PERSONALITY AND LEADERSHIP STYLES OF TOP MANAGEMENT IN PUBLIC LISTED COMPANIES IN MALAYSIA AND THEIR RELATIONSHIPS WITH ORGANIZATIONAL CULTURE

DISEDIAKAN OLEH:

ABDUL KADIR OTHMAN
ZOKREE ABDUL KARIM
MD LEHAN PARIMUN

NOVEMBER 2005

ACKNOWLEDGEMENT

First and foremost we would like to thank Allah Almighty for His blessing and grace. It is with His blessing that this research, "Personality and Leadership Styles of Top Management in Public Listed Companies in Malaysia and Their Relationships with Organizational Culture" completed on time.

We would also like to take this opportunity to acknowledge the management of UiTM Shah Alam and Terengganu branch, Faculty of Office Management and Technology, the Institute of Research, Development & Commercialization (IRDC), CEOs of the selected companies and their staff and those who are willing to participate in this research, for their sponsor, full cooperation, trust, understanding, assistance and valuable comments.

Special thanks, goes to our parents, our families and colleagues for their prayers, patience and understanding throughout the process of completing this research. Without their contribution, we might face difficulties in this effort. Once again, thank you very much to all parties involved.

ABSTRACT

Personality is said to determine the leadership styles. Leaders with Introvert personality type are less open to criticism and tend to make decision without much consulting others. They prefer authoritative style of leadership. However, those with Extrovert personality type tend to accept ideas, comments and suggestions from others. They favor participative style of leadership. However, lack of supportive evidences in Malaysian context, drives the researchers to conduct the study in this area. The aim of this study is to investigate the relationship between personality traits of leaders and leadership styles in Public Listed Companies (PLCs) in Malaysia. The instrument for this study is developed based on the Multi-facets Leadership Questionnaire and Goldberg's Big-Five Factor Structure. A number of public listed companies are selected and data are analyzed by using descriptive statistics, correlation analysis and multiple regression analysis.

Besides, many authors and researchers agree that leadership styles influence culture of the organization. Participative leadership style promotes the teamwork and participation of the employees in decision-making. Therefore, it creates the supportive culture between the employees and the leaders. However, little empirical evidence is found on this phenomenon in Malaysian context. The study is conducted to minimize the gap in the literature with regard to leadership study and culture in Malaysia. The study is also an attempt to investigate the relationship between

TABLE OF CONTENT

	Page Number
SURAT TAWARAN PENYELIDIKAN	i
SURAT PENYERAHAN LAPORAN	ii
DAFTAR AHLI PENYELIDIKAN	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENT	v
LIST OF TABLES	ix
LIST OF FIGURES	xi
ABSTRACT	xii

CHAPTER 1: INTRODUCTION

1.1 Background	1
1.2 Problem Statement	3
1.3 Research Objectives	5
1.4 Significance of the Research	6
1.5 Scope of the Research	7
1.6 Definition of Terms	8

CHAPTER 2: LITERATURE REVIEW

2.1 Personality	9
2.2 Transactional Versus Transformational Leadership	13

2.2.1. Transformational Leadership 13

2.2.1.1. Individualized consideration 15

2.2.1.2. Inspirational motivation 15

2.2.1.3. Intellectual stimulation 16

2.2.1.4. Idealized influence 16

2.2.2. Transactional leadership 18

2.2.2.1. Contingent reward 19

2.2.2.2. Management by exception 20

2.2.2.3. Laissez faire 21

2.2.3. Leadership Style and Effectiveness 24

2.3 Personality and Leadership Styles 25

2.4 Organizational Culture 26

2.5 Leadership Styles and Organizational Culture 35

2.6 Demographic Variables and Leadership

2.6.1 Gender and Leadership 39

2.6.2 Age and Leadership 42

2.8 Theoretical Framework

2.8.1 Hypothesized relationships between Personality and Leadership Styles 48

2.8.2 Hypothesized Relationships between Leadership Styles and Organizational Culture 53

2.8.3 Hypothesized Relationships between Leaders' Personality and Organizational Culture 58