

THE IMPACT OF PATH-GOAL LEADERSHIP BEHAVIOUR ON GROUP COHESIVENESS: A JAPANESE ELECTRONIC COMPANY AND SINGAPOREAN ELECTRONIC COMPANY IN JOHOR

Amir Aris

Faculty of Technology Management and Techno-Entrepreneurship
Universiti Teknikal Malaysia Melaka

Mohd Fauzi Kamarudin

Centre for Languages & Human Development
Universiti Teknikal Malaysia Melaka

ABSTRACT

This study seeks to determine the impact of Path-Goal leadership on group cohesiveness between line managers in two electronics companies, one a Japanese and the other a Singaporean in Johor Bahru, Johor. The objectives of the study are 1) to seek characteristics of Path-Goal leadership behaviour often displayed by a manager of an organization. 2) to seek the effects of Path-Goal leadership behaviour towards group cohesiveness? One hundred and one Line Managers were selected as respondents of the study. Questionnaire was the main instrument used in this study. The first questionnaire was developed by Yulk (1981) and further improved by Aminuddin (1992). This was used to measure Path-Goal leadership. The second questionnaire is by Dobbins and Zaccaro (1986) which was used to measure group cohesiveness. The data was analyzed through descriptive and inferential statistical methods. The result showed that supportive leadership behaviours were present at the Japanese company whilst directive top down leadership behaviours at the Singaporean company. The result was significant for the Singaporean company where the Path-Goal leadership style practiced affected group cohesiveness at $r^2 = 0.305$, $P < 0.05$. However, the Path-Goal leadership in the Japanese Company did not have an impact on group cohesiveness recorded at $r^2 = 0.167$, $P < 0.05$.

Keywords: *leadership, path-goal theory, strategic management, research, evaluation*

INTRODUCTION

The importance of leadership in an organization has always been the interest in the field of academia especially among leadership gurus. Although every theorist has differing views on the essence of leadership, everyone agrees that leadership is the most vital element that determines the vision and mission of an organization. It is the leadership that sets the tone and climate of an organization, the level of professionalism and morale of its employers, and the degree of concern of what the organization can achieve.

Idealistically, every organization has its own unique style of leadership. In some organizations, leaders have the opinion that through the power entrusted upon them, they are entitled to respect, cooperation and obedience from their subordinates. Nevertheless, this style of autocratic leadership is known to affect subordinates

negatively, especially in terms of their motivation, work satisfaction and work performance. On the other hand, the humanistic approach of leadership which pays attention to human values is very much preferred today.

This study looks at the impact of Path-Goal leadership behaviour on group cohesiveness. Hence, the effectiveness of group cohesiveness depends on Path-Goal leadership behaviour. The objectives of this research include the following:

1. What are the characteristics of Path-Goal leadership Behaviour often displayed by a manager of an organization?
2. What are the effects of Path-Goal leadership Behaviour on group cohesiveness?

LITERATURE REVIEW

A General Perspective of Leadership

Leadership means different things to different people. It has been seen as a means of inducing compliance, exercising of influence, persuasion, power relation, and as an instrument to achieve goals (Bass, 1990). Bennis (1959) says that leadership is the process by which an agent induces a subordinate to behave in a desired manner. However, according to Bass (1990), this form of leadership is unidirectional exertion of influence, and gives little recognition of the rights, desires, and necessities of the group members or of the group's traditions and norms.

Leadership is also seen as the process of influencing the activities of an organized group in its effort toward goal setting and goal achievement (Stogdill, 1950). In the business context, leadership involves influencing followers to achieve the organization's goals. Yukl and Van Fleet (1992) are of the same view, as reflected in their definition of leadership as a process that includes influencing the task objectives and strategies of a group or organization, influencing people in the organization and implementing the strategies to achieve the objectives, influencing group maintenance and identification, and influencing the culture of the organization.

Leadership is also seen as a power relation. Raven and French (1958) define leadership in terms of differential power relationships among members of a group. They identify five types of power: legitimate, reward, coercive, expert and referent. However, Yukl and Falbe (1991) have identified two other power sources, namely agent persuasiveness and control over information. Reward power refers to the leader's capacity to reward followers. The leader's power increases if he possesses and controls rewards that are valued by subordinates. Rewards such as praise, recognition, and attention are sources of personal power possessed by the leader as an individual. In addition, a leader also usually controls certain organizational rewards, such as pay rises and promotions. These are sources of power that depend upon the leader's position in the organization. Coercive power refers to the leader's power to punish followers. Examples of these are criticism, withholding increments, or withholding confirmation. Legitimate power refers to the power a leader possesses as a result of his occupying a particular position or role in the organization. Subordinates are obliged to comply with requests and directions issued by the leader because of the norms, policies and procedures which are accepted as legitimate by all members of the organization.

Expert power refers to power that a leader possesses as a result of his or her knowledge

and expertise regarding the tasks to be performed by the subordinates. Expertise depends upon the personal characteristics of the leader, and subordinates are likely to respond positively to a leader's attempt to influence their behaviour if the leader possesses the knowledge or information that they themselves lack. Referent power, which is dependent upon the leader's personal characteristics, depends upon the degree to which subordinates admire, identify with, and wish to emulate the leader. The more sources of power the leader has, the more likely that he will be successful in influencing subordinates to do those things that he would like them to do. However, a leader's potential power very much depends on his or her personal characteristics and style.

Leader-follower relationship, goal-attainment, and the need to bring about changes in an organization are also noted by Lipham and Hoeh (1974) as being central concerns in leadership. To them, leadership is the behaviour of an individual which initiates a new structure in interaction within a social system. Leadership initiates change in the goals, objectives, configurations, procedures, input, processes, and ultimately the output of the social systems. Similarly, Fidler (1997) talks of leadership as a sense of purpose and confidence it engenders in followers, and the influence it has on followers towards goal achievement.

Fidler (1997) further mentions that leadership is associated with formulating and communicating a strategy based on a vision of a better future and inspiring followers to strive towards it. He further notes that an identifiable trend over the past few years has been to identify leadership with the more formative and proactive aspects of the direction of an organization's affairs. Moreover, unlike management, which is assigned merely to supportive roles such as routine planning and implementing systematic procedures, active leadership is likely to be concerned with exceptional situations where new activities and new ways of working are being contemplated (Fidler, 1997).

According to Covey (1997) leadership goes hand in hand with followership and organizational goals. According to him, leadership consists of three functions: pathfinding, aligning, and empowering. Pathfinding relates to a compelling vision and mission. It implies a strategic plan which ties together the value system and vision of the leader with the needs of the customers and other stake-holders in order to meet these needs. Aligning is ensuring that organizational structure, systems and operational processes all contribute to achieving the organization's mission and vision of meeting customer and stakeholder needs. Empowering means bringing about a co-mingling of individual purpose and mission with the mission of the organization, thereby, creating a synergy among followers. This in turn can unleash their talents, ingenuity and creativity to do what is necessary to accomplish their common values, vision and mission in serving the needs of customers and stakeholders.

Leadership is often discussed in terms of how effective it is. According to Owens (1989), effective leadership means the extent to which leadership behaviour effectively brings about the achievement of an organization's goals through the subordinates. Such leaders are skilled at diagnosing problems, counselling, developing organization's strategies and targets, developing staff and evaluating the subordinates' performance.

The Path-Goal Theory of Leadership

The Path-Goal theory originated by House (1971) is a situational approach because different situations call for different leader behaviour. It is called Path-Goal because its major concern is how the leader influences the followers' perception of their work goals,

personal goals, and the paths to goal attainment. The first proposition of the theory is that leader behaviour is acceptable and satisfying to the subordinates to the extent that the subordinates see such behaviour as either an immediate source of satisfaction or as instrumental to future satisfaction. The second proposition is that the leader's behaviour will be motivational to the extent that (1) such behaviour gives satisfaction to subordinates' needs contingent on effective performance, and (2) such behaviour complements the environment of subordinates by providing guidance, support and rewards necessary for effective performance.

These two propositions suggest that the leader's strategic functions are to enhance subordinates' motivation to perform, satisfaction with the job, and acceptance of the leaders. In other words, the motivational functions of the leader consist of increasing the number and kind of personal payoffs to subordinates for work-goal attainment. The leader also attempts to make the paths to these payoffs easier to travel by clarifying the paths, reducing road-blocks and pitfalls, and increasing the opportunities for personal satisfaction along the way. In order to enhance the subordinate's satisfaction and motivation, the leader will have to engage in different types of leadership behaviour, depending upon the nature and demands of the particular situation. These leadership behaviours are described as directive leadership, supportive leadership, participative leadership and achievement-oriented leadership.

The Path-Goal theory identifies two classes of situational variables as contingency factors which determine the style of leader behaviour that is suitable to the situation. These are (a) personal characteristics of the subordinates, and (b) the environmental pressures and demands with which the subordinate must cope in order to accomplish his work goals and to satisfy his needs. With respect to the characteristics of the subordinates, the theory asserts that the leader behaviour will be viewed as acceptable to subordinates to the extent that the subordinates see such a behaviour as either an immediate source of satisfaction or as an instrument for future satisfaction. The first characteristic of subordinates on which the effects of leader behaviour are contingent is the subordinates' perception of their ability with respect to their assigned tasks. The higher the perceived ability relative to the task demands, the less the subordinate will view leader's directive as acceptable. The second characteristic is locus of control (internal or external), which reflects the degree to which an individual sees the environment as systematically responding to his behaviour. Research indicates that internals find a participative leadership style to be both acceptable and satisfying, while externals tend to respond more positively to directive leadership (Mitchel, Smyser and Weed, 1975). The second aspect of the situation which is important to the subordinate's satisfaction is the environment. The classifications of the situation are (a) the subordinate's tasks; (b) the formal authority system of the organization; and (c) the primary work group. Each of these factors could act upon the subordinate in any of three ways. These are regarded either as motivational stimuli, as constraints, or as rewards for achieving desired performance.

Leader behaviour will be motivational to the extent that it helps subordinates to cope with environmental uncertainties, threats from others, or sources of frustration. Such leader behaviour is predicted to increase subordinates' satisfaction with the job content and to be motivational to the extent that it increases the subordinates' expectations that their effort will lead to valued rewards (House and Mitchell, 1974). According to the Path-goal theory, the leader must analyze the nature of the situation being faced by the subordinates and then choose a leadership style that provides the direction and support to subordinates that would otherwise be missing.

Background of Study

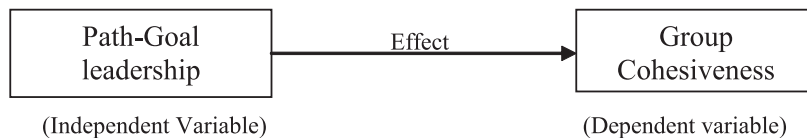
Malaysia's Business Ties with Singapore and Japan

Being one of Malaysia's largest investors, Singapore and Japan especially have always been regarded as an active partner contributing to the economic development of Malaysia. The close and cooperative ties between Japan and Malaysia have facilitated substantial growth in trade, investment, technical cooperation and the expansion of collaboration into new areas such as information technology as well as development into the manufacturing industry.

In 1982, Malaysia adopted the "Look East Policy" as part of the country's development strategy. The Japanese workforce convinced Malaysia that Japan's phenomenal rise as an industrialized nation after World War II was due in part to the work ethics and values adopted.

Conceptual Framework of Study

The model used in this paper is a summary of past researches. This model is used and developed to view the effect of Path-Goal leadership theory on group cohesiveness.



Graph 1 : Effect of Independent Variable on dependent variable

This study looks into the correlation of the Path-Goal leadership in accordance with four types of leadership orientation, namely the directive, supportive, participative and achievement behaviours. It focuses on how the Path-Goal leadership behaviour as an independent variable interacts with group cohesiveness (dependent behaviour) based on the four types of leadership orientation mentioned earlier.

Hypotheses

In relation to the theoretical support proven by previous findings, this study proposes the two following hypotheses:

- H0: There is no significant relationship between Path-Goal leadership behaviour and group cohesiveness of the organizations being studied.
- H0: There is no significant difference of group cohesiveness among the organization being studied.

RESEARCH METHOD

Questionnaire was the main instrument used in this research. The first section of the questionnaire sought to extract information in relation to subjects' background such as sex, age, level of education, income, race, religion, marital status and years of service. The second part contains 22 items and is based on the four dimensions of leadership namely directive, supportive, and participative and achievement orientation behaviours. These items were used to find out subjects perspectives on leadership behaviours in their organizations. These items are based on Yulk (1981) questionnaire which was adapted by Aminuddin (1992). A 5 point likert scale (5 = Very, 4 = Often, 3 = Average, 2 = Sometimes, 1 = Never) was used in the questionnaire to extract the regularities of the leadership behaviour. The division of items per dimension is as illustrated:

Table 1: Distribution of Item Based on Leadership Behaviour Dimension

Leadership Dimension	Number of Items	Positive Items	Negative Items	Total
Directive	1,4,5,10,16,18	1,4, 10,16,18	5	6
Achievement Oriented	7,13,14,17,20	7,13,14,17,20	-	5
Supportive	2,6,11,19,22	2,6,11,19,22	-	5
Participative	3,8,9,12,15,21	3,8,9,12,15,21	-	6
Total				22

Eight items were used to measure group cohesiveness. These items were extracted from the work of Dobbins and Zaccaro (1986). A 5 point likert scale (strongly agree – agree – slightly disagree - disagree – strongly disagree) was used in the questionnaire to extract information in relation to the leadership behaviour. Although all the constructs under investigation in this study were drawn from existing literature and modified by the opinions of experts and focus groups, a statistical procedure was adopted to ensure their reliability. This study applied the use of Cronbach's alpha reliability test to determine the degree of reliability of the multi-item scale of the research population. Generally, alpha reliabilities above .70 are considered good when measures are used in large surveys, while alpha reliabilities in the range from .80 to .99 are considered to be exceptionally high. In this study, a strong alpha reliability score of alpha 8.192 was recorded (Azmi Sukiman, 1997). This implies that all the constructs in the questionnaire are highly reliable and further assures the degree to which these measures are free from error and yield consistent results.

For the purpose of this study, one Japanese and one Singaporean company were selected. Specifically, both the sampled companies were from the electric and electronic industry located within Johor Bahru, Malaysia. Questionnaires were addressed to the HR Managers of both companies. All respondents were given three weeks to complete the questionnaire. After three weeks of postal survey, follow up calls were made to remind HR managers of the deadline. A total of 101 responses were received from both companies. The valid responses were analyzed using SPSS.

FINDINGS AND DISCUSSION

Summary of Objective 1: The Most Observed Path-Goal Leadership Behaviour among Managers of a Japanese and Singaporean Company

Table 2: Results of Analysis on the Most Observed Leadership Behaviours among Leaders of a Japanese and Singaporean Company

Leadership Behaviour	Min		Standard Deviation	
	Japanese	Singaporean	Japanese	Singaporean
Directive	3.6282	3.5884	0.51515	0.58837
Achievement Oriented	3.6346	3.4653	0.53829	0.54220
Supportive	3.6769	3.4449	0.51359	0.73288
Participative	3.6731	3.4660	0.54229	0.61424

The result of the study shows that all managers practised all the four Path-Goal leadership behaviours with min of 3.4449 to 3.6769. Nevertheless, it is interesting to note that the result showed that the supportive behaviour of leaders obtained the highest min with 3.6769. In addition, the Singapore based organization showed high min score of 3.5884 for the directive leadership behaviour.

The Japanese firm scored the highest min of 3.6769 for supportive leadership behaviour. This is because the subordinates felt that they were treated equally as recorded through the item 'treatment' under the dimension of supportive leadership behaviour. The min is recorded at 3.8846.

In contrast, the Singaporean firm displayed a min high of 3.5884 for directive leadership behaviour. The result further showed that the subordinates felt that their leaders constantly required them to comply with standard office rules and regulations as recorded in min of 3.8776 for item 'compliance with rules and regulation'. Thus, this confirmed that the Singaporean firm placed greater emphasis on compliance towards rules and regulations rather than the formulation of new system of directives.

Summary of Objective 2: Path-Goal Leadership Behaviour and the Effect on Group Cohesiveness in a Japanese and Singaporean Company

Table 3: Results of Multiple Regression Analysis on Path-Goal leadership Behaviour and the effect on group cohesiveness in a Japanese and Singaporean Company

Variables	Japanese Company				Singaporean Company			
	R	R ²	Beta	P	R	R ²	Beta	P
Leadership Behaviour	0.409	0.167	-	0.067	0.052	0.305	-	0.03
Directive	-	-	0.101	0.677	-	-	0.049	0.789
Achievement Oriented	-	-	-0.134	0.560	-	-	0.390	0.071
Supportive	-	-	0.099	0.694	-	-	0.308	0.285
Participative	-	-	0.338	0.213	-	-	-0.156	0.613

The Multiple Regression analysis is used to see the effect of Path-Goal leadership behaviour on group cohesiveness. The analysis showed that there was a significant effect of the Path-Goal leadership behaviour on group cohesiveness in the Singaporean company valued at $R^2=0.305$, $P<0.05$. On the other hand, there was no significant effect on the Japanese company at $R^2 = 0.167$, $P<0.05$.

Furthermore, the analysis revealed that the achievement oriented leadership behaviour in the Singaporean company did not affect group cohesiveness significantly compared to the other four dimensions of leadership behaviour. This is in accordance with the research carried out by House and Mitchell (1974). Azmi (1997) stated that the achievement orientation behaviour assisted in a company's productivity through effective role play by the managers.

The result of the study further showed that Path-Goal leadership behaviour did not affect the Japanese company's group cohesiveness. This is in contrast to the findings by Aminuddin (1992) which showed that Path-Goal leadership behaviour increased workers motivation as a result of managers' effective discussion with them which in turn heightened workers confidence. This is also in contrast to the research by Zainorazlin (2001) on group performance. Her study revealed that group cohesiveness was affected by group performance by 53.4%.

In summary, the above result shows that leadership in the Japanese company is about team leadership whereas in the Singaporean company leadership is about individuals. This is in line with the view by Robbins (2000) which seems to support this study that group cohesiveness in the Japanese company is not affected by any of the Path-Goal leadership behaviours, unlike the Singaporean company.

Implication for the HPT Professionals

Recommendations

1. Organizations must emphasise to all their managers the importance of leadership. Such a step will enlighten managers to understand employee behaviours and manners which are continuously evolving and changing. This in turn will have a positive effect on group cohesiveness in the company. This study shows that leadership behaviour contributed to 30.5% towards group cohesiveness in the Singaporean company. Hence, an organization that makes an effort to develop its managers' leadership skills may inadvertently increase the group cohesiveness of the company.
2. The result of the study shows that the Japanese company recorded only an average level of group cohesiveness. In order to improve this, organizations must come up with strategic plans to cater for the social needs of employees. Apart from creating a good working environment, organizations can organise sports activities, establish recreational clubs, present awards of one kind or another to high achievers as well as allow for collaborative decision making. These activities may in a positive way affect group cohesiveness.
3. The top management of an organization must continuously inform its subordinates the company's expectations of them. Furthermore, the company must ensure that everyone is familiar with its vision and mission to ensure

that employees know the direction they are moving towards. This may create a sense of belonging among employees, which in turn may motivate them to make every effort to achieve the stated goals or targets.

Suggestions for Further Research

Studies on leadership behaviours offer a wide spectrum of viewpoints. It is therefore imperative that future researchers strive to carry out their studies from a critical perspective. The following areas are suggested for further research:

- 1) Researchers can carry out studies on other leadership behaviours, focusing on different theoretical approaches and variables. For example, a study on charismatic leadership and its effect on the working environment will be an interesting one.
- 2) Furthermore, the variations of instruments other than the use of questionnaire alone can be utilized. An example is to use the method of observation and interview to extract data from the respondents. A combination of methods will produce a more valid data.
- 3) Researchers are also encouraged to widen the sample and scope of the study. This will enable one to make better generalizations from the findings. For example, various business organizations can be involved in the leadership study.
- 4) A research that focuses on various governmental bodies and agencies can be carried out by researchers. This may yield different outcome because governmental bodies and agencies are generally not profit oriented. In addition, a comparative study will provide useful data for both public and private organizations with respect to the leadership behaviours and their effects on their subordinates.
- 5) Lastly, researchers may focus their study on organizations from a particular country. The unique qualities of a country, such as its governing policies and working environment, may show interesting results useful for that particular country.

Limitations and Future Research

Firstly, the major limitation of this study lies in the size of the sample. Collecting a large sample of Japanese and Singaporeans located throughout Malaysia is difficult. Hence, the findings may be skewed and unrepresentative of the general population. Should time and cost permit, future research of a similar nature should be extended to both the local firms and multinational companies operating in Malaysia. With such an extension, not only can the relationship among variables be investigated, but also comparisons between local and multinational firms can be examined.

Secondly, the correlation analysis conducted in this study only examines if there exists a relationship among the variables. Causal relationship remains unaddressed. This may further be improved by conducting a structural equation modelling analysis through statistical software.

Finally, the methods for data collection can be further improved. This study used mail

surveys, which led to problems such as common method variance, consistency motive, and social desirability. Therefore, future research should look into the usage of other data-collection methods.

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