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THE LEADERSHIP EXPERIENCE:
AN EXAMPLE IN THE LIFE
ASSURANCE SECTOR IN
SOUTH AFRICA

UNIVERSITY
OF
JOHANNESBURG

S. GOVIND
THE LEADERSHIP EXPERIENCE:
An example in the Life Assurance sector in South Africa

By

Sharmila Govind

DISSERTATION

Submitted in partial fulfilment of the requirements for the degree

MASTERS IN BUSINESS ADMINISTRATION

IN THE

FACULTY OF BUSINESS ADMINISTRATION

AT THE

UNIVERSITY OF WALES (CARDIFF)
JUNE 2004

SUPERVISOR: DR VAN ZYL
DEDICATION

I dedicate this work to my parents. This work is the result of all your love and support.....
DECLARATION

I, SHARMILA GOVIND, DECLARE THAT THIS RESEARCH IS AN ORIGINAL WORK AND ANY OTHER SIMILAR WORK HAS BEEN APPROPRIATELY REFERENCED.

UNIVERSITY OF JOHANNESBURG

Sharmila Govind
I want to express my gratitude to the following:

- God for providing me with His strength and perseverance to complete this study;
- My parents, family and friends, for their support, encouragement and patience throughout the period of my study;
- Kate Aldhouse for the transcribing of my interviews and editing;
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- My employer for their understanding and assistance during the course of my studies;
- The Managing Directors of the Liberty Group, who had participated in my survey.
Executive Summary

It is imperative that in order for us to build successful organisations in South Africa we understand the role of leadership in these organisations. The uniqueness of the South African conditions in terms of diversity and dynamic complexity require that we look beyond a quick fix or the latest trends. All employees in an organisation need to be led in some way or the other. Once they are employed, their behaviour and actions have to be channelled and directed towards the achievement of the organisation’s objectives. This calls for leadership.

Throughout the twentieth century the concept of leadership has been attributed with a variety of meanings. Over the past eighty years, more than 3000 studies concerning leadership have been conducted. Some of the most heavily researched populations are students, military personnel and business people. This research has yielded a small number of theories concerning the behaviours that distinguish effective leaders from ineffective leaders. While none of these is definite, there is solid empirical support for each of them.

There is widespread agreement that the successful organisation has one major attribute that sets it aside from unsuccessful organisations and that is effective, dynamic leadership. There is also consensus that effective leaders are the scarcest resource of any business enterprise. Current research has little agreement as to what exactly constitutes leadership competence. Many people refer to charisma as an essential characteristic of effective leadership; however they find it difficult to explain specific behavioural characteristics that can be observed, trained and consequently evaluated.

The researcher undertook an in-depth study of the concept of leadership at one of the biggest life assurance companies in South Africa. The researcher
looked at the views expressed by the Group Executive committee in order to identify the limitations of leadership within the organisation.

The researcher analysed the data obtained from interviews with ten executive managers in this specific company and came to a conclusion about leadership at this company. Data obtained were then analysed in respect of the current thinking on leadership and specific limitations of this concept. Recommendations were made by the researcher in order to reach the goal that so many companies are looking for, namely effective leadership in a changing environment.

This is an explorative, contextual and qualitative study and the appropriate methodology was used.
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CHAPTER 1

INTRODUCTION AND BACKGROUND TO THE PROBLEM

1.1. INTRODUCTION

In this chapter the researcher will discuss the reasons for doing the research. The rationale and problem statement will be defined, the aim and objectives of the study described and the research design and methodology will be discussed. Terminology relevant to the research will be defined while the structure and development of the study will be outlined.

1.2. RATIONALE AND BACKGROUND

According to House (1993), current research findings and theories are not very helpful in the design of educational programmes for potential leaders of diverse ethnic groups, or international organisations. We have little knowledge of the diverse demands placed on leaders in cultures other than that of the North American culture as almost all of the prevailing theories of leadership and about 98% of the empirical evidence available is distinctly North American in character. This makes it individualistic rather than collectivistic; emphasising assumptions of rationality rather than ascetics, religions or superstitions; stated in terms of the individual rather than group incentives, stressing follower responsibilities rather than rights; assuming hedonistic rather than altruistic motivation; and assuming centrality of work and democratic value orientation.

Given the increased globalisation of markets and the increased interdependence of nations over the past two decades, there is a significant need for a better understanding of cultural influence on leader behaviours and effectiveness.
House (1993) has analysed a number of American textbook leadership definitions and has come to this conclusion:

“Despite the fact that all (of the above) definitions come from US scholars, they vary in terms of emphasis on leader abilities, personal traits, influence or power relationships, perceptions of followers versus communication of leaders, cognitive versus emotional orientation, individual versus group orientation, and appeal to self versus collective interests.”

He argues that, if leadership is defined in such a varied way within the United States culture, it will surely be defined differently across cultures. He then listed some interesting examples of how different cultures see leadership.

- The Dutch culture places emphasis on an egalitarian society and is sceptical about the value of leadership. Terms like leader and manager carry a stigma. If a father is employed as a manager, Dutch children will not admit it to their schoolmates.
- Arabs worship their leaders – as long as they are in power.
- The Iranians seek power and strength in their leaders.
- The Oriental leader is expected to behave in a manner that is humble, modest and dignified, and to speak infrequently and only on critical occasions.
- The French appreciate two kinds of leaders: De Gaulle and Mitterrand are examples. De Gaulle is an example of a strong charismatic leader, while Mitterrand is an example of a consensus builder, coalition former and effective negotiator.
- The Americans appreciate two kinds of leaders. They seek empowerment from a leader who grants autonomy and delegates with confidence. They also respect the bold, forceful, confident and risk-taking leader as personified by John Wayne.

Booysen and Van Wyk (1994) analysed focus group discussions carried out involving 430 first-year Unisa Masters of Business Leadership degree students and
twenty middle managers in South Africa, and came up with distinct definitions of effective leadership in the South African context.

- A leader is an accepted person who displays a natural ability in a given situation to inspire others to willingly follow an ideal or vision.
- A leader is a person who leads followers to believe in themselves, their own strengths, abilities and worth, who inspires followers to commitment, motivation and self-confidence.
- A leader is a person who is capable of paradigm shifts, who takes risks, is a facilitator of people and empowers people, and who is perceived to be trustworthy person with high moral values.

Robbins (1996) states that there are almost as many definitions of leadership as there are persons who have attempted to define the concept. He continues by giving a broad definition of leadership, one that encompasses most of the current approaches to the subject: “leadership is the ability to influence a group towards the achievement of goals.” Kreitner and Kinicki (1993) give a more specific definition by stating “……leadership is…..a social influence process in which the leader seeks the voluntary participation of subordinates in an effort to reach organisational goals”.

Given that there is no consensually agreed upon definition of leadership, and given that cultural-semantic and evaluative interpretation of leadership varies widely, leadership can be defined differentially according to culture studied, and the type of preferred leadership can vary across cultures and over time and within different contexts. Within this context and the above literature, the researcher embarked on this study to understand the view of leadership in a leading local organisation.

1.3. BACKGROUND

The Liberty Group is a progressive financial services group that adopts a sophisticated approach to providing financial solutions. Liberty seeks to be the preferred supplier of,
and point of access to, quality, value-added financial and associated services among high-net-worth South Africans. The Liberty Group boasts high levels of security and good governance supporting its various obligations to its investors. Superior investment performance in relation to the clients' risk tolerance is of paramount importance to the Group and all major asset classes are managed to achieve this result.

Liberty has also seen a shift in its leadership from its inception, starting with Donald Gordon (its founder), to Roy Andersen and currently Myles Ruck. In 1999 at a presentation to international investors, the Liberty Group changed its strategy in terms of management in the Liberty Group from Owner styled management to Empowerment Management. In order to achieve this strategy, the management group shifted focus to Human Resources, emphasising the following:

- Follow International Best Practice
- Focus on Empowerment
- Attain a dedicated and committed management team, with the focus on leadership.

1.4. PROBLEM AND QUESTION STATEMENT

Leadership is the central ingredient to the way progress is created and to the way organisations develop and survive in a changing environment. Without effective leadership, change and transformation will be difficult, if not impossible. This has consequences for the business and businesses in general in South Africa. The research is directed at a business problem, namely what are the limitations of the concept of leadership at the Liberty Group and what effect will the limitations have, if any, on the effectiveness of the organisation to change? Will the organisation be able to answer to the demands as discussed above? The answer to these two questions will involve investigation into the current views on leadership at the Liberty Group and what limitations executive management experience. Relevant literature will also be scrutinised to establish the known/established effect the limitations will have on the effectiveness of the organisation to embrace change.
1.5. **AIM AND OBJECTIVES**

1.5.1. **Aim:**

The aim of the study is to provide a set of recommendations and suggestions to understand the role of leadership within the Liberty Group, given the ever-changing environmental factors whilst at the same time creating and maintaining an effective organisation.

1.5.2. **Objectives:**

To reach the above aim the following objectives are relevant in the study.

**Objective One:**
To conduct an in-depth literature review to understand the past literature written about leadership, so as to provide a backdrop to the study in question.

**Objective Two:**
To conduct individual semi-structured focused interviews with respondents to identify the views that the leaders within the Liberty Group have on the concept of leadership and change.

Data gathered through the semi-structured focus interviews will be analysed and discussed.

**Objective Three:**
The findings will be verified with available literature. Conclusions and recommendations will be made and the views on leadership will be determined.

**Relevance of the Study**

The aim of this study is to gauge the views and experience of leadership and make recommendations. The sample group that was chosen is seen as the most senior decision-makers within a national Life Assurance company. As leadership is a phenomenon which crosses all sectors in every industry, the findings and
recommendations could be generalised to other organisations and companies in South Africa.

1.6. RESEARCH METHODOLOGY
After much deliberation of the various methodological approaches available to the research question, the researcher decided that in order to meet the objectives of the study the research methodology used will be a qualitative, descriptive, explorative and conceptual process.

1.6.1. Population
The population will be the members of the management group within the Liberty Group. The organisational structure is currently made up of approximately 250 members representing the management group from which three distinct groups emerge. These groups are executive directors, divisional directors and heads of departments.

1.6.2. Sample
Sampling will be done using the purposive and judgmental methods. For the purposes of this study, the researcher has identified the executive directors as the sample group. These members sit on the group executive committee and are made up of thirteen individuals. The researcher has chosen this group as the sample as they are seen as leaders of either the business unit or support division.

1.6.3. Research methodology
As this research topic is broad in context, it will be difficult for the researcher to use a quantitative research technique, and will therefore opt for the qualitative research analysis in the form of semi-structured interviews to gather data. In Chapter 3 the semi-structured interview style will be discussed.

1.6.4. Analysis
Once data has been gathered, the researcher will attempt to analyse it using a thematic approach, that is, identify various themes that will emerge from the data.
1.6.5. Validation
The researcher will then validate and analyse the data with other literature on the subject matter and come to conclusions.

This process will be defined in detail in Chapter 3.

1.7. DEFINING TERMINOLOGY

1. Ability
Ability represents a broad and stable characteristic responsible for a person’s maximum physical or mental performance.

2. Effectiveness
Effectiveness indicates the way in which key organisational results and outputs are compared with previously stated goals and/or objectives.

3. Feedback
Feedback is the extent to which an individual receives direct and clear information about how effectively he or she is performing a job.

4. Goal
A goal indicates what an individual is trying to accomplish, it is the object or aim of an action.

5. Leadership
According to Robbins (1996) Leadership is defined as a social influence process in which the leader seeks the voluntary participation of subordinates in an effort to reach organisational goals.

6. Management
Management is the process of working with and through others to achieve organisational objectives effectively and ethically.
7. Organisation
An organisation is a system of consciously co-ordinated activities or forces of two or more people.

8. Organisational culture
Organisational culture is the deeper level of basic assumptions and beliefs that are shared by members of an organisation that operate unconsciously and defined in a basic ‘taken for granted’ fashion as well as the organisation’s view of its self and its environment.

9. Organisational structure
Organisational structure is the innumerable dynamic relationships that produce balance, strength, and solidity. Structure is a dynamism that propels movement, change, transformation and fluctuation.

10. Paradigm
The paradigm can be described as a generally accepted way of viewing the world.

11. Reciprocity
Reciprocity is the most universal belief that people should be paid back for what they do – that one good (or bad) turn deserves another. People tend to get what they give when attempting to influence others.

12. Resistance to change
Resistance to change is an emotional/ behavioural response to real or imagined threats to an established work routine.

13. Ubuntu
Ubuntu is the community concept of management. Ubuntu is not a management style or a business technique, but it is an epistemology, a
humanistic philosophy – African humanism, which focuses on people and puts down some guidelines for leadership styles and management practices.

1.8. PROGRAMME OF INVESTIGATION AND STRUCTURE OF REPORT

1.8.1. Chapter 1
This chapter will serve as an introduction to the study. It will provide the statement of the problem, the aim and the methodology to be followed and will therefore be reported in chapter one of the dissertation.

1.8.2. Chapter 2
This chapter will give an exposition of the literature study. The researcher uses relevant past literature to better understand the problem statement.

1.8.3. Chapter 3
This chapter is an exploration of the research methodology used in this study. From this the qualitative research paradigm was drawn. This paradigm will employ an inductive strategy, as this is the most appropriate to this study. The researcher will use semi-structured interviews in order to understand the stated problem without imposing pre-existing expectations on the results. The data analysis will also be discussed.

1.8.4. Chapter 4
This chapter will deal with the collective data and will be described through qualitative data analysis as discussed in Chapter 3. From the transcripts of the interviews conducted data will be gathered and will then be analysed as mentioned above.

1.8.5. Chapter 5
Findings, recommendations, guidelines and conclusions will appear in Chapter 5. The researcher will concentrate on guidelines which can be adopted when
an organisation wants to understand the leadership imperative in times of a changing environment.

1.9. SUMMARY

A motivation and rationale for the study were presented in this introduction. The direction that the study would take was also indicated. The next chapter will provide an in-depth explanation of the literature that was studied.
CHAPTER 2

LITERATURE REVIEW

2.1. INTRODUCTION

Leadership serves as a beacon for direction and guidance; radiates mobilising energy around which people, sometimes widely diverse, rally; envisions them to visualise and explore previously unseen challenges, enables people to rise above circumstances, frequently during the darkest of times and models the desired way of acting to be adopted.

There is widespread agreement that the successful organisation has one major attribute that sets it aside from unsuccessful organisations and that is effective, dynamic leadership. There is also consensus that effective leaders are the scarcest resource of any business enterprise and little agreement as to what exactly constitutes leadership competence. Many people refer to charisma as an essential characteristic of effective leadership; however they find it difficult to explain specific behavioural characteristics that can be observed, trained and consequently evaluated.

For centuries the notion was held that leadership was exercised by the 'great men' who had been born with genetic qualities rather than having learnt and developed for that role. In 1924 Gordon Allport suggested nineteen essential traits, including intelligence and erect aggressive carriage. However traits that correlated with success in one situation failed to do so in another, and no consistent pattern emerged (Schein, E. 1980).

Warren Bennis is fond of making a deceptively simple but insightful distinction between managers and leaders. A manager does things right; a leader does the right things. Clearly, both functions are essential in any successful business...
organisation. But, as Bennis observes, businesses have become dangerously over-managed and under-led.

Determining the right things for the business to do has become progressively more complex and ambiguous. Furthermore, discretionary decisions regarding the right thing to do are being made today, not just by top executives, but by managers throughout the organisation. Leadership is fast becoming a critical dimension of interpersonal influence that must permeate the management of any company that intends to be successful in the new business environment. Consequently, managers must grow to embrace leadership as a central component of their self-concepts and roles.

2.2. THEORIES

2.2.1. Trait Theories

Warren Bennis (1984), in his “Four Traits of Leadership” derives his insights about the renewed opportunity for leadership from an in-depth study of ninety of the most effective and successful leaders in the United States. Bennis’ central questions were:

- How do outstanding leaders empower their people and reap the harvest of human effort?
- How do they leverage their human asset?

While Bennis found more differences than similarities in the management styles among his subjects, he came to realise that they all are grounded in a powerful personal vision through their people by being exemplary managers of:

- Attention: they draw people through the strength of their intentions. They live their vision with a passionate focus
- Meaning: they have an extraordinary, though not necessarily charismatic, ability to communicate their vision in a way that allows their people to make it their own and give it personal meaning.
• Trust: they are totally reliable and congruent. Their actions have integrity and embody a consistent interpretation of their vision.
• Self: they have high personal self-regard and have similar attitudes toward others. They view failure as impossible and errors as mistakes, a necessary opportunity to learn.

Collectively these four leadership traits have the effect of empowering people by:
1. Making them feel significant
2. Focusing on their developing competencies rather than their failures
3. Creating a shared sense of community
4. Making work exciting and worthy of dedicated commitment.

This research by Bennis and Nanus (1985) found that the only similar characteristics the leaders they studied shared was the fact that they were all married. Some were charismatic and some were not, some were short, tall, thin, fat...

Rost and Smith (1992) assert that conceptions of leadership based purely on individual differences began to fall out of vogue in the late 1940s and 1950s, primarily as a result of two major reviews of the leader trait literature by Stogill (1948) and Mann (1959). These researchers concluded that no single trait or constellation of traits clearly and consistently differentiates leaders from non-leaders. Robbins (1996) argues that the main reasons why this approach did not prove to be successful in explaining leadership are the following:
• It overlooks the needs of the followers
• It generally fails to clarify the relative importance of various traits
• It does not separate cause from effect (e.g. are leaders self-confident or does success as a leader build self-confidence?)
• It is difficult to specify traits without taking into account situational factors.
In recent years there has been a distinct re-emergence of interest in individual differences research, most significantly as it applies to understanding a leader's performance. Researchers are now attempting to identify the sets of traits that people implicitly refer to when they characterise someone as a leader. Robbins (1996) argues that this line of thinking proposes that leadership is as much style-projecting the appearance of being a leader – as it is substance. Table 1 provides a summary of some of the research findings in this field.

Table 1
Leadership traits and skills*

<table>
<thead>
<tr>
<th>PERSONALITY</th>
<th>ABILITIES AND INTELLIGENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Adaptability</td>
<td>• Ability to enlist cooperation, and to cooperate</td>
</tr>
<tr>
<td>• Alertness</td>
<td>• Interpersonally skilled</td>
</tr>
<tr>
<td>• Ambition</td>
<td>• Diplomatic</td>
</tr>
<tr>
<td>• Independence</td>
<td>• Socially skilled</td>
</tr>
<tr>
<td>• Assertiveness</td>
<td>• Fluency in speech</td>
</tr>
<tr>
<td>• Responsiveness</td>
<td>• Good judgement and concept formation</td>
</tr>
<tr>
<td>• Persuasiveness</td>
<td>• Creativity</td>
</tr>
<tr>
<td>• Organised</td>
<td>• Decisiveness</td>
</tr>
<tr>
<td>• Dependable</td>
<td>• Knowledgeable</td>
</tr>
<tr>
<td>• Energetic</td>
<td>• Courage</td>
</tr>
<tr>
<td>• Persistent</td>
<td>• Competence</td>
</tr>
<tr>
<td>• Self-confident</td>
<td></td>
</tr>
<tr>
<td>• Tolerant of stress</td>
<td></td>
</tr>
<tr>
<td>• Emotional stability</td>
<td></td>
</tr>
<tr>
<td>• Honesty and integrity</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Adapted from Darling (1992); Kreitner & Kinicki (1993); Greenberg & Baron (1993); and Robbins (1996)

2.2.2. Behavioural theories

In the 1950s the leadership style approaches were introduced. The first of these approaches was the move to delineate characteristic patterns or styles of
leadership behaviours such as Lewin’s (1939) “Three Classic Styles of Leader Behaviour” and the “Michigan and Ohio State Studies”.

Table 2

Lewin’s three classical styles of leadership*

<table>
<thead>
<tr>
<th>Nature</th>
<th>Authoritarian</th>
<th>Democratic</th>
<th>Laissez-faire</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nature</td>
<td>• Leader retains all authority and responsibility</td>
<td>• Leader delegates a great deal of authority, while retaining ultimate responsibility</td>
<td>• Leader denies responsibility and abdicates authority to the group</td>
</tr>
<tr>
<td></td>
<td>• Leader assigns people to clearly defined tasks</td>
<td>• Work is divided and assigned on the basis of participatory decision making</td>
<td>• Group members are told to work things out themselves and do the best that they can</td>
</tr>
<tr>
<td></td>
<td>• Primarily a downward flow of communication</td>
<td>• Active two-way flow of upward and downward communication</td>
<td>• Primarily horizontal communication among peers</td>
</tr>
<tr>
<td>Primary Strengths</td>
<td>• Stresses prompt, orderly and predictable performance</td>
<td>• Enhances personal commitment through participation</td>
<td>• Permits self-starters to do things as they see fit without leader interferences</td>
</tr>
<tr>
<td>Primary Weakness</td>
<td>• Approach tends to stifle individual initiative</td>
<td>• Democratic process is time-consuming</td>
<td>• Group may drift aimlessly in the absence of direction from the leader</td>
</tr>
</tbody>
</table>

* Source: Kreitner & Kinicki (1993)

The underlying assumption of this approach was that the democratic style was favoured over the ‘laissez-faire’ or autocratic leader styles (Lickert, R 1960). According to Hampton (1981) there three types of leadership styles: autocratic, consultative and group two.
Autocratic Leaders try to solve problems and make decisions for themselves. These leaders obtain the necessary information from their subordinates. The role played by the subordinates in making decisions is minimal because it is limited to providing information rather than generating or evaluating alternative solutions.

Consultative leaders share problems with some subordinates individually, getting their ideas and suggestions without bringing them together as a group. After the individual consultation, leaders will make decisions that may or may not reflect their (the subordinates) ideas. Alternatively they may bring the group together the share and brainstorm ideas and suggestions. The leaders would then make decisions alone that may or may not reflect the subordinates’ views.

Group two leaders share problems with their subordinates as a group. Together they generate and evaluate alternatives and attempt to reach agreement or consensus on a solution. The role of the leader is to facilitate the session and act as the chairperson. Leaders who adopt this style do not try to influence the group to accept the leader’s solutions and they are willing to accept and implement any solution that has the support of the entire group. (Hampton, 1981:378)

Extensive research however showed that the appropriateness of the style was dependent on the situation, maturity and the needs of the followers. Further criticism of this approach was that it did not take into consideration the task and situational variables and focused instead exclusively on the leader (Limmerick, 1984).

The Michigan studies defined job-centred and employee-centred leadership at opposite ends of a single leadership continuum. A leader could exhibit either one of these two behaviours but not both.
The Ohio State leadership studies defined consideration and initiating structure behaviours as independent dimensions of leadership, for example, low or high consideration behaviour and low or high initiating behaviour.

Table 3

Four Leadership styles derived from the Ohio State studies*

<table>
<thead>
<tr>
<th>Consideration</th>
<th>Initiating Structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>Less emphasis is placed on structuring employee tasks while the leader concentrates on satisfying employee needs and wants</td>
<td>The leader provides a lot of guidance on how tasks can be completed while being highly considerate of the employee needs and wants</td>
</tr>
<tr>
<td>The leader fails to provide necessary structure and demonstrates little consideration for the employee needs and wants</td>
<td>Primary emphasis is placed on structuring employee tasks while the leader demonstrates little consideration for the employee needs and wants</td>
</tr>
</tbody>
</table>

*Source: Kreitner & Kinicki (1993)

Like the other behavioural theories of leadership, these theories offer a better framework for conceptualising leadership styles rather than presenting tangible new information to clarify the leadership quandary, since there is little substantial evidence to support the conclusion that one style is most effective in all situations.

2.2.3 Contingency Theories

The late 1960's leadership research tended to concentrate on the situation and context of the leader. This school of thought focuses on situational factors that determine the pattern of leadership. This approach assumes that effective leadership depends on the particular situation and involves a fit between personality, tasks, power, attitudes and perceptions. Effective managers diagnose
the situation, identify the leadership style that will be most effective, and then determine whether they can implement the required style. Gordon (1993) argues that early situational research suggested that subordinate, supervisor and task considerations affect the appropriate leadership style in a given situation. Variants of this approach emphasised situational contingencies that constrained or heightened the operations of particular individual qualities and leadership styles.

2.2.4. McGregor’s Theory X and Theory Y formulation

According to Theory X and Theory Y, leadership styles are based on the individual’s assumptions about other individuals, together with characteristics of the individual, the task, the organisation and the environment. McGregor compiled two sets of assumptions which leaders may have concerning employees and which may affect the leader’s behaviour towards subordinates. These two sets of assumptions are summarised in the table below.

<table>
<thead>
<tr>
<th>Theory X</th>
<th>Theory Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>People are inherently lazy, and will avoid work if possible</td>
<td>People are not inherently lazy and mental or physical effort associated with work is as natural as relaxation</td>
</tr>
<tr>
<td>People are extrinsically motivated and rate security above any other need</td>
<td>People are intrinsically motivated and seek self-actualisation</td>
</tr>
<tr>
<td>People are incapable of self-discipline and self-control, they prefer to be controlled and avoid responsibility, and have little ambition</td>
<td>People exert self-control and seek responsibility</td>
</tr>
<tr>
<td>Most people have limited creativity when solving organisational problems</td>
<td>Creativity in the solving or organisational problems is a general phenomenon</td>
</tr>
</tbody>
</table>

*Source: Adapted from Robbins (1996)

Fiedler (1967) identified three situational factors or contingency dimensions in the organisation that influence the favourableness of the situation, which in turn
influence the effectiveness of the leader, namely leader-member relations, task-structure and position power.

- The leader-member relationship can be either good or poor, and depends on factors such as the degree of confidence; trust and respect subordinates have in their leader.
- Task-structure can be either high or low and depends on whether the task is relatively structured or unstructured.
- Power position can be either strong or weak and depends on the degree of influence the leader has over rewards (such as promotion and salary increases) or punishment (such as disciplinary steps).

According to Fiedler, leaders have a natural tendency towards a task-orientated or relationship-orientated leadership style. He developed a measuring instrument called the "least preferred co-worker", which purports to measure whether a person is task- or relationship-orientated. He argues further that because of this natural tendency towards a specific style, an individual leader's style is rather inflexible and difficult to change, but that the organisation must put individuals in situations that fit with their style. From this assumption, it follows that if a given situation requires a task-orientated leader and that the person in the position of power is relationship-orientated, either the situation has to be modified or the leader removed and replaced if maximum effectiveness is to be achieved.

After a person's leadership style and the favourability of the situations have been identified, it is necessary to match the leader with the situation to achieve maximum leadership effectiveness.

Robbins (1993) has examined Fiedler's research on 1200 groups in which he compared relationship- versus task-orientated leadership styles in each of the eight situational categories. Fiedler concluded that the task-orientated leaders tend to perform better in situations that are very favourable to them and in situations that are
very unfavourable to them. Relationship-orientated leaders, however, perform better in moderately favourable situations.

Fiedler's model, essentially concerns the fit between leader and situation, but because he sees leadership style as fixed, there are only two ways to fit the leader and the situation – either by selecting the right leader for a given situation or by changing the situation to fit the leader. Cherrington (1994) points out that, rather than changing the leader to fit the situation, Fiedler recommends changing the situation to fit the leader through what he calls job engineering. Job engineering consists of changing one or more of the situational factors to increase or decrease the favourability of the situation.

Another criticism of this model is that the strength of this model lies in the close relationship of the task- and relationship-orientated factors, but offers no diagnostic criteria for subordinates. This model further assumes that the leadership process lies with one person only (Kelly, G 1986).

2.2.5. The revised Vroom-Jetton-Jago Leadership-participation model

The leadership-participation model of Vroom-Jetton-Jago is both a decision-making model and a theory of leadership. It provides a set of rules to determine the form and amount of participative decision making in different situations. To be able to handle different situations the model identifies five leadership or decision-making styles on a continuum from autocratic, through consultative, to group decision making, along with a series of diagnostic questions on contingency variables, which are answered on a five-point scale, to determine which style is most appropriate. The five leadership/decision making styles can be described as follows:

- The leader decides alone without soliciting any input from members
- The leader decides alone after obtaining the necessary information from members
- The leader makes the decision after consulting with group members individually. The leader shares the problem with them and obtains information, ideas, suggested alternatives and evaluation
- The leader makes the decision after meeting with the members as a group to collect their information, ideas, suggested alternatives and evaluation.
- The leader and members arrive at a group decision through consensus decision making. The leader may chair the group, but is simply one of the group and does not try to influence the group to a particular solution.

This model assumes that leadership behaviour is flexible, that no single leadership style is appropriate for all situations and furthermore that the leader's behaviour must adjust to reflect the task structure. Robbins (1996: 431) argues that, according to this model, it probably makes more sense to refer to autocratic and participative situations than to autocratic and participative leaders.

David Berlew emphasises this latter result in “Leadership and Organisational Excitement”. His concern in this article is with the failure of large, mature organisations in the United States to attract and retain highly talented young people. Berlew argues that much of the failure results from the inherent inadequacy of many management theories. Most management theories focus on two variables:

1. The manager’s task-related behaviour;
2. The manager’s relationship behaviour.

From Berlew’s point of view, these theories are incomplete as they neither explain why the new worker, who is productive and treated respectively is not committed and fulfilled, nor why some organisations are inspired whilst others are not. As Berlew observes, two-factor management theories tell us more about management than they do about leadership.

Berlew’s insight into how to extend management theory to incorporate the dimension of leadership focuses on the central importance of vision. Berlew proposes three aspects of vision-centred leadership.

1. The ability to discover and articulate the common vision that will propel and excite the organisation.
2. The ability to create value-related opportunities for people to act on behalf of the vision
3. The ability to empower people, to make organisational members stronger and in control of their own destinies.

2.2.6. Transactional theories

From the late 1970s until the mid-eighties a transactional approach was adopted by leadership theorists. Although it was based on contingencies, the emphasis was on the social exchange occurring between leaders and followers. As a result, increased importance was given to followers’ perceptions of leaders and their behaviour. Subsequent extensions of the social exchange or transactional approach have emphasised the role of leaders in elevating the motivation, competence and collective responsibilities of their followers.

Hersey and Blanchard (1982) developed the commercially popular “Situational Leadership Model” which suggested a life-cycle of leadership in which the degree of task and relationship behaviour exhibited by the leader must be analysed in conjunction with the follower or subordinate maturity or readiness. Readiness is defined as the extent to which a follower possesses the ability and willingness to complete a task. The emphasis on the followers in this leadership theory reflects the reality that it is they who either accept or reject the leader. Regardless of what the leader does, effectiveness depends on the actions of his/her followers. Robbins points out that this is an important dimension that has been overlooked or underemphasised in many earlier leadership theories.

Situational leadership uses the same two leadership dimensions that Fiedler identified: task and relationship behaviours. However, Hersey and Blanchard go a step further by considering each as either high or low and then combining them into the following four specific leader behaviours.
• Telling (high task – low relationship). The leader defines roles and tells people what, how, when and where to do various tasks. Directive behaviour is emphasised.

• Selling (high task – high relationship). The leader provides both directive and supportive behaviour.

• Participating (low task – high relationship). The leader and follower share in the decision making, with the main role of the leader being facilitating and communicating.

• Delegating (low task – low relationship). The leader provides little direction or support.

The final component in Hersey and Blanchard’s theory is defining four stages of follower readiness.

• People are both unable and unwilling to take responsibility to do something. They are neither competent nor confident.

• People are unable but willing to do the necessary job tasks. They are motivated, but currently lack the appropriate skills.

• People are able but unwilling to do what the leader wants.

• People are both able and willing to do what is asked of them.

In order for leaders to develop their subordinates to their full potential, they must be able to vary their behaviour. This includes utilising various degrees of directive and supportive behaviours as subordinates move backward and forward along the maturity/immaturity continuum. The major strength of this model is the developmental focus, lacking in all the other models, however, this model has been criticised as being over simplistic.

2.2.7. House’s path-goal theory

The path-goal theory is a situational theory developed by Robert House (Robbins 1996). This theory extracts key elements from the Ohio State Leadership research on initiating structure and consideration, and the expectancy theory of motivation.
The theory explains how leaders can facilitate task performance by showing subordinates how their performance can be instrumental in achieving desired rewards and goals.

Essentially this theory explains what leaders should do to:

- Influence the perceptions of subordinates about their work, through coaching guidance, support or rewards;
- Identify important personal goals for subordinates; and
- Clarify the various paths to goal attainment.

It claims that leader behaviour is motivating and satisfying or accepted to the extent that it clarifies the paths to the goals and increases goal attainment. House has identified two basic leader behaviours, namely path clarification and gate-keeper of rewards, (that is, increasing the number of rewards available to subordinates by being supportive and looking after their needs).

House has identified four distinct leadership styles that enable leaders to perform these two functions.

- Directive leadership tells subordinates what is expected of them and provides specific guidance, standards and schedules of work.
- Supportive leadership treats subordinates as equals and shows concern for their wellbeing, status and personal needs, and seeks to develop pleasant interpersonal relationships among group members.
- Achievement-orientated leadership sets challenging goals, expects subordinates to perform at their highest level, and continually seeks improvement in performance.
- Participative leadership means consulting with subordinates and using their suggestions and ideas in decision making.

Unlike Fiedler’s model, which implies that leadership style is resistant to change, the path-goal theory maintains that the four styles of leadership can be displayed by one manager at different times in different situations. For example, if a directive
leader discovers that the situation has changed and now requires a participative style, it is possible to change.

Cherrington (1994) points out that a fifth leadership style, the punitive leader, ought to be added to this theory. He argues that the path-goal model focuses almost exclusively on the leader’s ability to administer positive reinforcement and ignores the powerful impact of carefully administered punishment.

Although the path-goal theory does not explain how to identify the appropriate leadership style, the theory identifies two types of situational factors: subordinate contingency factors, which include locus of control, authoritarianism and abilities, and environmental contingency factors, which include the nature of the task, the formal authority system within the organisation, and the group norms and dynamics that need to be considered.

The transactional leadership theories emphasise the transactions between leaders and their followers. The transactional leaders manage the transaction between the organisation and its members, they get things done by giving contingent rewards, such as recognition, pay increases, and advancement for employees who perform well. Transactional leaders usually use the management by exception principle to monitor the performance of employees and take corrective action when performance deviates from standards. Leaders of this kind guide or motivate their followers in the direction of established goals by clarifying role and task requirements.

The main characteristics of transactional leadership is summarised as the following:

- The main concern is with the accomplishment of organisational goals in the short term.
- These leaders are good at defining and communicating the work that must be done.
- They make the rewards for expected performance clear.
- They practise situational leadership
They understand the strengths and weaknesses of their subordinates.
They are effective in maintaining the status quo.

Rost and Smith (1992) propose that in order to understand the concept of leadership, leadership theory must move away from the industrial school of leadership, which is noted for emphasising what is peripheral to the nature and content of leadership. They identify these peripheral aspects as traits, personality characteristics, nature or nurture, greatness, group facilitation, goal attainment, effectiveness, contingencies, situations, goodness, style and above all how to manage an organisation better. In the book “Leadership for the Twenty-first Century”, Rost and Smith (1992) give a new definition of leadership:

“Leadership is an influence relationship among leaders and followers who intend real changes that reflect the purposes mutually held by both leaders and followers”.

2.2.8. Charismatic Leadership

The charismatic leadership theory emerged in the late 1980s and is an extension of the attribution theory. Like that of the trait theories, it assumes that charisma is an individual characteristic of the leader. Although traits may well play a role in charismatic leadership, there is a growing belief that it makes more sense to view such leadership as involving a special type of relationship with followers.

Several studies have been conducted to identify the personal characteristics of the charismatic leader; one very comprehensive analysis in this regard is the study undertaken by Conger and Kanungo (1988).

Conger and Kanungo proposed that charismatic leaders possess the following characteristics:

- Have an idealised goal or vision that they want to achieve
- Have a strong personal commitment to their goal
- Are perceived as unconventional
- Are assertive and self-confident; and
• Are perceived as agents of radical change, rather than as managers of the status quo.

The charismatic leader also has the following relationship with his/her followers:

• The leader has a strong need to influence his/her followers
• The leader communicates high expectations about follower performance
• The leader expresses confidence in followers
• The followers trust the correctness of the leader’s beliefs
• The followers’ beliefs are aligned to the leader’s beliefs
• The followers accept the leader unquestioningly
• The followers feel affection for the leader
• The followers obey the leader willingly, in other words they are motivated
• The followers have an emotional involvement in the organisation’s mission
• The followers have heightened performance goals
• The followers believe that they can contribute to the success of the group’s mission.

Charismatic leadership may not always be needed to achieve high levels of employee performance. It may be most appropriate when the follower’s task has an ideological component. That is why charismatic leaders are most likely to emerge when an organisation is introducing a radically new products or facing a life-threatening crisis – in other words in times of dramatic change.

Gordon (1993) points out that there will, however, also be a dark side to charismatic leadership, if the leader overemphasises devotion to him- or herself and makes personal needs paramount or uses highly effective communication skills to mislead or manipulate others. Such leaders may be so driven to achieve their own vision that they ignore the costly implications of their goals.
2.2.9. Transformational leadership

Transformational leadership emerged in the 1990s and is closely related to charismatic leadership. Transformational leadership is the set of abilities that allows the leader to recognise the need for change, to create a vision to guide that change, and to execute the change effectively. This type of leader can influence in every direction – downward with subordinates, laterally with colleagues, upward with superiors and outward with clients and customers. Thus, transformational leaders can change the culture of the organisation.

Transformational leaders are also charismatic and possess all the above mentioned characteristics associated with charismatic leaders, but they have got more than charisma. Avolio and Bass (in Robbins, 1993) describe the difference between these two leaders as follows:

"The charismatic leader may want followers to adopt the charismatic leader's world view and go no further; the transformational leader will attempt to instil in followers the ability to question not only established views but eventually those established by the leader."

From this it follows that the transformational leader empowers followers. Charismatic leadership, which results in compliance, keeps followers dependent on the leader. Transformational leadership is aimed at creating follower independence. Apart from being charismatic, transformational leaders also have the following characteristics:

- They identify themselves as change agents
- They are value-driven
- They believe in people
- They take risks and are courageous individuals
- They have the ability to deal with:
  - Complexity
  - Ambiguity, and
  - Uncertainty
- They are life-long learners
• They engage in impression management – using tactics and techniques designed to enhance their attractiveness and appeal to others
• They are visionaries, and engage in framing – defining their vision or purpose in a way that gives meaning and purpose to whatever actions they are requesting from followers.

It is clear from the above characteristics that their influence does not stem from the possession of semi-magical traits, but is rather a logical result of a complex cluster of behaviours and techniques.

In summation, listed below is a comparison between transactional and transformational leadership.

Transactional leader:
• Establishes goals and objectives
• Designs workflow and delegates work assignments
• Negotiates exchange of rewards and effort
• Rewards performance and recognises accomplishments
• Searches for deviations from standards and takes corrective actions
• Contingent reward: contracts exchange of rewards for effort, promises rewards for good performance, recognises accomplishments
• Management by exception (active): Watches and searches for deviations from rules and standards, takes corrective action
• Laissez-faire: Abdicates responsibilities, avoids making decisions

Transformational leader:
• Charismatic: provides vision and a sense of mission, gains respect and trust, instils pride
• Individual consideration: gives personal attention, and treats each person individually and coaches
• Intellectually stimulates: promotes learning, encourages rationality, uses careful problem solving
The industrial (transactional) and post-industrial (transformational) leadership views should not however be seen as opposing approaches to getting things done, as the transformational leadership approach is built on top of the transactional leadership approach.

The table below compares the industrial and post-industrial views on leadership as identified by Rost and Smith (1992).

<table>
<thead>
<tr>
<th>Traditional view</th>
<th>Emergent view</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good management</td>
<td>Process distinct from management</td>
</tr>
<tr>
<td>Leader behaviour/traits</td>
<td>Leaders and followers interacting in a relationship</td>
</tr>
<tr>
<td>Comply with leader’s wishes</td>
<td>Do what both leaders and followers wish</td>
</tr>
<tr>
<td>Pursue any organisational goals</td>
<td>Pursue proposals that intend real change</td>
</tr>
<tr>
<td>Use any legitimate behaviour</td>
<td>Use influence</td>
</tr>
</tbody>
</table>

From this table it is evident that there has been a paradigm shift. In the emerging, post-industrial view, leadership now appears to be:

- A process distinct from management
- A process in which people besides managers can be leaders
- A relationship in which the focus is on the interactions of both leaders and followers, instead of focusing on only the behaviours/traits of the leader
- A relationship that aims at mutual purposes rather than at just those of the leader
• A process in which people intend real changes as opposed to a process in which they achieve any goal, and
• A relationship in which only influential behaviours are acceptable rather than one wherein all legitimate behaviours (authority and other forms of coercion included) are acceptable.

In a way transactional leadership can be compared to good management and transformational leadership to good leadership – and we need both in organisations. This brings us to the perennial debate of leadership versus management.

2.2.10. Management and leadership
The debate concerning management versus leadership continues to rage. Darling (1992) and Capowski (1994) for instance, point out that the primary factor which prevents organisations from changing and growing is that they tend to be over-managed and under-led. It is argued that managers within these organisations may excel in handling the daily routine tasks, yet never question whether that routine should be followed at all. From such a perspective there is a profound difference between management and leadership.

Table 6
Summary of differences between managers and leaders as identified by Darling (1992) and Nanus (1992)

<table>
<thead>
<tr>
<th>A Manager</th>
<th>A Leader</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administers</td>
<td>Innovates</td>
</tr>
<tr>
<td>Is a copy</td>
<td>Is an original</td>
</tr>
<tr>
<td>Focuses on systems and structures</td>
<td>Focuses on people</td>
</tr>
<tr>
<td>Relies on control</td>
<td>Inspires trust</td>
</tr>
<tr>
<td>Has a short-range view</td>
<td>Has a long-range perspective</td>
</tr>
<tr>
<td>Asks how? And when?</td>
<td>Asks what? And why?</td>
</tr>
<tr>
<td>Has his/her eye on the bottom line</td>
<td>Has his/her eye on the horizon</td>
</tr>
<tr>
<td></td>
<td>Originates</td>
</tr>
</tbody>
</table>
Booyen and Van Wyk (1994) in their study found that some South African respondents were of the opinion that South Africa breeds managers and not leaders. The following are some of the reasons offered by the respondents for this view.

- Formal learning inhibits creativity.
- External insignia of leadership are regarded as important.
- Ours is a confirmative and rule-bound society.
- Society values technical managerial skills (the “good” employee is promoted to management).
- Development of leadership is limited by finances and economics.
- Bureaucracy plays an important role.
- South Africa does not value humanities or the soft sciences.
- The South African schooling system is inadequate: it does not stimulate the development of intellect, creativity and self-confidence; it does not identify children with natural leadership abilities and does not develop such skills.

Most of the obstacles to leadership mentioned by the respondents are related to South Africa’s cultural and linguistic diversity and lack trans-cultural empathy, interaction and accommodation.

Although managers are not always good leaders and leaders are not always good managers, the distinction is somewhat overstated. There are managers who are also good leaders and leaders who are good managers. Leadership is seen as part of management and although one can be a good leader without being a good manager, one can not be a good manager without being a good leader. Some refer to managerial leaders or business leaders. Grobler (1996) argues that the real challenge
is to combine strong leadership with strong management and to use the one to balance the other.

2.2.11. Business leaders

Tait (1996) quotes the findings of a study involving in-depth interviews of 18 successful business leaders, focusing on the qualities and skills they regarded as essential for success in directing and guiding a larger organisation. These qualities include:

- The ability to make sense of a complicated pattern of events and from this to formulate clear goals for the organisation – in other words, to create a clear vision;
- People / interpersonal and communication skills;
- Integrity or character, and
- Drive and ambition.

Darling (1992) discusses a study conducted by Warren Bennis (1989) on several different types of US business firms, where he interviewed over 100 successful managerial leaders. Four characteristic leadership strategies emerged from this study.

- **Attention through vision**
  This is the ability to draw others to them, not just because they have vision, but because they communicate an extraordinary focus on commitment. Leaders manage attention through compelling vision or picture that provides focus for people.

- **Meaning through communication**
  Leaders make their vision and ideas tangible, real and meaningful to others through effective communication, so that they can support them. In other words, they constantly communicate the vision in creative, understandable ways, which motivates followers to go that extra mile and provides synergy and coordination of effort.
An important aspect of communication is empathy. Successful leaders are open and sensitive. Empathy includes understanding that skin colour, nationality, birthplace, gender, political belief, financial status and intelligence are measures of worth or worthiness.

The pathway to effective communication is acceptance of the fact that every human being is a distinctly unique individual.

- **Trust through positioning**
  This concerns inspiring trust in the leader as well as trusting the followers to do what needs to be done. Trust is a facilitator which helps to make it possible for an organisation to function effectively. Trust implies accountability, predictability, reliability and provides the foundation which maintains organisational integrity. Integrity in the leadership position leads to trust within those individuals counted on to facilitate the achievements of the organisation.

- **Confidence through respect**
  A key factor in building confidence through respect focuses on the creative deployment of self, which has as a prerequisite a positive self-regard. A positive self-regard seems to consist of three major components:
    - Knowledge of one’s own strengths;
    - The capacity to nurture and develop those strengths; and
    - The ability to discern the fit between one’s strengths and weaknesses and the organisation’s needs.

Darling (1992) also argues that “[a] real test of successful leadership in management lies in giving, to the greatest extent possible, opportunities to others within the situational context of the firm. One does not have to be brilliant to be a good leader, but you have to understand people – how they feel, what makes them tick, and the most effective ways to influence them.”
2.2.12. South African perspective on business leadership

Charlton (1996) points out that studies conducted in South Africa have supported the findings of Bennis. He adds that the above strategies are dependent on the leader's ability to manage him/herself. This involves diagnosing inappropriate or ineffective behaviour, and assuming personal responsibility for learning, productive growth and change. He also argued that a business leader needs to create an empowering environment where followers are motivated, allowed (that is, having the responsibility and authority) and able to perform to their potential. Charlton (1996) concludes by saying that “empowerment is both a consequence (indication) and competence of effective leadership”.

Preliminary research undertaken by Booysen and Van Wyk (Booysen 1994) on the preferred leadership style of effective leaders in South Africa has found that outstanding leaders in South Africa are perceived to show a strong and direct, but democratic and participative leadership style. They are perceived as agents of change, visionaries and individualists. This indicates a preference for a transformational leadership style. Although they are seen as being moderately charismatic, they are also seen as responsible, not as agitators. The focus on transformational leadership takes on enormous significance in a South African context in terms of our skills shortages, productivity problems and the diverse disparities in our workforce.

The preliminary results also indicates that South African leaders are perceived as being sensitive to followers' needs and are expected to reflect followers' ideas, to satisfy their needs and to be respectful and understanding. South African leaders are expected to be pragmatic and creative; by utilising their interpersonal skills and knowledge they must act reactively as well as proactively, depending on their analysis of a situation.
2.2.13. Leadership and diversity

Prior to the 1960s the study of leadership was limited largely to the study of white men occupying leadership positions in business organisations. In the 1970s and 1980s there was a surge of interest in the experiences of women and minority men in leadership (Berry and Houston 1993). As economies globalise and organisations increasingly form cross-border relationships, there is a resurgence of interest in the management problems caused by national cultural differences – in values, ideologies, organisational assumptions, work practices and behavioural styles – spawning research into cross-cultural leadership.

2.2.14. Women and leadership

Betters-Reed and Moore (1995) argue that, although the (American) workforce is becoming increasingly diverse, the predominant paradigm for educating and managing this new labour force has remained rooted in an exclusively Anglo-American male mind-set. Even management development programmes designed to focus on females have suffered from the tendency to encourage females to “think manager, think male”. They assert that the implicit (and sometimes explicit) assumption has been that women will succeed if they adopt the characteristics of effective white male managers. The constantly reinforced message is that women can succeed only if they become more assertive, competitive, “dressed for success” and more politically and socially astute. This is unfortunately also the case in South Africa. Because of the above-mentioned assumptions and because they were breaking new ground, the first female executives adhered to too many of the rules of conduct that spelled success for men.

Rosener (1990) points out that a second wave of women are making their way into top management, not by adopting the style and habits that have proved successful for men but by drawing on the skills and attitudes that they have developed from their shared experiences as women. She adds:

“This second generation of managerial women are drawing on what is unique to their socialisation as women and creating a different path to the top. They are seeking and finding opportunities in fast changing and growing organisations to show that they can...”
achieve results – in a different way. They are succeeding because of – not in spite of – certain characteristics generally considered to be ‘feminine’ and inappropriate in leaders”.

This second wave of women leaders is equipped with a leadership style that is more based on consensus-building, more open and inclusive (power and information sharing), more likely to encourage participation by others, to enhance the self-worth of others and to energise them, and that tends to be more caring than the style adopted by many of their male counterparts. Rosener (1990) refers to this approach to management as an interactive leadership style.

Betters-Reed and Moore (1995) argue that as a result of competitive pressures and strategic rethinking which has brought about flatter organisational structures and more decentralised authority and decision making, the trend is towards more collaborative styles of management – working across organisational departments to create an environment where teamwork encourages innovation and creative problem solving. They point out that Senge (1990), in Betters-Reed and Moore (1995), has spurred interest in the importance of understanding open models of communication among all employees for the purpose of improved learning and performance, and that total quality management also demands that these principles be adopted. It is clear from the above that these trends are in line with what Betters-Reed and Moore (1995) refers to as a feminist or woman-centred approach.

Robbins (1993) points out that the research suggests two conclusions regarding gender and leadership. First, the similarities between women and men tend to outweigh the differences, and secondly, the differences suggest that male managers feel more comfortable with a directive style, whereas female managers prefer a more democratic style. Appelbaum and Shapiro (1993) argue that since men have occupied most executive positions, their leadership style is defined as traditional – and thus, because the female leadership style contradicts the traditional, it is seen as non-traditional.
Table 7

Comparison of masculine and feminine leadership styles*

<table>
<thead>
<tr>
<th>Variable</th>
<th>Masculine</th>
<th>Feminine</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operative style</td>
<td>Competitive</td>
<td>Cooperative</td>
</tr>
<tr>
<td>Organisational</td>
<td>Vertical and hierarchical</td>
<td>Horizontal, network, egalitarian</td>
</tr>
<tr>
<td>structure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Objective</td>
<td>Winning</td>
<td>Quality</td>
</tr>
<tr>
<td>Problem-solving</td>
<td>Rational and objective</td>
<td>Intuitive and subjective</td>
</tr>
<tr>
<td>approach</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Key characteristics</td>
<td>• High control</td>
<td>• Low control</td>
</tr>
<tr>
<td></td>
<td>• Cling to power</td>
<td>• Power</td>
</tr>
<tr>
<td></td>
<td>• Strategic</td>
<td>• Power sharing/empowerment</td>
</tr>
<tr>
<td></td>
<td>• Unemotional</td>
<td>• Empathetic</td>
</tr>
<tr>
<td></td>
<td>• Analytical</td>
<td>• Collaborative</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• High performance</td>
</tr>
<tr>
<td>Perceived power</td>
<td>Organisational position</td>
<td>Personal characteristics</td>
</tr>
<tr>
<td>base</td>
<td>and formal authority</td>
<td>shared within a group</td>
</tr>
<tr>
<td></td>
<td>concentrated at the top</td>
<td></td>
</tr>
<tr>
<td>Perspective on</td>
<td>Social exchange in terms</td>
<td>Follower-leader commitment</td>
</tr>
<tr>
<td>leadership</td>
<td>of transactions</td>
<td>relationship</td>
</tr>
</tbody>
</table>

*Source: Appelbaum and Shapiro (1993); Govender and Bayat (1993); Smith and Smits (1994); Wilkenson (1995) and Rosener (1990)

From the above table it is evident that women generally tend to follow a more transformational leadership style, with the emphasis on the followers, consensus and the use of charisma, personal reference and personal contact to enhance interpersonal relations and to influence followers. Men in general, on the other hand, tend to follow a more directive style where job performance is seen as a series of transactions with subordinates, where rewards are exchanged for services and punishment for inadequate performance and that is more of a transactional approach.
Men seem to be more inclined to use formal position, power and authority to control people.

It is, however, very important to emphasise that the above are generalisations and that many men possess certain attributes that are linked mainly to the feminine model as set out in the above table and vice versa.

Even though men have historically held the great majority of senior positions in organisations, and some people still think that the noted difference between men and women will automatically work in favour of men, this is no longer the case. In today's flatter organisations, flexibility, networking, teamwork, trust, information sharing, empowerment and self-leadership are replacing rigid and hierarchical structures, competitive individualism, control and secrecy. The better managers listen, motivate, empower and provide support to their people. We need a new brand of managers, who can develop and use feminine skills and attitudes in conjunction with the skills used by traditional managers.

"Optimally, what would emerge from this transformation is neither a 'masculine' nor a 'feminine' model of leadership, but a synergistic model that enables people to work together to maximise their collective strengths and avoid their individual weaknesses." (Smith and Smits 1994)

2.2.15. Cultural issues and leadership

"Europeans would be crazy to behave as though they were not Europeans; Americans and Japanese would come across as both funny and phoney if they tried to be anything other than American and Japanese respectively. Similarly African, in our particular case, South Africans, had better stop behaving as though they were an outpost of Europe or somebody else (or a state of America). We have to get to know ourselves and begin to use our existential reality as a departure point." (Khosa 1994).

Khosa (1994) argues that it is a fallacy to believe that a business culture can be imposed on people, and that it can work perfectly, without taking into account the cultural archetypes of the people in question. Yet he adds corporate South Africa is
guilty of just this: “Corporate culture as experienced in South Africa is very Eurocentric. Business practice as currently conceptualised in most South African corporations is generally cast in a Eurocentric mould, in fact, worse, an Anglo-Saxon mould.” Avolio (1995) points out that in South Africa there appear to be both an individualistic and communalistic orientation, depending on whether the group is white, African, Asian or Coloured. Koopman (1994) espouses the view that whites have primarily designed exclusive institutions which give primacy to the individual, his/her development and self-fulfilment, which serve to foster liberal democracy. He further says that blacks, on the other hand, believe that man is very much part of the societal fabric and see the need for each individual to find his/her place in societal structure, to play his/her role in it and to large extent, to subordinate himself/herself to the societal needs – which leads to inclusive organisations.

South Africans have to come to terms with each others’ differences, acknowledge them, put them in perspective, discover the strengths and weaknesses in different ideologies and resolve them, in order to improve the aggregate potential of South African organisations-to create the best prospects of unity through diversity (Koopman (1994); Khosa (1994); Avolio (1995)). During the ten years of democracy in South Africa, the government has assisted business in achieving equity, and encouraging diversity with the implementation of the Employment Equity Act, the Black Economic Empowerment Act and the Financial Sector Charter.

Central to Afrocentric management is Ubuntu – the community concept of management. Ubuntu is not a management style or a business technique, but it is an epistemology, a humanistic philosophy – African humanism – which focuses on people and puts down some guidelines for leadership styles and management practices. Ubuntu, literally translated means: “I am because we are”; it is an expression of our collective personhood and collective morality.” Simply put, it implies encouraging individuals to express themselves through the group – through group support and commitment, acceptance and respect, cooperation and consensus, caring and sharing and solidarity. Khosa (1994) points out that Ubuntu is opposed to individualism and insensitive competitiveness, but is not comfortable with the kind of
collectivism that stresses the importance of the social unit to the point of depersonalising the individual.

Ubuntu places a great emphasis on concern for people, as well as being good and working for the common good (Khosa (1994); Mbigi (1995a, 1995b, 1995c)). Mbigi (1995b) argues: “[t]he heart and soul of Ubuntu is the solidarity principle, group conformity and care in the face of survival challenges, based on unconditional group compassion, respect, dignity, trust, openness and cooperation”.

Avolio (1995) draws a clear parallel between the Eurocentric or individualistic models and transactional leadership, and continues by saying that “African humanism or Ubuntu is much more closely tied to transformational leadership. Specifically, transformational leaders work to create a climate and culture where each individual and the group can achieve their full potential. In doing so, transformational leaders can facilitate the Africanisation of South African organisations.”

The implications of an Ubuntu-orientated leadership style do not include teamwork down to grass-roots level but also the encouragement of the team members or followers to sacrifice their personal gains/goals for the gains/goals of the group. This style includes creative cooperation, open communication, teamwork and reciprocal moral obligations (Khosa (1994); Avolio (1995); Mbigi (1995b)).

In agreement with Madi (1995) and Beaty (1996), it can be said that managers in this country need to extract the best management tools from camps representing a variety of cultural management orientations both within and outside South Africa, and that managers who understand and value the cultural diversity of the South African workforce, and who are flexible, using what works from a cultural perspective, will more likely have the competitive edge.

Madi (1995) concludes by saying that “[t]he issue is not that there should be an Africanisation of the corporate culture in South Africa, but there should be South Africanisation of the corporate culture”, and cites the following example: instead of
giving a tie or watch to Mr Mhlongo for his thirty years of loyal service, it is possibly more South African to slaughter a goat and invite his friends and relatives to come and feast with him.

One cannot but observe the striking parallels between and the complementary nature of the feminine and Afrocentric leadership approaches, which are already reflected in the South African situation. This just emphasises the dictum: Unity in diversity. Only a diverse leadership team that includes both feminine and masculine and Eurocentric and Afrocentric strengths will be strong and flexible enough to help South African organisations to compete in today's high competitive and global marketplace.

2.3. Summary

The first objective of this research study was to conduct an in-depth literature review. Throughout the twentieth century the concept of leadership has been attributed with a variety of meanings. Over the past eighty years, more than 3000 studies concerning leadership have been conducted. This research has yielded a small number of theories concerning the behaviours that distinguish between effective and ineffective leadership. These theories on leadership evolved because models were becoming increasingly sophisticated and difficult to implement. The focus of these models also shifted to what leaders needed to do in practice to become more effective. These theories of leadership stressed the importance of leaders in transforming their followers to leaders and elevating people by building commitment through meaning (Bennis and Nanus, 1985). These approaches in leadership represent a fundamental shift in the way people are motivated (Robbins, 1996), the way the leader sees and relates to followers (Kreitner & Kinicke 1999), and the manner in which change is viewed (Senge, 1991).

In order to gauge a better understanding of the aim of the study the researcher identified units of observation based on the in-depth literature review conducted. The units of observation are as follows:

1. Role of leadership in business
2. Leadership skills and can they be taught?
3. Leadership versus management
4. Leadership styles
5. Leadership experience
6. Motivation
7. Power and authority
8. Task versus relationship management
9. Organisational culture
10. Change management
11. Emerging trends in leadership.
CHAPTER 3

RESEARCH METHODOLOGY

3.1. INTRODUCTION

The aim of this chapter is to describe how this research was conducted and how data was collected and analysed.

The researcher aims to discuss the qualitative paradigm. This paradigm was identified as the most appropriate to the nature of the research problem. The selected paradigm together with the appropriate methods and techniques is therefore discussed, together with an appropriate data analysis in order to give this research sound theoretical and empirical foundation. There is a discussion on how this study was undertaken, and the protocol that was used to analyse data is also highlighted.

3.2. METHODOLOGY DEFINED

Methodology is a term used to define the framework within which data is placed in order to extract meaning. Although there is a broad spectrum of research methodology, the qualitative research methodology was used for collecting and analysing data.

3.3. QUALITATIVE RESEARCH DESIGN

Qualitative research is an inquiry process of understanding based on a distinct procedural methodology of inquiry that explores a social or human problem. The researcher constructs a complex, holistic picture, analyses words, reports detailed views of interviewees, and conducts the study in a natural setting (Cresswell, 1998:15).
Leedy (2001:102) describes qualitative researchers as seeking a better understanding of complex situations. Their work is often exploratory in nature, and they may use their observations to build theory from the ground up.

The researcher would like to understand the specific limitations of the role of leadership or understanding of an organisation in the financial services industry and what the influence is on the effectiveness of the organisation. The reason why the researcher chose the qualitative approach is as follows:

- The intention was to generate some insight on the limitations of the current leadership views as opposed to hypothesis testing as in the case of a quantitative approach
  - The intention was to obtain subjective data since the feelings of the sample also had to be considered
  - High validity was required i.e. to accurately represent what was really happening in the organisation
  - Certain limitations were experienced in the organisation. The qualitative approach helped understand what was happening and why it was happening.

A small sample size was also chosen since it was more appropriate for a qualitative approach.

### 3.4. ADVANTAGES AND LIMITATIONS OF QUALITATIVE RESEARCH

To ensure objectivity the advantages and limitations of the qualitative research will be described briefly.

#### 3.4.1. Advantages of qualitative research

The term “qualitative research” encompasses several approaches to research that are, in some respects, quite different from one another. Yet all qualitative approaches have two things in common. First, they focus on phenomena that occur in natural settings, that is, in the “real world”. And secondly, they involve studying the
phenomena in all their complexity. Qualitative researchers rarely simplify what they observe. Instead they recognise that the issue they are studying has many divisions and layers and so they try to portray the issue in its multifaceted form (Leedy, 2001:147).

Qualitative data offers substantially different and complimentary information on the way attitudes and experiences cohere into meaningful patterns and prospective.

The qualitative approach enables the researcher to seek an explanation of human behaviour and identify casual relationships. This approach allows the researcher to understand how the various respondents interpret the world around them

The qualitative research is more holistic and emergent than the quantitative approach. Researchers enter the setting with an open mind, prepared to immerse them in the complexity of the situation, and interact closely with the respondents.

In this study the researcher wanted to glean the emotive side to leadership rather than understand the quantitative side of leaders. The questions in the semi-structured interviews dealt with how they felt as leaders, therefore the qualitative analysis was more appropriate in understanding the role of leadership in this organisation.

Although the qualitative perspective best serves the objective of the study, the approach has its limitations as well.

3.4.2. Limitations
The risk of bias in qualitative research may be high. The observed results might easily be attributed to the conditions imposed by the researcher and general perceptions.

The knowledge gained in qualitative studies is often so closely tied to the specific situation, such that the findings cannot be easily generalised.
Qualitative data collection and analysis is time consuming and complicated. The researcher has to acknowledge the risk that clear patterns may not emerge, rendering the study meaningless.

In this study, maybe due to the nature of the problem statement, the researcher felt that the respondents answered questions in "text book" style, or what they thought to be correct. Perhaps it was perceptions from both the researcher and the interviews which need to be taken under consideration in this data collection methodology.

The primary limitation of qualitative data collection techniques is perceptual. Generally the approach is perceived as less credible by quantitative researchers. The qualitative study method therefore relies heavily on good writing and presentation skills for coherency and acceptance (Saunders et al., 2000:74).

3.5. RELIABILITY AND VALIDITY

3.5.1. Reliability in qualitative research

Reliability is conceptualised in terms of how reliable, accurate and precise the research tools or instruments are, and this in turn is being judged by the consistency with which known instruments produce certain measurements (Mason, 1996: 145).

The first area of concern is researcher bias where the comments, tone or non-verbal language of the researcher creates bias in the way respondents respond to the questions being asked. Coupled with this is researcher bias. This might be caused by the respondents' perception of the researcher, and what they think the researcher wants to hear. This became clear during the interviews conducted, and the researcher felt that the respondents answered the questions the way they felt the researcher wanted. Respondents may provide a socially desirable, rather than a real response. Bias may also originate from the nature of the individuals who agreed to be interviewed i.e. sample bias (Saunders et al., 2000:250).
The assumptions behind qualitative research are that the circumstances to be explored are complex and dynamic. Flexibility is offered by the semi-structured interview as a data collection tool. The method also allows for free exploration. Because of this the researcher considered the use of the non-standardised approach by the chosen data collection methods and tools more valuable than the considerations of the risk of bias.

3.5.2. Validity

Validity is concerned with whether the findings are really about what they appear to be about (Saunders et al., 2000:101). The validity of this study was tested with the literature study that was conducted.

Validity is concerned with the accuracy of the findings. Validity concedes both the accuracy of the interpretation (internally) and generalisation (externally) of results (Saunders et al., 2000: 102). Triangulation was used to ensure validity. Triangulation refers to both the use of multiple data sources, for example multiple informants, and of multiple methods, such as participant observation and informant interviewing, as well as the use of various records. One informant may give highly reliable but invalid information. It will go beyond what one usually thinks of in terms of triangulation to include multiple theoretical perspectives (Bryman, 1999:368).

In this study, triangulation was done by:

- Interviewing respondents who were selected according to certain criteria;
- Comparing the researcher's interpretation of the interview findings with that of an independent decoder, and negotiating meaning. For the purposes of this study the independent decoder who has vast experience in the field of leadership in the South African context;
- Using literature to interpret the interview findings.
3.6. METHODS OF DATA COLLECTION

A qualitative researcher, according to Leedy (2001:158), often uses multiple forms of data in any single study. They would use observations, interviews, written documents, audio-visual materials, objects and anything else that can help them answer their research question. Interviews were used to collect data in this study. A discussion of why interviews were used follows.

Surveys require asking respondents for information either using verbal or written questioning. Questionnaires or interviews are utilised to collect data on the telephone, face-to-face, and through other media. Thus a survey is defined as a method of primary data collection based on communication with a representative sample of individuals.

According to Saunders et al (2000), research can be classified into three purposes:

1. Exploratory studies, which are a means of seeking new insights, or initially finding out “what is happening” (Saunders et al.2000, p97)
2. Descriptive studies are intended to “portray an accurate profile of persons, events, or situations” (Saunders et al, 2000, p97)
3. Explanatory studies are intended to establish casual relationships between events or variables.

Experiments and observations are unsuited to the objectives of this research. Structured interviews, or the use of self-administered questionnaires, involve the use of a predetermined set of questions, with answers noted in the set format. They tend to work best when the researcher is confident that all respondents will interpret the questions in the same way, and when the situation is well defined. Questionnaires are not useful for exploratory research as such research typically makes use of open-ended questions.
Although it has been suggested that surveys are conducted to quantify certain factual information, certain aspects of surveys may also be qualitative and these are the two major approaches for collecting and analysing data.

3.6.1. The semi-structured interview

In semi-structured interviews the researcher will have a list of things and questions to be covered, although these may vary from interview to interview. This means that questions may be omitted or added in particular interviews depending on the context in which it is encountered in relation to the research topic and the respondent’s responsiveness. The order of the questions may be varied depending on the flow of the conversation.

Semi-structured interviews allow open-ended questions, but the interviewer uses a list questions as a guide. The interviewer has the freedom to change questions, pose follow-up questions to probe deeper, and add other questions, and even remove questions if deemed necessary and appropriate. This is dependent on the situation in the organisation as well as the answers given. Therefore semi-structured interviews are suited to exploratory as well as explanatory research.

This type of interview best serves the purpose of this study, in that it allowed the researcher to explore the phenomena in different contexts offered by the respondents interviewed.

3.6.2. Data collection Process

3.6.2.1. Sample selection

The population was executive management consisting of thirteen managing directors within the Liberty Group, representing the various business units within the organisation. This population was chosen due to the time and volume constraints and not all the departments could be included. The population consisted of mainly the service departments, being Legal, Actuarial, Finance, Information Technology, Risk
and Compliance, Human Resources as well the Insurance Operations divisions, being Personal and Corporate benefits. For the purposes of this study it was imperative to interview the Managing Director of Insurance Operations as well as the Chief Executive.

This population was chosen mainly for their experience in the industry and the organisation. This would allow the researcher in obtaining the relevant information to the question being studied. The population was also chosen because they are seen as the leaders of their relevant business units and are part of the decision-making group within the organisation and would therefore have a good perspective on the research problem.

The sample included ten of the thirteen Managing Directors as the others were not available due to them being in meetings, conferences or otherwise occupied.

The ten respondents were chosen on the following criteria:

- They all held very senior management positions within the organisation.
- Their years of experience within the industry.
- They are viewed as the leadership group within the organisation.

3.6.2.2. Preparation for the interviews

As from the discussions above relating to techniques in semi-structured interviews, ten open-ended questions were prepared (see Annexure A). This was done to get as much data as possible from the respondents. All the respondents were involved in the same organisation.

The necessary permission was obtained through the relevant channels in order to conduct the interviews.
3.6.2.3. Conducting the interviews

The researcher conducted ten interviews individually with the respondents at their place of business in Johannesburg. Responses were audio taped using a dicta-phone, and later transcribed onto paper by a private typist. Each interview took between one and one and a half hours. The interviews were conducted in the managing director's office with each respondent individually.

The researcher, using a semi-structured interview, led the discussion. The semi-structured interview consisted of the ten questions. The researcher made notes of further questions to prompt the respondents to answer the questions. These were asked during the interview.

Permission was sought for the interviews being recorded. This was for legal and ethical purposes. The interviews were very relaxed. The theme of the study had been put to the respondent after which questions were introduced in line with the flow of the discussions, rather than in a specific sequence. A combination of open, probing and confirmation questions was used.

Diversions were permitted to maintain the atmosphere of comfort and openness. The discussion would be steered back to the question at hand when the researcher got the floor. The researcher frequently used para-phrasing to confirm understanding. Respondents were relaxed and willing to spend time on the interviews.

3.7. DATA ANALYSIS

The phenomenological approach was used to analyse the data collected from the respondents. A brief description of this method follows:

3.7.1. The phenomenological approach to data analysis

According to Barrett (1986:18), the task of the phenomenological researcher is to "...try and go to the heart of the matter by looking for meaningful themes that lie in the unexamined events of everyday life...to find meaningful, shared themes in different people's description of common experiences".
Data collection and data analysis are tightly interwoven processes, and must occur alternately because the analysis directs the sampling of data (Straus and Corbin, 1990:59).


According to Morse (1994:25) data analysis is a process that requires astute questioning, a relentless search for answers, active observation and accurate recall. It is a process of piecing together data, of making the invisible obvious by recognising the significant from the insignificant, of linking seemingly unrelated facts logically, of fitting categories one with another and of contributing consequences to an antecedence.

Data analysis is a process of conjuncture and verification, of correction and modification, of suggestions and defence. It is a creative process of organising data so that the analytic scheme will appear obvious (Morse, 1994:25).

### 3.7.2. Data analysis

When analysing data there are steps that should be followed in order to keep with qualitative analysis approach. The analysis process can be divided into two phases: firstly, the desegregation of data into two categories or units; and secondly, organising and relating the data units into themes and patterns.

Data analysis was conducted according to the following steps:

**Step one:**
An independent typist transcribed the data from audio tapes recorded during the focus interviews.

Step two:
The researcher read the transcriptions once, with the intention of relating the transcribed answers to the research topic. The researcher read the transcripts a second time and reduced the data by eliminating the irrelevant questions and answers.

Step three:
The reliability of the transcribing was checked by giving the respondents the transcriptions to read and add whatever they wanted to and ensure that what was written is exactly what they had said.

Step four:
The units of observation were formulated, and under each, the researcher placed the ideas and quote that fitted most appropriately and best substantiated the category.

Step five:
The transcriptions were taken to the independent decoder, to ensure the validity. He/she was given the protocol and original transcriptions in order to finalise and reach consensus with regard to the data.

Step six:
The interviews were reviewed and put into agreed units of observation.

Step seven:
Data themes were agreed on and used to present data.
3.8. SUMMARY

In this chapter the research methodology was outlined. The qualitative method was also outlined and was selected as a suitable method for this research study. The semi-structured interview was chosen as the preferred method for the data collection of this study. Strengths and limitations of this data collection method were examined. Data analysis was discussed together with its qualitative procedures. Since this study should be reliable and valid, these two concepts were discussed thoroughly. All of the above contributed to the success of this research study. The researcher then outlined the protocol used to conduct the study using the methodology selected.

In the next chapter, the research data analysis will be outlined.
CHAPTER 4

DATA ANALYSIS

4.1. INTRODUCTION

The purpose of this chapter is to analyse the findings resulting from the semi-structured interviews with the executives in the organisation.

There will be analysis of the data obtained from these interviews according to the protocol discussed in Chapter 2 of the study. Categories will be identified to enable the researcher to come to a conclusion about the specific limitations to leadership as perceived by leaders in this specific organisation in the financial services industry.

4.2. DECODING THE DATA

The researcher and the professional decoder classified the data collected from the respondents into units of observation. The main themes were agreed upon.

- Role of leadership in business
- Leadership skills and can they be taught?
- Leadership versus management
- Leadership styles
- Leadership experience
- Motivation
- Power and authority
- Task versus relationship management
- Organisational culture
- Change management
- Emerging trends in leadership
4.3. DESCRIPTION OF DATA

The researcher feels it necessary, in light of the questions that had been posed to the respondents, first to describe the data obtained from the interviews, describing their (the respondents') view on leadership. It will then be clearer and easier when the limitations are dealt with later on.

It was quite clear from the respondents from the beginning that leadership was both important and necessary in business. The different respondents gave various descriptions of what leadership is and their role as leaders within the organisation.

4.4. UNITS OF OBSERVATION

4.4.1 The role of leadership in business

"Leadership is really the ability to take a business somewhere. Other times it’s the ability to have the business change direction. It’s also to motivate and manage people. But it is also along the lines of helping to create the vision and get buy-in into that vision. And those actions are actually aligned to that vision. It’s no good having the vision and you find you spend 70% of your resources doing something else. So it’s about getting the vision, aligning the people to it and then aligning the operations." (From respondent in the interview)

According to Darling (1992) leadership is the process of influencing and supporting others to work enthusiastically towards achieving the organisation's objectives. It is the critical factor that helps an individual or a group identify its goals, and then motivates and assists in achieving the stated goals. Without leadership the organisation would only be a confusion of people, like an orchestra without a conductor. Leadership is therefore the catalyst that transforms the potential of people into reality.
Upon analysis of the data the general consensus amongst the sample group was that good leadership is both important and necessary for any organisation to be sustainable in the future.

Leadership is also about leading people in a particular direction that will be both beneficial to the organisation and the employee. It is about partnership, with the leaders setting the course. In the business environment it is also about communication, it is about listening and being heard, therefore engaging at all levels. It is also about motivating and supporting, instead of managing and controlling (Tait, 1996).

“Leadership is, in its simplest terms, getting ordinary people to do extraordinary things. Creating the context, creating the opportunity, creating hope. Leadership is about influence.” (From respondent in the interview)

4.4.2 Personal Leadership qualities

“You can see I’m a real middle of the road pragmatist because I’m not of the school that leaders are born. I think that leadership competencies can be taught. On the other hand there are certain personality types and attributes that you’ve got to have as a leader and if you haven’t got them then you not going to be converted into a good leader. If you’ve got a well-rounded, balanced personality then you can be taught some level of leadership.”

People have been concerned about the nature of leadership throughout history. Early research tried to identify the traits, physical, intellectual, or personality characteristics that differed between a leader and a non-leader or between a successful leader and an unsuccessful leader. Many cognitive and psychological factors such as intelligence, ambition, and aggressiveness were studied. Other researchers studied physical characteristics, such as, height, body size and shape, and personal attractiveness to what Ross and Smith (1992) refer to as peripheral aspects. The current research on leadership traits suggests that some personal factors do help differentiate leaders from non-leaders. According to Ross and Smith (1992), the most important traits are high levels of personal drive, the desire
to lead, personal integrity, and self-confidence. Conger and Kanungo (1988) further reiterate that cognitive ability, business knowledge, charisma, creativity, flexibility and personal warmth are also frequently desired. One important conclusion about these traits is that they do not necessarily guarantee successful leadership. Many of these members have the capabilities to be effective leaders, but choose not to demonstrate the traits that they have. Others may have the traits and the desire to use them, but the opportunity to do so does not arise. One of the reasons for this could be that the culture of the organisation does not allow these leadership traits to emerge.

Many of the members of the group of respondents have grown into this position based on their technical competency and are seen in the industry as experts of their various disciplines in the business environment.

They see their primary role as imparting content knowledge to peers, colleagues and subordinates. It is also about leading people in terms of good governance as well as industry trends, thus enabling and environment of change. For many it’s also about making mistakes and learning from those experiences so that they are not repeated.

The respondents also emphasised the importance of team work and surrounding themselves with competent people, who have the ability to convert ideas into a functional reality. They see their primary role as co-ordinators of ideas and resources and therefore enabling an environment for constructive discussion and debate. They also believe that position does not entitle them to be leaders, and therefore believe that they are the facilitators of change.

4.4.3 Leadership versus Management

"I think there is purely a difference in concept but in reality it might be a very fine line. For me leadership is about articulating what it is that you want done, to communicate that to create the space for people to actually do the job and support them. Whereas management might entail a more intimate relationship with the
person who is actually doing that part of the job and managing them more closely in terms of have they thought of all the consequences, have they got a plan, are they tracking it on a day to day basis? You wouldn't do that if you were in a leadership role. It comes down to the level of trust that you have in that person which is also highly dependent on the relationship which in most instances is dependent on past experiences with someone."

Leadership is an important part of management, but it is not the whole story. The primary role of a leader is to influence others to voluntarily seek defined objectives. As managers, this sample group planned activities, organised appropriate structures and controlled resources.

They held formal positions, whereas anyone can use his or her informal influence while acting as a leader. They achieved results by directing the activities of others, whereas leaders create vision and inspire others to achieve this vision and to stretch themselves beyond their normal capabilities. Because there is a difference between management and leadership, strong leaders may be weak managers if poor planning causes their group to move in the wrong direction. Though they can get their group going, they just cannot get it going in a direction that best serves the organisational purposes.

Darling (1992) asserts that to manage means to bring about, to accomplish, and to have charge of or responsibilities for or to conduct. Thus, the activities involved in mastering routines facilitate effectiveness as a manager. Leading involves influencing, guiding in direction, course, action and opinion. Thus, activities of vision and judgement facilitate the effectiveness as leaders.

Some people can be weak leaders and still be effective managers, as in the case of Liberty, especially if she or he happens to be managing people who have clear understanding of their jobs and a strong drive to work. We usually expect excellent managers to have reasonably high leadership abilities among their other skills, this is however not usually the case. Fortunately, leadership ability can be acquired
through observation of role models, management training, and learning from work experience.

4.4.4 Leadership Styles

"It's probably more facilitative. There are times when it's probably essential to be more participative. At the same time there is a risk that people can flounder and dither if you get overly democratic and wait for everyone to reach consensus. But facilitative is what I would try to achieve to a greater degree and to then offer support to what has been delivered. I don't think I'm autocratic."

The total pattern of explicit and implicit leaders' actions as seen by the employee is called leadership styles. It represents a consistent combination of philosophy, skills, traits, and attitudes that are exhibited in a person's behaviour. Each style also reflects, implicitly or explicitly, a manager's beliefs about the subordinate's capabilities. The employees' perceptions of the leadership style are all that really matters to them. Employees do not respond solely to what leaders think and do but to what they perceive leaders are. Leadership is truly in the eyes of the beholder.

Most of the leaders interviewed displayed an autocratic leadership style with a definitive shift towards participative leader, they were keen to hear what their subordinates had to say, however the ultimate control or power rested with them. They also took responsibility for what happened within their respective business units. They tended to be benevolent autocrats who choose to give some reward to employees. Some of the disadvantages of this style are that it caused a lot of frustration and fear within the subordinate group as they were fearful of approaching the leaders and the leaders recognised this fear and felt that although they stated open-door policies, very few approached them regarding issues, and chose anonymity as a means to address these. Further, it did not generate the strong organisational commitment among employees that led to high turnover and absenteeism rates. Stogdill, Coons, Argyle, Blau, Scott, Jennings, and Gibb each had similar findings from their research.
4.4.5 Motivation

"Being around and being able to take control of things by saying, "Are there any issues?" and providing direction and vision as well as motivating people."

The role of a leader is to identify employees’ drives and needs and to channel their behaviour, to motivate them towards task performance. People tend to develop certain motivational drives as a product of the cultural environment in which they live, and these drives affect the way people view their jobs and approach their lives. When the sample group was asked how they motivate their staff, many said monetary recognition was enough to motivate their teams. However, the starting point would be to understand their employees’ needs. Extensive studies by David C. McClelland (1993) revealed that people’s motivational drives reflects elements of the culture they grew up in – their family, school, church and books.

McClelland’s research focused on the drives for achievement, affiliation and power. He identified four motivational drives:

1. Achievement: a drive to accomplish objectives and get ahead.
2. Affiliation: a drive to relate to people effectively.
3. Competence: a drive to do high-quality work and develop one’s skill.
4. Power: a drive to influence people and situations.

Knowledge of the differences among the four motivational drives requires leaders to understand the work attitudes of each employee. They can then drive each individual according to the strongest motivational drives that they identify with each employee.

4.4.6 Power and Authority

“So if you say I’m a leader because people want to listen to what I say than I can answer your question but if you are saying that because of my position within the company than I believe that that is not true. My role is to catalyse and foster our business for the future.”
All leaders deal with power and politics. Power is the ability to influence other people and events. It is the leaders’ stock-in-trade, the way leaders extend their influence to others. It is somewhat different from authority; authority is delegated by higher management. Power on the other hand is earned and gained by leaders on the basis of their personalities, activities and the situation in which they operate.

There are essentially five types of power bases which leaders in this organisation used interrelated in practice. These five power bases are:

- Personal power: also called referent power, charismatic power and power of personality. It is the ability of leaders to develop followers from the strength of their own personalities. They have a personal magnetism, an air of confidence and a passionate belief in objectives that attract and hold followers. People would follow this type of leader because they want to, their emotions guide them. The leader senses the needs of people and promises success in reaching them.

- Legitimate power: also known as position power and official power, comes from a higher authority. It arises from the cultural fabric of the organisation, by which power is delegated legitimately from a higher established authority to others. It gives leaders the power to control resources and to reward and punish others. People accept this power because they believe it is desirable and necessary to maintain order and discourage anarchy in the organisation. There is pressure from peers and friends who accept it and then expect others to follow.

- Expert power: also known as the authority of knowledge, and comes from specialised learning. It is power that arises from a person’s knowledge of and information about a complex situation. It depends on the education, training and experience, so it is important type of power in many organisations.

- Reward power: is the capacity to control and administer items that are valued by another. It arises from an individual’s ability to give pay raises, recommend someone for promotion or transfer, or even make favourable work assignments. Many rewards may be under the immediate manager’s control, and these are not limited to material items. Reward power can also stem from the capacity to
provide organisational recognition, to include an employee in a social group, or simply to give positive feedback for a job well done. Reward power serves as a basis for behavioural modification programmes.

- Coercive power: is the capacity to punish another (or at least to create a perceived threat to do so). Managers with coercive power can threaten an employee’s job security or make punitive changes to someone’s work schedule. Coercive power uses fear as a motivator, which can be a powerful force in inducing short-term action. However, it is likely to have an overall negative impact on the receiver.

Depending on the type of power these leaders displayed, the employees reacted accordingly. In this organisation reward, coercive and legitimate power are evident in practice. Employees generally acted in one of two ways to these types of power. When coercive power was regularly displayed, employees resisted the leader’s initiatives. When legitimate power and reward power were displayed, they complied with the leader’s wishes by meeting minimum expectations while withholding extra effort, unless the reward was substantial. The most desirable outcome these leaders had hoped to achieve was commitment, which they felt was lacking throughout the organisation.

4.4.7 Task versus relationship management

Deficiencies in past theories have provided the stimulus for the most recent of the theories, the situational view of leadership. Leadership is explained in the interaction between the leader and variables in his work situation – his personality, his followers, the task, and the organisational environment. Paul Hersey and Kenneth Blanchard (1972) see the manager’s leadership process as a function of the leader, the followers, and the situation.

“In recent years I would’ve preferred not to have been task-driven but to be honest with you, to assume that it can only be one-dimensional would be inappropriate. Depending on whom you deal with, the situation and whatever needs to be
delivered, you may have to switch from just relying on the relationship to being very task-driven."

“There’s a balance. You can’t have one and not the other. My experience is that if your people orientation is right in the first instance you are going to get far better task output. If you’ve got the right team focused in the right area you will achieve the task far better. One of the key points of leadership is also getting the right team in place.”

Groups tend to require not one but two types of leadership roles; that of the task leader and that of the social leader. The task leader’s responsibility is to help the group accomplish its objectives and stay on target. The idea is to provide necessary structure by stating the problem, giving and seeking relevant facts, periodically summarising the progress and checking for agreement.

Difficulties usually arose because the task leader irritated people and injured the unity of the group. These leaders also tend to be inflexible when it came to decision making. It is the social leader’s role to restore and maintain group relationships by recognising the contributions, reconciling disagreements and playing a supportive role to help the group develop. Many of the leaders in this sample could not combine these two roles, and tend to be either task- or people-orientated which could also be harmful as there was no balance between the two. This was especially the case when managing a deviant member in the group, whilst balancing the thoughts and actions of the other members of the group.

4.4.8 Organisational Culture

“You have to create a culture that encourages leadership not a culture that grows management. Your grading systems, your remuneration systems, your hierarchical, organisational structures are all round management principles, it kills leaders.”
Social culture creates the wide-ranging context in which organisations operate. It provides the complex social system of laws, values, and customs in which organisational behaviour occurs. According to Lewin (1939), employee behaviour is a function of the interaction between personal characteristics and the environment around the person. However, inside the organisation lies another powerful force for determining individual and group behaviour, and this is the organisational culture. Organisational culture is the set of assumptions, beliefs, values and norms that are shared by the organisation’s members. In the case of Liberty, this culture has evolved over time, and is seen as the unwritten rules of the organisation. Cultures are relatively stable in nature and usually change slowly over time.

In the case of this organisation, leaders were seen as responsible for shifts in culture, and this became evident when respondents spoke about the mood of the organisation when the chief executive officers changed in the company. Most of the leaders described the current culture as being bureaucratic and restrictive. They also felt that at times systems and strategies were imposed on them. While they did not support these systems and strategies, they had to obey for fear of reprisal and they did not want to challenge the status quo or oppose their peers who supported these projects.

4.4.9 Change management

"My hard part is initiating change outside of my direct ambit of influence. I find it very difficult. I don’t find the change overly difficult in my division for example. But getting the wider organisation to move, I find that difficult. Changing small areas is easy, changing the big areas is difficult because you’ve got all these different influences, you don’t have the control."

"I find change within Liberty quite difficult because of, to a large degree, a lack of discipline, a lack of cohesiveness."
Organisations are experiencing a wide variety of dramatic changes, be it legislative, economic, social or structural. To survive, organisations need to decide not whether to change, but when and how to make it occur most successfully. Human beings are certainly familiar with change and in most instances prove themselves to be adaptable. However in this organisation, though leaders supported change, they resisted it as well. Resistance to change consists of behaviours designed to discredit, delay or prevent the implementation of work change. In this case many resisted change because it threatened either their need for security, social interaction, status, competence or self esteem.

At this organisation, it seems that the leader group resisted change for three broad reasons:
Firstly, they did not feel comfortable with the nature of the change itself, they did not believe that the decisions taken were technically correct, they did not want to exchange the comfort of certainty and familiarity for uncertainty.
Secondly, they were unhappy with the method by which the change was introduced. They felt that they were ill-informed and felt that decisions were made without getting their buy-in. They also opposed the insensitive and authoritarian approach that did not involve them in the change process.
Thirdly, they felt that the benefits of the change were inequitable in the sense that one party seemed to gain more from the change process then the rest of them.

4.4.10 Emerging trends in Leadership
“It’s being shaped by the incredibly positive role that African tradition is having on Western business. It teaches us cooperation and co-existence. It teaches us partnership and community. Ubuntu is not something you do, its something you live. You either have it in you or you don’t and I think that your classic trained western business people just don’t get it. That is why I am so excited about the financial services sector charter because that gives us the opportunity to transform Liberty.”
"I think it’s getting harder and harder. I think we do have a problem. People who are comfortable in a leadership position are feeling more and more stretched because they have to deal with ranges of issues that they are just not comfortable with. It’s the whole transformation thing. I think leaders are starting to question their own competence and their own ability to cope or to want to. The focus has got to be on trying to identify leaders of the future because the existing group is just not going to cope. There is too much. There is so much demand for leadership, there is so much change happening. So there has got to be that identifying of leaders to take us forward."

The prevailing trend in South Africa is that we do not have true business leaders. Neither do we encourage and grow leaders through the ranks in the organisation. Previous leadership models have suggested that a formal leader is necessary to provide task, direction, structure and rewards, plus the consideration and social support that employees require. Unfortunately, this leadership role may create an unhealthy dependency on the leader which stifles the growth and autonomy of the subordinate. This leader may also lack the necessary traits, knowledge and skills to fulfil this role effectively or may not be present at all times to consider the needs of the followers. Usually in this instance the substitute will fill in, however this may not always be a good thing, as the substitute can derail all the work that the leader had done previously.

Prior to the 1960s the study of leadership was limited largely to the study of white men occupying leadership positions in business organisations. In the 1970s and 1980s there was a surge of interest in the interest in the experiences of women and minority men in leadership (Berry and Houston 1993). As economies globalise and organisations increasingly form cross-border relationships, there is a resurgence of interest in the management problems caused by national cultural differences – in values, ideologies, organisational assumptions, work practices and behavioural styles – spawning research into cross-cultural leadership.
In South Africa we do not only experience the influence of globalisation and internationalism, but internally, in our own country, we are faced with numerous diversity issues, such as cultural diversity, diverse languages and religion, and race and gender inequities. Not only are more women, African, Coloured and Indian people entering the labour market, but they are also entering more management and leadership positions. In order for South African organisations to survive, it is of utmost importance to understand and manage diversity effectively.

4.5. SUMMARY

The second objective of this study was to conduct semi-structured interviews with the respondents to understand their views on leadership. In order to analyse the data, the researcher used units of observation to categorise these views to create a common understanding to achieve the aim of this study. These units of understanding were triangulated with past research to further validate the data that has been analysed.
CHAPTER 5

CONCLUSION AND RECOMMENDATIONS

5.1. INTRODUCTION

The aim of this chapter is to integrate the data and the theoretical foundations as set out and described in Chapters 2, 3 and 4. This chapter will set out the specific limitations of leadership in this organisation and the influence it has on enabling change.

5.2. OVERVIEW OF THE STUDY

The researcher undertook an analysis in order to make recommendations and understand the organisation’s leaders’ experience. The respondents, or target group, were some of the executive management group in this organisation.

In Chapter 1 the problem to be investigated was outlined. The aim and the methods to be used in this study were set out. Concepts were also clarified. Chapter 2 is an overview of the literature that is relevant to this study. Chapter 3 is an in-depth exposition of the empirical investigation of the method of research, the semi-structured interview and the research project. This enabled the researcher to select a suitable paradigm. Semi-structured interviews were preferred for this study in order to obtain relevant data that would help identify the specific limitations of the current views on leadership in the organisation and the investigation. The findings were set out in Chapter 4. Semi-structured interviews were conducted, data obtained was analysed and interpreted accordingly.

The information was also analysed and interpreted according to the protocol in order to ensure reliability of the study. A literature study was undertaken in order to compare the research findings with other similar research and to ensure the validity of this study.
Chapter 5 provides the recommendations as guidelines that integrate literature and interviews. These guidelines will assist in possibly a better understanding of the concept of leadership in organisations.

The writer will offer her view and make recommendations on the leadership experience as perceived by the executives at the Liberty Group. The limitations will be dealt with holistically rather than as separate entities. A conclusion will be reached which will also contain the influence on the effectiveness of leadership in the organisation.

5.3. LIMITATIONS

Some of the common elements which emerged as limitations from the interviews are:

1. Change management processes
2. Organisational culture
3. Leadership training and talent management
4. Mentoring and coaching for leaders in the organisation
5. Conflict handling

Though many of the respondents viewed the future as very optimistic they were not to sure on how to deal with it by themselves, and therefore found their roles as leaders as being difficult. They were, however very enthusiastic about the role that the Chief Executive played in empowering the organisation as well as allowing them as a decision making group more freedom to act.

In order to enable change in any organisation, there has to be an environment that will support and sustain that change. At this organisation, the view was that there was so much change taking place but the culture was still one of “old school” bureaucracy. This hampered all the change management initiatives. The policies, procedures and protocols made for a rigid organisation, rather than a fluid one. As
leaders in this organisation, they were frustrated with processes and felt they had little room to move or make changes without “stepping on toes”.

Change is one of the most difficult things to manage and as leaders of this organisation; many did not buy in into the change management initiatives. They did not see the benefits of change projects. Coupled with this, the culture of the organisation was not conducive to the change itself. The respondents also felt that they embarked on many expensive change management initiatives, not because it was the right thing to do, but because it was the latest trend to follow.

Though leadership training was offered, many felt that textbook learning was not enough to make one an effective leader. Experience and knowledge of the self were critical as well. Many of the respondents acknowledged that they were technical experts in their various fields but had more learning to do in order to become leaders.

The respondents agreed that holding a leadership position was difficult and that they had no infrastructure to assist them in making decisions. They viewed their role as being very “lonely”. When asked if they had mentors and coaches available to them, many said no, but felt that it was necessary.

The researcher also found that the respondents did not handle conflict well and tended to ignore conflict rather than embracing it. They did not want to defy the status quo by challenging their peers and colleagues. This brings the researcher back to one of the elements which was identified as a limitation that being the culture of the organisation and the question of trust. If the leader group did not trust their peers and colleagues, this will have a cascading impact on the rest of the organisation. The researcher also realised that people are not judged by their intention, but rather their actions, which have the biggest influence in leading people.
5.4. RECOMMENDATIONS

Recommendations will be done in light of the conclusions reached in Chapter 4. The recommendations will primarily deal with the view of leadership and the possible solutions for this company.

- The first recommendation one can make in these circumstances is one of providing mentoring and coaching to these leaders. Many felt that they could not discuss the problems they experienced with anyone, and therefore felt that the burden they carried as leaders had to be dealt with by themselves and if they shared these problems it was a sign of weakness.

- Secondly, in terms of the change management processes, although the respondents bought into ideas and accepted the decision once taken, they felt that the time taken to implement was too slow and time consuming. They also felt that decisions regarding change needed more buy-in from them and not merely imposed on them. "It is such a difficult job and you’re trying to keep the balance all the time. It’s the balance between knowing you’ve got to do what you think is right and you’ve got to make the call, yet you’ve got to be open to new ideas." (From respondent during the interview). It is therefore imperative that if an organisation is in a process of change that buy-in from the leader group be achieve prior to the project implementation. Once this has been done the change process would not be "painful" for the rest of the organisation.

- Thirdly, in terms of the organisational culture, the respondents felt that the culture of the organisation changed as it was too bureaucratic and not an enabling environment for rapid change. They did however believe that leadership was an integral ingredient to facilitating and ensuring positive change. "I think culture is directly linked to leadership. To me that is all about leadership. The other stuff is packaging. The leader will determine the kind of culture the organisation adopts...."
"I think leaders definitely influence the culture. You can’t expect the culture to change overnight but subtly things change. The way people do them. Culture is a bit of a journey it’s not a snapshot."

The recommendation therefore is that in order for change to be effective, the culture of the organisation has to be conducive to accept that change. This organisation needs to take great strides in moving away from the bureaucratic culture that currently exists in the company.

- Fourthly, in terms of leadership training, succession planning and talent management, respondents’ feelings were quite mixed. Some believed in the emergent leader; however they could not clearly identify these people within their business unit, especially in terms of their immediate successors. The recommendation therefore is to create a pool of future potential leaders who can be groomed to take on the responsibilities of the current leadership group and that leadership potential within the organisation should be identified at an early stage.

- Fifthly, conflict management was another area that the respondents were not too comfortable with. They either took on a spectator role or abdicated the responsibility to the next management level, or they took the middle ground when dealing with unpopular decisions, and tried to get buy-in from their management team. Only in situations when they were forced to make decisions they made a decision even if it was unpopular. It is therefore recommended that the leadership group needs to be trained on conflict management techniques to deal with conflict in a more productive manner.

5.6. FURTHER RESEARCH

Further research should be done to test the perceptions of leadership within other life assurance companies in South Africa as well as within other sectors of the economy. It would be interesting to see if the views reflected in this study are felt by other leaders within the various sectors of the South African business
environment. It would also be interesting to note the differences in the leadership experiences within different size organisations.

Further research could be conducting similar interviews in middle and junior management and the rest of the staff and correspond the views that the leader has of him/herself with staff. Further investigation should be done in future on the following areas:

- Perceptions of the middle management group,
- Organisational cultural impact studies,
- Mentoring and coaching programmes for all management levels,
- Succession planning and talent management programmes.

5.7. FINAL CONCLUSION

Leadership involves the ability to inspire and influence the thinking, attitudes, and behaviour of other people. The definition of leadership will always vary depending on the type of organisation being studied, the country it is being studied in and the people who are being studied.
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Annexure A

Questions

1. What do you understand by leadership and what is the role of leadership?

2. What is your leadership framework or approach to leadership? How is it different to management?

3. How do you know if "leadership" is being demonstrated?

4. How should people be motivated? How do you motivate people?

5. What are the/your leadership behaviours and actions?

6. How self-aware are you of the following:
   1. Managing "rank", i.e. using your power and authority?

7. What do you look for when you interview potential new employees?

8. How do you build your team and solicit support for unpopular decisions?

9. What has your experience of leadership been?

10. How do you think leadership should be taught?