EMPLOYEES’ JOB BEHAVIOR AND ATTITUDE: THE IMPACT OF POWER BASES

CHIN LEE MIN

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Faculty of Economics and Business
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Statement of Originality

The work described in this Final Year Project, entitled “Employees’ Job Behavior and Attitude: The Impact of Power Bases” is to the best of the author’s knowledge that of the author except where due reference is made.

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Date Submitted

Chin Lee Min
8054
ABSTRACT

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By

Chin Lee Min

Power bases are associated with a number of noteworthy outcomes for the organizational members. Although management scholars have established the link between French and Raven (1959) five power bases and organizational outcomes, there has been a lack of attention to the behavioral power bases of the informational and connection power on employees' job behavior and attitude. This present study attempts to bridge the gap by examining the impact of power bases on employees' job satisfaction, absenteeism, and turnover intention within the manufacturing firms in Malaysia. The study gives attention to the seven power bases known as legitimate, coercive, reward, expert, referent, informational, and connection power. These seven power bases were reduced to four distinct factors through factor analysis, namely expert, referent-informational, connection, and position power. The findings revealed that expert, referent-informational, and connection power were all significant predictors of employees' job satisfaction and turnover intention. Further, the results indicated that of the power bases referent-informational power is the only one that significantly predicts absenteeism. Moreover, expert power was positively related to job satisfaction but negatively to turnover intention, whereas referent-informational and connection power were positively related to job satisfaction and turnover intention. Referent-informational power was also found to be positively related to absenteeism.
ABSTRAK

KELAKUAN DAN SIKAP KERJA PEKERJA-PEKERJA: KESAN ASAS-ASAS KUASA

Oleh

Chin Lee Min

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CHAPTER 1
INTRODUCTION

1.1 Background of Study

Nowadays, many organizations have become more concern about managerial effectiveness with the intention of gaining the competitive advantage in the global marketplace. To meet the challenges of globalization and competitive economic environment, leadership abilities have become the fundamental skills, which must be learned, and practiced in order to achieve organizational effectiveness (Ansari, 1990). Several organizational theorists presume that the fundamental differentiation between an effective and ineffective organization depends on its leadership. As Katz and Kahn (1978) stated that organization’s leader is the prominent determinant of managerial effectiveness or malfunction (cited in Ansari, 1990). Most of the new business failed because of their poor leadership. This poor leadership is referred to the failure of the organization’s leader to influence the attitudes, behaviors, beliefs and feelings of his or her employees. As a result, this organization occurrence has created the awareness on the significant of an effective organizational leadership in order to adapt the changing in world competition and changing in the workplace.

Leaders are constantly allied with supervisory positions. Hence, supervisors play an active role in every aspect of workforce management. It is crucial to manage the workforce effectively, since manpower is an important asset in any organization that facilitates the organization to attain their business goals. The organization will not be able to implement any single task without those human capitals. However, how effectively a supervisor facilitate the performance of others is depends on their
capability to influence employees (Billikopf, 2003). The employees’ behavior and attitude will be determined whether the supervisor is or not an effective leader (Spector, 2003). Hence, the relationship among supervisor-subordinates is essential in order to determine the organizational effectiveness. This study will be accentuated the use of power bases as one of the influence tactics in strengthening the organizational leadership effectiveness.

Power and leadership are the interrelated concepts since both of them are influence processes (Ansari, 1990). Ansari (1990) stated that power is the potential influence, and leadership involves the real use of power. Accordingly, power is “central to effective leadership” (Gibb, 1961; Richmond, Wagner, & McCroskey, 1983; Bateman & Snell, 2002). As French and Raven (1959) have defined power as a “social influence in changing the belief, attitude or behavior of an influence target that may results from the action of the influencing agents”. According to Pfeffer (1992) and Bielous (1995), power is the most important and immovable condition of management. Without power bases, there can be no strategy will work in any organization (Bolman & Deal, 1997). Hence, power is a fraction of all organizations, and it has become as a means of influence employees job behavior and attitude in various modern organizations.

At the outset, there are five types of power bases that have been identified by French and Raven (1959) in their study of social power are reward power, coercive power, legitimate power, expert power, and referent power. Subsequently, Hersey, Blanchard, and Natemeyer (1979) and Raven (1965) proposed another two power bases that are informational power and connection power (cited in Ansari, 1990).
According to Hersey and Blanchard (1993), there tend to be two basic types of power bases, namely position power and personal power. Position power is derived from the formal authority of an individual job position those are legitimate power, coercive power, and reward power. Meanwhile, personal power is derived from individual interpersonal skills, technical and managerial expertise such as referent power, expert power, connection power, and informational power. These position and personal power bases were very important in an organization since the managers or supervisors depend upon power to form the behaviors of their subordinates (Richmond, Davis, Saylor, & McCroskey, 1984).

Power is one of the most generally discussed subjects in the study of organizational behaviors (Yukl, 1989). The essential of power bases as an influence tactic have been explored by a number of researchers. The prior researchers and social theorists have paid serious attentions to power and associated occurrence. Most of the studies were aimed at establishing the link between the five power bases that had been proposed by French and Raven (1959) and organizational behaviors, a relationship that receives substantial empirical support (Rahim & Afza, 1993; Rahim, Kim, & Kim, 1994; Koh & Low, 1997; Elangovan & Xie, 2000). Interestingly, there are comparatively little attentions and researches that investigate the impact of power bases, especially informational and connection power towards job satisfaction, absenteeism, and turnover intention. Both informational and connection power have been defined as the behavioral bases of power that can be used in influencing individuals (Benfari, Wilkinson, & Orth, 1986). Thus, this present study will be highlighting the impact of seven power bases on employees' job behaviors (absenteeism and turnover intention) and attitude (job satisfaction).
Absenteeism refers to the “failure of workers to report on the job when they are scheduled to work” (Lawson cited in Williams & Slater, 1996). On the other hand, turnover intention refers to an individual estimated likelihood that he or she will quit an organization at some point in the near future (Brough & Frame, 2004). Research by Tett and Meyer (1993) revealed that one’s thoughts and propensity to quit a job is the strongest predictor of an actual decision to leave. Conversely, job satisfaction is referring to a pleasant or constructive emotional condition ensuing from judgment of one’s job or job experiences (Locke, 1976). Previous researches have explored that job satisfaction is a vital factor in explaining absenteeism and turnover intention (e.g., Schnake & Dumler, 2000). A greater job satisfaction characterizes the lower absenteeism and turnover intentions.

Employees’ absenteeism and turnover intention are not the rare issues in today’s Malaysian industries. These problems have been faced by almost every organization in every industry, and they have received so much attention from many parties and people as well as Malaysian government. There is also evidence to report that voluntary turnover has become the major dilemma for corporations in many Asian countries such as Hong Kong, South Korea, Taiwan, Singapore, and Malaysia (Syrett, 1994; Barnett, 1995; Chang, 1996).

In Malaysia, manufacturing sector plays an important role to the economy, and it makes the highest contribution to Malaysia Gross Domestic Product (GDP) rather than other sectors for every year. In 2003, the manufacturing contributes RM71,311 million of the nation GDP (Economic Report 2003/2004). In addition, this sector also occupies a significant number of labor forces. There were 21.7% of the labor force is concentrated in the manufacturing sector in year 2002 (Economic Report
2003/2004). This indicates that manufacturing has become the core sector of the economy that influences the future prospects of Malaysian industry in a given direction.

According to Ching (2004), the manufacturing sector in Malaysia is full up with dynamic challenges, where the competition is no longer limited to other manufacturers within the country but open to global competition. The future of a manufacturing firm may spell by the introduction of new products in given global competition (Hom & Griffeth, 1995). Thus, the manufacturing firms need people on the job to be productive. In addition, this sector also acquires the largest numbers of employees since manpower is an important asset in manufacturing firm. Consequently, this sector needs to employ as well as supervise a larger number of employees to implement every single task of the organization. Note that, the total number of employees engaged in the manufacturing firms increase from year to year. There is evidence to show that the number of employees occupied in the manufacturing sector has increased to 1,009,994 persons at the end of March 2004 compared to only 987,119 persons employed for the previous year (Department of Statistics Malaysia, March 2004).

Since there are many levels of management hierarchy in the manufacturing firm, necessitate and chance for supervisor-subordinate interactions are fabulous, and the performance of subordinate depends to a large coverage on their supervisor-subordinate relationships (Koh & Low, 1997).

Accordingly, it is essential to have knowledge on the impact of differential use of power bases toward employees’ job behavior and attitude in the local manufacturing firms in order to achieve the organizational effectiveness. Hence, this
study aims to examine the relationship between the seven power bases and employees’ job satisfaction, absenteeism, and turnover intention in the local manufacturing firms in order to identify how the employees perceive the different types of power bases, which are exercised by their supervisors.

1.2 Problem Statement

Employees’ job dissatisfaction, absenteeism, and turnover intention have become a critical issue in organizations, which has stirred up substantial managerial and scholars attention for many decades (Hom & Griffeth, 1995; Harrison, 1998). According to Schnake and Dumler (2000), job dissatisfaction is an antecedent to form absenteeism and turnover intention. A practicable explanation for this is that an individual who experience low job satisfaction is tend to leave his or her job position. In addition, Shore and Martin (1989) noted that turnover intention was associated with actual turnover.

Job dissatisfaction, absenteeism, and turnover intention would cause economic costs for separation, replacement and training, productivity losses, impaired service quality, lost business opportunities, increased administrative burden, and demoralization of stayers (Hom & Griffeth, 1995). As a consequence from these organizational drawbacks, the organization may incapability to function at full potential, organization’s productivity and performance continues to endure, since there are not enough people to cover the work assignments (Schneider & Bowen, 1992). Concurrently, the organization may also loss business opportunities due to
poor customer service as the skilled employees are unavailable to provide customer satisfactorily (Schneider & Bowen, 1992).

In view of that, job dissatisfaction, absenteeism, and turnover strike businesses where they harm mainly the bottom line of the organization. These problems may disrupt and indirectly generate economic costs to the organization. As Lakhdar (2004) revealed that the outcomes of absenteeism and turnover intention either directly or indirectly can be extremely costly to an organization, and it would account for 5% to 17% of a company’s total payroll.

According to Sheikhzeineddin (1997), the labor turnover is swift and incessant in Malaysia’s manufacturing sector, and the manufacturing firms tend to lose workers. This problem is not only limited to losing the skilled and experienced worker. Simultaneously, those manufacturing firms also have to bear the hidden costs of the problem such as loss of productivity. This seems to be a threat for the manufacturing firms to compete in the highly competitive global marketplace.

Consequently, this study tends to measure the impact of seven power bases on the level of employees’ job satisfaction, absenteeism, and turnover intention in the local manufacturing firms. Additionally, this particular study will be also determined the most effective type of power bases that should be applied by the managers and supervisors within these firms in order to attain the expected personal and organizational outcomes.
1.3 Research Objectives

1.3.1 General Objectives

This research aims to study the implication of seven power bases on organizational behaviors in term of employees’ job satisfaction, absenteeism, and turnover intention. Moreover, this study also intends to examine the nature relationships between power bases and employees’ job behaviors (absenteeism and turnover intention) and attitude (job satisfaction).

1.3.2 Specific Objectives

There are several specific objectives of the study as stated below:

a) To determine the driving forces behind employees’ job behavior and attitude.

b) To measure the differential use of power bases on employees’ job behavior and attitude in term of job satisfaction, absenteeism, and turnover intention.

c) To verify the type of power base that contributes to the positive impact on employees’ job satisfaction, absenteeism, and turnover intention.

1.3.3 Research Questions

Three research questions were posed for this investigation, which are stated as below:

i. Do power bases serve as a mean to influence employees’ job satisfaction, absenteeism, and turnover intention?

ii. To what extent do the power bases affect the three elements of organizational behavior and attitude effectively?
iii. Which type of power base contributes to high job satisfaction, low absenteeism, and turnover intention?

1.4 Significance of Study

Generally, this study will provide the local manufacturing firms with substantial guidelines and direct practical value for exercising the significant power in order to improve their organizational leadership, and performance as well as workforce management effectively.

Firstly, this study will increase managers understanding of different characteristic for each of the power base, which they may use in the workplace to influence and change the employees’ job behavior and attitude. Thus, this will provide the managers with a better knowledge on how to use a particular power base effectively to influence the employees’ discipline in term of job satisfaction, absenteeism, and turnover intention. These kinds of knowledge may sharpen the consideration of managers to the multitude variables occupied in a situation in order to avoid the inappropriate use of power bases.

Secondly, the study will also make any firm in a manufacturing industry aware of the diverse power bases and the impact of power bases impinging on a situation. A better understanding of these effects will offer insight into positively influencing employees’ job behavior and attitude. Hence, they will be outfitted to take considered risk with known the possibility that may affix to the success or failure of influencing employees’ job satisfaction, absenteeism, and turnover intention.
Furthermore, this study will also generate more knowledge and arguments on differential use of power bases in the workplace to facilitate academic theory developing and assembling in the management area.

In conclusion, the study of power bases is considered essential for managerial purposes and theory development.

1.5 Definition of Terms

Below are some of the key terms definition of the study:

- **Power** -- ability to exert influence on other people (French & Raven, 1959).
- **Reward power** -- ability to control over resources and rewards (French & Raven, 1959).
- **Coercive power** -- ability to control over punishments (French & Raven, 1959).
- **Legitimate power** -- formal authority (French & Raven, 1959).
- **Expert power** -- the belief that the other person has special knowledge and expertise (French & Raven, 1959).
- **Referent power** -- the identification of a target with the powerholder (French & Raven, 1959).
- **Informational power** -- ability to control over information (Ansari, 1990).
- **Connection power** -- the belief that the other person has an affiliation with influential (Ansari, 1990).
• **Job satisfaction** -- individual feelings concerning the nature of work (McNamara, 1999).

• **Absenteeism** -- non-attendance of employees for scheduled work (Iverson & Deery, 2001).

• **Turnover intention** -- desire to quit or leave an organization (Thoresen, Barsky, Warren, & Kaplan, 2003).

### 1.6 Scope of Research

Manufacturing is the most important sector to the Malaysian economy, and it contributes the highest job opportunities, especially the medium and large-sized manufacturing firms. According to Brookfield (1994), there were 415,000 workers of manufacturing labor force work in 3,400 medium, large, and very large-sized manufacturing firms (cited in Sheikhzeineddin, 1997). The employee size of these manufacturing firms averaged several percentage points higher than other organizations in the industry. In addition, a majority of the manufacturing sector comprises of either largely owned enterprises or multinational companies.

In view of that, 10 medium and large-sized manufacturing firms will be chosen for this study. Generally, the medium-sized manufacturing firm consists of 51 to 150 workers, while the large-sized manufacturing firm consists of more than 150 workers. Within the 10 selected manufacturing firms, 150 of executives and supervisors at the middle and lower management levels will be chosen as the respondents for this particular study. Furthermore, this study will be undertaken in the industrial area of Kuching.
1.7 Research Process

The following diagram illustrates the research process, which will be carried out in this particular study:

```
Scrutinize the interested research area → Identified research problem → Developed the research subject and objectives

Designed the research method → Generated the hypothesis statements → Formulated the theoretical framework

Collected and analyzed data → Interpreted the result → Discussed the findings and make recommendations
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Figure 1.1: Flow Diagram of Research Process

Initially, the interested research area as well as the research problem will be defined clearly through the literature survey. Subsequently, the research subject and objectives will be developed. Based on the relevant literature review, a theoretical framework of this study will be formulated where the concept and important variables obviously defined.

Then, a several testable hypotheses will be developed through the literature survey and theoretical framework to examine the relationship between the independent and dependent variables. The following stage is to design the research. The sample size and research instrument will be identified. Simultaneously, the