

THE EFFECTIVENESS OF LEADERSHIP ON
ORGANIZATIONAL COMMITMENT IN BANKING
INDUSTRY

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DECLARATION

We hereby declare that:

- (1) This undergraduate research project is the end result of our own work and that due acknowledgement has been given in the references to ALL sources of information be they printed, electronic, or personal.
- (2) No portion of this research project has been submitted in support of any application for any other degree or qualification of this or any other university, or other institute of learning.
- (3) Equal contribution has been made by each group member in completing the research project.
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LIST OF ABBREVIATIONS

PD	: Personal Details
TFL	: Transformational Leadership
TSL	: Transactional Leadership
SL	: Servant Leadership
PL	: Participative Leadership
OC	: Organizational Commitment
SAS	: Statistical Analysis System
UTAR	: Universiti Tunku Abdul Rahman

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Appendix A : Questionnaire Survey Permission Letter

Appendix 3.1 : Questionnaire

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PREFACE

It is compulsory to carry out a research project in order to achieve our study – Bachelor Degree of Business Administration (Hons). The topic of the research project is “The Effective of the Leadership on Organizational Commitment in Banking Industry”. This study is conducted because the banking industry is a part that most of the development or economic run are depend the sustainability of a banking procedure in terms of inflation or financial status.

Nowadays, most of the employees tend to experience a high level of stress and complain about long working hours. In addition, some of the banks are experience a high turnover rate due to monetary reasons. Besides that, high turnover rate in the banking industry will affect towards the productivity and the service quality and this situation is mainly due to lack of knowledge and skill employees. The research will provide some understanding on how leadership styles can able to change or erase all the consequences that faced in the banking industry.

This research also concerned about how leadership style can able to manage to identify the concepts or procedures when it comes towards organizational commitment matters in the banking industry. In short, this research will give some of the improvement on leadership style towards the employees regarding on their performances in the banking industry through the study of the effectiveness of leadership towards the organizational commitment.

ABSTRACT

It is known that an individual that have a good in leadership skill can able to change the entire organizational system within the organization. The purpose of this research is to examine or evaluate the effectiveness of leadership style towards the organizational commitment in the banking industry area at Perak, Penang and Selangor. In this research, independent variables such as transactional, transformational, servant and participative leadership are being discussed to determine their correlation or significant relationship with organizational commitment.

There a total of 400 sets of questionnaire had been distributed to banking employees in Perak, Penang and Selangor area and total number of 384 sets had been collected. Based from the findings, all independent variable have significant relationship (transformational, transactional, servant and participative) or correlation with dependent variable (organizational commitment).

For future study, there are few other profession employees such as manufacturing industry is recommended. Furthermore, if studies are to focus on the banking industry, they can emphasize on special banking employees such as top management position who have experience is leading in the banking industry.

CHAPTER 1: INTRODUCTION

1.0 Introduction

This research that conducted by our group is talk about the effectiveness of some leadership styles like transformational, transactional, servant and participative leadership on the organizational commitment in the banking industry. To study about the interrelationship for dependent variable: organizational commitment and independent variable: transformational leadership, transactional leadership, servant leadership and participative leadership, we will examine the research questions and achieve the research objective to identify the relationship of dependent variable and independent variable. In chapter 1, we are going to talk about the research background, research question, the objective of this research, figure out the hypothesis of the research to determine the relationship and the problems result in this research. In the last part, we will present chapters layouts for this research to determine the main study in every chapter.

1.1 Research Background

1.1.1 Overview of Banking Industry in Malaysia

Bank is a place where it acts as a financial intermediary that accepts deposits and makes those deposits into other activities (Hildreth, 2001). The history of

banking depends on the history of money, without money or as last time refers as goods they will be no bank (Huerta, 1998). Other than local banks such as Ambank Berhad, Hong Leong Bank, Maybank, RHB Bank Berhad and so on, there are many foreign banks such as Citibank Berhad, HSBC Bank Malaysia Berhad and so on, they also offer the similar quality services in Malaysia.

Therefore, there is intense competition in the banking industry. High competition makes the banks are offering a comprehensive range of financial services to attract the customers and innovate their available products and services.

Besides that, there are high requirements of skilled and knowledge employees for banks because it is important for the banks to have great employees because frontline bank employees need directly interact with the customers. There are three prime banking systems which are commercial bank, investment bank and Islamic bank in the Malaysia's banking industry that supporting Malaysia's business activities and economy.

Bank employees tend to experience high level of stress and longer working hours. In a research done by Rubiah (1991), the researcher found that turnover of professionals in Malaysia is mainly due to monetary reason. Based on Asia Pacific Global Data Regional Practice Leader of Towers Watson (2013), the employee turnover rate of the financial services industry in from 2012 to 2013 which in Malaysia has been rose dramatically from 7.4% to 13.3%. However, the Malaysian banks have plan out some strategies such as employee value proposition (EVP) to overcome this circumstance in order to reduce the turnover rate.

There are many negative effects that associated with the high turnover rate in banking industry especially in commercial banks which include affect the

productivity and service quality because of lack of knowledge and skill employees. Insufficient skill and knowledge employees lead to lower customer satisfaction and unable meet the customers' expectation and requirements. High turnover resulted in high replacement and training costs required for new employees and eventually affect the profit of the organization (Boushey & Glynn, 2012).

The factors that cause higher turnover rate in the banking industry can be the quality of environment in the workplace may simply determine the level of employee's motivation, performance and productivity (Leblebici, 2012). Different leadership will lead their employees in different ways. Therefore, this is a problem that we will look into and try to solve in our research.

1.1.2 Overview of Leadership and Organizational Commitment

The main purpose of this research is to identify the effectiveness of the leadership on organization commitment in the banking industry. Organizational commitment has been a vital implication for organization and employees is a topic that concerned by the scholars on management and organization. Organizational commitment is considered as the reliable predictors of employees' work performance, productivity, turnover, job satisfaction of the employees, and efficiency. The adverse effect associated with employees who less committed in an organization include high turnover and absenteeism (Bennett & Durkin, 2000). Organizational commitment can be defined as the degree of an employee's identification with participation and involvement in an organization and remains employed in an organization and becoming one of its members (Raja & Palanichamy, 2011).

Committed employees normally tend to devote more time, energy and efforts toward the organization and have high job satisfaction and productivity. Other than that, committed employees also have a willingness to make the changes and less likely to engage in withdrawal behavior (Iverson and Buttigieg, 1998). This can help the organization to achieve the goals and implement business strategies and gain competitive advantage since the employees less resistance to change. Therefore, it is important to leaders emphasize on the significance of the employees' organizational commitment (Raja & Palanichamy, 2011).

According to Fang, Chang & Chen (2009), leadership has significant and positive impact on job satisfaction of employees and work performance and influences the employees' commitment toward an organization. Leadership plays an important character in the company's management which helps to maximize the efficiency and to lead the organization achieve its goals (Keskes, 2014). The word of leadership has been described in several terms which include position, personality, and influence employees' behavior and direct the group to achieve the goals (Limsila & Ogunlana, 2008).

In other word, the way of a leader manages the company whereas the employees can influence the sustaining of the company in the challenging environment .Thus, a leader plays an important character in an organization to enhance the employee's organizational commitment and increase their loyalty toward organization by allowing the employees to identify the organizational goals and values and enjoy their jobs in order to have greater development and creation of the organization in future (Fang, Chang & Chen, 2009). Furthermore, a capable leader able to motivate and support their employees by provides the guidance and direction to them in order to achieve the goals and accomplish the desired outcomes (Voon, Lo, Ngui & Ayob, 2011). Hence, the employees' behavior can be affected by

the leader through using different leadership styles and approaches (Keskes, 2014).

According to Nijhof, de Jong and Beukhof (1998) reveal that apart from the organization make good use of its human capital and competencies that make an organization to be successful, but also how the leader provokes commitment among employees to organization also very important. There are many types of leadership styles such as transactional, transformational, servant and participative leadership. Transactional leaders need to understand their followers' needs and how to satisfy their needs and use contingency rewards to compensate them in order to appreciate their contribution as exchange. Transformational leaders using inspiring and encouraging approach to motivate their employees to become high performers and achieve the goals that beyond their expectations and take the organizational goals as their cases. Servant leadership is about serve others in the first place, then emphasize on the achievement of organizational goals primarily and helping the followers to grow than to lead. Participative leadership is about motivate and encourage their followers participative in the process of decision making and contribute their ideas and seek their advices under consideration of decision making, and can lead to inspire the innovation and creativity of the team. The paramount factors that contribute to the organization's success are the different leadership styles necessary to apply in different conditions and depend on the employee's commitment toward organization and dedicate their effort to achieve the organizational goals.

1.2 Problem Statement

From the article we study and find that organizational commitment is employees' work attitude toward their own company (Rauf, Akhtar, Asim & Moen, 2013), by

this sentence we can link organizational commitment with turnover rate because when employees are highly committed with their jobs they will put more efforts in their jobs, so they will not easily leave the job. When employees have high commitment in their job, they have less intention to leave the company and show positive attitude to the company (as cited in Ahmad, Javed, Iqbal & Hamad, 2014). The reason we determine the organizational commitment of the employee is because the relationship of organizational commitment and turnover rate, below this paragraph, we will discuss about the turnover rate in the banking industry.

Bank industry is the industry facing the higher turnover rate compares to others industry, due to the higher workload in this area (Hussain, Yunus& et al., 2013). From the article we have studied, we found that employee in the banking industry has to familiar in their product very well to allow them in explain the product to the customer, although the employee not doing the customer service counter, the other department employee also has to deal with many customers since the transaction of money had to be done from day to day (Hussain, Yunus& et al., 2013). The environment of the business area is changed causes the efficiency of the employee also has to increase, to retain the customer from the multi-company (Mansor, Mohd Noor, & Nik Hasson, 2012). This is the reason why most of the employees facing high stress in this industry.

From one survey website call Towers Watson (2013) had discovered the turnover rate in the financial services industry, the website clearly states that the significant increase in the financial services industry from 7.4% (2012) to 13.3% (2013). This is why we want to study about this industry, because the high turnover rate will cause the company in loss of money and more cost need to implant for new employee training (Keni, Muthuveloo & et al., 2013). So we start this research is for the purpose of study how the leadership can impact on the organizational commitment, which in other hand to find out the characteristic of the leader that can affect the organizational commitment to lower down the turnover rate.

From the fact above, organizational commitment will affect turnover rate, the problem is what aspect can increase organizational commitment so in another way to lower down the turnover rate in the banking industry. From the previous study, we find that transactional and transformational leadership is used to diagnose the influences of leadership styles to the organizational commitment; according to the previous study it is used to figure out the interrelationship in management styles and the improvement of the productivity of employees (Lo, Ramayah, & Min, 2009). So we try to find out more leadership which has relationship with the organizational commitment to lower down the turnover rate in the banking industry.

From the previous study, there is another researcher doing some research on leadership and organizational commitment in other industry such as manufacturing industry, the research has analyzed the influences of transactional and transformational leadership to organizational commitment, in the result of the finding transformational has more impact towards the organizational commitment (Lo, Ramayah, & Min, 2009). This proves that leadership has impact on organizational commitment which can help the company to lower down the turnover rate.

However, based on the research by Fasola, Adeyemi and Olowe (2013), they have conducted a research to identify the interrelationship for leadership styles and organizational commitment in the banking industry in Nigeria. In the result from research state that the influences of transformational leadership to the employee commitment is no significant, but the transactional leadership has more impact towards the employee commitment. Based on the study above, we found that the result is different because the organizational commitment in two industries has different significant impact by different leadership. So we have to identify which leadership has the most impact towards the organizational commitment in our study, and we try to add in other leadership styles which are less studied by the researcher to determine the other way to create stronger impact towards organizational commitment.

In conclusion, we will focus on the transformational, transactional, servant and participative leadership as our main research, to identify the among the leadership style that can influence the organizational commitment and also try to examine the transformational and transactional leadership whether the result is same with the previous result or not.

1.3 Research Objective

1.3.1 General Objective

The objective of this research project is to study the relationship between leadership style and organizational commitment in the banking industry of Malaysia.

1.3.2 Specific Objectives

1. To investigate the relationship between transformational leadership and organizational commitment in banking industry of Malaysia.
2. To determine the relationship between transactional leadership and organizational commitment in banking industry of Malaysia.
3. To identify the relationship between servant leadership and organizational commitment in banking industry of Malaysia
4. To analyze the relationship between participative leadership and organizational commitment in banking industry of Malaysia.

1.4 Research Questions

The research questions are stated below:

1. Is there any relationship between transformational leadership and organizational commitment in banking industry of Malaysia?
2. Is there any relationship between transactional leadership and organizational commitment in banking industry of Malaysia?
3. Is there any relationship between servant leadership and organizational commitment in banking industry of Malaysia?
4. Is there any relationship between participative leadership and organizational commitment in banking industry of Malaysia?

1.5 Hypotheses of Study

1.5.1 Hypothesis One – Transformational Leadership

H₀: There is no significant relationship between transformational leadership styles and organizational commitment.

H₁: There is a significant relationship between transformational leadership styles and organizational commitment.

1.5.2 Hypothesis Two – Transactional Leadership

H₀: There is no significant relationship between transactional leadership styles and organizational commitment.

H₁: There is a significant relationship between transactional leadership styles and organizational commitment.

1.5.3 Hypothesis Three – Servant Leadership

H₀: There is no significant relationship between servant leadership styles and organizational commitment.

H₁: There is a significant relationship between servant leadership styles and organizational commitment.

1.5.4 Hypothesis Four – Participative Leadership

H₀: There is no significant relationship between participative leadership styles and organizational commitment.

H₁: There is a significant relationship between participative leadership styles and organizational commitment.

1.5.5 Hypothesis Five – Leadership Styles

H₀: There is no significant relationship between leadership styles and organizational commitment.

H₁: There is a significant relationship between leadership styles and organizational commitment.

1.6 Significance of Study

Practical Perspective

As Drury, (2004); Lee & Ahmad, (2009) state that leadership style is the key or element that may influence the organizational commitment and it appropriate style may enhance organizational commitment of employees. The aims of the study help the manager by providing them more insight in banking industry of Malaysia and which leadership styles have a greater influence on organizational commitment. Thus, different leadership style can be exploited in different way by matching his or her behavior with the characteristic of their followers along with organization environment because of the leader will be provided with better vision on the situation.

In addition, the leaders able to select the appropriate leadership style to improve the organizational commitment and lead follower to achieve organizational objectives and goals. These will help the leaders to obtain a better understanding on the importance of the employee commitment as well as organizational commitment. So, the increasing awareness and knowledge about the effect of different leadership which may impact the employees' organizational commitment is the main importance of this research. Besides that, the information provided in this study enables help the leaders to know the key and way increasing the level of organizational commitment.

Employee is an important asset of an organization. It is a challenge for manger to retain the employee loyalty toward organization. Employees are more favor the managerial style than organization. Furthermore, it is an opportunity for their followers to learn from leaders on the behavior part of how to be a successful leader. On the other hand, it will definitely reduce the turnover rate of the

organization. This study further examined which leadership style most affect organizational commitment.

Academic Perspective

Further, this study will be helpful and valuable to administrators and leaders of the banking industry as it will help them understand the importance of leadership styles that may influence the organizational commitment in their firm. In addition, the management team can emphasize on their leadership in order to reach the company's objectives and make the achievement, at the same time the effectiveness of employees will increase. Although this study focuses on the banking industry, it provides a framework that can be relevant and applicable in organizational commitment field for other. It will also act as future guidelines for other researcher on the subject of organizational commitment.

1.7 Chapter Layout

This research is divided into 5 chapters which are stated in below:

Chapter 1: Introduction

This chapter consists of research background, research problem, research objectives, research questions and also the significance study on the effect of leadership style on organizational commitment.

Chapter 2: Literature Review

This chapter we conducted the literature review based from journals and articles which are useful for our research project. This chapter also contains several theoretical frameworks.

Chapter 3: Research Methodology

In this chapter it describes the application of research methodology of design of the research, the method of the data collection, design of the sampling, scale of measurements and method of data analysis.

Chapter 4: Data Analysis

This chapter grants the descriptive analysis, scale of measurement and inferential analysis. It also contains the patterns of the result and analysis of the result which are related to the research questions and research hypothesis.

Chapter 5: Discussion

This chapter provides the overall summary of statistical analysis, talk over about the major finding, about the study's implication and some future research's recommendations.

1.8 Conclusion

In this chapter it provides a summary of the introduction of the effective leadership style on organizational commitment in banking industry of Malaysia. For further discussion of the literature review and some theoretical framework will be discussed in next following chapter.

CHAPTER 2: LITERATURE REVIEW

2.0 Introduction

In chapter 2 we state the literature review for the effectiveness for various leadership styles on organizational commitment in banking industry. Multiple researches from other researchers are used as our reference and secondary data for this research. This chapter will discuss the independent and dependent variables to identify the connection for independent and dependent variable. With the help of the related theoretical model and framework, we will develop the hypothesis based on the independent and dependent variables, at last we will further explain the interrelationship for the independent and dependent variables.

2.1 Review of the Literature

2.1.1 Leadership

Leadership style can be the key determinant of the organization's success or failure (Lok & Crawford, 2004). According to Truckenbrodt (2000), the importance of the leadership has influence in many fields such as government, politics, military, and profit or non-profit organization.

Besides that, a successful organization depends on the capacity and ability of the leaders to work with their subordinates by initiating actions and programs in order to achieve the desired organizational goals (Johnson & Bledsoe, 1973).

Leadership has widely definition by many researchers. Leadership is defined as the process in which the leader influence their followers or subordinates show their willingness and enthusiasm by contribute their efforts and abilities to achieve the organizational goals (Doyle & Smith, 2001; Lussier, 2006; Werner, 2001). According to Yukl (1994), leadership is also defined as the process of influence in the subordinate, lead and inspires the subordinate to accomplish the target, maintain cooperation among the group members and achieve the established mission and the support from the external source is obtained.

The presence of the leader is to motivate, directs, and influence others to accomplish specific tasks and expected to set the direction and values for the followers and organization and lead the subordinate to perform better and being efficient in order to achieve the organizational goals. According to Mulki, Jaramillo & Locander., (2006) further explain that employee work attitudes and behaviors is direct influence by the leadership style. Besides that, according to Ngodo (2008), there is mutual effect and reciprocal relationship between leader and subordinates because they have influence each other in the achievement of organizational goals.

The management culture and the management style that used by the top management has direct and positive impact on the degree of the employee commitment toward the organization (Niehoff, Enz & Grover, 1990). Many leadership researchers found that there are many leadership styles and variety of ways to lead, therefore the leader should adopt the most appropriate leadership styles to get the employees' participation and

commitment. In other word, the importance of understanding employee's situation in order to decide on which leadership styles is suitable and able to fit the interaction between them in order to achieve the desired organizational goals.

To be a successful leader, he or she need to facilitate, understand and having adequate knowledge on the uniqueness of each individual that are being led, and cultivate and develop their potentials and maintain positive interaction with them, this can stimulate the good relationship between the leaders and the followers which eventually lead to not only individual goals but also the desired organizational outcomes.

2.1.2 Dependent Variable: Organizational Commitment

Organizational commitment represents an employee work attitude towards their own company, this degree of commitment will affect the employees on their own jobs, if employees are committed will greatly increase their work performance and reduce their intention to leave the company (Rauf, Akhtar , Asim & Moen, 2013). We can define organizational commitment as an emotional commitment from employee towards the company to achieve the organizational target, different employees had different level of organizational commitment which differentiate the performance of one employee and also the turnover rate among the employee (as cited in Ahmad, Javed, Iqbal & Hamad, 2014), so the research purpose focus on how the leadership affect the organizational commitment to lower down the turnover rate in banking industry.

Organizational commitment comprise by three factors: employee's belief towards the organization's value and target, employee willing to pay effort in their own work, the less intention of leaving the organization (Jian Wu & Anita Liu, 2006). From this article we understand that organizational commitment is really important to maintain one employee's membership in the organization, so organizational commitment becomes one of the keyword that reduce the turnover rate in the banking industry. The change of the organizational focus and leadership styles rapidly causing the employee no longer committed to their own job (as cited in Mguqulwa, 2008), this is because the employee didn't feel any security in their own work causing the intention to leave increase.

From the article wrote by Mguqulwa (2008), had clearly stated that the definition of the organizational commitment adopts from other researches' article. Most of the article defines organizational commitment with individual; one of them is the individual's behavior in an existing group in one company because positive behavior means the organizational commitment of the employee is very high. From the study of the organizational commitment, we try to figure out the meaning of organizational commitment with employee and how to increase it.

In other article consider in three dimensions for organizational commitment which is affective, continuance and normative (Lo, Ramayah, & Min, 2009). But in our case we will more focus on leadership type, so we didn't use the three perspectives and we only compare organizational commitment with various types of leadership. Organizational commitment is the relationship between employer and employee in multidimensional concept that related to the job satisfaction and turnover rate problem in one company (Lo, Ramayah, & Min, 2009). As cited in Lo, Ramayah, & Min, (2009), organizational commitment has positive relationship with the turnover rate in one company, because employee more willing to accept change in the company.

Besides that, organizational commitment being used as research variable because some researchers define the organizational commitment as a degree of strength unity and also the degree of feeling in one organization, when one employee has higher level of commitment they will more adopt to the goal of organization and maintain their membership in this organization (Korkmaz, Kihc, Yucel, & Aksoy, 2014). This is the reason organizational commitment is used as variable to determine the intention of employee who want to leave the organization, as a result will show that which aspect can affect the organizational commitment is the aspect has the ability to change the degree of turnover rate in one organization.

2.1.3 1st Independent Variable: Transformational Leadership

According to Garcia Morales, Jiménez-Barrionuevo, & Gutiérrez-Gutiérrez (2012), they defined Transformational leadership as helping the employees to accomplish their goals and enhance the perception of mutual interest. Transformational leaders mainly through their high expectations of communication to motivate their employee, they also encourage their employee to be intelligence, knowledge and willing to learn to ensure they are innovative in solving the problem and make solution. Bass, (1999); Bass & Avolio, (2000); García Morales et al., (2008), stated that in an organization, Transformational leadership theory stress on values, emotions, and the importance of leadership focused on encourage the innovation of employees. Therefore, employees are the assets for the company.

Avolio, (1999); Bass & Avolio, (1994) suggest four essential dimensions to defined transformational leadership theory, which include idealized influence, also known as charisma, leaders play a role as a model and encourage their follower to follow their principles and values; motivational inspiration, leaders able to express determined expectation to their followers and motivate them to achieve their goals in the organization; intellectual stimulation, leaders support their followers to be innovative and creative in thinking; individualized consideration, leaders know every single follower have unique characteristics, desires, and needs (as cited Cavazotte, Moreno,& Hickmann, 2012). Besides that, Bass and Steidlmeier (1999) also stated that transformational leadership theory is form by the four behaviors, which including the individualized consideration, idealized influence, intellectual stimulation, and motivation inspirational as well.

Apart from this, Shin and Zhou (2003) stated that the theory of Transformational leadership is being studies link to the employee creativity. According to Bass, Avolio, and Goodheim, (1987); Bass and Steidlmeier, (1999) saying that Transformational leader encourages employees are high self-reinforcement to accomplish their task rather than having a reciprocal relationship. In addition, Gumusluoglu and Ilsev, (2009); Shin and Zhou, (2003); Sosik et al., (1997) explains that Transformational leadership style provides valuable feedback for their employees, motivate them to think creatively through their intrinsic value and assisting them in accomplishing the task. Furthermore, Amabile et al. (2004) suggested that creative in the working environment is a key characteristic as a leader, as it motivate and encourage employee to challenge themselves in term of the ways they doing things, the creativity is being affected by Transformational leadership. (Gong, Huang, & Farh, 2009; Shin & Zhou, 2003) (as cited Wang, Tsai, Tsai, 2013)

Last but not least, according to Bass et al. (2003),p- 208 (as cited Moynihan, Pandey, & Wright, 2012) study saying that Transformational leadership is estimated to form employee behavior through three psychological processes. The first process is transformational leaders lead employees through enhance their consciousness of what is the value and desired result to the organization. The second process is transformational leader direct employees to be idealized influence, acts as a role model, uphold with confidence, and feel proud of the organization. The third process is transformational leaders assist followers to accomplish their mission and assists them to overcome the challenges that related to the organizational issues effectively and efficiency.

2.1.4 2nd Independent Variable: Transactional Leadership

Transactional leadership is basically known as managerial leadership which directly focuses on the role or attention of supervision and group performance in an organization. Transactional leadership is a leadership style that a particular leader(s) promotes their agreement towards their followers by involving both rewards and punishments. Based from Nazim Ali, Shahid Jan & Muhammad Tariq (2014) claim that Burns (1978) was the first person discovered the terms and theories for transactional leadership. According to Burns (1978), states that transactional leadership only occurs when the leaders and their followers are involved in an exchange of relationship to meet their own self-benefits. This statement was supported by one of the researchers which stated that “Transactional leadership refers to the exchange relationship between leader and follower to meet their own self-interest” (Bass, 1999, p. 10).In this case, some followers might receive some certain valued outcomes in terms of wages or status when they act based from their leader’s requirements and orders.

According to Clinebell, Skudinee, Trijonytea & Reardon (2013), this type of leadership might involve a certain underlying transactions between both managers (leader) and employees where followers are introduced to a positive behavior that is expected from the leaders in order to entitle to the reward based on the followers compliance or job performances. This basically has the relations on the outcome of the turnover rate in a bank industry based from the connections between the expected job performances that done by the employees in the organization and also which type of leadership style that a person in charge use. Hence, transactional leadership can be described as a corrective sense which can be divided into means of identification and management mistakes ahead of time or after it occurs some of the condition (Bass & Avolio, 1997, as cited in Anwar & Ahmad, 2012).

Based from Bass & Avolio (2000) as cited in Anwar & Ahmad, (2012), transactional leadership can be described into two separate dimensions or characteristics which are: contingent rewards and management by exception. The definition of contingent rewards is that a leader will give a specific reward to his or her employee once the employee succeed to achieve the goals that are needed to achieve or agree between both parties. Moreover, contingent reward can be used as the exchange of rewards based from the objectives that has set before the agreement happen. In short, if a particular employee gets its jobs right by making promises and fulfillments, the terms for the transactional leadership will be accepted.

The second characteristic, management by exception is a part of the dimensions for transactional leadership. This part of characteristic may occur or happen when a leader monitors the followers to avoid any mistakes occur in an organization (Avolio & Bass, 1995). In specifically, the only factor that can conclude the terms for transactional leadership are

involving the exchange relationship between reward of effort, productivity and lastly loyalty (as cited Marmaya, Hitam, Torisman & Balakrishnan, 2011).

2.1.5 3rd Independent Variable: Servant Leadership

The servant leadership is known as the Center for Applied Ethics in 1964. In 1970, the first principle of “Servant Leadership” was beginning with essay entitled The Servant as Leader by Robert K. Greenleaf. He believes that a successful leader is likely to be an excellent and meritorious servant and the trait to lead them successful. In year 1985, the leadership was renamed as servant leader and nowadays serves the organizations around the organization in the world. Besides that, much evidence shows that many organizations and business with traditional leadership are shifting towards servant leadership as a way in relationship with others in this 21 century. Many of successful organization was applied the servant leadership in their organization. For example, TD industries is the 100 Best Companies to Work in America, the servant leadership styles become circulates organization and provides the guideline to TD industries in their business philosophy (Spear, 2004).

As Schneider and George (2011) study, they defined servant leaders as first place their follower’s interest, needs and others than themselves (as mentioned in Greenleaf, 1997). Servant leadership is desire motivate and guide the followers to grow as well as provide the organization opportunities though establish quality relationship. The concept of servant leadership where the primary function is serve other and ensure that their followers are able to attain towards their personal well-being and grows. Other than that, others role of leader focuses on the organization goal and objectives instead of the needs followers in the organization. The theory of

the servant leadership is more focus on concern the followers holistic need, autonomy and development than other leadership theory.

According to Mayer, Bardes & Piccolo (2008) study stated that employees view their managers as servant leader will increase their performance. As a servant leader is willing to invest more energy and time desire to comprehend and satisfy the individual's needs. By referring to Harrison, Newman & Roth (2006) study, the foundation of servant leadership is unlike traditional leaders who are primarily motivated by aspiration to lead. Servant leader motivates is serve others and helping followers to grow. As a study of Graham (1991), mentioned that a leader acquired with characteristic of servant leadership style would first place on the follower's need, then organization's goals and last placed on their needs. Besides that, the servant leadership greater employee's trust in leader, it may contribute to organization on reducing intensities of work anxiety, achieving a high level of job satisfactions and improve employee commitment (Franke & Jeong, 2006) .

According to Van Dierendonck (2011) state that the characteristic of servant leader involves authorizing and developing employees, authenticity, stewardship, humility, interpersonal acceptance, and delivering direction. A leader with characteristic of empowering and developing employees which giving the power or autonomy to their employees to carry out the job, to make decision and self-determining (Conger & Pearce study as cited in Shah & Ali, 2012). Besides, humility is another characteristic of leader has capability to out their strength, achievement, and interest in the correct ways (Van Dierendonck, 2011). Authenticity is known as the leader willing to share their feeling and inner thinking and able to bring honest about one self (Harter, 2002). Interpersonal acceptance defined as where the person comes from "understand and experience the feelings of others and where the person comes from" as defined as the interpersonal acceptance. The providing

direction is the followers know what is expected from the leaders and employees will perform their job well. The last characteristic of the servant leader is the stewardship which refers to the leader is willing to care and take responsibility for the whole organization.

2.1.6 4th Independent Variable: Participative Leadership

Yukl (as cited in Bogdanic, 2012) defined that participative leadership has empower and encourage the involvement of the others participative in the process of decision making. According to Koopman & Wierdsma (1998), participative leadership is defined as the process of making the decision jointly or at least partake the influence in decision-making by a leader and his or her subordinates. The characteristics associated with participative leadership style such as empowerment, joint decision making, consultation, democratic leadership and power sharing.

A participative leader encourage the employees contribute their ideas, solicit advice from their followers, obtain their views and thoughts and integrate their ideas into the consideration of the final decision making (Northouse, 2013; House & Mitchell, 1974). However, the final decision making authority still fall over the hand of the leader. A leader may not know everything, thus need the participation and involvement of knowledgeable and skilled people to gain their different perspective and diverse opinions in order to make better decision and have greater creativity and innovation and eliminate insularity. There will be a wider of opinion provide by the diverse group member to organization and create synergy within the organization. This leadership behavior enables the participation and involvement in organization activities, hence able to cultivate the feeling of “psychological ownership” among the employees, enhance their self-efficacy and decrease their powerlessness and increase

their self-growth through their jobs (Arnold, Arad, Rhoades & Drasgow, 2000). The feeling of ownership make them believe that they are imperative human asset in the organization and they are appreciate and accept by the leader (Bell, Chan & Nel, 2014).

Other than that, participative leadership is associated with potential benefits and positive impacts which include increases and enhances the decision's quality (Scully, Kirkpatrick & Locke, 1995), the quality of employees' work lives has been improved (Somech, 2002), facilitate employees' motivation and increase the organizational commitment. As an example, the frontline bank employees always direct interact with the customers, so they know better about the customers' needs and expectations than the manager, therefore management have to permit the employees to participate in the process of decision making (Dolatabadi & Safa, 2010). The direct involvement of the employees mostly is regard of their immediate work. According to Graham & Bennet (1998), employees have to access sufficient information as the basis of the decision, they will consult before the decision has been made and negotiation can be made between the management and the employees regard the implementation of the decision. Openness to new idea through the participation can facilitate employees' commitment toward organization and development of the employees.

Besides that, participation and involvement of employees in the process of decision making and business activity can make the group members feel more interconnected and encourage them to contribute their creativity. Participative leadership is appropriate and effective in team situation due to solicit different ideas and seek advice from team members generate the high levels of team outcomes. Employees feel satisfied and appreciate when the leader allocates important tasks and delegate the decision making authority and responsibility to them. Power sharing by the leader to the follower can gain the level of trust, employees' motivation, facilitate and

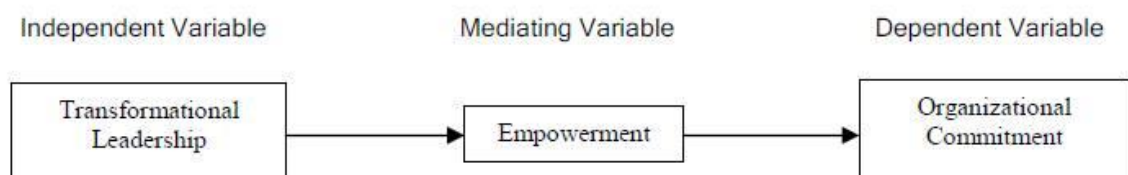
boost the employee's innovation and their job satisfaction in the organization.

Furthermore, employees are able to enjoy the experience with intrinsic motivation and feeling of self-worth and a sense of self-determination in participative leadership (Deci, Connell & Ryan, 1989). Participative leadership able to provide the climate where the employees are involved, let them think that they are empowered and feel free to communicate and reduce the reluctance of change (Bell, Chan & Nel, 2014). Moreover, the attitudes of respect, understanding and communication in participative leadership can increase the reciprocal relationship between leader and follower. However, there is a shortcoming in adopting participative leadership which it will be time consuming due to many members involved in the process of decision making and it is hard to reach a consensual decision and difficult to obtain the majority abroad.

2.2 Review of Relevant Theoretical Models

2.2.1 Transformational Leadership

Figure 2.1 An Empirical Study of the Relationship between Leadership, Empowerment and Organizational Commitment.



Source: Azman Ismail, Mohamed, H., Sulaiman, A.Z., Mohamad, M. H., & Yusuf, M.H. (2011). *An Empirical Study of the Relationship between Transformational Leadership, Empowerment and Organizational Commitment.*

According to the research that studied by Azman et al., (2011), the model above is being generated. The model is shown correlation between the independent variables, the mediating variable and dependent variable as organizational commitment. In this research, the transformational leadership has significant relationship with the organizational commitment. Based on Avolio, Zhu, Koh, Bathia, (2004); Kark & Chen, (2003), stated that the significant relationship between transformational leadership and organizational commitment yet it indirectly affected by empowerment.

This research stated that Transformational leadership has four essential characteristic include the individualized influenced attributed, individualized influence behavior, individualized consideration and intellectual stimulation that might increase the empowerment of the followers in term of organizational functions performance and the organizational commitment as well. Dubinsky, Yammarino, Jolson & Spangler., (1995); Bycio, Hacket & Allen, (1995) stated that transformational leader style carries out the function of the organization may have significantly influence on employee outcomes as well as organizational commitment. Organizational commitment theory is defined as an attitude of work related based on the organizational behavior literature. Mathieu & Zajac, (1990) stated that it consists of three factors, which is the believing in the organization's goals and values of acceptance, willing to put effort for the organization, and willing to stay in the organization.

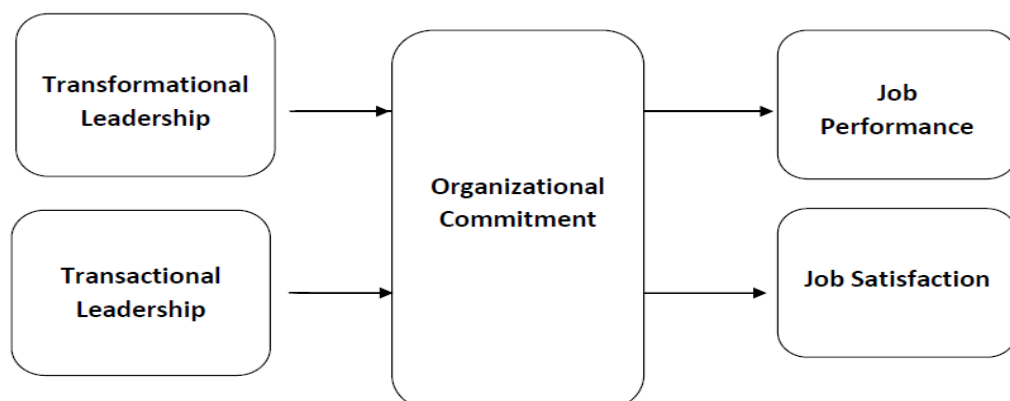
Furthermore, Jung & Sosik, (2002) study that Transformational leaders are involved with the employee empowerment. Employees are allowed to voice out in the process of decision making through the empowerment. All employees are encouraged to be independent and innovative in term of solving the problem in the organization and they are being treated

equitably. Modern style leaders give a positive influence on individuals, groups and organizations (Dess Picken & Lyon., 1998). They will always support their employees, motivate them to be creativity in thinking, individualized consideration, and train them as well. Transformational leadership style consists of these entire characteristic that lead them to enhance organizational strengths and improve job satisfaction of employee and organizational commitment in the organization.

In a nutshell, Limsili & Ogunlana (2008) studied the transformational leadership is a good leadership and it promote the workers' productivity and organizational commitment. Whereas, Ismail & Yusuf (2009) studied Transformational leadership defining employees from the organizational commitment and they are the most effective leadership style, they influence their follower commitment and as a conclusion, there is significant positive relation with organizational commitment.

2.2.2 Transactional Leadership

Figure 2.2 Mediating role of organizational commitment among leadership styles and employee outcomes.



Source: Anwar, F., & Ahmad, U. N. U. (2012). *Mediating role of organizational commitment among leadership styles and employee outcomes. an empirical evidence from telecom sector of Pakistan.*

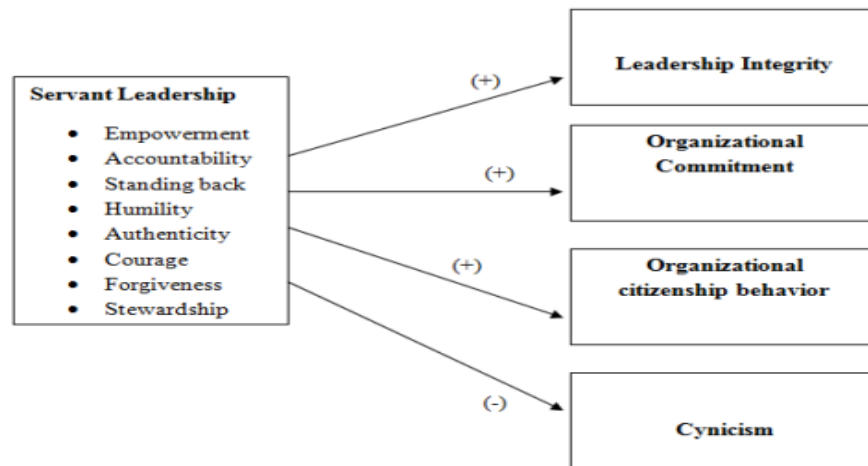
According to Anwar & Ahmad (2012), the conceptual framework that stated above consists of two independent variables (transactional leadership and transformational leadership) which lead to one dependent variable (organizational commitment) and two dimensional outcomes (job satisfaction and job performance). There are several studies mentioned that there is a positive relationship between transactional leadership and the organizational commitment which also lead towards the outcome of job performance.

On the other hand, the study has proved some results that transactional leadership can significantly provide positive as well as negative outcome for job performance. This is because the outcome of job performance depends on how well or inform from the transactional leadership style. Studies also showed that transactional leadership is more focused on increasing or enhancing the level or the position of job performance in order to ensure sustainability work progress and goal accomplishment through the organizational commitment.

Some researcher proved that transactional leadership can have a direct effect on motivation issues and the level of performance of the employees because transactional leadership plays an important role in the organization in terms of increasing the level of job performance of an employee.

2.2.3 Servant Leadership

Figure 2.3: Servant leadership in Italy and its relation to organizational variables



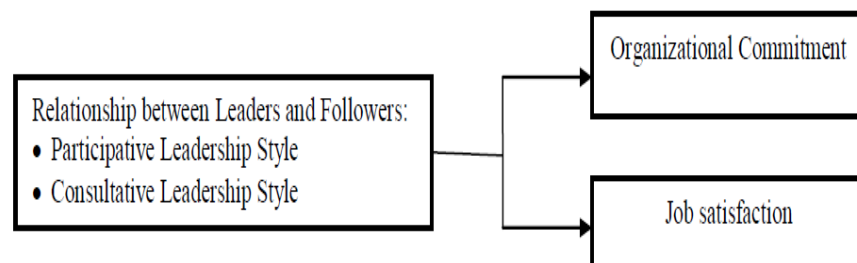
Source: Bobbio, A., Van Dierendonck, D., & Manganelli, A.M. (2012) Servant leadership in Italy and its relation to organizational variables. *Leadership*, 8(3), 229-243.

According to the study of Bobbio, Van Dierendonck, and Manganelli (2012), this conceptual framework was developed. In this conceptual framework, the independent variable is servant leadership and empowerment, accountability, standing back, humility, authenticity, courage, forgiveness and stewardship are dimension to measure servant behavior. Other than that, the four dependent variables in this framework are leadership integrity, organizational commitment, organizational citizenship behavior and cynicism. Analyses from researchers show that servant leadership has a positive correlation and significant influence with leadership integrity, organizational commitment and organizational behavior. In contrast, the result in the study proved that servant leadership was negatively correlated with cynicism.

This research state that servant leadership and leadership integrity will be positive correlation. This is because integrity perceptions strongly influencing to employee's job satisfaction and intention to leave their company. Servant leader associated with leadership integrity turn out be the one best leader in trust and the determinant quality relationship between leader and their followers. In this research, they test what extent servant leadership for organizational commitment which is lower levels of job burnout. The negative correlation between servant leadership and cynicism because of employees distrust pessimism about their job and display of dysfunctional behavior.

2.2.4 Participative Leadership

Figure 2.4 A relationship between leaders and followers as a predictor of organizational commitment and job satisfaction.



Source: Ismail, A., Shaik, A. R., Som, H. M., Saludin, M. N., Mohamed, H. A. B., Nordin, R., & Zainudin, N. F. (2010). *A relationship between leaders and followers as a predictor of organizational commitment and job satisfaction.*

Based on research conducted by Ismail et al., (2010), the model above is generated. This model shows the relationship between independent variables and dependent variable. There are two independent variables

which include participative leadership style and consultative leadership style, whereas the dependent variable is organizational commitment and job satisfaction. Based on the research conducted, the participative leadership style and the consultative leadership style have significant relationship with the organizational commitment and job satisfaction.

The research paper state that participative leadership style is defined as a leader works closer with his or her followers and involves the followers to participate in the process of decision making (Anthony, 1978). Consultative leadership style requires the leader frequently seeks the opinions and ideas from their followers in order to complete task assignments and establishing the goals (Bass, 1990). Participative leadership encourages participation of employees and consultative leadership can bring better change among employees, these can trigger positive employee outcomes and increase the organizational commitment. Participative leadership, consultative leadership and organization commitment and job satisfaction are strongly interrelated in this research.

A participative leader performs participative style in discussion, empowerment, joint decision making and power sharing by involving the participation of the employees can increase the employees satisfaction and enhance their commitment toward organization. For example, leader encourages the employees to participate and involve actively in the team discussion or meeting to provide their suggestions and decision about salary, promotion, training, manpower planning and so on in order to improve the employees benefits lead to increase employees motivation and organizational commitment. A consultative leader appreciates followers' voices in building goal settings and task assignments in order to planning and managing organizational functions can result in evoking the employees commitment toward organization. Due to the appreciation and belief of the leader, followers more likely support the organizational strategy and achieving goals, so they less likely have intention to leave.

In conclusion, this model offers us the understanding of the relationship between participative leadership style and consultative leadership style with the organizational commitment and job satisfaction. As a result, we use and adopt it for the purpose of making our theoretical framework by referring it.

2.3 Proposed Theoretical/ Conceptual Framework

Independent Variables

Dependent Variables

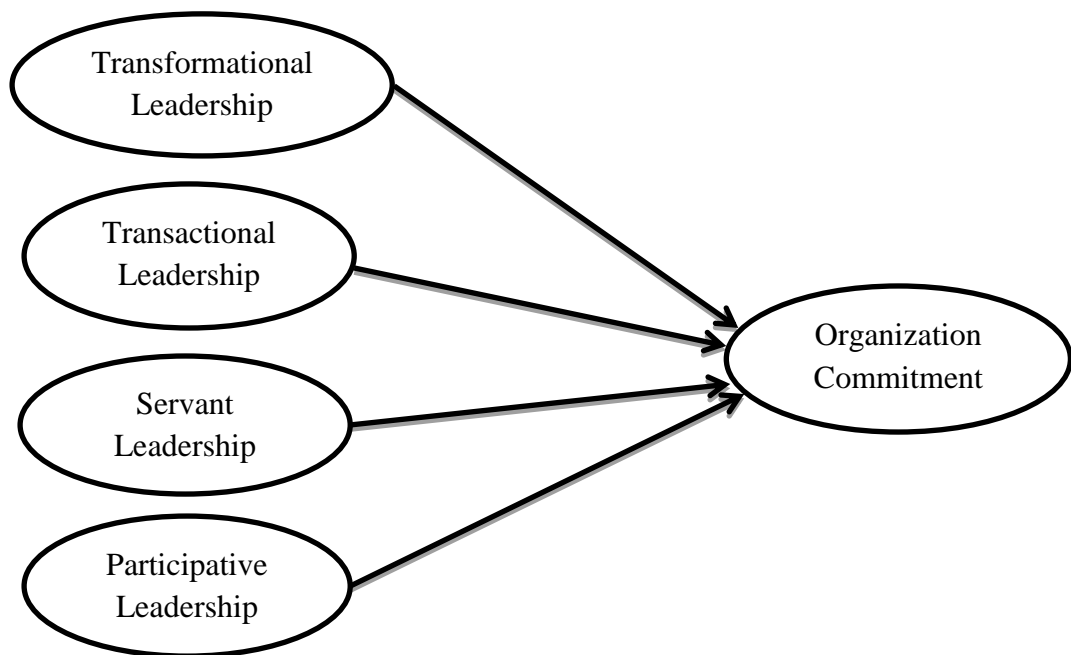


Figure 2.5: Proposed Framework

Source: Develop for research

We have conducted a theoretical framework for our research. Figure 2.3 showed the relationships among all the independent variable and dependent variables. In the study, our research still determines the

effectiveness of the leadership on organization commitment. The independent variables are represented by the four leadership which consists of transformational, transactional, servant, and participative and the dependent variable is organizational commitment, and it will determine the influences of all the independent variables toward the dependent variable.

2.4 Hypotheses Development

The hypothesis is to study the relationship between leadership (transformational leadership, transactional leadership, servant leadership and participative leadership) and organization commitment in the banking industry. The following is the set of the hypotheses will be tested.

2.4.1 The Relationship between Transformational Leadership and Organizational Commitment

A study by Bushra Usman, & Naveed (2011) found out transformational leadership was significant and positive correlated effect on job satisfaction and employees organizational commitment. The purpose of this studied is to study the relations between transformational leadership and job satisfaction and employees organizational commitment that work in the banking industry in Pakistan. A total of 200 questionnaires being distributed and 66.5% responded showing that there is a positive relationship.

Besides, transformational leadership was significant and positive correlated affects the organizational commitment (Avolio, Zhu, Koh & Bathia, 2004). Singapore public hospital using a sample of 520 employed nurses in this research. Transformational leadership is good leadership style and worker efficiency and organizational commitment is assist in transformational leadership (Limsili & Ogunlana, 2008). In addition, a study the relation of how transformational leadership influence follower's commitment was conducted by Ismail and Yusuf (2009) and they conclude that there was significant and positive correlated between the two variables. In employee organizational commitment, Transformational leadership had been defined as the most effective leadership style.

Furthermore, a study was conducted by Kao (2015) using a sample of 704 police officers of 34 international harbor police stations in Taiwan. He found out that transformational leadership and organizational commitment not only has significant and positive correlated relationship to affect the police's organizational citizenship behavior but also the organizational climate possesses a context effect on the organizational commitment.

On the basis of this reason, we believe that followers' organizational commitment will be influence by the leaders when leaders establish the transformation behavior or characteristics on it.

In Davenport (2010) concept, there is significant positive relationship between transformational leadership and the organization commitment, it said that crucial elements that to predict an organizational commitment involved the personality type and he found that employees those pay more effort and more committed towards the organizations are under internal locus of control. Same goes to employees those who follow the

transformational leaders are also committed towards their organizations as well.

Besides, transformational leaders are passionate, energetic, enthusiastic, and always concern on their follower successful and playing a positive role to their follower (Dumdum, Lowe & Avolio, 2002). Transformational leadership able to influence numerous of behaviors that relate to the work (Bass, 1985; Stogdill, 1963), therefore, attitude of follower, their working behavior, as well as the level of their performance and motivation and the transformational leadership are positively related with the organization commitment.

In a conclusion, transformational leadership able to influence the organizational commitment through promotes the values that relate with the accomplishment of their goal, emphasis on the relationship between the efforts of the employees and the achievement of their goal, as well as generate the follower personal commitment and the leader's vision, mission, and high level of the intrinsic value of goal accomplishment in the organization (Shamir, Zakay, Breinin & Popper , 1998).

H₀: There is no significant relationship between transformational leadership and organization commitment.

H₁: There is significant relationship between transformational leadership and organization commitment.

2.4.2 The Relationship between Transactional Leadership and Organization Commitment

Based from Othman et al., (2012), studies show that there is a significant positive relationship between transactional leadership and organizational commitment. The study which conducted by Othman et al., (2012), in an organizational sample of 379 employees revealed that transactional leadership style were statically significant at the level significance of 0.01.

There is a positive relationship between transactional leadership and organizational commitment. Based from Meyer and Allen (1997), there is a term to describe this particular relationship which involve transactional leadership and organizational commitment and the term is called the “psychological contract”. The term psychological contract is described as hypothesized antecedents to the organizational commitment between employees and organization (Meyer & Allen, 1997). In addition, Ibrahim et al., (2010) also proved that there is a significant correlation or relationship between transactional and organizational commitment. Moreover, studies from Barbuto (2005), also shown that transactional leadership style proved to be positive and significant relationship with the organizational commitment.

Moreover, transactional leadership can be a source of impact towards the economic exchange and it could lead into more relevant forces for the development of an organizational commitment (Clinebell, Skudiene, Trijonyte & Reardon, 2013). There is a cost-benefit for the term psychological contract which involve transactional leadership style and this can also related to the term “relationship” which means, the result for a job performance is expected to gain in return based from the materials and psychic needs from the employees as well as from the leaders (Sarros & Santora, 2001, p. 388).

Based from Bycio et al. (1995), said that the characteristics of transactional leadership provided less associated towards the subordinate's organizational commitment. Transactional leadership can be a proved to provide some of the influenced factors towards organizational commitment (Koh et al. 1995).

Ho: There is a no significant relationship between transactional leadership and organizational commitment.

H1: There is a significant relationship between transactional leadership and organizational commitment.

2.4.3 The Relationship between Servant Leadership and Organization Commitment

By referring to Liden, Wayne, Zhao & Handerson (2008) study, a positive relationship between servant leadership and organizational commitment was proved and found from various empirical studies. In this study with an organizational sample of 182 individuals revealed that servant leadership has a significant influence correlation with community citizenship behavior, in-role performance and followers' organizational commitment.

Similary, a study was conducted by Cerit (2010) on the servant leadership and organizational commitment. 563 teachers in primary schools were used in this research. Based on their findings, servant leadership behaviors of principals and the teachers' commitment were found to be significant and positively correlated.

Furthermore, another similar study conducted by Schneider and George (2011) in voluntary service organizations on servant leadership versus transformational leadership. Based on their findings, the perceptions of servant leadership and transformational leadership styles were strongly related. In addition, this study indicated that servant leadership was proved as a better predictor for the satisfaction, organizational commitment, and intention to stay among the voluntary club members.

Besides that, a study conducted by West & Bocarnea (2008), the positive and significant relationship was found out between servant leadership, affective organizational commitment and job satisfaction. According to Jaramillo, Grisaffe, Chonko & Roberts (2009), with a sample of 501 full time sales people, servant leadership can be a remarkable predictor for the organizational commitment, person organization fit, and turnover intention. This paper indicated that the effect of servant leadership style leads to positive behaviors then the individual-level outcomes was influencing subsequently.

Beyond that, another study also proved that servant leadership had positive correlation with the leadership integrity, organizational citizenship and organizational citizenship commitment, but having a negative correlation with cynicism. This study was conducted by Bobbio, Van Dierendock & Manganelli (2012) with using a participation of 800 adults from profit and non-profit organization.

Besides that, another study conducted by Mahembe & Engelbrecht (2013) reported the similar findings. 202 teachers of primary and secondary school were chosen from 32 schools to participate in this study. Based on their findings, positive relationships were reported between servant

leadership, team effectiveness, and affective team commitment. In overall, the correlation between servant leadership and organizational commitment was proved to be positively correlated by various empirical studies.

Other than that, a study by Russell & Stone, 2002; McMinn, 2001 stated that servant leadership described as a theory that the role and motivation of servant leader was claim for meeting and serving the needs of others. In addition, servant leaders desired to help develop people, helping followers to change.

On the basis of this reason, we strongly believe that when leaders acquired with the servant behavior or characteristics, they could positively lead their followers' organizational commitment. Thus, researchers propose that:

Ho: There is no significant relationship between servant leadership and organizational commitment.

H₁: There is significant relationship between servant leadership and organizational commitment

2.4.4 The Relationship between Participative Leadership and Organization Commitment

The research done by Huang, Iun & Gong (2010) was about the participative leadership behavior have significant impact on enhancing job performance by using the motivational process and the exchange-model process. This research collected the data from a telecommunication company that located in China. The targets of the questionnaires are 640 middle managers and 514 office supporting staff and front-line employees. According to the result, there was a significant relationship between the

participative leadership and task performance and organizational citizenship behavior towards the company.

Besides that, Bell and Mjoli (2014) have studied that the effect of the participative relationship on the organizational commitment by making comparison its impacts on two gender groups among the bank clerks. The data gathered from the sample in Alice and King William's Town which total 70 bank clerks. The result shown that there is a different effect among two gender groups and there is a significant and positive effect on organizational commitment for both gender groups.

In addition, according to the research conducted by Asgari (2014) evaluated the effect of leadership styles of management on employees' commitment to service quality in Bank Melli branches of Isfahan province. The target population is the managers and employees of Bank Melli branches in Isfahan whereas the sample data was selected from 137 branches. The result showed that although there is a significant and direct relationship between delegate and participative leadership styles with employees' commitment toward organization, however only participative leadership strongly and directly and indirectly influence the employees' commitment towards organization to service quality. Other than that, another study done by Miao, Newman, Schwaz & Xu (2013) showed that the supervisor level participative leadership and the affective and normative commitment of subordinate have the significant and positive relationship, but the continuance commitment do not have relationship.

In participative leadership, employees feel a sense of participation and involvement in the task assignments, business activity, and decision making; they will take their responsibilities and contribute their efforts for the purpose of achieving the organization's goals and objectives. With participative leadership, the employees have an opportunity to get involved

and participate and exert their influences in the process of decision making (Bell & Mjoli, 2014). Participation makes the employees feel being appreciated and accepted by the leader, so they are more willing to carry out their jobs and increase the employee commitment toward organization.

Moreover, when they feel that there is a sense of ownership in an organization as being important human capital and stakeholders, the commitment tends to heighten. Besides that, if their ideas take into consideration in the final decision making, they feel their ideas being honored and being a part in achieving organization's goals and contribute to the success of the organization (Armstrong, 2009), this can boost their confidence and energy, develop the mutual respect, trust between the leader and follower and allow the employees with discretion to make certain decision making. Through participation, employees able to enjoy and satisfied with their job and increase their motivation, then eventually lead to increase the productivity and commitment. Many scholars found that participative leadership has positive effect on organization commitment.

Ho: There is no significant relationship between participative leadership and organization commitment.

H₁: There is significant relationship between participative leadership and organization commitment.

2.5 Conclusion

Relevant literature in our proposed framework and hypotheses development is discussed in this chapter. Next, research methodology that used in this study will be further discussed in detail in Chapter 3.

CHAPTER 3: RESEARCH METHODOLOGY

3.0 Introduction

In this particular chapter, we will use the specify method and procedures to accumulate accurate and relevant information. The research design, target population, data collection instrument, target population, sampling design, sampling size, validity and reliability of the instruments and data analysis technique adopt in the study will be discussed.

3.1 Research Design

For this research, takes on the quantitative research to test the hypothesis from the questionnaire developed. According to Creswell (2014), quantitative research method were chosen in the study that used to underlying the opinion and reason by collecting numerical data upon empirical assessment that are analyzed using mathematically based methods. The way of accumulating quantitative data is through questionnaire that used in formal and predetermined answer selection and administered in a larger group of respondent. The main objective of quantitative research methods is to focus on cause and effect. Therefore, able help the researcher predict the relationship between independent variable (transformational, transactional, servant and participant leadership) and dependent variable (organizational commitment) through hypothesis testing (Hair, Wolfinbarger, Ortinau, & Bush, 2010)

The study is based on descriptive research design because it is able to collect data from larger sample sizes of respondents and produces accurate results. It describes

the characteristic of group, object, people, environment and organization. The descriptive study was only conducted after the survey data were collected.

3.2 Data Collection Methods

Data collection in the research study is very important, because any inaccurate data collection will affect the result and cause the research to become failed. To prevent this happen, the researcher must interpret the data carefully to meaningful information in order to achieve an accurate data. Research study data basically came from two data sources which include primary and secondary data. Primary data is the data that observed or gathered directly from first-hand experience, while the data collect from the past article or published by other parties is known as secondary data.

3.2.1 Primary Data

We used the primary data which is questionnaire to conduct our research. Questionnaires can consider as an efficient data collection instrument due to we can collect and obtain a big amount of data in a certain short period of time. The prime reason is we can distribute and gather the questionnaires at the same time; it will shorten our time and more convenience. Besides that, primary data will be more up-to-date rather than secondary data that based on past statistic which is outdated information (Blumberg, Cooper & Schindler, 2011). Furthermore, primary data is the original research that we conducted specifically for the purpose of a specific study.

3.2.2 Secondary Data

According to Sekaran and Bougie (2010), secondary data is defined as information that is gathered from other researchers in their previous studies. Secondary data can be collected through various published information from other people as a reference. The data can be obtained from sources such as journal articles, published books, academic and professional journals as well as other online resources. In this study most of our journals are retrieved from the UTAR online database (OPAC) such as ProQuest and EBSCOhost, ScienceDirect, Emerald insight, Oxford Journals, Google Scholar and others conduct our research. Besides, online databases are more time and cost efficient as we can access at anytime and anywhere conveniently. Secondary data is useful to assist the researchers to have the better understanding of the study and the research problem. Even though secondary data benefits a lot for our research, however it may still have to choose properly and filter the information before implement to the research.

3.3 Sampling Design

Sampling process for one research is very important. According to Wimmer and Dominick (2003), a sample is the portion or part of the population. Hence, we need to select the sample accurately and conduct the sample properly to ensure the sample can represent the entire population. Other than that, the benefits of using the sample which include less time consuming, less costly and less cumbersome and more practical to conduct if compare to interviews and observations (Gliner & Morgan, 2000).

3.3.1 Target Population

Population is the research would like to investigate about the entire group of people, objects of interest or the measurement obtained from all individuals or objects of interests (Cavana, Delahaye & Sekaran 2001, p. 252). The targeted population of this research is the employees working in the banking industry in Malaysia.

According to Department of Statistics Malaysia (2015), the total population of the employees in Malaysia who involved in financial and insurance or takaful activities is approximately 329,500.

3.3.2 Sampling Frame and Sampling Location

In the state of Zikmund, Babin, Carr and Griffin (2010), the sample draws from the entire element from one population is called as sampling frame. From our research, our target respondents or the sampling frame we use are the employees working in the banking industry.

For the sample location, we focus on the banks in Perak, Penang and Selangor. This is because on city areas because it provides highest percentages to reach target population, to get a most approximately result we need to get a large population which can represent the total population in this industry.

3.3.3 Sampling elements

A single member of the population is considered as the sampling element (Cavana, Delahaye, & Sekaran, 2001). An element is the each individual of the targeted population. Therefore, in our research, the employees in the banking industry will take part as respondents. These respondents will provide their experience and knowledge to our research. Other than that, we distributed the questionnaires to the respondents from different group such as gender, age, education levels, income levels and job period. Hence, this can help us to generate different perspective from the respondents in order to accomplish more accurate and relevance results.

3.3.4 Sampling Technique

For our research, we decided to use a non-sampling technique, convenience sampling to select respondents from our targeted population. According to Zikmund, Babin, Carr and Griffin (2010), non-probability refer the chance being chosen from the target population's element is unknown. Convenience sampling also mean that target population who were free answer questionnaire for us. Besides that, researches distribute questionnaire though convenience sampling can get the most completed information and questionnaire due to limitation time management and budget. The location sampling we selected for this research was Perak, Selangor and Penang. The banking industry is one of labor extensive, thus employees working in the banking industry were normally seen to working in busy condition. That is the reason we used this sampling technique on our questionnaire survey is to prevent interrupting of staff.

3.3.5 Sampling Size

As mention above, from the information by Department of Statistics Malaysia (2015), there are currently 329,500 employees working in financial and insurance or takaful activities in Malaysia. According to Payne and McMorris (1967), we use the below table 3.1 as a reference and guideline to determine our sampling size from a given population. Therefore, total 384 of sampling size will conduct in our research.

Table 3.1 Table to Determine Sampling Size from a Given Population

Population	Sample Size
10,000	370
15,000	375
20,000	377
30,000	379
40,000	380
50,000	381
75,000	382
100,000	384
2,000,000	384

Source: Payne, D.A., & McMorris, F. (1967). Educational and Psychological Measurement (pp. 419). *Waltham, Mass., & Blaisdell Pub. Co.*

3.4 Research Instrument

Research instrument is a measuring instrument used in a research study; our group is using the questionnaire as a research instrument in our research. By referring to

Zikmund, Babin, Carr, and Griffin (2010), data collecting technique that needs the target respondents to fill in the set of questions in fixed order is known as questionnaire.

Questionnaire is more suitable for us to collect data as compare to interview and observation because it is easier and less time consuming. Besides that, questionnaire can help us to get the direct response from the respondent in lower cost, the predetermined order of a questionnaire also allows us can interpret the data more easily.

The reason we don't use interview and observation is because interview is more time consuming and due to the interviewer bias, it may influence the respondent to change their own opinion. For observation method, different researcher has different describe to the situation will cause an argument about the data collected (Seale, 2012).

3.4.1 Questionnaire Design

We used fixed-alternative questions in our research questionnaire, fixed-alternative question mean the questions in the questionnaire provide multiple or limited choice to answer by respondent. With limited question can limit the time consuming for the respondent to answer the question and less interview's skill is requires. Simple-dichotomy question and determinant-choice question are used in our research, which in part A is the determinant-choice question requires respondents to select one alternatives from several alternatives, part B and C is simple-dichotomy question requires respondents to select one alternatives from two alternatives.

The cover for the questionnaire is the letter which is used to mention about the purpose and the title of the research with member's background such as the university and course. This cover letter also describes contain of the questionnaire and tell the respondent that all of the answer is kept as confidential which is used for research purpose only, so they willing to help us conduct our research.

We distributed total 400 sets of questionnaire to the respondent in the area of Perak, Penang and Selangor state which are our main research area. The questionnaire is distribute through personal and internet, through the internet can make us easier to collect back the questionnaire in short time and through personal we can ensure our respondent is bank employee. In this questionnaire contain 33 questions separate into sections A, B and C.

As follow by section A, consist of 8 questions. Section A is used to identify the demographic information of our target respondents which include gender, age and others. While section B, is used to collect the data to measure the independent variable. Our independent variable includes 4 leadership style which is transformational, transactional, servant and participative leadership. Each of the leadership style will have 5 questions to ask the respondent which characteristics are more close to their leader. At the last section C, to collect the data for measure dependent variable which is organizational commitment, this part have 5 questions to determine the commitment of the employee towards their organization influences by their leaders. At section B and C, interval scale was used to collect the answer which is more convenience to the employee.

In this questionnaire design, we refer the past researcher's journal to find the question, to find the suitable question and arrange it in order. This questionnaire contains 6 pages include cover.

3.4.2 Sources of Questions in Questionnaires

We have total 33 questions that have been set in our questionnaires in order to measure the responses of the employees in banking industry about the leadership styles influence their commitment toward the organization. All dimensions of the variables have been covered in our questionnaires which include the four types of leadership styles such as transformational, transactional, servant and participative leadership and also the organizational commitment. We adopt few set of the questionnaires in our questionnaire design that already done by the past researchers in order to ensure the dimensions of the variables are appropriately measured.

For section B, question 1 to 5 and question 6 to 10 that used to measure the transformational leadership and transactional leadership style were adopted from Chiang (2012). We adopted from and set the questions 11 to 15 to measure the servant leadership style from Liden et al., (2015). We also adopted the questionnaire from Kim and Hancer (2011) to set the question 15 to 20 in order to measure the participative leadership style.

For section C, we adopted the questionnaire from Ozsahin, Zehir, Acar & Sudak (2013) to set the question 21 to 25 which to measure the organizational commitment. All questions that set in questionnaire that adopted from the above past research were expected can measure all the variables accurately.

3.4.3 Pilot Test

Pilot test is aim to enhance the data's reliability and clarity of questions, hence able to improve the understandability of the questionnaire for the respondents (Saunders Lewis & Thornhill 2012). Before proceed to the

actual survey, we able to test our designed questionnaire by conducting the pilot test. We able to receive the different kind of comments from the respondents about the questionnaire by conducting face-to-face interview, this can help us know the degree of complexity of the questionnaire from the respondents' comments. After collected the questionnaires, the data obtained from the respondents enable us to identify the questionnaires' potential problem or errors. We get such responses from the respondents such as too many questions need to be answer, the questions too long require long time to answer it and some questions is complicate or not easily to understand. Therefore, we try to modify our questionnaires based on their feedback.

We used the SAS program to conduct our pilot test to test the reliability of the data. Besides, we have taken 3 days to conduct our pilot test which total 30 sets before proceed to distribute our questionnaire to the real sample size. Table 3.2 shows the result of the reliability test for the pilot test. We used the rule of thumb of Cronbach's Alpha to test the result of the reliability of all data in this study.

Table 3.2 The Results of Reliability Test for Pilot Test

Test Variables	Number of Items	Cronbach's Alpha
Transformational Leadership (IV 1)	5	0.810
Transactional Leadership (IV 2)	5	0.820
Servant Leadership (IV 3)	5	0.770
Participative Leadership (IV 4)	5	0.760
Organizational Commitment (DV)	5	0.840

Source: Develop from the research

The result obtained from the SAS Software shows that transformational leadership has a coefficient alpha value of 0.810, whereas the alpha value of transactional leadership is 0.820. Besides, servant leadership has alpha value of 0.770 and the participative leadership has the alpha value of 0.760. All of these value shows that these four independent variables have good reliability or result. On the other hand, organizational commitment which is the dependent variable has the alpha value of 0.840 which mean that is good reliability. The alpha value of all the variables are above 0.6 which mean we can use this questionnaire in the full study since the test is reliable and suitable.

3.5 Construct Measurement

A scale measurement is very paramount in our research. In this section will contain nominal, ordinal, interval and ratio scale as scale measurement (Zikmund et al., 2010). We divided our research questionnaire into our three sections. In section A, we collect the demographic information from our respondents; section B will collect the data for independent variables and section C is the data for dependent variables. To design the questionnaire, we have to use some scales types like nominal, ratio, ordinal and interval scale. While conduct the survey, nominal scale, ordinal scale, ratio and interval scale are used in our questionnaire.

3.5.1 Nominal Scale

Based on Zikmund et al (2010) indicated that the most basic measurement level is nominal scale. It allocates value to an object for classification or identification purposes. However, a number cannot be considered as nominal scale, because there is no quantity and ranking are being

represented. Therefore, nominal scale is considered as a nonmetric and qualitative measurement. There are total of 8 questions in Section A in which out of 4 questions are using nominal scale, which including question 1(do you work in the bank industry), 2(gender), 4(ethnic group), and 5(married status). One of the examples is shown below:

Figure 3.1 Example of Nominal Scale



2. Gender

☐ Male

☐ Female

Source: Develop from the research

3.5.2 Ordinal Scale

As stated by Zikmund et al (2010), Ordinal scale can be measured as a ranking scale measurement but the value of interval between the rankings could not be classified. Ordinal scale provides more information than the nominal scale and it allow things to be arranges according to some concept being process. Therefore, ordinal scale is under a nonmetric level. The 3 question in Section A includes 3(age), 6(basic salary per month), and 7(education level) are using the ordinal scale. One of the examples is shown below:

Figure 3.2 Example of Ordinal Scale

3. Age

- ☐ Below 25
- ☐ 26-35 years old
- ☐ 36-45 years old
- ☐ 46-55 years old
- ☐ More than 55 years old

Source: Develop from the research

3.5.3 Interval Scale

Interval scale consists of both nominal and ordinal character, but they also contain information regarding the differences in the quantities of a concept. Interval scale has the same interpretation throughout but it does not exactly represent some of the phenomenon and does not involve true zero point. Therefore, interval scale is under metric level. In the questionnaire, all the question in section B and C are using interval scale to design the question for respondent to choose the most suitable answer. The number 1-5 represent strongly disagree (SD), disagree (D), neutral (N), agree (A) and strongly agree (SA). The examples are shown below:

Figure 3.3 Example of Interval Scale

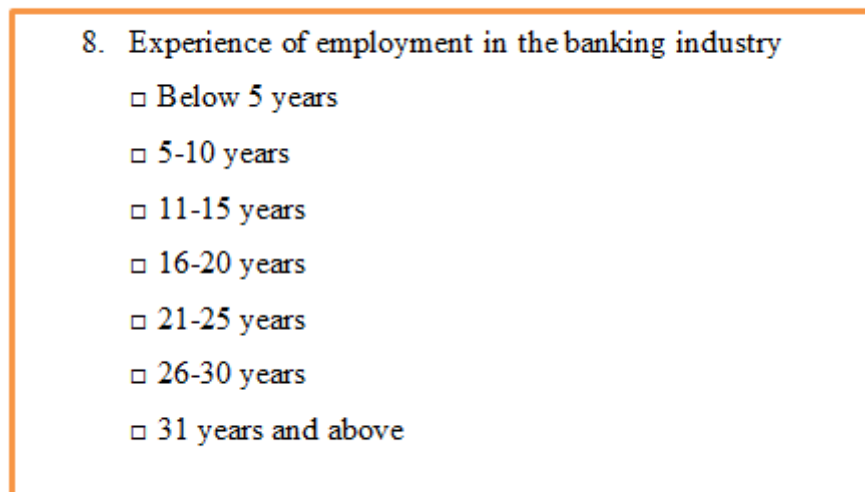
Strongly Disagree (SD)	Disagree (D)	Neutral (N)	Agree (A)	Strongly Agree (SA)
1	2	3	4	5

Source: Develop from the research

3.5.4 Ratio Scale

Ratio is a scale that involves true zero point. It is consist the entire characteristic for interval scales subject to additional attribution which represented the absolute quantities and considered as a highest form measurement. Therefore, interval scale is under metric level. Section A question 8 (experience of employment in the banking industry) is designed by using ratio scale. The example is shown below:

Figure 3.4 Example of Ratio Scale



8. Experience of employment in the banking industry

- ☐ Below 5 years
- ☐ 5-10 years
- ☐ 11-15 years
- ☐ 16-20 years
- ☐ 21-25 years
- ☐ 26-30 years
- ☐ 31 years and above

Source: Develop from the research

3.6 Data Processing

Once we have collected all the data from the questionnaire that we have distributed, the next procedure that need to do is to make sure the data collected from the questionnaire is quality which mean in consistent and more systematic order. Based from Malhotra (2007), there are few steps that can run or test the

data include checking, editing, coding, transcribing and lastly cleaning to ensure the data collect can be used in our research.

3.6.1 Data Checking

According to Zikmund (2010), this particular process is to ratify the data that we collected in to more significant order and the questionnaires that we collected must be accurate and complete data information. Data checking process can help us to detect any errors that occur in our questionnaires for example like some incomplete answers or left out some information from the questionnaires and it can remove it in order to avoid any reliable issues in it.

3.6.2 Data Editing

To main objective for data editing is to detect and make correction for the illogical, omission and inconsistency of any information that has been received from the respondents (Sekaran & Bougie, 2010). If there is an error in our questionnaires for example like left out some answers or maybe one question same answers, the researcher can able to adjust some of the data in to more accurate and consistent.

3.6.3 Data Coding

Data coding is a process that use to allocate the number to the participants' responses in order to make it more systematic when key into the database (Sekaran & Bougie, 2010). In this research, all the data that we collected

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will code by using SAS software for further analysis. The minimum code range is 1 and maximum 5.

Table 3.3 Labels and Coding for Personal Details

Question No.	Label	Coding
<u>Part A</u>		
PD 1	Do you work in the bank industry?	1= Yes 2= No
PD 2	Gender	1= Male 2=Female
PD 3	Age	1= Below Age 2= 26-35 years old 3= 36-45 years old 4= 46-55 years old 5= more than 55 years old
PD 4	Ethnic Group	1= Chinese 2= Malay 3= Indian 4= Others
PD 5	Marital Status	1= Single 2= Married 3= Others
PD 6	Basic Salary per month	1= Below RM 2000 2= RM 2000-RM 2999 3= RM 3000-RM 3999 4= RM 4000-RM 4999 5= RM 5000 and above

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PD 7	Education Level	1= STPM 2= Diploma 3= Bachelor degree 4= Master Degree 5= Doctorate Degree
PD 8	Experience of employment in the banking industry	1= Below 5 years 2= 5-10 years 3= 11-15 years 4= 16-20 years 5= 21-25 years 6= 26-30 years 7= 31 years and above

Source: Developed for the research

Table 3.4 Labels and Coding for Part B (Four Independent Variables)

<u>Part B (IV)</u>		
TFL (question 1-5)	Transformational Leadership	1= Strongly Disagree 2= Disagree 3= Neutral 4= Agree 5= Strongly Agree
TSL (question 6-10)	Transactional Leadership	1= Strongly Disagree 2= Disagree 3= Neutral 4= Agree 5= Strongly Agree

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SL (question 11-15)	Servant Leadership	1= Strongly Disagree 2= Disagree 3= Neutral 4= Agree 5= Strongly Agree
PL (question 16-20)	Participative Leadership	1= Strongly Disagree 2= Disagree 3= Neutral 4= Agree 5= Strongly Agree

Source: Developed for the research

Table 3.5 Labels and Coding for Part C (Dependent Variable)

<u>Part C</u>		
OC (question 17-25)	Organizational Commitment	1= Strongly Disagree 2= Disagree 3= Neutral 4= Agree 5= Strongly Agree

Source: Developed for the research

3.6.4 Data Transcribing

After the process checking, editing, coding, the last step is data transcribing. The coded data then is transcribed into Statistical Analysis System Enterprise Guide 5.1 (SAS).

3.7 Data Analysis

The Statistical Analytical Software Software Enterprise Guide (SAS) is organized into projects. A project is a record of the data sets have been opened, the tasks that have been run, the results have been produced and the relationships between these objects.

3.7.1 Descriptive Analysis

Descriptive analysis is considered as the initial transformation of the raw data into a form that make them easier to understand and interpret (Zikmund et al., 2010). There are few methods which include organizing, summarizing and presenting data in an informative way that consist in the descriptive analysis. Average, frequency distribution and percentage distribution of the demographic information that provided by the respondents have been calculated in the descriptive analysis. Besides that, the measures of central tendency and measure of variability have been involved in the descriptive measure. Measure of central tendency is used to report a single piece of information and the typical difference between the values in a set of value is reveal in the measures of variability.

3.7.2 Scale Measurement

3.7.2.1 Reliability Analysis

Our research used SAS software to conduct the reliability test. We can enhance the reliability and ensure the data accuracy through conduct the reliability test (Zikmund et al., 2010). The most familiar method that applied to measure the reliability test is Cronbach's Alpha (Sekaran, 2003). This is show that a reliability coefficient on how reliability of the items in a set are positively contributed to one another (Sekaran & Bougie, 2010). Based on table, when the Cronbach's Alpha value is lower than 0.6, the reliability value is considered as poor; 0.6 to less than 0.7 is considered as moderate; 0.7 to less than 0.8 is considered as good; 0.8 to less than 0.9 is considered as very good and 0.9 or more is considered as excellent (Zikmund, 2010).

Table 3.6 Rule of Thumb for Cronbach's Alpha Coefficient Value

Alpha Coefficient Range	Strength of Association
< 0.6	Poor
0.6 to < 0.7	Moderate
0.7 to < 0.8	Good
0.8 to < 0.9	Very Good
0.90	Excellent

Source: Zikmund, W. G., Babin, B. J., Carr, J. C., & Griffin, M. (2010). Business research methods (8th ed.). New York : South-Western/Cengage Learning.

3.7.3 Inferential Analysis

3.7.3.1 Pearson Correlation Coefficient Analysis

Correlation coefficient is used to evaluate the relationship between two variables (Zikmund et al., 2010). The range of correlation coefficient in the value of correlation coefficient is from -1 to +1 (Saunders et al., 2009). Pearson correlation measures the linear association between two metric variables. The strength of relationships between variables can be analyzed by the researchers better understand whether there is a positive relationship, negative relationship, or no correlation between dependent variable and independent variables.

If the relationship between the variables is not linear, then the correlation coefficient does not represent the strength of the relationship between the variables. Based on the table, the value of correlation coefficient between ± 0.81 to ± 1.00 indicates that the two variables have the very strong relationship. There is a strong relationship between two variables when the value between ± 0.61 to ± 0.80 . There is a moderate relationship between the two variables when the value is between ± 0.41 to ± 0.60 . There is a weak relationship between the two variables when the value is between ± 0.21 to ± 0.40 . At last, there is a weak to no relationship when the value is between ± 0.00 to ± 0.20 .

Pearson Correlation Analysis is aim to be a measurement tool to measure the correlation of dependent variable (organizational commitment) and independent variable (transformational leadership, transactional leadership, servant leadership and participative leadership).

Table 3.7: The Rule of Thumb about Correlation Coefficient Size

Coefficient Coefficient	Strength Description
± 0.81 to ± 1.00	Strongest
± 0.61 to ± 0.80	Strong
± 0.41 to ± 0.60	Moderate
± 0.21 to ± 0.40	Weak
± 0.00 to ± 0.20	Weak to No Relationship

Source: Hair, J. F., Wolfinbarger, M. F., Ortinau, D. J. and Bush, R. P.

(2010b). *Essentials of marketing research* (2nd ed.). New York: McGraw-Hill.

3.7.3.2 Multiple Linear Regression Analysis

Multiple Linear Regression (MLR) analysis is an extension of simple linear regression analysis. It is a statistical technique that used to assess the association between several independent variables and a dependent variable by predicting coefficients in the equation for a straight line through multiple regression equation (Zikmund et al., 2010). We are able to estimate the variation in the dependent variable in response to the variation in the independent variables through using the MLR analysis (Hair, Black, Babin & Anderson, 2010b).

MLR analysis is used to predict and evaluate the value of dependent variable based on the value two or more other independent variables, hence we used in our research. In our research, the independent variables which are transformational leadership, transactional leadership, servant leadership and participative leadership are entered into the same regression

equation for the purpose of determining is there any significant relationship with organization commitment in the banking industry.

The change in the dependent variable for each component change in the independent variable can be explained in beta coefficient. The value of the beta coefficient is range from -1 to +1. A beta weight for an independent variable shows that the increase or decrease in the dependent variable. There is a positive beta when the increasing in the size of an independent variable increases the size of the dependent variable. Whereas, there is a negative beta when an increasing in the size of an independent variable, positive beta when a decrease the size of the dependent variable (Hair et al., 2010a).

R-square (R^2) represent the information about whether the regression model fit is good or not and the strength of the relationship between all the independent variable and the dependent variable. If the R^2 value is higher, then represent that the stronger the dependent variable is affected by the independent variables (Hair, et al., 2010a).

The basis of Multiple Regression Equation:

$$Y = b_0 + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + \varepsilon$$

The multiple regression analysis for this study will be:

$$OC = b_0 + b_1 * TFL + b_2 * TSL + b_3 * SL + b_4 * PL + e$$

Where,

Y = DV = Organizational Commitment (OC)

X₁ = IV 1 = Transformational Leadership (TFL)

X₂ = IV 2 = Transactional Leadership (TSL)

X₃ = IV 3 = Servant Leadership (SL)

X₄ = IV 4 = Participative Leadership (PL)

3.8 Conclusion

In a nutshell, this chapter have discuss about the method of how this study was being conduct which include the design of our research, the methods and ways of collecting the data, the design of the sampling, data processing and data analysis. There are few research methods that we used in our study such as are data collecting, data analysing, and data interpreting. We use SAS software to analysis and interpret the data. Pilot test and reliability test have been carrying out in this chapter. Questionnaires are being conducted as our primary data and journals and articles are secondary data for our references. The inferential analyses consist of Pearson correlation coefficient and multiple regression analysis is being discussed in this chapter.

CHAPTER 4: RESEARCH RESULTS

4.0 Introduction

This chapter link to the further present the parts that we mentioned in chapter 3 which are about the descriptive analysis for the target respondents' demographic information, central measurement of constructs. Besides that, the reliability test of the questionnaires that we distributed and the inferential analysis which explain and related the connection or relation between the independent variables and dependent variable will be talk over in this chapter.

4.1 Descriptive Analysis

The function of the descriptive analysis is to illustrate the quantitative description in a manageable pattern. There is a lot of data measurements and large amount of the respondents in a research. Therefore, descriptive analysis can simplify the big volume of data in a simple way. Descriptive analysis is used to measure the basic feature of the data that we gathered from the respondents' demographic information and these data is carried out from the section A in our questionnaire survey. These data are self-explanatory data, which mean we can explain based on the frequency, percentage distribution and pie charts with percentage distribution. This analysis also can serve as a summary of our respondents' profile.

4.1.1 Data Screening

Table 4.1: Statistic for Demographic Data

N	Working Industry	Gender	Age	Ethnic
Valid	384	384	384	384
Missing Data	0	0	0	0

N	Status	Education	Salary	Experience in Industry
Valid	384	384	384	384
Missing Data	0	0	0	0

Source: Developed for the research

Data screening is very important before we proceed to the data analysis stage, it can help us to check and diagnosis the degree of inaccuracy of the data and detect the errors or outliers which enable us to make amendment and correct the data in advance. Other than that, data screening also can detect whether there is a missing data in our research, so we can dealing with the missing data. If the variables just have little variation, this means no meaningful pattern and do not have any influence, so this is unnecessary for our research. (“Data Screening”, n.d.).

Therefore, we cannot ignore the importance of the data screening. From the above table 4.1, data screening help us detect whether we have missing out any data such as the quantity of the respondents’ demographic information and total of the number of respondents in our research before we run the data.

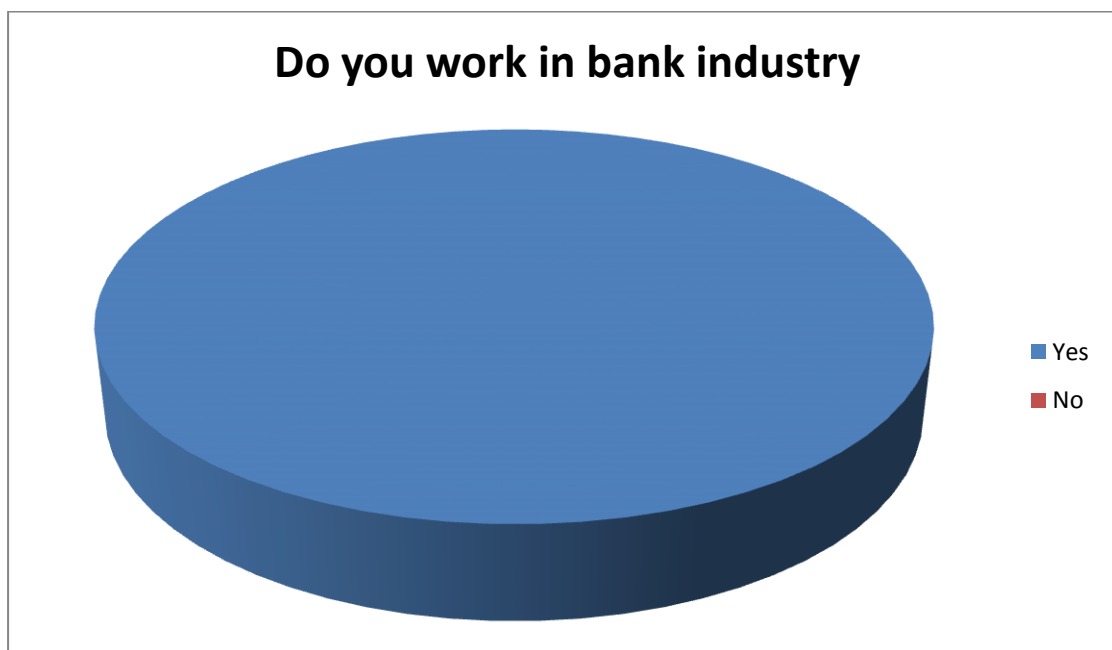
4.1.1.1 Do you work in bank industry

Table 4.2: Descriptive analysis for do you work in bank industry?

Do you work in bank industry?	Frequency	Percentage (%)	Cumulative Percentage (%)
Yes	100	100	100
No	0	0	0

Source: Developed for the research

Figure 4.1: Descriptive analysis for do you work in bank industry?



According to the above table of 4.2 and figure of 4.1 illustrate that our target respondents who involved in our survey, whether they are working in the banking industry or not. Table 4.2 and the above pie chart (figure 4.1) clearly show that all of our target respondents are working in the banking industry, which percentage is 100%.

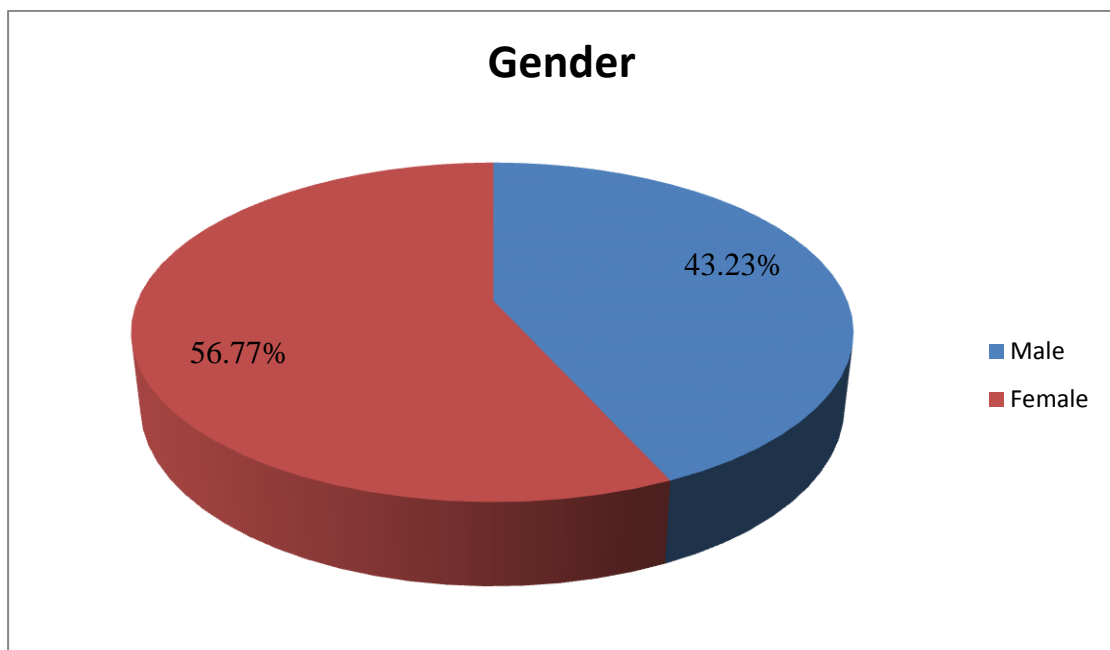
4.1.1.2 Gender

Table 4.3: Descriptive analysis for gender

Gender	Frequency	Percentage (%)	Cumulative Percentage (%)
Male	166	43.23	43.23
Female	218	56.77	100

Source: Developed for the research

Figure 4.2: Descriptive analysis for gender



Source: Developed for the research

Based on table 4.3 and figure 4.2, there are two gender groups which are female and male that involved in our questionnaire survey. There are 166 male employees which percentage is 43.23% and 218 female employees which percentage is 56.77% are working in the banking industry. As a result, we can clearly see that majority of our respondents are female employees.

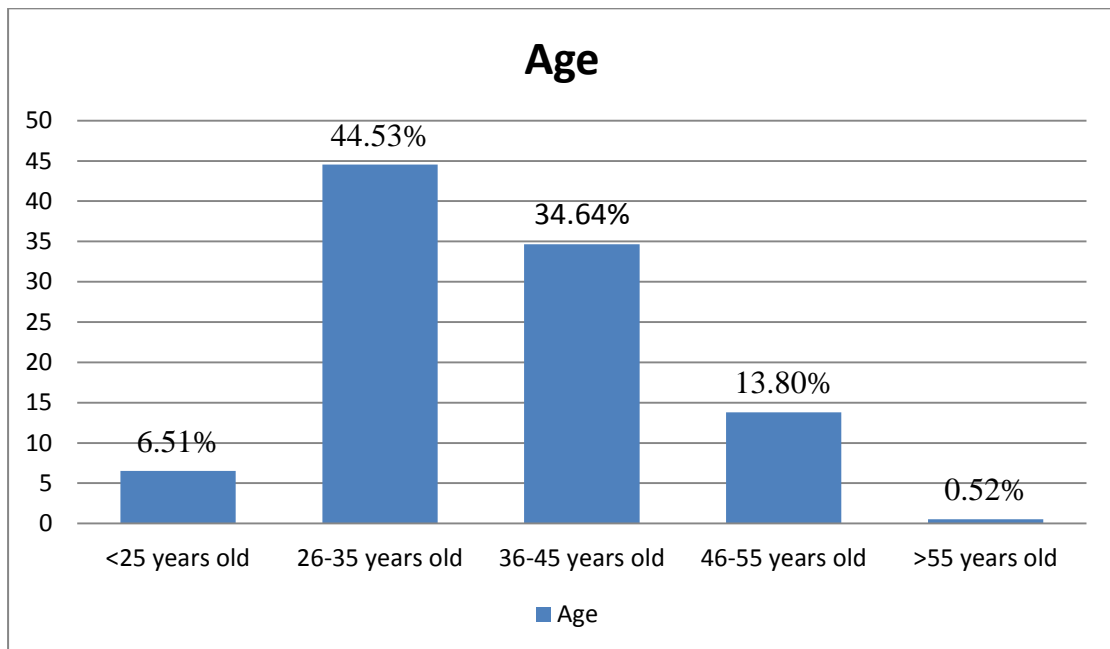
4.1.1.3 Age

Table 4.4: Descriptive analysis for age

Age	Frequency	Percentage (%)	Cumulative Percentage (%)
<25 years old	25	6.51	6.51
26-35 years old	171	44.53	51.04
36-45 years old	133	34.64	85.68
46-55 years old	53	13.80	99.48
>55 years old	2	0.52	100.00

Source: Developed for the research

Figure 4.3: Descriptive analysis for age



Source: Developed for the research

Based on the table 4.4 and figure 4.3, there are five age groups of our respondents in our research. Most of our respondents are coming from between 26 to 35 years old, which is 44.53% (171 respondents). The second highest age group falls on 36 to 45 years old, which is middle and elder age range, the total is 34.64% (133 respondents). The third is from 46 to 55 years old which is 13.80% (53 respondents) and the next is from less than 25 years old which is 6.51% (25 respondents). The lowest age group is from more than 55 years old which is 0.52% (2 respondents).

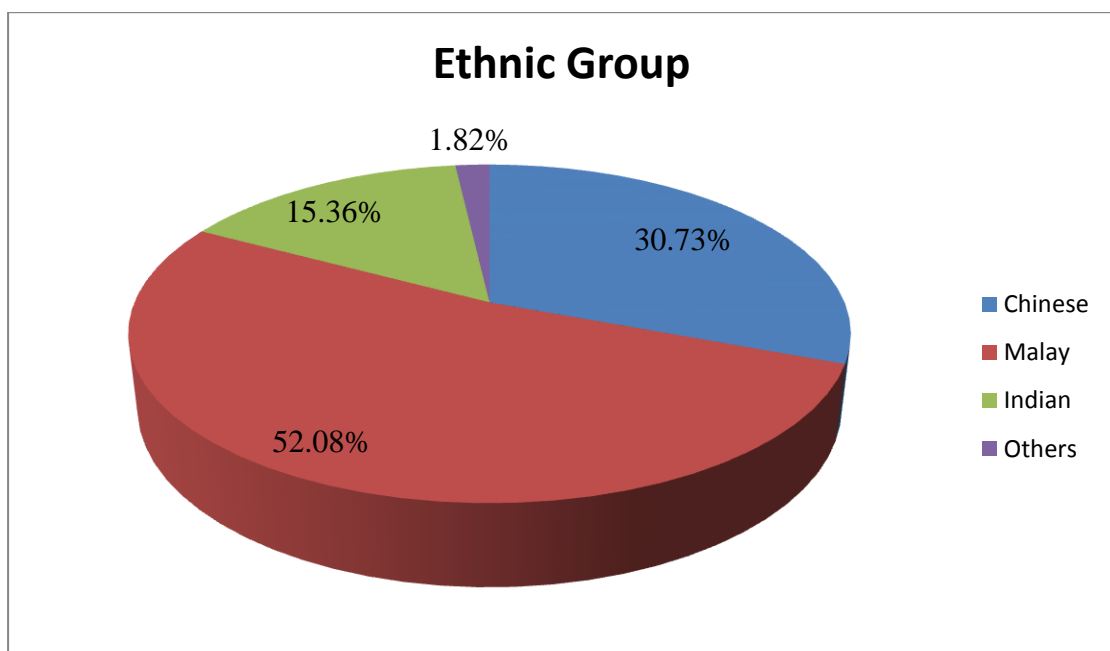
4.1.1.4 Ethnic Group

Table 4.5: Descriptive analysis for ethnic group

Ethnic	Frequency	Percentage (%)	Cumulative Percentage (%)
Chinese	118	30.73	30.73
Malay	200	52.08	82.81
Indian	59	15.36	98.18
Others	7	1.82	100.00

Source: Developed for the research

Figure 4.4: Descriptive analysis for ethnic group



Source: Developed for the research

Refer to above table of 4.5 and figure of 4.4, there are four ethnic groups which are Malay, Chinese, Indian and others. Based on above table and figure show that Malay race is the highest ethnic group in our research survey, which is 52.08% (200 respondents) and the follow next is Chinese which is 30.73% (118 respondents). The third ethic group is Indian which is 15.36% (59 respondents). Others are the last ethnic group which is only 1.82% (7 respondents).

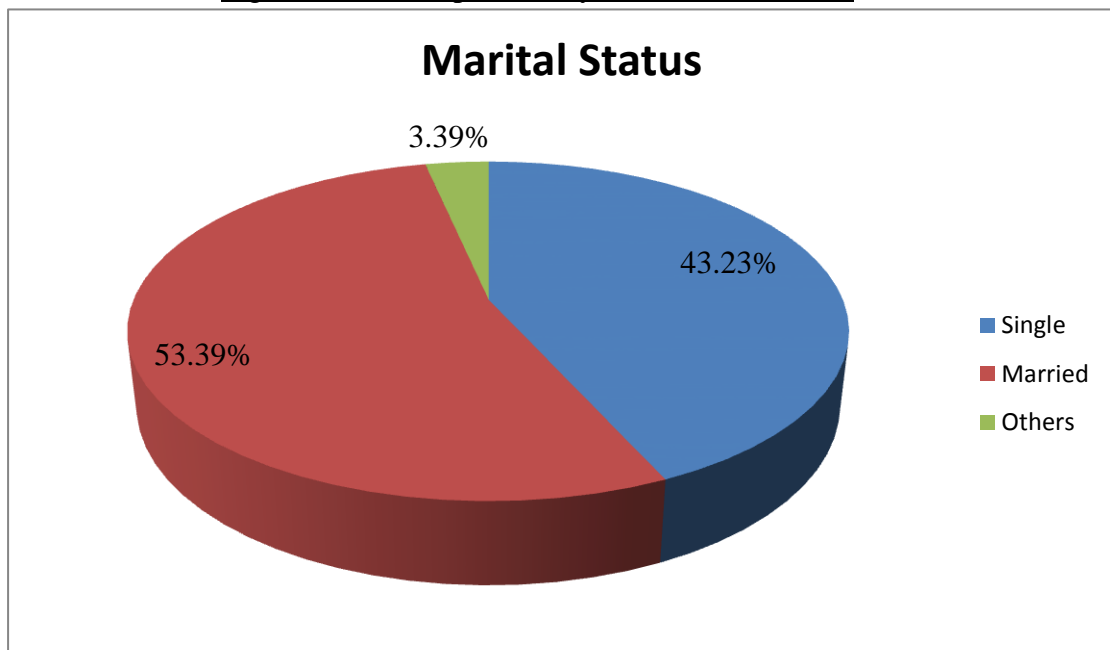
4.1.1.5 Marital Status

Table 4.6: Descriptive analysis for marital status

Status	Frequency	Percentage (%)	Cumulative Percentage (%)
Single	166	43.23	43.23
Married	205	53.39	96.61
Others	13	3.39	100.00

Source: Developed for the research

Figure 4.5: Descriptive analysis for marital status



Source: Developed for the research

Refer to the above table of 4.6 and figure of 4.5, our majority respondents are under married status, which is around 53.39% (205 respondents). Single status is 43.23% (166 respondents) which is the second highest marital status. Lastly, others are the smallest marital status, which is 3.39% (13 respondents).

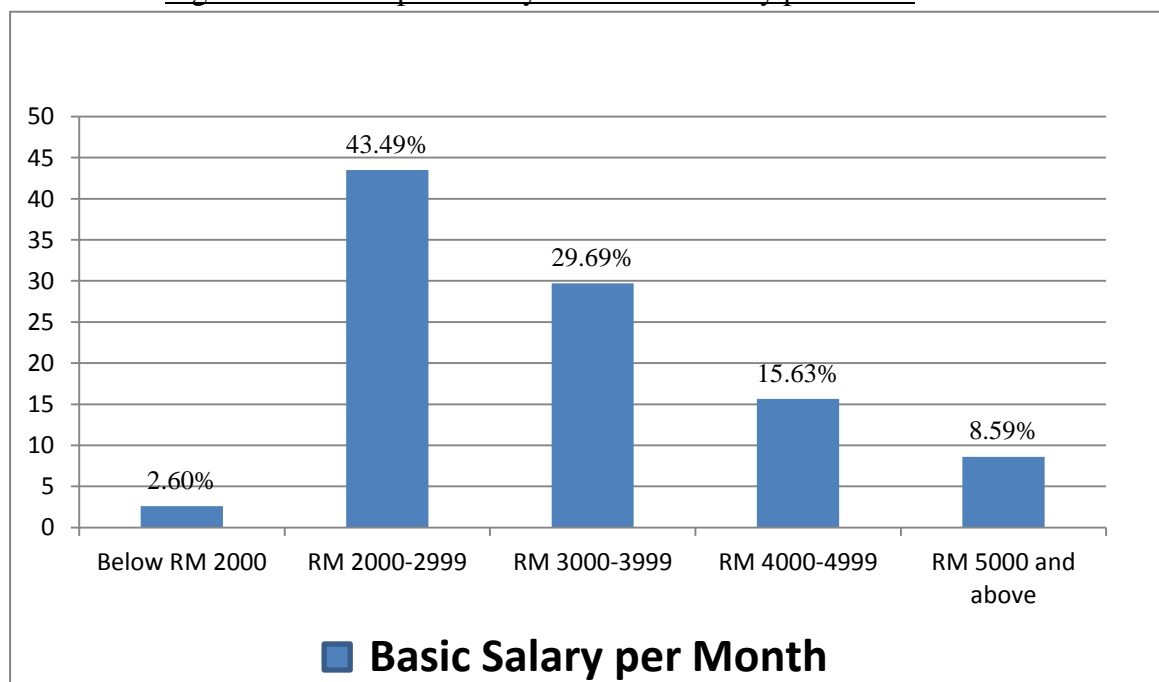
4.1.1.6 Basic Salary per Month

Table 4.7: Descriptive analysis for basic salary per month

Basic Salary	Frequency	Percentage (%)	Cumulative Percentage (%)
Below RM 2000	10	2.60	2.60
RM 2000-2999	167	43.49	46.09
RM 3000-3999	114	29.69	75.78
RM 4000-4999	60	15.63	91.41
RM 5000 and above	33	8.59	100.00

Source: Developed for the research

Figure 4.6: Descriptive analysis for basic salary per month



Source: Developed for the research

Based on the table 4.7 and figure 4.6, the highest salary range is from RM 2000 to RM 2999 which is 43.49% (167 respondents). The total 384 of respondents, 114 of them receive their salary range from RM 3000 to RM 3999 which is 29.69%. The next of the salary range is under RM 4000 to RM 4999 which is 15.63% (60 respondents). The forth salary range is under RM 5000 and above which is 8.59% (33 respondents). The lowest salary range belongs to below RM 2000 which is around 2.60% (10 respondents).

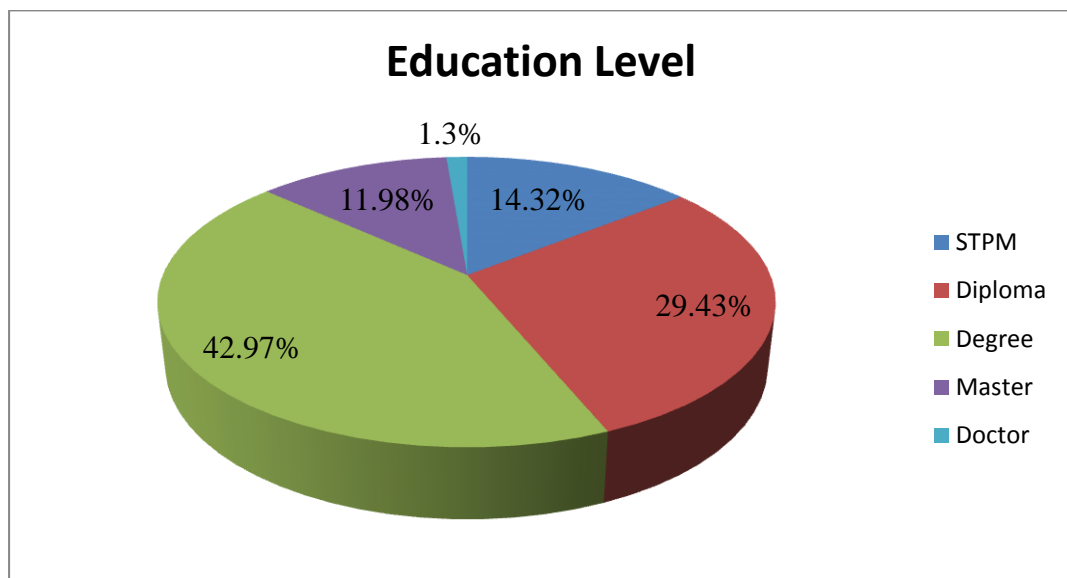
4.1.1.7 Education Level

Table 4.8: Descriptive analysis for education level

Education Level	Frequency	Percentage (%)	Cumulative Percentage (%)
STPM	55	14.32	14.32
Diploma	113	29.43	43.75
Degree	165	42.97	86.72
Master	46	11.98	98.70
Doctorate	5	1.30	100.00

Source: Developed for the research

Figure 4.7: Descriptive analysis for education level



Source: Developed for the research

Refer to the table 4.8 and figure 4.7, there are four categories of educational level, which include STPM, Diploma, Degree, Master and Doctor. From the above table and figure, the highest percentage is 42.97%, which is 165 respondents are degree graduates. The second highest of education level is fall under diploma holder, which is 29.43% (113 respondents). STPM is the third highest education level in our research survey, which is 14.32% (55 respondents). The next is 46 of the respondents are master holder, which is 11.98% in our research survey.

Lastly, doctorate holders are the smallest educational level, which are only 5 out of 384 respondents which is 1.30%.

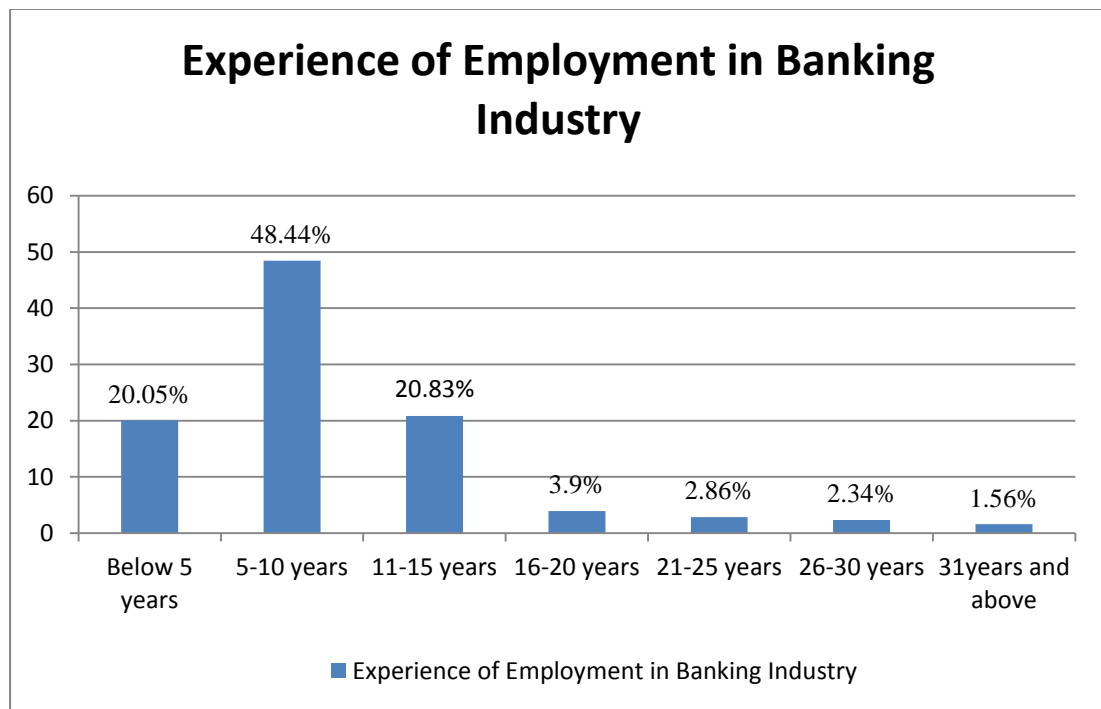
4.1.1.8 Experience of Employment in Banking Industry

Table 4.9: Descriptive analysis for experience employment in banking industry

Experience of Employment in Banking Industry	Frequency	Percentage (%)	Cumulative Percentage (%)
Below 5 years	77	20.05	20.05
5-10 years	186	48.44	68.49
11-15 years	80	20.83	89.32
16-20 years	15	3.91	93.23
21-25 years	11	2.86	96.09
26-30 years	9	2.34	98.44
31years and above	6	1.56	100.00

Source: Developed for the research

Figure 4.8: Descriptive analysis for experience employment in banking industry



Source: Developed for the research

Refer to the table 4.9 and figure 4.8; there are seven different experiences of employment in the banking industry. Based on the result from the table and figure, the highest percentage 48.44%, which is 186 of the respondents have 5 to 10 years working experience in the banking industry. The second is fall upon 11 to 15 years, which is 20.83%, a total of 80 of the respondents has working experiences in the banking industry. The third is below 5 years, which is 20.05%, total 77 of the respondents. Next is a total of 15 respondents which is 3.91% have 16 to 20 years of experience of employment in the banking industry. 21 to 25 years of experience of employment in the banking industry is ranked as the fifth, which is 2.86% (11 respondents). The follow by the total 9 employees have total 26 to 30 years of working experience in the banking industry which is 2.34%. Lastly, 31 years and above of experience of employment in the banking industry is the lowest percentage which is 1.56% and only 6 respondents and this is exactly as we expected.

4.1.2 Central Tendencies Measurement of Constructs

Mean, mode and median can measure in central tendency (Sekaran & Bougie, 2012). We used SAS enterprise software in the version 9.3 to obtain the measurement of the mean and there will have the ranking for each of the questions.

4.1.2.1 Transformational Leadership

Table 4.10: Central Tendencies Measurement of Constructs:

Transformational Leadership (TFL)

Item	Transformational Leadership	Std Dev	Mean	Ranking
TFL1	Has a clear understanding of where we are going.	0.8596	3.5885	3
TFL2	Paints an interesting picture of the future for our group.	0.9744	3.719	1
TFL3	Is always seeking new opportunities for the organizational.	0.8964	3.6276	2
TFL4	Provides a good model for me to follow.	0.8479	3.5417	4
TFL5	Gets the group to work together for same goal.	0.8786	3.4688	5

Source: Developed for the research

The above table 4.10 illustrates the five items of transformation leadership (TFL). TFL 2 which is the statement of “Paints an interesting picture of the future for our group” is score the highest ranking with highest mean value of 3.719, and the standard deviation is 0.9744. The second highest ranking is fall upon TFL 3 which is “Is always seeking new opportunities for the organizational”, and its mean value is 3.6276 and its standard deviation is 0.8964.

The third ranking is belong to TF1 which is the statement of “Has a clear understanding of where we are going”, whereby the mean value is 3.5885

and its standard deviation is 0.8596. The follow ranking is TFL 4 (“Provides a good model for me to follow) with the mean value of 3.5417 and the standard deviation is 0.8479. However, TFL 5 (“Gets the group to work together for same goal”) is the lowest ranking and with lowest mean value of 3.4688 and its standard deviation is 0.8786.

4.1.2.2 Transactional Leadership

Table 4.11: Central Tendencies Measurement of Constructs:

Transactional Leadership (TSL)

Item	Transactional Leadership	Std ev	Mean	Ranking
TSL1	Always give me positive feedback when I perform well	0.8181	3.6589	3
TSL2	Gives me special recognition when I produce at a high level.	0.8620	3.7005	2
TSL3	Commends me when I exceed my productivity goals.	0.7939	3.5391	5
TSL4	Frequently does acknowledge my good performance.	0.8741	3.6563	4
TSL5	Let me know about it when I perform poorly.	0.8247	3.7135	1

Source: Developed for the research

Table 4.11 shows that there are five statements of the transactional leadership (TSL). The first ranking is TSL 5 (“Let me know about it when I perform poorly”) with the highest mean value of 3.7135 and its standard deviation is 0.8247. The second ranking belongs to TSL 2 (“Gives me

special recognition when I produce at a high level”) with 3.7005 of mean value and 0.8620 of standard deviation.

TSL 1 (“Always give me positive feedback when I perform well”) is scored the 3rd or third ranking and its mean value is 3.6589 and its standard deviation is 0.8181. The forth ranking is TSL 4 (“Frequently does acknowledge my good performance”) with 3.6563 of mean value and 0.8741 of standard deviation. The last ranking is TSL 3 which is the statement of “Commends me when I exceed my productivity goals” with the mean value of 3.5391 and its standard deviation is 0.7939.

4.1.2.3 Servant Leadership

Table 4.12: Central Tendencies Measurement of Constructs:

Servant Leadership (SL)

Item	Servant Leadership	Std Dev	Mean	Ranking
SL1	My leader can tell if something work related is going wrong.	0.8879	3.5130	3
SL2	My leader makes my career development a priority.	0.9603	3.5468	2
SL3	My leader emphasizes the importance of giving back to the community.	0.9722	3.4948	5
SL4	My leader puts my best interest ahead of his or herself.	0.9151	3.5573	1
SL5	I would seek help from my leader if I had personal problem.	0.9613	3.5130	3

Source: Developed for the research

Table 4.12 shows that five statements of the servant leadership (SL). SL4 (“My leader puts my best interest ahead of his or herself”) is the number one among the five ranking. The mean value of SL4 is 3.5573 and its standard deviation is 0.9151. The second ranking is SL2 (“My leader makes my career development a priority”) with the mean value of 3.5468 and its standard deviation is 0.9603.

There is same ranking (4th ranking) of two statements in servant leadership which is SL1 (“My leader can tell me if something work related is going wrong”) and SL5 (“I would seek help from my leader if I had personal problem”) with the same mean value of 3.5130, but different standard deviation which is 0.8879 and 0.9613. The lowest ranking is SL3 (“My leader emphasizes the importance of giving back to the community”) with the smallest mean value of 3.4948 and its standard deviation is 0.9722.

4.1.2.4 Participative Leadership

Table 4.13: Central Tendencies Measurement of Constructs:

Participative Leadership (PL)

Item	Participative Leadership	Std Dev	Mean	Ranking
PL1	My supervisor asks subordinates for their suggestion.	0.7965	3.5885	3
PL2	Before taking action, my supervisor consults with subordinates.	0.8677	3.7708	1
PL3	Before making decision, my supervisor considers what his/her	0.8022	3.6197	2

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	subordinates have to say.			
PL4	When faced with a problem, my supervisor consults with subordinates.	0.8069	3.5833	4
PL5	My supervisor listen to subordinates' advise on which assignment should be make.	0.8172	3.4740	5

Source: Developed for the research

The above table 4.13 illustrate that the participative leadership has five items as well. From the table, PL2 (“Before taking action, my supervisor consults with subordinates”) is the first ranking, whereby the mean value of 3.7708 is the highest and its standard deviation is 0.8677. The second ranking goes to PL3 (“Before making decision, my supervisor considers what his/her subordinates have to say”) with the mean value of 3.6197 and its standard deviation is 0.8022.

The third ranking is fall upon PL1 which is the statement of “My supervisor asks subordinates for their suggestion” and its mean value is 3.5885 and its standard deviation is 0.7965. Next, the forth ranking which is PL4 (“When faced with a problem, my supervisor consults with subordinates”) with the mean value of 3.5833 and its standard deviation is 0.8069. The fifth ranking is PL5 (“My supervisor listen to subordinates’ advise on which assignment should be make”) with the smallest mean value of 3.4740 and 0.8172 of standard deviation.

4.1.2.5 Organizational Commitment

Table 4.14: Central Tendencies Measurement of Constructs:

Organizational Commitment (OC)

Item	Organizational Commitment	Std Dev	Mean	Ranking
OC1	I am loyal to my company.	0.8902	3.6484	2
OC2	I care about the future prospects of my company.	0.8838	3.5859	3
OC3	I am satisfied with my job in this company.	0.9272	3.7734	1
OC4	I am totally dedicated to my job in this company.	0.9042	3.5469	4
OC5	I am willing to stay with the company in good times or bad times.	0.9977	3.3490	5

Source: Developed for the research

Table 4.14 shows that the dependent variable which is organizational commitment has five items as well. The first ranking is OC3 (“I am satisfied with my job in this company”) with the largest mean value of 3.7734 and its standard deviation is 0.9272. OC1 (“I am loyal to my company”) is the second ranking among five rankings. The mean value of OC1 is 3.6484 and its standard deviation is 0.8902.

The third ranking is OC2 (“I care about the future prospects of my company”) with the mean value of 3.5859 and its standard deviation is 0.8838. OC4 (“I am totally dedicated to my job in this company”) is the 4th

or forth ranking and its mean value is 3.5469 and its standard deviation is 0.9042. The smallest ranking belongs to OC5 (“I am willing to stay with the company in good times or bad times”) with the lowest mean value of 3.3490 and its standard deviation is 0.9977.

4.2 Scale Measurement

4.2.1. Transformational Leadership

Table 4.15: Cronbach’s Alpha Reliability Analysis- Transformational Leadership

Cronbach’s Alpha based on Raw	Cronbach’s Alpha based on standardized items	No.of Items
0.736611	0.737433	5

Source: Developed for the research

The reliability test’s result for Transformational Leadership has shown the value Cronbach’s Alpha is 0.736611, which is fall under the range of 0.70 to 0.80. It shows that is good reliability for all of the 5 items measuring Transformational Leadership.

4.2.2 Transactional Leadership

Table 4.16: Cronbach's Alpha Reliability Analysis- Transactional Leadership

Cronbach's Alpha based on Raw	Cronbach's Alpha based on standardized items	No.of Items
0.771070	0.770964	5

Source: Developed for the research

The result of reliability test for Transactional Leadership has shown Cronbach's Alpha is 0.771070, which is fall under the range of 0.70 to 0.80. It shows that all of the 5 items measuring Transactional Leadership have good reliability.

4.2.3 Servant Leadership

Table 4.17: Cronbach's Alpha Reliability Analysis- Servant Leadership

Cronbach's Alpha based on Raw	Cronbach's Alpha based on standardized items	No.of Items
0.787873	0.788594	5

Source: Developed for the research

The reliability test's for Servant Leadership has shown the value of Cronbach's Alpha is 0.787873, which is fall under the range of 0.70 to 0.80. It shows that is good reliability for all of the 5 items measuring Servant Leadership.

4.2.4 Participative Leadership

Table 4.18: Cronbach's Alpha Reliability Analysis- Participative
Leadership

Cronbach's Alpha based on Raw	Cronbach's Alpha based on standardized items	No.of Items
0.740012	0.741682	5

Source: Developed for the research

The result of reliability test for Participative Leadership has shown Cronbach's Alpha is 0.740012, which is fall under the range of 0.70 to 0.80. It shows that is good reliability all of the 5 items measuring Participative Leadership.

4.2.4 Organizational Commitment

Table 4.19: Cronbach's Alpha Reliability Analysis- Organizational
Commitment

Cronbach's Alpha based on Raw	Cronbach's Alpha based on standardized items	No.of Items
0.854434	0.855290	5

Source: Developed for the research

The result of reliability test for Organizational Commitment has shown Cronbach's Alpha is 0.854434, which is fall under the range of 0.80 to 0.95. It shows that all of the 5 items measuring Organizational Commitment have very good reliability.

In conclusion, the five variables of Cronbach's Alpha used in our studies are significant and understandable. This is because all of the 25 items were satisfied with the requirement of having Cronbach's Alpha, which is 0.6 and above. Furthermore, all the items measuring the variables are reliable and the questions used to measure the variables are stable and consistent.

4.3 Inferential Analysis

4.3.1 Pearson Correlation Coefficient Analysis

Table 4.20: Correlations between Leadership and Organizational Commitment

	TFL_AVG	TSL_AVG	SL_AVG	PL_AVG	OC_AVG
TFL_AVG	1				
TSL_AVG	0.55857 <.0001	1			
SL_AVG	0.74498 <.0001	0.36252 <.0001	1		
PL_AVG	0.70556 0.0342	0.28568 <.0001	0.31102 <.0001	1	
OC_AVG	0.74458 <.0001	0.64927 <.0001	0.64339 <.0001	0.66154 <.0001	
<p>** Correlations is significant at the level 0.01 level (2-tailed) n=384</p> <p>OC = Organizational Commitment SL= Servant Leadership</p> <p>TFL= Transformational Leadership PL= Participative Leadership</p> <p>TSL=Transactional Leadership</p>					

Source: Developed for the research

4.3.1.1 Test of Significant

H1: Transformational Leadership

As shown in the table 4.20, Transformational Leadership and Organizational Commitment has shown a correlation of $r=0.74458$ ($p<0.0001$). The above result obtained indicated that Transformational Leadership has a significant relationship with the Organizational Commitment. According to Malhotra (2007) stated that Transformational Leadership of 0.74458 is classified into high coefficient range.

H2: Transactional Leadership

As shown in the table 4.20, Transactional Leadership and Organizational Commitment has shown a correlation of $r=0.64927$ ($p<0.0001$). The above result obtained indicated that Transactional Leadership has a significant relationship with the Organizational Commitment. According to Malhotra (2007) stated that Transactional Leadership of 0.64927 is classified into moderate coefficient range.

H3: Servant Leadership

As shown in the table 4.20, Servant Leadership and Organizational Commitment has shown a correlation of $r=0.64339$ ($p<0.0001$). The above result obtained indicated that Servant Leadership has a significant relationship with the Organizational Commitment. According to Malhotra (2007) stated that Servant Leadership of 0.64339 is classified into moderate coefficient range.

H4: Participative Leadership

As shown in the table 4.20, Participative Leadership and Organizational Commitment has shown a correlation of $r=0.64339$ ($p<0.0001$). The above result obtained indicated that Participative Leadership has a significant relationship with the Organizational Commitment. According to Malhotra (2007) stated that Participative Leadership of 0.66154 is classified into moderate coefficient range.

4.3.2 Multiple Linear Regression Analysis

4.3.2.1 Strength Analysis

Table 4.21: Model Summary

Root MSE	Dependent Mean	Coeff. Var.	R-Square	Adj. R- Square
0.43518	3.58073	12.15345	0.6509	0.6472

Source: Developed for the research.

Table 4.21 shows the adjusted R Square (R^2) value of 0.6472. This can clarify that 64.72% of our research outcome is notably accounted for the examined regression line. Furthermore, it also shows that there is 64.72% of variance in the organizational commitment was explained by other independent variables which are not investigated in this study.

Table 4.22: ANOVA

Analysis of Variance					
Source	DF	Sum of Squares	Mean Square	F Value	Pr > F
Model	4	133.80107	33.45027	176.63.	<. 0001
Error	379	71.77632	0.18938		
Corrected Total	383	205.57740			

Source: Developed from the research

Table 4.22 has shown the F value of 176.63 and its significant level (Pr>F) is <0.0001. Hence, the entire regression model that includes the four variables is able to perform well and explains the variation in this study.

Table 4.23 Coefficients

Parameter Estimates					
Variable	DF	Parameter Estimate	Standard Error	t Value	Pr> t
Intercept	1	-0.46155	0.15833	-2.92	0.0038
TFL Average	1	0.47055	0.06146	7.66	<.0001
TSL Average	1	0.34541	0.04704	7.34	<.0001
SL Average	1	0.11090	0.04952	2.24	0.0257
PL Average	1	0.19419	0.05768	3.37	0.0008

Source: Developed for the research

Refer to Table 4.23, the formation of below equation is based on the multiple regression models:

$$Y = -0.46155 + 0.47055(\text{TFL}) + 0.34541(\text{TSL}) + 0.11090(\text{SL}) + 0.19419(\text{PL})$$

Y= Organizational Commitment

TFL= Transformational Leadership

TSL=Transactional Leadership

SL= Servant Leadership

PL= Participative Leadership

Test of Significant

Hypothesis 1

H₀: There is no significant relationship between transformational leadership and organizational commitment.

H₁: There is significant relationship between transformational leadership and organizational commitment.

P-value of transformational leadership in Table 4.23 is <0.0001, which is below 0.05. The H₀ (null hypothesis) can be rejected. As result, there is a significant relationship between transformational leadership and organizational commitment. Therefore, H₁ is accepted.

From the equation above, the organizational commitment will increase by 0.47055 units if transformational leadership is increase by 1 unit.

Hypothesis 2

H₀: There is no significant relationship between transactional leadership and organizational commitment.

H₁: There is significant relationship between transactional leadership and organizational commitment.

P-value of transactional leadership from the Table 4.23 is <0.0001 , which is below 0.05. The H₀ (null hypothesis) can be rejected. As result, there is a significant relationship between transactional leadership and organizational commitment. Therefore, H₁ is accepted.

From the equation above, the organizational commitment will increase by 0.34541 units if transactional leadership is increase by 1 unit.

Hypothesis 3

H₀: There is no significant relationship between servant leadership and organizational commitment.

H₁: There is significant relationship between servant leadership and organizational commitment.

According to Table 4.23, the servant leadership has a significant value of 0.0257 whereby no greater than 0.05. The H₀ (null hypothesis) can be rejected. Hence, there is a significant relationship between servant leadership and organizational commitment. Therefore, H₁ is accepted.

From the equation above, the organizational commitment will increase by 0.11090 units if servant leadership is increase by 1 unit.

Hypothesis 4

H₀: There is no significant relationship between participative leadership and organizational commitment.

H₁: There is significant relationship between participative leadership and organizational commitment.

Based on Table 4.23, the participative leadership has a significant value of 0.0008 and it is lower than 0.05. The H₀ (null hypothesis) can be rejected. Hence, there is a significant relationship between participative leadership and organizational commitment. Therefore, H₁ is supported.

From the equation above, the organizational commitment will increase by 0.19419 units if participative leadership is increase by 1 unit.

4.4 Conclusion

Generally, this chapter has illustrated the results of the relationship between leadership style and organizational commitment in banking industry. The following chapter, findings of our research, research implication, limitation of our study and proposed direction or recommendations for future study will be carry out.

CHAPTER 5: DISCUSSION AND CONCLUSION

5.0 Introduction

In this chapter include summary, discussion, implications, limitations and some recommendations for this particular research. Firstly, it starts with the results' summary for this overall study which includes descriptive and inferential analyses. In addition, the result for the discussion is provided follow by the implications of the research. The limitation of this research is discussed and lastly for the recommendation and also the conclusion are also provided.

5.1 Summary of Statistical Analysis

Based on the demographic profile, female respondents (56.77 %) are more than the male respondents (43.23 %). This is due to our target population is mostly are female employees who work in the bank.

Next category is about the age of the respondents. Based from the results, the majority of our respondents are fall under the age 26-35 years old with a total of 44.53%. and 36-45 years old (34.64%). The lowest age range that we received is below 55 years old which the total of 0.52%.

Next category is ethnic group. According to the results, Malay race had occupied a large amount which is 52.08% compare to other ethnic groups.

For marital status, most of the respondents are married which the results of 53.39% follow by respondents who are single which is 43.23%. Our target respondents are mainly from the age of 26 years and above who getting married early.

In addition, most of the respondents receive salary at the range of RM2000-RM2999 (43.49%), followed by RM3000 to RM3999 (29.69%) and also RM4000 to RM4999 (15.63%). The lowest range of salary is RM5000 and above which the total percentage of 8.59%.

For the educational level, respondents who are in Degree had occupied about 42.97%, followed by Diploma holders which are about 29.43% and lastly is for STPM holders which the total percentage of 14.32%. The lowest percentage for educational level we had received is Master holder which is about 11.98%. Our target respondents are employees who work as a banker therefore the first requirement to work in a bank the person must have Degree cert.

Lastly is about the experience as an employee in banking industry. Based on the results, the highest range is fall under 5 to 10 years of experiences which is 48.44%, then followed by 11 to 15 years which is 20.83%, below 5 years which is 20.05%. According to the results, the lowest range of experience is fall under 31 years and above which give a percentage of 1.56%.

5.1.2. Summary of Inferential Analysis

5.1.2.1 Reliability Test

Regarding the reliability test from respondents, all of the variables have the reliability result of 0.6 and above which means that the questionnaire for this research is reliable. The coefficient alpha value for transformational leadership is 0.736611 whereas the value for transactional leadership is 0.771070, participative leadership is 0.740012 and lastly the value for servant leadership is 0.787873. Based from the results, it shows that there have an excellent reliability results for all the independent variables which the value falls under the range in between 0.7 to 0.8.

5.1.2.2 Pearson Correlation Analysis

Based from the results, it is clearly shows that all the independent variables (transformational, transactional, participative and servant leadership) has a significant relationship with organizational commitment. Among the variables of coefficient values, the highest correlation coefficient value is transformational leadership which is 0.74458 whereas for the second highest is participative leadership which is 0.66154. Third is transactional leadership which is 0.64927 whereas lastly is servant leadership which the value is 0.64339.

5.1.2.3 Multiple Regression Analysis

Based from the results, the variable for transformational leadership makes the highest contribution to organizational commitment because it has occupied the highest standard value of 0.47055. Second was followed by transactional leadership and participative leadership which their standard values are 0.34541 and 0.11090. Lastly the lowest standard value falls under servant leadership which is 0.11090.

For the results of multiple regression analysis between transformational, transactional, servant and participative leadership, it indicates that transformational leadership has more influence compare to others leadership style.

5.2 Discussion of Major Findings

5.2.1 Transformational Leadership with Organizational Commitment

The research done by our group showed that transformational leadership and organizational commitment had a significant relationship, because the Pearson correlation coefficient analysis for transformational leadership had a correlation of $r = 0.74458$ and for the multiple linear regression analysis showed that transformational leadership has a p-value smaller than 0.0001, which mean it is less than 0.05. This result shows transformational

leadership with organizational commitment had significant relationship, so we accept H_1 and rejected H_0 .

H_0 : There is no significant relationship between transformational leadership styles and organizational commitment.

H_1 : There is significant relationship between transformational leadership and organizational commitment.

A previous study from the researcher, transformational leadership had a positive influence to the organizational commitment from Bushra, Usman & Naveed. (2011), the research achieve 66.5% showing that transformational leadership and organizational commitment have a positive relationship with each other. In the research, we find the transformational leadership is more on giving the employee a goal and provide a good model towards the employee and increase the cohesiveness among the employee, so the employee organizational commitment is increased because of the transformational leadership based on the aspect inside the leadership.

5.2.2 Transactional Leadership with Organizational Commitment

From the research, we find that transactional leadership also had significant relationship with organizational commitment, this is because the Pearson correlation coefficient analysis for transformational leadership had a correlation $r = 0.64927$ and for the multiple linear regression analysis showed that transactional leadership has a p-value smaller than

0.0001, which mean the value is less than 0.05. Based on this result, we can determine transactional leadership had significant correlation with organizational commitment, therefore we accept H_1 and rejected H_0 .

H_0 : There is no significant relationship between transactional leadership and organizational commitment.

H_1 : There is significant relationship between transactional leadership and organizational commitment.

From our result, we have proven the previous study by Othman, Mohammed, D' Silva (2012), transactional leadership and organizational commitment will have a positive relationship. Which mean transactional leadership focus on the job performance and the goal accomplishment can improve the organizational commitment of the employee, in our research we find that transactional leadership always will reward the employee with materials or psychic needs which is the main reason this leadership can improve the organizational commitment of the employees.

5.2.3 Servant Leadership with Organizational Commitment

Servant leadership also has significant leadership with organizational commitment according to the research, because the Pearson correlation coefficient analysis for servant leadership had a correlation $r = 0.64339$ and for the multiple linear regression analysis showed servant leadership has a p-value smaller than 0.0001, which mean it is less than 0.05. So we can conclude that servant leadership had significant relationship with organizational commitment, we accept H_1 and rejected H_0 .

H₀: There is no significant relationship between servant leadership and organizational commitment.

H₁: There is significant relationship between servant leadership and organizational commitment.

Based on the result, the servant leadership and organizational commitment relationship is same as the previous study by Liden et al. (2008), which is positive relationship in the research. Servant leadership is a leader who always motivates and identifies the need of employee, in this research we discover the impact of this leadership towards organizational commitment is very similar to the other research done by the previous researcher. For example, like the research done by Jaramillo et al. (2009), in the servant leadership with organizational commitment and turnover intention, had found that there is positive impact to the employee which increase the organizational commitment and decrease the turnover intention because the servant leadership influence employee become more positive inside the company.

5.2.4 Participative Leadership with Organizational Commitment

For participative leadership in this research, this independent variable also had significant relationship with organizational commitment, because the Pearson correlation analysis for participative leadership had a correlation $r = 0.64339$ and multiple linear regression showed that participative leadership has a p-value smaller than 0.0001, which mean it is less than 0.05. From the result of the research, we can say that participative

leadership had significant relationship with organizational commitment; we accept H_1 and rejected H_0 .

H_0 : There is no significant relationship between participative leadership and organizational commitment.

H_1 : There is significant relationship between participative leadership and organizational commitment.

From the research, the result is same as the result from our previous study which is participative leadership had positive relationship with organizational commitment. According to Bell and Mjoli (2014), participative leadership had positive relationship with organizational commitment in bank for different gender groups. In this leadership, the quality of decision is very important due to Scully et al. (1995) and encourages the employee to participate in the decision making, this can ensure the employee feel themselves is important to the organization to lower down the turnover intention. In the research we prove that organizational commitment will have positive relationship with participative leadership, which mean the employee is really care about the organization in letting them to participate on company decision. Let employees be the part of achieving organizational goads or allow employees to speak out their idea in decision making, can improve the organizational commitment of the employee (Armstrong, 2009).

5.3 Implications of the Study

5.3.1 Managerial Implications

Based on the results of this research, transactional, transformational, servant and participative leadership are significantly attached towards organizational commitment. In order to increase the effectiveness of an organizational commitment in an organization, individuals need to cope with the proper usage of leadership styles which include transformational, transactional, servant and participative.

Managers or leaders of the management should take leadership style seriously as they have a huge effect towards the organizational commitment in an organization. Based from the research, each of the leadership style has their own effect towards the organizational commitment. According to Strauss, Griffin, & Rafferty, (2009), one of the leadership styles which are the transformational leadership has the ability to enhance the commitment of the organization. In this research, it provides some information on the leadership styles towards the organizational commitment in the banking industry in Perak, Penang and Selangor. We found that different types of leadership styles in the banking industry which the leaders are depends on which styles are suitable for the employees of commitment in their banking industry and also which leadership styles are most adapt towards several situations that might affect their commitment in the banking organization.

Based from the result of this research, there are some other ways that can help to enhance more quality on leadership styles in order to increase the value of an organizational commitment. Covey (2002) has suggested that

for an individual who plan to use on servant leadership style should approach more towards to four empowering values which are modeling, path-finding, alignment and empowerment. According to Obiwuru, Okwu, Akpa and Nwankwere (2011), recommend that transactional leadership style is more preferable or more suitable to operate in a small scale of enterprise or firm compare to transformational leadership style. In addition, individuals or managers should apply more on transactional leadership style on a small firm because it can help to strategize to transfer towards transformational leadership in terms of their organizational growth and future development (Obiwuru, Okwu, Akpa & Nwankwere, 2011).

5.4 Limitations of the study

There are numerous of limitation that may be affected the reliability outcome and need to be considered throughout this research. First of all, there is lack of representative for the whole banking industry in Malaysia in our data collection. The sample size of 400 respondents around Perak and Selangor state might not considered significant enough to represent all other states as well as the whole population of the banking industry in Malaysia. Besides, some of the respondent's might be misunderstanding with the question asking in the questionnaire and they just simply answer the question. This will cause the research may not get the accurate answer.

Secondly, time constraint is the main problem in our research. When we distributed the questionnaire, most of the respondents are not so willing and reject to participate in answering the questionnaire especially during the peak hour due to their high workload and busy with the customer transaction. Moreover, there is no benefit for those who take time to participate in answering the questionnaire. Some of the respondents might not provide the accurate response as it is

impossible to avoid respondent bias when they are answering the questionnaire. Thus, the accuracy of answer in the questionnaire maybe affects by the inactive and irresponsible of respondents and restricted us to collect the accurate and reliable data for our research.

Apart from this, financial constraint also restricted us to do the research at others state besides Perak, Penang and Selangor state. However, due to the budget limited, we just able to focus in Perak and Selangor state and unable to conduct the research at all other states as well. We have to consider the expenses in order to ensure the research can be smoothly processes. Therefore, financial and time constraint has been discouraging us to get the wider state number of respondents to conduct the research to get the accurate comprehension of our study.

As a conclusion, although there are some limitations, but it will not affect the overall comprehension of our study. The limitations can be improved on the future study and serve as a background for future researchers to investigate on the solutions.

5.5 Recommendations for Future Research

There are numerous of limitation being found out that maybe affected the reliability outcome in this research. Therefore, researchers have suggested some recommendation to improve the quality for future research.

First and foremost, sample size of 400 respondents might not enough to represent and it is too small for researchers. In order to collect more accurate result in the research, the researcher should expand the survey in whole Malaysia. Besides,

Malaysia is a multiracial country, future researchers are suggest to prepare different language version such as Malay, Chinese and Tamil rather than just one English language version of questionnaire. By providing multi language version, respondent can choose their preferred language to answer and it will help them more understand what is the question asking about and provide more accurate answer.

Secondly, time constraints in distributing questionnaire to collect data but respondents not active in participating. Researchers may consider using other data collecting method such as face to face interview and telephone interview so that can give clearly explanation to them and save their time in answering the questionnaire. By conducting interview, researcher may gain in-depth information and feedback on the spot rather than using distributes questionnaire method.

Apart from this, we are just focus on Perak Penang and Selangor area in our research due to the financial constraints. However, researcher might try to cover more areas to get more respondents rather than limited the area focusing as there are still lots of banking industry at different state in Malaysia in order to get more accurate and reliable results.

Last but not least, researcher is encourage to conduct both qualitative and quantitative measure to allow future researchers have more clear and deeper understanding for the effectiveness of the leadership on organizational commitment in the banking industry.

5.6 Conclusion

The general objective of this research is to examine the relationship between leadership and organizational commitment. Regarding to the analyses outcome shown, there is a significant influence between independent variables which include transformational, transactional, servant and participative leadership and the dependent variable organizational commitment in the banking industry. Besides, it helps to understand the effectiveness of the leadership on organization commitment in the banking industry. In addition, this research provided scholar and practitioner useful insight for future studies. In short, leadership and organization commitment has a significant positive relationship.

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APPENDICES

Appendix A: Questionnaire Survey Permission Letter



Appendix 3.1: Questionnaire



Universiti Tunku Abdul Rahman (UTAR)

Dear respondents,

We are students of Bachelor of Business Administration (Hons) from Universiti Tunku Abdul Rahman (UTAR). We are currently doing our UBMZ3016 Final Year Research with title “**The effectiveness of the leadership on the organizational commitment in banking industry**” in order to complete our research. The purpose of this research is to identify which leadership styles will affect the organizational commitment in banking industry. This research will help to know how the importance of the leadership styles will influence the employees towards organizational commitment.

This questionnaire consists of 3 parts. Part A is related personal details, part B is about our leadership styles and part C is about organizational commitment. Part A consists of 8 questions and you should answer the appropriate question. Part B consists of 20 questions and part C consists of 5 questions. Part C is about personal demographic background, but your name does not appear anywhere on the questionnaire form.

Finally, please read the instructions carefully before answer question. Thank you for your cooperation and willingness to answer the questionnaires. Your response will be kept strictly confidential and will be only accessible to analysts for the academic purpose.

Student's Name	ID	E-mail
1.Chew Mun Kit	11ABB04624	jason5201314@1utar.my
2.Lau Zhen Hui	13ABB00183	zhenhui0208@1utar.my
3.Lee Yen Yun	13ABB00534	yen920911@1utar.my
4.Ooi Siew Ling	13ABB00572	siewling92@1utar.my
5.Yee Ann Gie	11ABB01671	agyee01671@1utar.my

Questionnaire

Part A: Personal Details

Please place (√) in the appropriate answer

1. Do you work in the bank industry? (If not, then the questionnaire is not relevant to you, thank you for your time.)
 - ☐ Yes
 - ☐ No

2. Gender
 - ☐ Male
 - ☐ Female

3. Age
 - ☐ Below 25
 - ☐ 26-35 years old
 - ☐ 36-45 years old
 - ☐ 46-55 years old
 - ☐ More than 55 years old

4. Ethnic group
 - ☐ Chinese
 - ☐ Malay
 - ☐ Indian
 - ☐ Others, please specify: _____

5. Marital status
 - ☐ Single
 - ☐ Married
 - ☐ Others: _____ (Please Specify)

6. Basic salary per month
 - ☐ RM 1000-RM 1999
 - ☐ RM 2000-RM 2999
 - ☐ RM 3000-RM 3999
 - ☐ RM 4000-RM 4999
 - ☐ RM 5000 and above

7. Education Level
 - ☐ STPM
 - ☐ Diploma
 - ☐ Bachelor degree
 - ☐ Master degree
 - ☐ Doctorate degree

8. Experience of employment in the banking industry
 - ☐ Below 5 years
 - ☐ 5-10 years
 - ☐ 11-15 years
 - ☐ 16-20 years
 - ☐ 21-25 years
 - ☐ 26-30 years
 - ☐ 31 years and above

Part B: Independent Variable

This following set of statement is related to the characteristics of leadership influencing organizational commitment. The Likert scale of measurement is being used. According to your experience as employee, please read and answer circle one number per line to indicate the extent to which you agree or disagree with the following statement.

Strongly Disagree (SD)	Disagree (D)	Neutral (N)	Agree (A)	Strongly Agree (SA)
1	2	3	4	5

No.	Question	SD	D	N	A	SA
	Transformational Leadership					
TFL1	Has a clear understanding of where we are going.	1	2	3	4	5
TFL 2	Paints an interesting picture of the future for our group.	1	2	3	4	5
TFL 3	Is always seeking new opportunities for the organizational.	1	2	3	4	5
TFL 4	Provides a good model for me to follow.	1	2	3	4	5
TFL 5	Gets the group to work together for same goal.	1	2	3	4	5
	Transactional Leadership					
TSL 1	Always give me positive feedback when I perform well.	1	2	3	4	5
TSL 2	Gives me special recognition when I produce at a high level.	1	2	3	4	5
TSL 3	Commends me when I exceed my productivity goals.	1	2	3	4	5
TSL 4	Frequently does acknowledge my good performance.	1	2	3	4	5
TSL 5	Let me know about it when I perform poorly.	1	2	3	4	5

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	Servant Leadership					
SL 1	My leader can tell if something work related is going wrong.	1	2	3	4	5
SL 2	My leader makes my career development a priority.	1	2	3	4	5
SL 3	My leader emphasizes the importance of giving back to the community.	1	2	3	4	5
SL 4	My leader puts my best interest ahead of his or herself.	1	2	3	4	5
SL 5	I would seek help from my leader if I had personal problem.	1	2	3	4	5
	Participative Leadership					
PL 1	My supervisor asks subordinates for their suggestion.	1	2	3	4	5
PL 2	Before taking action, my supervisor consults with subordinates.	1	2	3	4	5
PL 3	Before making decision, my supervisor considers what his/her subordinates have to say.	1	2	3	4	5
PL 4	When faced with a problem, my supervisor consults with subordinates.	1	2	3	4	5
PL 5	My supervisor listen to subordinates' advise on which assignment should be make.	1	2	3	4	5

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Part C: Dependent Variable

This section is seeking on your opinion on your current organizational commitment. According to your experience as employee, please read and answer circle one number per line to indicate the extent to which you agree or disagree with the following statement.

Strongly Disagree (SD)	Disagree (D)	Neutral (N)	Agree (A)	Strongly Agree (SA)
1	2	3	4	5

	Organizational Commitment	SD	D	N	A	SA
OC 1	I am loyal to my company.	1	2	3	4	5
OC 2	I care about the future prospects of my company.	1	2	3	4	5
OC 3	I am satisfied with my job in this company.	1	2	3	4	5
OC 4	I am totally dedicated to my job in this company.	1	2	3	4	5
OC 5	I am willing to stay with the company in good times or bad times.	1	2	3	4	5

Comment:

Thank you very much for your participation.
Your time and opinions are greatly appreciated.

Appendix 3.2: Pilot test

Transformational Leadership

Reliability test- Transformational Leadership							
The CORR Procedure							
5 Variables: TFL1 TFL2 TFL3 TFL4 TFL5							
Simple Statistics							
Variable	N	Mean	Std Dev	Sum	Minimum	Maximum	Label
TFL1	30	3.73333	0.52083	112.00000	2.00000	4.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
TFL2	30	3.46667	0.77608	104.00000	2.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
TFL3	30	3.60000	0.62146	108.00000	3.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
TFL4	30	3.56667	0.67891	107.00000	2.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
TFL5	30	3.80000	0.71438	114.00000	2.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
Cronbach Coefficient Alpha							
Variables				Alpha			
Raw				0.806038			
Standardized				0.812014			

Transactional Leadership

Reliability test- Transactional Leadership							
The CORR Procedure							
5 Variables: TSL1 TSL2 TSL3 TSL4 TSL5							
Simple Statistics							
Variable	N	Mean	Std Dev	Sum	Minimum	Maximum	Label
TSL1	30	3.60000	1.06997	108.00000	1.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
TSL2	30	3.63333	1.18855	109.00000	1.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
TSL3	30	3.76667	1.00630	113.00000	2.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
TSL4	30	3.46667	0.81931	104.00000	2.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
TSL5	30	3.53333	0.93710	106.00000	1.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
Cronbach Coefficient Alpha							
Variables				Alpha			
Raw				0.822389			
Standardized				0.826260			

Servant Leadership

Reliability test- Servant Leadership							
The CORR Procedure							
5 Variables: SL1 SL2 SL3 SL4 SL5							
Simple Statistics							
Variable	N	Mean	Std Dev	Sum	Minimum	Maximum	Label
SL1	30	2.73333	1.22990	82.00000	1.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
SL2	30	3.13333	1.19578	94.00000	1.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
SL3	30	3.13333	0.97320	94.00000	1.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
SL4	30	3.13333	1.04166	94.00000	1.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
SL5	30	3.03333	0.92786	91.00000	1.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
Cronbach Coefficient Alpha							
Variables				Alpha			
Raw				0.771579			
Standardized				0.769633			

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Participative Leadership

Reliability test- Participative Leadership

The CORR Procedure

5 Variables: PL1 PL2 PL3 PL4 PL5

Simple Statistics							
Variable	N	Mean	Std Dev	Sum	Minimum	Maximum	Label
PL1	30	3.33333	1.09334	100.00000	1.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
PL2	30	3.40000	0.93218	102.00000	1.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
PL3	30	3.26667	1.04826	98.00000	1.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
PL4	30	3.40000	0.89443	102.00000	1.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
PL5	30	3.40000	0.85501	102.00000	2.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree

Cronbach Coefficient Alpha	
Variables	Alpha
Raw	0.756477
Standardized	0.754552

Organizational Commitment

Reliability test- Organizational Commitment

The CORR Procedure

5 Variables: OC1 OC2 OC3 OC4 OC5

Simple Statistics							
Variable	N	Mean	Std Dev	Sum	Minimum	Maximum	Label
OC1	30	3.53333	0.68145	106.00000	2.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
OC2	30	3.40000	0.85501	102.00000	1.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
OC3	30	3.93333	0.78492	118.00000	2.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
OC4	30	3.66667	0.99424	110.00000	1.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
OC5	30	3.53333	0.89955	106.00000	1.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree

Cronbach Coefficient Alpha	
Variables	Alpha
Raw	0.835796
Standardized	0.833240

Appendix 4.1: Descriptive Analysis

Do you work in bank industry?

One-Way Frequencies

The FREQ Procedure

1=yes, 2=no				
Do you wok in bank industry?	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1	384	100.00	384	100.00

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Gender

One-Way Frequencies

The FREQ Procedure

1=male, 2=female				
Gender	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1	166	43.23	166	43.23
2	218	56.77	384	100.00

Age

One-Way Frequencies

The FREQ Procedure

1=below 25, 2=26-35, 3=36-45, 4=46-55, 5=more than 55				
Age	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1	25	6.51	25	6.51
2	171	44.53	196	51.04
3	133	34.64	329	85.68
4	53	13.80	382	99.48
5	2	0.52	384	100.00

Ethnic group

One-Way Frequencies

The FREQ Procedure

1=Chinese, 2=Malay, 3=Indian, 4=others				
Ethnic group	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1	118	30.73	118	30.73
2	200	52.08	318	82.81
3	59	15.36	377	98.18
4	7	1.82	384	100.00

Marital status

One-Way Frequencies

The FREQ Procedure

1=single, 2=married, 3=others				
Married status	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1	166	43.23	166	43.23
2	205	53.39	371	96.61
3	13	3.39	384	100.00

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Basic salary

One-Way Frequencies

The FREQ Procedure

1=below RM 2000, 2=RM 2000-2999, 3=RM 3000-3999, 4=RM 4000-4999, 5=RM 5000 and above				
Basic salary	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1	10	2.60	10	2.60
2	167	43.49	177	46.09
3	114	29.69	291	75.78
4	60	15.63	351	91.41
5	33	8.59	384	100.00

Education level

One-Way Frequencies

The FREQ Procedure

1=STPM, 2=Dipolma, 3=Bachelor Degree, 4=Master Degree, 5=Doctorate Degree				
Education Level	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1	55	14.32	55	14.32
2	113	29.43	168	43.75
3	165	42.97	333	86.72
4	46	11.98	379	98.70
5	5	1.30	384	100.00

Experiences of employment in banking industry

One-Way Frequencies

The FREQ Procedure

1=below 5, 2=5-10, 3=11-15, 4=16-20, 5=21-25, 6=26-30, 7=31 and above				
Experience of employment in bank	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1	77	20.05	77	20.05
2	186	48.44	263	68.49
3	80	20.83	343	89.32
4	15	3.91	358	93.23
5	11	2.86	369	96.09
6	9	2.34	378	98.44
7	6	1.56	384	100.00

Appendix 4.2: Reliability Result

Transformational Leadership Reliability Statistics

Reliability test- Transformational Leadership

The CORR Procedure

5 Variables: TFL1 TFL2 TFL3 TFL4 TFL5

Simple Statistics							
Variable	N	Mean	Std Dev	Sum	Minimum	Maximum	Label
TFL1	384	3.58854	0.85958	1378	1.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
TFL2	384	3.71875	0.97438	1428	1.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
TFL3	384	3.62760	0.89639	1393	1.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
TFL4	384	3.54167	0.84787	1360	1.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
TFL5	384	3.46875	0.87856	1332	1.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree

Cronbach Coefficient Alpha	
Variables	Alpha
Raw	0.736611
Standardized	0.737433

Transactional Leadership Reliability Statistics

Reliability test- Transactional Leadership

The CORR Procedure

5 Variables: TSL1 TSL2 TSL3 TSL4 TSL5

Simple Statistics							
Variable	N	Mean	Std Dev	Sum	Minimum	Maximum	Label
TSL1	384	3.65885	0.81806	1405	1.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
TSL2	384	3.70052	0.86196	1421	1.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
TSL3	384	3.53906	0.79393	1359	1.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
TSL4	384	3.65625	0.87409	1404	1.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
TSL5	384	3.71354	0.82470	1426	1.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree

Cronbach Coefficient Alpha	
Variables	Alpha
Raw	0.771070
Standardized	0.770964

Servant Leadership Reliability Statistics

Reliability test- Servant Leadership

The CORR Procedure

5 Variables: SL1 SL2 SL3 SL4 SL5

Simple Statistics							
Variable	N	Mean	Std Dev	Sum	Minimum	Maximum	Label
SL1	384	3.51302	0.88789	1349	1.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
SL2	384	3.54688	0.96025	1362	1.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
SL3	384	3.49479	0.97218	1342	1.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
SL4	384	3.55729	0.91512	1366	1.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
SL5	384	3.51302	0.96131	1349	1.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree

Cronbach Coefficient Alpha	
Variables	Alpha
Raw	0.787873
Standardized	0.788594

Participative Leadership Reliability Statistics

Reliability test- Participative Leadership

The CORR Procedure

5 Variables: PL1 PL2 PL3 PL4 PL5

Simple Statistics							
Variable	N	Mean	Std Dev	Sum	Minimum	Maximum	Label
PL1	384	3.58854	0.79652	1378	1.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
PL2	384	3.77083	0.88774	1448	1.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
PL3	384	3.61979	0.80223	1390	1.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
PL4	384	3.58333	0.80685	1376	1.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
PL5	384	3.47396	0.81715	1334	1.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree

Cronbach Coefficient Alpha	
Variables	Alpha
Raw	0.740012
Standardized	0.741682

THE EFFECTIVENESS OF LEADERSHIP ON ORGANIZATIONAL COMMITMENT IN BANKING INDUSTRY

Organizational Commitment Reliability Statistics

Reliability test- Organizational Commitment							
The CORR Procedure							
5 Variables: OC1 OC2 OC3 OC4 OC5							
Simple Statistics							
Variable	N	Mean	Std Dev	Sum	Minimum	Maximum	Label
OC1	384	3.64844	0.89024	1401	1.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
OC2	384	3.58594	0.88380	1377	1.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
OC3	384	3.77344	0.92723	1449	1.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
OC4	384	3.54688	0.90423	1362	1.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
OC5	384	3.34896	0.99770	1286	1.00000	5.00000	1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
Cronbach Coefficient Alpha							
Variables				Alpha			
Raw				0.854434			
Standardized				0.855290			

Appendix 4.3: Pearson Correlation Coefficient

Correlation Analysis						
The CORR Procedure						
5 Variables: TFL Average TSL Average SL Average PL Average OC Average						
Simple Statistics						
Variable	N	Mean	Std Dev	Sum	Minimum	Maximum
TFL Average	384	3.58906	0.62279	1378	1.20000	5.00000
TSL Average	384	3.65365	0.60333	1403	1.20000	5.00000
SL Average	384	3.52500	0.69131	1354	1.40000	5.00000
PL Average	384	3.60729	0.57607	1385	1.20000	5.00000
OC Average	384	3.58073	0.73264	1375	1.20000	5.00000
Pearson Correlation Coefficients, N = 384						
Prob > r under H0: Rho=0						
	TFL Average	TSL Average	SL Average	PL Average	OC Average	
TFL Average	1.00000	0.55857	0.74498	0.70556	0.74458	
		< .0001	< .0001	< .0001	< .0001	
TSL Average	0.55857	1.00000	0.51748	0.57131	0.64927	
			< .0001	< .0001	< .0001	
SL Average	0.74498	0.51748	1.00000	0.61268	0.64339	
				< .0001	< .0001	
PL Average	0.70556	0.57131	0.61268	1.00000	0.66154	
					< .0001	
OC Average	0.74458	0.64927	0.64339	0.66154	1.00000	
						< .0001

Appendix 4.4: Multiple Regressions

Multiple Regression Results of Leadership Styles and Organizational Commitment

Linear Regression Results

The REG Procedure

Model: Linear_Regression_Model

Dependent Variable: OC Average

Number of Observations Read384

Number of Observations Used384

Analysis of Variance					
Source	DF	Sum of Squares	Mean Square	F Value	Pr > F
Model	4	133.80107	33.45027	176.63	< .0001
Error	379	71.77632	0.18938		
Corrected Total	383	205.57740			

Root MSE0.43518

R-Square0.6509

Dependent Mean3.58073

Adj R-Sq0.6472

Coeff Var12.15345

Parameter Estimates					
Variable	DF	Parameter Estimate	Standard Error	t Value	Pr > t
Intercept	1	-0.46155	0.15833	-2.92	0.0038
TFL Average	1	0.47055	0.06146	7.66	< .0001
TSL Average	1	0.34541	0.04704	7.34	< .0001
SL Average	1	0.11090	0.04952	2.24	0.0257
PL Average	1	0.19419	0.05768	3.37	0.0008