

**THE BIG FIVE PERSONALITY TRAITS AND THEIR RELATIONSHIPS
WITH LEADING CHANGE, LEADERSHIP STYLES AND
EFFECTIVENESS OF
MALAYSIAN MANAGERS**

BY

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DEDICATION

From the bottom of

My heart,

I especially dedicate this thesis to my lovely daughter,

Janan.

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ABSTRAK

Kajian ini telah dijalankan untuk menyelidiki pengaruh personaliti secara umum dan lima dimensi besar personaliti para pengurus di Malaysia secara khusus, gaya kepimpinan yang dilaksanakan oleh para pengurus terhadap keberkesanan kepimpinan untuk membuat sebarang perubahan. Hasil daripada kajian ini menunjukkan bahawa para pengurus di Malaysia, cenderung untuk memilih personaliti yang bersifat mengambilkira keadaan sekeliling (*consciousness*) dan keterbukaan kepada pengalaman. Para pengurus cenderung untuk menggunakan gaya kepimpinan konsultatif. Walau bagaimanapun, mereka menggunakan autokrasi, demokrasi, dan sebahagian daripada mereka menggunakan gaya kepimpinan '*laissez-fair*'. Kajian ini menunjukkan bahawa '*extroversion*' adalah signifikan dan berhubungan secara positif dalam membuat perubahan. Keterbukaan terhadap pengalaman baru ditemui mempunyai perhubungan positif yang signifikan dengan pencapaian ketaatan pekerja. Kedua-dua gaya kepimpinan ini berhubungan secara positif dan signifikan dengan keberkesanan kepimpinan. Gaya kepimpinan autokrasi mempunyai korelasi yang positif dalam mempengaruhi kepatuhan pekerja apabila personaliti para pengurus tertitik kepada keterbukaan pengalaman. Keterbukaan kepada pengalaman, dan stabiliti emosi adalah berkorelasi positif dan signifikan dengan gaya kepimpinan konsultatif. Dengan mengambilkira keadaan sekeliling (*consciousness*) adalah berkorelasi secara positif dan signifikan dengan gaya kepimpinan penglibatan. Kajian ini juga telah menunjukkan bahawa Kepimpinan autokrasi merupakan pencilah di antara keterbukaan kepada pengalaman dan mengadoptasi prosedur. Sebagai kesimpulan, kajian ini telah menunjukkan korelasi secara positif dan signifikan di antara personaliti para pengurus, gaya kepimpinan, dan keberkesanan, memimpin perubahan dan mencapai kepatuhan pekerja.

ABSTRACT

This study was conducted to investigate the influence of the Big Five Dimensions of personality of the Malaysian Managers and the leadership styles these managers use on their leadership effectiveness and leading change. Total sample of 105 managers was used in this study. The majority of these managers use consultative leadership style; however, some use autocratic, democratic and some of them use laissez-fair. The results of this study showed that Extroversion was significantly and positively related with Leading Change. Openness to Experience was found to be significantly and positively related with both Leadership Effectiveness and Adopting New Procedures. Emotional Stability was found to be significantly and positively related with Achieving Employees' Loyalty. Moreover, both Consultative and Involvement Leadership Styles were positively and significantly correlated with Leadership Effectiveness. Involvement Leadership Style was found to be significantly correlated with Leading Change. Consultative Leadership Style was found to be significantly correlated with Adopting New Procedures. Surprisingly, Autocratic Leadership Style was correlated positively with Achieving Employees' Loyalty when the personalities of the managers in this study were found to be open to experience. Both Openness to Experience and Emotional Stability were significantly and positively correlated with Consultative Leadership Style that the managers use. Conscientiousness was positively and significantly correlated with Involvement Leadership Style. This shows that managers who are conscious, practical, reliable, responsible tend to use Involvement Leadership Style. This study also showed that Autocratic Leadership is a mediator between Openness to Experience and Adopting New Procedures. In conclusion, this study showed a positively significant correlation between personality of managers, their leadership styles and leadership effectiveness, leading change and achieving employees' loyalty.

Chapter 1

INTRODUCTION

1.0 Introduction

People who have different backgrounds have different attitudes, values and norms. These people do reflect their cultural heritages, which are, in fact, different. These differences result in different personalities of individuals that determine their actions and behaviors. Some people have strong personalities. They can influence others to act and do things. Others, who have certain type of personality, can determine the way the organizations behave. Indeed, many researchers have conducted studies so as to understand the relationship between personality and human behaviors. (Dole & Schroeder, 2001).

Leadership, many researchers believe, is not a genetic thing. They believe that a person's approach to leadership is an outcome of personality. In fact, personality is not the only element of effective leadership and it is often not the decisive one. Hogan (1994) propounds that personality traits are important components of effective leadership. He adds that if used in combination with other components, those traits can predict successful leadership (Hogan, 1994).

Leadership is associated with certain qualities or characteristics. These leaders' qualities include self-reliance, independence, assertiveness, risk-taking, dominance, ambitiousness, and self-sufficiency. People who possess these attributes are often labeled as "leaders". An effective leader is someone who motivates a person or a group of people to accomplish more than they would have otherwise accomplished. A leader is like a coach in the sports arena. In the sports arena, a team consists of individual players; each with certain skills, but the team as a whole forms a well tuned instrument by the coach who is arranging them into a cohesive unit. The

leader is like an orchestra who is leading many musicians to play a very nicely tuned piece of music. Thus, in this manner, and with proper motivation and care, this group of individuals will work successfully into a team and accomplish more together than they ever could individually. (Gedney, 1999)

Leadership is a process where a leader influences a group of people towards achieving certain goals; this leader changes the way this group of people think about what is necessary, possible and desirable. Not all managers are leaders; however, they share with them the desire to achieve the goals of organizations. (Wiley, 1996)

To Kotter, management and leadership are different. They are different in terms of creating an agenda, developing a human network for achieving that agenda, execution and outcomes. He explains that management is concerned with planning and budgeting where the manager is establishing detailed timetables and steps for achieving results, then allocating the resources that are necessary to make it happen. However, leadership is concerned with direction where a leader is developing a vision for the future. A leader puts the suitable strategies for producing changes needed to achieve that vision. A manager is concerned with controlling and problem solving where he/she is monitoring results and putting plans in some details to solve problems. That is, a manager is concerned with stability while a leader is concerned with change. However, a leader is inspiring and energizing people to overcome resource barriers and change by satisfying the very basic human needs (Kotter, 1990).

On the one hand, managers believe that maintenance of stability is a successful strategy for today's organizations. They believe that in order to have a successful organization, they should keep things settled and stable. To them, strict control is needed for organizations to function efficiently and effectively. Furthermore, managers believe that workers should be told what to do, how to do it,

when to do it, and who to do it with. On the other hand, leaders believe that change is the appropriate means of success. They believe that the assumptions about the distribution of power between managers and subordinates are no longer valid. An emphasis on control and rigidity serves to influence motivation and morale negatively rather than produce desired results. Today's leaders share power rather than keep it to themselves; they find ways to increase an organization's power by making everyone in the organization involved and committed, Daft (2005). Daft (et.al, 2005) points out that the management environment has changed from that of stability into uncertainty. He explained that all what the organization needed in the past was workers to run machines eight hours a day. Therefore, traditional command-and-control systems generally worked quite well. However, the organization did not receive any benefits from employees' minds. The employees' minds were not made use of. Today, the financial basis for economy has become information rather than the real assets of land, buildings and machines. Accordingly, it is important for leaders to take their employees into their account to make them change the organization to the desired goals. Daft (et.al.2005) stated that success depends on the intellectual capacity of all employees. He went on by stressing the fact that leaders should believe that they could own buildings and machines, but they cannot own people. They have to work with them to bring about change.

Kotter (1996) mentioned in his work "Leading Change", that a wise man once said that the only thing that remains constant is change. In the age of budget cuts and greater responsibility, the society's needs keep changing. This issue keeps arising. The world has become faster-paced now more than before. Kotter (1996) also mentioned that the rate of change is not going to slow down anytime soon and he

added that competition in most industries will probably speed up more in the next few decades. Kotter (1996)

Daft (et.al.2005) tells us that the world of organizations is changing rapidly. Organizations are no more stable and settled. They face globalization, deregulation, e-business, telecommunications and virtual teams. Under these new conditions, he added, change is inevitable. People around the world have become conscious about these trends. Indeed, they are forced to adapt to new ways of working. Moreover, the unsettled and uncertain recent economic situation, the increase of ethical scandals, the multi-racial workforce and the absence of security, which is associated with war, as well as conflicts have made the task of leading change in organizations essential. Leaders are facing a really tough job to keep people focused and motivated towards accomplishing the goals, which are intended to be accomplished. Leaders that organizations need must be those who can guide people through the uncertainty and confusion, which periods of rapid change entails.

In the past, many managers assumed that keeping things running steadily would make the organization successful. However, today's world is in a constant motion, and nothing seems certain anymore. Daft (2005) reiterates that if managers still believed in stability in the twenty-first century, they would surely be mistaken and unsuccessful. In fact, the researcher is wondering how a bank manager nowadays will be successful if he/she doesn't know how to use the computer and the internet. As explained by Daft (2005) change has become the norm of many organizations today as we live in a continuously changing world. Leading change in the organization is not an easy task for leaders. A leader who cannot lead change may be the reason behind the organization's failure. Leaders play a main role in bringing about change and provide the motivation and communication needed to keep change efforts moving

forward. Thus, while management maintains stability and creates culture of efficiency, leadership creates change and a culture of integrity. Therefore, we need leadership nowadays instead of merely management. Daft (et.al.2005)

In change situations, both perception and attitude play very important roles. Both perception and attitude are related to personality since the way people perceive things are different. Since leaders are those who are responsible for leading change, we may wonder what kind of leaders they are. What kind of personality they need to have in order to be capable of leading change. Indeed, each manager has a unique and special personality where personality is the set of unseen characteristics and the processes that underlie a relatively stable pattern of behavior in response to ideas, objects, or people in the environment. Indeed, not all managers can be leaders; if we put a certain manager under certain circumstances and conditions he/she may bring about change in one organization; however, if we put another manager under the same conditions and circumstances, he/she may not necessarily bring about the same change. The manager's personality has a significant influence on the way they think, feel and relate other people. Personality traits tend to be pretty stable in adulthood and lead people to act in certain preferred ways. At work, the manager's personality will sometimes help subordinates to carry out work roles effectively and at other times get in the way. Individuals with extravert traits find it easier to lead meetings, confront presentations and lead change. By contrast, people with low scores on the agreeableness scale may take time to acquire skills in areas such as team building coaching and mentoring because they are very self-sufficient and self-absorbed. (Browne, 2002)

In modern leadership, the ability to adapt one's style is demanded to achieve the maximum effectiveness. Excellent leaders are able to take different approaches to

suit the various needs of different situations rather than using one style that is preferred to them. (1995-2005TeamTechnology) (<http://www.teamtechnology.co.uk/leadership-styles.html>)

Therefore, the researcher is interested to examine the relationship between the personality traits of the managers in Malaysia, their relationships with the leadership styles they use, their orientation towards leading change and leadership effectiveness. What is the relationship between the personality traits of managers and leadership effectiveness? What is the relationship between these personality traits of managers and the leadership styles the managers use? And what is the relationship between these leadership styles and both change orientation and leadership effectiveness? This research will try to find answers to these questions.

1.1 Problem Identification

Nowadays, leaders especially in successful organizations realize that internal changes must be made in order to cope with the external changes happening in the external environment. Leading change is one of the components of leadership effectiveness. It is the leaders' responsibility to lead change in the organizations. However, not all managers in organizations are leaders where leaders play a main role to bring about change and provide the motivation and communication to keep change efforts moving forward. Daft (2005) mentioned that strong and committed leadership is very crucial to successful change (Daft, et.al.2005).

One manager may succeed while another may fail to lead change. Not all managers are effective. Leadership effectiveness could be due to the personality of the manager. It could be due to the leadership style of the manager. In addition, it could be due to other factors such as age, gender, experience, and educational background. This is true as managers are not the same; they do not have the same personality traits and they do not use the same leadership style. Some of them may fall in the

Extroversion dimension while others may fall in the Agreeableness one. Some of them may be autocratic while others may be democratic. This research will examine the relationship between the personality traits of the managers, their leadership styles, their change orientation and their being effective leaders. Controlling other variables such as age, gender, experience and educational background, the researcher would like to dig deep to know if there is a correlation between those personality traits managers have and their leadership with leadership styles and effectiveness as well as the managers' orientations towards change. The researcher will take into his consideration the control variables mentioned above. However, the researcher's main concern here is to examine the personality traits of the managers and their relationship with leadership styles, leadership effectiveness and their orientations change. Kee (2005) reviews that, in the Malaysian context, not much is empirically known about the style that is suitable or effective to guide organizations undergo the growth and modernization. It is worth studying, therefore, the leadership styles of the managers in Malaysia with its different races and different cultural backgrounds (Kennedy & Mansor, 2000). Therefore, this study intends to examine the relationship between the personality of the managers and the leadership style/s they are using on their leadership effectiveness and leading change.

1.2 Objective of the Study

The purpose of this study is to investigate the relationship between the managers' personality traits, their leadership styles and effectiveness as well as their orientations towards change. The objectives of the study are:

- a) to examine the personality traits of managers in Malaysia.
- b) to examine what leadership styles these managers use.

c) to investigate whether these managers are oriented to leading change in the organization and

d) to investigate the relationship between the managers' personality traits and both leadership styles and effectiveness as well as their orientations towards change.

1.3 Research Questions:

In order to achieve the above-mentioned objectives, the following questions should be answered:

a) What kind of personality traits do Malaysian managers have?

b) To what extent are Malaysian managers effective?

c) To what extent are Malaysian managers capable of leading change?

d) Is there any significant relationship between the managers' personality traits, the leadership styles these managers use and leadership effectiveness and leading change?

1.4 Definitions of Key Terms

1.4.1 The Big Five Personality Dimensions

The Big Five Personality Traits are personality traits distilled into five general dimensions. They are extroversion, agreeableness, conscientiousness, emotional stability and openness to experience.

1.4.1.a. Extroversion

Extroversion refers to the degree, to which a person is outgoing, talkative, sociable, and comfortable meeting and talking to new people. This dimension also includes the characteristic of dominance where a person with a high degree of dominance likes to have influence over others. People who are extrovert are often quite self-confident, seek out positions of authority, and are competitive and assertive. They like to be in charge of others or have responsibility for them (Daft et.al.2005),

1.4.1.b. Agreeableness

Agreeableness is the degree to which a person is able to get along with others by being good-natured, cooperative, forgiving, compassionate, understanding, and

trusting. A leader who scores high on agreeableness seems warm and approachable, whereas a leader who is low on this dimension may seem cold, distant and insensitive. People who score high on agreeableness tend to make friends easily and often have a large number of friends, whereas those who are low on agreeableness generally establish fewer close relationships (Daft et.al.2005).

1.4.1.c. Conscientiousness

Conscientiousness refers to the degree to which a person is responsible, dependable, persistent and achievement-oriented. A conscientious person is focused on a few goals, which he or she pursues in a purposeful way, whereas a less conscientious person tends to be easily distracted and impulsive. This dimension of personality relates to the work itself rather than to relationships with other people (Daft et.al.2005).

1.4.1.d. Emotional Stability

Emotional stability refers to the degree to which a person is well adjusted, calm, and secure. A manager who is emotionally stable handles stress well, is able to handle criticism, and generally does not take mistakes and failures personally. In contrast, a manager who has a low degree of emotional stability is likely to become tense, anxious, or depressed. They generally have lower self-confidence and may explode in emotional outbursts when stressed or criticized (Daft et.al.2005).

1.4.1.e. Openness to Experience

Openness to experience is the degree to which a person has a broad range of interests and is imaginative, creative, and willing to consider new ideas. Managers with high openness to experience are intellectually curious and often seek out new experiences through travel, the arts, movies, reading widely, or other activities. People lower in this dimension tend to have narrower interests and stick to the tried-and-true

ways of doing things. Open-mindedness is important to managers who can become leaders because leadership is about change (Daft et.al.2005).

1.4.1.f. Authoritarian (Autocratic) Leadership Style

Autocratic Leadership Style is a style of leadership where the leader tells his employees what he wants them to do, how and when to do it. The leader in this style of leadership does not get any advice from anyone of the employees (Clark, 1997).

1.4.1.g. Participative (Democratic)

Participative (Democratic) Leadership Style is a style of leadership where the leader involves one or more than one employee in the decision-making process. However, the leader maintains the final decision (Clark, 1997).

1.4.1.h. Consultative Leadership Style

Consultative Leadership Style is a leadership style where the leader involves the majority or all employees in the decision-making process. The difference between democratic and consultative is in the unanimous decision the leader takes after consulting the employees. (Clark, 1997).

1.4.1.i. Delegative (free reign) Known as (Laissez faire)

Laissez-fair Leadership Style is a style of leadership where the leader allows the employees to take decision. Using this style, the leader believes he/she cannot do everything and thus delegate certain tasks and set priorities. Indeed, this is not a leadership style as the leader almost plays no role in what the employees do. (Clark, 1997).

1.5 Scope of the Study

This study focuses on the relationship between the big five personality traits of the managers in Malaysia and their relationships with the leadership styles they use, leadership effectiveness and the managers' orientations of leading change. This study attempts to explore what personality traits and what leadership styles managers might

need for accomplishing leadership effectiveness and being oriented to bring about change.

1.6 Significance of the Study

There has not been much research conducted to examine the relationship between the big five personality traits of the managers in Malaysia and their relationship with the leadership styles they use, leadership effectiveness and the orientations to bring about change in their organizations. If the research finds out that there is a significant relationship, this means that we will know what personality traits and what leadership styles are suitable for leadership effectiveness and bringing about change. Thus managers will be more aware of their personality traits and leadership styles needed for being effective managers able to bring about change. In addition, this study will be able to help in the selection of future effective managers and training managers as well to use the appropriate leadership style needed in the Malaysian organizations. Theoretically, this study, the researcher hopes, will show a linkage between personality dimensions, leadership styles and leadership effectiveness and leading change. It will also extend the effort of researchers who have been trying to explain the effect of personality on behavior.

Chapter 2

LITERATURE REVIEW

2.0 Introduction

Leadership has been a very exciting topic for people. It is probably one of the world's oldest topics that people have thought of frequently. It is a universal phenomenon in the sense that it is related in one way or another with different organizational and national contexts. From experienced CEOs to new managers who have just stepped into supervisory roles, leadership is often regarded as the single most critical factor in the success or failure of an institution (Bass, 1990).

Nadler and Tushman (1991) stressed that the role of leadership is central and an absolutely critical condition for organization success (Nadler&Tushman, 1991). Lublin (1993) has pointed out that what really separates the best performer from the rest was how people worked together, how decisions were made and how leadership was practiced (Lublin, 1993).

As a word, leadership is a relatively new addition to the English language. It appeared approximately 200 years ago in writings about political influence in the British Parliament; however, the symbols for leaders existed in Egyptian hieroglyphics as early as 5,000 years ago, that is to say, leaders have existed in all cultures throughout history. (Dorfman, 1996). Indeed, the evolution of leadership theory and research can be categorized into three eras: the trait, behavior, and contingency eras. (Chemers, 1983). The researcher would shed the light on those eras in the literature review.

Traditionally, a leader was thought of as someone who is in charge of subordinates. He rather than she was thought of as someone in charge of the success

of the organization. Organizations were based on the idea that the leader is in charge and in control of subordinates the thing that leads to the success of the organization. Thus, the role of the subordinates was passive. The leader was an authoritarian type of leader. However, since 1980s, organizations have been putting efforts to actively get employees involved in the activities of the organization through employees suggestions programs, participation groups, and quality circles. Later, however, there was a shift in the leaders' mindset where employees have become empowered to make decisions and have control over how they do their own jobs. Moreover, the idea of servant leadership has emerged where the leader is responsible for serving the needs of others, help them grow and provide opportunities for them to gain emotionally and materially. (Daft, et.al. 2005).

In fact, the personality of managers has a significant impact on their behavior. Personality has a significant influence on the way we think, feel and relate to other people. Extraverts and introverts, for example, represent the opposite ends of a key personality traits that affects how people form and manage relationships with others and how they communicate- both at work and in their personal lives. The majority of people is, of course, neither very extrovert nor very introvert but somewhat in between. If managers are high on extraversion, they will like being surrounded by people at work and in their personal lives. They will also lead an active existence and they will seek excitement and stimulation. People are likely to perceive them as cheerful and optimistic. (Doe, 2004)

2.1 Introduction About Personality

Observing the behavior of people, we can see that people behave differently. What one person considers right might be considered wrong by another person. What a person can consider a golden opportunity might be considered a threat by another

person. Indeed, there are thousands of ways in which people differ from each other. One way in which people differ and which is very useful in studying organizational behavior is personality. The personalities of people are in some ways unique; each person has a different pattern of traits and characteristics that is not fully duplicated in any other person. This pattern of traits tends to be stable over time (Greenberg & Baron, 2003). There are two basic determinants of personality (Pierce&Gardner, 2003), our heredity and past interactions with our environment. Psychologists indeed have termed these determinants as “nature” and “nurture”. On the one hand, nature stands for the belief that personality is shaped largely by heredity; that is to say, much of our personality is inherited in birth. While there is no “personality gene”. A research at the University of Minnesota suggests that as much as 50% of our personality is genetically determined. On the other hand, nurture stands for the belief that personality is shaped mainly by life experiences, especially those from the cradle. Indeed, there is no accurate answer to the issue of how much nature and nurture affect and shape our personalities. However, our genetics make up sets of lower and upper limits for our personalities and our life experiences will determine where within that range we will fall.

Knowledge of personality is one of many tools in the managerial and leadership tool kit for more effective managers or leaders (Pierce & Gardner, 2002).

2.2 Definition of Personality

Personality refers to the characteristics of the person that account for consistent patterns of feeling, thinking and behaving(Pervin& et al.,2005). It is surprising to know that we may think of 17953 words to describe others' personalities. That number was found in a study of personality related words found in a search of an English language dictionary in a study, which was conducted over 60

years ago. After words with similar meanings had been combined, the list contained 171 distinct traits (Greenberg&Baron, 2003). We may wonder if we need to consider that huge number of traits to fully understand the role of personality in organization behavior. In fact, only five dimensions are to be considered as these dimensions have emerged in so many different studies conducted in different ways. They are referred to as the Big Five dimensions of personality (Digman, 1996).

2.3 The Big Five Personality Traits

Psychologists have studied thousands of different personality dimensions for many years. However, their studies were not that productive for the study of organizational behavior as there was a huge number of potential personality traits, the thing that made it difficult to validate which dimensions organizations should focus on. However, since early 1990s, it has become accepted that all of these personality dimensions can be distilled into “Big Five Model”.

In early 1900s, studies of personality began with progressing trend. As summarized by Digman (1996), Spearman (1904) started the work of his General Factor (g) in personality research. Webb (1915) had enlarged Spearman (1904)’s General factor (g) of “Intelligence”. He analyzed instructors’ ratings of two groups of male students, with respect of 48 characteristics and accordingly suggested the g-factor. Later, Garnett (1919) analyzed Webb (1915)’s correlation further and a third factor was isolated from the data. Garnett (1919) interpreted this new factor as cleverness. This interpretation immediately suggested the “Intellect” (openness) factor of the Big Five Model. By 1919, there was evidence in the literature for three broad factors accounting for individual differences, “Intellect” (g), “conscientiousness” (w) and “Extroversion” (c) to give Webb-Garnett factors. Tupes and Christal (1961) who used a set of 30 scales borrowed from Catell(1933)’s slightly largest list and found

five factors that were stable across replications and in their reanalysis of previous studies. Indeed, the interest of studying the Big Five Model continues until today. It was stated by Raad (2000) that Big Five Model issue is documented in special issues of the Journal of Personality (McCrae,1992), the Journal of Personality Assessment (Costa,1991), the European Review of Applied Psychology (Rolland,1994), the European Journal of Personality (Hofsee&Vantteck,1990) and dedicated books such as Costa and Wedidger(1993) and Wiggins(1996).

Lussier (2000) lines out the five factors in Big Five Model as (a) Surgency, (b)Agreeableness, (c) Adjustment,(d)Conscientiousness, and (e)Openness to Experience. However, Pierce & Gardner (2000) had classified this “Five” Personality Theory as: (a) Extroversion, (b) Adjustment, (c)Agreeableness, (d) Conscientiousness, and (e) Inquisitiveness. However, Goldberg’s Five Personality Inventory (FFPI) comprises five general dimensions that describe personality. These dimensions are to be studied in this study. They are known as extroversion, agreeableness, conscientiousness, emotional stability, and openness to experience. In this study, the researcher focuses on Goldberg’s Five Personality Traits.

2.3.1 Extraversion (sometimes called Surgency).

The broad dimension of Extraversion includes a variety of specific traits such as talkative, energetic, and assertive. Daft (et.al.2005) mentioned that extroversion dimension also includes the characteristic of dominance. Extrovert people are often quite self-confident. They seek out positions of authority, and are competitive and assertive. They like to be in charge of others or have responsibility for others. Carly Fiorina, CEO of Hewlett-Packard, Daft gives an example, appears to have a high degree of both dominance and extroversion. She enjoys being “on stage” speaking before a crowd, meeting new people in HP plants around the world. Fiorina also

clearly enjoys being in a position of authority and influence. However, examples for the opposite of extraversion dimension were clear in the world of business. For example, Doug Ivester, who served for a short time, as CEO of Coca-Cola seems to have a low degree of both dominance and extroversion. Ivester was known to be very reserved in many situations. In addition, he did not appear to have a great desire to influence others, preferring to focus on details and strategy rather than the brightness of interpersonal relationships. Indeed, he sometimes came off as high-handed because he made and implemented decisions without trying to persuade others of his viewpoint.

2.3.2 Agreeableness.

This dimension includes traits like sympathetic, kind and affectionate. Daft, (et.al.2005) defined agreeableness as the degree to which a person is able to get along with others by being good-natured, cooperative, forgiving, compassionate, understanding, and trusting. Daft (et.al.2005) added that a leader who scores high on agreeableness seems warm and approachable, whereas one who is low on this dimension may seem cold, distant, and insensitive. He added that people high on agreeableness tend to make friends easily and often have a large number of friends, whereas those low on agreeableness generally establish fewer close relationships.

2.3.3 Conscientiousness.

People high in Conscientiousness tend to be organized, thorough, and planning. Daft (et.al.2005) defined conscientiousness as the degree to which a person is responsible, dependable, persistent, and achievement-oriented. A conscientious person is focused on a few goals, which he or she pursues in a purposeful way, whereas a less conscientious person tends to be easily distracted and impulsive. This dimension of personality, Daft (2005) added, relates to the work itself rather than to

relationships with other people. Indeed, many entrepreneurs show a high level of consciousness. For example, Ovaskainen's conscientiousness and hard work helped Ibox, the Helsinki-based company he cofounded, jump to an early lead in the market for wireless Internet service.

2.3.4 Emotional Stability

Emotional Stability (sometimes called Neuroticism) is characterized by traits like tense, moody, and anxious. Daft (2005) refers to this dimension as the degree to which a person is well adjusted, calm, and secure. A leader who is emotionally stable handles stress well, is able to handle criticism, and generally doesn't take mistakes and failure personally. In contrast, leaders who have a low degree of emotional stability are likely to become tense, anxious, or depressed. They generally have lower self-confidence and may explode in emotional outbursts when stressed or criticized.

2.3.5 Openness to New Experiences

Openness to experience (sometimes called Intellect or Culture) is the dimension, which includes having wide interests, and being imaginative and insightful. Daft, 2005 defines this dimension as the degree to which a person has a broad range of interests and is imaginative, creative, and willing to consider new ideas. These people are intellectually curious and often seek out new experiences through travel, the arts, movies, reading widely, or other activities. People lower in this dimension tend to have narrower interests and stick to the tried-and-true ways of doing things. For example, one researcher found that early travel experiences and exposure to different ideas and cultures were critical elements in developing leadership skills and qualities in leaders like John Quincy Adams, Frederick Douglass, and Jane Adams. It is worth mentioning here that the big five dimensions are relatively broad, and each dimension consists of more specific traits.

Personality is related to behavior. Judge and Bono (2000) examined the relationship between personality and transformational leadership and results showed that Agreeableness and Extraversion positively predicted transformational leadership. Moreover, Openness to Experience was also related to transformational leadership. Additional analyses showed that specific facets of the Big Five dimensions predicted transformational leadership less well than did the broader dimensions. In addition, it has been speculated recently that emotional intelligence (EI) may be related to leadership effectiveness (Goleman, 1995; Mayer & Salovey, 1995). The link between emotional intelligence and leadership effectiveness as explained by Goleman, 1995, is that emotional intelligence components such as communication skills, empathy, self-regulation can help leaders adapt their behavior to the situation, solve complex problems, and understand the needs of others. Indeed, some studies have examined the relationship between emotional intelligence and leadership effectiveness, (Yukl, 2002). Goleman (1995) describes a study by McClelland that found that division managers with high emotional intelligence had higher earnings goals than those with low emotional intelligence.

Table 1. The Big Five Personality Dimensions

Lower End	Dimensions	Higher End
Angry, Tense, Nervous, Envious, Unstable	Emotional Stability	Calm, Relaxed, At Ease, Not Envious, Stable
Unintelligent, Imperceptive, Unanalytical, Uninquisitive, Unimaginative	Openness to Experience	Intelligent, Perceptive, Analytical, Inquisitive, Imaginative
Introverted, Unenergetic, Silent, Unenthusiastic, Timid	Extraversion	Extroverted, Energetic, Talkative, Enthusiastic, Bold.

Cold, Unkind, Uncooperative, Selfish, Rude.	Agreeableness	Warm, Kind, Cooperative, Unselfish, Polite
Disorganized, Irresponsible, Undependent, Negligent, Impractical.	Conscientiousness	Organized, Responsible, Reliable, Conscientious, Practical.

Source: Richard L. Daft (2005) *The Leadership Experience*, Third Edition, US: Thomson South Western.

2.4 The Difference Between The Big Five Personality Traits and The Big Five Factor Model/Theory.

In order not to confuse between the Big Five Personality Traits and the Five-Factor Model/Theory, the researcher would like to shed the light on the difference between them. Sanjay Srivastava mentioned that although they are related, the terms “Big Five” and “Five-Factor Theory” (or “Five-Factor Model) refer to different things. The Big Five is a system of organizing and accordingly naming personality traits. It is an empirical phenomenon, not a theory of personality. The Big Five factors were discovered through statistical analyses of how various personality traits are correlated in humans. The Five-Factor Theory (FFT), formulated by McCrae and Costa (1999) is an attempt to explain the role of the Big Five Personality Traits. FFT includes a number of propositions about the Big Five’s nature, origins, developmental course, and relation to other psychological variables. The FFT is largely a biological account of personality traits, in which learning and experience play a little part in influencing the Big Five. (The Five-Factor Theory is an update and expansion of what was formerly called the Five-Factor Model, and some researchers still use the old name.) The FFT is not the only theoretical account of the Big Five; for example, its critics point to studies showing how environmental factors (like social roles) combine

and interact with biological factors in shaping personality traits. Even if a person does not endorse the FFT, they may find that the Big Five is an interesting phenomenon.

2.5 An Overview of Major Leadership Theories and Models

It is important to shed the light on the major theories and models that can explain the factors involved in leadership, its nature and its consequences. The evolution of leadership theory can be categorized into three eras: the trait, behavior, and contingency. Each era can be characterized by a dominant research strategy and focus of interest (Chemers, 1983).

Yukl (2002) has pointed out that the conceptions of leadership have created a vast and bewildering literature. One of the more useful ways to classify leadership theory and research is according to the type of variable that is emphasized the most. In fact, the theories and empirical research was mostly developed based on leadership characteristics. They can be classified into four approaches: The Trait approach, The Behavioral Approach , The situational (contingency) Approach., and The Integrative Approach: Charismatic and Transformational Leadership

2.5.1 The Trait Approach

For many experts, history is shaped by the leadership of great men (Bass, 1990). Carlyle (1841-1907) proposed the “great man” or trait theory of leadership. According to this theory, a leader is a person who is gifted by heredity with unique qualities that differentiated him, rather than her that time, from his followers (Dorfman, 1996).

The Trait Approach was one of the earliest approaches for studying leadership (Lussier, 2000;Yukl, 2002). In fact, ancient Greek, Roman, Egyptian, and Chinese scholars were enthusiastically interested in leaders and leadership. Their writings portrayed leaders as heroes or great men. Out of such stories emerged the “Great

Man” theory of leadership. It was the starting point for the contemporary study of leadership (Pierce&Gardner, 2002).

The “Great Man” theory of leadership states that some people are born with necessary attributes to be great leaders. During the early 1900s, scholars sought to understand leaders and leadership. They wanted to know, from an organizational perspective, what characteristics leaders hold in common hoping that people with these characteristics could be placed in key organizational positions. This gave rise to early research efforts and to what was referred to as the trait approach to leadership. In deed, the Traits Approach to leadership emphasizes attributes of leaders such as personality, motives, values and skills. The predominant research method was to look for a significant correlation between individual leader attributes and a criterion of leader success, without examining any explanatory processes. However, as evidence from better designed research slowly accumulated over the years, researchers have made progress in discovering how leader attributes are related to leadership behavior and effectiveness (Yukl2002).

It is worth mentioning that scholars concerned with the trait approach attempted to identify physiological (appearance, height, and weight), demographic (age, education, and socioeconomic background), personality (dominance, self-confidence, and aggressiveness), intellectual (intelligence, decisiveness, judgment, and knowledge), task-related (achievement drive, initiative, and persistence) and social characteristics (sociability and cooperativeness) with leader emergence and leader effectiveness. While leaders may be “people with the right stuff”, effective leadership requires more than simply possessing the correct set of motives and traits. Knowledge, skills, ability, vision, strategy, and effective vision implementation are all necessary for the person who has the “right stuff” to realize their leadership potentials.

According to Lock, people endowed with these traits are engaged in behaviors that are associated with leadership. As followers, people are attracted to and inclined to follow, individuals who display, for example, honesty and integrity, self-confidence, and the motivation to lead. (Pierce&Gardner, 2002)

2.5.2 The Behavioral Approach

Researchers have been unable to define effective leadership based only on personal traits. This led to the interest in looking at the behavior of leaders and what role it plays in the success or failure leadership. The behavior approach refers to the fact that anyone who adopts the appropriate behavior can be a good leader. (Daft, et.al. 2005) Traits account only for part of why someone becomes a leader and why they are or are not effective leaders.

Personality psychologists state that behavior is a result of an interaction between the person and the situation. Psychologist Mischel, for example, adds that the important observation of personality tends are expressed through an individual's behavior. (Pierce &Gardner, 2002). Under the influence of the "Great Man" theory of leadership, researches continued to focus on the leader in an effort to understand what constitutes effective leadership. The behavior approach began in the early 1950s after many researchers had become discouraged with the trait approach. The researchers began to pay closer attention to what managers actually do and behave during their job. (Yukl, 2002)

The series of programmatic studies conducted at Ohio State University (e.g. Fleishman, 1953) and at the University of Michigan (Bowers and Seashore, 1966; Likert, 1951) pointed out the behavioral approach in work organizations. Ohio State researchers found that subordinates evaluate their leaders' behavior mainly based on two broadly defined categories: consideration and initiating structure. The research

work of Michigan revealed that three types of leadership behaviors, namely task-oriented behaviors, relations-oriented behavior and participative leader behaviors, differentiated between effective and ineffective managers (Yukl, 1998)

2.5.3 The Situational (Contingency) theories of leadership

As early as 1948, Stogdill explained that the qualities, characteristic, and skills of a leader are determined to a large extent by the demands of the situation in which he is to function as a leader (Pierce&Gardner, 2002)

The Traits Theory and Behavioral Theory failed to find what really makes leaders effective. They were not enough. Although leader behavior was still examined, the new research focus was on the situation in which leadership occurred. The central tenet of this focus was that behavior effective in some circumstances might be ineffective under different conditions. Thus, the effectiveness of leader behavior is contingent on organizational situations (Daft, et.al. 2005).

Contingency theories of leadership consider how situational factors change the effectiveness of particular leader behavior and styles of leadership. The assumption is that no traits, behavior or styles automatically constitute leadership. However, a link between the situation a leader faces and the leadership style the leader uses is the fit. Fiedler's "Contingency Theory" (Fiedler, 1993), the "Paths goal theory" (Evans, 1970;house, 1971;House and Mitchell, 1974) and the "Leadership substitutes theory" (Kerr and Jermier, 1978) were dominant contingency theories (Tirmizi, 2001).

2.5.4 Transformational and Charismatic Leadership

Many organizations nowadays who are in need to manage chaos, to undergo a culture change, to empower organization members and to restructure are trying to "hire the right leader". Many have become to believe that the transformational,