



**THE EFFECT OF DEMOCRATIC LEADERSHIP STYLE ON EXECUTIVE
DECISION MAKING AT PETROLIAM NASIONAL BERHAD (PETRONAS)**

MUHAMMAD FAIZ BIN MAT JELAN

2013400644

SYED ASHRAAF BIN WAN MOHAMAD

2012897222

**BACHELOR OF BUSINESS ADMINISTRATION
WITH HONOURS (INTERNATIONAL BUSINESS)
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
MELAKA**

JUNE 201

DECLARATION OF ORIGINAL WORK



**BACHELOR OF BUSINESS ADMINISTRATION
WITH HONOURS (INTERNATIONAL BUSINESS)
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
“DECLARATION OF ORIGINAL WORK”**

I, Muhammad Faiz Bin Mat Jelani, (I/C Number: 920725-04-5129)

And

I, Syed Ashraaf Bin Wan Mohamad, (I/C Number: 881221-13-5885)

Hereby, declare that:

- This work has not previously been accepted in substance for any degree, locally or overseas, and is not being concurrently submitted for this degree or any other degree.
- This project-paper is the result of my independent work and investigation except where otherwise stated.
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

LETTER OF SUBMISSION

Project Advisor

Mr, Koe Wei Loon

Bachelor of Business Administration (Hons) International Business

Faculty of Business Management

Universiti Teknologi Mara

No. 110, Off Jalan Hang Tuah

75200 Melaka

Dear Sir,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled “The Effect of Democratic Leadership Style on Executive Decision Making” to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you

Yours sincerely,

Muhammad Faiz bin Mat Jelani

2013400644

Bachelor of Business Administration (Hons) International Business

Syed Ashraaf bin Wan Mohamad

2012897222

Bachelor of Business Administration (Hons) International Business

ABSTRACT

This research was conducted to carry out a study entitled “The Effects of Democratic Leadership Style on Executive Decision Making”. The purpose of this study is to investigate the effect of power, organizational culture and commitment on executive decision making in PETRONAS Twin Towers. Besides that, it is to determine the rating of democratic leadership style and decision making. In order to completing this research, the hypothesis was been constructed and focused on the objective to determine the rating of democratic leadership style and decision making and also to investigate the effect of power, organizational culture and commitment on executive decision making in PETRONAS Twin Tower. For this study, executive level in PETRONAS Twins Towers was chosen as respondents. A questionnaire had been distributed to those who involved which are 341 respondents. The data was obtained from primary data by using questionnaires. All data collected through the questionnaires were analyzed systematically by Statistical Package for Social Science (SPSS). From the correlation testing, the result shows Power has strong relationship, while Organizational Culture has moderate relationship and Commitment has very strong relationship. For the multiple regression analysis testing, the results indicate that power, organizational culture and commitment have proven that they are the factors that influenced decision making. For hypothesis, it shows that all independent variables which is power, organizational culture and commitment is supported. This study suggested management of PETRONAS Twin Towers to more concern on the most significant variable which is commitment that can effect on executive decision making, while for future researcher to widen scope of respondent and increase the number of variables.

TABLE OF CONTENTS

| No. | Content | Page |
|------------------------------------|------------------------------|--------|
| I. | TITLE PAGE | i |
| II. | DECLARATION OF ORIGINAL WORK | ii-iii |
| III. | LETTER OF SUBMISSION | iv |
| IV. | ACKNOWLEDGEMENTS | v |
| V. | TABLE OF CONTENTS | vi-ix |
| VI. | LIST OF FIGURES | x |
| VII. | LIST OF TABLES | xi |
| VIII. | ABSTRACT | xii |
| CHAPTER 1: INTRODUCTION | | |
| 1.1 | Introduction | 1 |
| 1.2 | Background of Study | 1-4 |
| 1.3 | Problem Statement | 4-5 |
| 1.4 | Research Questions | 6 |
| 1.5 | Research Objectives | 6 |
| 1.6 | Significance of Study | 6 |
| | 1.6.1 Management of PETRONAS | 6-7 |
| | 1.6.2 The researcher | 7 |
| 1.7 | Definition of Term | 7 |
| | 1.7.1 Leadership | 7 |
| | 1.7.2 Democratic Leadership | 7-8 |
| | 1.7.3 Decision Making | 8 |