

The Drivers of Organizational Commitment in Malaysian SME's: Do Intellectual Stimulation, Inspirational Motivation and Individualize Consideration Play a Role?

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ARTICLE INFO

Article history:

Received Aug 12, 2020
Revised Sept 02, 2020
Accepted Sept 20, 2020

Keywords:

Intellectual stimulation,
inspirational motivation,
individualize consideration,
small medium enterprise,
organizational commitment

Conflict of Interest:

None

Funding:

None

ABSTRACT

Leadership are important issue to be address for an organizational to success. Many studies shows that good leadership can increase employees' commitment to the organization. This study examines the linkages between intellectual stimulation, inspirational motivation and individualize consideration on organizational commitment. Using an established questionnaire captured from the leadership literature, data was collected from 452 employees of SME firms in Malaysia. Data was analyzed using multiple regression analysis. The results indicate that both intellectual stimulation and individualize consideration were significant and positively related to organizational commitment ($\beta = 0.28$, $p < 0.01$) and ($\beta = 0.35$, $p < 0.01$) respectively. In sum, the research model was able to explain a total of 48% variance.

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1. Introduction

Research in the field of organizational behavior has multiple branches. Leadership is one the most widely studied as leadership is one of the major challenges for modern organization (Haque & Caputi, 2020; Madanchian, Hussein, Noordin, & Taherdoost, 2018). There is a study conducted with the background of leadership and based on commitment. These studies are also carried out at several agencies, organizations, both small and large. Researchers have also used various theories and models to explain organizational commitment or organizational leadership. Among the commonly used theories is Leader-member exchange theory, Hollander's relational theory and others (Uhl-Bien, 2006). This study however, focused on the impact of intellectual stimulation, inspirational motivation and individualize consideration on organizational commitment in Malaysian SME.

2. Literature Review

2.1 Organizational commitment

Organizational commitment is a field of study in organizational psychology that refers to the attitudes of workers towards the organization (based on the degree of identification with, or attachment to) in which he or she works (Cetin, 2020; McCunn, Kim, & Feracor, 2018). Extensive literature review that has been done by Yahaya & Ebrahim (2016) shows that there are several research focusing on organizational commitment. Yahaya & Ebrahim (2016) highlights that the positive effects of organizational commitment have been well acknowledged in management literature. On the other hand, the study of organizational commitment may come from various objectives. Study by Naderi Anari, (2012) investigate the relationship between emotional intelligence and job satisfaction, between emotional intelligence and organizational commitment, and between job satisfaction and organizational commitment among high-school english teacher. Another study by Busaibe, Singh, Ahmad, & Gaur (2017) investigated the effect of gender perspectives in organizational leadership and culture on organizational innovations. Busaibe et al. (2017), specifically seek to proposed a conceptual framework by focusing on women's role, particularly in leadership positions, in the oil and gas sector in the United Arab Emirates (UAE). In another study, Chiu & Ng (2015) investigated the perception of propensity to trust and organizational commitment of quantity surveyors and they examine whether propensity to trust among working partners enhances organizational commitment of quantity surveyor. A relationship between marketing culture and organizational commitment was found significant (Yildirim, Acaray, & Candan, 2016). Yildirim et al. (2016) argue that they are the first one that investigates the relationship between marketing culture and organizational culture in a related literature. Study by Dedahanov & Rhee, (2015) found that acquiescent silence demonstrated strong relationship with organizational commitment. Dedahanov & Rhee, (2015) also claims that they were the first to explore the associations between trust in organization and acquiescent silence and the relationships between trust in supervisor and defensive silence

3. Hypothesis development

3.1 *Intellectual stimulation*

Lo, Ramayah, & Wei Min (2009) have investigated the relationship between intellectual stimulation and organizational commitment have found that intellectual stimulation is positively associated with organizational commitment. The results indicate that inspirational motivation, intellectual stimulation, and individual consideration have a statistically significant ($p = 0.00$) and positive influence on organizational performance. Thus, the following hypothesis is proposed:

H1: Intellectual stimulation will positively affect organizational commitment

3.2 *Inspirational motivation*

Hayati, Charkhabi, & Naami, (2014) have investigated the relationship between inspirational motivation and vigor. They found that inspirational motivation has the biggest contribution in explaining vigor. Accordingly, we believe that inspirational motivation will have strong relationship with organizational commitment. Therefore, the following hypotheses are proposed.

H2: Inspirational motivation will positively affect organizational commitment

3.3 *Individualize consideration*

Ogola, Sikalieh, & Linge, (2017) have investigated the relationship between individualize consideration and employee performance and they have found that individualize consideration is positively associated with employee performance. From the result, we believe that individualize consideration will have the same effect on organizational commitment. Thus, we hypothesized that:

H3: Individualize consideration will positively affect organizational commitment

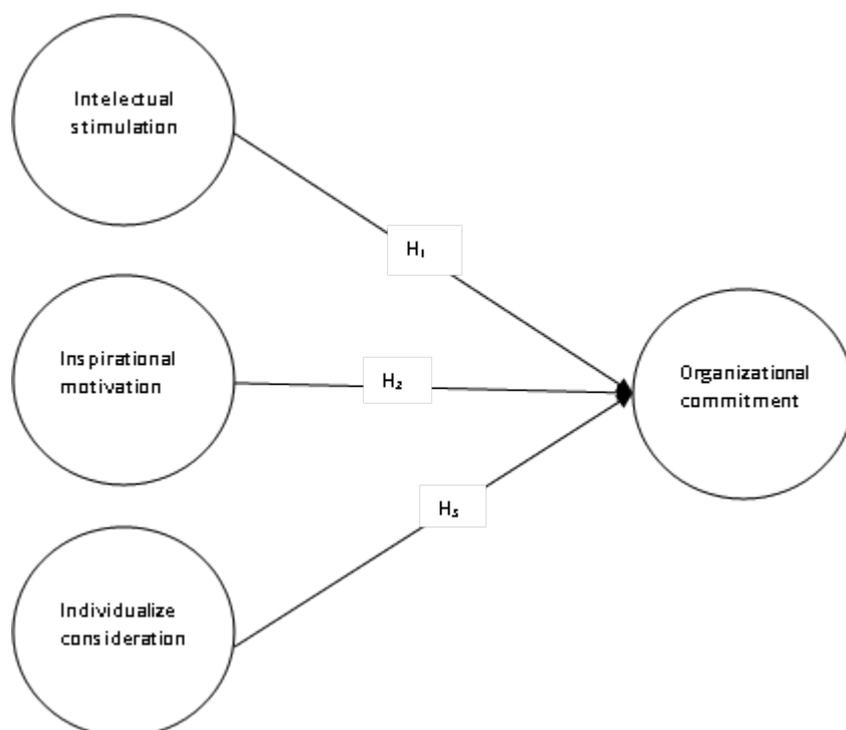


Figure 1: Research Model

4. Research Methodology

4.1 Respondent

The sample selection procedure was selected according to the suitability of the study with the emphasis on the most effective and easy data collection data for the study (Sidek, 2002). In this study the probability sampling is used to collect data. This study also uses stratified sampling and random sampling. Next, the respondents will be split into several subgroups, namely the SME firms group according to the zone and the working group. Random sampling is also carried out against the selection of employees of SME firms. Therefore, the manufacturing sector workers at SMEs registered SME Corps will only be selected as a sample of the study to respond to the survey. In this study researchers selected the peninsular Malaysia as a sampling location. SME firms are selected randomly by zone breakdowns, namely the Klang Valley zone (covering WP Kuala Lumpur and Selangor), the Central Peninsula area (covering Malacca and Negeri Sembilan states), the East Malaysia zone (covering Terengganu State, Pahang, Kelantan), North zone (covering Perak, Perlis, Penang and Kedah) and South Zone (covering Johor State). A total of 690 questionnaires were distributed and 510 respondents provided feedback on the questionnaire. However, only 452 sets of questionnaires can be used for further analysis. Thus, the minimum number of subjects required for statistical testing was met.

4.2 Instrument development

This study uses instruments that have been tested by previous studies. Quality instruments rely on legitimate measurements and good reliability (Kimberlin & Winterstein, 2008). The measures/items of each construct were measured using 5 point Likert Scale. “1” was anchored as “strongly disagree” and “5” was anchored as “strongly agree” on the scale. Measures for Intellectual stimulation are adapted by using the scale developed by Avolio & Bass (2004). Inspirational motivation measures are adapted by using the scale developed by Avolio & Bass (2004). Individualize consideration measures were also adapted from a scale developed by Avolio & Bass (2004).

4.3 Data analysis

The analyses were carried out with SPSS version 22.0. All of the hypothesis were considered significant when $p < 0.05$. Descriptive statistics were calculated for all study variables. The relationship between organizational commitment and the three predictors namely intellectual stimulation, inspirational motivation and individualize consideration, were evaluated using multiple regression analyses.

5. Results

5.1 Hypothesis testing

Multiple regression analysis was carried out to test the hypotheses that comprised the direct effects of intellectual stimulation, inspirational motivation and individualize consideration on organizational commitment. As illustrated in Table 1, the analysis revealed that intellectual stimulation and individualize consideration were found to have significant impacts on organizational commitment. Research model explained about 48% of the variability. This is considered high given the nature of social science research.

Table 1: Hypotesting results

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
Intellectual stimulation	.239	.074	.280	***3.215	.002
Inspirational motivation	.118	.073	.144	1.618	.108
Individualize consideration	.322	.077	.353	***4.185	.000

*p<0.05; ** p<0.05; *** p<0.01

6. Discussion

The study shows that intellectual stimulation and individualize consideration are determinants of organizational commitment. Individualize consideration was found to have a strongest effect on organizational commitment. Leaders with individualized considerations are indispensable in an organization. The employees generally prefer the leader who is considerate and understands the employees. The problem of employees is diverse. Therefore, the leader needs to play a role by helping his employees through his attentive attitude. Leaders need to identify the employees' specific problems in depth. This finding thus confirming that the higher individual consideration, the stronger organizational commitment can be.

Intellectual-oriented employers educate and encourage employees to identify and solve problems using the best approaches and methods to achieve the firm's goals. This study found that the link between intellectual stimulation and organizational commitment are significant and thus appears to validate the findings of Lo et al. (2009). According to Ogola et al. (2017), through intellectual stimulation, transformational leaders encourage followers to question their own beliefs, assumptions, and values. This finding indicates that when a leader has the element of intellectual stimulation, they have higher tendency to commit with the organization.

7. Implication

Given intellectual stimulation and individualize consideration as important predictors of organizational commitment, the study gives some idea that may help the leaders of an organization to develop appropriate strategies for themselves in shaping better leadership style. In view of this, the leaders should always encourage creativity and innovation in solving work related problems; as well as critical thinking in making a decisions and being innovative in problem solving (Ogola et al., 2017) and also more considerate and understands the employees.

8. Conclusion

The framework used in this study is a very useful framework in predicting organizational commitment issue. The findings have proved that intellectual stimulation and individualize consideration are determinants of organizational commitment. However, this study has several limitations that should be addressed in further researches. The current framework is limited to only three constructs, which may limiting the variance explained in organizational commitment. Future research should improve the predictive ability of the framework by including additional construct from the related literature.

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