Leader Attributes and Effect on Loyalty Among Malaysian Generation Y Public Administrators

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ABSTRACT

Leader attributes play a significant role in employee job satisfaction and subsequently garner loyalty. Much research done on employee loyalty has been in the private sectors but there is yet research on loyalty done in the public sector particularly among those in the administrative positions. The study examines the relationships between leader personality, behavior and communication with loyalty. Respondents were from Gen Y Malaysian public administrators in Putrajaya, Malaysia. As expected of public sector employees, loyalty was found to be high despite the low score on leader personality. This result may indicate that public sector administration need to consider what can be done to improve leadership personality perception to keep employees loyal to the organization.

Key Words: Personality, employee loyalty, leader attributes, job satisfaction.

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INTRODUCTION
In today’s workplace, loyal employees is hard to come by. Employers find it difficult to retain employees and this is a rising concern. Turnover can be an indication that employees are not loyal towards an organization where Maloney (2013) suggests that employee turnover is a signal of employee disloyalty. The issue of turnover is that once an employee leaves an organization, inherent knowledge will be taken away (Matzler & Renzl, 2006). More to that, the cost of replacing these experienced employees is high. On the flip side, when employees are loyal towards their organization, they will perform their best to upkeep the good name of the organization (Yee, Yeung & Cheng 2010). These employee would see that their organization cares for them and would in turn safeguard the organization reputation. Experienced and skilled employees are an asset to the organization and hence retaining them would be an added competitive advantage.

BACKGROUND
In Malaysia, the government is the largest employer to the workforce. Out of 13.2 million employees in Malaysia, there were approximately 1.6 million civil servants (Ministry of Human Resources, 2014). With a large number of employees, the task to manage performance can be daunting. In reminding the public sector employees on work performance, Tun Abdullah Ahmad Badawi, the past Prime Minister of Malaysia, stressed the importance of high performing employees in driving a successful organization. Bakker and Schaufeli (2008) state that employees who are dedicated to the job or committed to the organization is important for the durability and performance of the organization. Additionally, Rahman, Noraida, Rashidi, et al. (2009) assert that the growth of an organization is influenced by employees’ loyalty. This is confirmed by Maznah, Kamaruzzaman, and Hariniyati (2010) who claim that employee loyalty can be seen from their affective commitment to the organizations. So, understanding ways to promote employee loyalty can reduce the number of employee turnover within the organization and boost the sustainability of the organization during hard times (Aityan & Gupta, 2012).

Michlitsch (2000) states that having a loyal employee will add value to organizations. Antoncic and Antoncic (2011) add that long term business objectives and growth can be achieved once an employee loyalty is established within the organization. The presence of loyal employees can project a good image of the organization and attract others to organization (Bettencourt, Gwinner & Meuter, 2001). At the same time, a loyal employee has a higher tendency to be more hardworking, passionate about their job and willing to bear with their superior instructions. Rahman et al. (2009) assert that employee loyalty is one of the factors that keeps employees not to leave the organization.

In Malaysia a number of employee turnover was a result of job dissatisfaction (Rohani, Nair & Haryanni, 2012). This argument was supported by Fauziah and Kamaruzzaman (2009) who found that employees left the organization due to job dissatisfaction at the workplace. On the contrary, others found that job satisfaction promotes employee loyalty towards the organizations by being more committed (Fauziah et al., 2009; Rahman et al., 2009).

In the context of the workforce generation, Harbet & Dudly (2007) found that the Millennials or Generation Y (Gen Y) are likely to seek for other jobs as compared to the baby boomers and Generation X (Gen X) workforce. Brown, Carter, Collins, Gallerson, et al. (2009) add that Gen Y lives in an era of advanced technologies where lifestyle and preferences are different.
from the previous generation, thus making them demand for a new way of working style. With these changes in the new workplace, having the Gen Y in an organization is a challenge.

**Generation Y and Employee Loyalty**

Individuals have different needs and preferences (Tolbize, 2008). Comparing the various generations in the workforce, Harbet & Dudly (2007) found that Gen Y employees were likely to seek for other jobs as compared to baby boomers and Gen X. Gen Y were born in an age where there is massive technological advancement (Tolbize, 2008) whereas Gen X were expected to take challenges in their work and need to be good at technical skills. (Bhatt, 2014). Gen Y were born with technology so to perform tasks using technologies for far more complex and sophisticated would not be a problem. Brown, Carter, Collins, Gallerson, et al. (2009) state that Gen Y lives in an era of advanced technologies which makes their lifestyle and preferences different from the previous generation, making them demand for a different way of workplace enviroment.

Another challenge with Gen Y is that they have a high tendency for job hopping (Queiri, Wan & Dwaikat, 2014) and it seems a common trend among them (Schawbel, 2012). Job hopping causes high turnover rate which may be a sign of poor loyalty among employees (Klehe, Zikic, Vianen & Pater, 2011). This is a concern since today Gen Y employees have outnumbered other generations in the workforce (Fry, 2016).

**Leaders and Employee Loyalty**

Leadership has been found to have a positive impact on employee loyalty. Leaders can influence employees’ loyalty through effective communication (Mayfield & Mayfield, 2002), supportive and appreciative gestures (Davenport, 2014) and good behavior and personality (Bass, 1990). Flauto (1999) suggests that it is important to examine leader attributes that can contribute to employee loyalty such as good communication between employees and the employer (Robbins, 2001; Mayfield, 2002). Mayfield and Mayfield (2002) adds that effective communication is a good medium in transmitting behavioral intent to employees and at the same time creating the foundation of trust between the leader and the employee. Effective communication between the leaders and the employees can reduce employee turnover (Ramlall, 2004; Smither, 2003). This is evidenced through one study by Gill (2011) who found that a leader who tells story garnered higher employee loyalty and engagement in the organization.

Leader personality may influence employee loyalty through emotions (Mihalcea, 2013). To add, Phipps and Prieto (2011) found that leader personality influences employee outcomes in terms of their satisfaction, performance, creativity, and commitment (and subsequently their loyalty). Apart from leader personality and communication skills, leader behavior too, can influence employee loyalty. As discussed earlier, Biro (2012) states that before someone can become loyal, the leader needs to create good relationship with subordinates by being transparent, fair and open. This leader behavior would create good rapport, understanding and trust, obliging the employee would reciprocate to this good behavior by becoming loyal.

Much of research done on employee loyalty and leadership attributes that contribute to employee loyalty are mainly found in countries such as Australia (Peloso, 2005), China (Ding, Lu, Song & Lu, 2012), Denmark (Eskildsen & Nussler, 2000), China (Ding, Lu, Song & Lu, 2012), Pakistan (Iqbal, Tufail & Lodhi, 2015) and United States of America (Aityan & Gupta, 2012). In Malaysia, leadership research focus on leadership style e.g. Jayasingam and Cheng
(2009), Kennedy and Norma (2000) on Malay leadership, Wah (2002) on Chinese classical leadership while others study the perception of leadership effectiveness (Salleh & Sulaiman, 2013), and competencies as a model for effective performance (Roslan, 2004).

Employee loyalty not only adds value to the organization, it saves cost. When an employee is loyal, he or she would work with commitment and devotion and focus on their job. This would lead to productivity in their work and increase organizational income. Also, loyal employees would not leave their organization, thus reduces the cost of recruitment and selection. What more in a public organization where employees provide services so should demonstrate loyalty to have public trust. It is, therefore, pertinent to identify the factors that may contribute to employee loyalty among public administrators.

So, this study aims the examine the factors above (leader personality, communication skills, and behavior) that contribute to employee loyalty. The specific objectives are:

1. To determine the level of loyalty among Gen Y administrators in the Malaysian public sector.
2. To examine the relationship between Gen Y public administrator’s perception of their leaders’ attributes (personality, behavior and communication skills) and loyalty.

**METHODOLOGY**

**Participants**

All the Ministries in the government administrative city in Putrajaya, Malaysia were contacted for data collection, however, only eight ministries gave consent for data collection. So, four hundred and ninety five questionnaires were distributed with 191 returned. Out of 191 questionnaires, 156 were useable for analysis. According to Roscoe (1975) Rules of Thumb, an appropriate sample size, should be more than thirty and less than five hundred. Hair, Black, Rabin and Anderson (2010) state that when using Canonical Correlation Analysis, the appropriate sample size would be 10 for each independent variable for an expected reliability of -7 or higher) to avoid “overfitting” the data. With a sample size of 156 and three indendent variables, this study fulfils the requirement for sample size (Hair et al. 2010). Respondents were Gen Y managerial level of the public administrators in the Ministries (Grades 41, 44, 46 and 48 aged between 22 years old to 36 years old in year 2015). (Note: There are various views on determining the age range for Gen Y e.g Twenge, Charles and Brian, 2010, suggest those born between 1977 and 1980 while McCrindle and Wolfinger, 2014, proposed it to be 1980 and 1995. For the purpose of this study, McCrindle and Wolfinger’s suggestion is employed). For the study, respondents were asked to rate their superior (Grade 52 or 54). Due to no access permitted to distribute the questionnaires, the researcher had to request the liaison officer to distribute the questionnaires based on a set of instructions. All the questionnaires were finally collected after two weeks. Table 1 below shows the profile of the respondents.

The majority of the respondents were female (60%). More than 57% of the employees were below the age of 31 years old and a large number have a bachelor degree (80.8%) or higher. More than 57.7% of the employees were at the entry level of the management and professional position that is Grade 41.

**Measurements**

Employee loyalty was measured using the Employee Acid test (Reicheld, 2001) and Chen, Tsui and Farh (2002) employee loyalty test (2 Dimensions only) to ensure that the instrument
used measured the intended variable for the purpose of the study. Leadership Practice Index, LPI (Kouzes & Posner, 2001) was used to measure leader behavior, USM Personality Inventory, USMaP-i (Yusoff, 2010), for personality, and the Communicator Competence Questionnaire, CCQ (Monge et al., 1982), to measure leader communication competence. All of the measurements used a 5-point Likert scale. Results showed that all the instruments had high reliabilities (Table 2).

Table 1: Demographic Profile of Respondents

<table>
<thead>
<tr>
<th>Profile</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>55</td>
<td>35.3</td>
</tr>
<tr>
<td>Female</td>
<td>101</td>
<td>64.7</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>22 - 26</td>
<td>14</td>
<td>9.0</td>
</tr>
<tr>
<td>27 - 31</td>
<td>76</td>
<td>48.7</td>
</tr>
<tr>
<td>32 – 36</td>
<td>66</td>
<td>42.3</td>
</tr>
<tr>
<td>Education Level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Doctorate/PhD</td>
<td>3</td>
<td>1.9</td>
</tr>
<tr>
<td>Master Degree</td>
<td>26</td>
<td>16.7</td>
</tr>
<tr>
<td>Bachelor Degree</td>
<td>97</td>
<td>62.2</td>
</tr>
<tr>
<td>Diploma</td>
<td>15</td>
<td>9.6</td>
</tr>
<tr>
<td>STPM</td>
<td>4</td>
<td>2.6</td>
</tr>
<tr>
<td>SPM</td>
<td>11</td>
<td>7.1</td>
</tr>
<tr>
<td>Grade of Employment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>41</td>
<td>90</td>
<td>57.7</td>
</tr>
<tr>
<td>44</td>
<td>41</td>
<td>26.3</td>
</tr>
<tr>
<td>46</td>
<td>3</td>
<td>1.9</td>
</tr>
<tr>
<td>48</td>
<td>22</td>
<td>14.1</td>
</tr>
<tr>
<td>Total</td>
<td>156</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Table 2: Reliabilities of Measurements

<table>
<thead>
<tr>
<th>Variable</th>
<th>Instrument</th>
<th>Other Studies</th>
<th>Current Study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Loyalty</td>
<td>Employee Loyalty Acid Test (Reicheld, 2001)</td>
<td>0.92 (Cunningham, 2009)</td>
<td>0.87</td>
</tr>
<tr>
<td></td>
<td>Loyalty Scale (Chen, et al., 2002)</td>
<td>0.73. (Shojaeian, Salar &amp; Salari, 2013)</td>
<td>0.67</td>
</tr>
<tr>
<td>Leader Personality</td>
<td>USM Personality Inventory, USMaP-i (Yusoff, 2010)</td>
<td>0.72 (Yusoff, Rahim, Aziz Mat Pa et al., 2011)</td>
<td>0.87</td>
</tr>
<tr>
<td>Leaders Behavior</td>
<td>Leadership Practice Index(LPI) (Kouzes &amp; Posner, 1993)</td>
<td>0.958 (Lee &amp; Cummings, 2008)</td>
<td>0.87</td>
</tr>
<tr>
<td>Leaders Communication Competence</td>
<td>Communicator Competence Questionnaire (Monge et al., 1982)</td>
<td>0.88 (De Castro, 2013)</td>
<td>0.87</td>
</tr>
</tbody>
</table>
RESULTS AND FINDINGS

Result shows that the level of loyalty among the Gen Y public administrators in Putrajaya is high (mean = 3.67) which indicates that these Gen Y administrators are highly loyal to their leader as expected of public sector employees (Table 3).

Table 3: Mean of Leader Behavior and Communication Skill, Employee Job Satisfaction and Loyalty

<table>
<thead>
<tr>
<th>Constructs</th>
<th>N</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leader Behavior</td>
<td>156</td>
<td>3.56</td>
</tr>
<tr>
<td>Leader Communication Skill</td>
<td>156</td>
<td>3.57</td>
</tr>
<tr>
<td>Leader Personality</td>
<td>156</td>
<td>2.96</td>
</tr>
<tr>
<td>Employee Loyalty</td>
<td>156</td>
<td>3.67</td>
</tr>
</tbody>
</table>

Legend:
1.00-1.67 (Low)  
1.68-3.34 (Moderate)  
3.35-5.00 (High)

Results also show that Gen Y public administrators perceive their leaders have a high level of communication skills (mean=3.57) and behavior (mean=3.56) which may be the reason for their loyalty to their leader. However, leader personality was scored moderate (mean=2.96) but this seem not to affect the employee loyalty.

Correlational analysis was conducted to determine the relationship between the employee loyalty and leader personality. Results show that the relationship was not significant (p>.01). This may be the reason despite the moderate score on leader personality, Gen Y public administrators are still loyal to the leaders. Results were significant for the relationships between leader behavior and loyalty (r = .781), and leader communication skills and loyalty (r = .637). Table 4 shows the correlation between all the variables.

Table 4: Correlation between Leader Attributes (Personality, Behavior and Communication Skills) and Loyalty

<table>
<thead>
<tr>
<th>Construct</th>
<th>Leader Behavior</th>
<th>Leader Communication Skill</th>
<th>Employee Job Satisfaction</th>
<th>Employee Loyalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leader Behavior</td>
<td>1</td>
<td>.740**</td>
<td>.745**</td>
<td>.781**</td>
</tr>
<tr>
<td>Leader Communication Skill</td>
<td>1</td>
<td></td>
<td>.633**</td>
<td>.637**</td>
</tr>
<tr>
<td>Leader Personality</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Loyalty</td>
<td>1</td>
<td></td>
<td>.180</td>
<td></td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed)
DISCUSSION AND CONCLUSION
This study has examined and identified leader attributes that contribute to employee loyalty. Participants were Gen Y public administrators at the middle managerial level working in Putrajaya, Malaysia. Two-thirds of the respondents were female and more than 80% have a Bachelor degree or higher.

Findings of the study demonstrate that Gen Y public administrators in Putrajaya were loyal. This is a good indication that despite the cry for large turnovers in organizations, public administrators are still loyal to their organizations. Top management of these public organizations in Putrajaya can count on their administrators to stay on working with the government. The level of loyalty may be low in private organization so top management should take cognizant of this occurrence and plan carefully on how to sustain the level of loyalty of their employees.

When leader attributes (behavior and communication skills) were factored in as variables that may contribute to loyalty, both leader behavior and communication skills were found to be highly correlated to loyalty. However, communication skills was found to have lower correlation with loyalty which signals that leader communication skills may not be in the top priority list for these public administrators to be loyal.

It can be concluded that the government of Malaysia should encourage continued positive behavior among top management to fulfill the needs of their employee satisfaction at work which has an influence on their employees loyalty and to stay in the organization. By being mindful of the changing needs of employees to be loyal, the government would be well assured of capable and reliable public administrators to run the government administration.

Several opportunities can possibly be explored for future research. First, the same study can be conducted in private organizations. It would be interesting to see how the private sector fair in terms of employee loyalty and what leadership attributes contribute to loyalty knowing that the private sector has a higher turnover rate. Apart from that, future research can examine the similar situations on a different hierarchical level of employment such as the support staff with management. Are employees in non-managerial positions in the public sector as loyal as the public administrators? Finally, a comparative study between countries would also be possible.
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