	Japanese Direct Investment	Percentage of JDI
1997	7,164	12,502	▲ 5,338	2,957	558	18.87%
1998	7,957	11,804	▲ 3,847	3,443	499	14.49%
1999	9,813	13,632	▲ 3,819	3,228	264	8.18%
2000	12,834	17,240	<b>▲</b> 4,406	3,633	950	26.15%
2001	11,711	14,211	<b>▲</b> 2,500	3,298	1,318	39.96%

Source: Ministry of Finance, Malaysia

Globally, the increase in international competitiveness combined with the current slowdown in the global business cycle has created a need to enhance the value chain to gain that precious competitive advantage.

Most Japanese companies attempt to achieve their competitive advantage via increased investments in infrastructure, technology, and even procurement. However, many neglect its human resource component. The increase integration of multi-cultural work environment and its influence on managerial leadership behavior can be utilized to enhance the competitive advantage of Japanese companies operating outside Japan.

In Malaysia where there exist three major ethnic groups, workplaces are more diversified than what Japanese companies experienced in Japan. Employees' values, attitudes, behaviors, and beliefs vary. Understanding the Malaysian workforce is vital to practice effective leadership behavior toward them.

As Moran and Harris (1981) state "...the very differences in the world's people can lead to mutual growth and accomplishment that is more than the single contribution of each party to the intercultural transaction", it is opportunity for Japanese companies in Malaysia to gain competitive advantage globally if they understand how to lead and motivate the Malaysian workforce.

#### 1.1 Problem Statement

Leadership behavior significantly influences the performance of the companies and the motivation of subordinates (Kennedy & Mansor, 2000). As Herzberg (1968) stated that the met in needs provide satisfaction and motivate workers. Besides, the motivators lead to high performance and high performance itself leads to satisfaction. An ideal match of leadership behavior, what subordinates prefer and what superiors give would lead to the satisfaction and commitment of subordinates, as we experience satisfaction when the needs are met.

Naturally, people with different nationalities or culture background as they work together will experience different perceptions and behavior. One of the most difficult tasks that Japanese expatriates faced can be the need to motivate and lead individuals from different cultural orientation.

Understanding the Malaysian workforce, their needs and effective leadership behavior will be essential for Japanese expatriate in order to lead and motivate the Malaysian workforce. As more and more Japanese companies expand into Malaysia, it is imperative to understand the effective leadership behavior that may result in high company performance and productivity for Japanese companies in Malaysia.

Therefore, this study investigates the impact of the leadership behavior practiced by Japanese managers on the Malaysian employees. Simultaneously, the research will explore whether effective leadership behavior has an effect on satisfaction and organizational commitment, which will lead Malaysian employees' to high performance, productivity and motivation.

# 1.2 Research Objectives

The study aims to examine the leadership behavior practiced in Japanese managers in Malaysia, and its impact on their immediate subordinates' job satisfaction and organizational commitment. Additionally, the influence of cultural orientation on these relationships will be examined.

This study mainly focuses on the following area:

- To understand the cultural context of Malaysian employees in Japanese companies
- 2. To identify the perceived leadership behavior, which affects subordinates' job satisfaction and organizational commitment in Malaysian context.
- 3. To investigate underlying effective leadership behavior among Japanese companies in Malaysia.

# 1.3 Research Questions

This study attempts to answer specifically the following questions:

- 1. What is the cultural context of Malaysian employees in Japanese companies?
- 2. Is there a significant relationship between perceived leadership behavior of Japanese expatriates and subordinates' organizational commitment in the Malaysian context?
- 3. Does difference in perceived leadership behavior lead different degree of job satisfaction in the Malaysian context?

# 1.4 Scope of the Study

This study will be conducted in Malaysia, specifically the Klang Valley, the state of Penang and Kedah, as those are the main Japanese companies operation areas within Malaysia.

For this study, the population is confined to only Japanese companies of which management consists of Japanese expatriate, of which home country is Japan, and which currently operate their business in selected area. From this population, the subordinates who have immediate supervision of Japanese expatriate are chosen.

Several demographic factors, such as age, gender, ethnicity, level of education, current position in organization, management level, nature of business, length in current organization, and dyadic length with immediate superior will be included to study the relationship of subordinate demography with leadership, subordinate's job satisfaction and organizational commitment.

### 1.5 Significance of the Study

Numerous studies have been conducted to investigate leadership behavior and its related aspect. However, the findings are still inconclusive and appropriate leadership behavior in cross-cultural context differs in culture or national. In the relationship between leadership behavior, and subordinates' job satisfaction and organizational commitment, the findings are different and inconclusive, either.

Even in Malaysia, the leadership studies attract several researchers and have been investigated from different aspect and different leadership behaviors (e.g. Gill, 1998, Kennedy, & Mansor, 2000, Saufi, Wafa, & Hamzah, 1999). According to Gill (1998), Southeast Asian manager were more directive and less delegative than were American and British managers.

The previous studies also identified that Malaysian workforce prefer expatriate boss rather than local boss (Sulaiman, Arumugam, and Wafa, 1999), and the consultative and participative leadership styles are preferred (Govindan, 2000). Early studies in MBA dissertation, Desa (2002) identified that Nurturant-Task (NT) leadership behavior and Participative leadership behavior were related to the measures of job satisfaction. Another MBA dissertation conducted by Wahab (2002) found that NT style led to more Normative commitment (Wahab, 2000).

Despite large number of Japanese management companies in Malaysia, the study on leadership behaviors practiced by Japanese expatriates, and its impact on subordinates have been paid little attention. Although there are craving needs among Japanese expatriates to know how to lead and motivate the Malaysian employees, the effective leadership behaviors and its impact on the Malaysian employees have not yet established.

How does Malaysian subordinates perceive Japanese expatriates' leadership behavior?

How does it impact on their satisfaction and organizational commitment? These questions form the heart of this research.

Understanding the Malaysian employees by identifying the impact of leadership behavior on job satisfaction and organizational commitment, Japanese expatriates are able to select effective leadership approach towards to their subordinate.

Understanding the effective leadership behavior is also helpful to sustain high company performance and productivity for Japanese companies operating in Malaysia.

# **1.6** Definitions of Key Terms

The terms used are mainly for the purpose of this study. The terms that are consistently used in this study are leadership style, cultural orientation, organizational commitment, job satisfaction and Japanese companies. Detailed those key terms are elaborated in Chapter 2.

#### 1.6.1 Leadership Behavior

Leadership is defined as the ability of an individual to influence, motivate and enable others to contribute toward the effectiveness and success of the organization (House, Wright & Aditya, 1997). For the purpose of this study, three leadership behaviors were chosen: Participative, Nurturant-task and Autocratic leadership style.

- Participative: Leadership behaviors that listen actively and carefully to group members, and gain acceptance through engaging colleagues in the planning and decision-making process (Bass, 1990).
- Nurturant-Task: Leadership behavior that is the blend of nurturance and taskoriented. NT leader cares subordinate, helps them to grow, shows affection and takes personal interest in them (Sinha, 1998).
- Autocratic: Leadership behavior that leader plays an active role in problem solving and decision-making, expects group members to be guided by his or her decisions. (i.e. initiating structure and displaying work facilitation) (Bass, 1990).

# 1.6.2 Job satisfaction

Job satisfaction is defined as the "results from the appraisal of one's job as attaining or allowing the attainment of one's important job value, providing these values are congruent with or help to fulfill one's basic needs" (Locke, 1976). Two facets will be adopted for this study, which are satisfaction with supervision and work.

# 1.6.3 Organizational Commitment

Organizational commitment is defined as "the relative strength of an individual's identification with and involvement in a particular organization" (Mowday, Porter & Steers, 1982, p.27). Commitment was classified into three components (Meyer and Allen, 1991): Affective, Normative and Continuance commitment.

- Affective commitment: the degree to which an employee exhibits strong belief in, and acceptance of, the organization's goals and values.
- Continuance commitment: the degree to which an employee exhibits a
  willingness to continue to work for the organization because of the cost to be
  incurred when leaving the organization.
- Normative commitment: the degree to which the employees have a feeling of obligation to remain in the organization.

## Chapter 2

#### LITERATURE REVIEW

This chapter looks into the relevant literature that forms the basis for this study. It examines previous research on leadership behaviors, cultural orientation, and its impact on leadership effectiveness in terms of subordinates' satisfaction and commitment. Since this study is aimed at examining leadership behavior in Japanese organizations in Malaysia, the scope of literature review is specifically from cross-cultural perspective.

#### 2.1 Overview of Leadership Theories

Despite the thousands of research article and books written on leadership, no generally accepted definition of leadership exists (Bass, 1990). As said by Yukl (2001), researchers usually define leadership according to their individual perspective and the aspects of the phenomenon of most interest to them. Generally, the leadership theories and empirical researches are classified into the following five approaches: (1) the trait approach, (2) the behavioral approach, (3) the power influence approach, (4) the situational approach and (5) the integrative approach (Yukl, 2001).

## 2.2 Leadership Behavior

In this section, review was focused on searching appropriate leadership style in cross-cultural context, particularly Japanese-Malaysian. It begins with relevant approaches of leadership style that are behavioral approach and contingency approach, followed by review of leadership behavior both in Japan and Malaysia. Thereafter, the leadership behaviors that are appropriate for this study will be explained.

## 2.2.1 Behavioral Approach

The most well known behavioral approaches are the Ohio State University Studies (Fleishman, 1953) and the University of Michigan Studies (Bowers& Seashore, 1966). The Behavioral approach emphasized the specific behaviors that leaders exhibited. The dimensions identified in the Ohio State University Studies were *Initiating structure* and *Consideration*. Likewise, the University of Michigan Studies identified two dimensions of leader behavior labeled as *Employee oriented* and *Production oriented*.

In general, behavioral approach studies found two important dimensions exhibited by a leader. One of the dimensions is related to task or work, leaders behaviors as assigning tasks to subordinates, coordinating activities, emphasizing deadlines, and

evaluating subordinates work. On the other hand the other dimension is related to relationship between leader and subordinates. It describes a leader that shows concern for subordinates, their feelings, and being friendly and supportive to subordinates.

The outcomes of leadership behaviors identified in the Ohio State University Studies were satisfaction, performance, grievance and turnover. Likewise, the University of Michigan Studies identified two outcomes of leadership behaviors measured by satisfaction and performance.

# 2.2.2 Contingency (Situational) Approach

The Contingency approach emphasized the importance of contextual factors that influence leadership process (Yukl, 2001). Fielder (1967) contingency model identified that the situation moderates two dimensions of leader behaviors; Task oriented (Low Preferred Coworker) and Relationship oriented (High Preferred Coworker), and their effectiveness. According to the theory, leaders cannot change their style, however the better the leader-member relationship, the more highly structured the task, and the stronger the position power; the more control the leader has (Fiedler, 1993).

Although Fiedler's contingency model has considerable criticism, there is a suggestion that by including cultural differences as part of the theory, it could provide to be universally applicable (Triandis, 1993).

House's Path-Goal Theory of leadership style is a theory designed to predict subordinates' motivation, satisfaction and performance (House, 1971). It concerns the relationship between formally appointed superiors and subordinates in their day-to-day functioning, as well as how those superiors affect the motivation and satisfaction of subordinates.

House and Mitchell (1974) defined four kinds of behavior:

- *Directive* leader behavior is related to the behavior of providing psychological structure for subordinates by setting goals and performance expectation, coordinating and scheduling work or providing specific guidance, establishing rules and procedures to guide subordinates' work.
- Supportive leader behavior is behavior that is directed toward the satisfaction of subordinates needs and preference by displaying concern for subordinates' well being and creating a friendly and psychologically supportive work environment.

- Participative leader behavior refers to consultation with subordinates regarding
  job-related activities and encouragement of subordinates influence on
  decision-making and work unit operations.
- Achievement-oriented behavior is behavior that is directed towards encouraging performance excellence, such as setting challenging goals, seeking improvement, emphasizing excellence in performance, and demonstrate confidence in subordinates' ability to attain high standards.

Table 2.1

Major Leadership Theories and Outcome Criteria

Model	Leader Behaviors	Situational Variables	Outcomes
Ohio State Leadership	T., '4' - 4' 4 4		Satisfaction
	Initiation structure	NI	Performance
Studies		None	Grievance
	Consideration		Turnover
	Support Interaction		
Michigan Leadership	facilitation	None	Satisfaction
Studies	Goal emphasis work	None	Performance
	facilitation		
	Task oriented	Leader-Member	
Fiedler's Contingency	(Low LPC)	relations	Performance
Model	Relationship oriented	Task structure Position	Performance
	(High LPC)	Power	
	Directive	Environmental	
D-41- C1 Th	Supportive	contingency factors	Performance
Path-Goal Theory	Participative	Subordinate contingency	Satisfaction
	Achievement-oriented	factors	

Source: Adopted from Dorfman (1996)

#### 2.2.3 Leadership behavior in Japan

Several approaches were taken to measure effective leadership behavior in Japan. Some studies focus on Japanese nationals in foreign country, and some focus on Japanese nationals in Japan. In general, there is not much focus on leadership research in Japan and the current theories are not quite established.

Watanabe (1997) states four issues of leadership in Japan related to the Japanese style management: Obscure responsibility hierarchy and submission to accomplished fact, Life time employment and influence by seniority, Inadequate reaction to needs for self-actualism, and Insufficient personal qualities requisite as leader.

In their research on Japanese leadership style in U.S., Kustin and Jones (1995) found that Japanese managers behave not as individual beings but as members of groups or subgroups. The manager is simultaneously a member of a subgroup and a leader of a subgroup, acting as a linking pin in order to move subgroups together as a single entry. Thus, Japanese emphasize group synergy, group harmony, and close relationship with group members.

Dorfman, Howell, Hibino, Lee, Tate, and Bautista (1997) conducted cross-cultural leadership study across five countries: United States, Mexico, Taiwan, South Korea, and Japan. The Japanese samples of their research were a total of 202 male Japanese nationals managers or professionals in middle and upper-middle level management. The researches reported that effective leadership style in Japan is *Supportive leadership*, which increased satisfaction with supervision and organizational commitment. Nevertheless, *Contingent punishment* had a negative impact on satisfaction with supervision. *Participative* and *Directive* leadership were not impactful in Japan.

Despite efforts to measure leadership behavior or effective leadership in Japan with Western leadership approach, Misumi (1985) Performance-Maintenance (PM) theory encountered as extension of the Behavioral approach. PM theory identified four types of leaders (PM, Mp, Pm, pm), which are based on two basic dimensions of leadership behavior; which are performance or maintenance. The performance dimension (P) describes behavior directed toward achieving group goals. The Maintenance dimension (M) relates to behavior directed at group maintenance and preservation.

Since effective Japanese leaders are known for wining the loyalty of their subordinates, the combination of P and M provide productive ground cultivating deference for the leaders (Sinha, 1995). However, Sinha (1995) argued that PM theory has failed to come across as authentic Japanese products, and is still largely missing the element of cultural context.

### 2.2.4 Leadership Behavior in Malaysia

A leadership studies have been conducted in Malaysia as well. Most of the studies followed the Western models to evaluate leadership in Malaysia. Gill (1998) identified that leadership behavior of Southeast Asian managers were more directive, less delegative, more transactional, and more laissez-faire than were American and British managers.

In the study of leadership behaviors preference in Malaysia, Sulaiman, Arumugam, and Wafa (1999) found that expatriate bosses are closer to the ideal boss as Malaysian subordinate managers. Noticeably, the Malays and the Chinese prefer the Japanese expatriate bosses most, whereas the Indians prefer the American most.

The study of Saufi, Wafa, and Hamzah (2000) found that Malaysians rank the Participating style as highest in preference to be practiced by the managers, followed by Delegating, and Selling, with Telling as the least preferred style. Additionally, the study reported the existence of the difference in the proportion between ethnicity and leadership preference.

According to Saufi et al. (2000), the Malay and Indian managers preferred the Participating leadership style whereas Chinese managers preferred the delegating style. Another study reported the consultative and participative leadership styles are preferred among Malaysians (Govindan, 2000).

The study on Malay focused Malaysian leadership behavior conducted by Kennedy and Mansor (2000) reported that Malaysians rated the dimensions of decisiveness, team integration, diplomacy, modesty and human orientation as being the most important contributors to effective leadership. Abdullah (1994) reported the results of a survey on important Managerial value as: goal clarity, cooperation, decisiveness, commitment, high achieve, accountability, shared wisdom, performance merit, continuous improvement and meeting deadlines.

## 2.2.5 Search for Appropriate Leadership Behavior in Cross-cultural Context

Understanding cultural difference impacts, numerous approaches and scholars tried to find appropriate leadership style in a cross-cultural context (Dorfman, 1996), yet universal leadership has not been identified. Bass (1990) distinguished several concepts of leadership behavior into two clusters, the Authoritarian leadership cluster and the Democratic cluster as shown in Table 2.2.

The Authoritarian leadership cluster includes such as Autocratic, Directive, Initiating structure and/or Work related concepts such as Task oriented, (P)erformance leadership. The other cluster refers to the Democratic behavior constitute Supportive, Participative, Considerate and/or Person related concepts such as Employee oriented, (M)aintenance leadership.

Aside from Bass's classification, Sinha (1970) proposed another type of leadership behavior Nurturant-Task (NT) style. NT theory is different from Western approach to leadership, it is postulated as effective leadership behavior in India, where subordinates are high on preference for dependency, personalized relationships and status consciousness and low on work orientation (Sinha, 1995).

NT leader is described as the leader who "cares for subordinates, shows affection, takes personal interest in their well-being, and above all is committed to their growth" (Sinha, 1980, p.55). It follows a contingency approach as that it is assumed to be effective for only those subordinates who prefer dependency and personalized relationships, are status conscious, and perform work as part of a positive relationship with the leader. Sinha (1995) states that Nurturance creates a good feeling of being comfortably dependent, secure and relaxed, whereas task orientation gets the work done but might cause resistance to build up. The blend of nurturance and task orientation is more likely to deliver leader effectiveness (Sinha, 1980).

Few studies to support NT model in Malaysia were done. The first study conducted by Ansari, Jayasingnam, and Aafaqi (2000) identified that mean attribution score of NT style was significantly higher than Participative style for successful entrepreneurs.

The study on leadership behavior in cross-cultural context and an effective leadership behavior is still inconclusive. However, a number of cross-cultural studies have suggested that the two dimensions of leader behavior, which are task orientation and relationship orientation, are important across cultures (e.g., Ah Chong & Thomas, 1997, Ayman & Chemers, 1983).

Not only Behavioral leadership theory and but also Contingency leadership theory can provide an appropriate theoretical framework for this study. It is because Contingency leadership theories are design to test leadership impact in different situation and context. Hence, cultural difference moderate as situational variables on leadership behavior and its outcome. House's Path-Goal theory has been also found useful in leadership research in different culture (Dorfman and Howell, 1988).

Table 2.2

Conceptions of Autocratic and Democratic Leadership

G	Autocratic and /or	Democratic and/or Person-related Concepts	
Source	Work-related Concepts		
Lewin & Lippitt (1938)	Authoritarian, Autocratic	Democratic	
Nelson (1949)	Directive, Regulative, Manipulative	Democratic	
Katz, Maccoby & Morse (1950)	Production centered	Employee centered	
Hemphill, Seigel & Westie (1951)	Initiating structure	Considerate	
Fleishman (1957)	Production emphasis	Employee emphasis	
Khan (1958)	Path-goal structuring, Modifying goals, Enabling achievement	Direct-need satisfaction	
Cartwright & Zander (1960)	Goal achievement oriented	Group maintenance oriented	
McGregor (1960)	Theory X	Theory Y	
Bass (1960)	Coercive, Persuasive	Permissive	
Blake & Mouton (1964)	'9.1' (production, not employee concerned)	'1.9' (employee, not production concerned)	
Day & Hamblin (1964)	Punitive	Nonpunitive	
R.Likert (1961)	High performance, Technical, Close supervision	Supportive, Group methods, General supervision	
Blau & Scott (1962)	Distant, Formal, Aloof, Cold	Close, Informal, Warm	
F.C.Mann (1965)	Administrative, Technical	Human relations oriented	
Bowers & Seashore (1966)	Work facilitative, Goal emphasizing	Interaction facilitative, Supportive	
P.J.Burke (1966)	Directive	Nondirective	

Table 2.2

Conceptions of Autocratic and Democratic Leadership (continued)

C	Autocratic and /or	Democratic and/or Person-related Concepts	
Source	Work-related Concepts		
Bass (1967)	Task, Self-oriented	Interaction oriented	
Fiedler (1967)	Task oriented	Relations oriented	
R.Likert (1967)	System I and II	System III and IV	
Heller (1967)	Coercive, Directive	Joint decision making	
Wofford (1970)	Order, Achievement, Personal	Personal attraction, Security and	
	enhancement	Maintenance	
Yukl (1971)	Decision centralization, Initiation	Considerate	
D.R.Anderson (1974)	Traditional, Prescriptive	People centered, Supportive	
Dogg & Walanci (1074)	Directive, Negotiative (Manipulative),	Consultative, Participative, Delegative	
Bass & Valenzi (1974)	Persuasive	Consultative, Participative, Delegative	
Zaleznik (1974)	Charismatic	Consensual	
Flowers (1976)	Closed	Open	
Keller & Szilagyi (1976)	Non-rewarding	Rewarding	
Misumi (1985)	(P)erformance leadership	(M)aintenane leadership	

Source: Adopted from Bass (1990)

# 2.3 Cultural Context

The present study attempts to understand the relationship between leadership behavior, and job satisfaction and organizational commitment of the Malaysian employees under the immediate supervision of Japanese expatriates. This cross-cultural context require a deep understanding on Malaysian culture, working values and cultural orientation of the context for this study. Culture is considered as an all-encompassing or enveloping influence on leadership process (Dorfman, 1996).