CONTENTS

Editorial iii

Exploring Malaysian Corporate Leaders’ Views of An effective Board 1
Dr. Wan Fauziah Wan Yusoff

Moderating effects Of Age, gender And hierarchy level Of The Superior On The Relationship Between conflict handling Styles and Satisfaction with Supervision 21
Lee Kim Lian and Ir. Low Guan Tui

Pricing on Islamic Banking Products 37
Norshidah Nordin

The Influence of Organisational commitment on Organisational Readiness for change in a Provision of higher learning Institution 61
Abdul Ghafar Ismail and Noraziah Che Arshad

Notes for Authors (Last updated June 2011) 91
The Malaysian Institute of Management is proud to present the Jan-Jun 2011 edition of the Malaysian Management Review. This issue features four papers on general management and one on Islamic Finance. We have also revamped our editorial committee as part of our commitment to present you with the best in management thinking.

The Notes for Authors have also been updated, please browse through them to better understand our requirements for article submission for the upcoming issues.

In this edition, we are featuring:

**Affecting Eternity via Management by Connectivity: An Islamic View**
In view of a raised capitalist society the business attitude of maximising material gains has crossed the limits for greed indicative of an ethical crisis characterised by depleted managerial moral behavior. The study examines the role of business managers in a capitalist business world and suggests deontological measures gained through Divine Command Islamic perspectives (after having discussions with Islamic Scholars) on how to deal with ethical crises.

**Exploring Malaysian Corporate Leaders’ Views of an Effective Board**
This paper reports on the exploratory and qualitative study of the characteristics of an effective board by the Malaysian corporate leaders. The results are derived from semi structured interviews with 41 directors of top 100 Malaysian Public Listed Companies (PLCs). Four characteristics of an effective board perceived to be important and discovered in this study suggest that a board has; (1) the right memberships; (2) the right culture; (3) clear roles and responsibilities; and (4) the right structures.

**Moderating Effects of Age, Gender and Hierarchy Level of the Superior on The Relationship between Conflict Handling Styles and Satisfaction with Supervision**
This study aims to explore the moderating effect of a superior’s age, gender and hierarchy level on the relationship between conflict handling styles and satisfaction.

**Pricing on Islamic Banking Products**
In the past, banks have traditionally priced their products based upon either on the competition’s pricing or what the market would bear. This paper highlights the current pricing methods of Islamic Banking Products and provides a few examples of pricing mechanisms (for Islamic banking products).
The influence of Organisational Commitment on Organisational Readiness for Change in a provision of higher learning institution.

Many factors contribute to the effectiveness in implementing organisational change. However, change management is a painful process and many change efforts failed due to lack of commitment, management style and emotional distress of the employees. This study was intended to determine the influence of organisational commitment on organisational readiness for change in a higher learning institution. It is based on a conceptual framework that combined part of an adapted model from organisational development and change theory.

Here is to a productive 2011 for all our readers!

The Chief Editor
ABSTRACT

Many factors contribute to the effectiveness in implementing organisational change. However, change management is a painful process and many change efforts failed due to lack of commitment, management style and emotional distress of the employees. This study was intended to determine the influence of organisational commitment on organisational readiness for change in a higher learning institution. It was based on conceptual framework that combined part of adapted model from organisational development and change theory. A total of 169 academic staff participated in this study. They were selected based on stage and cluster sampling from the main and branch campuses through Malaysia. The result showed that there is a significant relationship between organisational commitment and organisational readiness for change. The findings also revealed that about 26.9 % of the variance in readiness for change was explained by affective and normative commitment. This study implied that building organisational commitment could contribute to formulation of organisational readiness for change and therefore to the success of a change program.

Key words: Organisational change, commitment, affective, normative, continuance

1. INTRODUCTION

In the era of globalisation, chaotic organisational environments and other related organisational activities demand that organisations need to manage effectively and efficiently (Illich, D'Aveni, & Lewin 1996). In this context, higher learning institutions too exist in changing environment that constantly challenges their operation and effectiveness (Birnbaum, 1992). For examples, the new trends and threat from