

THE RELATIONSHIP BETWEEN THE PERCEIVED
LEADERSHIP STYLES OF MANAGERS AND
EMPLOYEE JOB SATISFACTION IN A MAJOR CABLE
MANUFACTURER IN MALAYSIA

by

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**PERHUBUNGAN DI ANTARA CARA KEPIMPINAN MAJIKAN DENGAN
KEPUASAN PEKERJA DI DALAM KILANG PENGELUARAN UTAMA KABEL
DI MALAYSIA**

ABSTRAK

Menurut Warren Bennis (1984), majikan adalah orang yang membuat perkara betul manakala pemimpin adalah orang yang membuat perkara bijak. Ini bermakna majikan membuat keputusan berdasarkan buku dan polisi syarikat sementara pemimpin membuat keputusan mengikut kebijaksanaan sendiri yang lebih bermanfaat kepada syarikat. Seorang pemimpin adalah lebih beremosi daripada seorang majikan. Untuk menjadi seorang pemimpin yang berkesan, kepercayaan daripada sekumpulan pekerja mesti diperolehi.

Kom-Ferry International menjalankan satu kajian tentang perkara yang ingin diperolehi oleh organisasi daripada pemimpin dan keputusannya memaparkan bahawa kebanyakan organisasi ingin pemimpin yang beretika dan mempunyai visi masa depan yang cerah. Di mana-mana organisasi, pemimpin membuat tindakan bijak. Tindakan ini mendapat kepercayaan dan memastikan sesebuah organisasi terus beroperasi. Salah satu cara untuk membina kepercayaan ialah pemimpin mesti memaparkan ciri keperibadian yang baik. Ciri keperibadian termasuk kemahiran dan kepercayaan seseorang.

Tujuan utama kajian ini ialah untuk menentukan cara kepimpinan majikan dalam salah satu pembuat kabel utama tempatan, Leader Universal Holding Berhad (LUH). Satu

kajian telah dilakukan dan sampel rawak 80 orang telah dipilih. Statistical Package for Social Sciences (SPSS) telah digunakan dalam analisis data ini. Analisis keputusan menunjukkan bahawa terdapat hubungan positif antara cara kepimpinan majikan dengan kepuasan perkerja.

ABSTRACT

According to Warren Bennis(1984), managers are people who do things right, while leaders are people who do the right thing. This means that managers do things by the book and follow company policies, while leaders follow their own intuition, which may in turn be of more benefit to the company. A leader is more emotional than a manager. To be an effective leader, our people must have trust in us and they have to be sold on our vision.

Korn-Ferry International, an executive search company, performed a survey on what organizations want from their leaders. The respondents said they wanted people who were ethical and who conveyed a strong vision of the future. In any organization, a leader's actions set the pace. This behaviour wins trust, loyalty, and ensures the organization's continued vitality. One of the ways to build trust is to display a good sense of character. Character is the disposition of a person, made up of beliefs, values, skills, and traits.

The central theme of this study is to determine the leadership style of managers as perceived by employees in a major local cable manufacturer, Leader Universal Holding Berhad (LUH) . A survey had been carried out and a random sample of 80 was chosen. The Statistical Package for the Social Sciences (SPSS) was used to analyse the data. The results obtained from the analysis shows that there is a significant relationship between the leadership style of managers as perceived by employees, and employee job satisfaction.

CHAPTER 1 INTRODUCTION

1.1 Introduction

Today's business leaders are under increasing pressure to make their organizations more customer-focused and competitive than ever. Leaders must be obsessed with the entire question of establishing, maintaining and leveraging relationships with their staff and through their staff with their customers, with their peers and those who lead them - all the while containing or cutting costs to the bone. They must also incorporate new technologies and fulfil complex legal and environment requirements, etc. The greatest challenge, however, is that of managing a modern workforce. Staff shortages, growing skill gaps, higher expenses and risks, etc. are all factors to be combined with the reality that 'change' as a process is now in a continuous mode, and more difficult than ever to forecast.

How can the leadership understand and manage all this information? An effective leadership is a major determinant of an organisation's success (Katz and Kahn, 1978). For example, Bennis (1984) argued that: A business short on capital can borrow money, and one with a poor location can move. However, a business short on leadership has little chance for survival.

1.2 Definition of Leadership

Leadership, like most other concepts in the social sciences, has no single or unique definition. It has been defined differently by different authors. Lussier (1990) defines leadership as “the process of influencing employees to work towards the achievement of objectives”, while Robbins, (1993) believes it is “the ability to influence a group towards the achievement of goals”. Similarly, (Tannenbaum et al.,1961) define leadership as “interpersonal influence, exercised in a situation, and directed, through the communication process, toward the attainment of a specified goal or goals.”

(Bolman et al., 1984) developed a theory of leadership which combined existing research on organizations, leadership, and management and classified this information into four leadership frames. The four frames are the structural frame derived from sociology, the human resource frame derived from psychology and organizational behaviour, the political frame derived from political science, and the symbolic frame derived mainly from anthropology Bolman & Deal (1992). Leaders who use several frames are likely to be more flexible in dealing with different administrative tasks because they have different images of the organization and can interpret events in a variety of ways (Bensimon et al., 1989).

Leadership is just one of the many assets a successful manager must possess. Care must be taken in distinguishing between the two concepts. The main aim of a manager is to maximise the output of the organisation through administrative implementation. To achieve this, managers must undertake the following functions: organisation, planning, staffing, directing and controlling. Leadership is the process of influencing group activities towards the achievement of goals. Leaders influence and change the way people think about what is desirable, possible and necessary.

A quote from Kotter (1991), summarises is:

“ Leadership is different from management, but not for the reason most people think. Leadership is not mystical and mysterious. It has nothing to do with having charisma or other exotic personality traits. It is not the province of a chosen few. Nor is leadership necessarily better than management or a replacement for it. Rather, leadership and management are two distinctive and complementary activities. Both are necessary for success in an increasingly complex and volatile business environment.”

“Structural leaders value analysis and data, keep their eye on the bottom line, set clear directions, hold people accountable for results, and try to solve organizational problems with new policies and rules or through restructuring” (Bolman & Deal 1992, p. 270).

A comprehensive definition of leadership was offered by Burns (1978) who states ‘Leadership is leaders inducing followers to act for certain goals that represent the values and the motivations....the wants and needs, the aspirations and expectations of both leaders and followers. And the genius of leadership lies in the manner in which leaders see and act on their own and their followers’ values and motivations.

All organizations have two corresponding tasks - to deliver existing services efficiently and to create new services. Leadership is associated with the latter; management with the former. The one essential characteristic of all leaders is striving to achieve at the highest level and this leads others to want to follow their example

A chief executive might have all the charisma in the world, but without a compelling idea of how to make things better, no leadership can be shown by this person.

Alternatively, someone lower down in the organization with a compelling idea but no charisma could lead the organization in a new direction - provided enough opportunists jump onto the bandwagon with little or no persuasion. Of course, being persuasive often

helps a leader get others on board faster, but persuasiveness is not an essential characteristic of leadership because it is possible to lead without it.

When most people talk about leadership the first image that comes to mind is someone who effectively manages the everyday operations of the organization. However, there is a difference between management and leadership.

In other words, managers are problem solvers. They continually ask the question, "What problem needs to be solved and what are the best ways to achieve that result with the resources available." A successful manager must be persistent, intelligent and possesses an ability to analyze situations. Managers must also be tolerant and patient with others while remaining dedicated to the tasks at hand.

1.3 Objectives of the Study

The current study attempts to test the following hypotheses:

- (i) To study whether there is a significant relationship between perceived leadership styles of managers and employee job satisfaction in a major cable manufacturing industry in Malaysia,
- (ii) To study whether there is a significant relationship between a manager's perceived initiating structural leadership style and employee job satisfaction.
- (iii) To examine whether leadership styles can help effectively in employee job satisfaction.

1.4 Company Background

Leader Universal Holdings Berhad (LUH) is one of the leading wire and cable companies listed on the Kuala Lumpur Stock Exchange, Malaysia. LUH ranks among the Top 40 players in the world cables industry. It is the largest cable manufacturer in Malaysia and also the largest in the ASEAN region. LUH was formed in 1990 as a result of a merger between Universal Cable and Leader Cable Industry, and adopted the present name in August 1991. Two of LUH's major subsidiaries, namely, Leader Cable Industry Berhad and Universal Cable (M) Berhad are members of the Malaysia Cable Manufacturers Association (MCMA) [formerly known as Malaysian Electric Cable & Wires Association (MECWA)]. MCMA is an association that comprises the key players in the Malaysian cable and wire industry. The LUH has its head office in Wisma LEADER, Penang, Malaysia. Besides operating in Malaysia, LUH has set up regional business ventures located in Singapore, China, Cambodia and the Philippines.

As well as being a leading entity in the wire and cable industry, the Group has also stamped its mark in the field of cable project management, namely, as a cable project contractor on a turnkey basis. In addition, the Group has developed a strong presence as a developer of power projects. With its involvement in a vast spectrum of activities related to the wire and cable industry, LUH aims to position itself as a one-stop solutions provider, delivering total solutions to customers from the manufacture and supply of wire and cable to the laying and installation of cable lines, and to being a developer of power projects.

Over the years, LUH has built a dominant position in the wire and cable industry by having a vastly integrated network of companies oriented to serve its internal production needs. The advantageous synergies from the integration have resulted in LUH being able to

engineer, manufacture and deliver competitive quality products for even the most demanding customers.

The Group's wire and cable production plants in the country are strategically located in Penang Island, Penang Mainland, Kedah and Johor.

The major operating units are:

- **Leader Cable Industry Berhad** (telecommunication & power cables) - Kedah.
- **Alpha Industries Bhd** (copper rods & wires) - Seberang Perai, Penang, Johor.
- **Leader-Goldstar Magnet Wire Sdn. Bhd.** (copper enamelled wire) - Seberang Perai, Penang.
- **Leader Optic Fibre Cable Sdn. Bhd.** (optical fibre cable) - Penang.
- **Universal Cable (M) Berhad** - Johor

LUH's achievements as the leading wire and cable manufacturer in Malaysia lies in the fact that it can draw upon the internal synergies of its integrated network of companies to support the production requirements of its wire and cable products coupled with a team of highly committed and dedicated employees over the years.

1.5 Significance of the Study

A number of previous studies have examined leadership styles in a non-western setting. However, no studies have been performed on the manufacturing industry in Malaysia, particularly on the cable industry. Therefore, a study of perceived leadership styles and how they relate to the job satisfaction of employees in a local cable manufacturer was conducted.

Information obtained from this study will provide the management of the company with information concerning the effect that different leadership styles of managers have upon the job satisfaction of their employees. Often, the leadership style depends on the situation, including the life cycle of the organization. There are several types of leadership styles and each style has its good and not-so-good characteristics.

In the Herzberg, Mausner, and Snyderman study (1959), the responses from the employees as to their satisfaction and dissatisfaction on both levels of awareness, were classified as: recognition, achievement, possibility of growth, advancement, salary, interpersonal relationship, supervision, responsibility, policy, working condition and job security. Based on these factors impacted by the employees' behaviours, managers may be able to diagnose the needs of their employees and adjust their leadership styles to meet those needs. Conversely, employees who aspire to be managers can benefit from knowing which type of leadership style facilitates job satisfaction in subordinates.

1.6 Organisation of the Dissertation

Chapter 1 is the introductory chapter which includes the definitions of leadership and objectives of the study, company background and significance of the study.

A review of the literature on leadership is presented in Chapter 2 which includes a review and extension of theories relating to leadership styles and job satisfaction.

Chapter 3 contains the methodology involved in the case study along with the testing of hypotheses and research method.

Chapter 4 presents the analysis of the data obtained and the results obtained from the case study. The output generated from the SPSS software are also discussed. The

conclusions are present in Chapter 5 where a summary of the findings, limitations of the study and future directions for further research are discussed.

CHAPTER 2 LITERATURE REVIEW

2.1 Introduction

This chapter is a review of the literature pertaining to the independent and dependent variables of this study, leadership styles, the selected demographics, and job satisfaction.

Organisations have grown in complexity, decentralised in structure and become more competitive. As a result of structural changes, the manager's roles have expanded and increased in scope. Organisation, planning and decision making are new responsibilities of the manager. There has been extensive research on leadership styles and behaviour, but no clear-cut conclusions on what leader styles contribute to job satisfaction and productivity within the the cable industry particularly in Malaysia.

A new model of leadership is needed to match these new organizational conditions. Besides good strategic planning, a leader is responsible for ensuring project goals are met, ensuring a full team effort and ensuring his team is working happily in order to lessen job dissatisfaction. Job satisfaction can be improved by increasing opportunities for achievement, recognition, responsibility and career advancement.

Leadership styles are often as diverse as the leaders themselves. To increase the understanding of leadership, Halpin (1966) suggested that researchers concentrate their

inquiries upon a leader's behaviour. The resulting leadership theories concentrated either on the leader, the situation, or the relationship between the leader and the situation (Bass, 1985). Each leader has a range of styles that depends on the leader's choice, type of employees involved, and the situation (Tannenbaum & Schmidt, 1958).

2.2 Leadership Styles

“Leaders come in many forms, with many styles and diverse qualities. There are quiet leaders and leaders one can hear in the next county. Some find their strength in eloquence, some in judgement, some in courage” (Gardner 1990, p. 5). The role of leadership in management is largely determined by the organisational culture of the company. It has been argued that managers' beliefs, values and assumptions are of critical importance to the overall style of leadership that they adopt. Not all managers in organisations are leaders, but they do share with the leaders the desire to achieve the goals of their organisations

The leadership style is characterized by low concern for structure and a high emphasis on interpersonal relations. The needs and feelings of individuals are of overriding importance to the leader as it values relationships, feelings, and leads through empowering the worker. Task requirements are clearly subordinate to the need dispositions of individuals. The leader is friendly and supportive in interactions with subordinates. Problems are addressed by adjusting the organisation to fit people. Communications tend to be informal and focus on social and personal topics rather than on task-related matters. Conflict is avoided, but when it does erupt, it seems to be smoothed over. The superior is primarily supportive, and works to put people at ease .

Literature in the field of leadership reflects that leaders have different styles. A number of previous studies have examined leadership styles in different settings. Several factors have been pointed out by previous studies as key determinants for the appropriate leadership style. For instance, Tannenbaum and Schmidt (1958) have long maintained that three forces affect the choice of the appropriate leadership style. These are forces in the leader himself, those in the subordinates and those in the situation. One way to consider styles of leadership is to relate them to the theories which have been used to explain leadership. The style of the leader may reflect, to some degree, the leader's acceptance of a given theory (Krietner 1983). However, while there is a tremendous range of leadership styles, research indicates that it is most probable that managers use some portion of several styles as times and circumstances differ (Vroom and Yetton, 1976). Yukl (1994) lists the following factors as determinants of leadership style: level in the authority hierarchy, function of the organisational unit, size of the organisational unit, task characteristics and technology, lateral interdependence, crisis situation, stages in the organization's life cycle and finally, subordinates' competence and performance.

It is perhaps useful to recognise four different leadership styles.

2.2.1 The Autocrat

The autocrat has little confidence in his subordinates and distrusts them. He makes most of the decisions and passes them down the line. He makes threats where necessary to ensure that his orders are obeyed. Generally, an authoritarian approach is not a good way to get the best performance from a team. However, this style works best when changes require a new vision or a clear direction is needed.

2.2.2 The Benevolent Autocrat

The benevolent autocrat sees himself as a superior father figure who makes all the important decisions and then convinces his subordinates to go along with them. He may allow some decisions to be made by some subordinates within a framework set by himself. Rewards as well as punishments may be used to 'motivate' people. The leader may or may not tell team members what the problem is in getting information from them. The role played by team members in making the decision is one of providing the necessary information to the leader rather than generating or evaluating alternative solutions

2.2.3 The Consultative Democrat

The consultative democrat will consult with others before making his decisions. The consultative democrat has confidence and trust in most people and communicates and consults widely with his employees. The leader shares the problem with the relevant team members individually getting their ideas and suggestions without bringing them together as a group. Before making decisions he will seek the views of his subordinates, but he or she will have the final say.

2.2.4 The Participatory Democrat

The participatory democrat shares the decision making process with others. The participatory democrat has complete confidence and trust in his colleagues. When a major problem arises or decision has to be made, the leader shares the problem with the relevant team members as a group and all the relevant actors are called together to discuss the issues and the majority view is taken as the final decision. Together, they generate and evaluate alternatives and attempt to reach agreement (consensus) on a solution. The leader's role is much like that of a chairperson. The leader does not try to influence the group to adopt a

solution and is willing to accept and implement any solution that has support of the entire group. The advantage of this leadership style is he or she will get input from valuable employees to obtain the best performance of his or her team.

2.3 Employee Job Satisfaction

Employee retention and turnover are the most objective measures of employee satisfaction/dissatisfaction in organizations. Many companies and organizations feel that employee compensation is the dominate factor in employee satisfaction. Consequently, employers attempt to “buy” employee satisfaction with increased pay and benefits. In today’s competitive business environment, this approach can only be taken so far. Fortunately, there is a much less expensive way to create greater employee satisfaction. It is virtually cost free and it increases productivity which significantly improves the “bottom line.”

One psychologist has identified that euphoric feeling a person has when “falling in love” with someone as “feeling much better about yourself when you are with that person than when you are not.” How a person feels about himself is his self-esteem. Hence, when people “fall in love”, their self-esteem is higher when they are around the person of their affection.

Creating an environment in the workplace that results in employees feeling better about themselves when they are in it, than when they are not, results in a similar “love” of their work.

A work environment that constantly raises an employee’s self-esteem, above that she/he experiences anywhere else in her life, will be where she/he most desires to spend her/his time and yields very high employee satisfaction with her/his job and costs next to nothing.

Creating such a work environment is the responsibility of all corporate or organisational leadership, but most critically it is the primary job of the person the employee reports to directly. There are no business schools that teach how to create such an environment and very, very few training programs that result in the behaviours necessary to do so.

While a very small number of “managers” of people have found and refined the skills that produce such a high satisfaction environment, these are skills that anyone can learn and master through conscientious and consistent practice.

A review of the satisfaction literature reflects one area in which there seems to be some general agreement among researchers. Locke (1969) defined total job satisfaction as “the pleasurable emotional state resulting from the appraisal of one’s job achieving or facilitating one’s values” (p. 316). He also claimed that job satisfaction is a function of what a person wants from a job and what he perceives it as offering.

In general, job satisfaction is an attitude that individuals maintain about their jobs. This attitude is developed from their perceptions of their jobs

Lawler (1973) also explained job satisfaction in terms of the difference between what people thought they should receive and what they perceive that they actually do receive. Job satisfaction is generally viewed as the attitude of the worker towards the job.

Job satisfaction research has been described in the theorising of psychologist Maslow (1943) and the research of Herzberg (1966). Experts make the assumption that people have many needs and that the needs stem from at least two human desires-avoidance of pain, hardship, and difficulty; and the desire for growth and development in an effort to realize potential Herzberg (1966). Perhaps one of the best known needs classification schemes, proposed by Maslow (1943), divides human needs into five broad categories: (a)

physiological, (b) security-safety, (c) social belonging, (d) self-esteem, and (e) self-actualization. Maslow's needs categories are arranged in a hierarchy of prepotency, with individual behaviour motivated to satisfy the need most important at the time. The most basic category of motives centers on survival or physiological needs. Such needs include food, water, air, and shelter.

It is certainly not likely that a person with a steady job in an organization will have any of the most basic needs unfulfilled. The second need, according to Maslow, centers around economic security. These safety and security needs serve as strong motivators of performance with regard to pay raises and monetary gains as well as fear of losing a job due to downsizing or layoffs. The third need, social belonging, involves the interaction with others in the context of a lasting relationship. Managers lack the time to develop strong interpersonal relationships with each employee, but designing jobs around groups or teams creates a way for employees to satisfy belonging needs. A fourth need, self-esteem, includes the motivational drive of searching for the feeling of being worthwhile as individuals. Managers can set up opportunities to praise employees and allow employees to connect their work accomplishments to their own efforts. Self-actualization, the final need on Maslow's hierarchy, is thought to be the highest level of human satisfaction. It is the search for self-development, and most employees want some challenge on the job. Employees may be given new skills or may set new goals.

(Herzberg et al.,1959) developed a theory of work motivation that is the basis for recent studies of job satisfaction. Herzberg's theory defines two types of activities, motivators and hygienes, that influence job satisfaction and job dissatisfaction. Job satisfaction factors describe the worker's relationship to what he does and are somewhat intrinsic in nature (Herzberg, 1966). Job dissatisfaction factors indicate the relationship to

the job context or job environment and are extrinsic in nature (Herzberg 1966). When motivators, which include achievement, recognition, the work, responsibility, and advancement in position, are positive, workers tend to experience some satisfaction. Hygienes, which include interpersonal relations, supervision, working conditions, and salary, are factors that must be controlled to provide the worker with a positive work environment (Herzberg et al., 1959). Job satisfaction or dissatisfaction is then produced by a combination of these motivators and hygienes (Herzberg et al., 1959).

The quality of manager and employee relationships and the quality of leadership correlated highly with employee job satisfaction. Employees' participation in decision making increase their morale and enhanced their job satisfaction.

There has been much less agreement on the part of researchers as to what causes job satisfaction. Various theories on job satisfaction have been developed, presented, and ultimately have been either supported or questioned by others in the field. Traditional theories have contended that job satisfaction and dissatisfaction share a single continuum; certain job factors create feelings of satisfaction when they are present and feelings of dissatisfaction when they are absent.

Traditionalists have claimed that both intrinsic and extrinsic factors have the capacity to create satisfaction or dissatisfaction. Intrinsic factors include recognition, achievement, responsibility, and advancement. Extrinsic factors of the job include salary, working conditions, supervision, and administrative policies.

(Lofquist et al., 1991) defined satisfaction as "an individual's positive affective evaluation of the target environment; result of an individual's requirements being fulfilled by the target environment; a pleasant affective state; the individual's appraisal of the extent to which his or her requirements are fulfilled by the environment." Job satisfaction has

been a source of interest and concern for decades (Hardman 1996). Job satisfaction literature reveals connections between job satisfaction and various other influencing factors (Hardman, 1996). Locke (1969) described job satisfaction as a positive emotional state resulting from the appraisal of one's job experience.

In Hoppock's (1935) study, he concluded that if the presence of a certain variable led to satisfaction, then its absence led to dissatisfaction. Thus, job satisfaction and job dissatisfaction shared the same continuum. Midway between satisfaction and dissatisfaction was a feeling of neutrality in which the individual was neither satisfied nor dissatisfied.

Additional research findings indicated that employees could be satisfied when they were involved in the formulation of goals, given autonomy, valued as professionals, and respected (Vroom et al., 1976). Herzberg (1966) and his colleagues investigated whether certain factors in a work situation may produce satisfaction, and other factors may produce dissatisfaction. Herzberg's (1966) basic postulate was that there were two sets of factors. The first set, called motivators, increased job satisfaction, and if not met only minimal dissatisfaction resulted (Herzberg, 1966). The second set, called hygienes, produced dissatisfaction if not met (Herzberg, 1966). The factors identified by Herzberg (1966) as being related to work dissatisfaction included interpersonal relationships with supervisors, quality of supervision, policy and administration, working conditions, and personal life. The factors related to work satisfaction were achievement, recognition, work climate, responsibility, and advancement.

2.4 Relationship of Leadership Styles and Employee Job Satisfaction

The present study is designed to determine if perceived leadership styles of managers are in any way related to employee job satisfaction. Different results are brought about by various leadership behaviours. According to Locke, (1969). Style of leadership is related to employee job satisfaction. Employees in plants with managers who demonstrated high levels of initiating structure (task behaviour) in combination with consideration (relationship behaviour) demonstrated high levels of job satisfaction. Initiation of Structure are leader behaviours that define the roles and tasks for followers. Consideration is a leader behaviours which values the feelings and well-being of followers (Bass, 1985; Hoy & Miskel, 1996; Yukl, 1994). Managers should be encouraged to exhibit high levels of both task and relationship behaviours in their leadership styles, and managers and employees should learn to recognize intrinsic, extrinsic, and general satisfaction. Recognition of these variables may result in employees attempting to increase intrinsic job satisfaction with less extrinsic and general job satisfaction. There is a positive relationship between leader behaviour and employee job satisfaction.

Boyer (1982) supported the idea that certain leadership styles are more effective than others in satisfying subordinates. Managers who scored high on both initiating structure (task) and high on consideration (relationship) on the Leader Behaviour Description Questionnaire (LBDQ) are considered more effective in satisfying subordinates.

Locke (1969) concluded that staff perceptions of manager leadership are positively related to employee job satisfaction. Employee job satisfaction are rated highest when managers exhibit supportive behavior. Much has been said about the various methods of motivating on employers can use to retain workers. Decent pay, bonuses, stock options, vacations, on-site daycare and athletic club memberships are among the top ploys.

Material comfort and incentives will become meaningless once they reach a certain upper limit, after which incentives become more mental, psychological and even spiritual in nature. The remarkable thing is that the leader who is not selfish but considerate will actually know his men much better.

2.5 Conclusion

This literature review has explored leadership styles, job satisfaction, and the relationship between the leadership style of the manager and the employee's job satisfaction. Much research support the premise that the leadership style of a manager is extremely important and that it affects the job satisfaction of employees of the company. A variety of job satisfaction theories have likewise been reviewed. Herzberg's theory of satisfaction and dissatisfaction is prevalent in the literature reviewed

Increasing the effectiveness of an organisation by changing the style of management can be achieved but it requires expert guidance not just in the field of organisation and organisational behaviour but also in the adoption of a way of managing which moves with the times, spreads throughout the organisation and has the backing of those who work in it.

CHAPTER 3 METHODOLOGY

3.1 Introduction

The methodology and research design used to conduct this study are described in this chapter. Data sources and research sites are also defined. The procedures described in this chapter were designed to determine the relationship between managers' perceived leadership styles and the degree that employees express job satisfaction in LUH plants.

This study examined the relationship between employees' perceptions of the leadership styles of LUH managers (as measured by the Leader Behaviour Description Questionnaire-LBDQ) and employees expressed job satisfaction (as measured by the MCMJSS- Mohrman-Cooke- Mohrman Job Satisfaction Scale) in their current positions. 'Managers' refer to those occupying managerial positions in the organisation while 'Employees' refer to those occupying non-managerial positions in the organisation.

3.2 Data Sources and Survey

The population for this study consisted of all employees of LUH in the Malaysian operations, estimated to be around (N=1,500). A sample consisting of 80 randomly

selected employees from the said population was surveyed. Sampling the said population strengthened the generalisability of the results to all plants of different sizes and types.

A survey was carried out to collect the data for our case study. A number of questionnaires were sent out to the respondents. Data collection was through a number methods such as employing both mail and email surveys. The questionnaire was distributed to a random sample of 80 people and contained the LBDQ, the MCMJSS, and The Study of Leadership Demographic Questionnaire. A stamped self-addressed return envelope was attached for the benefit of those who had no access to email. The cover letter (Appendix A) explained the purpose of the study, assured anonymity of the subjects and encouraged participation.

3.3 Method

The modified version of the Leader Behaviour Description Questionnaire-LBDQ (Halpin, 1957) was used to identify leadership styles of LUH managers as perceived by employees. Job satisfaction expressed by employees was measured by using the Mohrman-Cooke-Mohrman Job Satisfaction Scale (Mohrman, et al., 1978). LUH employees' perceptions of their respective managers' leadership styles was determined by the utilisation of the Leader Behaviour Description Questionnaire (LBDQ) that originated in the Ohio State University studies. This instrument was developed to obtain descriptions of the leadership behaviour of a superior as perceived by his or her subordinates and it has been used widely to measure leadership behaviour.

The job satisfaction survey, MCMJSS, has also been accepted and used in an array of studies (Hardman, 1996; Mohrman et al.,1978). The Mohrman-Cooke-Mohrman Job

Satisfaction Scale was designed to measure the extrinsic, intrinsic, and overall job satisfaction of the employees.

This instrument consisted of eight items divided into two sections. Each section contained four items with a six-point Likert scale where responses ranged from one as the lowest possible score to six as the highest score. One section of the MCMJSS was designed to measure intrinsic job satisfaction and the other section measured extrinsic job satisfaction. A copy of the MCMJSS can be found in Appendix D.

The intrinsic and extrinsic perceptions of job satisfaction that are measured by the MCMJSS relate to the motivation-hygiene theory of Herzberg (1966). Intrinsic satisfiers, also called motivators, are those aspects of an individual's job that impart feelings of self-esteem, achievement, personal development, accomplishment and fulfillment of expectations. Intrinsic satisfiers relate to self actualization, self-esteem, and personal growth (Herzberg, 1966). Extrinsic satisfiers, also called hygienes, are those aspects of an individual's job such as the degree of respect and fair treatment received, the feeling of being informed, the amount of supervision received, and the opportunity for meaningful participation in the determination of methods, procedures and goals within the job. Extrinsic satisfiers are job elements which promote dissatisfaction. The extrinsic conditions include salary, company policies, supervision, and working conditions (Herzberg, 1966). Therefore, we can summarise that the effective leader must ensure that administrative matters, the working environment and salary must be satisfactory to employees if they are not to become demotivated.

The theories related to intrinsic and extrinsic satisfaction have been widely applied in the field of manufacturing. In keeping with the idea of intrinsic and extrinsic factors

being important especially in the field of manufacturing, a reliability coefficient for the MCMJSS has been established. The reliability of the intrinsic scale ranged from 0.81 to 0.87. The extrinsic reliability ranged from 0.77 to 0.82. Although validity was not directly addressed by Mohrman, the scale has been widely accepted and frequently used by researchers.

The questionnaires would be tabulated for the frequency of leadership style choices and the job satisfaction scores. Data were analysed using the General Linear Model procedure of the Statistical Package for the Social Sciences (SPSS). The linear regression analysis procedure was administered to test various hypotheses to determine if there are significant relationships, if any, between perceived leadership style and employee job satisfaction. An alpha level of 0.05 was used as the level of significance for this study.

The LBDQ contains short, descriptive statements which describe a certain way in which a leader may behave. Respondents indicate how often their leaders engage in the described behaviour by circling one of the five choices.

The scale is as follows:

A=always,

B=often,

C=occasionally,

D=seldom,

E=never.

Mean scores were derived from a sample of managers. Gender and type of plant were not considered in the sampling of the mean scores. By referring to both the consideration and initiating structure, the consideration mean score was 44.7 and the Initiating Structure mean score was 37.9. Managers who score at or above the mean in

either dimension are considered to be high on that dimension of leadership behaviour (Halpin, 1957).

Items in the Leader Behaviour Description Questionnaire (LBDQ) scale are as follows:

Consideration

1. Does personal favours for group members.
2. Does little things that make it pleasant to be a member of the group.
3. Is easy to understand.
4. Finds time to listen to group members.
5. Keeps to himself/herself.
6. Looks out for the personal welfare of individual group members.
7. Refuses to explain his/her actions.
8. Acts without consulting the group.
9. Backs up the members in their actions.
10. Treats all group members as his/her equals.
11. Is willing to make changes.
12. Is friendly and approachable.
13. Makes group members feel at ease when talking with them.
14. Puts suggestions made by the group into operation.
15. Gets group approval in important matters before going ahead.
16. Gives advanced notice of changes.
17. Keeps the group informed.
18. Gets what he/she asks for from his/her superiors.