

Faculty of Applied Creative and Arts

**INFLUENCE OF LEADERSHIP STYLES TOWARDS  
ORGANIZATIONAL COMMITMENT IN AMOGHA MAJU  
SDN BHD, KUCHING, SARAWAK.**

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**BACHELOR OF APPLIED ARTS WITH HONOURS**

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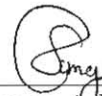
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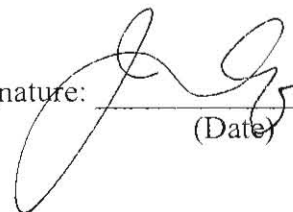
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**INFLUENCE OF LEADERSHIP STYLES TOWARDS ORGANIZATIONAL  
COMMITMENT IN AMOGHA MAJU SDN BHD, KUCHING, SARAWAK.**

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This project is submitted in partial fulfilment of  
the requirements for the degree of Bachelor of Applied Arts with Honours  
(Arts Management)

Faculty of Applied and Creative Arts  
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## Statement of Originality

The work described in this Degree Thesis, entitled

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The project entitled ‘**Influence of Leadership Styles towards Organizational Commitment in Amogha Maju Sdn Bhd**’ was prepared by [**Suman A/L Mahindreen**] and submitted to the Faculty of Applied and Creative Arts in partial fulfillment of the requirements for a Bachelor of Applied Arts with Honours (**Arts Management**).

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## **ABSTRACT**

This research endeavours to explore Influence of leadership styles towards organizational commitment in influencing employee and employers outcomes in the context of organisational commitment. Based on this theory, two leadership styles practices, namely, Transformational Leadership and Transactional Leadership, have been used to examine employees' and employer's reaction towards commitment in the organization chosen which is Amogha Maju Sdn Bhd, Kuching, Sarawak. Data were acquired from employees in administrative level through an interview questions. Thus, researcher acknowledge the employees were Influenced by Transactional and Transformational Leadership Styles.



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# **Chapter 1**

## **Introduction**

### **1.0 Introduction**

Leadership is the key input of an effective organization to increase the stability of the work and assist organizations to gain success. An organization may have a great image or identity throughout the eyes of the world at start but without a proper leader to manage the organization, it is certain that the organization is doomed to failure in the long run. The word “leadership” has been used in various aspects of human endeavor such as politics, businesses, academics, and social works (Veliu, Manxhari, Demiri, and Jahaj, 2017). Leadership style practiced towards the employees is to broaden their skill to fulfill the organizational demands. A leader should play a main role in an organization to ensure that the employees perform well in an organization. Thus, this research is conducted to study the influence of leadership styles towards organizational commitment in Harina Consultancy Service specifically focusing on Amogha Maju Sdn. Bhd.

This first chapter is mainly about the general perspective and explanation of the research topic. Researcher will explain about the research background, problem statement which generally brief the issues of this research, research objectives, research questions, significant of this research and limitation of study.

## **1.1 Background of Study**

This research is about the influence of leadership styles towards organizational commitment in Amogha Maju Sdn. Bhd. The employees in Amogha Maju Sdn. Bhd need to be led well so they can trust and perform well in work with the same organization. To have further understanding about this study, researcher will explore the components and significant of leadership styles which effects employer and employees in Amogha Maju Sdn. Bhd.

Harina Consultancy Service plays a significant role in Borneo and owned by Amogha Maju Sdn. Bhd. Harina Consultancy have expanded into 6 branches across Borneo which offers better service to their consumers. The outstanding services provided by Harina Consultancy build a positive recognition among the eyes of their clients and consumer. Harina Consultancy Services Company comprised of 7 companies effectively functioning which are Harina Consultancy Services (Training Skills Centre), Amogha Maju Sdn. Bhd, Lavastraa Boutique, Ladang Merakai, Ladang Chakra, Amogha Properties, and Harina Agro Business.

Ashweein Narayanan is the Executive Director of Amogha Maju Sdn. Bhd. It is a licensed travel and tours operator, established since December 2006 with the purpose of providing best personalized travel services as a business to customers. Amogha Maju Sdn. Bhd is also registered with Malaysian Travel & Tours Association (MATTA),

Malaysian Indian Tour and Travel Agents (MITTA), Association of Sarawak Inbound Agents (ASIA) and is a member of Sarawak Federation (SBF).

This achievement of tremendous satisfaction among consumers are due to the leadership styles practiced in influencing their employees. There are 2 types' leadership styles which will be mainly focused in this research which are transactional and transformational leadership styles.

Leadership is a special form of leading a group of people. It is being practiced in all sorts of social circumstances, and it is mainly necessary in the situation which demands a group to work together towards achieving the objectives. In organizations, leadership is a managerial of the function which is to instruct the employees in one immediate chain of command towards the achievement of work objectives.

There are four elements of transformational leadership which are idealized influence, inspirational motivation, intellectual stimulation and individualized consideration (Schieltz, 2018). Idealized influence is whereby transformational leaders portray as role models and employ a charismatic behavior with the purpose of influencing others to become more like the leader. Idealized influence can be mostly seen through a leader's willingness to take risks and follow a core set of values, convictions and ethical principles in their performance. It is through this concept of idealized influence that the leader builds trust with his followers and the followers, in turn, cultivate self-confidence in their leader. Next, Inspirational motivation is about

transformational leaders having a clear visualization so that they are able to articulate to followers. These leaders are also able to facilitate their followers through challenging visions to fulfil these objectives (Cherry, 2017). Intellectual stimulation is about the leader looking forward to solve the problems by having a discussion with others without encouraging traditional way of thinking (Hughes, 2014). Lastly, Individualized consideration about the leader playing a role of a mentor which means leader attends to followers' needs and acts. Leader must lead them like a coach and listen to their concerns.

Transactional leadership style is always declined from being practiced in an organization compared to transformational leadership style (Brahim, Ridic, & Jukic, 2015) organizations also need to emphasize on transactional leadership style to encourage effective employees' performance by rewarding or punishment instead of only transformational leadership style. There are 3 factors of transactional leadership styles which are contingent reward, passive and active transactional leadership style. "Leaders focus on the rewards which employees get after meeting the desired goals. In this dimension leader continuously motivates employees via positive promises and rewards" (Mahmood, 2015, p.13). Passive transactional leadership more to taking action by punishing or rewarding only when something arises but in active transactional leadership styles, members are being readily updated with a solution before a problem occur.

## **1.2 Definition of Terms**

### **1.2.1 Organization**

An organization can be defined as when a labour has a common purpose to achieve in a division of labour together with collection of people (Lee & R.Varatharajoo, 2017). Organizations are normally comprised of a group of people with an aim or vision to accomplish and fulfil accordingly.

### **1.2.2 Commitment**

Commitment is a very multidimensional concept and therefore somewhat hard to define. Commitment has been studied much, and it still “remains one of the most challenging and researched in the fields of management, organizational behaviour and human resource management” (Cohen, 2007) p.336-354.

### **1.2.3 Leadership**

Leadership is about a person who have their followers and influence, as well as motivate them in an organization to accomplish a goal. Furthermore leadership also can be defined as having effective communication to contribute towards the effectiveness of the organization as well as to lead the change (Lee & R.Varatharajoo, 2017).

#### **1.2.4 Employer**

“Employer includes any person acting directly and indirectly in the interest of an employer in relation to employee and includes a public agency, but does not include any labour organization (other than when acting as an employer) or anyone acting in the capacity of officer or agent of such labour organization” (Robertson, 2018) p.2. Employer is defined as a person or company that employs other people.

#### **1.2.5 Employee**

Employee means any individual or person is under a control of another person is called employer (Robertson, 2018). Furthermore, employee also means a person who work for the company.

### **1.3 Scope of Study**

In this research, researcher will mainly focus on leadership styles in Amogha Maju Sdn Bhd organization which is located in Batu Kawa, Kuching. It is a part of the company function along with Harina Consultancy Service. This company was established since 2006 as a young and dynamic company which operates in Kuching and Kota Kinabalu. Researcher will mainly focus on the branch in Kuching to get companies' background details and more information for data collection purpose. Amogha Maju Sdn Bhd Company are comprised of highly trained, experienced and dedicated staffs to make customers comfortable and exceed their traveling expectations.

Qualitative method will be employed to have an interview with the leader of the company and to know the employees' commitment in the organization. Apart from that, the leader and employee are being interviewed to collect data about the company's background as the sources in the webpage are limited.