

**LEADERSHIP STYLES IN PERMODALAN NASIONAL
BERHAD TOWARDS ACHIEVING QUALITY WORK
CULTURE**



**INSTITUT PENGURUSAN PENYELIDIKAN
UNIVERSITI TEKNOLOGI MARA
40450 SHAH ALAM, SELANGOR,
MALAYSIA**

BY:

**NORLINA BINTI M. ALI
JOEAIZA BINTI JUHARI
RUZIAH BINTI A. LATIF**

JULY 2011

ACKNOWLEDGEMENT

السلام عليكم ورحمة الله وبركاته

First of all, we would like to express our gratitude to ALLAH THE AL MIGHTY for the fitness and blessings bestowed upon us. With HIS blessings we have successfully completed our project paper.

We would also like to express our appreciation and special thanks to those who have involved directly or indirectly with the accomplishment of this project. Your contributions and encouragement are greatly appreciated.

They are among others:-

Prof Madya Dr. Omar B Samat
Rector, UiTM Johor (2010-Present)

Prof Madya Kamel Taufiq B Abdul Ghani
Deputy Rector HEA , UiTM Johor (Present)

Prof Madya Haji Ahmad Nawawi B Haji Yaakob
Deputy Rector BPJI, UiTM Johor (2010-Present)

Cik Maizura Binti Md Isa
RMU Coordinator, UiTM Johor (2010-Present)

All Management and Finance Department Lecturers, FPP, UiTM Johor

and

All UiTM Staff involved

TABLE OF CONTENTS

CONTENT	PAGE
ACKNOWLEDGEMENT	vi
LIST OF TABLES	x
LIST OF FIGURES	xi
ABSTRACT	xii

CHAPTER 1: INTRODUCTION

1.1	An Overview of PNB	1
1.1.1	Objectives of PNB	2
1.1.2	Vision and Missions	3
1.2	Background of Study	3
1.3	Problem Statement	5
1.4	Research Objectives	5
1.5	Research Questions	6
1.6	Theoretical Framework	6
1.7	Significance of Study	7
1.8	Research Constraints	8

CHAPTER 2: LITERATURE REVIEW

2.1	Quality of Work Culture	9
2.2	Leadership Styles	12
2.2.1	Transformational Leadership	17
2.2.2	Transactional Leadership	21
2.3	Comparison Between Transactional and Transformational Leadership	23

ABSTRACT

Over the years, Permodalan Nasional Berhad (PNB) has established a strong presence in Malaysia by building up a strong brand name especially in fund management. PNB has the expertise to manage an array of portfolios to meet the expectations of investors and their investment requirements. The purpose of this study is to determine which leadership style creates a quality work culture at Permodalan Nasional Berhad (PNB). Data were collected in a survey on a sample of 100 respondents chosen among employees from first line managers up to top management in PNB. Bass and Avolio's (1995), Multifactor Leadership Questionnaire (MLQ Form 5X) is used to measure leadership styles and the questions on quality work culture were adopted from Geri McKeown. Besides, IFE matrix is applied to determine the current work culture at PNB. Findings revealed that transactional leadership had greatest influence to the quality work culture. The paper is hoped to contribute towards improving the quality work culture by identifying the prominent leadership style practiced by PNB's management.

Keywords: *Transformational leadership, transactional leadership, work culture*

CHAPTER ONE

INTRODUCTION

1.1 An Overview of PNB

Over the years, PNB has established a strong presence in Malaysia by building up a strong brand name especially in fund management. PNB has the expertise to manage an array of portfolios to meet the expectations of investors and their investment requirements. PNB also is an active corporate player that continuously explores new investment opportunities with potential to further strengthen its position as a dynamic global institution.

Incorporated on March 17, 1978, PNB was conceived as a pivotal instrument of the Government's New Economic Policy to promote share ownership in the corporate sector among the Bumiputera, and develop opportunities for suitable Bumiputera professionals to participate in the creation and management of wealth.

Prior to the establishment of PNB, efforts to increase Bumiputera ownership in the corporate sector were not sufficient as shares allocated to individuals were seldom retained. Research indicated that when Bumiputera shareholders sold their shares, the profits generated were consumed and not reinvested.