The Relationship between Malaysian Organizational Culture, Participative Leadership Style, and Employee Job Satisfaction among Malaysian Employees from Semiconductor Industry

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Abstract

A specific study on the effect of organizational culture and participative leadership style on employee job satisfaction in the semiconductor industry in Penang and Kuala Lumpur is not evidenced in the literature. This research was implemented to study the relationship between two independent variables (Organizational Culture, Participative Leadership Style) and two moderating factors (Gender of Managers and Workplace Cities) and a dependent variable (Employee Job Satisfaction). The target population for this study was the employees in the semiconductor sector in Penang and Kuala Lumpur regions. The survey was sent to 300 people in the target population and received valid responses from 180 participants. Prior to testing the hypotheses, coefficient alpha, reliability, and correlation analysis were applied in order to determine the validity and reliability of the data collected. The multiple regression analysis was performed to test the hypotheses. The results of this study demonstrated a significant positive relationship between Organizational Culture, Participative Leadership Style, and Employee Job Satisfaction. The study also found positive relationship between Gender of Managers and Workplace Cities and Employee Job Satisfaction.

Keywords: Organizational Culture, Participative Leadership Styles, Gender of Managers, Workplace Cities, Employee Job Satisfaction

1.0 Introduction

The review of existing literatures on management styles in Malaysia shows that there is a significant lack of studies in the local semiconductor industry. The previous management studies that were conducted in Malaysia did not focus on what type of leadership is practiced and which style can be more effective in improving employee motivation in semiconductor sector. This research is the first comprehensive study of Malaysian semiconductor managers and employees from the viewpoint of organizational culture and participative leadership style and their impact on employee job satisfaction. Penang and KL regions are the top two locations in Malaysia for semiconductor industry. However, no studies have been conducted in the past to specifically evaluate employee job satisfaction due to management styles used in semiconductor companies in Penang and KL. The scope of this study is regarding the leadership style and effectiveness of Malaysian high-tech semiconductor managers to increase the job satisfaction of their high-tech employees in the important technology centres of Penang and KL. This research will focus on different leadership styles of the semiconductor managers and the resulting levels of employee job satisfaction. The work culture and Malaysian managers will be studied to gain insights into their impact on job satisfaction of their employees. The locations of Penang and Kuala Lumpur were selected due to the concentration of high technology semiconductor companies in those two regions.

2.0 Literature Review

Leadership style is the way a leader provides direction to his/her team to execute their tasks, the manner in which the leader motivates and trains the subordinates, and how the leader generally communicates and relates to his/her people. German social psychologist Lewin, Lippit & Whit (1939) started some pioneering early studies of leadership styles and their effect on organizations. They identified three styles of leadership. The first leadership style was authoritarian or autocratic style, which refers to the situation that the leader instructs the subordinates what to do, when to do it, and even how to do it.
The second style identified by Lewin was participative or democratic style where the leader listens to inputs from team members and a group decision was made. The third style was delegative or laissez-faire or free-rein style where the leader offers very little guidance and group members are left basically alone to decide what they want to do.

The Dutch social psychologist Hofstede (2005) conducted research into cross-cultural organizations. He conducted a survey and developed an index called Power Difference Index (PDI) for the 53 countries that took the survey. The higher numbers showed the respondents in the country were using autocratic leadership style. This implied the subordinates were afraid of their boss or did not feel secure enough to let their views known if they had a different opinion than their boss. Conversely, the lower numbers meant respondents were in countries that used more participative style and were not afraid to speak their mind in front of their boss.

Management and Leadership Styles

In a study of entrepreneur leadership by (Ansari, Aafaqi and Jayasingam, 2000), the authors collected and analyzed the respondent data based on the respondent’s observations and perceptions about the leadership styles practiced by entrepreneurs. The results showed the most successful entrepreneurs were those who used a participative leadership style and practiced a supportive taskmaster role. A other study was launched to assess the critical characteristics of leadership style specifically in a knowledge-based organization (Jayasingam, Ansari &Jantan, 2010). The purpose of this study was to identify the key leadership characteristics described in terms of social power that are required in a knowledge-based organization. Other researchers have studied relationship between the culture and the employee preferences regarding the leadership style of their manager (Hamzah, Saufi&Wafa, 2002). The study results showed that Malaysians actually preferred their leaders to lead them by using the participating and delegating styles. Most Malaysians prefer joint decision making cooperation and teamwork. The preference for teamwork is stronger than the preference for individual action. Malaysians generally think that they can work well as a team (Jayasingam, Ansari &Jantan, 2010).

A study examined the leadership styles in different workplaces and have arrived at similar conclusions (Ababneh, 2009). These results are in line with previous studies that indicated a significant part of Malaysian managers prefer the participating and delegating style of leadership although autocratic style is also used.

A study concluded that the gender of the manager does not really matter (Appelbaum, Audet& Miller, 2003). These authors believed that the most important factor is the actual management qualities, which can make any leader more effective by enhancing their leadership style to lead their team more productively. Another article concluded that the management styles that female accountants emphasized were somewhat different than the styles of their male counter parts. Ultimately, the conclusion was that both male and female managers can share experiences and learn from each other’s best practices to grow their leadership skills (Burke & Collins, 2001).

3.0 Methodology
3.1 Research Framework

H1a: The organizational culture in Malaysian high-tech semiconductor industry has a positive relationship with employee job satisfaction.
H1b: The organizational culture in Malaysian high-tech semiconductor industry does not have a positive relationship with employee job satisfaction.
H2a: The gender of high-tech semiconductor managers has a positive relationship with the organizational culture and employee job satisfaction.
H2b: The gender of high-tech managers does not have a positive relationship with the organizational culture and employee job satisfaction.
H3a: The workplace cities of the high-tech semiconductor managers have a positive relationship with the organizational culture and employee job satisfaction.
H3b: The workplace cities of the high-tech managers do not have a positive relationship with the organizational culture and employee job satisfaction.
H4a: The participative leadership style has a positive relationship with employee job satisfaction among Malaysian employees in high-tech semiconductor sector.
H4b: The participative leadership style does not have a positive relationship with employee job satisfaction among Malaysian employees in high-tech semiconductor sector.
H5a: The gender of high-tech semiconductor managers has a positive relationship with the participative leadership style and employee job satisfaction.
H5b: The gender of high-tech semiconductor managers does not have a positive relationship with the participative leadership style and employee job satisfaction.
H6a: The workplace cities of the high-tech semiconductor managers have a positive relationship with the participative leadership style and employee job satisfaction.
H6b: The workplace cities of the high-tech semiconductor managers do not have a positive relationship with the participative leadership style and employee job satisfaction.

4.0 Data Collection

The main focus of this paper is to assess the goodness of measure (validity and reliability) of two independent variables (Organizational Culture, Participative Leadership Style) and two moderating factors (Gender of Managers and Workplace Cities) and a dependent variable (Employee Job Satisfaction). Data was collected through survey questionnaires from individuals employees of semiconductor industry using Stratified Sampling method. The target population for our study was the high-tech semiconductor employees from Penang and KL regions. We distributed 300 questionnaires and received 180 valid responses to the survey.
5.0 Results

5.1 Respondents’ Gender of Supervisor

<table>
<thead>
<tr>
<th>Gender of Supervisor</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male Supervisor</td>
<td>117</td>
<td>65.0</td>
<td>65.0</td>
<td>65.0</td>
</tr>
<tr>
<td>Female Supervisor</td>
<td>63</td>
<td>35.0</td>
<td>35.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>180</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Based on the respondents’ answer, the table illustrates that a total of 117 participants, which represent 65% of respondents, had male supervisor. There are 63 respondents, who had female supervisor, which represent 35% of participants.

5.2 Respondents’ Location

<table>
<thead>
<tr>
<th>Location</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kuala Lumpur region</td>
<td>89</td>
<td>49.4</td>
<td>49.4</td>
<td>49.4</td>
</tr>
<tr>
<td>Penang region</td>
<td>91</td>
<td>50.6</td>
<td>50.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>180</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Based on the respondents’ answer, the table illustrates that a total of 89 participants, which represent 49.4% of respondents, are in Kuala Lumpur region. There are 91 respondents, who are in Penang region, which represent 50.6% of participants.

5.3 Frequency Analysis for Variables

Most of the respondents agree that participative leadership has influence on employee job satisfaction.

Frequency for the questionnaire on participative leadership

<table>
<thead>
<tr>
<th></th>
<th>Strongly Dissatisfied</th>
<th>Dissatisfied</th>
<th>Neutral</th>
<th>Satisfied</th>
<th>Strongly Satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>PLS 1</td>
<td>3</td>
<td>27</td>
<td>56</td>
<td>71</td>
<td>23</td>
</tr>
<tr>
<td>PLS 2</td>
<td>1</td>
<td>34</td>
<td>55</td>
<td>61</td>
<td>29</td>
</tr>
<tr>
<td>PLS 3</td>
<td>4</td>
<td>35</td>
<td>45</td>
<td>62</td>
<td>34</td>
</tr>
<tr>
<td>PLS 4</td>
<td>7</td>
<td>21</td>
<td>57</td>
<td>66</td>
<td>29</td>
</tr>
<tr>
<td>PLS 5</td>
<td>5</td>
<td>24</td>
<td>60</td>
<td>70</td>
<td>21</td>
</tr>
<tr>
<td>PLS 6</td>
<td>7</td>
<td>33</td>
<td>54</td>
<td>58</td>
<td>28</td>
</tr>
<tr>
<td>PLS 7</td>
<td>6</td>
<td>31</td>
<td>53</td>
<td>66</td>
<td>24</td>
</tr>
<tr>
<td>PLS 8</td>
<td>4</td>
<td>33</td>
<td>50</td>
<td>65</td>
<td>28</td>
</tr>
</tbody>
</table>

Organizational culture as shown in this table, regarding to the respondents can effect on employee job satisfaction.
Frequency for the questionnaire on Organizational culture

<table>
<thead>
<tr>
<th></th>
<th>Strongly Dissatisfied</th>
<th>Dissatisfied</th>
<th>Neutral</th>
<th>Satisfied</th>
<th>Strongly Satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>OC 1</td>
<td>5</td>
<td>32</td>
<td>50</td>
<td>69</td>
<td>24</td>
</tr>
<tr>
<td>OC 2</td>
<td>5</td>
<td>27</td>
<td>38</td>
<td>59</td>
<td>31</td>
</tr>
<tr>
<td>OC 3</td>
<td>2</td>
<td>34</td>
<td>51</td>
<td>64</td>
<td>29</td>
</tr>
<tr>
<td>OC 4</td>
<td>4</td>
<td>21</td>
<td>67</td>
<td>69</td>
<td>19</td>
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<tr>
<td>OC 5</td>
<td>3</td>
<td>34</td>
<td>60</td>
<td>51</td>
<td>32</td>
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<tr>
<td>OC 6</td>
<td>7</td>
<td>21</td>
<td>65</td>
<td>64</td>
<td>23</td>
</tr>
<tr>
<td>OC 7</td>
<td>7</td>
<td>27</td>
<td>50</td>
<td>67</td>
<td>29</td>
</tr>
<tr>
<td>OC 8</td>
<td>8</td>
<td>21</td>
<td>73</td>
<td>48</td>
<td>30</td>
</tr>
</tbody>
</table>

Most of the respondents were satisfied with employee job satisfaction.

<table>
<thead>
<tr>
<th></th>
<th>Strongly Dissatisfied</th>
<th>Dissatisfied</th>
<th>Neutral</th>
<th>Satisfied</th>
<th>Strongly Satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>EJS 1</td>
<td>0</td>
<td>28</td>
<td>51</td>
<td>73</td>
<td>28</td>
</tr>
<tr>
<td>EJS 2</td>
<td>1</td>
<td>24</td>
<td>64</td>
<td>66</td>
<td>25</td>
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<tr>
<td>EJS 3</td>
<td>2</td>
<td>26</td>
<td>57</td>
<td>71</td>
<td>24</td>
</tr>
<tr>
<td>EJS 4</td>
<td>2</td>
<td>19</td>
<td>62</td>
<td>60</td>
<td>37</td>
</tr>
<tr>
<td>EJS 5</td>
<td>5</td>
<td>23</td>
<td>57</td>
<td>71</td>
<td>24</td>
</tr>
<tr>
<td>EJS 6</td>
<td>3</td>
<td>27</td>
<td>62</td>
<td>67</td>
<td>21</td>
</tr>
<tr>
<td>EJS 7</td>
<td>3</td>
<td>27</td>
<td>60</td>
<td>72</td>
<td>18</td>
</tr>
<tr>
<td>EJS 8</td>
<td>3</td>
<td>26</td>
<td>59</td>
<td>67</td>
<td>25</td>
</tr>
</tbody>
</table>

5.4 Descriptive Analysis for Variables

According to results as can be seen all variables estimated by five point scale. The mean or the averages of central tendency are as follows. It may be seen that the mean is 3.4438 for participative leadership and 3.4347 for organizational culture, and 3.4951 for employee job satisfaction. Most of the mean of the variables are more than 3. This means that most of the respondents feel that the employee job satisfaction will increase to a level according to the variables. The minimum of 1 indicates that the respondents do not satisfy with the effect of the variables on employee job satisfaction and the maximum of 5 illustrates that the respondents strongly satisfy that the variables bring more of that.

Descriptive Statistics for variables

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimu</th>
<th>Maximu</th>
<th>Mean</th>
<th>Std.Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avr_Participative leadership</td>
<td>180</td>
<td>1.38</td>
<td>5.00</td>
<td>3.4438</td>
<td>.75270</td>
</tr>
<tr>
<td>Avr_Organizational Culture</td>
<td>180</td>
<td>1.50</td>
<td>5.00</td>
<td>3.4347</td>
<td>.75330</td>
</tr>
<tr>
<td>Avr_Employes Job Satisfaction</td>
<td>180</td>
<td>1.50</td>
<td>4.75</td>
<td>3.4951</td>
<td>.69708</td>
</tr>
</tbody>
</table>

5.5 Spearman’s Correlation

5.5.1 Correlation Analysis between Participative Leadership and Employee Job Satisfaction
The output of Spearman’s Correlation between participative leadership and employee job satisfaction illustrates that there is a High Positive relationship exists between them because the value of Spearman’s Correlation is 0.739 and its p-value is 0.000 which is less than 0.05 (level of significance).

5.5.2 Correlation Analysis between Organizational Culture and Employee Job Satisfaction

The output of Spearman’s Correlation between organizational culture and employee job satisfaction indicates that there is a High positive relationship exists between them because the value of Spearman’s correlation is 0.740 and its p-value is 0.000 which is less than 0.05 (P-value = 0.000<0.05) (level of significance).

5.6 Regression Analysis

5.6.1 Coefficient for Two Variables

Based on table above, the Regression Equation would be as follows:

Employee job satisfaction = 0.707 + 0.194 * (Participative leadership) + 0.284 * (Organizational culture)

Hypotheses 1: The organizational culture in Malaysian high-tech industry has a positive relationship with employee job satisfaction.

Interpretation 1→ For every unit increase in organizational culture, employee job satisfaction will go up by 0.284 units considered other variables are zero.
Hypotheses 2: The gender of high-tech managers has a positive relationship with the organizational culture and employee job satisfaction.

Interpretation 2→ For every unit increase in organizational culture, employee job satisfaction will go up by 0.284 units considered other variables are zero, moreover at same time as mentioned above male gender of high-tech manager has much more effect on both sides.

Hypotheses 3: The workplace cities of the high-tech managers have a positive relationship with the organizational culture and employee job satisfaction.

Interpretation 3→ For every unit increase in organizational culture, employee job satisfaction will go up by 0.284 units considered other variables are zero, moreover at same time as mentioned above work place has effect on both sides.

Hypotheses 4: The participative leadership style has a positive relationship with employee job satisfaction among Malaysian employees in high-tech sector.

Interpretation 4→ For every unit increase in participative leadership, employee job satisfaction will go up by 0.194 units considered other variables are zero.

Hypotheses 5: The gender of high-tech managers has a positive relationship with the participative leadership style and employee job satisfaction.

Interpretation 5→ For every unit increase in participative leadership, employee job satisfaction will go up by 0.194 units considered other variables are zero, moreover at same time as mentioned above male gender of high-tech manager has much more effect on both sides.

Hypotheses 6: The workplace cities of the high-tech managers have a positive relationship with the participative leadership style and employee job satisfaction.

Interpretation 6→ For every unit increase in participative leadership, employee job satisfaction will go up by 0.194 units considered other variables are zero, moreover at same time as mentioned above work place has effect on both sides.

It can be concluded from the table that both independent variables have high positive relationship with employee job satisfaction, so all hypotheses will be accepted.

6.0 Discussion

6.1 Participative Leadership is Satisfactory But Significant Dissatisfaction Exists

This study validated that participative leadership can have an effect on the employee job satisfaction. Overall, the responses on participative leadership style were favourable. The correlation between participative leadership style and employee job satisfaction indicates a high positive relationship between them. While most employees were generally satisfied with the participative leadership style provided by their supervisors, several employees reported a significant level of dissatisfaction. For example, the total number of respondents who were either dissatisfied or strongly dissatisfied ranged from 15% to 22% of participants. The highest level of dissatisfaction was expressed from 40 participants where 7 respondents were strongly dissatisfied and 33 were dissatisfied. The highest dissatisfaction was reported in response to the question “My supervisor makes workers feel free to disagree with him/her”. Therefore, 40 participants reported that they do not feel comfortable to disagree with their supervisor. The second highest dissatisfaction was from 39 respondents with 4 strongly dissatisfied and 35 dissatisfied employees. The second highest dissatisfaction was related to the question on “My supervisor goes by joint decisions of group and helps them”. The third highest dissatisfaction was from 37 respondents with 6 strongly dissatisfied and 31 dissatisfied. The third highest dissatisfaction was recorded in response to the question “My supervisor communicates actively with group members”. The fourth highest dissatisfaction was from 37 people with 4 strongly dissatisfied and 33 dissatisfied. The fourth highest dissatisfaction was reported in answer to the following question. “My supervisor encourages group members to do quality work”. The responses to these four questions show that the participative leadership style needs to be improved by allowing more participation and feedback from employees.

6.2 Organizational Culture is Satisfactory but Some Dissatisfaction Exists

Most of the respondents believed that organizational culture can have an effect on the employee job satisfaction. The correlation between organizational culture and employee job satisfaction indicates that a high positive relationship exists.
In general, a large majority of the respondents are satisfied with the culture of their organizations. However, there are still some employees who are not satisfied. The total number of respondents who were either dissatisfied or strongly dissatisfied ranged from 18% to 20% of the total participants.

The highest level of dissatisfaction was expressed from 37 respondents where 5 respondents were strongly dissatisfied and 32 respondents were dissatisfied. The highest dissatisfaction was reported in response to the question “My organization's culture allows open and honest communication”. This means 37 participants believe that the culture of their organization is not open. The second highest level of dissatisfaction was based on answers from 37 respondents with 3 strongly dissatisfied and 34 dissatisfied. The second highest dissatisfaction was related to the question on “My organization’s culture treats male and female supervisors equally”. This means 20% of respondents feel there is discrimination between males and females. The third highest level of dissatisfaction was from 36 respondents with 2 strongly dissatisfied and 34 dissatisfied. The third highest dissatisfaction was mentioned in response to the question “My organization’s culture allows sharing of information with others”. The fourth highest dissatisfaction was from 34 people with 7 strongly dissatisfied and 27 dissatisfied. The fourth highest dissatisfaction was reported in answer to the following question. “My organization’s culture motivates me to work harder”. This is 18% of the respondents and their employers could get more work from them with a better work culture. The top four reasons described here prove that more efforts are needed by semiconductor leaders in Malaysia to create a more open work culture. Leaders must also encourage open and honest communication within their organizations.

7.0 Recommendations

We make the following recommendations based on the results of this study and the factors which cause dissatisfaction among employees.

- **Supervisor Should Go by Joint Decisions of Group When Appropriate.**
  Teamwork is critical for the success of the organization. The supervisor can foster teamwork by inviting the employees to comment on issues and join the decision making process where it is appropriate.

- **Supervisor Must Treat All Group Members as Equals.**
  A major factor in the workplace is the perceived or real favouritism practiced by a supervisor toward certain employees. This would make other employees feel like second-class citizens and destroy their goodwill and desire to do a good job at work. The supervisor has an obligation to treat each employee fairly and with due respect without any special treatment for any employee. The fair treatment of everyone will lead to mutual respect between the employees and the supervisor and will improve the organization significantly.

- **Supervisor Should Take Care for the Personal Welfare of Group Members**
  It is important for the supervisors to care about their employees and help them to succeed. The employees must believe their supervisor is genuinely interested in their success and well being as human beings. Otherwise, employees would feel that the supervisor does not value them as professionals. The supervisor must always provide good support and guidance to his or her employees to improve their morale.

- **Supervisor Must Make Suggestions on How to Solve Problems.**
  The supervisors can gain their employee’s trust by sharing their experience and knowledge with employees. One way to nurture the employees is for the supervisor to use his or her expertise and offer some alternatives or methods for solving a problem that the employee needs help.

- **Supervisor must communicate actively with group members.**
  Open and honest communication is very beneficial to the employees and supervisors alike. The supervisor must be proactive and initiate dialogue with their team members to learn everything that is going on within their organization. Supervisor must create an organization culture that allows open and honest communication.
Supervisor Must Encourage All Group Members to do quality work.

The quality and reliability of semiconductor chips is critical since they are used in almost all types of electronic products used in consumer, computer, and industrial applications.

The supervisor must personally care for the quality and they should set a positive example for the subordinates to learn and follow.

The Organization’s Culture Must Treat Male and Female Supervisors Equally.

The female supervisor must be given the same authority and responsibility as the male supervisor in a similar type of work position or business situation. The work culture must be nurtured and developed such that every female supervisor and every female employee are treated with the same respect and dignity as their male counterparts. In addition, more opportunities should be created to promote more females to management positions. The management ranks are dominated by males today. Therefore, the females should be encouraged to enter supervisory careers to have a balanced leadership talent. This will boost their confidence in the organization and will lead females to work harder and to become more productive.

Organizational Culture Should Allow Sharing of Information.

A free flow of information within the organization will improve collaboration and effectiveness of the team members. This will also allow the sharing of best practices and the lessons learned across multiple work groups. A sharing work culture will also enhance productivity through raising employee job skills and motivating employees to work more efficiently.

8.0 Conclusion

Our research was implemented to study the relationship between two independent variables (Organizational Culture, Participative Leadership Style) and two moderating factors (Gender of Managers and Workplace Cities) and a dependent variable (Employee Job Satisfaction). The target population of our study was the employees and managers in the high-technology semiconductor sector in Penang and Kuala Lumpur. We sent our survey to 300 people in the target audience and received valid responses from 180 participants. We searched the literature extensively, created a theoretical framework, developed and tested six hypotheses. The results of our data analysis indicated that there is strong positive effect between the two independent variables and employee job satisfaction. Therefore, all the hypotheses were accepted and the results were validated. We have achieved the main goal of our research through conducting the first extensive study of semiconductor industry in Malaysia. It is hoped that the results of this study will serve as a useful new reference guide for Malaysian high-tech managers and high-tech employees. The ultimate objective of our study is to help accelerate the technological and economic development of semiconductor industry in Malaysia.
References


