

**POSITIVE LEADER-MEMBER EXCHANGE (LMX) AND  
ORGANIZATIONAL COMMITMENT  
IN THE RETAIL SECTOR OF MALAYSIA**

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# POSITIVE LEADER-MEMBER EXCHANGE (LMX) AND ORGANIZATIONAL COMMITMENT IN THE RETAIL SECTOR OF MALAYSIA

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## **ABSTRACT**

With the intensified competition within retail sector and recent retrenchments, managements were facing problem to retain valued employees and let star performers feel committed to the organization. 400 employees who working in the retail sector of Malaysia were investigated in this research. The results of research showed that the LMX can be viewed as a whole which has positive relationship with organizational commitment. However, only two factors have significant correlation, which are professional respect and contribution, and affect and loyalty were not significant. In fact, professional respect was the most important predictor, and then it should be contribution. In addition, the results of research showed that the generational cohorts did not moderate the relationship between organizational commitment and LMX, there has similar level of organizational commitment between Gen-X and Gen-Y, though Gen-Y showed a higher level of normative commitment.

**Keywords: LMX, Organizational Commitment, Generational Cohorts, Gen-X, Gen-Y**

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## **CHAPTER 1. INTRODUCTION**

### **1.0 Chapter Overview**

This chapter is to provide introduction of research from eight areas which helps readers to better understand the content of the research. Initially, this chapter describes the research background of the retail industry in Malaysia, and then this part provided the problem statement of this research. Next, research objectives, research questions and significance of study were given based on the problem statement in this chapter. Subsequently, scope of research is also described. In the end, operational definitions and organization of chapter were briefly introduced.

### **1.1 Background**

Annually, Malaysia has between one million and two million jobs available in the retail sector, but at the same time, employees are changing jobs and changing jobs (Pradhan, 2011). According to Salleh (2016), about 12% of workers have experienced job-hopping and about 12 million employees according to the Statistic Department of Malaysia. This situation also affects unemployment, even with there are countless job opportunities around, and Malaysia's unemployment rate was about 3.20% in 2017 (Munusamy, 2017). In addition, there are high turnover rate in the retail industry among the Malaysians. According to the research by Lyon (2010), the turnover rate is about 15%. Organizations attempt and try to keep the excellent employees and prevent excellent employees from changing jobs, and the human resources department has a vital role to play in this process (Wong, 2012).

However, with high growth rates in the United States, Asia and Europe, major retail manufacturers have expanded production capacity and accelerated development to get more market share and the fierce competition was unavoidable (Corredoira and Banerjee, 2014). Therefore, the organization cannot afford to lose employees which makes organization may be vulnerable during the recession and the growth of a competitive rifle (Martins and Meyer, 2012). Not only that, but organization also need to improve employee performance in order to survive such fierce competition (Lu, Wang and Lee et al., 2013).

According to the research by Kessler (2013), Organizational Commitment is a source of a key prerequisite for performance and turnover and makes employees feel attached to the organization. Therefore, this research focuses on how the LMXs are related to organizational commitment. The research by Liden and Maslync (1998) provided the four positive dimensions of LMX which included that the affect is the mutual affection between managers and employees; contribution is the extension of resources and opportunities provided by the manager; professional respect means maintaining the manager's reputation; loyalty means that both parties are willing to support each other in public. From these aspects, the purpose is to identify which factors are most important in strengthening organizational commitment.

Generational cohort is another focus of this study. People of similar ages may have similar personality characteristics, values or preferences towards work (Lim, 2015). Different generational cohort own different personalities which provide challenges and opportunities for leaders (Costanza, Badge and Fraser et al., 2012).

Therefore, in order to improve employee performance and gain competitive advantage, organizational commitment is particularly important in the retail sector of Malaysia.

## **1.2 Problem Statement**

With the rapid growth of Internet and mobile phones, the retail sector market has expanded, but competition has intensified as the market demand has reached saturation and there was very competitive (Lu et al., 2013). In this environment, retaining excellent employees is essential to ensure success (Lim, 2015). As stated by Waters and Beruvides (2012), the involvement by excellent employee and skilled workforce is positively correlated to the team's performance. In addition, there have a highly transferable character in skilled workforce's skills, as a result, comparing with employees with firm-specific skills (such as doctor, lawyer), skilled workforce is more easily to change career (Chhinzer and Ababneh, 2010). This is exactly the problem faced by the retail sector of Malaysia, as concluded by Anvari (2013), organizations in Malaysia are facing the problem of shortage of skilled talents and high rate of employee turnover. In another aspect, Gen-X and Gen-Y accounts for 90% of the existing Labor force in Malaysia, but both of generations tend to change careers frequently, and there is a strong negative relationship between employee turnover and organizational performance (Crawford, 2013). Therefore, understanding the moderating role of generational cohorts is important on the relationship between positive LMX and organizational commitment.

In conclusion, this research will focus on organizational commitment which can reduce the employee turnover rate and increase the performance of organization and

improve employee benefits.

### **1.3 Research Objectives**

Research objective is defined as a clear, concise, declarative statement of is required to guide an academic research (Sekaran, 2016). The research objective is very important as Lim (2015) stated that it is closely related to the problem statement and is the result the researchers sought at the end of the study.

The research objectives are thus formulated as below:

Broad Objective:

To determine whether positive LMX and its dimensions influence organization commitment in the retail sector of Malaysia

Specific objectives:

RO1: To determine whether positive LMX influence organization commitment in the retail sector of Malaysia

RO1a: To determine whether the positive LMX dimension of Affect influence organization commitment in retail sector of Malaysia.

RO1b: To determine whether the positive LMX dimension of Loyalty influence organization commitment in the retail sector of Malaysia.

RO1c: To determine whether the positive LMX dimension of Contribution influence organization commitment in the retail sector of Malaysia.

RO1d: To determine whether the positive LMX dimension of Professional Respect influence organization commitment in the retail sector of Malaysia.

RO2: To ascertain whether generation cohort has a moderating influence between positive LMX and organization commitment in the retail sector of Malaysia.

#### **1.4 Research Questions**

According by Saunders, Lewis and Thornhill (2012), research questions define the "areas of interest" in the research, it is consistent with research objectives. Based on the discussion in research objectives, the research questions as following:

Broad Research Questions:

Will positive LMX and its dimensions influence organizational commitment in the retail sector of Malaysia?

Specific Research Questions:

RQ1: Will positive LMX influence organizational commitment in the retail sector of Malaysia?

RQ1a: Will the positive LMX dimension of Affect influence organizational commitment in the retail sector of Malaysia?

RQ1b: Will the positive LMX dimension of Loyalty influence organizational commitment in the retail sector of Malaysia?

RQ1c: Will the positive LMX dimension of Contribution influence organizational

commitment in the retail sector of Malaysia?

RQ1d: Will the positive LMX dimension of Professional Respect influence organizational commitment in the retail sector of Malaysia?

RQ2: Will the generation cohort has a moderating influence between positive LMX and organization commitment in the retail sector of Malaysia?

## **1.5 Significance of the Research**

### **1.5.1 Significance to Academia**

One of the things that organizational scholars have been focusing on is the correlation between positive LMX and organizational commitment, therefore scholars have done a lot of research on these topics (Cook and Rice, 2013; Costanza et al., 2012; Kessler, 2013). However, most studies have been done around worldwide or in specific western countries, such as meta-analyses based on Dulebohn, Bommer and Liden et al. (2012). Hofaidhllaoui's (2014) research findings point out that the 83% of LMX literature was published in the United States, thus, the researches were difficult to represent Malaysia due to cultural differences. Therefore, this study further investigated LMX and organizational commitment in Malaysia.

### **1.5.2 Significance to Industry**

Based on the research by Greguras and Ford (2012), Multidimensionality has the following advantages: positive LMX dimensions are more significant in influencing organizational commitment due to each dimension has a different result. In addition,

many diversity characteristics like gender and racial is also raises concerns on the generational differences (Costanza et al., 2012). It is due to unique characteristics of each generation creating the potential difficulties, differences, and disputes of cohort-based (Parry and Urwin, 2010). Therefore, this research will help to manage employees by management and managers can decide whether to increase organizational commitment based on hierarchical management policies customized for different generation groups (Farr-Wharton, Brunetto, Shacklock, 2012)

## **1.6 Scope and Limitation of Research**

### **1.6.1 Scope of the Research**

The target samples of this research are Gen-X and Gen-Y employees who work in the retail sector of Malaysia. The employees of gen-x in age is from 35 to 53 years old, while employees of gen-y are from 25 to 34 years old. The target samples are qualified as the individual employees who do not have any direct reporting subordinate because the research target is to understand LMX from perspective of employees rather than perspective of manager. Through the in-depth study of specific areas, solutions can be proposed, based on which the situation of the retail sector is studied in Malaysia.

### **1.6.2 Limitations of the Research**

The scope of the research is only focused on the retail sector of Malaysia, since the study did not involve other industries or countries, therefore this sample size is much smaller as compared to meta-static analysis around the world (Lim, 2015). Due to the main purpose of this study is to deeply understand the relationship between positive



LMX and organizational commitment of specific nation, which focused on Malaysia rather than focused on all over the world, therefore the geographical location is one of the limitations of research (Zainal, 2010).

The target samples are only the limit of about 400 employees in the retail sector which may diminished the findings of the investigation, because it is hard to extend perception to all retailers in Malaysia. In addition, as not all interviewees are interested in the research, and some sensitive interviewees will finish the questionnaire perfunctorily, the research is limited by data collection (Lim, 2015).

In addition, time is another limiting factor that can lead to bias and skewness. The time given is considerable not enough for complete the research, that means the researcher must complete all tasks in a tight time (Sekaran and Bougie, 2017).

## **1.7 Operational Definition**

### **1.7.1 Organizational Commitment (Dependent Variable)**

Organizational commitment is a psychological concept, and it can be defined as a component of work-related attitudes in the organizational behavior literature, this component will decide the individual's effort to identify with of employees and participate in the organization (Luo, Song and Marnburg et. al., 2014). As stated as Allen and Meyer (1990), the operational basis of organizational commitment is emotional commitment, normative commitment, and continuance commitment. In Social Exchange Theory, people achieved the desired resource whatever was

tangible or intangible by developing a series of social and economic exchanges (Cook and Rice, 2013).

### **1.7.2 Positive LMX (Independent Variable)**

Leader-member Exchange (LMX) suggested that the key to understand the influence leader had on subordinate, teams, and organizations is the dyadic relationship between leader and subordinate (Day, 2014). Based on the research by Liden and Maslyn (1998), this kind of relationship is based on the four unique dimensions perceived by employees: affect, loyalty, professional respect. The positive LMX dimension of affect can be defined as that the interpersonal attraction was the main basics of the relationship between the mutual affection members of the dyad rather than the purpose from job or professional values (Cook and Rice, 2013). Dienesch and Liden (1986) provided loyalty as the second positive LMX dimension which can be defined as extent how the leader and member were publicly support each other. With the develop of LMX. The positive LMX dimension of contribution is a kind of perception which from work-oriented activities" direction, quality and amount each member present toward the mutual goals of the dyad (Aafaqi and Ansari, 2016). The positive LMX dimension of professional respect could be defined as the degree of Reputation as a manager in the inside and outside of the organization (Luo et al., 2014).

### **1.7.3 Generational Cohorts (Moderator Variable)**

Generational cohort could be calling as a group of individuals who have the similar experienced and age, and they might have experienced something similar events,

histories (Costanza et al., 2012).

## **1.8 Organization of Chapters**

This study includes the following five chapters:

Chapter 1: Introduction - This chapter provide an overview of the research which including the research's background, research objectives, research questions, significance, scope of research and limitations. This chapter helps readers to understand the reasons why this study was carried out.

Chapter 2: Literature Review - This chapter involve the definition of the keywords and the theories of keywords. This chapter discusses the evidences to support the relationship between keywords and the assumptions which based on the previous studies. Readers can understand supporting theories behind the theoretical framework in this chapter.

Chapter 3: Research Methodology - This chapter discusses about the research design, unit of analysis, sampling design, questionnaire design and measurement instruments. The appropriate justifications are provided for research methodology to ensure the effectiveness and reliability of research.

Chapter 4: Research Findings - This chapter focused on the results of data analysis

and try to build the links between objectives and draw the conclusion by data analysis, show the findings of the research based on the hypothesis and questionnaires.

Chapter 5: Conclusion and Limitation - This chapter summarizes all the research discussions and it also provides practical significance and direction for future research.

## **CHAPTER 2. LITERATURE REVIEW**

### **2.0 Overview**

In retail sector the relationship between leaders and employees have a critical impact on organizational commitment. The purpose of chapter 2 is to review the existing literature and build the theoretical framework. Related literatures were reviewed in this chapter to understanding on the theories about organizational commitment and leader-member exchange. The research field included organizational behavior, applied psychology, and leadership or human resource management areas.

In this chapter, there are total nine sub-sections, Section 2.1 and 2.2 discuss the organizational commitment and positive LMX respectively in background of global perspective and local perspective. Section 2.4 explain the linkage between two main variables, and 2.5 is about generational cohorts which was the moderating variable of framework. Then, the next sections provide the supporting literatures elaborated and theoretical framework and hypotheses were proposed at the end.

### **2.1 Organizational Commitment**

The definition of organizational commitment is that it was a psychological concept which was defined by previous researches (Luo et. al., 2014). According Ismail (2011), organizational commitment can be defined as a component of work-related attitudes in the organizational behavior literature, this component will decide the individual's effort to identify with of employees and participate in the organization.

From 1960s to the present, there are three main approaches which was used to define the organizational commitment: the multidimensional approach, the calculative approach and the attitudinal approach (Kessler, 2013). The calculative approach and the attitudinal approach were introduced by Becker (1960) and Kessler (2013) respectively. The former refers to that person was committed in the organization which was influenced by many threats of losing “side bets”, such as status, salary, friendship and seniority (Becker, 1960). The latter refers to organization’s goals and values dominate people's behavior and person are willing to contribute for organization (Kessler, 2013). The multidimensional approach was the commonly theory today: affective commitment, continuance commitment and normative commitment (Kessler, 2013; Meyer and Allen, 1984). Among the three kind of commitment theories, affective commitment was argued to be real commitment, because the work attitudes have a strong relationship with employees' material benefits, job performance or organizational citizenship behavior (Martins and Meyer, 2012).

### **2.1.1 The Importance of Organizational Commitment in the Global Perspective**

In the global perspective, organizational commitment has intrigued scholars and managers around the world, because it is important in maintaining and motivating employees (Garg and Dhar, 2014). All the managers or organization leaders do not want a low level of organizational commitment due to it led to negative influence on organization, such as resignation or job-hopping (DeConinck and Bachmann, 2011). Therefore, understanding how to realize organizational commitment, letting employees felt proud in the organization, were very important to invoke the work commitment and might increase the strength of commitment to the organization (Ismail et al., 2011).

Furthermore, the conclusion on research by Guay, Choi, Mitchell et al. (2015) showed there was negative relationship between organizational deviance and interpersonal deviance, when researchers surveyed 113 employees on South Korean. Another important finding was that interpersonal deviance and organizational deviance damaged the interest of an organization and every employee (Dulebohn et al., 2012). Therefore, managers gain a better understanding of organizational commitment, can reduce the interpersonal deviance and organizational deviance (The Star, 2014). This was a serious and costly problem for organization all over the world.

Historically, Kanter (1968) made different points of view about forms of commitment: continuance, cohesion and control. Compare with the Meyer (1984) multidimensional approach, three forms of commitment have similarities and differences. Continuance commitment means the employees keeping the advantage and do not leaving the company, cohesion commitment means the employees were loyal to the organization, and control commitment means the employees guaranteed the authority of the organization (Kanter, 1968).

### **2.1.2 Organizational commitment in Malaysia**

Juhdi, Pa'wan and Hansaram (2013) have done research in 2013 on 457 employees working in different sectors in Malaysia, the result showed that organizational commitment has a significant impact on intention of employee to leave. Another example based on the research by Rohani (2012), the research was about the relationship between organizational commitment and turnover intention, the result of research on 62 employees on a retail sector showed that the relationship was negative between organizational commitment and turnover intention of employee. In

addition, Jamal (2011) conducted an investigation into employees of multinational corporations in Malaysia and Pakistan, found that organizational commitment played a moderator role between stress and performance relationship. With the development of global economic and AI technology, more and more company decided to reduce the number of employees which in turn, led to a thought showed the importance of organization decreased (Kessler, 2013). In Penang, Fairchild Semiconductor International abandoned the local market and company initially expected to cut 1000 employees working locally (The Star, 2015). Before that, Intel was cutting jobs around the world which included 300 employees in Penang (MarketWatch, 2013). Previous researches have shown that the layoffs have a serious impact on organizational commitment. According the summarized by Datta, Futhrie, Basuil, et al. (2010), the downsizing of the organization general led to low efficacy of organizational commitment.

Besides that, the development of Malaysian organization was closely integrated with employees when company want to have innovation in the market, especially knowledge employees (Davenport, 2013). Malaysian employees put more emphasis on knowledge-based development, but sometime, were conflict with organization's principle, such as many companies tend to develop firm-specific skills while knowledge employees want to develop transferable profession-specific skills (Kinnie and Swart, 2012). Different tendency within organization and knowledge employees will led to intense frustrations of knowledge employees and has negative influence on task performance and generated perception of affiliation of profession-specific skills (Davenport, 2013). There was a conflict between individual interests and collective interests (Kinnie and Swart, 2012). However, if knowledge employees have enough time and opportunity to develop individual knowledge and skills, will become more commerciogenic thus organization commitment was very important to employee



retention, especially technical employees in Malaysia (Davenport, 2013).

## **2.2 Positive Leader-member Exchange (LMX)**

Leader-member Exchange (LMX) suggested that the key to understand the influence leader had on subordinate, teams, and organisations is the dyadic relationship between leader and subordinate (Day, 2014). In LMX theory, Cook and Rice (2013) explained the basics of human connections were various exchanges or trades in terms of social, political, monetary or enthusiasm. Nelson (2012) was provided an insight based on LMX, to explain manager has a strength relationship with subordinate when manager treat employees differently from information, support, trust, participation in decision making or other sides. The differential relationships were formed due to different treatment from managers, therefore high LMX quality means subordinates achieved more emotional support and trust from manger or leader and vice versa (Harris, Wheeler and Kacmar, 2009). Although every subordinate should be treated equally by the manager, in fact, manager was spent more time and energy to building the high quality LMX (Aafaqi and Ansari, 2016). Therefore, most manager tends to treat employees differently due to limited time and energy of manager, only small amount of relationship between managers and subordinates are high quality LMX (Pan and Zhou, 2011).

On the one hand, high LMX quality means manager provided preferential treatment to employees, increased communication with employees increased allocation of informal and formal rewards, increased performance related feedback and employees easy access to direct managers (Jongsoo, 2013). On the other hand, employees of low LMX quality with manager means employees just enjoy limited welfare and emotional support (Pan and Zhou, 2011).

### 2.2.1 The Global LMX Theory

According to research by Kessler (2013), LMX was one of the classical theories which supported leadership behaviours, it proved that individual-level outcomes were influenced by LMX quality which relationship between manager and employees. This kind of relationship is very important because both of manager and employees can get the benefits from a mature LMX relationship (Luo et al., 2014). In an international company, subordinates want to communicate more frequently with direct managers, to obtain more resource and development opportunity, such as promotion or engage in advanced studies (Day, 2014). When viewed from a manager's perspective, it is not necessary to inspire or impress employees by commitment which might unexpected, so manager just to make sure that the employees have a normal performance (Luo et al., 2014). The examples above showed that, the employees who hold higher LMX quality were completely different from employees who hold lower LMX quality when employees to evaluate organization, because the former thought that the organization has more positive workplace, less organisational politics and more opportunity of growth (Aafaqi and Ansari, 2016; Day, 2014; Kraimer, Seibert and Wayne et al., 2011). In fact, most of the employees were not worried about the psychological contract violation and had a higher level of trust to organization, which explained why the employees with higher level of LMX quality also have higher motivation and were loyal for manager and organization (Kessler, 2013).

Besides that, LMX provided another research method for leadership which place emphasis on a kind of dyadic relationship (Aafaqi and Ansari, 2016). Based on the research by Kessler (2013), the relationship quality of LMX between manager and employees will influence the result of organizational commitment, employees' performance, employees' retention and business performance. Due to limited time

and energy for manager, manager may improve the organizational efficiency if manager have a better understanding to LMX dimension (Pan and Zhou, 2011). Therefore, manager and employees often had different view that influence the employees' working attitudes and relationship between manager and employees (Day, 2014). In general, both parties had different focus, such as manager was task-oriented, but employees were leadership-oriented (Zhou and Schriesheim, 2010). In addition, the develop of LMX was by a kind of informal contact rather than one-sided performance from employees (Dulebohn et al., 2012). Manager can manage relationships effectively and actively by understanding the dimension of LMX, and then to gain an expected outcome to individual and organization (Kessler, 2013). In short, LMX effectively reflects the relationship behaviours between the superior and the subordinate based on leadership theory and was a great independent variable to organizational commitment (Lim, 2015).

### **2.2.2 LMX in Malaysia**

In Malaysia, according on the research by Zhou and Schriesheim (2010), surveyed 158 state agency employees and 244 undergraduates, less empowerment and associated means a higher level of job satisfaction, job performance, and a higher level of LMX quality was available among the organization.

Based on the research by Hassan (2013), the quality and supervision of LMX would influence the team-oriented organizational commitment for overall team, because team-oriented organizational commitment has relationship with communication correlates and the individual dyad relationships. In many local companies, LMX focused on the role development; the different role classifications defined the different

quality of relations exchange (Nelson, 2012). Pan and Zhou (2011) thought that the manager was hard to do everything alone, so manager must allocate the necessary responsibilities and resources to subordinates who was trust by manager. In local companies, LMX created unique relationship within the work team; when a person appreciates others, in turn, this person will respond to others with acts of kindness (Jongsoo, 2013). In the multinational corporations of Malaysia and Pakistan, the important tasks were delegated to members who were reliable and popular, and unimportant tasks were given to low-priority employees (Jamal, 2011).

Nelson (2012) claimed that the LMX theory was defined as an effectual method, because every employee within organization has opportunity to build the independent dyad relationship. Leadership Making model was explained the lifecycle of LMX which was moving to mature period. In this period, leader-member relationship theory tried to eliminate the bad meaning of prejudice as well as strengthen the righteous perception of employees in the organization (Luo et al., 2014). Duncan and Herrera (2014) affirmed that LMX would stimulate the effectiveness of communication when managers developed the higher quality relationships in work teams.

### **2.2.3 The Positive Dimensions of LMX**

#### ***2.2.3.1 The Positive LMX dimension of Affect***

On the research by Dienesch and Liden (1986), affect can be defined as that the interpersonal attraction was the main basics of the relationship between the mutual affection members of the dyad rather than the purpose from job or professional values. Similar preference and habit was an important factor in relationship and there

were many high level of quality LMX relationships with high level of affect, however, there was not to say that all high quality LMX relationship have high level of affect (Aafaqi and Ansari, 2016).

Liden and Maslyn (1986) explained that affect does not always dominated in the relationship, other dimension of LMX might dominated. Contribution was the most important dimension in the task-oriented LMX, and affect might just have little impact to relationship between manager and employee (Kessler, 2013). However, in the research by Zhou et al. (2010), LMXs were dominated by affect when leader communicated with employees so frequently that employees enjoy the organization. Bridge and Baxter (1992) emphasized that affection has expressed as friendships, and this kind of friendships usually developed through interaction at work.

### ***2.2.3.2 The Positive LMX dimension of Loyalty***

Dienesch and Liden (1986) provided loyalty as the second LMX dimension which can be defined as extent how the leader and member were publicly support each other. With the develop of LMX, Aafaqi and Ansari (2016) included loyalty in the range of LMX dimension. Luo et al. (2014) suggested that the loyalty can be considered a part of an LMX and can play a better role in LMX.

Many researchers (Aafaqi and Ansari, 2016; Day, 2014; Kessler, 2013) discussed about loyalty because that the loyalty was conducive to confirm the types of working tasks which should be entrusted in employees. Sometimes, loyal members were

required by managers to do independent judgment or shoulder the responsibility. In addition, loyalty or commitment also can be viewed as the result of high quality LMX (Dienesch and Liden, 1986).

### ***2.2.3.3 The Positive LMX dimension of Contribution***

Contribution can be defined as a kind of perception which from work-oriented activities' direction, quality and amount each member presents toward the mutual goals of the dyad (Dienesch and Liden, 1986). In research by Arthur-Mensah and Zimmerman (2017), the quality of LMX was influenced by actions which were work-related; these work-related behaviors were often called as performance or extra-contractual behavior. In new LMX, managers were empowered to evaluate each employee's performance and managers were like to build high level of quality LMX with employee who has performance impresses or high contribution (Kraimer et al., 2011). Higher quality can be defined as the greater exchange of valued or resources between manager and employees, and manager tended to provide high value, resource, information and attractive task to specific members (Arthur-Mensah and Zimmerman, 2017).

Indeed, members who impress the managers would get more support and resources from manager or organization (Kraimer et al., 2011). Furthermore, this kind of exchange behavior was already exceeding the range of formal employment contract (Zhou and Schriesheim, 2010).

#### **2.2.3.4 The Positive LMX dimension of Professional Respect**

Based on the research by Liden and Maslyn (1998) on 302 working students and 249 employees, the fourth dimension-professional respect was added to the LMX theory. Arthur-Mensah and Zimmerman (2017) stated that there were different impacts and mechanisms in the four positive LMX dimensions thereby the process of studying the essence and extension of LMX could be more accurate and comprehensive.

Affect is seen differently from professional respect; affect was based on the interpersonal attraction rather than work content (Day, 2014). Loyalty was the extent which the leader and member were publicly support each other, contribution was the trust, support and resources which could lead to achieve the mutual purpose, and professional respect could be defined as the degree of Reputation as a manager in the inside and outside of the organization (Kraimer et al., 2011). Manager could promote the influence of organizational commitment with specific dimensions (Day, 2014).

### **2.3 Moderator – Generational Cohorts**

Based on the research by Costanza et al. (2012), generational cohort could be call as a group of individuals who have the similar experienced and age, and they might have experienced something similar events, histories. This means that a generational cohort might have the impactful collective memories which would have influence on the personality, attitude and value for individuals (Costanza et al., 2012). Generation X (Gen-X) and Generation Y (Gen-Y) were primary objective in this research due to the most Baby Boomers had retired, and Gen-X was the main force today, and Gen-Y

would be next main strength of society (The Star, 2014).

Due to the different experience on economic, social and historical events for target population, Farr-Wharton et al. (2012) defined the generational cohorts based on geographical location, nationality or birth year. American scholar Costanza et al. (2012) stated that Baby Boomer means the booming and prosperous for a country. However, due to the geographical differences, this conclusion does not apply to Malaysia in this research; Malaysia has seen similar Baby Boomer before independence (Costanza et al., 2012). Malaysia flourished after independence in 1957, the sign of prosperity was the transformation of an agricultural country into a manufacturing country (The Star, 2014). Therefore, the research by Lee (2011) was more applicable to this research with the definition of Gen-X (35~53 years old) and Gen-Y (25~34 years old) as it relates to Malaysia's context.

The moderator variable of generation cohort is included into the study because Nelson (2012) had shown that affective commitment of Gen-X was influenced by LMX but LMX does not have distinct influence on Gen-Y; generational cohorts mediated the relationship between work-family conflict, discretionary power, LMX and affective commitment. The study by Yow (2013) in the call center industry of Malaysia showed that as compared with Gen-X and baby boomers, Gen-Y paid more attention to the management practice which has influence on the organizational commitment and loyalty in the organization.



Thus, there is a need to include the generation cohort as a moderating variable in this study to reconfirm whether the generation cohort will influence the relationship between LMX and commitment in the retail sector of Malaysia as previous studies (Lim, 2015; Nelson, 2012; Yow, 2013) have mixed findings.

## **2.4 Linkage Between Positive LMX and Organizational Commitment**

### **2.4.1 The Relevance of Positive LMX to Organizational Commitment of Malaysia**

The performance of employees' in-role, extra-role and work attitude was greatly influenced by a High quality LMX and the organizational commitment has been profoundly influenced (Ariani, 2010). In fact, there has many researches which focused on the results of LMX, especially focused on the outcomes of employees, LMX and organizational commitment has significantly correlation (Kessler, 2013). According on the research by Day (2014), manager and employee will not deliberately focus on gains and losses if a high quality LMX was existed; as a result, the organizational commitment of employees to manager increase. Furthermore, there was greatly important for knowledge employees who hold professional knowledge, knowledge employees have more initiative to choose specific organization and were more susceptible to LMX (Aafaqi and Ansari, 2016).

Many researches (Day, 2014; Kessler, 2013; Pan and Zhou, 2011) showed that the positive relationship was existed between LMX and organizational commitment; in other words, a high level of LMX quality could increase the organizational commitment of employees to organization. In fact, the research by Ariani (2010) mentioned that the individual level of employee was first influenced by LMX, and then

the organizational level was influenced by LMX. Therefore, Pan and Zhou (2011) was interesting to further research about how LMX was linked to organizational commitment from relationship between employees and manager to the relationship between employee and organization.

In the research by Liden and Maslyn (1998) on retail sector employees in Penang, Malaysia, founded that the correlation between LMX and employee performance vary from subject to subject, and this correlation was shown as 0.2 in the research object (services organization). However, the result of research by Varma (2010) showed that the correlation between LMX and employee commitment was 0.79, and the research object was retail organization. Based on the research on the similar industry, there could be similar on the retail sector. (Lim, 2015)

#### **2.4.2 Multidimensional Leadership-Member-Exchange (LMX-MDM) and Organizational Commitment in Global**

LMX suggested that the leaders do not always use the same approach to get on with employees but developed the different relationship types with every employee (Dansereau, Graen, and Haga, 1975; Graen and Cashman, 1975; Liden and Graen, 1980). Therefore, LMX was not a unidimensional theory but a multidimensional theory (Liden and Maslyn, 1998). Luo et al. (2014) argued that the LMX-MDM included multiple elements like social and economic exchange rather than work only. LMX-MDM enables leaders to understand the employees' actions and thoughts (Liden and Maslyn, 1998). Therefore, LMX-MDM reflected a kind of dynamic characteristics which included trust, responsibilities and loyalty between manager and employees within an organization (Lim, 2015).

The research by Dienesch and Liden (1986) involving 302 working students and 249 employees to build a multidimensional LMX scale, the conclusion supported to affect, loyalty, contribution and professional respect-four dimensions. Another example was the research by Olsson et al. (2012) based on the survey of 137 group member which from academic, commercial research and design groups, found out that the dimensions of positive LMX were important to the positive or negative of creative performance.

Dienesch and Liden (1986) defined the four positive LMX dimensions as affect, loyalty, contribution, and professional respect. Based on the sample of 234 employees from 22 German insurance companies and banks, Schyns (2011) promoted the commitment within-group consensus. In addition, Paille et al. (2013) found that perception of employees from manager's support and trust could reduce the turnover intention and improve the organizational commitment, based on the survey of 704 employees working for government sector in Canada. In short, through the study of LMX and organizational commitment, managers can find appropriate approaches to keeping a high-efficiency relationship with employees and further improve the product efficiency (Lim, 2015).

## **2.5 Grounded Theory**

### **2.5.1 Grounded Theory of Organizational Commitment**

Social Exchange Theory was the grounded theory of Organizational Commitment. In Social Exchange Theory, people achieved the desired resource whatever was tangible or intangible by developing a series of social and economic exchanges

(Cook and Rice, 2013). When the people were mutually satisfying, this kind of relationship would continue until the loss and decrease occurred, and then the relationship would worsen or broke up (Bielkiewicz, 2011).

In comparison, organizational commitment focused on the social exchange between individual and organization, employees and subordinate have the primary exchanges but might contribute different, then the contribution influenced the level of commitment within organization, however LMX just focused on the relationship which existed in individuals' social exchange (Gutierrez, Candela and Carver, 2012).

### **2.5.2 Grounded Theory of LMX**

LMX owned two grounded theories which supported LMX, one was Role Theory and the other one was Social Exchange Theory. On the one hand, Role Theory tells about the role-making process would occur not intentionally differentiation because the process of role-making occurred naturally, thus managers will be tested by employees as well as tested to employees (Arthur-Mensah and Zimmerman, 2017; Graen and Scandura, 1987). In the research by Day (2014), manager built a high LMX quality relationship and tried to give employee more responsibility and employee's response would decide whether manager trusted and supported this employee in the future. Therefore, in the definition by Graen and Uhl-Bien (1995), LMX was a process of changing of individuals' relationship from strangers to acquaintances.

On the other hand, on the definition of Social Exchange Theory, Lim (2015) thoughts that the relationships were based on the benefits and originated by one party to the other party, partner could get the reward after another partner was motivated for a reasonable timeframe. Both of partners built a transformable trust relationship which might change from “economic exchange” to “social exchange” among this process, but either partner could stop to keeping this relationship and end of the help if the process beyond job scope (Day, 2014).

Those theory explained why the managers need to decide how to allocate risky tasks and resources to the employees which have a high level of quality LMX, and sometimes, managers set the minimum expectations, but employees were still working as the return of high quality LMX (Kim, Liu, and Diefendorff, 2014).

In Figure 2-1, this structure has the different types of downward dyadic relationship, which includes upward or peer, and this research was focused on the LMX and directly shows the direct relationship from department managers to low level of employees (Day, 2014).

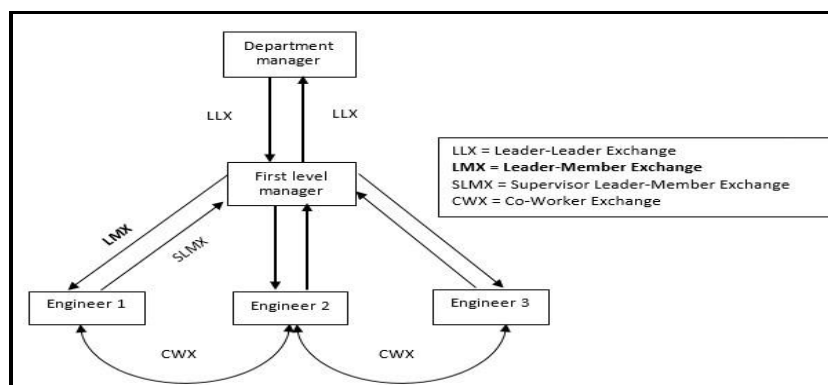


Figure 2-1 Dyadic Relationships at Work (Day, 2014)

## 2.6 Gaps in the Literature

In this chapter, many researchers (Ismail, 2011; Kessler, 2013; Kraimer et al., 2011; Luo et. al., 2014) have carried out in-depth studies on the topic of organizational commitment and LMX. The definition of organizational commitment and LMX's four dimensions have been explained and discussed in chapter 2 section. However, in the researches (Day, 2014; Lub, Bijvank and Blomme et al., 2012; Pelit, 2011) still have some gaps for studies about the topic of organizational commitment and LMX theory.

Many scholars (Jamal, 2011; Juhdi et al., 2013; Rohani, 2012) have carried out research within the area of organizational commitment. Kessler (2013) had done research in the semiconductor industry and Pelit (2011) done research in in-service industry, but less research focused on the research of retail industry like Stringer, Didham and Theivananthampillai (2015). There are many scholars (Aafaqi and Ansari, 2016; Costanza et al., 2012; Murphy et al., 2010) focused on the research of Generation-X in Malaysia, but less research done on the Generation-Y like Lub et al. (2012).

Lub et al. (2012) studied on the topic of LMX and organizational commitment of Generation-Y, but there are limited result of research has related to the organization commitment in retail sector; hence, there have some academic gaps in the retail industry for this research.

The limited studies about organizational commitment and LMX in the retail sector of

Malaysia which means more relevant research was needed which can provide academic guideline. Thought this research, there was benefit the developing of organizational commitment in the organization of Malaysia and keeping the satisfaction and motivation of employees in the organization.

## 2.7 Theoretical Framework

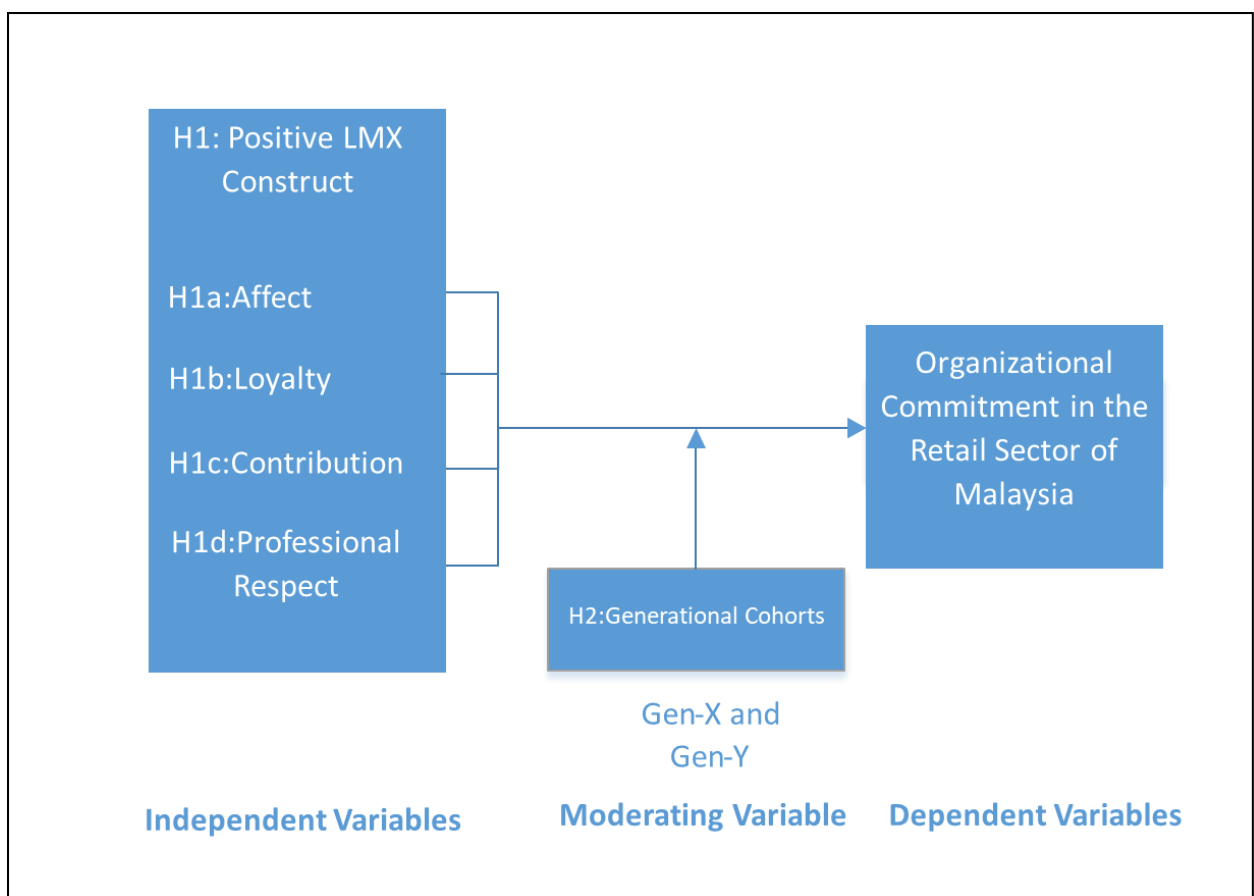


Figure 2-2 Theoretical Framework

## 2.8 Hypotheses

This research was to review the related research of organizational commitment and

positive LMX, and four positive LMX dimensions and view of different generational cohorts for organizational commitment and positive LMX.

The hypotheses were highlighted as following:

**H<sub>1</sub>**. Positive LMX has a significant influence on organizational commitment in the retail sector of Malaysia.

**H<sub>1a</sub>**. The positive LMX dimension of Affect has a significant influence on organizational commitment in the retail sector of Malaysia.

**H<sub>1b</sub>**. The positive LMX dimension of Loyalty has a significant influence on organizational commitment in the retail sector of Malaysia.

**H<sub>1c</sub>**. The positive LMX dimension of Contribution has a significant influence on organizational commitment in the retail sector of Malaysia.

**H<sub>1d</sub>**. The positive LMX dimension of Professional Respect has a significant influence on organizational commitment in the retail sector of Malaysia.

**H<sub>2</sub>**: Generation cohort has a moderating influence between positive LMX and organization commitment in the retail sector of Malaysia.

## **2.9 Conclusion**

In the sum, in this chapter, literature review provided the strongly support for the theoretical framework and hypotheses. The relationship theories between organizational commitment and positive LMX, the positive LMX dimensions were supported by many researches. The research about generational cohorts was also moderated the relationship between organizational commitment and positive LMX.



## CHAPTER 3: RESEARCH METHODOLOGY

### 3.0 Overview

This chapter discussed the research methods applied in this study. The first part was Research design which explained a view of the data collection method and objectives and was linked back to the theoretical framework of the research as provided before. Secondly, the unit of analysis, sampling design, and questionnaire design were explained in this chapter to ensure the validity and reliability of data. After that through the preliminary testing and data analysis to ensure that these strategies are appropriate for this research. In addition, this chapter implemented a brief description of methods in analysis of subsequent data.

### 3.1 Research Design

According to Burns, Crane, Ezeribe, et al. (2017), research design can be defined as a blueprint for conducting a study and minimize interference from the influence factors. Parahoo (2017) thoughts the research design was a plan which including data's collection and analysis. Research design was also as the answer for research question or testing the research hypothesis by researchers (Burns et al., 2017).

Research design has an important influence on the reliability of the results and it provide a solid base for the research (Saunders et al., 2012). Following the research paradigm is important for researcher to support the description of methodology. Moreover, due to the hypotheses were based on the framework and formed in this research, then a deductive approach need to be adopted (Lim, 2015). According to

the research by Kumar (2014), research design makes research as effective as possible and getting the maximum information with as little effort, money and time as possible.

Based on the research by Sekaran and Bougie (2017), a systemic outline was provided in research design as follow in Figure 3.1.

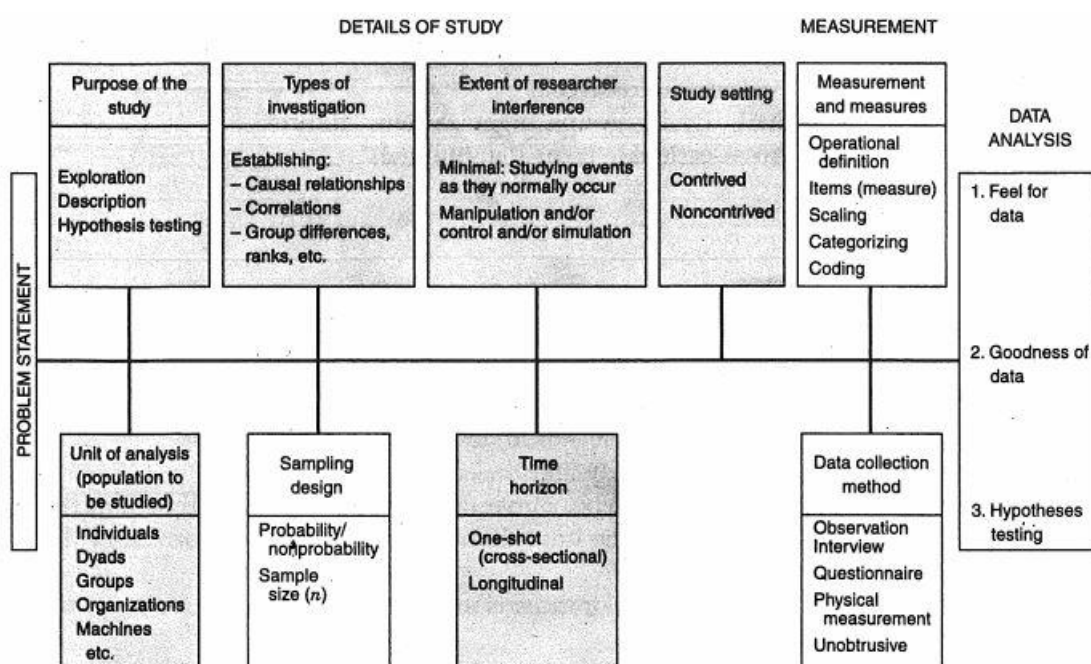


Figure 3-1: Research Design Framework

Source: Sekaran and Bougie (2017).

Based on the research by Sekaran and Bougie (2017), a systemic outline was provided in research design for conducted the research which by the researcher to achieve the objectives of the research. According to the research by Cooper and Schindler (2011), there have three forms of research design which include descriptive, explanatory and exploratory research. The descriptive research was used when the

population characteristic or distinctive phenomenon need to be described by researchers, or a relationship need to be established between selected variables (Saunders et al., 2012). This research will use descriptive research as the form of research design and collect data to analyze and tabulate by quantitative methods. As mentioned in the research by Saunders et al. (2012), one of the advantages of using quantitative method was that the research can reach a wide range of respondents in a short time frame.

Extent of interference is minimum in this research (Diego, 2011). This research was based on the natural environment in the workplace by using questionnaires. Based on the natural environment of the workplace, researchers will be facing the least interference in the common work flow (Shan,2012).

The main purpose of this research is to examine the influence of the positive LMX dimensions to organizational commitment in the retail sector of Malaysia. The data was being collected by questionnaires that were distributed among employees in the retail sector of Malaysia. As the research by Matthey Felli and Mager (2013), research is conducted in the non-contrived settings referring to a natural environment of organization, and the working process should be normal or in manmade settings. The research has always been done in the natural settings, and the most common studies on causal have been done in the environments by artificial laboratory settings (Toury, 2012). In the sum, this study setting is in non-contrived and no manipulation of the research environment is executed.

### **3.2 Unit of Analysis and Time Horizon**

Unit of analysis can be defined as the first step in deciding how researchers will analyze the data, therefore unit of analysis is the major substance of the research, and the next step will be analyzed data for the unit of analysis, such as the individuals of Malaysians (Ganco, Ziedonis and Agarwal, 2015). In this research, there have total about 400 participants. Hence, the individual of organizational commitment in the retail sector among Malaysians can be defined as the unit of analysis in this research.

Cross-sectional can be defined as a research tool which can be used to collect information based on specific data for a specific point in time (Saunders et al., 2012). This research is based on cross-sectional study within one year, and the data collected once only from respondents (Sekaran and Bougie, 2017).

### **3.3 Sampling Design**

Sample design can be defined as a framework, or road map which was the basis for selection of the survey sample and have influence on other important aspects of the survey (Sekaran and Bougie, 2017). Under the background, there are interesting for researchers to getting some type of information from surveys of certain populations of interest (Saunders et al., 2012). Researcher must to define a sampling frame to represent the population of interest and then investigators took samples from sampling frame (Diego, 2011). Choosing a optimal sample design can increase the efficiency of research by researchers and finish the survey in a limited time. According to Shan (2012), the sample may be more accurate than a census in the research.

The population under this study can be defined as the employee in retail sector of Malaysia. In Malaysia, retail sector is a common sector and has about 1,600,000 employees in 2017 (Statista.com, 2018), therefore the employees of retail sector are more representative when research was focus on organizational commitment related to the retail sector of Malaysia.

### **3.3.1 Sampling Plan**

According to Saunders et al. (2012), sampling plan can be defined as a term widely which used in the research studies, sampling plan provided a basis for research. Sampling plan including survey category, sample size, respondents (Ponniah, 2010). The methods of sampling can be classified by Saunders et al. (2012) into two categories: sampling with probability and sampling with no probability.

Convenience sampling was chosen as the sampling method in this research. Convenience sampling was a non-probability sampling which was convenient to collect data from a large number of population (Sekaran and Bougie, 2017). For collecting information efficiently and quickly by researchers, Convenience sampling is a great method when research has a strict constrain for time (Saunders et al., 2012).

### **3.3.2 Sample Size**

According to Zikmund, Babin and Carr et al. (2013), sample size is the number of individual samples or observations which used in the survey or experiment. Based on past research or the number of resources available, researchers made a subjective,

intuitive judgment to determine the necessary sample size (Bryman and Bell, 2015).

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	302	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	1000000	384

Note: N is Population Size; S is Sample Size  
Source: Krejcie & Morgan, 1970

Table 3-1: Krejcie and Morgan's Sample Size Determination Table (1970)

Source: Krejcie and Morgan (1970)

The employees in the retail sector of Malaysia was about 1,600,000 in 2017 (statista.com, 2018). Based on the Krejcie and Morgan's (1970) sample size determination table (Table 3-1), when the number of samples is more than 100,000, the sample size was determined to be 384 and the questionnaires need to exceed the sample size. Assuming the respond rate is 80% during convenient sampling was used in this research. Then the number of questionnaires distribution was determined to be 480 ( $384/80\%=480$ ).

### 3.4 Questionnaire Design

Questionnaire is a list of research questions that want ask to respondents, the

purpose of questionnaire is to obtain information (Conway and Briner, 2012). An optimal questionnaire can make data comparable and amenable to analysis, avoid bias in asking question, and to make problems more attractive (Bauer and Erdogan, 2015).

As summarized in Table 3-2, there are three sections in the survey questionnaire. The first part was collected with demographic information such as age, working experience and company information. The second and third section were adopted independent variables and dependent variable of this research to ensure it is relevant to the constructs in this research. Five-point Likert scale ranging was used in the questions as measurement from one (strongly disagree) to five (strongly agree).

Table 3-2: Summary Table of Questionnaire

Section	Items	No. of Questions	Reference
1	Demographic Profile	3	Yow (2013)
2(Independent Variables)	Affect	4	Liden and Maslyn (1998)
	Contribution	4	
	Loyalty	4	
	Professional Respect	4	
3(Dependent Variable)	Organizational Commitment (Continuance Commitment)	5	Allen and Meyer (1990)
	Organizational Commitment (Normative Commitment)	5	
	Organizational Commitment (Affective Commitment)	5	
4(Moderator Variable)	Gen-X	Demographic by Age	Costanza et al. (2012)
	Gen-Y		

Source: Allen and Meyer (1990), Costanza et al. (2012), Liden and Maslyn (1998), Yow (2013)

### **3.5 Pilot test**

According to the research by Johnson, Messier and Sethares (2014), pilot test is a kind of small research study conducted before a Preliminary test, it has the characteristics of small sample size which appropriate 10 to 30. This research's questionnaire was designed based on the previous studies, therefore it is necessary to carry out pilot testing to ensure the applicability of the problem in this study (Lim, 2015). 20 respondents working in Malaysia's retail sector were selected to answer the proposed pilot test questionnaire and the data was analyzed by factor analysis, reliability test and Correlation matrix Johnson et al. (2014).

#### **3.5.1 Pilot test: Factor Analysis**

According to the research by Zikmund et al. (2013), factor analysis is a kind of techniques which can identify the reduction factor statistically from a large number of measurement variables.

In the factor analysis as shown in Table 3-3, Kaiser-Meyer-Olkin (KMO) has a significant in Bartlett's Test of Sphericity and it must be higher than 0.6 to indicate that sampling adequacy measurement of items in construction is acceptable (Pallant, 2013). If the KMO of DV is less than 0.6, then the more questions need to be add in the questionnaire; if KMO of IV is less than 0.6, it means that the influencing factors are wrong and it should be changed (Zikmund et. al., 2013).

Factor loading refers to the relationship between each variable and underlying factor



(Hair, Wolfinbarger and Money et al., 2015). Higher factor loading is better and low factor loading value's item (less than 0.4) may struggle to load significantly on any factor. Factor loading should be higher than 0.6, but this situation is acceptable if factor loading for the items is 0.5-0.6 in pilot test due to the small sample size in pilot test (Zikmund et al., 2013).

The number of eigenvalues for IVs must be higher than 1 as well as 4 eigenvalues need to higher than 1 in this research, if there's a problem with the eigenvalues, the factors need to be reconsidered (Tasir, Abour and Halim et al., 2012).

Table 3-3 Rule of Thumb for Interpreting the Value Correlation Coefficient

<b>Value of Correlation Coefficient</b>	<b>Interpretation</b>
0.90 to 1.00 (-0.90 to -1.00)	Very high positive (negative) correlation
0.70 to 0.90 (-0.70 to -0.90)	High positive (negative) correlation
0.50 to 0.70 (-0.50 to -0.70)	Moderate positive (negative) correlation
0.30 to 0.50 (-0.30 to -0.50)	Low positive (negative) correlation
0.00 to 0.30 (-0.00 to -0.30)	Negligible correlation

Source: Mukaka (2012)

### **3.5.2 Pilot test: Reliability test**

As stated by Sekaran and Bougie (2017), based on the pilot test's small sample size, reliability testing is conducted to assess reliability stability, internal consistency and underlying error of measurement by Cronbach's alpha. At the most time, researchers test the reliability of questionnaire by SPSS, and Cronbach's alpha the most widely used test in reliability test to measure the internal consistency of an instrument (Nawab and Bhatti, 2011). As stated by Bryman and Bell (2015), the 0.7 is the minimum alpha value which can be accepted, any alpha value which less than 0.7 is

undesirable that may be due to the small number of questions. The reliability level between 0.70 and 0.90 is a satisfactory reliability level which can ensure the reliability for this research, if the condition is not met, the question needs to be changed (Tavakol and Dennick, 2011).

### **3.5.3 Pilot test: Correlation matrix**

Correlation matrix is showed in a table which can showing correlation coefficients between each item (Nawab and Bhatti, 2011). Furthermore, as indicated by Bryman and Bell (2015) that it is necessary to check the factor correlation matrix, IVs related questions cannot correlate with each item, and the dimensions of same IV-can correlate, DV related questions must have correlation with each item.

## **3.6 Measurements**

Measurement can be defined as a forecast process of describing some property of a phenomenon of sample target (Pallant, 2013). As stated by (Sekaran and Bougie, 2017), a data series will be given after forecast the survey result and there is statistical significance of quantitative study requirements (Hair et al., 2015).

### **3.6.1 Descriptive Information**

Demographic information of questionnaires includes age gender and working experience. Based on the generational cohorts as the moderator in this research, age is main information which needs to be collected in order to distinguish between the

gen-X and gen-Y. Based on the research by Costanza et al. (2012), gender is similar to age, which is also a factor leading to the difference in organizational commitment. In addition, different work experience will directly influence the relationship with leaders and the proficiency level of employees' skills (Lim, 2015).

### **3.6.2 Preliminary test**

Comparing with the pilot test, preliminary test is a large-scale study in order to evaluate feasibility and the performance of the research before the full-scale research project, and preliminary test is focused on the full sample size, therefore preliminary test is more accurate and comprehensive than pilot test (Bryman and Bell, 2015).

Factor analysis and reliability test need to be conducted in preliminary test based on the full sample size and all the useable questionnaires (Nawab and Bhatti, 2011). Kaiser-Meyer-Olkin (KMO) has a significant in Bartlett's Test of Sphericity and KMO must be higher than 0.6 to indicate that sampling adequacy measurement of items in construction is acceptable (Pallant, 2013). Higher factor loading is better and low factor loading item (less than 0.4) may struggle to load significantly on any factor (Bryman and Bell, 2015). In the preliminary test, the factor loading of the factor analysis must be higher than 0.6 and the items should be removed if the factor loading less than 0.6 (Tavakol and Dennick, 2011). Furthermore, the number of eigenvalues for IVs must be higher than 1 as well as 4 eigenvalues need to higher than 1; in this research, if there is a problem with the eigenvalues, the factors need to be reconsidered (Tasir et al., 2012).

Based on the preliminary test's all the useable questionnaires, reliability testing is conducted to assess reliability stability, internal consistency and underlying error of measurement by Cronbach's alpha (Bryman and Bell, 2015). 0.7 is the minimum alpha value which can be accepted, any alpha value which less than 0.7 is undesirable that may be due to the small number of questions (Nawab and Bhatti, 2011). If Cronbach's alpha is less than 0.7, the question needs to be changed (Tavakol and Dennick, 2011).

### **3.6.3 Hypothesis Testing**

Hypothesis testing is another way in the test of statistics that used to test the assumption of research based on a population parameter (Saunders et al., 2012). At the most time, Hypothesis test was used to test the result of assumption in the research which focused on sample data from a larger population (Sekaran and Bougie, 2017).

#### ***3.6.3.1 Multiple Regression Analysis and Beta coefficient***

Multiple Regression Analysis is used in the development of equation in estimating the self-weighting, and Multiple Regression Analysis shows the value of a reliable variable out of the values of standalone variables (Zikmund et al., 2013). According to Saunders et al. (2012), Beta coefficient,  $\beta$  represents the estimation for linear association's strength and the trend between ratio and interval variables (Sekaran and Bougie, 2017). The scope of coefficient is between +1 and -1, and the higher number of coefficient means the greater link (Zikmund et al., 2013). The acceptable scope of coefficient is generally  $p < 0.05$  (Saunders et al., 2012).

According to Ramanathan et al. (2014) the situation of regression model is shown by the coefficient (Beta) of determinant and the percentage of change in the reliable variables is also explained by the change in standalone variable. Regression model can explain most of the changes in reliable variables when the coefficient is close to 1, in other words, IVs have more influence on DV when the absolute value of Beta is close to 1, and if Beta is close to 0, then there has less influence on DV from IVs (Nawab and Bhatti, 2011).

### **3.6.3.2 ANOVA**

When comparing the means of difference between the two or more samples, one-way ANOVA method can be adopted by researchers (Sekaran and Bougie, 2017). There have many methods of analysis for one-way ANOVA, such as Dunnett's test which comparing each of a number of treatments with a single control, however Kruskal–Wallis one-way analysis can be considered more suitable for this research because Kruskal–Wallis one-way analysis needs to sort the data and assess for significant differences which are more accurate (Nirmala, 2014). According to French et al. (2015), the researchers also need to test for homogeneity of variance in order to test the equality of variance assumption. If the p-value is less than 0.05, then there is not assumed for equal variance and the reverse is also true (Sekaran and Bougie, 2017). In this research, based on the ANOVA test of equality means, if the p-value the is less than 0.05, it means the positive LMX and the dimensions have difference with organizational commitment (Lim, 2015).

### **3.6.3.3 Hierarchical Regression**

As stated by Hayes (2013), when the researchers want to explore the links among reliable variable and a few standalone variables and to test, then hierarchical regression is a suitable statistical method. Hierarchical regression means standalone variables enter regression in step rather than simultaneously (Pieterse, 2010).

This part can be divide into two stages: independent, dependent variables, moderating variable are brought into the regression in the first stage and respective independent variable and moderating variable are brought into the regression in the second stage (Ramanathan et al., 2014). The differences of explanatory power ( $R^2$ ) between two stages can be used to verify the effect of moderator and significant  $R^2$  value shows the moderating effects which cannot less than 0.5 and the standardized  $\alpha$  should be used as 0.05 (Hair et al., 2015).

## **3.7 Ethical Consideration**

According to the research by Resnik (2011), Ethics can be defined as a kind of procedure, method, or perspective for researchers when researchers determine to act and for evaluating complex issues. Ethical considerations are a part of research which should be considered, such as a consent form should be signed by participants before participants participate in the survey (Resnik, 2011). It is also include providing purpose of the research, methods and other research information to participants that can ensure participants understand the research details (Lim, 2015). Manipulating, misrepresenting data is unethical, and the researchers need to make sure that data is not used in the future (Resnik, 2011).

In addition, researcher obtains secondary data which used in the literature review from established sources with appropriate reference, to ensure that the data is not plagiarized (Sekaran and Bougie, 2017). Questionnaires are adopted from prominent researches and Reliability testing is to ensure the reliability of research (Resnik, 2011).

### 3.8 Conclusion

In conclusion, methodology of this research is based on the research by prominent researchers, to ensure the data's validity, reliability and ensure the method of data collection is suitability of data analysis methods. The suitability of data is ensured by pilot test and preliminary test for further analysis too. Besides that, the research includes ethical considerations which to ensure that the action of research is ethical.

GANTT Chart of this research as follow as Figure 3-2.

Figure 3-2: GANTT Chart

Milestone	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Week 14
Research Title														
Research Proposal														
Conceptual Framework														
Research Objectives														
Research Questions														
Hypotheses														
Chapter 1 Draft														
Chapter 2 Draft														
Chapter 1 & 2 Submission														
Chapter 3 Draft														
Final Draft														
Chapter 1, 2&3 Submission														
Presentation														

Source: Parahoo (2017)

## CHAPTER 4. RESEARCH FINDINGS

### 4.0 Overview

In the chapter 4, six hypotheses of the research were tested statistical analysis with SPSS analysis tool. Firstly, this research provided the data of pilot test analysis, such as factor analysis, reliability testing, and then a descriptive statistic provided demographic profile of respondents. Preliminary test was then tested by the same ways to ensure the data collected are effective. The data of Hypotheses testing was given in the next parts to test hypotheses. Lastly, the summary of findings was elaborated in a table.

### 4.1 Pilot test

According to Kothari (2013), the pilot test should be accomplished before distributing questionnaires to respondents, the purpose is to examine the suitability of the questionnaire items. According to De Vaus (1993), the pilot test is helping to minimize the risk and to warn researcher on the problem area before proceeding to a full scale of distribution. The questionnaire of this research is designed online and was sent to Malaysian respondents with Uniform Resource Identifier (URL) link which is a more convenience and sustainable way. The first 40 responses' data was be used in the pilot test which including Factor Analysis and Reliability test to ensure the questionnaire to be appropriate, applicable and consistent for this research.



### 4.1.1 Factor Analysis

According to Sekaran and Bougie (2016), the factor analysis could be used to check the variables and constructs of the questionnaire. Factor analysis provided the insights of any items and whether the items are needing to be removed to ensure the strong of validity and suitability of the questionnaire (Diego, 2011). Based on the Table 4-1, the result of IV's factor analysis for pilot test is 0.773, which is more than 0.6 and to indicate that sampling adequacy measurement of items in construction is acceptable. According to Sekaran and Bougie (2017), if the factor loading is more than 0.6, then the research's variable and construct is accepted for further analyses in this research.

Table 4-1 KMO and Bartlett's Test (IV)

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.773
Bartlett's Test of Sphericity	Approx. Chi-Square	341.318
	df	120
	Sig.	.000

The Table 4-2 showed the detailed factor loading of each IVs' item in the research. According to Williams et al. (2012), the questions can be considered valid and acceptable if the communalities are more than 0.6. As expected, all the values in communalities are higher than 0.6 in the questions of IVs and then all the questions can be acceptable and be used for further analysis.

Table 4-2 Communalities (IV)

	Initial	Extraction
Q4_1	1.000	.701
Q4_2	1.000	.833
Q4_3	1.000	.722
Q4_4	1.000	.715
Q5_1	1.000	.871
Q5_2	1.000	.811
Q5_3	1.000	.720
Q5_4	1.000	.765
Q6_1	1.000	.763
Q6_2	1.000	.635
Q6_3	1.000	.811
Q6_4	1.000	.894
Q7_1	1.000	.705
Q7_2	1.000	.618
Q7_3	1.000	.718
Q7_4	1.000	.755

Extraction Method: Principal  
Component Analysis.

As the similar results showed for DV, the value of KMO Bartlett's test of Sphericity for DV in the research which has been showed in the Table 4-3. The result of DV's factor analysis for pilot test is 0.826, which is more than 0.6 and to indicate that sampling adequacy measurement of items in construction is acceptable. The Table 4-4 above provided all the values in communalities are higher than 0.6 in the questions of DV, than all the questions can be acceptable and be used for further analysis.

Table 4-3 KMO and Bartlett's Test (DV)

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.826
Bartlett's Test of Sphericity	Approx. Chi-Square	369.736
	df	105
	Sig.	.000

Table 4-4 Communalities (DV)

	Initial	Extraction
Q8_1	1.000	.696
Q8_2	1.000	.798
Q8_3	1.000	.716
Q8_4	1.000	.705
Q8_5	1.000	.745
Q8_6	1.000	.666
Q8_7	1.000	.749
Q8_8	1.000	.686
Q8_9	1.000	.617
Q8_10	1.000	.861
Q8_11	1.000	.826
Q8_12	1.000	.857
Q8_13	1.000	.836
Q8_14	1.000	.611
Q8_15	1.000	.862

Extraction Method: Principal  
Component Analysis.

According to Pallant (2011), the constructs are the most relevant component(s) if the eigenvalue is more than 1, and which will determine the feasibility of further statistical analysis. As the Table 4-5 showed, the first factor of independent variable with eigenvalues are more than the cut-off criteria 1 and it explains 42.62%, and the first five factor of independent variable's dimensions with eigenvalues are more than the cut-off criteria 1.

Therefore, it can be concluded that the scale taken for the positive LMX are correlated with each other and it can be used for further analyses without any remove of questionnaire because both of KMO Bartlett's test of Sphericity and MSA are deemed to be adequate for this research (Sekaran and Bougie, 2017).

Table 4-5 Total Variance Explained (IV)

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.819	42.618	42.618	6.819	42.618	42.618
2	1.826	11.414	54.032	1.826	11.414	54.032
3	1.284	8.025	62.057	1.284	8.025	62.057
4	1.092	6.825	68.881	1.092	6.825	68.881
5	1.017	6.358	75.240	1.017	6.358	75.240
6	.706	4.409	79.649			
7	.572	3.576	83.225			
8	.554	3.463	86.689			
9	.455	2.841	89.530			
10	.380	2.375	91.905			
11	.376	2.350	94.255			
12	.300	1.878	96.133			
13	.249	1.554	97.687			
14	.160	.997	98.684			
15	.139	.869	99.553			
16	.071	.447	100.000			

Extraction Method: Principal Component Analysis.

Subsequently, as the Table 4-6 showed that the first factor of dependent variable with eigenvalues are more than the cut-off criteria 1 and it explains 50.18%, and the first four factor of dependent variable's dimensions with eigenvalues are more than the cut-off criteria 1 which therefore means that the research's construct is relevant and appropriate and the data can be analyzed in the future analysis.

Therefore, it can be concluded that the scale taken for the organizational commitment is correlated with each other and it can be used for further analyses without any remove of questionnaire because both of KMO Bartlett's test of Sphericity and MSA are deemed to be adequate for this research (Sekaran and Bougie, 2017).

Table 4-6 Total Variance Explained (DV)

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.527	50.181	50.181	7.527	50.181	50.181
2	1.460	9.736	59.917	1.460	9.736	59.917
3	1.180	7.865	67.782	1.180	7.865	67.782
4	1.063	7.088	74.870	1.063	7.088	74.870
5	.672	4.480	79.350			
6	.568	3.789	83.139			
7	.497	3.311	86.450			
8	.434	2.890	89.341			
9	.378	2.521	91.862			
10	.340	2.267	94.128			
11	.270	1.801	95.930			
12	.240	1.598	97.528			
13	.180	1.200	98.728			
14	.120	.803	99.531			
15	.070	.469	100.000			

Extraction Method: Principal Component Analysis.

#### 4.1.2 Reliability Test

Table 4-7 Reliability  
Statistics (IV)

Cronbach's Alpha	N of Items
.885	16

Table 4-8 Reliability  
Statistics (DV)

Cronbach's Alpha	N of Items
.916	15

According to Bryman and Bell (2015), Reliability Test was necessary which after

Factor Analysis, and the purpose of Reliability Test is to ensure the questionnaires can be understood by participants and the data can be used to conduct the analyses. As the Table 4-7 and 4-8 showed, in general Cronbach's alpha of this research, the whole questionnaire was reliable and a high internal consistency reliability.

Table 4-9 Summary of Results of Reliability Analysis

<b>Variables</b>	<b>Cronbach's Alpha</b>	<b>Number of Items</b>
Affect (Independent variable)	0.638	4
Loyalty (Independent variable)	0.663	4
Contribution (Independent variable)	0.682	4
Professional Respect (Independent variable)	0.816	4
Continuance Commitment (Dependent variable)	0.844	5
Normative Commitment (Dependent variable)	0.824	5
Affective Commitment (Dependent variable)	0.641	5

The reliability test was constituted by all the dependent variable and independent variables, and it should be above 0.7, however 0.6 was also considered acceptable

as mentioned by Zikmund et al. (2013). As the Table 4-9 displayed that the lowest Cronbach's Alpha value is 0.638 and the highest is 0.844 which showed a high internal consistency reliability. The results showed all the questionnaires could be reserved.

## 4.2 Demographic Profile

Based on 386 valid responses, the Figure 4-1 showed the 44.0% (170) responses were from male, and 55.9% (216) were from female. The most respondents about 43.7% (169) are 30-39 years old which is the largest target group of respondents. In the terms of generational cohorts, about 65.8% respondents were from Gen-Y, 56.2% were from Gen-X, which percentage was no pretty good but was acceptable. Besides that, majority of the respondents worked for zero to two years (29.0%), followed by respondents worked for two to five years (27.5%), 6 to 9 years (21.5%), 10 to 15 years (5.7%), and above 15 years (16.3%) as shown in Figure 4-3.

Table 4-10 Demographic Profile

		Frequency	Percentage (%)
Gender	Male	170	44.0
	Female	216	55.9
Age	20 – 29 years old	85	22.0
	30-39 years old	169	43.8
	40-49 years old	88	22.8
	50 years old and above	44	11.4
Number of Years Worked	2 years and below	112	29.0
	2-5 years	106	27.5
	6-9 years	83	21.5
	10-15 years	22	5.7
	Above 15 years	63	16.3

### 4.3 Preliminary tests

This part was talk about preliminary data analyses which including Factor Analysis and Reliability test. According to Zikmund et. al. (2013), factor analysis usually can be used to reduce the variables by grouping or indexing the variables that measure similar construct. And the second is reliability analysis which should be consistently reflects the construct as a scale and the it has the internal consistency (Drost, 2011). The data were analyzed by SPSS. 386 respondents' data were validated in the preliminary test and were appropriate for the hypothesis testing.

#### 4.3.1 Factor Analysis

Factor Analysis is used to be confirm the validity of the constructs. Firstly, KMO Bartlett's test of Sphericity was used to measure the research data adequacy, and the overall KMO should be higher than 0.6 (Pallant, 2013). Secondly, Bartlett's tests were used to test the significance value which should be of  $p < 0.05$  (Zikmund et. al., 2013). In addition, communalities were used to confirm the validity of the research constructs, and communalities value should exceed 0.6 (Hair, Wolfinbarger and Money et al., 2015).

According to Sekaran and Bougie (2016), the factor analysis could be used for Preliminary tests to check the variables and constructs of the questionnaire. The following Table 4-11 displayed the result of KMO value is 0.825 for independent variable, which is above 0.6 and the detailed factor loading of each IVs' item has also showed in Table 4-12 that the communalities are more than 0.6, then all the independent variable's questions can be acceptable and be used for further analysis.



Table 4-11 KMO and Bartlett's Test (IV)

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.825
Bartlett's Test of Sphericity	Approx. Chi-Square	2979.664
	df	120
	Sig.	.000

Table 4-12 Communalities  
(IV)

	Initial	Extraction
Q4_1	1.000	.770
Q4_2	1.000	.752
Q4_3	1.000	.687
Q4_4	1.000	.691
Q5_1	1.000	.820
Q5_2	1.000	.733
Q5_3	1.000	.788
Q5_4	1.000	.817
Q6_1	1.000	.639
Q6_2	1.000	.677
Q6_3	1.000	.774
Q6_4	1.000	.680
Q7_1	1.000	.821
Q7_2	1.000	.761
Q7_3	1.000	.768
Q7_4	1.000	.752

Extraction Method: Principal  
Component Analysis.

Subsequently, the following Table 4-13 displayed the result of KMO value is 0.844 for dependent variable, which is above 0.6 and the detailed factor loading of each item of dependent variable has also showed in Table 4-14 that the communalities are more than 0.6, then all the dependent variable's questions can be acceptable and be used for further analysis.

Table 4-13 KMO and Bartlett's Test (DV)

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.844
Bartlett's Test of Sphericity	Approx. Chi-Square	2790.913
	df	105
	Sig.	.000

Table 4-14 Communalities  
(DV)

	Initial	Extraction
Q8_1	1.000	.715
Q8_2	1.000	.686
Q8_3	1.000	.763
Q8_4	1.000	.676
Q8_5	1.000	.630
Q8_6	1.000	.801
Q8_7	1.000	.697
Q8_8	1.000	.715
Q8_9	1.000	.668
Q8_10	1.000	.661
Q8_11	1.000	.637
Q8_12	1.000	.720
Q8_13	1.000	.728
Q8_14	1.000	.766
Q8_15	1.000	.614

Extraction Method: Principal

Component Analysis.

According to Pallant (2011), eigenvalue was showed the feasibility of further statistical analysis, if the eigenvalue is more than 1, then the constructs are the most relevant component(s). As the Table 4-15 displayed that the first factor of independent variable with eigenvalues are more than the cut-off criteria 1 and it explains 31.18%, and the first five factor of independent variable's dimensions with eigenvalues are more than the cut-off criteria 1.

Therefore, it can be concluded that the scale taken for the positive LMX are correlated with each other and it can be used for further analyses without any remove of questionnaire because both of KMO Bartlett's test of Sphericity and MSA are deemed to be adequate for this research (Sekaran and Bougie, 2017).

Table 4-15 Total Variance Explained (IV)

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.989	31.182	31.182	4.989	31.182	31.182
2	2.552	15.951	47.133	2.552	15.951	47.133
3	2.012	12.574	59.707	2.012	12.574	59.707
4	1.293	8.083	67.791	1.293	8.083	67.791
5	1.084	6.776	74.566	1.084	6.776	74.566
6	.564	3.525	78.091			
7	.512	3.201	81.291			
8	.470	2.939	84.231			
9	.450	2.812	87.042			
10	.379	2.370	89.412			
11	.343	2.141	91.553			
12	.333	2.084	93.637			
13	.300	1.874	95.511			
14	.259	1.620	97.130			
15	.256	1.603	98.733			
16	.203	1.267	100.000			

Extraction Method: Principal Component Analysis.

Subsequently, as the Table 4-16 showed that the first factor of dependent variable with eigenvalues are more than the cut-off criteria 1 and it explains 30.50%, and the first four factor of dependent variable's dimensions with eigenvalues are more than the cut-off criteria 1 which therefore means that the research's construct is relevant and appropriate and the data can be analyzed in the future analysis.

Therefore, it can be concluded that the scale taken for the organizational commitment is correlated with each other and it can be used for further analyses without any remove of questionnaire because both of KMO Bartlett's test of Sphericity and MSA are deemed to be adequate for this research (Sekaran and Bougie, 2017).

Table 4-16 Total Variance Explained (DV)

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.576	30.505	30.505	4.576	30.505	30.505
2	3.355	22.368	52.872	3.355	22.368	52.872
3	1.343	8.952	61.824	1.343	8.952	61.824
4	1.203	8.020	69.844	1.203	8.020	69.844
5	.719	4.796	74.640			
6	.662	4.411	79.051			
7	.564	3.758	82.810			
8	.429	2.862	85.672			
9	.394	2.626	88.298			
10	.364	2.428	90.727			
11	.349	2.329	93.056			
12	.313	2.083	95.139			
13	.265	1.767	96.906			
14	.248	1.653	98.560			
15	.216	1.440	100.000			

Extraction Method: Principal Component Analysis.

#### 4.3.2 Reliability test

Table 4-17 Reliability  
Statistics (IV)

Cronbach's Alpha	N of Items
.829	16

Table 4-18 Reliability  
Statistics (DV)

Cronbach's Alpha	N of Items
.786	15

Reliability analysis was also used in preliminary tests and is one of the important ways of analysis. In reliability analysis, if the Cronbach's Alpha is more than 0.7, then the data can be viewed as having good internal consistency (Pallant, 2011).

Therefore, the whole Cronbach's Alpha of IV and DV are more than 0.7 as the Table 4-17 and Table 4-18 showed, which is taken as acceptable and good internal consistency.

Besides that, Table 4-19 below displayed the results of Cronbach's Alpha value for each IV and DV, and if any item was deleted or removed, then the values of Cronbach's Alpha were might be reduced because every items were correlated along with the construct. Therefore, the whole questionnaires are internally consistent and the data could be analyzed for further.

Table 4-19 Summary of Results of Reliability Analysis

Variables	Cronbach's Alpha	Number of Items
Affect (Independent variable)	0.810	4
Loyalty (Independent variable)	0.712	4
Contribution (Independent variable)	0.760	4
Professional Respect (Independent variable)	0.762	4
Continuance Commitment (Dependent variable)	0.839	5
Normative Commitment (Dependent variable)	0.700	5
Affective Commitment (Dependent variable)	0.825	5

#### 4.4 Hypotheses Testing for DV and IV

As illustrated in the Chapter 2, this research provided six hypotheses. Once the questionnaires' data was proved as applicable, suitable and related to the research, the hypotheses testing can be executed (Saunders et al., 2012). Multiple regression,

Beta Coefficient, VIF/Multicollinearity was used to test the first five hypotheses, which were used to ascertain the relationships between independent variables (Positive LMX and its dimensions) and dependent variable (Organizational commitment). The moderating effect (Generation cohort) was evaluated by Multiple Linear Regressions, one-way ANOVA test and cross-tabulation. The following listed the Hypotheses in the research to examine :

**H<sub>1</sub>**. Positive LMX has a significant influence on organizational commitment in the retail sector of Malaysia.

**H<sub>1a</sub>**. The positive LMX dimension of Affect has a significant influence on organizational commitment in the retail sector of Malaysia.

**H<sub>1b</sub>**. The positive LMX dimension of Loyalty has a significant influence on organizational commitment in the retail sector of Malaysia.

**H<sub>1c</sub>**. The positive LMX dimension of Contribution has a significant influence on organizational commitment in the retail sector of Malaysia.

**H<sub>1d</sub>**. The positive LMX dimension of Professional Respect has a significant influence on organizational commitment in the retail sector of Malaysia.

**H<sub>2</sub>**: Generation cohort has a moderating influence between positive LMX and organization commitment in the retail sector of Malaysia.

#### **4.4.1 Multiple Regression**

As the following Table 4-20 showed, the correlation coefficient of DV and IV was

0.703 in this research and the multiple regression (R Square) was 0.495 that showed how strength of the relationship dependent variable and independent variables, which means 49.5% of variance in organizational commitment (DV) is clarified by the positive LMX (IV). While, the remaining 50.5% are unclarified as other variables or items of the constructs that were not involved in the research and this value is generally considered a weak or low effect size. During the R Square was near than 0.5, then the value is acceptable, but it is not fit. However, judging an analysis just based on R square is a serious error, data would also be analyzed by Beta coefficient (Lukacs, Burnham and Anderson, 2010). Based on the following analysis, it can be assumed that the model of this research was described the positive relationship between organizational commitment and positive LMX.

Durbin-Watson showed as 1.842, which falls in between 1.5 and 2.5, then the variables can be proved to be independent, and the multicollinearity assumption of the variables also have been achieved (Saunders, Lewis and Thornhill, 2012). In Table 4-21, ANOVA analysis showed that the level of significant is at 0.001 (P=0.000) in regression model.

Table 4-20 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.703 <sup>a</sup>	.495	.489	.37446	1.842 <sup>a</sup>

a. Dependent Variable: q8mean

b. Predictors: (Constant), q7mean, q6mean, q5mean, q4mean

Table 4-21 ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	52.270	4	13.067	93.192	.000 <sup>b</sup>
	Residual	53.424	381	.140		
	Total	105.694	385			

a. Dependent Variable: q8mean

b. Predictors: (Constant), q7mean, q6mean, q5mean, q4mean

#### 4.4.2 Beta coefficient

After analyzing by multiple regression, the Table 4-22 showed the regression outcome as follow:

Table 4-22 Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.167	.145		8.049	.000		
	Affect	.143	.026	.264	5.470	.000	.571	1.753
	Contribution	.190	.029	.311	6.625	.000	.601	1.664
	Loyalty	.121	.030	.162	4.062	.000	.830	1.204
	Professional Respect	.204	.031	.248	6.550	.000	.923	1.084

a. Dependent Variable: q8mean

From the Coefficients Table 4-22, it showed that the three factors Affect ( $P = 0.000$ , significant at 0.001 level), Contribution ( $P = 0.000$ , significant at 0.001 level), Loyalty ( $P = 0.000$ , significant at 0.001 level) and Professional Respect ( $P = 0.000$ , significant at 0.001 level) were noted to be the predictor for organizational commitment. The highest standard coefficient is 0.311 of positive LMX dimension of Contribution, which is the most dominant influence factor of organizational commitment in the retail sectors of Malaysia. The positive LMX dimension of Affect with the coefficient of 0.264, the positive LMX dimension of Loyalty with the coefficient of 0.162, and the positive LMX dimension of Professional Respect with the coefficient of 0.248 also have some positive influence on organizational commitment in the retail sectors of Malaysia (Pallant, 2011).

Based on the information as above, the formula can be given, where

$$y = 1.167 + 0.143X_1 + 0.190X_2 + 0.121X_3 + 0.204X_4 + \varepsilon$$



$y$  = Organizational commitment in retail sector of Malaysia

$X_1$  = The positive LMX dimension of Affect

$X_2$  = The positive LMX dimension of Contribution

$X_3$  = The positive LMX dimension of Loyalty

$X_4$  = The positive LMX dimension of Professional Respect

$\varepsilon$  = Error

The results of analysis showed that all five hypotheses were accepted. As the Table 4-23 showed, the positive LMX dimension of Affect, the positive LMX dimension of Contribution, the positive LMX dimension of Loyalty and the positive LMX dimension of Professional Respect all have a significant positive relationship with organizational commitment in the retail sector of Malaysia.

Table 4-23 Status of Hypotheses

Hypotheses	Status
<b>H<sub>1</sub>.</b>	Accepted
<b>H<sub>1a</sub>.</b>	Accepted
<b>H<sub>1b</sub>.</b>	Accepted
<b>H<sub>1c</sub>.</b>	Accepted
<b>H<sub>1d</sub>.</b>	Accepted

#### 4.4.3 VIF/ multicollinearity

Table 4-24 Coefficients<sup>a</sup>

Model		Collinearity Statistics	
		Tolerance	VIF
1	q4mean	.571	1.753
	q5mean	.601	1.664
	q6mean	.830	1.204
	q7mean	.923	1.084

a. Dependent Variable: q8mean

Multicollinearity analysis can be used to ensure that the factors are not correlating too severely with each other to lead to skewness (Saunders, Lewis and Thornhill, 2012). As the Table 4-24 showed, the VIF of IVs are less than 10, then the factors are not correlating too severely with each other to lead to skewness.

#### 4.5 Hypothesis Testing for Moderation

During the high generation diversity in the workforce, then the generation cohorts can be proposed as moderator that is deemed to have an influence on the relationship between the positive LMX and organizational commitment in the retail sector of Malaysia (Lee, 2011). The employees' aged between 21 > 39 is taken as Generation Y, and employees aged above 40 as Generation X. Firstly, the cross-tabulation test can be used in this part. As the Table 4-25 showed, among the 386 respondents, 29.0% (n = 112) has tenure of less than 2 years, within these employees it was found that 80.4% (n = 90) is from Generation Y and only 19.6% is from Generation X. The most Generation Y who has only 2 years work experience or less. Then the most of respondents are from generation Y who has 2 years' work experience or less and assuming that they need positive LMX to their organizational commitment.

Table 4-25 Age \* Number of years worked Crosstabulation

			Number of years worked					Total
			2 years and below	2-5 years	6-9 years	10-15 years	above 15 years	
Age	20-29	Count	63	17	4	0	1	85
		% of Total	16.3%	4.4%	1.0%	0.0%	0.3%	22.0%
	30-39	Count	27	64	55	9	14	169
		% of Total	7.0%	16.6%	14.2%	2.3%	3.6%	43.8%
	40-49	Count	14	17	20	12	25	88
		% of Total	3.6%	4.4%	5.2%	3.1%	6.5%	22.8%
	50 years and above (>50)	Count	8	8	4	1	23	44
		% of Total	2.1%	2.1%	1.0%	0.3%	6.0%	11.4%
Total		Count	112	106	83	22	63	386
		% of Total	29.0%	27.5%	21.5%	5.7%	16.3%	100.0%

Firstly, the Moderating effect should be tested by multiple regression-stepwise method. In this method, the predictor variable (age) was be add to the regression that best correlate with the dependent variable and the uncorrelated predictor variables could be deleted. In this way, the regression equation was generated with age as the significant predictor variables. The amount of variance in the dependent variable was showed as R Square value and which can be explained by independent variables. In the Table 4-26, R Square value is 0.495 which means the IV "LMX" accounts for 49.5% of the variability of organizational commitment. However, The independent variables "LMX" and "age" together account for 49.5% of the variability of organizational commitment.

Table 4-26 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.703 <sup>a</sup>	.495	.489	.37446
2	.703 <sup>b</sup>	.495	.488	.37489

a. Predictors: (Constant), q7mean, q6mean, q5mean, q4mean

b. Predictors: (Constant), q7mean, q6mean, q5mean, q4mean, Age

Furthermore, ANOVA could be used to test the significance of each regression model to check if the regression predicted by the independent variables explains a significant amount of the variance in the dependent variable. The essential items of ANOVA include df, the F value and the probability value which can be used to explain the a significant amount of the variation in the dependent variable. In Table 4-27, both

of two model showed the p-value is 0.001 which is less than 0.05, then the results mean that the Generation cohort has a moderating influence between positive LMX and organization commitment in the retail sector of Malaysia.

Table 4-27 ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	52.270	4	13.067	93.192	.000 <sup>b</sup>
	Residual	53.424	381	.140		
	Total	105.694	385			
2	Regression	52.287	5	10.457	74.406	.000 <sup>c</sup>
	Residual	53.407	380	.141		
	Total	105.694	385			

a. Dependent Variable: q8mean

b. Predictors: (Constant), q7mean, q6mean, q5mean, q4mean

c. Predictors: (Constant), q7mean, q6mean, q5mean, q4mean, Age

Based on the research by Pallant (2011), the variable has to be not violating the homogeneity of variance before running the ANOVA analysis. According to Table 4-28, Levene's test proved that the organizational commitment in the retail sector of Malaysia is not violated, as there is statistical significance that the variable has difference in variance.

Table 4-28 Test of Homogeneity of Variances

q8mean

Levene Statistic	df1	df2	Sig.
.379	3	382	.768

Table 4-29 ANOVA

q8mean

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.534	3	.178	.646	.586
Within Groups	105.161	382	.275		
Total	105.694	385			

Since Pallant (2011) emphasized that the multiple comparison analysis can only be used when the significant is  $p < 0.05$  in ANOVA test. However, according to Table 4-26 ANOVA analysis showed that is significance difference between or within group of employees in the retail sector of Malaysia. In addition, Table 4-29 showed that there is statistical difference in generation cohorts as well thus, there is moderation effect between positive LMX and organizational commitment. Hypothesis 2 is accepted.

## 4.6 Summary of Findings

Table 4-30 Summary of Findings

Test	Sample size	Type of Tests	Output	Finding/ Decision
Pilot Test	40	Factor Analysis	KMO > 0.70	Fit to the research
			Factor Loading > 0.60	Fit to the research as all the items meets the communalities cut of line value.
			Eigenvalues > 1	Fit to the research
		Reliability Test	Cronbach's Alpha > 0.60	Fit to the research.
Preliminary Test		Factor Analysis	KMO > 0.70	Fit to the research
			Factor Loading > 0.60	Fit to the research as all the items meets the communalities cut of line value.
			Eigenvalues > 1	Fit to the research
		Reliability Test	Cronbach's Alpha > 0.70	Fit to the research.
Hypotheses Testing for DV and IV	386	Multiples Linear Regression	Model Summary Model 1 (DV, IVs): R value = 0.703 R Square value = 0.495	Model 1 is fit to the research as the value of r and R Square means the IVs has a significant relationship towards DV.
			Durbin-Watson d value = 1.842	The value of d showed that there is no autocorrelation in this test for the research as the value is between two critical values of 1.5 < d < 2.5.
			ANOVA p-value = 0.000	Fit to research as the significant value is p=0.000.
		Beta coefficient	Beta Coefficient β-value of Affect= 0.240 β -value of Contribution= 0.311 β-value of Loyalty= 0.162 β -value of Professional Respect= 0.248	The highest influences on the DV is the Contribution factor which has β-value 0.311.
VIF/ multicollinearity	VIF/ Multicollinearity – VIF < 10 VIF-value of Affect= 1.753 VIF-value of Contribution= 21.664 VIF-value of Loyalty= 1.204 VIF-value of Professional Respect= 1.084	The values of VIF are less than 10 which is there was no multicollinearity between variables.		
Hypothesis Testing for Moderation		Multiples Linear Regression	Model Summary Model 2 (DV, Ivs, MV): R value = 0.703 R Square value = 0.495	Model 2 is fit to the research as the value of r and R Square means the Ivs and Dv has a significant relationship towards MV.
			ANOVA p-value = 0.000	Fit to research as the significant value is p=0.000.
		One-way ANOVA	p-value= 0.586	It is significance difference between or within group of employees in the retail sector of Malaysia. In addition

Table 4-30 showed the results of this chapter in efficient way to ensure it is clear to read. 40 respondents' data was tested by Factor Analysis and Reliability Test in the Pilot Test, then the research was further proceeding to analyzed. In the Preliminary tests, data of 386 respondents were collected and analyzed. The characteristics of 266 respondents were also analyzed by frequency and percentage.

Overall, the relationship between constructs and focused phenomenon of this study are significantly positive. Based on the research findings, a summary of the hypotheses results is illustrated in Table 4-31, which shows that all hypotheses are accepted.

Table 4-31 Research Hypotheses Analysis Summary

<b>Hypotheses</b>	<b>Status</b>
<b>H<sub>1</sub></b>	Accepted
<b>H<sub>1a</sub></b>	Accepted
<b>H<sub>1b</sub></b>	Accepted
<b>H<sub>1c</sub></b>	Accepted
<b>H<sub>1d</sub></b>	Accepted
<b>H<sub>2</sub></b>	Accepted

## **4.7 Conclusion**

This chapter highlighted the results of data analysis. SPSS 22.0 was the main statistical software which used in this chapter. The results showed that the positive LMX and its dimensions (Affect, Loyalty, Contribution and Professional Respect) have a significant influence on organizational commitment in the retail sector of Malaysia. In addition, the generation has moderating effect on relationship between positive LMX and organizational commitment in the retail sector of Malaysia. Then the key findings, contributions, and recommendations will be provided in the next chapter.



## **CHAPTER 5: Conclusion and Recommendation**

### **5.0 Overview**

This chapter provided the detail findings of the whole research based on the analysis in the preceding chapter. Then recommendations, contribution, future research direction. Before end of this chapter, the personal reflection on the learnings was elaborated.

### **5.1 Discussion of findings**

The main research objective is to determine whether positive LMX and its dimensions influence organization commitment in the retail sector of Malaysia. For achieving this purpose, four specific objectives were elaborated:

To determine whether positive LMX influence organization commitment in the retail sector of Malaysia.

To determine whether the positive LMX dimension of Affect influence organization commitment in retail sector of Malaysia.

To determine whether the positive LMX dimension of Loyalty influence organization commitment in the retail sector of Malaysia.

To determine whether the positive LMX dimension of Contribution influence organization commitment in the retail sector of Malaysia.

To determine whether the positive LMX dimension of Professional Respect influence organization commitment in the retail sector of Malaysia.

In addition, the generation cohort was identified as the moderator between positive LMX and organizational commitment. Then a research objective which about generation cohort was developed:

To ascertain whether generation cohort has a moderating influence between positive LMX and organization commitment in the retail sector of Malaysia.

Through the collected data by questionnaire from 386 respondents who are employees in the retail sector of Malaysia, the research objectives could achieve.

### **5.1.1 Hypothesis 1**

**Objective 1:** To determine whether positive LMX and its dimensions influence organization commitment in the retail sector of Malaysia.

Based on the research objective, the Hypotheses 1 was developed as follow:

**Hypotheses 1:** Positive LMX has a significant influence on organizational commitment in the retail sector of Malaysia.

Hypothesis testing indicated that the positive LMX has a significant influence on organizational commitment in the retail sector of Malaysia.

According to Kessler (2013), LMX was one of the classical theories which supported leadership behaviours, it proved that individual-level outcomes were influenced by LMX quality which relationship between manager and employees. High quality LMX has greatly influence to the performance of employees and has also profoundly influence on organizational commitment (Ariani, 2010).

Therefore, based on the literature reviewed, four dimensions of positive LMX (Affect, Loyalty, Contribution and Professional Respect) can be used to analyze the relationship between positive LMX and organizational commitment (Arthur-Mensah and Zimmerman, 2017). Above Four dimensions were correlated to LMX to get a statistical overview of the interactions of the variables and to ascertain the saliency of these factors as the dimensions of independent variables (Ariani, 2010).

The chapter 4 analyzed the relationship between both independent variable and dependent variable by multiple regression analysis. Then the results of hypothesis testing as follow:

**Hypothesis 1a:** The positive LMX dimension of Affect has a significant influence on organizational commitment in the retail sector of Malaysia.

Hypothesis testing indicated that there was significant relationship between the positive LMX dimension of Affect and organizational commitment. The result showed the same conclusion the previous research which means emotional employees are more focused on organizational commitment (Day, 2014; Luo et al., 2014 and Wayne

et al., 2011). According to Liden and Maslyn (1986), affect does not always dominated in the relationship, other dimension of LMX might dominated which was the same conclusion with the data analysis. However, affect can be defined as that the interpersonal attraction was the main basics of the relationship between the mutual affection members of the dyad, and it can affect organizational commitment (Zhou et al., 2010).

**Hypothesis 1b:** The positive LMX dimension of Loyalty has a significant influence on organizational commitment in the retail sector of Malaysia.

The result of multiple regression indicated that there is a significant relationship between the positive LMX dimension of Loyalty and organizational commitment. Loyalty can be considered a part of an LMX and can play a better role in LMX, which can increase the depth of organizational commitment Aafaqi and Ansari (2016). In addition, loyalty or commitment also can be viewed as the result of high quality LMX (Dienesch and Liden, 1986). Therefore, organizations should highlight the importance of loyalty for organizational commitment (Kessler, 2013).

**Hypothesis 1c:** The positive LMX dimension of Contribution has a significant influence on organizational commitment in the retail sector of Malaysia.

The results showed this hypothesis was also accepted. According to Kessler (2013), contribution was the most important dimension in the task-oriented LMX, however it affects might just have little impact to relationship between manager and employees. Indeed, Arthur-Mensah and Zimmerman (2017) had forwarded the view that manager tended to provide high value, resource, information and attractive task to specific

members who provided more contribution. Hence, managers are also provided more commitment to specific members who provided more contribution, and Contribution plays a very important role for organizational commitment (Zhou and Schriesheim, 2010).

**Hypothesis 1d:** The positive LMX dimension of Professional Respect has a significant influence on organizational commitment in the retail sector of Malaysia.

This hypothesis was accepted since the result of hypothesis test showed that the positive LMX dimension of Professional Respect has a significant influence on organizational commitment in the retail sector of Malaysia, and it is the mainly influence factor for organizational commitment. This factor was based on the personal ability of manager, and the manager could promote the influence of organizational commitment with this specific dimension (Day, 2014).

Based on the findings of objective 1, all the hypotheses were supported. The positive LMX dimension of Affect, Loyalty, Contribution and Professional Respect has a significant influence on organizational commitment in the retail sector of Malaysia. Hence, objectives 1 of this research has been achieved.

### **5.1.2 Hypothesis 2**

**Objectives 2:** To ascertain whether generation cohort has a moderating influence between positive LMX and organization commitment in the retail sector of Malaysia.

In order to fulfill this objective, hypothesis 2 was developed based on the literature

reviewed in chapter 2:

**Hypothesis 2:** Generation cohort has a moderating influence between positive LMX and organization commitment in the retail sector of Malaysia.

Based on the hypothesis testing for moderation in Chapter 4, and one – way ANOVA analysis was done to check hypothesis results. This research finding support that generation cohorts having a moderating influence between positive LMX and organization commitment in the retail sector of Malaysia. This factor was based on the age of respondents, manager should take the age and background of employees into account when providing organizational commitment (Lee, 2011).

## 5.2 Recommendations

This research has recognized that the positive LMX as a whole has a significant influence on organizational commitment in the retail sector of Malaysia. It has been found that among the four dimensions of positive LMX including Affect, Loyalty, Contribution, Professional Respect, all have a positive influence and the Contribution was the most significant predictor of organizational commitment, and the Affect was the second predictor of organizational commitment. In addition, generational cohorts have moderating influence the relationship between LMX and organizational commitment. Hence, there are difference between level of organizational commitment between Gen-X and Gen-Y.

Organizations should emphasize on the particular dimensions of LMX to improve employees' commitment to the organization and need to consider the difference

between gen-X and gen-Y. According to Day (2014), manager and employee will not deliberately focus on gains and losses if a high quality LMX was existed; as a result, the organizational commitment of employees to manager increase. Among four dimensions of positive LMX, Contribution was the most important, hence, there was greatly important for employees who hold high contribution, high contribution employees have more initiative to choose specific organization and were more susceptible to LMX and should be provided more commitment (Aafaqi and Ansari, 2016). At the end, it has benefits to keep the positivity for high contributions employees, then it will impact the employee performance and further lead to turnover (Pan and Zhou, 2011). In the other three dimensions of LMX, Professional Respect has also should be valued, according to Rahman (2012), as well educated and knowledgeable workers, employees appreciated the empowerment in training, development and decision-making process, and therefore these opportunities improved their commitment level to the organization.

Furthermore, organizations should build a total reward structure to reward employees who has higher contribution, and they might receive more organizational resources and might have utilized employee extended education benefits to further studies (Kim, 2014). Through improving organizational commitment, desired working attitudes such as performance and organizational citizenship would be improved as well ultimately (Lim, 2015).

## **5.3 Contribution**

### **5.3.1 Contribution to Academia**

From the theoretical perspective, this research could contribute to the academia and it could be a new evidence when researchers analyzing the research about LMX and organizational commitment. It also fulfilled the research gap between positive LMX and organizational commitment in the retail sector of Malaysia. Furthermore, the findings of this research provided directions for future research, and the framework created in this research has a significant influence on others or similar research which may focusing on the different sector or different countries. This research can be used to understand LMX and organizational commitment in other context, such as the different area or profession.

### **5.3.2 Contribution to Industry**

From the industry perspective, the assumptions of generational differences which from the findings of this research were appropriate on organizational strategies in the retail sector of Malaysia, because findings of research showed that generational differences might be different and have significance.

This research could have effectiveness for the management in the retail sector of Malaysia because the most of existing literature was about on the other countries or other industry which might be irrelevant in the context of retail sector of Malaysia. The findings of this research showed that LMX as a part of social exchange theory has effective in ensuring organizational commitment, and its four dimensions (Affect, Loyalty, Contribution and Professional Respect) provided a better understanding to



local management.

Therefore, this research provided a new direction for local management that managers may try to focus only on professional respect and contribution to predicts organizational commitment rather than focus on all LMX dimensions. Organizations need to manage employees by the right standard, such as for keep the commitment of skilled employees, the interpersonal skill and communicational skill might not be important compared to the professional skills and knowledge.

#### **5.4 Future research direction**

Due to the benefits of Longitudinal study which was able to capture the changes of perception, and it can be used to understand the cause and effect relationships between LMX and organizational commitment, therefore longitudinal study will be the next choose in the future research (Choong et al., 2012). Future research may replicate the context of the research by utilizing longitudinal designs and to determine the findings of this research.

In addition, the future research may not focus only on SMEs or MNCs, because the current data showed that the young employees might has high quality LMX relationship with the first level manager, but the commitment might be from manager or the team rather than organization. Furthermore, the research should be considered to extend to more industries to increase the universality of this research. In the future research, the new framework should be formed which understand LMX from different

perspective, such as the group can be defined by different background or career stage rather than only by Generational Cohorts.

### **5.5 Personal reflection**

The gaps of the research about the LMX in the retail sector of Malaysia made me to decide to do this topic, I would like to do research about this topic, especially LMX. The limited literature review mean I have to do more reading in related fields, than it helped me to broaden my management knowledge and get the deeper understanding of LMX. Based on the findings of this research, it provided suggestions to my future works as a manager and increased the understanding of importance for organisation commitment. In addition, the knowledges has also can be used to deal with the relationship with my manager or partner. As I had learned how to construct a framework, which can I used it to solve the problem on the organization.

Also, I had learned how to manage my time, because of limited time for this study. I have to say that the process is hard, and the result is great, because I had gained experience from this research, no matter what I would to be in my future.

Lastly, I would like to thank my supervisor, Associate Professor Dr. Lee Kar Ling, who spent the precious time to support me to finish this research. I would hard to finish this research without her helpful feedback and consultation.

## **5.6 Conclusion**

The chapter 5 was the final chapter of this research. This chapter showed the detail findings of the whole research then provided recommendations and contribution of this topic. The end of this research was future research direction and personal reflection that highlights the motive and gains from this research.

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## APPENDIX

### Appendix A: Research Questionnaire



#### Survey Questionnaire

Thank you for agreeing to respond to this questionnaire. I am Bi Yanfei, MBA student of INTI International University. I am doing a research to analyze the relationship between Positive Leader-Member Exchange and Organizational Commitment by generation in the retail sector of Malaysia. The questionnaire will take around five to ten minutes to complete and your identity and answers will be kept confidential. All answers will be used for the research, and it will not be revealed in any extent or to a third party. Respondents have the right to reject to participate in this survey and may withdraw from answering any time if they feel uncomfortable about the questions.

Thank you very much. Your participation is highly appreciated.

Yours sincerely,

Bi Yanfei.

This survey is carried out on voluntary basis. Please tick the following and proceed with questionnaire if you agree to take this survey.

I Agree (    )

**SECTION A. Respondents profiles**

*Instruction: please tick (✓) at the appropriate box.*

## 1. Age

- 20-29                      30-39  
40-49                      50 years and above

## 2. Gender

- Male                              Female

## 3. Number of years worked

- 2 years and below      2-5 years  
6-9 years                      10-15 years  
Above 15 years

**SECTION B**

**The scale is given below:**

1	2	3	4	5
<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>

**I – Positive LMX**

Listed below are the series of statements that represents feelings that you may have about your **immediate manager**. There are no right or wrong answers. Your responses will be treated as strictly confidential.

*Instruction: Please tick (✓) in the box with relevant information.*

<b>Affect</b>						
B1	I really enjoy working with my manager.	1	2	3	4	5

B2	I am happy to be friendly with my manager.	1	2	3	4	5
B3	I believe that my positive relationship with my manager has improved my work.	1	2	3	4	5
B4	I have a positive relationship with my manager.	1	2	3	4	5
<b>Loyalty</b>						
B5	I am loyal to my manager and my manager also reciprocate my loyalty.	1	2	3	4	5
B6	I have a positive relationship with my manager that strengthens my loyalty.	1	2	3	4	5
B7	I trust my manager's decision even if I cannot understand him or her.	1	2	3	4	5
B8	I will surely stand in the side of manager no matter what happens.	1	2	3	4	5
<b>Contribution</b>						
B9	My manager would understand and defend me if I made an honest mistake.	1	2	3	4	5
B10	I always do my best working for my manager.	1	2	3	4	5
B11	I am willing to apply extra efforts to meet my manager's work goals.	1	2	3	4	5

B12	The positive relationship that I have with my manager enhances my performance and contribution to the organization.	1	2	3	4	5
<b>Professional Respect</b>						
B13	I agree with my manager very much as I respect him.	1	2	3	4	5
B14	I appreciate my manager's professional abilities.	1	2	3	4	5
B15	I respect my manager's knowledge, skills and competencies and actively learn from my manager.	1	2	3	4	5
B16	My manager and I have mutual respect for each other that promotes a positive relationship.	1	2	3	4	5

## SECTION C

### II – Organizational commitment

Listed below is a series of statements that represent feelings that individuals might have about the company or organization for which your work. With respect to your own feelings about **the particular organisation** (for example, MDO Malaysia) for which you are now working, please indicate the degree of your disagreement or agreement with each statement. There are no right or wrong answers and it will be treated as strictly confidential.

*Instruction: Please tick (√) in the box with relevant information.*

C1	I feel like my organization is my family.	1	2	3	4	5
C2	I am willing to develop myself and grow with my company.	1	2	3	4	5

C3	I will continue to stay committed to my company although I might be given better opportunities elsewhere.	1	2	3	4	5
C4	I have a strong sense of belonging to my organization.	1	2	3	4	5
C5	I am fully committed to serve my organization.	1	2	3	4	5
C6	I enjoy the responsibilities and challenges provided me in my job and am committed to do my best in my job.	1	2	3	4	5
C7	I am fully committed to the work that I do in the organization.	1	2	3	4	5
C8	I feel a strong commitment to the work that I do due to the opportunities provided to grow in the job.	1	2	3	4	5
C9	I feel obligated to my job and would feel guilty leaving my job.	1	2	3	4	5
C10	I will continue to focus on my job and improve on the processes to stay committed to my job.	1	2	3	4	5
C11	My manager is friendly and understands me and thus, I feel committed to my manager.	1	2	3	4	5
C12	My manager would come to my defense if I were "attacked" by others.	1	2	3	4	5
C13	I do for my manager work that goes beyond what is expected of me in my job.	1	2	3	4	5
C14	Even if my manager retires or suffers a loss of power, I would continue to respect him or her.	1	2	3	4	5
C15	My manager would defend my work actions even without complete knowledge of the issue in question.	1	2	3	4	5

Thank you very much for reading this information and considering taking part in this study.

## Appendix B: Statistical tables

### SPSS Output for Pilot Test: Factor Analysis

#### KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.638
Bartlett's Test of Sphericity	Approx. Chi-Square	33.178
	df	6
	Sig.	.000

#### KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.663
Bartlett's Test of Sphericity	Approx. Chi-Square	31.073
	df	6
	Sig.	.000

#### KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.682
Bartlett's Test of Sphericity	Approx. Chi-Square	29.724
	df	6
	Sig.	.000

#### KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.816
Bartlett's Test of Sphericity	Approx. Chi-Square	57.183
	df	6
	Sig.	.000

#### KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.844
Bartlett's Test of Sphericity	Approx. Chi-Square	121.346
	df	10
	Sig.	.000

**KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.824
Bartlett's Test of Sphericity	Approx. Chi-Square	61.912
	df	10
	Sig.	.000

**KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.641
Bartlett's Test of Sphericity	Approx. Chi-Square	49.579
	df	10
	Sig.	.000

## SPSS Output for Preliminary Test: Factor Analysis

**KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.810
Bartlett's Test of Sphericity	Approx. Chi-Square	750.230
	df	6
	Sig.	.000

**KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.712
Bartlett's Test of Sphericity	Approx. Chi-Square	585.673
	df	6
	Sig.	.000

**KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.760
Bartlett's Test of Sphericity	Approx. Chi-Square	206.044
	df	6
	Sig.	.000

**KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.762
Bartlett's Test of Sphericity	Approx. Chi-Square	390.882
	df	6
	Sig.	.000

**KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.839
Bartlett's Test of Sphericity	Approx. Chi-Square	853.714
	df	10
	Sig.	.000

**KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.700
Bartlett's Test of Sphericity	Approx. Chi-Square	540.449
	df	10
	Sig.	.000

**KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.825
Bartlett's Test of Sphericity	Approx. Chi-Square	1026.989
	df	10
	Sig.	.000



### Appendix C: Research Paper Proposal

<b>STUDENT NAME &amp; ID NO</b>	Bi Yanfei
<b>BROAD AREA</b>	Human Resource Management
<b>Concise Title</b>	Positive Leader-Member Exchange (LMX) and Organizational Commitment in the Retail Sector of Malaysia
<b>Problem Definition</b>	<p>With the rapid growth of Internet and mobile phones, the retail sector market has expanded, but competition has intensified as the market demand has reached saturation and there was very competitive (Lu et al., 2013). In this environment, retaining excellent employees is essential to ensure success (Lim, 2015). As stated by Waters and Beruvides (2012), the involvement by excellent employee and skilled workforce is positively correlated to the team's performance. In addition, there have a highly transferable character in skilled workforce's skills, as a result, comparing with employees with firm-specific skills (such as doctor, lawyer), skilled workforce is more easily to change career (Chhinzer and Ababneh, 2010). This is exactly the problem faced by the retail sector of Malaysia, as concluded by Anvari (2013), organizations in Malaysia are facing the problem of shortage of skilled talents and high rate of employee turnover. In another aspect, Gen-X and Gen-Y accounts for 90% of the existing Labor force in Malaysia, but both of generations tend to change careers frequently, and there is a strong negative relationship between employee turnover and organizational performance (Crawford, 2013). Therefore, understanding the moderating role of generational cohorts is important on the relationship between positive LMX and organizational commitment.</p>
<b>Research Objectives</b>	<p>Research objective is defined as a clear, concise, declarative statement of is required to guide an academic research (Sekaran, 2016). The research objective is very important as Lim (2015) stated that it is closely related to the problem statement and is the result the researchers sought at the end of the study.</p> <p>The research objectives are thus formulated as below:</p> <p>Broad Objective:</p> <p>To determine whether positive LMX and its dimensions influence organization commitment in the retail sector of Malaysia</p> <p>Specific objectives:</p>

	<p>RO1: To determine whether positive LMX influence organization commitment in the retail sector of Malaysia</p> <p>RO1a: To determine whether the positive LMX dimension of Affect influence organization commitment in retail sector of Malaysia.</p> <p>RO1b: To determine whether the positive LMX dimension of Loyalty influence organization commitment in the retail sector of Malaysia.</p> <p>RO1c: To determine whether the positive LMX dimension of Contribution influence organization commitment in the retail sector of Malaysia.</p> <p>RO1d: To determine whether the positive LMX dimension of Professional Respect influence organization commitment in the retail sector of Malaysia.</p> <p>RO2: To ascertain whether generation cohort has a moderating influence between positive LMX and organization commitment in the retail sector of Malaysia.</p>
<b>Scope of study</b>	<p>The target samples of this research are Gen-X and Gen-Y employees who work in the retail sector of Malaysia. The employees of gen-x in age is from 35 to 53 years old, while employees of gen-y are from 25 to 34 years old. The target samples are qualified as the individual employees who do not have any direct reporting subordinate because the research target is to understand LMX from perspective of employees rather than perspective of manager. Through the in-depth study of specific areas, solutions can be proposed, based on which the situation of the retail sector is studied in Malaysia.</p>
<b>Significance of the Research</b>	<p><b>Academia</b></p> <p>One of the things that organizational scholars have been focusing on is the correlation between positive LMX and organizational commitment, therefore scholars have done a lot of research on these topics (Cook and Rice, 2013; Costanza et al., 2012; Kessler, 2013). However, most studies have been done around worldwide or in specific western countries, such as meta-analyses based on Dulebohn, Bommer and Liden et al. (2012). Hofaidhllaoui's (2014) research findings point out that the 83% of LMX literature was published in the United States, thus, the researches were difficult to represent Malaysia due to cultural differences. Therefore, this study further investigated LMX and organizational commitment in Malaysia.</p> <p><b>Industry</b></p> <p>Based on the research by Greguras and Ford (2012), Multidimensionality has the following advantages: positive LMX</p>

	<p>dimensions are more significant in influencing organizational commitment due to each dimension has a different result. In addition, many diversity characteristics like gender and racial is also raises concerns on the generational differences (Costanza et al., 2012). It is due to unique characteristics of each generation creating the potential difficulties, differences, and disputes of cohort-based (Parry and Urwin, 2010). Therefore, this research will help to manage employees by management and managers can decide whether to increase organizational commitment based on hierarchical management policies customized for different generation groups (Farr-Wharton, Brunetto, Shacklock, 2012)</p>
<p><b>Literature Review</b></p>	<p><b>Organizational Commitment</b></p> <p>The definition of organizational commitment is that it was a psychological concept which was defined by previous researches (Luo et. al., 2014). According Ismail (2011), organizational commitment can be defined as a component of work-related attitudes in the organizational behavior literature, this component will decide the individual's effort to identify with of employees and participate in the organization.</p> <p>From 1960s to the present, there are three main approaches which was used to define the organizational commitment: the multidimensional approach, the calculative approach and the attitudinal approach (Kessler, 2013). The calculative approach and the attitudinal approach were introduced by Becker (1960) and Kessler (2013) respectively. The former refers to that person was committed in the organization which was influenced by many threats of losing “side bets”, such as status, salary, friendship and seniority (Becker, 1960). The latter refers to organization’s goals and values dominate people's behavior and person are willing to contribute for organization (Kessler, 2013). The multidimensional approach was the commonly theory today: affective commitment, continuance commitment and normative commitment (Kessler, 2013; Meyer and Allen, 1984). Among the three kind of commitment theories, affective commitment was argued to be real commitment, because the work attitudes have a strong relationship with employees' material benefits, job performance or organizational citizenship behavior (Martins and Meyer, 2012).</p> <p><b>Positive Leader-member Exchange (LMX)</b></p> <p>Leader-member Exchange (LMX) suggested that the key to</p>

understand the influence leader had on subordinate, teams, and organisations is the dyadic relationship between leader and subordinate (Day, 2014). In LMX theory, Cook and Rice (2013) explained the basics of human connections were various exchanges or trades in terms of social, political, monetary or enthusiasm. Nelson (2012) was provided an insight based on LMX, to explain manager has a strength relationship with subordinate when manager treat employees differently from information, support, trust, participation in decision making or other sides. The differential relationships were formed due to different treatment from managers, therefore high LMX quality means subordinates achieved more emotional support and trust from manger or leader and vice versa (Harris, Wheeler and Kacmar, 2009). Although every subordinate should be treated equally by the manager, in fact, manager was spent more time and energy to building the high quality LMX (Aafaqi and Ansari, 2016). Therefore, most manager tends to treat employees differently due to limited time and energy of manager, only small amount of relationship between managers and subordinates are high quality LMX (Pan and Zhou, 2011).

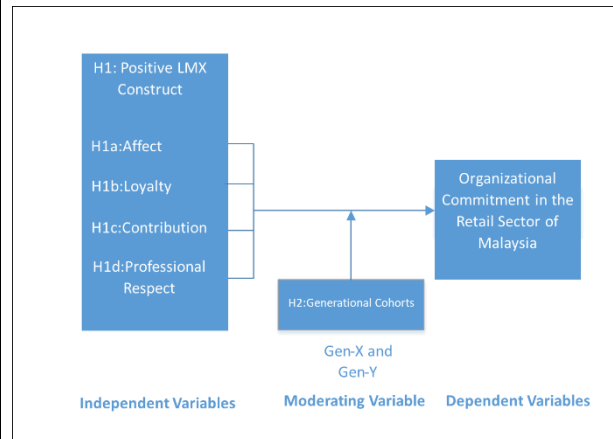
#### **Moderator – Generational Cohorts**

Based on the research by Costanza et al. (2012), generational cohort could be call as a group of individuals who have the similar experienced and age, and they might have experienced something similar events, histories. This means that a generational cohort might have the impactful collective memories which would have influence on the personality, attitude and value for individuals (Costanza et al., 2012). Generation X (Gen-X) and Generation Y (Gen-Y) were primary objective in this research due to the most Baby Boomers had retired, and Gen-X was the main force today, and Gen-Y would be next main strength of society (The Star, 2014).

Due to the different experience on economic, social and historical events for target population, Farr-Wharton et al. (2012) defined the generational cohorts based on geographical location, nationality or birth year. American scholar Costanza et al. (2012) stated that Baby Boomer means the booming and prosperous for a country. However, due to the geographical differences, this conclusion does not apply to Malaysia in this research; Malaysia has seen similar Baby Boomer before independence (Costanza et al., 2012). Malaysia flourished after independence in 1957, the sign of prosperity was the

transformation of an agricultural country into a manufacturing country (The Star, 2014). Therefore, the research by Lee (2011) was more applicable to this research with the definition of Gen-X (35~53 years old) and Gen-Y (25~34 years old) as it relates to Malaysia's context.

### Theoretical Framework



### Hypotheses

H1. Positive LMX has a significant influence on organizational commitment in the retail sector of Malaysia.

H1a. The positive LMX dimension of Affect has a significant influence on organizational commitment in the retail sector of Malaysia.

H1b. The positive LMX dimension of Loyalty has a significant influence on organizational commitment in the retail sector of Malaysia.

H1c. The positive LMX dimension of Contribution has a significant influence on organizational commitment in the retail sector of Malaysia.

H1d. The positive LMX dimension of Professional Respect has a significant influence on organizational commitment in the retail sector of Malaysia.

H2: Generation cohort has a moderating influence between positive LMX and organization commitment in the retail sector of Malaysia.

<p><b>Research Methodology</b></p>	<p>Research Method: Quantitative  Type of Research: Descriptive research  Nature of Research: Correlations  Time Horizon: Cross-sectional  Target Population: About 1,600,000 employees in the retail sector of Malaysia</p>
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	<p>Sample Size: 338 employees</p> <p>Sampling Procedure: Convenience sampling</p> <p>Data Collection: Online questionnaire</p>
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## Appendix D: Presentation Slides

### Proposal Defence slides (after enhancement)


**MASTER PROPOSAL DEFENSE**

POSITIVE LEADER-MEMBER EXCHANGE (LMX) AND  
ORGANISATIONAL COMMITMENT  
IN THE RETAIL SECTOR OF MALAYSIA

**Name: Bi Yanfei**

**Student ID: I14005293**

Under the Guidance of:  
Assoc. Prof. Dr. Karling, LEE



### Agenda

- Introduction
- Problem Statement
- Research Questions and Objectives
- Significance of Study – will not provide due to slide number and time limitations
- Literature Review – will not provide due to slide number and time limitations (supervisor has reviewed)
- Gaps Identified
- Theoretical Framework
- Research Methodology
- Q & A

### Introduction / Background of Study

Annually, Malaysia has between one million and two million jobs available in the retail sector, but at the same time, employees are changing jobs and changing jobs (Pradhan, 2011). According to Salleh (2016), about 12% of workers have experienced job-hopping and about 12 million employees according to the Statistic Department of Malaysia.

According to the research by Kessler (2013), Organisational Commitment is a source of a key prerequisite for performance and turnover and makes employees feel attached to the organization. Therefore, this research focuses on how the LMXs are related to organizational commitment. Generational cohort is another focus of this study. People of similar ages may have similar personality characteristics, values or preferences towards work (Lim, 2015).

### Problem Statement

Gen-X and Gen-Y accounts for 90% of the existing Labor force in Malaysia, but both of generations tend to change careers frequently, and there is a strong negative relationship between employee turnover and organizational commitment (Crawford et al., 2013).

Therefore, this research will focus on organizational commitment of Gen-X and Gen-Y.

### Research Objectives & Research Questions

Research Objectives	Research Questions
<b>Broad Objective:</b> To determine whether positive LMX and its dimensions influence organization commitment in the retail sector of Malaysia.	<b>Broad Research Questions:</b> Will positive LMX and its dimensions influence organizational commitment in the retail sector of Malaysia?
<b>Specific objectives:</b> RO1: To determine whether positive LMX influence organization commitment in the retail sector of Malaysia.	<b>Specific Research Questions:</b> RQ1: Will positive LMX influence organizational commitment in the retail sector of Malaysia?
RO1a: To determine whether the positive LMX dimension of Affect influence organization commitment in retail sector of Malaysia.	RQ1a: Will the positive LMX dimension of Affect influence organizational commitment in the retail sector of Malaysia?
RO1b: To determine whether the positive LMX dimension of Loyalty influence organization commitment in the retail sector of Malaysia.	RQ1b: Will the positive LMX dimension of Loyalty influence organizational commitment in the retail sector of Malaysia?
RO1c: To determine whether the positive LMX dimension of Contribution influence organization commitment in the retail sector of Malaysia.	RQ1c: Will the positive LMX dimension of Contribution influence organizational commitment in the retail sector of Malaysia?
RO1d: To determine whether the positive LMX dimension of Professional Respect influence organization commitment in the retail sector of Malaysia.	RQ1d: Will the positive LMX dimension of Professional Respect influence organizational commitment in the retail sector of Malaysia?
RO2: To ascertain whether generation cohort has a moderating influence between positive LMX and organization commitment in the retail sector of Malaysia.	RQ2: Will the generation cohort has a moderating influence between positive LMX and organization commitment in the retail sector of Malaysia?

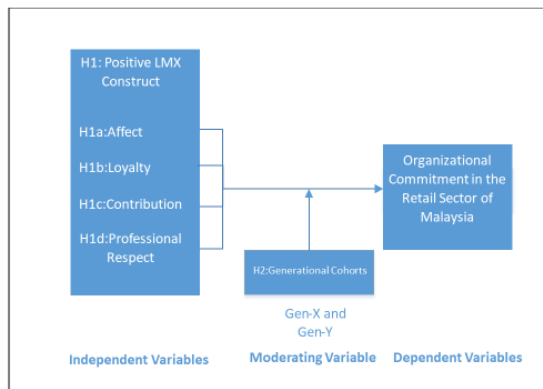
### Literature Review

No.	Author and Year	Findings	DV	IV
1	Luo, Song and Marburg et. al., 2014	Organizational commitment was a psychological concept.	√	
		LMX is very important because both of manager and employees can get the benefits from a mature LMX relationship.		√
		LMX-MDM included multiple elements like social and economic exchange rather than work only.		√
2	Ismail, 2011	Organizational commitment can be defined as a component of work-related attitudes in the organizational behavior literature, this component will decide the individual's effort to identify with of employees and participate in the organization.	√	
		Understanding how to realize organizational commitment, letting employees felt proud in the organization, were very important to invoke their work commitment and might increase the strength of commitment to the organization.	√	
3	Kessler, 2013	From 1960s to the present, there are three main approaches which was used to define the organizational commitment: the multidimensional approach, the calculative approach and the attitudinal approach.	√	
		Attitudinal approach refers to organization's goals and values dominate people's behavior and person are willing to contribute for organization.	√	
4	Becker, 1960	Calculative approach refers to that person was committed in the organization which was influenced by many threats of losing "side bets", such as status, salary, friendship and seniority.	√	
5	Martins and Meyer, 2012	Among the three kind of commitment theories, affective commitment was argued to be real commitment, because the work attitudes have a strong relationship with employees' material benefits, job performance or organizational citizenship behavior.	√	

## Gaps of Study

- There are limited studies (Aafaqi and Ansari, 2016) about organizational commitment and positive LMX in the retail sector of Malaysia which means more relevant research was needed which can provide academic guideline.
- Hence, there is a need to conduct this study in the retail industry of Malaysia to ascertain whether LMX theory will influence organizational commitment.

## Theoretical Framework



## Hypotheses

- H1. Positive LMX has a significant influence on organizational commitment in the retail sector of Malaysia.
- H1a. The positive LMX dimension of Affect has a significant influence on organizational commitment in the retail sector of Malaysia.
- H1b. The positive LMX dimension of Loyalty has a significant influence on organizational commitment in the retail sector of Malaysia.
- H1c. The positive LMX dimension of Contribution has a significant influence on organizational commitment in the retail sector of Malaysia.
- H1d. The positive LMX dimension of Professional Respect has a significant influence on organizational commitment in the retail sector of Malaysia.
- H2: Generation cohort has a moderating influence between positive LMX and organization commitment in the retail sector of Malaysia

Hypotheses ALIGN with ROs and RQs



## Research Methodology

	Details	Citations
Purpose of Study	Descriptive research	Sekaran of Besigns (2016)
Type of Investigation	Quantitively based correlations design	Saunders et al. (2012)
Extent of researcher interference	Minimal	Matthey Felli and Mager (2013)
Study Setting	Non-contrived	Toury (2012)
Time Horizon	Cross-sectional	Sekaran and Bougie (2017)
Target Population	About 1,600,000 employees in the retail sector of Malaysia	Ganco, Ziedonis and Agarwal (2015)
Sample size	384	Krejcie and Morgan (1997)
Sampling Procedure	Convenience sampling	Sekaran and Bougie (2017)
Data collection	Online Questionnaire	Saunders et al. (2012)

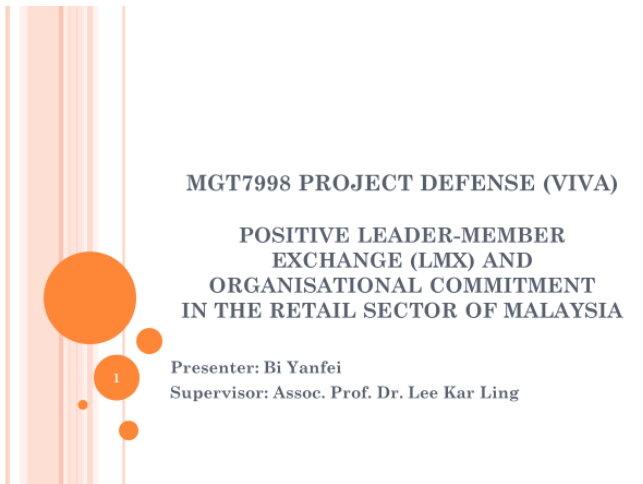
Tests	Function	Rule of thumb	Citations
<b>Factor Analysis (Pilot test and preliminary test)</b>	To identify a reduced number of factors from a larger number of assessed variables (Hair et al., 2014). Kaiser-Meyer-Olkin (KMO) has a significant in Bartlett's Test of Sphericity and it must be higher than 0.6 to indicate that sampling adequacy measurement of items or constructs is acceptable (Pallant, 2013). Factor loading refers to the relationship between each variable and underlying factor (Hair, Wollhaugen, and Money et al., 2015). Eigenvalues are a special set of values associated with a linear system of equations (Task, Abou and Hakin et al., 2012).	Loading>0.6 (Hair et al., 2014) KMO>0.6 (Zikmund et al., 2013) >1 valid factor (Cooper and Schindler, 2013)	Palle (2012), Dhar (2015), George (2015)
<b>Reliability Test (Pilot test and preliminary test)</b>	To evaluate the internal consistency and stability of the measurement (Sekaran and Bougie, 2011).	Cronbach alpha between 0.70 and 0.90 (Hair et al., 2014)	Nawab and Bhatti (2011)
<b>Correlation matrix (Pilot test)</b>	To show in a table which can showing correlation coefficients between each item (Nawab and Bhatti, 2011).	Questions about IVs cannot correlate with each item, questions about dimensions of same IV can correlate (Bryman and Bell, 2015)	Lim (2015)
<b>Hypothesis Testing (Multiple Regression)</b>	To check goodness of fit, $R^2$ . Of the regression model (Sekaran and Bougie, 2017).	$R^2$ near to 1 - dependent variable can be explained by the regression model (Sekaran and Bougie, 2017).	Saunders, Lewis and Thornhill (2012)
<b>One-way ANOVA</b>	ANOVA method can be adopted to compare the average difference between the two groups (Sekaran and Bougie, 2017).	If p-value $\leq$ 0.05, reject null hypothesis; if p-value > 0.05, cannot reject null hypothesis (Sekaran and Bougie, 2017).	French et al. (2015)
<b>Beta coefficient</b>	The situation of regression model is shown by the coefficient (Beta) of determinant and the percentage of change in the reliable variables is also explained by the change in standalone variable (Sekaran and Bougie, 2017).	Strength and direction: "r" ranging from -1 to +1 (Sekaran and Bougie, 2017).	Nawab and Bhatti (2011)
<b>Hierarchical Regression</b>	The statistical method of hierarchical regression is to explore the links among and examining hypotheses of a reliable variable and a few standalone variables (Hayes, 2013).	$R^2 > 0.5$ , $p < 0.05$ (Ramanathan et al., 2014).	Ramanathan et al. (2014)

## Summary of Proposed Questionnaire Items adaptation from previous studies

Section	Items	No. of Questions	Reference
1	Demographic Profile	3	Yow (2013)
2 (Independent Variables)	Affect	4	Liden and Maslyn (1998)
	Contribution	4	
	Loyalty	4	
	Professional Respect	4	
3 (Dependent Variable)	Organizational Commitment (Continuance Commitment)	5	Allen and Meyer (1990)
	Organizational Commitment (Normative Commitment)	5	
	Organizational Commitment (Affective Commitment)	5	
4 (Moderator Variable)	Gen-X	Demographic by Age	Costanza et al. (2012)
	Gen-Y		

Feedback for  
Enhancement  
Thank you

## VIVA slides



MGT7998 PROJECT DEFENSE (VIVA)

POSITIVE LEADER-MEMBER  
EXCHANGE (LMX) AND  
ORGANISATIONAL COMMITMENT  
IN THE RETAIL SECTOR OF MALAYSIA

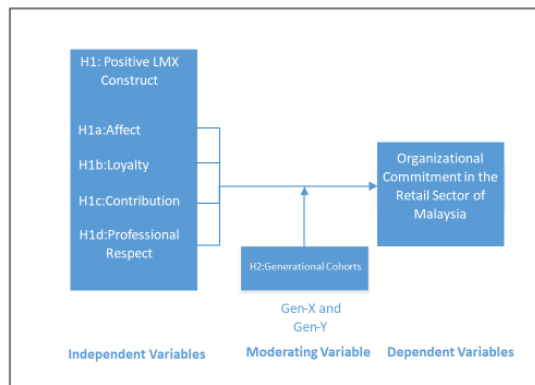
Presenter: Bi Yanfei  
Supervisor: Assoc. Prof. Dr. Lee Kar Ling

## AGENDA

- Theoretical Framework
- Hypotheses
- Pilot test results
- Demographic Data of Respondents
- Preliminary Analysis
- Hypotheses Testing
- Findings
- Contributions

2

## THEORETICAL FRAMEWORK



3

## HYPOTHESES

- H1. Positive LMX has a significant influence on organizational commitment in the retail sector of Malaysia.
- H1a. The positive LMX dimension of Affect has a significant influence on organizational commitment in the retail sector of Malaysia.
- H1b. The positive LMX dimension of Loyalty has a significant influence on organizational commitment in the retail sector of Malaysia.
- H1c. The positive LMX dimension of Contribution has a significant influence on organizational commitment in the retail sector of Malaysia.
- H1d. The positive LMX dimension of Professional Respect has a significant influence on organizational commitment in the retail sector of Malaysia.
- H2: Generation cohort has a moderating influence between positive LMX and organization commitment in the retail sector of Malaysia

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Hypotheses ALIGN with ROs and RQs

## PILOT TEST RESULTS

- 1) Factor analysis results for pilot test
  - a) KMO Bartlett's test of Sphericity
  - b) Factor loading/ communalities/ Extraction
  - c) Eigenvalues
- 2) Reliability test for pilot – Cronbach Alpha

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PILOT TEST

**KMO and Bartlett's Test**

Factor	KMO	Bartlett Test of Sphericity
Positive LMX	0.773	p < 0.005
Organizational commitment	0.826	p < 0.005

Table 4-2 Communalities (IV) Table 4-4 Communalities (DV)

	Initial	Extraction	Initial	Extraction	
Q4.1	1.000	.701	Q8.1	1.000	.696
Q4.2	1.000	.833	Q8.2	1.000	.798
Q4.3	1.000	.722	Q8.3	1.000	.716
Q4.4	1.000	.715	Q8.4	1.000	.705
Q5.1	1.000	.871	Q8.5	1.000	.745
Q5.2	1.000	.811	Q8.6	1.000	.666
Q5.3	1.000	.720	Q8.7	1.000	.749
Q5.4	1.000	.765	Q8.8	1.000	.686
Q6.1	1.000	.763	Q8.9	1.000	.617
Q6.2	1.000	.635	Q8.10	1.000	.861
Q6.3	1.000	.811	Q8.11	1.000	.838
Q6.4	1.000	.894	Q8.12	1.000	.857
Q7.1	1.000	.705	Q8.13	1.000	.836
Q7.2	1.000	.618	Q8.14	1.000	.611
Q7.3	1.000	.718	Q8.15	1.000	.862
Q7.4	1.000	.755			

All the questions can be acceptable and be used for further analysis.

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Table 4-5 Total Variance Explained (IV)

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
2	1.836	11.414	54.032	1.836	11.414	54.032
3	1.284	8.025	62.057	1.284	8.025	62.057
4	1.092	6.825	68.881	1.092	6.825	68.881
5	1.017	6.358	75.240	1.017	6.358	75.240
6	.706	4.409	79.649			
7	.572	3.576	83.225			
8	.554	3.463	86.689			
9	.455	2.841	89.530			
10	.380	2.375	91.905			
11	.376	2.330	94.255			
12	.300	1.878	96.133			
13	.249	1.554	97.687			
14	.160	.997	98.684			
15	.139	.869	99.553			
16	.071	.447	100.000			

The eigenvalue is more than 1, and which was determined the feasibility of further statistical analysis.

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Table 4-6 Total Variance Explained (DV)

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
2	1.460	9.736	59.917	1.460	9.736	59.917
3	1.180	7.865	67.782	1.180	7.865	67.782
4	1.063	7.088	74.870	1.063	7.088	74.870
5	.672	4.480	79.350			
6	.568	3.789	83.139			
7	.497	3.311	86.450			
8	.434	2.890	89.341			
9	.378	2.521	91.862			
10	.340	2.267	94.128			
11	.270	1.801	95.930			
12	.240	1.598	97.528			
13	.180	1.200	98.728			
14	.120	.803	99.531			
15	.070	.469	100.000			

Extraction Method: Principal Component Analysis.

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○ Reliability Analysis

Variables	Cronbach's Alpha	Number of Items
Affect (Independent variable)	0.638	4
Loyalty (Independent variable)	0.663	4
Contribution (Independent variable)	0.682	4
Professional Respect (Independent variable)	0.816	4
Continuance Commitment (Dependent variable)	0.844	5
Normative Commitment (Dependent variable)	0.824	5
Affective Commitment (Dependent variable)	0.641	5

Cronbach's Alpha internal consistency reliability. The results showed all the questionnaires could be reserved.

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## DEMOGRAPHIC DATA OF RESPONDENTS

○ Gender Composition

		Frequency	Percentage (%)
Gender	Male	170	44.0
	Female	216	55.9

○ Generation Composition

Number of years worked	2 years and above	2-5 years	6-9 years	10-15 years	Above 15 years	Total
Gen Y	90	81	59	9	15	254
Gen X	22	25	24	13	48	92
Total	112	106	83	22	63	386

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## PRELIMINARY ANALYSIS

○ Factor Analysis

KMO and Bartlett's Test		
Factor	KMO	Bartlett Test of Sphericity
Positive LMX	0.825	p < 0.005
Organizational commitment	0.844	p < 0.005

Table 4-12 Communalities (IV)		Table 4-14 Communalities (DV)			
	Initial	Extraction			
Q4_1	1.000	.770	Q8_1	1.000	.715
Q4_2	1.000	.755	Q8_2	1.000	.686
Q4_3	1.000	.685	Q8_3	1.000	.765
Q4_4	1.000	.691	Q8_4	1.000	.676
Q5_1	1.000	.820	Q8_5	1.000	.630
Q5_2	1.000	.733	Q8_6	1.000	.801
Q5_3	1.000	.788	Q8_7	1.000	.697
Q5_4	1.000	.817	Q8_8	1.000	.715
Q6_1	1.000	.656	Q8_9	1.000	.668
Q6_2	1.000	.677	Q8_10	1.000	.661
Q6_3	1.000	.774	Q8_11	1.000	.651
Q6_4	1.000	.680	Q8_12	1.000	.720
Q7_1	1.000	.823	Q8_13	1.000	.728
Q7_2	1.000	.761	Q8_14	1.000	.766
Q7_3	1.000	.768	Q8_15	1.000	.614
Q7_4	1.000	.752			

Extraction Method: Principal Component Analysis.

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Table 4-13 Total Variance Explained (IV)

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.989	31.182	31.182	4.989	31.182	31.182
2	2.552	15.951	47.133	2.552	15.951	47.133
3	2.012	12.574	59.707	2.012	12.574	59.707
4	1.293	8.083	67.791	1.293	8.083	67.791
5	1.084	6.776	74.566	1.084	6.776	74.566
6	.564	3.525	78.091			
7	.512	3.201	81.291			
8	.470	2.939	84.231			
9	.450	2.812	87.042			
10	.379	2.370	89.412			
11	.343	2.141	91.553			
12	.333	2.084	93.637			
13	.300	1.874	95.511			
14	.259	1.620	97.130			
15	.256	1.603	98.733			
16	.203	1.267	100.000			

The eigenvalue is more than 1, and which was determined the feasibility of further statistical analysis.

Extraction Method: Principal Component Analysis.

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Table 4-14 Total Variance Explained (DV)

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.576	30.505	30.505	4.576	30.505	30.505
2	3.355	22.368	52.872	3.355	22.368	52.872
3	1.343	8.952	61.824	1.343	8.952	61.824
4	1.203	8.020	69.844	1.203	8.020	69.844
5	.719	4.796	74.640			
6	.662	4.411	79.051			
7	.564	3.758	82.810			
8	.429	2.862	85.672			
9	.394	2.626	88.298			
10	.364	2.428	90.727			
11	.349	2.329	93.056			
12	.313	2.083	95.139			
13	.265	1.767	96.906			
14	.248	1.653	98.560			
15	.216	1.440	100.000			

Extraction Method: Principal Component Analysis.

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## PRELIMINARY ANALYSIS

### ○ Reliability Analysis

Variables	Cronbach's Alpha	Number of Items
Affect (Independent variable)	0.810	4
Loyalty (Independent variable)	0.712	4
Contribution (Independent variable)	0.760	4
Professional Respect (Independent variable)	0.762	4
Continuance Commitment (Dependent variable)	0.839	5
Normative Commitment (Dependent variable)	0.700	5
Affective Commitment (Dependent variable)	0.825	5

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### HYPOTHESES TESTING

- **H<sub>1</sub>**. Positive LMX has a significant influence on organizational commitment in the retail sector of Malaysia.
- **H<sub>1a</sub>**. The positive LMX dimension of Affect has a significant influence on organizational commitment in the retail sector of Malaysia.
- **H<sub>1b</sub>**. The positive LMX dimension of Loyalty has a significant influence on organizational commitment in the retail sector of Malaysia.
- **H<sub>1c</sub>**. The positive LMX dimension of Contribution has a significant influence on organizational commitment in the retail sector of Malaysia.
- **H<sub>1d</sub>**. The positive LMX dimension of Professional Respect has a significant influence on organizational commitment in the retail sector of Malaysia.
- **H<sub>2</sub>**: Generation cohort has a moderating influence between positive LMX and organization commitment in the retail sector of Malaysia.

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### HYPOTHESES TESTING

#### ○ Regression Analysis

Table 4-18 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.703 <sup>a</sup>	.495	.468	.37448	1.8428

a. Dependent Variable: q8mean  
 b. Predictors: (Constant), q7mean, q6mean, q5mean, q4mean

Table 4-19 ANOVA<sup>a</sup>

Model	Sum of Squares	df	Mean Square	F	Sig.
1					
Regression	52.270	4	13.067	93.192	.000 <sup>b</sup>
Residual	53.424	381	.140		
Total	105.694	385			

a. Dependent Variable: q8mean  
 b. Predictors: (Constant), q7mean, q6mean, q5mean, q4mean

- Variables are independent (Durbin Watson: between 1.5 and 2.5)
- The regression model is reaching statistical significance (ANOVA Table, p < 0.005)
- Only 49.5% of variance of dependent variable is able to explain by independent variables, while, remaining could be explained by factors outside of the scope of study. This value is generally considered a weak or low effect size.

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### HYPOTHESES TESTING

#### ○ Regression Analysis

Table 4-20 Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.167	.145		8.049	.000		
	Affect	.143	.026	.264	5.470	.000	.571	1.753
	Contribution	.190	.028	.311	6.625	.000	.601	1.664
	Loyalty	.121	.030	.162	4.062	.000	.830	1.204
	Professional Respect	.204	.031	.248	6.550	.000	.923	1.084

a. Dependent Variable: q8mean

- Multicollinearity assumption is fulfilled where the VIF is lesser than 10.
- Contribution is the most dominant influence factor of organizational commitment in the retail sectors of Malaysia.

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### HYPOTHESES TESTIN (MV)

- o **H<sub>2</sub>**: Generation cohort has a moderating influence between positive LMX and organization commitment in the retail sector of Malaysia.

#### o Multiple regression

Table 4-24 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.703 <sup>a</sup>	.495	.483	.37444
2	.703 <sup>b</sup>	.495	.483	.37444

a. Predictors: (Constant), q7mean, q8mean, q5mean, q4mean

b. Predictors: (Constant), q7mean, q8mean, q5mean, q4mean, Age

Table 4-25 ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	52.270	4	13.067	93.192	.000 <sup>b</sup>
	Residual	53.424	381	.140		
	Total	105.694	385			
2	Regression	52.287	5	10.457	74.406	.000 <sup>c</sup>
	Residual	53.407	380	.141		
	Total	105.694	385			

a. Dependent Variable: q8mean  
 b. Predictors: (Constant), q7mean, q8mean, q5mean, q4mean  
 c. Predictors: (Constant), q7mean, q8mean, q5mean, q4mean, Age

- R Square value is 0.495 which means the IV "LMX" accounts for 49.5% of the variability of organizational commitment.
- Reached statistical significance for Organizational commitment between Gen-X and Gen-Y. (p<0.005)

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### HYPOTHESES TESTING (MV)

#### o One Way ANOVA

Table 4-26 Test of Homogeneity of Variances

Levene Statistic	df1	df2	Sig.
.379	3	382	.768

Table 4-27 ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.534	3	.178	.646	.586
Within Groups	105.161	382	.275		
Total	105.694	385			

- Generational Cohorts has significance difference between or within group of employees in the retail sector of Malaysia.
- There is moderation effect between positive LMX and organizational commitment.

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### HYPOTHESES TESTING SUMMARY

Hypotheses	Status
H <sub>1</sub>	Accepted
H <sub>1a</sub>	Accepted
H <sub>1b</sub>	Accepted
H <sub>1c</sub>	Accepted
H <sub>1d</sub>	Accepted
H <sub>2</sub>	Accepted

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## FINDINGS

- **Positive LMX has a significant influence on organizational commitment in the retail sector of Malaysia.**
  - As Ariani (2010) said, High quality LMX has greatly influence to the performance of employees and has also profoundly influence on organizational commitment.
  - According to Kessler (2013), LMX was one of the classical theories which supported leadership behaviours, it proved that individual-level outcomes were influenced by LMX quality which relationship between manager and employees, and the organizational commitment also usually occurs between manager and employees.
- **Contribution has the most significant influence on organizational commitment in the retail sector of Malaysia, and other dimension has also influence on organizational commitment.**
  - Aligned with findings from Kessler (2013), contribution was the most important dimension in the task-oriented LMX.
  - Arthur-Mensah and Zimmerman (2017) had forwarded the view that manager tended to provide high value, resource, information and attractive task to specific members who provided more contribution.
- **Generation cohort has a moderating influence between positive LMX and organization commitment in the retail sector of Malaysia.**
  - Due to the different experience on economic, social and historical events for target population (Farr-Wharton et al., 2012)
  - Manager should take the age and background of employees into account when providing organizational commitment (Lee, 2011).

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## RECOMMENDATIONS & CONCLUSION

- Organizations should emphasize on the particular dimensions of LMX to improve employees' commitment to the organization and need to consider the difference between gen-X and gen-Y (Day, 2014).
- Organizations should build a total reward structure to reward employees who has higher contribution (Kim, 2014). Through improving organizational commitment, desired working attitudes such as performance and organizational citizenship would be improved (Lim, 2015).

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## THANKS

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## Appendix E: Turn-it-in Report

Final project			
ORIGINALITY REPORT			
9%	3%	2%	5%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS
PRIMARY SOURCES			
1	Submitted to INTI International University Student Paper		3%
2	Maryam Al-Sada, Bader Al-Esmael, Mohd. Nishat Faisal. "Influence of organizational culture and leadership style on employee satisfaction, commitment and motivation in the educational sector in Qatar", EuroMed Journal of Business, 2017 Publication		1%
3	journal-archieves8.webs.com Internet Source		1%
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7	Liden, R. C., and J. M. Maslyn. "Multidimensionafity of Leader-Member		<1%

**Appendix F: Project Paper Log**

**INTI International University**  
**FACULTY OF BUSINESS, COMMUNICATIONS AND LAW**  
**PROJECT PAPER LOG**

This is an important document, which is to be handed in with your dissertation. This log will be taken into consideration when awarding the final mark for the dissertation.

<b>Student Name:</b>	<b>Bi Yanfei</b>
<b>Supervisor's Name:</b>	<b>Associate Professor Dr Lee Karling</b>
<b>Dissertation Topic:</b>  Positive Leader-Member Exchange (LMX) and Organizational Commitment in the Retail Sector of Malaysia	

## SECTION A. MONITORING STUDENT DISSERTATION PROCESS

The plan below is to be agreed between the student and supervisor and will be monitored against progress made at each session.

Activity	Milestone/Deliverable Date								
	18/9	27/9	4/10	18/10	30/10	15/11	22/11	28/11	8/12
Submit the IRPP									
Finalise the Research Topic									
Chapter 1									
Chapter 2									
Chapter 3									
Proposal Defence									
Data Collection									
Chapter 4 – 5 (draft version)									
Chapter 4 – 5 (final version)									
Final Project Presentation									
Final Submission									

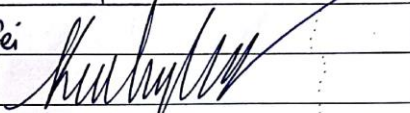
## SECTION B. RECORD OF MEETINGS

The expectation is that students will meet their supervisors up to seven times and these meetings should be recorded.


## SECTION C. RECORD OF MEETINGS

The expectation is that students will meet their supervisors up to seven times and these meetings should be recorded.


### Meeting 1

Date of Meeting	18 sept 2018
Progress Made	Commence project work
Agreed Action	send chap 1 2 3 for review
Student Signature	Bi Yanfei
Supervisor's Signature	

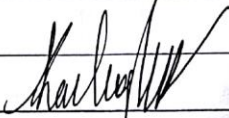
### Meeting 2

Date of Meeting	27 sept 2018
Progress Made	strengthen chap 1 2 3
Agreed Action	send PD slides for review
Student Signature	Bi Yanfei
Supervisor's Signature	


### Meeting 3

Date of Meeting	4 / 10 / 18
Progress Made	<del>Enhance</del> PD slides
Agreed Action	Enhance PD slides
Student Signature	Bi Yanfei
Supervisor's Signature	

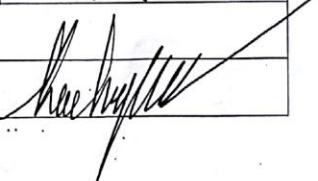
**Meeting 4**

Date of Meeting	11 Oct 2018
Progress Made	PD finalised for mock
Agreed Action	Questionnaires to send for review
Student Signature	Bi Yanfei
Supervisor's Signature	

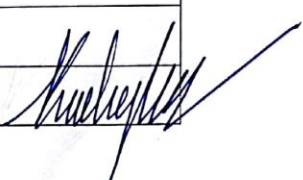
**Meeting 5**

Date of Meeting	18 Oct 2018
Progress Made	Questionnaire sent
Agreed Action	Enhance PD
Student Signature	Bi Yanfei
Supervisor's Signature	

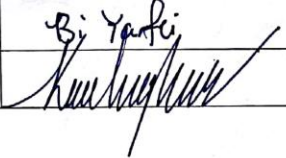
**Meeting 6**

Date of Meeting	23 /10 /18
Progress Made	Questionnaire sent for review
Agreed Action	Enhance questionnaire + collect data
Student Signature	Bi Yanfei
Supervisor's Signature	


**Meeting 7**

Date of Meeting	30 Oct 2018
Progress Made	Finalised Questionnaire
Agreed Action	Can commence data collection
Student Signature	Bi Yanfei
Supervisor's Signature	


**Meeting 8**

Date of Meeting	5 / 11 / 18
Progress Made	Pilot collected
Agreed Action	continue data collection
Student Signature	Bi Yanfei
Supervisor's Signature	


**Meeting 9**

Date of Meeting	15 Nov 2018
Progress Made	Pilot test all completed
Agreed Action	Proceed with key findings
Student Signature	Bi Yanfei
Supervisor's Signature	


**Meeting 10**

Date of Meeting	22 Nov 18
Progress Made	Revise chap 4 + 5
Agreed Action	send for review again
Student Signature	Bi Yanfei
Supervisor's Signature	

**Meeting 11**

Date of Meeting	28/11/18
Progress Made	Viva done
Agreed Action	Enhance according to feedback
Student Signature	Bi Yanfei
Supervisor's Signature	

**Meeting 12**

Date of Meeting	6 Dec 2018
Progress Made	Enhance after viva
Agreed Action	Finalised based on feedback + submit
Student Signature	Bi Yanfei
Supervisor's Signature	



**Section D. Comments on Management of Project**


(to be completed at the end of the dissertation process)

**Student Comments**

Thanks Dr. Lee for her guidance throughout the process of final project to be supervised on Dr. Lee as under her coaching. Dr. Lee has to provide me feedback and questions, It's a great learning process for me.

**Supervisor Comments**

Hard working & consistently asking the right questions to clarify. Takes longer to learn but very tenacious. Good job!

Signature of Student	Bi Yanfei	Date	5/12/2018
Signature of Supervisor		Date	5/12/18
Ethics Confirmed	single Award	Date	