

Leadership effectiveness of a business unit senior management in a public utility:  
perception of the employees

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by

A.S Muthavhine  
Student Number: 72383836  
Date: 14 May 2012

## DECLARATIONS

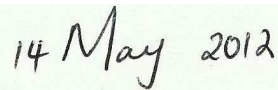
I, Sidwell Azwinndini Muthavhine, hereby declare that the work submitted in this dissertation “Leadership effectiveness of business unit senior management in a public utility: perception of the employees”, to the School of Business Leadership, is my own work and has not been submitted previously for any other degree at this university or another university.

This dissertation is my own work and all the sources have been referenced and appear in the list of reference.



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Signature



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Date

## **ACKNOWLEDGEMENTS**

I would like to express my special thanks and gratitude to my loving wife Neo, you supported me through this journey. Your love and sacrifice throughout this process made it all possible. My children Rofhiwa and Thendo, who I love and adore more than words can describe; and being part of my life always gives me courage in everything I do. Your inspiration and unconditional love always kept me on track.

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## EXECUTIVE SUMMARY

The complexity of the business environment requires organisations to employ leaders with strong managerial skills. The leaders need to face all challenges in the business unit to ensure efficient productivity and business efficiency. The research problem is instability in management due to many changes in leadership positions, which then emphasises the need for business to assess leadership effectiveness. The main objective of this study is to evaluate the leadership effectiveness of the senior management of the business unit.

The study was conducted using the quantitative method to examine the effectiveness of the leadership in a business unit. The quantitative method was used to conduct empirical surveys by employing the LEA questionnaire. A sample of 155 employees was selected for a targeted population of 516 which represents 30% of the population.

The results of the study indicated that the overall survey of the business unit received a mean rating above the cut-off point. Human Resources, Finance and Business Services, Engineering and Operating received mean ratings above 3 on all leadership behavioural dimensions. The Maintenance department's mean rating was below 3 on all behavioural dimensions except one. SHEQ and Projects and Outage Management got a mean rating below 3 on *living the public utility vision*. Engineering and Operating rated very close to 3.

It was concluded that only six departments showed good leadership effectiveness and that the Maintenance department showed poor results. It is also concluded that the business unit needs to develop leaders on *living the public utility vision* dimension. It is recommended that departments rated below 3 captures each dimension as areas for development and record this information on the individual development program. It is also recommended that further studies be conducted to establish a causal or statistically significant relationship between leadership development initiatives and leadership competency.

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## LIST OF ABBREVIATIONS

<b>Abbreviation</b>	<b>Meaning</b>
BCEA	Basic Conditions of Employment Act
HRSS	Human Resources Shared Services
PFMA	Public Finance Management Act
OHSAS	Occupational Health and Safety Standard
KPI	Key Performance Indicator
LEA	Leadership Effectiveness Assessment
MLQ	Multifactor Leadership Questionnaire
EI	Emotional Intelligence
HRM	Human Resource Management
SHEQ	Safety Health Environment and Quality
SPC	Statistical Process Control



## **CHAPTER 1: INTRODUCTION AND PROBLEM IN CONTEXT**

### **1.1 INTRODUCTION**

Growth and sustained productivity will only be achieved by organisations that realise the role of effective leadership. In today's world the complexity of business environments, particularly in the power utility industry, require organisations to employ leaders with strong managerial skills who also have strong interpersonal and intrapersonal skills.

Interpersonal skills have become integral to effective leadership as it does not only include how does one communicate with others, but also confidence, ability to listen and understand, problem solving, decision making and personal stress management. Leadership with interpersonal skills are perceived as calm, confident and charismatic.

This study investigates leadership effectiveness of a business unit senior management in a public utility. The study will highlight employees' perceptions which will help managers to change their behaviours which will benefit the organisation to achieve its goals and objectives. This is done through assessment of leadership effectiveness on six identified leadership behaviours and it will ensure that the organisation operates successfully within its vision, strategy and values.

### **1.2 PROBLEM IN CONTEXT**

The business unit has different groups namely; Engineering, Maintenance, Human Resources, Safety Health Environment and Quality (SHEQ), Finance and Business Services, Projects and Outage department and Operating department. These groups have vacancies that have not been filled in a long time due to a high employee turnover. Training facilities for both maintenance

and operating are not fully utilised to train employees for them to be ready for vacant positions.

Due to the fact that vacancies are not filled, employees are forced to work overtime for the business unit to run efficiently and effectively. On the other hand management is faced with a tighter overtime regulation with regards to excessive hours worked by employees on a monthly basis. The organisation has an obligation to comply with the basic conditions of employment act (BCEA).

Employees are overworked and their work/life balance is compromised. They are working excessive overtime when they are supposed to be resting. Overworking of employees also has an effect on the high absenteeism rate. Employees are also prone to fatigue and stress which can lead to accidents. Such accidents might be injury to the employee or other employees and damage to plant which will have large financial implications.

The other factor, with regards to vacancies, is the age profile of the employees, more especially in the maintenance and operating group. The majority of employees in these groups are above the age of 55 years, which puts the business unit under pressure as most of them will be going on pension soon. Operating is a critical department on the supply chain as they are the people operating the plant to produce electricity. Failure to run the plant due to vacancies and fatigued employees will result in dissatisfied customers countrywide.

Vacancies have financial and human resources implications for the organisation through excessive overtime and overworked employees. Overworked employees translate to a high absenteeism rate, fatigue, stress and other sicknesses due to work practices.

Most employees see overtime as a benefit as they are paid large amounts of money but for the organisation it is an ongoing concern with regards to

finances, non-compliance to BCEA, safety of employees and plant, health of employees and the technical performance of the business unit.

### **1.3 PROBLEM REVIEW**

On reflection, a number of emerging themes emanated from the problem in context. These themes are:

- Recruitment
- Leadership
- Corporate culture

In 2007, recruitment was centralised in the public utility. HR Shared Services (HRSS) was formed. Their responsibility was to handle recruitment and administration. With regards to recruitment they were handling the recruitment process from job advertisement, shortlisting, interviews and appointments. The implementation of centralisation was rolled out in the same year in 2007.

Managers started utilising the services when they had vacancies to fill. The process was so long that it took three months to get a person employed. To the employees it was perceived that managers did not want to fill the vacancies. The process seems simple and straight forward but the availability of recruitment practitioners seems to be the issue. Firstly, if managers want to fill a vacancy, a presentation must be made to the local recruitment committee. Once approved, the documents are sent to HRSS for advertisement, shortlisting, interview and appointment.

It seems as if the recruitment process is ineffective and results in the problems which are being experienced in the business unit. One issue that was noticed was the limited numbers of recruitment practitioners who offer a service to the leadership of the business unit. They seem to be under-staffed and not coping with the work. Some of them lose the recruitment file after an

interview which then takes the manager back as he/she must go through the process again. Although this does not happen often it does however occur.

The observation made and the lesson learned is that:

- Business unit has vacancies for too long.
- Training facilities are not fully utilised to train and develop employees for the business unit to be ready for current vacancies.
- Training instructors are not properly utilised.
- Centralisation is a good idea but its efficiency needs to be improved.
- Cutting of costs such as training and recruitment. Training costs should never be compromised; it should be seen as an investment in human capital (Cameron, 2006). This author further mentioned the benefits from this investment being higher productivity, improved quality and this outweigh the costs.

In 2008 after centralisation of recruitment, there was reframing of the public utility in contributing towards growth and development of South Africa and the leadership was changed. At the same time recession hit the world which also affected the public utility. New leadership had to change the way things were happening to ensure survival of the organisation, and that included the corporate culture. The public utility financial rating was also affected during the 2008 load shedding saga.

The leadership put tighter financial controls in place by cutting down on recruitment, freezing vacancies and other financial activities e.g. free lunches during meetings, travelling for meetings was substituted with video conferencing. If managers needed to recruit, motivations had to be written for approval by the Divisional Executive before advertisement. The process of recruitment took even longer causing managers to stay with vacancies for extended periods. Employees had to work overtime to cover for those vacancies.

The corporate procedures and policies were reviewed to address the organisation's financial status and management. Cutting on overtime, vacancies and other financial activities were the paramount objectives of the organisation. Overtime had to be reduced and employees were affected emotionally as they were used to the practice. Leadership in the business unit also failed to address, manage and communicate the organisational goals to the employees. Another gap was that management was overworking the employees to compensate for the vacancies that were frozen.

To address the difficulty that the organisation was facing economically and globally, corporate and organisational culture and strategy had to change. The leadership needed to build a culture of high performing teams. It is of course the role of leadership to take people with during such changes. Change needs to be communicated clearly, expected behaviours and results need to be shared

Change is difficult and especially cultural change. Cameron (2007) mentioned that it is not easy to change something that is deep-rooted in people.

The other area of concern is the level of skills of some managers within the organisation. They are failing to communicate, to deploy employees and to take necessary actions for non-compliance. Within the business unit there are some managers who have fewer vacancies than others but they are still not managing overtime properly, as required by the organisation. Cameron (2007) highlighted the fact that managers need to take control over how employees are deployed. Due to the lack of skills of managers, employees are not co-operating and some are withdrawing their labour e.g. employees refuse to take lawful instructions from their managers.

There is clearly a lack of discipline amongst employees and managers are not taking appropriate actions. Lack of discipline can come in many ways and managers need to be wide awake.

Cameron (2006) mentioned common causes of poor performance and these are:

- Standards are known, but ignored,
- The member of staff is overworked,
- Necessary resources are lacking and
- Employee has other worries that are interfering with his/her work.

Managers are not taking accountability to correct such behaviours. One important aspect highlighted by Cameron (2006) is that, managers postpone disciplining employees because they find discipline one of the most difficult aspects of their role.

While focussing on these themes, it is important that managers learn the following:

- Leadership needs to communicate the strategy and change, to employees.
- There is lack of leadership alignment and effectiveness.
- Lack of skills development and succession planning.

The other aspect of leadership is when management considers the age profile of the employees. Management needs to analyse the situation and put in aggressive action plans. There is a huge age gap between old and young employees. That is mainly due to delays caused in 2008 to 2010 and leadership issues might be the cause.

The management style can bruise the organisation heavily if care is not taken financially and through proper human resource management. It is important for the leaders to have ideas, values and beliefs that can be understood by employees. The organisation needs to have an organisational culture that is easy to adopt. Managers need to have the necessary interpersonal and intra personal skills to manage their subordinates to be effective leaders and drive the business unit in the right direction.

## **1.4 PROBLEM STATEMENT**

Instability in management due to too many changes in leadership positions emphasises the need to assess business unit leadership effectiveness.

## **1.5 RESEARCH OBJECTIVES**

- To evaluate leadership effectiveness in the business unit.
- To determine the overall perception of the employees about leadership effectiveness and behaviour.
- To analyse the degree of influence that leadership behaviours has on employee turnover, recruitment, business performance and culture.
- To outline the qualities that leaders generally need to improve their effectiveness.

## **1.6 IMPORTANCE/BENEFITS OF THE STUDY**

When a strategic review was undertaken in the public utility, and through extensive conversations, employees' highlighted critical areas of concern, one of which was leadership.. Leadership effectiveness assessments need to be done across all public utility business units to identify the gaps in leadership. That will ensure that right people are in the right positions. With regards to leadership, the organisation needs to address the following:

- Restore employees belief in leadership
- Lack of leadership alignment
- Stability in management, too many changes at the top
- Lack of skills development, succession plan and others.

There are six expectations of leadership behaviour outlined in the public utility and these are:

- Live the public utility vision
- Promote teamwork
- Grow people
- Ignite passion
- Encourage the right behaviour
- Promote open and transparent communication.

Feedback from the results of the study will give a clear understanding of the leadership strengths and weaknesses. The feedback profile will be a report of other people's perceptions. People form perceptions based on somebody's behaviours and people's perceptions influence how they behave towards that specific person.

This study will highlight the perception of the employees of individual senior managers which will help specific senior managers to change their behaviours; and which will benefit the company in achieving one of its future goals of being one of the top five performing public utilities globally.

## **1.7 LIMITATIONS AND DELIMITATIONS**

### **1.7.1 Limitations**

The limitations are that the employees might be biased and this may influence the results. The population that will be selected to participate might not wish to participate and they might differ from those who will participate. A low response rate might also be one of the limitations. The results of the study will only be generalised to the leadership of the specific business unit selected.



### **1.7.2 Delimitations**

Only one business unit will be included in the research. The scope of the study will be the leadership effectiveness assessment of senior management in the business unit. All steps involved in the research process will be completed within four to five months. This might place a limit on the overall magnitude of the study.

## **1.8 CHAPTER OVERVIEW**

Chapter 1 covers the background, the aim and the objectives of the study. The business environment is constantly changing and leaders of organisations need to ensure that they steer and drive the organisations in the right direction. This study attempts to identify employees' perceptions on leadership effectiveness.

Chapter 2 covers the analysis of the problem using theoretical considerations and models. The work of Bakhru (2006), Kaplan and Norton (2007), Bass and Avolio (2011), Cameron (2007), Deal and Kennedy (2007) and Mobley, Wang and Fang (2005) pave the way for the constructs highlighted.

Chapter 3 gives a literature overview of studies that have previously been conducted on leadership effectiveness and corporate culture. Literature highlights that leadership skills, play a significant role in the success of leaders in the workplace. It also highlights that leadership is deeply attached to culture.

Chapter 4 gives an outline of research methods used to conduct the study. The use of exploratory, quantitative research methods were used to conduct the study. The research design included a six dimensions leadership effectiveness assessment questionnaire. Each dimension consists of various questions. The questionnaire was submitted to 191 employees in the public utility business unit.

Chapter 5 analyses the results from the questionnaires and uses a descriptive statistics technique to determine the leadership effectiveness score.

Chapter 6 highlights the overview of the main findings and identifies appropriate recommendations.

Chapter 7 covers the learning and reflections from the research.

## **1.9 SUMMARY**

Leadership needs to ensure that the business unit is operating effectively and efficiently. There is also a need to ensure good relationship between leadership and followers in order to maintain and strengthen the organisational culture of the business unit. Leadership needs to demonstrate and live the power utility's six leadership and culture behaviours, which were previously identified.

Three constructs emerged under problem in context and is highlighted in detail under problem review. The constructs highlighted were leadership, recruitment and corporate culture. Chapter 2 will analyse these constructs by using theoretical considerations and models to better understand the problem.

## **CHAPTER 2: PROBLEM ANALYSIS/THEORETICAL**

### **2.1 INTRODUCTION**

There has been tremendous attention paid to leadership, recruitment and corporate culture. Problems often arise when leadership do not take cognisance of the external environmental forces, lack understanding of the recruitment process as well as lack the ability to measure and monitor employees' development, retention and turnover. Leaders also need to identify and understand cultural behaviours that need to be adopted in the organisation.

### **2.2 LEADERSHIP**

#### **2.2.1 Fahey and Narayanan's model**

Bakhru (2006) highlighted Fahey and Narayanan's model of the macro-environment which stresses that the environment can be understood only as a system, in which each factor is related to and affects other factors. This model will be of benefit in the organisation which faces leadership challenges. The model will help the leadership to understand the bigger picture of the sociological, technological, economic and political factors and the impact in their roles as leaders.

By making effective use of this model the individuals will ensure that what they are doing is aligned with the forces of change that affect the organisation.

The following are the factors that affect the public utility:

#### **2.2.1.1 Sociological factors**

Leadership need to understand the demographic trends that will affect the business as well as their own careers. They also need to understand the opportunities and threats that are presented by the change in the organisation to ensure that proper decisions are made.

Leadership need to analyse the employees' age profile, health, education and the employees' attitudes towards that. Leadership need to mentor and coach employees and ensure that employees are trained and developed. This will help in putting proper plans in place with regards to future recruitment and development.

#### **2.2.1.2 Technological factors**

Technology can affect jobs in terms of what aspects of the job is likely to be replaced by technology. Technology can be changed but there is still a need to have employees that will operate, maintain and engineer the machines hence the dynamics of ensuring that vacancies be filled and not frozen for a prolonged period. Employees need to be trained as and when the technology advances. Training facilities must be upgraded and utilised to ensure that there are skilled people in the organisation. That, as well as cost saving, with regards to internal transfer of skilled personnel needs to be in place rather than recruiting for replacement.

#### **2.2.1.3 Economic factors**

Economic factors are likely to affect technological changes in the economy. Leadership need to be on par with what is happening in the local and global

economy. The impact of the economic recession on the country and the public utility led to tighter controls being implemented and vacancies being frozen. Freezing vacancies will lead to high rate unemployment of South Africans.

#### **2.2.1.4 Political factors**

The compliance to BCEA, PFMA, Water and Environmental regulations and OHSAS is enforced by the government and leadership need to comply.

#### **2.2.2 Balanced scorecard**

The balanced scorecard developed by Kaplan and Norton (2007) can be utilised to measure the performance of the leaders. The balanced scorecard approach uses objectives and indicators to channel and align organisational effort to goals. According to Kaplan and Norton (2007), the balanced scorecard allows managers to look at the business from four important perspectives: financial, customer, internal business process and learning and growth (Kaplan and Norton, 2007).

Leaders often operate in a sense of urgency and need to bring employees together to share in the development of vision, address risk, work with change and engage in communications. Leadership competencies have been developed and usually include the following:

- Establishing vision
- Alignment
- Motivation and inspiration
- Communication
- Interpersonal skills
- Leading change
- Problem solving
- Decision making

- Self-management and knowledge sourcing

Key performance indicators (KPIs) in leadership can be classified into four categories: people initiatives, collaboration initiative, broad organisational initiative and professional success indicators.

#### **2.2.2.1 People initiative**

People initiative describe the measure which a leader or manager takes to enhance employee engagement. It includes factors such as reduced turnover, improved safety, succession planning and employee effectiveness.

#### **2.2.2.2 Collaboration initiatives**

Collaboration initiatives include KPIs like collaboration with shareholders, information sharing, problem solving time and consensus building exercises. This shows the initiative taken by the leader to improve flow of information in the organisation.

#### **2.2.2.3 Broad organisational initiatives**

Broad organisational initiatives take into consideration KPIs like goal achievement, key processes, change management and evaluation and assessment. These factors help define the future direction of the organisation.

#### **2.2.2.4 Professional success indicators**

Professional success indicators comprise key performance indicators (KPI's) like qualification level, experience level, industry contact of a leader-manager. This indicates the power, influence and knowledge of the leader.

Utilisation of employees in the organisation is through the leadership provided to them. Besides recruiting efficient and capable people, the guiding force provided to them is paramount.

### **2.2.3 Transformational and transactional leadership model**

Bass and Avolio (2011) described two distinct types of leaders: transformational and transactional. The transformational leader stimulates interest among colleagues, inspires a different outlook on the work, generates an awareness of the goals of the organisation, develops others to higher levels of ability, and motivates others to consider the interests of the group over their own interests (Bass and Avolio, 2011). Transformational leadership is said to be comprised of the following four dimensions: idealised influence, inspirational motivation, intellectual stimulation, and individual consideration (Bass and Avolio, 2011). The transactional leader, on the other hand, is one who rewards or disciplines employees on the basis of their performance (Bass and Avolio, 2011). They emphasise work standards, task completion, and employee compliance while relying heavily on organisational rewards and punishments to influence employee performance (Bass and Avolio, 2011).

Researchers investigating the effects of transactional and transformational leadership have found that transformational leadership predicts higher ratings of effectiveness and satisfaction, higher group performance and higher amount of effort on the part of subordinates compared to transactional leadership (Hater and Bass, 2011).

Transformational leadership behaviour is highly associated with effectiveness more so than transactional behaviour (Lowe, Kroeck & Sivasubramaniam, 1996). Transformational leaders are seen as those executives that are able to create a vision, communicate the vision, and build commitment amongst subordinates to the vision (de Miranda, 2011). Transactional leaders are viewed as managers that maintain the status quo (de Miranda, 2011). It is felt that as transformational leaders are able to deal with strategic issues more

efficiently and in turn are able to build commitment in employees; these leaders are more likely to take an organisation forward (de Miranda, 2011). Thus the assumption is that transformational leaders are more effective than transactional leaders (Bass and Avolio, 2011).

Many leadership theories today indicate that leadership styles are transforming at a rapid pace to keep up with globalisation and flattening organisational hierarchies (de Miranda, 2011). Leaders operating in such a turbulent environment are required to possess a specific set of skills (de Miranda, 2011). Out of the two leadership styles, the transformational leadership approach has repeatedly shown the benefit of using a communal approach to leadership (Lowe *et al.*, 1996). Communal leadership behaviours such as inspirational motivation and individualised consideration are regarded as effective transformational leadership characteristics because they are essential for developing subordinates and creating environments that encourage continuous learning (Eagly and Johannesen-Schmidt, 2001)

## **2.3 RECRUITMENT**

### **2.3.1 Balanced scorecard**

Hiring employees is not an easy task. The leadership have to make sure that they are able to recruit the employees they need to help improve the performance of the organisation. It is important to pay attention to the applicants and the entire recruitment process to ensure that it is done the right way. In this case the balanced scorecard approach developed by Kaplan and Norton (2007) can be implemented. The scorecard will help the organisation monitor the performance of the recruitment process as well as pinpoint other factors that give way to the success of recruitment.

Miller (2011) highlighted four categories that can fit into the balanced scorecard for recruiting applicants. Each of these categories has recruiting



staff metrics. The first one is about performance of the staff responsible for recruitment, in this case the HRSS. Metrics used are the ratio between the interview and screening process, recruitment-interview ratio, start ratio and diversity of employees recruited on the job.

The second category is the quality of the recruitment process. The metrics include the efficiency of the new employees, the excellence of the new recruited employee, retention rate, staffing efficiency rate, which will highlight the extent to which the recruited candidates are able to meet the job criteria and requirements.

The third category is the quantity of recruitment which often uses indicators like staffing yield, internal recruitments and accession rate. The fourth category is the recruitment strategy efficiency which includes indicators like management of tools in the recruitment process, turnover rate of manager recruiting, continuity, excellence in selecting the right candidate and strategy efficacy.

### **2.3.2 PEST analysis**

PEST analysis helps one to consider what external influences are important and the extent to which any changes are significant for the future of the organisation. The model provides a summary of some questions to be asked about key factors in the environment. It prompts one to ask:

- What environmental factors are affecting the organisation?
- Which of these are most important?
- Which are likely to be the most important to the organisation in the next few years?

Below are the relevant PEST forces that the public utility can consider in the recruitment process:

### **2.3.2.1 Political**

Issues around equality, diversity and human rights need to be considered; so also improving working lives standards for South Africans and standards for better health.

### **2.3.2.2 Economic**

Issues of alternative employment opportunities and cost of living are addressed.

### **2.3.2.3 Sociological**

The organisation needs to look at the following:

- Employment/unemployment levels.
- The population size and structure.
- Balancing of work and social time.
- Attitudes towards harassment and community involvement.

### **2.3.2.4 Technological**

Under technology improving access to health information is paramount. The capabilities of the IT infrastructure of the organisation are important. The extent to which the organisation uses e-learning and e-technology is regarded as well.

## 2.4 CORPORATE CULTURE

Culture is defined as the basic values, ideologies and assumptions which guide and fashion individual and business behaviours (Cameron, 2007). These values are evident in more tangible factors such as stories, rituals, language and jargon, office decoration and layout and prevailing models of dress code among the staff (Cameron, 2007).

A strong corporate culture is normally taken to mean the adoption by all employees within an organisation of senior management's values, interpretations and preferred ways of doing things (Cameron, 2007). These will provide a cohesive set of values, beliefs and behaviour, a shared sense of purpose, and a shared ideology (Cameron, 2007). Such a strong culture provides unobtrusive control of attitudes and behaviour, and can allow for a quick and appropriate response to a situation because the answer is obvious (Cameron, 2007).

The idea of a strong corporate culture is attractive because of its assumed benefits of acceptable control combined with flexibility (Cameron, 2007). But there is another reason about which to be cautious viz. the pursuit of a strong corporate culture (Cameron, 2007). This lies in the need for 'fit' between culture and environment (Cameron, 2007).

The rapid flexible response promised by a strong culture is only an advantage if the response required is that which the culture generates (Cameron, 2007: 55). If the contingencies faced by the organisation change then the response may no longer fit (Cameron, 2007). But because it is based on deep-rooted and unquestioned values and assumptions it may take a long time for this to become apparent (Cameron: 2007). Culture can lead to inflexibility as well as flexibility (Cameron, 2007).

Several methods have been used to classify organisational culture. There is no single type of organisational culture. Cultures vary widely from organisation

to the next, commonalities do exist and models have been developed to describe different indicators of organisational cultures and are described below.

### **2.4.1 Handy's four cultures**

One of the most widely quoted models of culture was developed by Charles Handy (Cameron, 2007). He identified four groups of behaviour: power, task, person and role cultures (Cameron, 2007).

#### **2.4.1.1 Power culture**

A power culture is best pictured as a web because the key to the whole organisation sits in the centre, connected to and pulling the strings of an ever-widening network of intimates and influences (Cameron, 2007). The organisation is very much like a club, it exists to enable the decisions of those at the centre to be carried out (Cameron, 2007). It is often found in small entrepreneurial companies, political organisations and single-issue pressure groups (Cameron, 2007). It is often a very personal culture, in the sense that communications are between people as individuals rather than between formal job holders or departments (Cameron, 2007). The culture is typically dominated by a charismatic figure or founder (Cameron, 2007). Here personality is more important than formal structures, roles or procedure in sustaining and advancing the organisation (Cameron, 2007). The culture as a whole relies heavily on individual responses and interpersonal commitments in dealing with new and changing circumstances (Cameron, 2007). The key to success lies in employing the right sort of people and ensuring that new recruits will fit in satisfactorily (Cameron, 2007).

Organisations with a power culture have the feel and ethos of a large extended family (Cameron, 2007). Power desired from the top person and personal relationships with that individual matters more than any formal title of

position. Power cultures have few rules and little bureaucracy, swift decision can ensue.

#### **2.4.1.2 Task culture**

The dominant feature of a task culture is its job or project orientation (Cameron, 2007). Teams are formed to solve particular problems. Competent people, who enjoy new challenges and are stimulated by joining different teams for different purposes, often prefer a task culture (Cameron, 2007). The notion of work as problem solving will probably be a major feature of a task culture, with people relying on their concerted abilities to deal with new situations rather than applying tried-and-tested formulae (Cameron, 2007). Co-ordinators and team leaders, rather than managers, are central figures (Cameron, 2007). There is an air of self-confidence and energy about task cultures, which can be difficult for those who need the security of agreed procedures to shape their work and their relationships (Cameron, 2007).

#### **2.4.1.3 Person culture**

Power and task cultures assume that it is an organisation's purposes that are of paramount importance (Cameron, 2007). Each in its way harnesses individuals to those purposes (Cameron, 2007). In contrast, a person culture puts individuals and their interests first and sees the organisation as a means to an end, a resource on which individuals can draw to enhance their own talents, abilities or concerns (Cameron, 2007). In this culture commitment to the organisation for its own sake is limited (Cameron, 2007). Managing collective interest may be undertaken on the basis of a rotating job, which is seen as a necessary chore rather than a mark of distinction, status or leadership (Cameron, 2007). Person culture is almost wholly dependent for its continuation on the extent to which those involved pay attention to it (Cameron, 2007).

#### **2.4.1.4 Role culture**

People have clearly delegated authorities within a highly defined structure. Impersonality is central to a role culture (Cameron, 2007). This is the classic bureaucracy (Cameron, 2007). Power derives from a person's position and little scope exists for expert powers. The organisation is seen as a set of interrelated roles; individuals are role occupants; communications tend to be formalised into systems and procedures, both horizontal and vertical (Cameron, 2007). Management is likely to be more important than leadership (Cameron, 2007). Certainty, predictability, continuity and stability are important organisational virtues (Cameron, 2007). Processes for training and developing expertise are important, so that people involved in the organisation can contribute appropriately (Cameron, 2007). Independence and initiative will probably be less highly valued than professionalism and reliability (Cameron, 2007).

#### **2.4.2 Deal and Kennedy's model**

Deal and Kennedy's (2007) suggest that the biggest single influence on a company's culture is the business environment in which it operates. Deal and Kennedy created a model of culture that is based on four different types of organisations. They each focus on how quickly the organisation receives feedback, the way members are rewarded, and the level of risk taken. Deal and Kennedy's four cultures (Deal and Kennedy, 2007) are:

##### **2.4.2.1 Tough-guy macho culture**

This culture has a rapid feedback/reward and high risk, resulting in stress coming from high risk and potential loss/gain of reward. Managers in this type of culture need to be able to make decisions quickly and to accept risk. This culture focuses on the present rather than the longer-term future.

#### **2.4.2.2 Work-hard, play-hard culture**

This has rapid feedback/reward and low risk resulting in stress coming from the quantity of work rather than uncertainty. This type of culture is characterised by high levels of activity. Employees in this culture have to maintain high levels of energy and stay upbeat. Success is measured by persistence.

#### **2.4.2.3 Bet-your-company culture**

This has slow feedback/reward and high risk, resulting in stress coming from high risk and delay before knowing if actions have paid off. The long view is taken, but then much work is put into making sure things happen as planned. Because the need to make the right decision is so great, the cultural elements evolve such that values are long-term focused and there is a collective belief in need to plan, prepare and perform due diligence at all stages of decision making. Meetings are very important and experts are drawn in to give their opinions.

#### **2.4.2.4 Process culture**

This has slow feedback/reward and low risk resulting in low stress, comfort and security. Stress comes from internal politics and system. Because of lack of immediate feedback, employees find it very difficult to measure what they do so they focus on how they do things.

### **2.5 SUMMARY**

Leadership bring followers together to share in the development of the vision. Leadership is a process of social interaction where the leader's ability to influence the behaviour of the followers can strongly influence the

organisation's performance. It is also highlighted that the transformational leadership is highly associated with effectiveness. These are leaders who are able to create a vision, communicate the vision and build commitment amongst followers to the vision (de Miranda, 2011).

Leadership also need to be able to recruit the employees that can help improve the performance of the organisation. Hence the balanced scorecard can help the organisation to monitor performance of the recruitment process and be able to pin point factors that can give way to the success of recruitment.

Leaders need to have a shared view of the desired future of the organisation and must set clear goals and objectives in order to build and sustain a strong organisational culture within the organisation.

The following chapter will further develop the discussion points from studies that have been conducted on leadership effectiveness, recruitment and corporate culture.



## **CHAPTER 3: LITERATURE REVIEW**

### **3.1 INTRODUCTION**

This chapter aims to comprehensively expand on the theoretical insights introduced in Chapter 1 and 2, based on the current knowledge including substantive findings as well as theoretical and methodological contributions to leadership effectiveness. This review is based on materials that have been published by accredited scholars and researches (Coldwell and Herbst, 2004).

It is important at this stage to identify effective leadership practices and behaviours which are critical to achieving organisational excellence. Despite the amount of research on leadership, there is still much uncertainty about what is required to be an effective leader. Questions still remain around why intelligent and experienced leaders are not always successful in dealing with environmental demands and life in general (Rosete and Ciarrochi, 2004). Perhaps what the leaders need is emotional intelligence, rather than cognitive intelligence or specific personality traits (Rosete and Ciarrochi, 2004).

People are central to the organisation to build the firm's competitive advantage. Success depends on the organisation's people skills, knowledge and abilities (Asuinura, 2011). Employee selection procedures, training and development often have a direct bearing on organisational productivity and performance (Asuinura, 2011). Having right employees motivated to perform has the benefit of low employee turnover and low absenteeism (Asuinura, 2011).

On the other side, the study of leadership is deeply attached to culture (Shahin and Wright, 2004). Both leader's action and followers' responses inevitably reflect the forms of behaviour which are regarded as legitimate and appropriate within the society (Shahin and Wright, 2004).

## 3.2 LEADERSHIP

The available literature in the area of leadership in scholarly works is vast and continues to expand rapidly due to a great interest in the phenomenon of leadership. The literature review focusses on studies around leadership. The studies reviewed are paradigms of leadership, leadership styles: a powerful model, how to combat a culture of excuse and promote accountability and qualities of effective leadership.

Sparrowhawk's (2011) study highlighted tips that leaders need to take most especially after the post-recession world. The findings of the study give steps that every leader should at least consider as the economy is recovering.

Sparrowhawk (2011) mentioned the following steps:

- Create clear vision.
- Communicate clearly and consistently.
- Create a sense of challenge.
- Focus on managers. Management skills remain a major issue for many employers. In any organisation managers at all levels need clear and consistent support: making expectations clear, inspiring employees to respond and providing training and development they need.
- Revitalise the development plan. This is to make sure that every employee has a plan that contains clear, tangible goals and that these are accompanied by details of the support the company will provide to help them succeed.
- Give the employees opportunities to expand their experience.
- Encourage involvement.
- Make review and recognition part of life.
- Make it personal.

In conclusion Sparrowhawk (2011) highlighted that being an effective leader is no mean feat; one must balance strong authoritative leadership with a readiness to engage their workforce on various levels.

Casse and Claudel (2011), present a way of adjusting leadership to suit the circumstances and people involved. Their study revolves around leadership models and they further mention that there are numerous leadership models around and some have, indeed proven to be quite instructive and effective in the past years.

Their research done with leaders in all industries as consultants and when teaching EMBA's, have convincingly shown that there are two key abilities in relation to which current leadership behaviours can be defined, namely imagination and execution.

The four leadership styles depend on how much imagination and execution is injected by leaders in their leadership practice (Casse and Claudel, 2011). The model uncovers four leadership styles:

- Leading by doing
- Leading by team working
- Leading by inspiring
- Leading by empowerment.

Casse and Claudel (2011) also gave three criteria for choosing the appropriate leadership style. These indicators are the business situation, the people or team members and the corporate culture.

Grimshaw, Baron, Mike and Edwards (2006) highlighted four factors that characterise a culture of accountability. They indicated that promoting a culture of accountability is a leadership-driven process that involves thoughtfully managing the variables that determine whether people will do the things leaders expect them to do. Grimshaw *et. al.* (2006) developed a predictive accountability model that was validated in dozens of organisations.

The model asserts that most people in organisations will be accountable, that is, they will do what is needed and expected to the extent to which four factors are present (Grimshaw *et. al.* 2006):

- Expectations are clear to employees.
- Employees perceive that those expectations are credible and reasonable.
- Employees anticipate that positive consequences will follow performance.
- Employees anticipate that negative consequences will follow poor performance.

The model is almost embarrassingly simple but highly predictive. Grimshaw's *et. al.* (2006) research has shown time and again that when these four factors are in place, accountability problems are few and far between. When these factors are not in place, employees frequently do not do what their leaders expect and need.

Post (2004) highlighted that leaders are in the "whitewater", propelled, at ever increasing speed, by customers and community expectations, battered by waves of regulations, and caught up in a whirlpool of interconnectivity.

The author held the view that survival and success, individually and organisationally require new and very different capabilities. Leaders must be attuned and able to adapt to the demands and nuances of people, policies, politics, and relentless change (Post, 2004). The ability to remain afloat amid the whitewater requires different leadership capabilities than in time past, most crucially (Post, 2004):

- Systematic thinking and actions. Sharp, singular focus no longer works. In the world of exponential interconnectivity, leaders need to anticipate and navigate the ever-broadening universe issues, regulations, stakeholders, and perceptions that affect and are affected by decisions and operations.

- Commitment to change. The utilities and individuals who lead them must continually adapt and evolve to survive the challenges of the changing environment. Leaders must possess the energy to continuously challenge the status quo, persistently drive change, and engage others in the excitement of pushing forward. They must address individuals who resist new ways. They must be willing to risk opposing forces and potential for failure, both organisationally and personally.
- Communication and motivation. Leaders understand that effective communication and trust flow two ways. Questions and concerns must be invited and answered as completely and honestly as feasible.
- Engaging and involving others. Involvement demonstrates faith in others' intentions and abilities and strengthens bonds of common purpose.
- Bravery and endurance. Creating and leading a vibrant and viable organisation requires the talent to control without being controlling, to be persistent without being pushy, to demand endurance without risking burnout.

Successful organisations evolve through leadership that looks downstream, scopes out environment from horizon to horizon, projects beyond what is visible, and selects courses of action based on long-term sense rather than on short-term convenience (Post, 2004).

Rosete and Ciarrochi (2005) looked at emotional intelligence (EI) and leadership effectiveness. They highlighted that EI is linked to transformational leadership style. Transformational leaders are seen as those executives that are able to create a vision, communicate this vision, build commitment amongst subordinates to the vision and model the vision within a workplace (Rosete and Ciarrochi, 2005).

Rosete and Ciarrochi's (2005) findings highlighted that executives high on EI are more likely to achieve business outcomes and be considered as effective leaders by their subordinates and direct manager. The results of Rosete and

Ciarrochi (2005) study also show that EI may be useful in identifying who is and is not likely to deal effectively with colleagues and staff.

Adams and Gamage's (2008) study discussed transformational vs. transactional leadership theory. They highlighted that the theory acknowledges that no single person could possibly provide effective leadership and a higher level of leadership effectiveness unless others are empowered and engaged to work towards common goals (Adams and Gamage, 2008).

Adams and Gamage (2008) further pointed out that effective leadership consist of transactional and transformational approaches. This approach consists of six leadership factors, as stated by Adama and Gamage (2008); and these are:

- Charisma/inspirational. Provides followers with a clear sense of purpose that is energising; and is the role model for ethical conduct which builds identification with the leader and his/her articulated vision.
- Intellectual stimulation. Encourages followers to question the tried and true ways of solving problems, questioning the methods they employ to improve upon them.
- Individual consideration. Focuses on understanding the needs of each follower and works continuously to coach them to develop their full potential.
- Contingent reward. Clarifies what is expected from followers and what they will receive if they meet expected levels of performance.
- Active management-by-exception. Focuses on monitoring task execution for any problems that might arise, and correcting those problems to maintain current performance levels.
- Passive avoidant. Tends to react only after problems have become serious enough to take corrective action.

Adams and Gamage (2008) study revealed that the issue of professional development in the context of workforce planning is very important.

Hughes, Ginnet and Curphy (2006) discussed measuring the effects of leadership. The authors identified common measures of successful and unsuccessful leadership. One of the measures identified is the subordinates' ratings of satisfaction, organisational climate, morale, motivation and leadership effectiveness (Hughes, *et al.*, 2006).

Hughes, *et al.* (2006) argued that if leadership is defined partly in the eyes of the followers, then perhaps a better way to judge the leader's success is through subordinates' ratings of effectiveness. In this method subordinates are asked to rate their level of satisfaction or effectiveness of the leader (Hughes, *et al.*, 2006). Subordinates may be relatively satisfied or dissatisfied, may be motivated or unmotivated, may feel relatively committed or uncommitted to the organisation, or may believe their leader is relatively effective or ineffective (Hughes, *et al.*, 2006).

Fostering a sense of motivation, cohesiveness, cooperation, and morale among unit members is a goal toward which most leaders will strive, yet there are several points to be cautious about when subordinates' motivation or cohesiveness ratings are used to judge a leader's effectiveness (Hughes, *et al.*, 2006). For one thing, some subordinates may be relatively unmotivated toward work no matter what the leader does (Hughes, *et al.*, 2006).

Hughes *et al.* (2006) further emphasised that success in instilling a strong sense of motivation and cohesiveness in subordinates does not guarantee effective performance. It is necessary for leaders to ensure that subordinates are adequately trained and have the necessary equipment and resources to do the job (Hughes, *et al.*, 2006). Without training and equipment, subordinates' performance might be relatively low even if the subordinates are motivated (Hughes, *et al.*, 2006).

In addition, subordinates may be performing at a low level yet rate their leader as being relatively effective because he or she does not make them work very hard (Hughes, *et al.*, 2006: 90). Conversely, some subordinates may rate the

leader as relatively ineffective if he or she does make them work hard (Hughes, *et al.*, 2006). Thus, the links between subordinates' ratings and the performance of the leader may be unclear or affected by various factors beyond the leader's control (Hughes, *et al.*, 2006).

Despite these cautions, there are two reasons why followers' ratings may be a more accurate reflection of a leader's impact than superior's ratings of performance (Hughes, *et al.*, 2006: 90). First, followers are often in a better position to make these judgements (Hughes, *et al.*, 2006). They usually are the direct recipients of their boss's day-to-day leadership behaviours (Hughes, *et al.*, 2006). Second, although subordinates' ratings can also suffer from distortion or bias, such effects tend to cancel each other out when multiple raters are used.

Hughes, *et al.* (2006) also reviewed research on a number of key variables affecting leadership behaviour. One of the leader behaviour research studies reviewed by the authors was conducted at Ohio State University and the University of Michigan (Hughes, *et al.*, 2006). In order to obtain information about a particular leader's behaviour, subordinates were asked to rate the extent to which their leader performed behaviours like the following (Hughes, *et al.*, 2006):

- He/she lets subordinates know when they've done a good job.
- He/she sets clear expectations about performance.
- He/she shows concern for subordinates as individuals.
- He/she makes subordinates feel at ease.

In analysing the questionnaires from thousands of subordinates, the statistical pattern of responses to all the different items indicated leaders could be described in terms of two independent dimensions of behaviours called consideration and initiating structure (Hughes, *et al.*, 2006). Consideration refers to how much a leader is friendly and supportive toward subordinates (Hughes, *et al.*, 2006). Leaders high in consideration engage in many different behaviours that show supportiveness and concern, such as speaking up for



subordinates' interests, caring about their personal situations, and showing appreciation for their work (Hughes, *et al.*, 2006).

Initiating structure refers to how much a leader emphasises meeting work goals and accomplishing the task (Hughes, *et al.*, 2006). Leaders high in initiating structure engage in much different task-related behaviour, such as assigning deadlines, establishing performance standards, and monitoring performance levels (Hughes, *et al.*, 2006).

The behaviours outlined by Hughes, *et al.* (2006) can help leadership practitioners better understand the key behaviours associated with success; how successful leadership behaviour may vary depending on the leadership level, country, culture, or business; what kind of behaviours could get them into trouble; and how to get feedback on these behaviours. But the fact of the matter is that knowing this information is not enough. Ultimately, some of the leader's behaviour needs to change (Hughes, *et al.*, 2006).

Learning how to change your own and others' behaviours is a key leadership skill, given that situation, technology, organisational structure, followers, bosses, products, rules and regulations seem to be in a constant state of flux (Hughes, *et al.*, 2006). But learning how to change your own behaviour is often not enough. Good leaders also know how to change and modify the behaviours of their followers so that they can be more effective team members and better achieve team goals (Hughes, *et al.*, 2006).

### **3.3 RECRUITMENT**

The literature review focuses on studies around recruitment during recession, hiring the right talent, investing in human capital, training and development, retention and being proactive about recruitment.

Bentley (2008) points out that the growing fear of a recession are starting to have a negative effect on the number of job vacancies available. The findings

were large blue chips companies with internal training departments are not cutting jobs (Bentley, 2008). Most companies are also seen freezing recruitment mainly on training positions.

Grace (2010) also found in the study of hiring the right talent that every company faces the challenge of identifying and retaining the right talent. There are many inherent costs associated with hiring wrong talent, including increased turnover, management concerns, morale and production issues (Grace, 2010). The study also highlighted that if people are not right for the job, they will not produce well (Grace, 2010)

A Michigan State University School of Business study researched the different steps organisations can take in the hiring process to improve the likelihood of a successful hire and found that there are numerous tools in the market place (Grace, 2010). Grace (2010) mentioned that investing in these tools can make better hiring and retention decisions that can improve the bottom line.

Doug (1992) did a study on becoming proactive about recruitment and found that there are a number of steps a manager can take to get a grip on the perennial recruitment problem. The findings illustrated the importance of being proactive rather than being reactive when it comes to recruiting. The findings were (Doug, 1992):

- Anticipate that change is going to occur. By taking a look at the turnover rate within the company and the workforce in the department, will give the idea of what to expect.
- Change the mental picture. It was highlighted that the best time to recruit an applicant is before there is an opening.
- Recruit continuously. The greatest benefit of actively recruiting all the time is that it will make the manager's job easier.

Dar, Yusoff and Azam (2011) researched managing human capital for sustainable competitive advantage. It was identified in Dar, *et al.*'s (2011) study that people provide organisations with an important source of

sustainable advantage and that the effective management of human capital may be the ultimate determinant of organisation performance. Human Resource Management (HRM) practices like staffing, performance measurements, training and development, rewards and career planning in enhancing human resource capabilities are further correlated with dimensions like core competencies, organisational learning, empowerment and organisational culture (Dar, *et al.*, 2011).

The research highlighted that human capital management encloses and exceeds HRM (Dar, *et al.*, 2011). Human capital management offers added value by, firstly, working from a fundamentally different starting point, in which the integrity of the individual has a central place (Dar, *et al.*, 2011). Secondly, human capital management involves the cultural dimension in its competence, and human capital management introduces a number of instruments through which it can effectively stimulate company culture, as well as bring about the mutual binding of employees and the binding with the organisation (Dar, *et al.*, 2011).

Clarke and Herrmann (2007) mentioned that another means of developing an internal labour market is for firms to grow their own workforce through promotion. However, firms mainly recruit from other firms when replacing employees, filling vacancies irrespective of occupation (Clarke and Herrmann, 2007). Training and internal promotion are little used as recruitment strategies, indicating the weakness of internal firm marketing in the sector (Clarke and Herrmann, 2007).

Continuing training by firms is a good indicator of how far they are operating with an internal labour market (Clarke and Herrmann, 2007). Clarke and Herrmann (2007) also highlighted that number of firms used well-developed procedures for identifying training needs and career development, in particular personal development reviews linking training needs to business objectives. In this case the firm had a good retention record, with a 5 per cent labour turnover, low absenteeism and a low accident rate (Clarke and Herrmann, 2007).

### 3.4 CORPORATE CULTURE

Mobley, Wang and Fang (2005) mentioned in their writing that to have a strong and effective organisational culture, one will need to ask questions like these:

- Do all employees in the organisation have a common understanding of the organisation's purpose, strategy and goals?
- What are the core values in the organisation and do all have a common understanding of these values?
- Is there a team spirit in the organisation?
- Is everybody highly involved and committed?
- How is success defined?
- How is agreement and disagreement handled?
- What behaviours are regarded as deviant in the company?
- How adaptive and innovative are the employees as an organisation?

The feelings of every member towards every aspect of corporate life, when counted together, constitute organisational culture (Mobley, Wang and Fang, 2005).

At the surface level, culture can present itself as visible symbols, slogans, languages, behaviours, histories and stories, dress codes, heroes, legends, rituals and ceremonies (Mobley, Wang and Fang, 2005). But underlying these visible signs of culture, are the core values, beliefs and shared assumptions of each employee that help define the organization's culture (Mobley, Wang and Fang, 2005).

An organization's culture cannot be easily changed by switching company logos, rearranging the layout of the office space, or repeating some heroic stories to the employees (Mobley, Wang and Fang, 2005). It can work to a certain degree but it is definitely far from adequate to win the employees'

hearts and their minds, as well as the market (Mobley, Wang and Fang, 2005). What is needed is some deeper analysis and reflection of the people's collective beliefs and assumptions (Mobley, Wang and Fang, 2005). Only when there is an understanding of these beliefs and assumptions in more depth, one will be able to define appropriate steps to strengthen organization's culture and effectiveness (Mobley, Wang and Fang, 2005).

Mobley, Wang and Fang (2005) also highlighted in their research why leaders should care about organisational culture. Their research affirmed a strong link between organisational culture and organisation performance. The reason is obvious: bureaucratic control could only buy employees bodies but not their hearts (Mobley, Wang and Fang, 2005). A strong organizational culture, however, can be a primary generator of real motivation and commitment (Mobley, Wang and Fang, 2005). In a strong and cohesive culture, the organisations core values are both intensely held and widely shared (Mobley, Wang and Fang, 2005).

This high intensity of common beliefs makes it relatively easier to draw consensus among employees, to build a focus on important goals and objectives, to reduce potential conflicts, to cultivate a learning environment, and to lower staff turnover (Mobley, Wang and Fang, 2005). A strong culture has a unique absorptive power to congregate people (Mobley, Wang and Fang, 2005). Employees no longer need to be compelled to work hard but do so willingly (Mobley, Wang and Fang, 2005). They identify themselves with their organisation, just as they do with their families and communities (Mobley, Wang and Fang, 2005).

Nold (2012) did a study on organisational culture and highlighted that attributes of a "great place to work" consisted of five key dimensions of organisational culture and these are:

- Credibility
- Respect
- Fairness

- Pride and
- Trust

These five dimensions present meaningful assessments of key cultural dimensions (Nold, 2012).

Measuring organisational performance is a complex and subjective task (Nold 2012). The balanced scorecard methodology developed by Robert Kaplan and Daniel Norton attempts to identify intermediate behaviours that, if performed well, result in improved organisational performance (Nold 2012). The underlying theory behind the balanced scorecard is that improved performance will be a natural outcome if intermediate steps are performed effectively and all functions of the organisation are in alignment and being measured appropriately (Nold 2012).

Block's (2003) research explored leadership and organisational culture independently; and the interconnection between these two constructs remain more of an implicit theory than an empirical finding. Based on leadership-culture research published thus far, the following tentative conclusions have been suggested by researchers (Block, 2003):

- The impact of leadership on firm performance is mediated by organisational culture.
- Leadership creates an environment in which fundamental organisational change is more or less likely to occur.
- Specific leadership behaviours are associated with distinct cultural traits.
- Contextual factors such as organisational culture have an impact on the emergence of a specific leadership style.
- Leaders use their knowledge of organisational culture to affect change.
- The behaviours of leaders influence the perceptions of organisational culture among followers.

Block (2003) views culture as a collection of shared beliefs about how the organisation can successfully respond to changing demands in the external environment (adaptation) as well as belief about how to maintain processes that ensure the maintenance of functional relationships within the organisation (integration) (Block, 2003).

Current models of organisational performance and change suggest that leadership and organisational culture are central explanatory constructs (Block, 2003). The growing interest in this area stems from the fact that organisations now recognise that leadership is not simply a rational or technical activity, but that it involves the management of people and the development of a sense of community within the organisation (Block, 2003).

Shahin and Wright (2004) also did a study on leadership in the context of culture. They find that leadership is deeply attached to culture. Both the leader's action and followers' responses inevitably reflect the forms of behaviour which are regarded as legitimate and appropriate within their society (Shahin and Wright, 2004).

### **3.5 SUMMARY**

In closing it was mentioned that in a dynamic environment, change is inevitable, people leave the company, transfer, retire, are promoted or terminated, - vacancies will always occur. The literature offers some findings that are related to the study that can be used to improve the leadership effectiveness, recruitment process and corporate culture.

## **CHAPTER 4: RESEARCH METHODOLOGY**

### **4.1 INTRODUCTION**

In this section the research approach is discussed. Particular attention is given to the method to be used and field procedure to collect data. Population and sample and measuring instruments are discussed, together with reliability and validity issues.

Research is important for the business in that it reduces uncertainty by providing information that improves the decision-making process (Coldwell and Herbst, 2004). There are three types of business research strategies namely descriptive research, exploratory research and causal research. For the purpose of this study exploratory research will be used.

### **4.2 RESEARCH DESIGN**

A research design is the strategy for the study and the plan by which the strategy is to be carried out (Coldwell and Herbst, 2004). It implies that it will specify methods and procedures for the collection, measurement and analysis of data.

#### **4.2.1 Exploratory research**

Exploratory research involves an area where tentative hypotheses about a particular relationship exist but do not warrant full-scale study until greater clarity is gained (Coldwell and Herbst, 2004). It can also involve the use of untried measuring instruments whose reliability and validity have not been rigorously tested (Coldwell and Herbst, 2004). The purpose of the exploratory study is to determine whether or not the phenomenon exists, and to gain familiarity with such a phenomenon, but not to compare it with other



phenomena (Coldwell and Herbst, 2004). Exploratory research is used in this study to identify problems facing senior management in terms of being unable to effectively lead the business unit.

## **4.2.2 Qualitative and quantitative methods**

Qualitative research means that the research findings are not subjected to formal quantitative analysis (Coldwell and Herbst, 2004). Quantitative research can reveal statistically significant differences between variables (Coldwell and Herbst, 2004). This study is approached with a quantitative method.

### **4.2.2.1 Quantitative method**

A quantitative method is conducted to examine the effectiveness of the senior management in a business unit. According to Coldwell and Herbst (2004), quantitative research generally involves the collection of primary data from large number of individual units, frequently with the intention of projecting the results to a wider population. The researcher relies heavily on descriptive data derived from participant views.

Quantitative methodology is used to conduct empirical surveys by employing structured Leadership Effectiveness Assessment (LEA) questionnaires.

## **4.3 POPULATION AND SAMPLE**

### **4.3.1 Population**

A population is a group of individual persons, objects or items from which samples are taken for measurement (Coldwell and Herbst, 2004). The study is conducted at a business unit situated on the N4 Road near Middelburg in

Mpumalanga Province. The business unit targeted population for the study is 516 and includes the following:

- Technicians and
- Artisans

#### **4.3.2 Sample and sampling method**

A sample can be defined as a set of respondents selected from a larger population for the purpose of the study (Coldwell and Herbst, 2004). Sampling is the act, process or technique of selecting a representative part of a population for the purpose of determining parameters or characteristics of the whole population (Coldwell and Herbst, 2004).

In this study, stratified random sampling is used and the reason for using this method of sampling is that it increases the probability of being representative and assures an adequate number of each group or department. In total, a sample of 155 is selected from a targeted population of 516, which represents 30% of the population. Details of the sample are displayed in Table 1.

The population is divided into groups according to the position level, from technicians down to artisan to determine the number of respondents desired for each stratum. The sample is randomly selected from the strata as displayed in Table 1 below.

The individuals are requested to participate in senior managers' leadership effectiveness assessment and they are issued with questionnaires. The questionnaires are distributed electronically and contain the researcher's electronic mail address and personalised facsimile number for resending of the responses.

Table 1: Profile of respondents

Description of respondent type	Number of employees per level	Number sampled
Technicians	310	90
Artisans	206	65
<b>Total:</b>	<b>516</b>	<b>155</b>

#### 4.4 DATA COLLECTION METHOD

The information is collected by means of a questionnaire. The Leadership Effectiveness Assessment (LEA) is a structured questionnaire, holding the following six dimensions: promotes open communication, promotes teamwork, live the public utility vision, ignite passion, grow people, encourages the right behaviours. Each dimension consists of various questions. The number of possible responses is limited to a 5 point scale with 1 being poor and 5 excellent.

When the score is 4 and above, it will indicate excellent demonstration of the particular leadership behaviour. A score of 3 and less than 4 will demonstrate successful and visible demonstration of the particular leadership behaviour. A score below 3 will indicate an area for development.

#### 4.5 DATA ANALYSIS AND INTERPRETATION

The data is analysed using XLSTAT version 2012.1.01 statistical package from Addinsoft. As a quantitative approach is used, descriptive statistics help to investigate the data by means of an average score for all six behavioural dimensions. A second analysis is the overall survey average score of the business unit leadership effectiveness behavioural dimensions. The results are displayed in a form of a X-bar chart plotted using Statistical Process Control (SPC) in XLSTAT software. Thirdly, the X-bar chart of the mean leadership effectiveness behavioural dimensions score per department is

shown. These X-bar charts give an overall picture of how participants perceive senior managers' leadership behaviour.

## **4.6 VALIDITY AND RELIABILITY**

Validity is defined as the extent to which the instrument measures what it purports to measure (Miller, no date). Validity is usually discussed in terms of internal and external validity (Coldwell and Herbst, 2004). XSTAT statistical is a valid statistical package. It has been developed to specialise in statistical and data analysis packages and to conduct statistical analysis in Microsoft Excel for both PC and MAC users.

### **4.6.1 Internal validity**

Internal validity is the validity of the inferences made regarding cause-effect relationships (Coldwell and Herbst, 2004). Validity is the most important aspect of the measurement. If the LEA does not serve its intended purpose, it has no value at all. The LEA has been adopted from the Multifactor Leadership Questionnaire (MLQ – form 5x) developed by Bass and Avolio (2004) which has strong validity and has been strongly used in research and commercial applications.

Maturation of participants may affect the validity, as there might be a change and growth that have taken place within participants. Such change and growth will be beyond the researcher's control.

### **4.6.2 External validity**

External validity refers is the degree to which research findings can be applied to the real world, beyond the controlled setting of the research (Coldwell and Herbst, 2004). This study cannot be generalised as it is assessing individuals

at a specific business unit and the extent of the results will not be transferrable.

### **4.6.3 Reliability**

Reliability is defined as the extent to which a questionnaire, test, observation or any measurement procedure produces the same results on repeated trials (Miller, no date). The LEA questionnaire is reliable and it was developed after the identification of clear expectations for leadership in the public utility and a scale developed measures the construct of interest as per the public utility's performance management scoring system. The measurements are done in the most economical manner as possible.

MLQ 5x has strong reliability and has proven to be a strong predictor of leader performance across a broad range of organisations at different organisational levels and in different national cultures (Bass and Avolio, 2004).

## **4.7 SUMMARY**

The quantitative method was identified as the appropriate method to conduct the research. A leadership effectiveness assessment questionnaire is used as a method to collect data.

Again, it is important for the data gathered to be organised into a clear and concise business report to assist in decision making process. Ethical research values are not compromised in the process, through protection of the rights of the participants. The next chapter will address the analyses of the data, presentation and discussion of the results.

## **CHAPTER 5: RESEARCH FINDINGS**

### **5.1 INTRODUCTION**

The previous chapter provided an underlying structure for data collection and analysis. This chapter focuses on the analysis, presentation and discussion of results.

Leadership effectiveness is about helping followers develop leadership skills required to drive their change efforts. Effective leaders ensure the development of employees below them at the same time delivering bottom-line results. Leaders must also act as role model to those aspiring to lead.

The research objectives for this study are as follows:

- To evaluate leadership effectiveness in the business unit.
- To determine the overall perception of the employees about leadership effectiveness and behaviour.
- To analyse the degree of influence that leadership behaviours has on employees' turnover, recruitment, business performance and culture.
- To outline the qualities that leaders generally need to improve their effectiveness.

### **5.2 POPULATION AND SAMPLE**

A sample of 155 employees was selected from a population of 516 employees within a business unit. Out of 155 employees selected only 98 responded in this study. The participants' ages were between 18 – 56 years; both male and female and different race groups were included.

### **5.3 RESEARCH INSTRUMENT**

The quantitative approach allows the researcher to examine the perception of employees with regards to leadership effectiveness in a business unit. The 28 questions questionnaire asks employees questions with reference to the six expectations of leadership behaviours outlined for the public utility. The rating scale is adapted as follows:

- 1 – extremely poor
- 2 – poor
- 3 – good
- 4 – very good
- 5 – excellent

The 28 questions are divided into the following six dimensions:

- Live the public utility vision.
- Promote teamwork.
- Grow people.
- Ignite passion.
- Encourage the right behaviour.
- Promote open and transparent communication.

### **5.4 VALIDITY AND RELIABILITY**

Out of 155 employees sampled from the population only 98 responded which represents 19% of the targeted population. This may have affected the findings in terms of generalising. The questionnaire is based on perception of the employees and is therefore subjective which can lead to the results being skewed and affect the validity and reliability of the study.

## **5.5 DATA COLLECTION**

A 28 items questionnaire was submitted via e-mail to 155 employees within the business unit. Only 98 employees participated and returned the questionnaires.

## **5.6 DATA ANALYSIS**

Descriptive statistics and SPC from XLSTAT software were used as analysis tools for the quantitative data to determine the mean, standard deviation, frequency analysis by plotting a histogram for each behavioural dimension for each department and to plot X-bar charts for the survey. In the X-bar chart, the leadership effectiveness behavioural dimensions are shown along the horizontal axis. The scale on the vertical axis of the X-bar charts indicates the score starting from zero to five. The columns on the X-bar charts represent the mean score of each behavioural dimension.

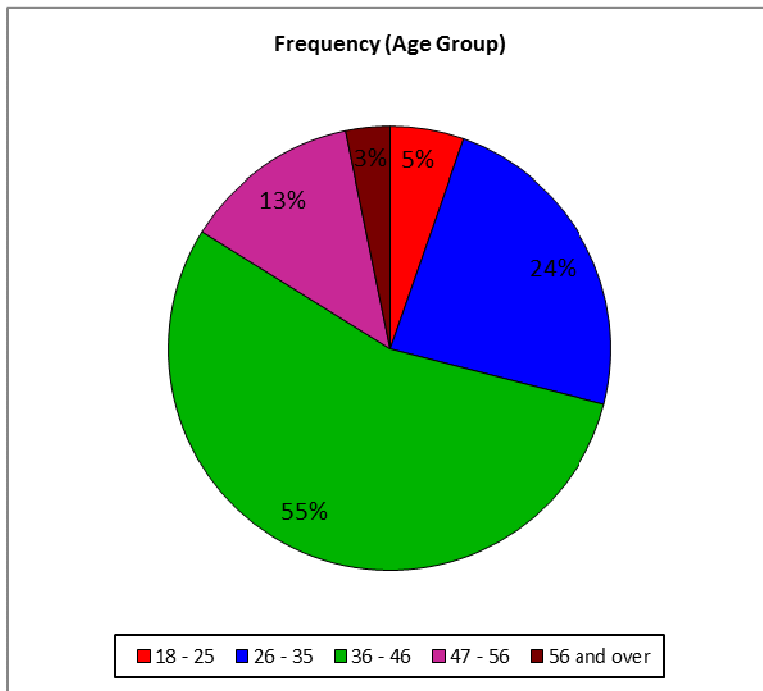
The biographical data was prepared using XLSTAT data preparation and coding facility. Descriptive statistics was then used to analyse qualitative biographical data in order to plot the pie charts representing the frequencies. The biographical data is presented using percentage of the sample responded. Both biographical data and research results are presented in the following section.

## **5.7 BIOGRAPHICAL DATA OF RESPONDENTS**

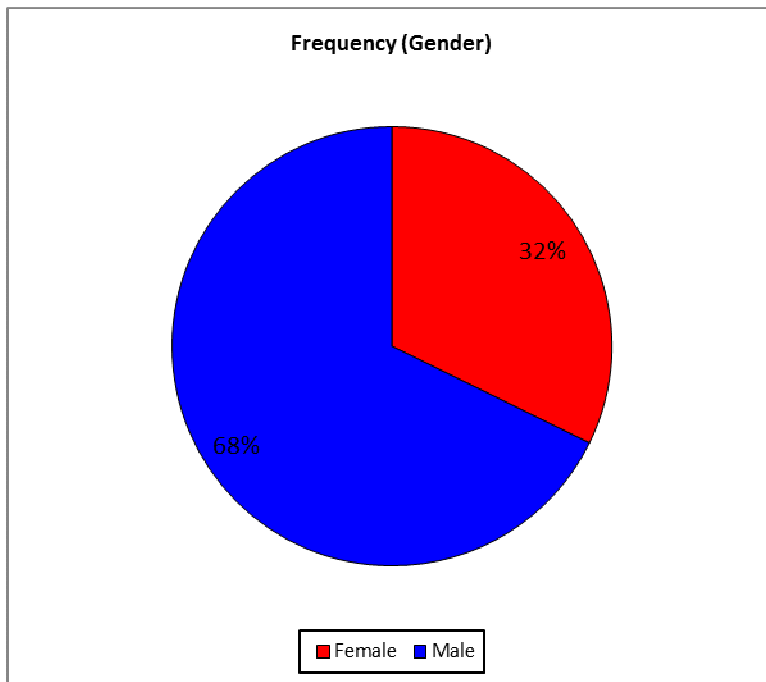
Biographical data of the participating sample is presented in the form of pie charts. Presented information is based on categories of age, gender, racial group, education, department, position grade and years of service. All the participants are permanent employees of the public utility.



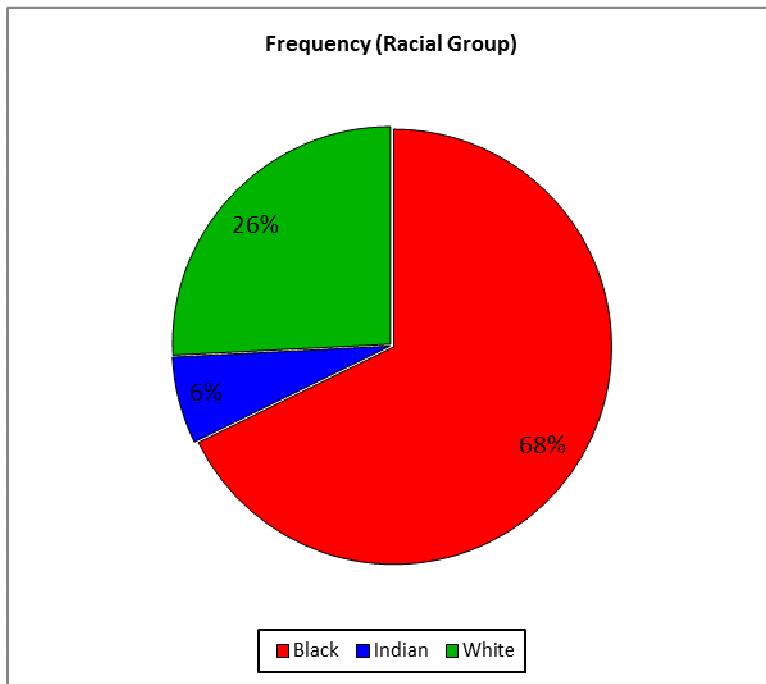
**Figure 1: Age group**



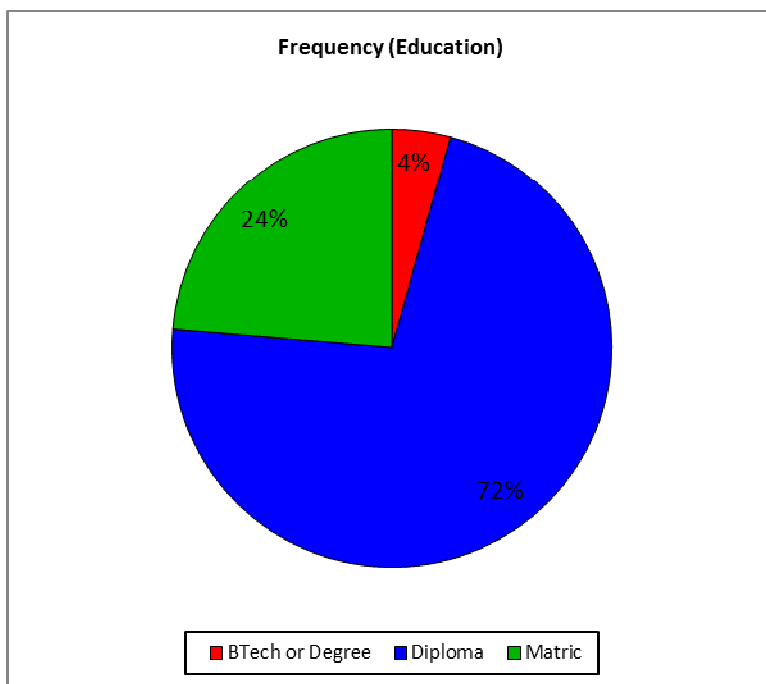
**Figure 2: Gender**



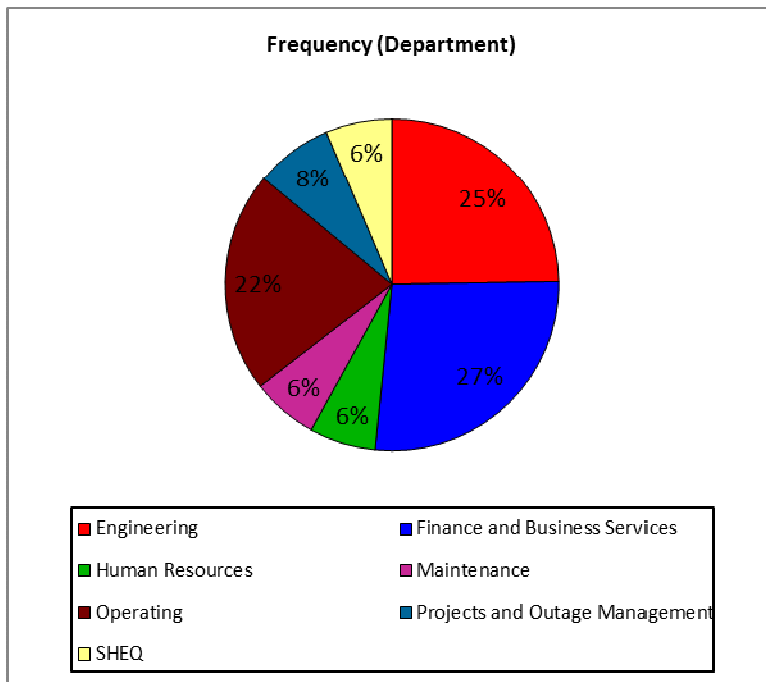
**Figure 3: Racial group**



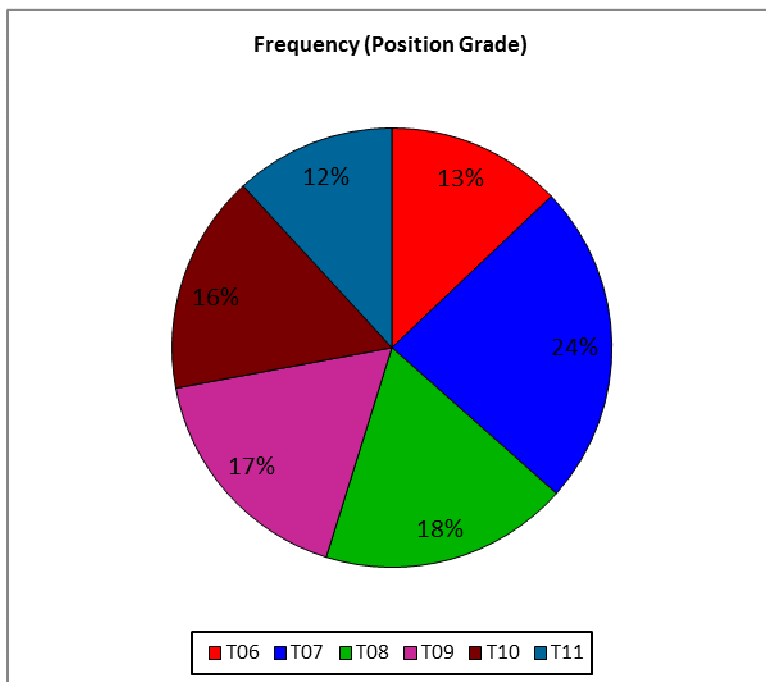
**Figure 4: Highest level of Education Completed**



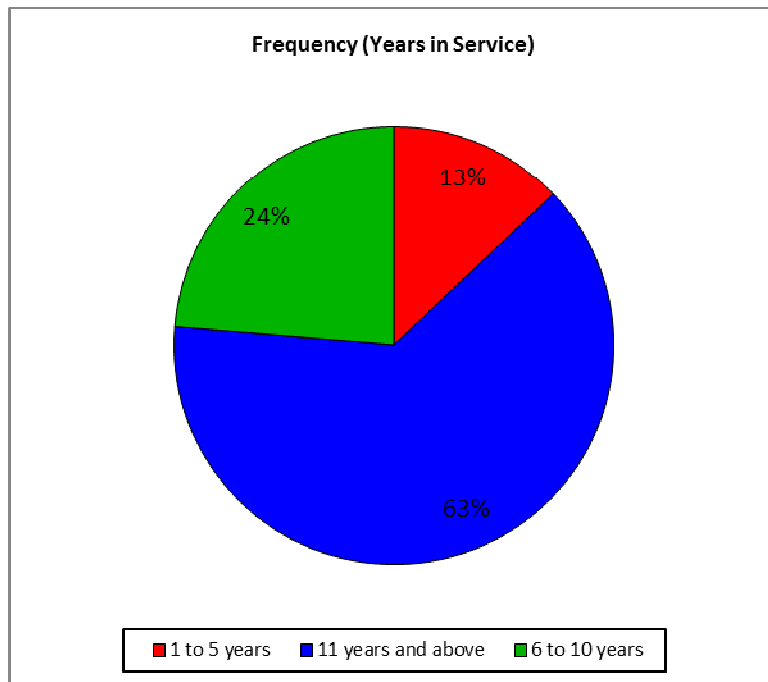
**Figure 5: Department**



**Figure 6: Position grade**



**Figure 7:** Years of service



## 5.8 RESEARCH RESULTS

The results of the study are presented and discussed comprehensively in this section. The main objective of the study was to evaluate the leadership effectiveness of the senior management of the business unit.

Table 2 shows the descriptive statistics for the overall survey outcome. The overall survey mean on each behaviour shows that the business unit senior management has good leadership behaviour at an overall mean of 3.33. The X-bar chart in Figure 8 displays the actual mean score for each behavioural dimension which is above 3.

**Table 2:** Descriptive statistics for overall survey

Descriptive statistics (Quantitative data):

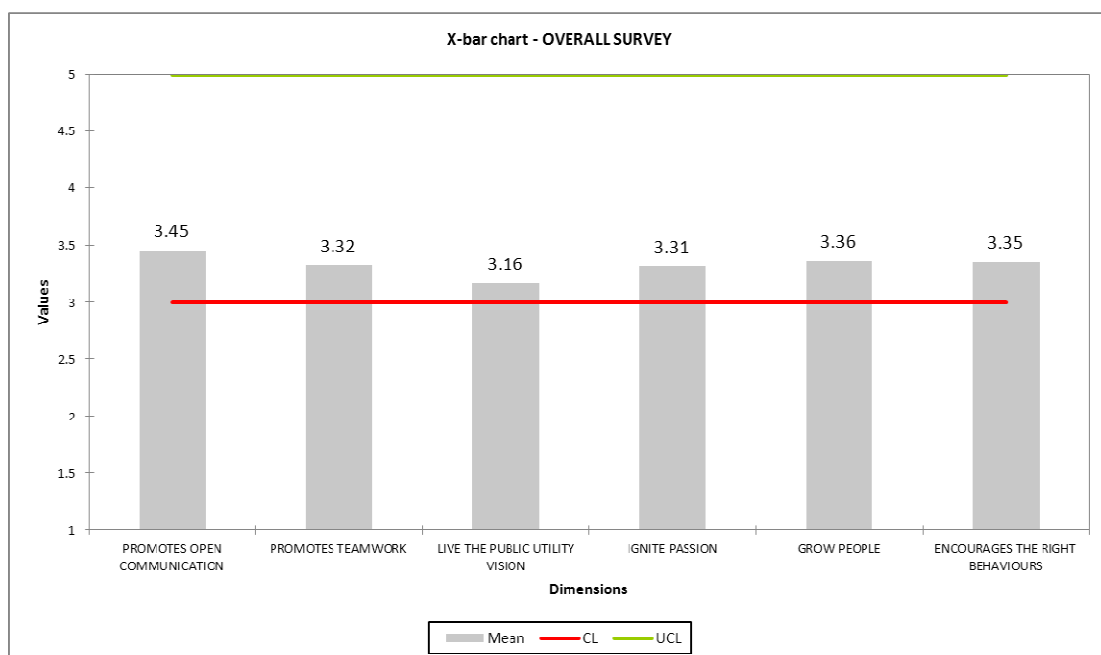
Statistic	PROMOTES OPEN COMMUNICATION	PROMOTES TEAMWORK	LIVE THE PUBLIC UTILITY VISION	IGNITE PASSION	GROW PEOPLE	ENCOURAGES THE RIGHT BEHAVIOURS
No. of observations	300	300	300	300	300	300
Minimum	0.000	2.000	1.000	1.000	1.000	2.000
Maximum	5.000	5.000	5.000	5.000	5.000	5.000
Median	3.00	3.00	3.00	3.00	3.00	3.00
Mean	3.45	3.32	3.16	3.31	3.36	3.35
Variance (n)	0.58	0.54	0.42	0.62	0.54	0.46
Variance (n-1)	0.58	0.54	0.43	0.62	0.54	0.46
Standard deviation (n)	0.76	0.73	0.65	0.79	0.74	0.68
Standard deviation (n-1)	0.76	0.73	0.65	0.79	0.74	0.68
Variation coefficient	0.22	0.22	0.21	0.24	0.22	0.20
Skewness (Pearson)	-0.38	0.08	0.19	0.08	0.03	0.38
Skewness (Fisher)	-0.39	0.08	0.19	0.08	0.03	0.38
Skewness (Bowley)	1.00	1.00	1.00	1.00	1.00	1.00
Kurtosis (Pearson)	1.19	-0.30	0.61	0.15	0.21	0.07
Kurtosis (Fisher)	1.23	-0.29	0.65	0.17	0.23	0.10

The overall summary contains X-bar chart (see Figure 8) showing all six behavioural dimensions that the business unit leaders should be competent in. In other words, it is expected of the public utility managers to demonstrate that they are able to:

- Promote open communication
- Promote teamwork
- Live the public utility vision
- Ignite passion
- Grow people
- Encourage right behaviours

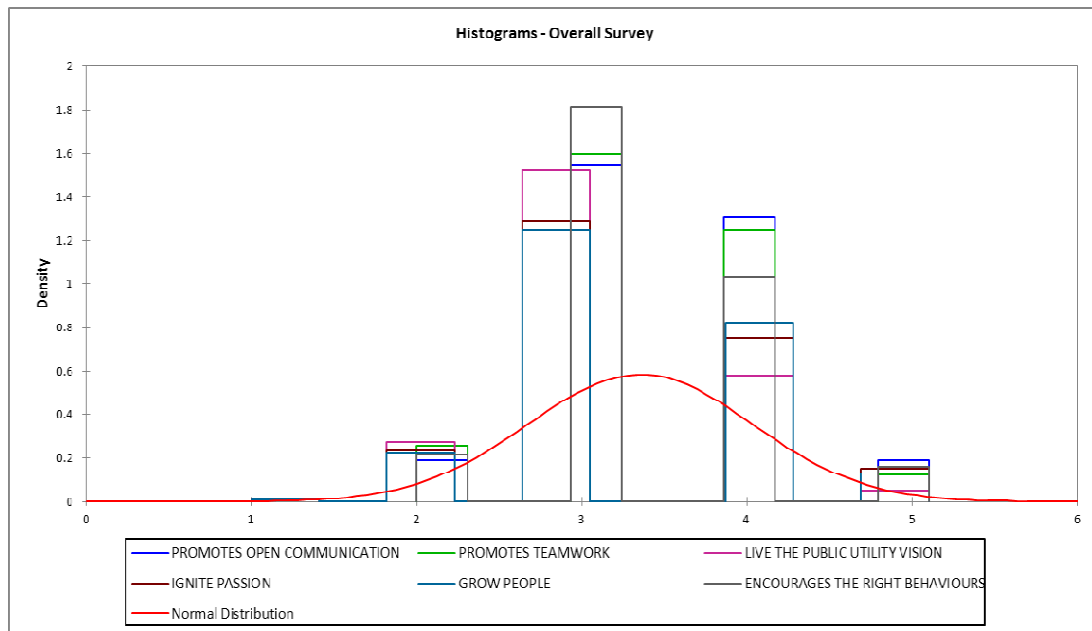
The mean results are also displayed in the X-bar chart. The mean results denotes the average that the overall business unit has attained over all six dimensions. The red horizontal bar at position 3 of the rating scale is the cut-off point that distinguishes a satisfactory behaviour from a developmental area. In other words, an average score above 3 indicates that the business unit is good at demonstrating the leadership behaviour in question. As reflected in Figure 8 all the mean scores for each dimension are above 3.

**Figure 8:** Overall mean score leadership assessment X-bar chart



The histogram (see Figure 9) generated from these results indicates the most ratings between 3 and 4 for each dimension. See the summary statistics for each histogram in Appendix C.

**Figure 9:** Overall survey Histograms



The overall business unit skewness is yielding to the right of the cut-off point, identifying a very strong leadership effectiveness behaviour on all dimensions.

The overall skewness is yielding to the right of the cut-off point, identifying a stronger leadership effectiveness behaviour on all dimensions.

Following the overall mean scores for the business unit is the mean scores for each department. This will assist in identifying developmental areas to ensure effective leadership in the business unit.

Figure 10 displayed mean results of the Human Resources department. All the dimensions indicated a score above 3 and an overall survey score of 3.35 which is good.

**Figure 10:** Human Resources mean score leadership assessment X-bar chart

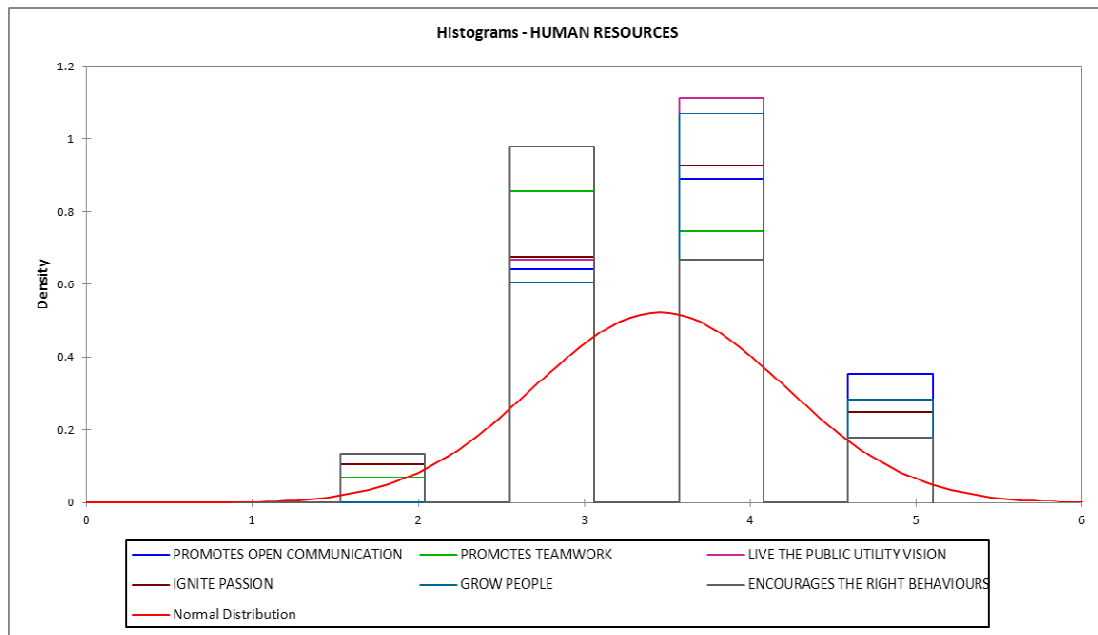


The histogram in Figure 11 indicates that most of the behavioural dimension ratings were between 3 and 4 and hence yielding overall mean rating of 3.69.

The overall HR department skewness is yielding to the right of the cut-off point, identifying a very strong leadership effectiveness behaviour on all dimensions.



**Figure 11: HR Histograms**

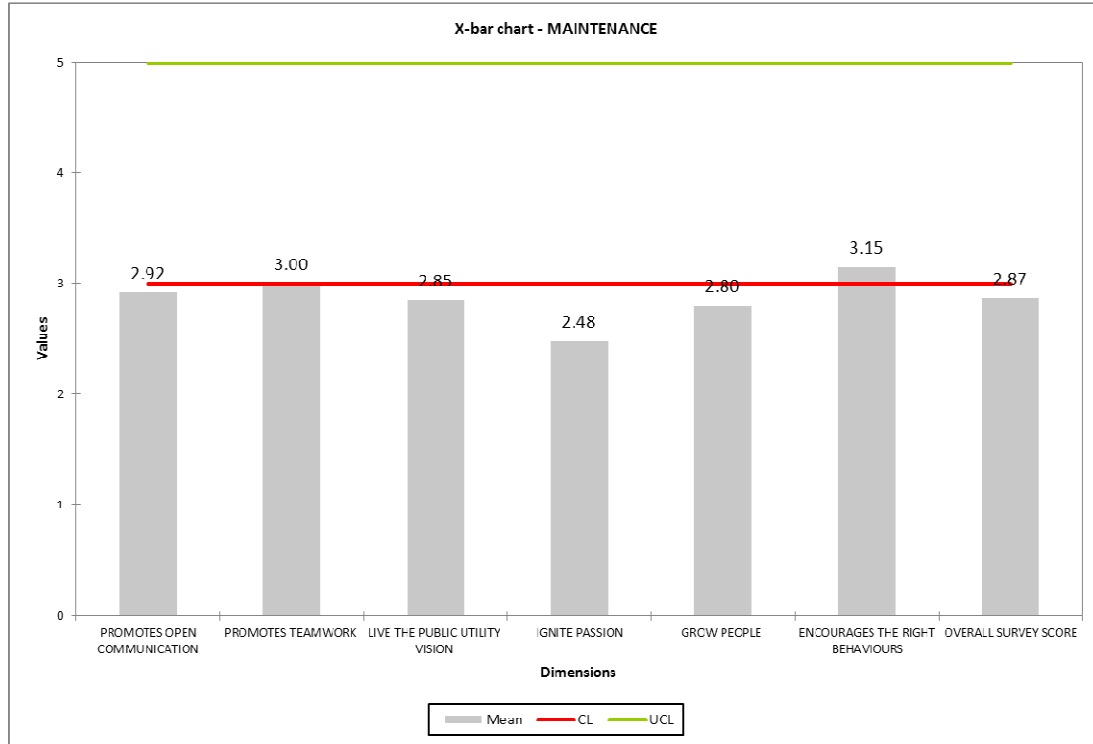


Maintenance mean results for each dimension are displayed in Figure 12. Two behavioural dimension mean ratings are very close to the cut-off point. *Promote team work* at 3 and *encourages the right behaviour* at 3.15. the rest of the behavioural dimensions are below 3 which is poor and requires development. The areas are; *open communication* at 2.92 and *grow people* at 2.80. the overall survey rating is 2.87. It is clear that these areas need attention.

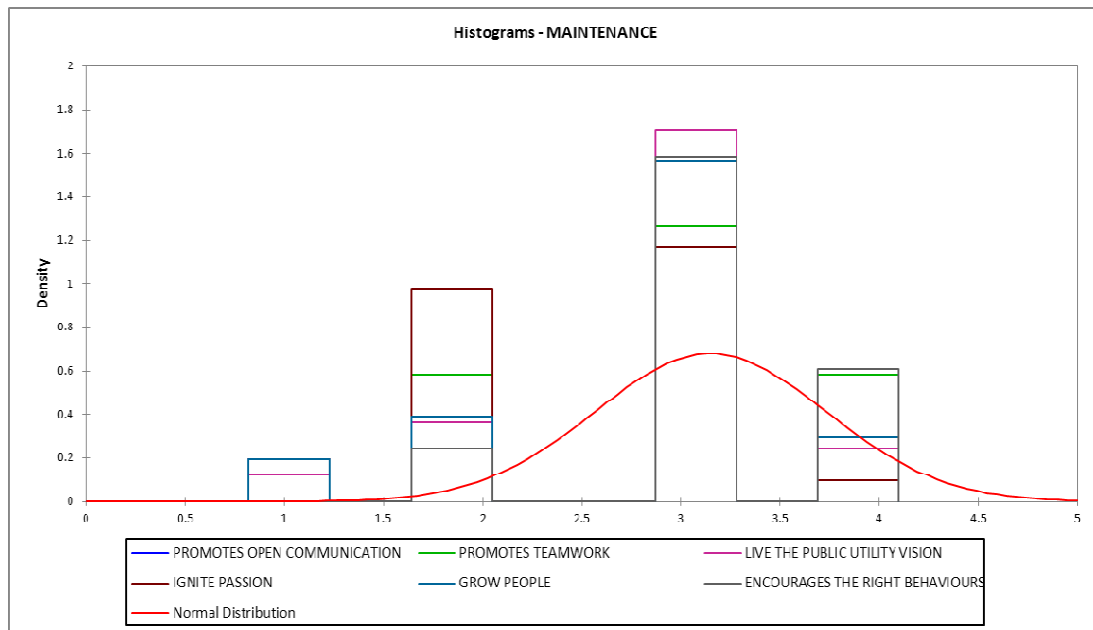
The histogram in Figure 13 indicates that most of the behavioural dimension ratings were between 2 and 3 yielding an overall mean rating of 2.87.

The overall maintenance department skewness is yielding to the left of the cut-off point, identifying poor leadership effectiveness.

**Figure 12: Maintenance mean score leadership assessment X-bar chart**

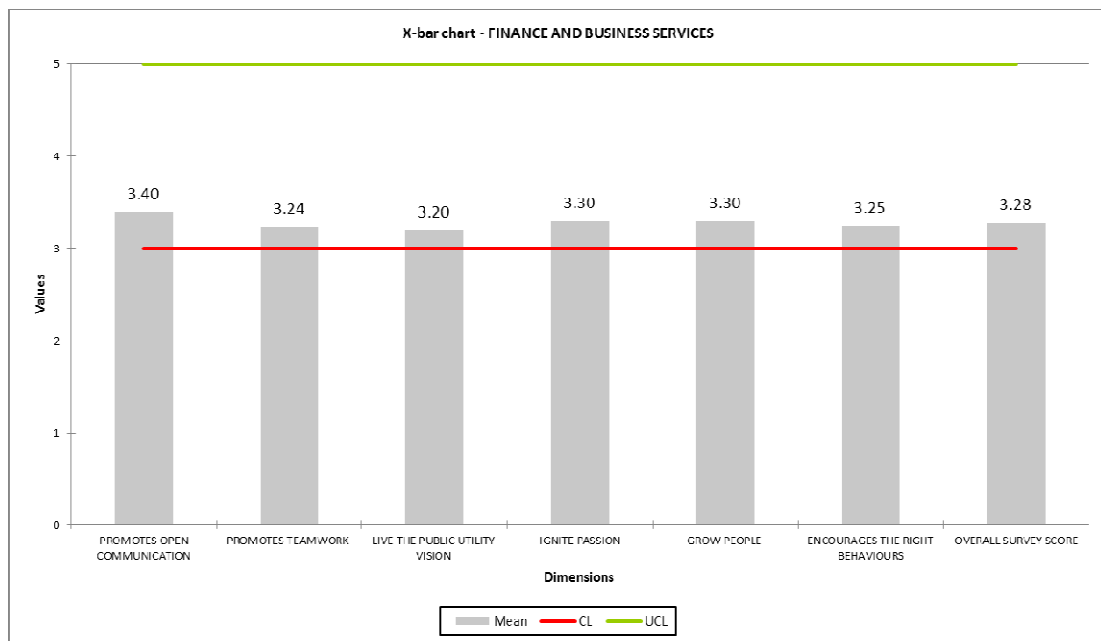


**Figure 13: Maintenance Histograms**

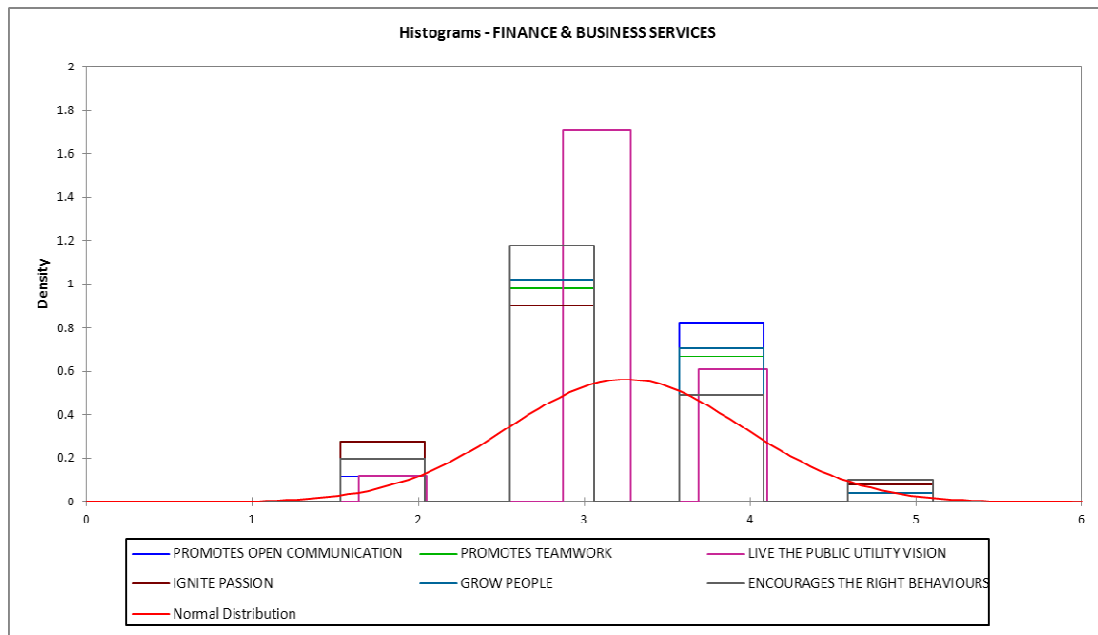


Finance and Business Services mean ratings for all dimensions are above 3 which is good. These mean ratings are reflected in Figure 14. The histogram in Figure 15 also highlights that most of the ratings were between 3 and 4. The overall mean rating for this department is 3.28. the skewness of the normal distribution is slightly to the right showing good leadership effectiveness.

**Figure 14:** Finance and Business Services mean score leadership assessment X-bar chart



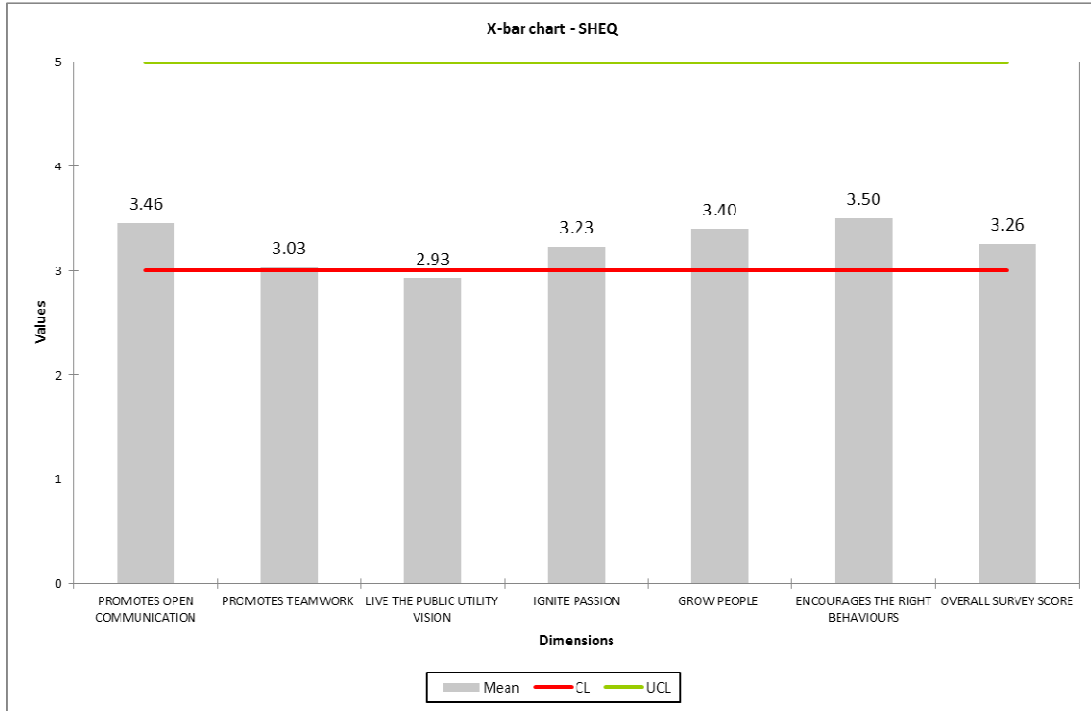
**Figure 15: Finance and Business Services Histograms**



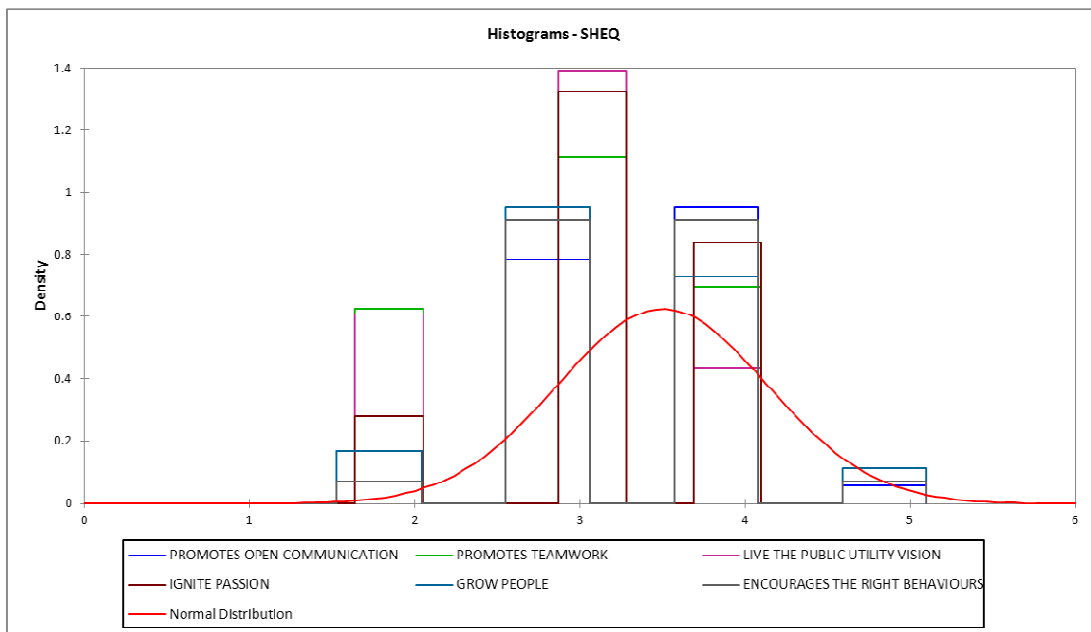
SHEQ and Projects and Outage Management departments ratings are shown in Figure 16 and 18 and the mean ratings for all behavioural dimension are above 3, except “*Live the public utility vision*” at 2.93 and 2.94 respectively. SHEQ’s “*Promote teamwork*” dimension shows a rating very close to the cut-off point at 3.03. The overall survey mean rating for SHEQ is 3.26 and 3.28 for Projects and Outage Management. Both histograms (see Figure 17 and 19) skewness is to the right of the cut-off point showing good leadership effectiveness in overall except the one behaviour which is below the cut-off point.

The Engineering and Operating departments’ mean ratings on each dimension are above 3 except “*Live the public utility*” dimension which is closer to the cut of point for both departments at 3.08 and 3.03 respectively (see Figure 20 and 22). The histograms in Figure 21 and 23 for both departments are yielding to the right of the cut-off point which shows good leadership effectiveness overall.

**Figure 16: SHEQ mean score leadership assessment X-bar chart**



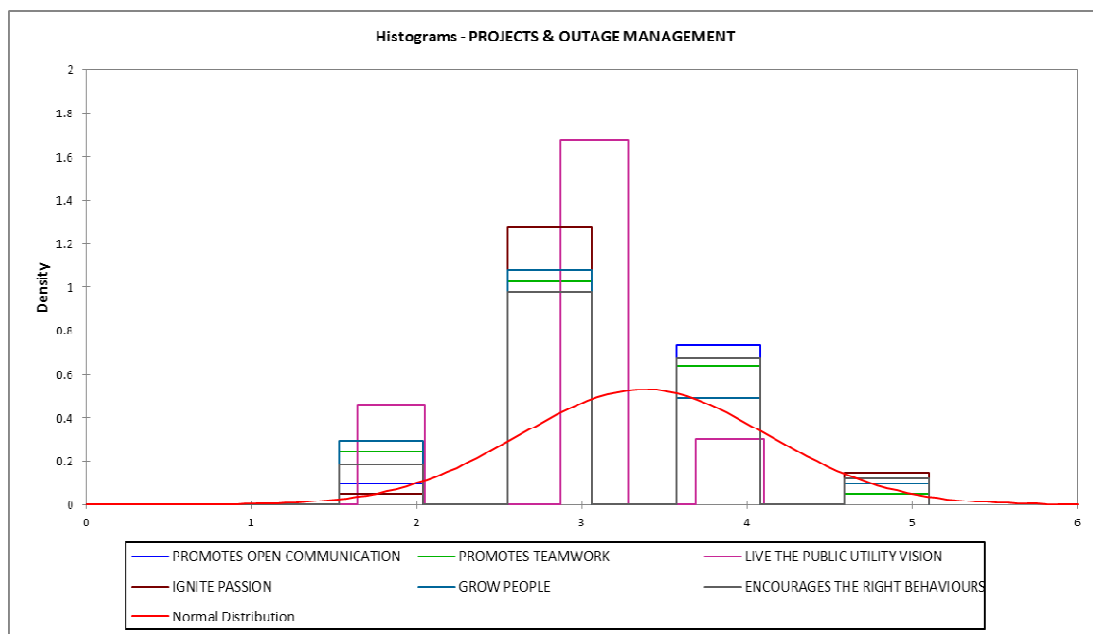
**Figure 17: SHEQ Histograms**



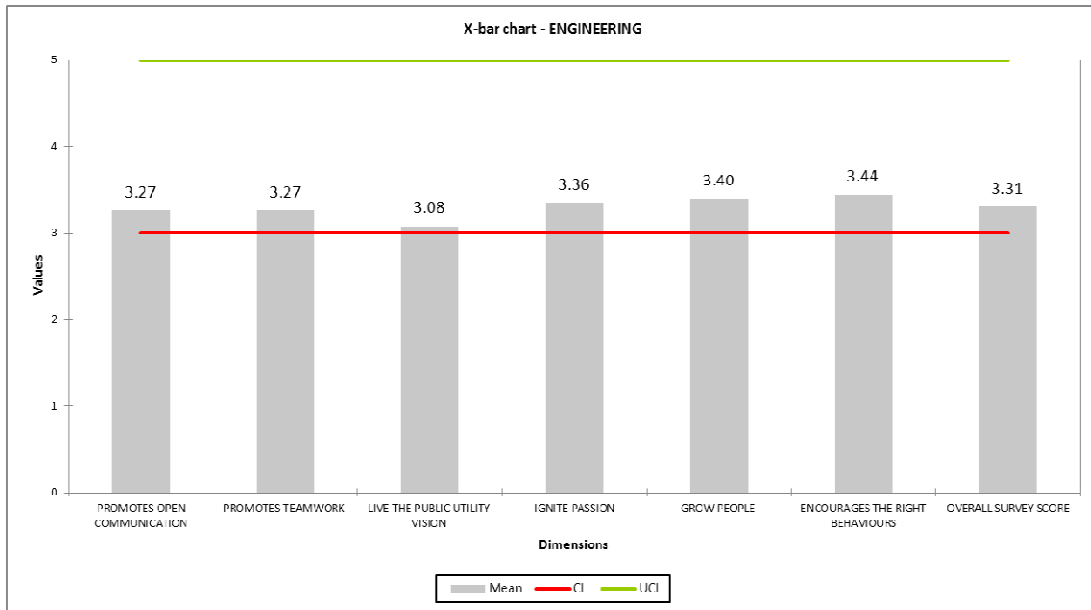
**Figure 18:** Projects and Outage Management mean score leadership assessment X-bar chart



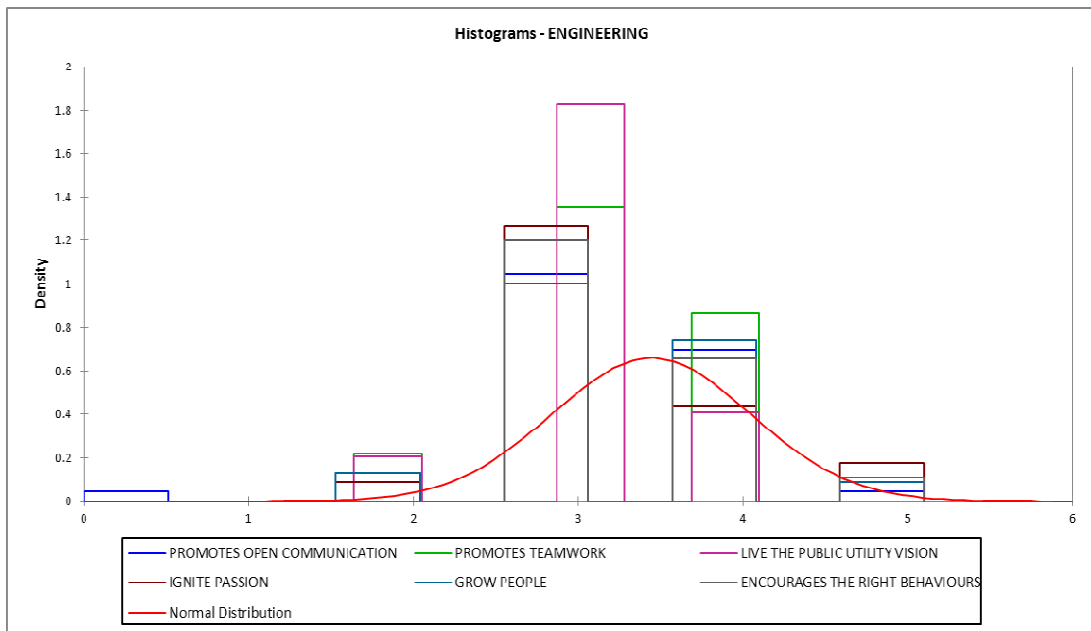
**Figure 19:** Projects and Outage Management Histograms



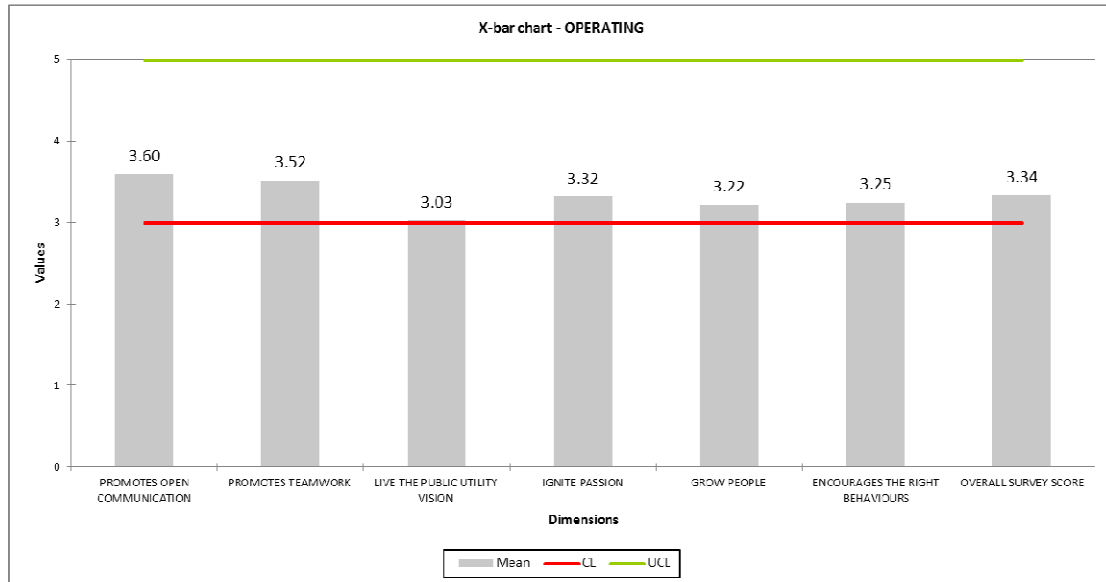
**Figure 20: Engineering mean score leadership assessment X-bar chart**



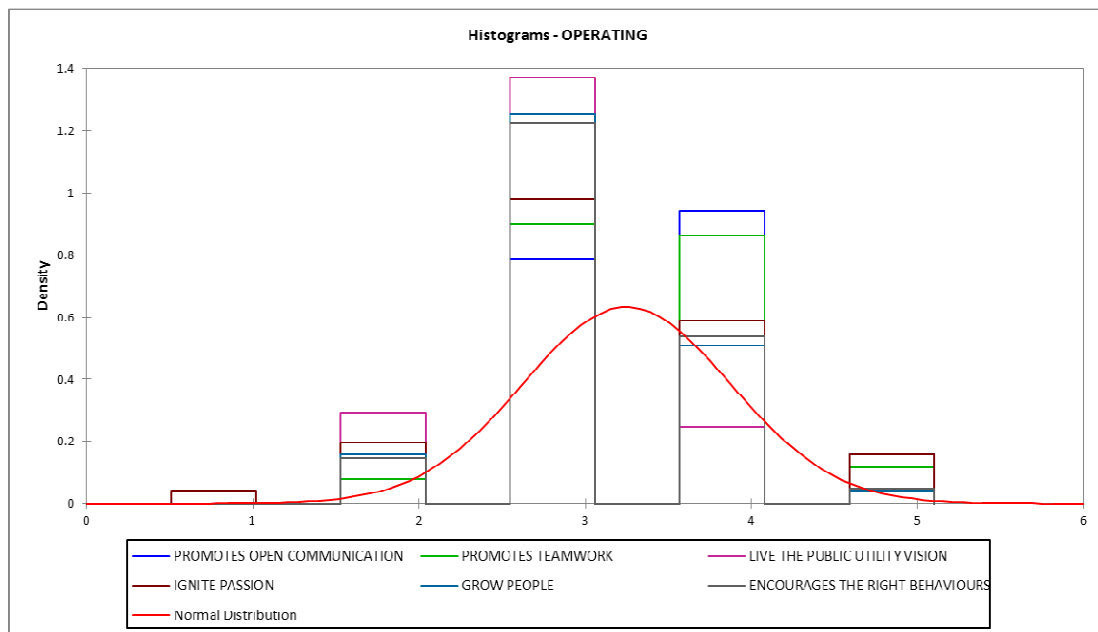
**Figure 21: Engineering Histograms**



**Figure 22:** Operating mean score leadership assessment X-bar chart



**Figure 23:** Operating Histograms





The behavioural dimensions highlighted in the graphs plays a major role in leadership effectiveness and the culture of the organisation.

**Objective 1: To evaluate leadership effectiveness in the business unit.**

The results show evidence of leadership effectiveness in HR, Finance and Business Services, SHEQ, Projects and Outage Management, Engineering and Operating departments. The Maintenance mean rating was below the cut-off point of 3.

**Objective 2: To determine the overall perception of the employees about leadership effectiveness and behaviour.**

The employees rated the managers according to their perception with regards to leadership effectiveness in the business unit and the results managed to point out areas of concern that needs attention and development.

**Objective 3: To analyse the degree of influence that leadership behaviours has on employees' turnover, recruitment, business performance and culture.**

It is clear from the results that the departments that scored above 3 are the more stable departments as per the employees' perception ratings and this could be the departments with less employees' turnover, less vacancies or recruitment issues, performing accordingly and in turn have strong cultures due to good leadership behaviours. Maintenance came out as the department with leadership issues and that can negatively impact the employees' turnover, departmental performance and culture within the department.

**Objective 4: To outline the qualities that leaders generally need to improve their effectiveness.**

The results managed to highlight behavioural dimensions that need improvement in the business unit or departments affected. In maintenance there were four dimensions that came below 3 and they were:

- Promotes open communication.
- Promotes teamwork was exactly at 3.
- Live the public utility vision, came out lower than in Maintenance, SHEQ and Projects and Outage Management. It was also weaker in Engineering and Operating.
- Ignite passion.
- Grow people.

If one unpacks these behavioural dimensions there are skills that each manager need to acquire for effectiveness leadership behaviour. The skills are unpacked per dimension:

- Promotes open communication:
  - Communicating expected behaviours, results and standards in clear terms
  - Communicating clearly that personal excellence is necessary to realise organisational goals
  - Obtaining and acting on feedback
  - Being visible
  - Demonstrating good listening skills
- Promotes teamwork:
  - Building a high performance culture
  - Promoting high standards
  - Challenging values, assumptions and beliefs that could lead to complacency

- Not tolerating disrespectful behaviour within the team e.g. based on gender, culture, race or religion
  - Dealing effectively with conflict
- Live the public utility vision:
    - Providing clear strategy and direction
    - Promoting a compelling view of the future
    - Translating the vision into actionable steps
    - Adapting his/her method of exploring the organizational vision to be understandable to the particular audience
- Ignite passion
    - Inspiring employees
    - Motivating employees
    - Empowering employees to be and do more than they thought possible
    - Promoting work ethic through his/her example
    - Creating a positive climate of trust during interactions with others
- Grow people
    - Being a mentor and coach for employees
    - Ensuring that employees are trained and developed
    - Caring for them
    - Stretching them beyond their comfort zones
    - Ensuring feedback on performance and recognising achievements

## **5.9 SUMMARY**

The findings of the research indicate that most departments have effective leadership and it also manages to highlight department and behavioural

dimensions of concern that need to be worked on to ensure leadership effectiveness throughout the business unit.

## CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS

### 6.1 INTRODUCTION

The previous chapter provided results and findings of the study from data analysis. This final chapter presents conclusions derived from the research findings and recommendations based on the conclusions. The research statement for this study is instability in management due to too many changes in leadership positions emphasising the need to assess business unit leadership effectiveness.

### 6.2 CONCLUSIONS

This study finds that overall the business unit has good leadership effectiveness as the overall survey mean score was above the cut-off point of 3 on all behavioural dimensions. The departments were also rated and HR, Finance and Business Services, Engineering and Operating received mean rating of above 3 on all leadership behavioural dimensions which indicates good leadership effectiveness.

The Maintenance department was found to have a mean rating below 3 on all behavioural dimensions except the *promoting team work dimension* which got a rating of 3. The overall mean survey score was 2.87 which clearly indicate poor leadership effectiveness.

The two departments (SHEQ and Projects and Outage Management) got a mean rating below 3 on *living the public utility vision* with Engineering and Operating rated very close to the cut-off point.

It is concluded from reviewing the results that six departments have good leadership effectiveness as their overall survey mean ratings were above the cut-off point. The Maintenance department has poor leadership effectiveness

as the overall survey mean rating and the individual behavioural dimensions were below 3.

From these results it is concluded that the business unit need to focus on living the *public utility vision* behavioural dimension as most of the departments were rated below 3. All ratings below 3 indicate areas of development on each behavioural dimension.

It can be argued that leadership development for all departments below 3 on promoting open communication, promoting teamwork, living public utility vision, igniting passion, growing people, and encouraging the right behaviour can lead to improved leadership practices, which positively impact followers performance, commitment, team effectiveness, motivation, morale and ultimately job satisfaction.

Leadership development can build strong confidence in management to share a compelling strategic vision with employees and changing the culture through training and development, information sharing and effective task briefing. Employees can alter their behaviour and performance in response to the leader's behaviour.

### **6.3 RECOMMENDATIONS**

Leadership effectiveness was assessed to assist leaders to develop their leadership competencies and to enable the business unit to monitor leadership effectiveness. The results also contain information that will assist leadership in gaining understanding of how employees perceive their demonstrated leadership behaviours and with identifying areas of development.

- It is recommended that departments that were rated below 3 on each leadership behavioural dimension capture each dimension with rating below 3 as areas for development and identify the relevant

competencies related to the leadership behaviours. These development needs must be recorded on the individual development program.

- It is recommended that the organisation embarks on leadership development that will enhance leadership effectiveness. This will enable managers with lower ratings of leadership effectiveness to enhance their leadership behaviours, self-confidence and to lead the employees in a more constructive way.
- It is recommended that leadership development should be comprehensive and systematically integrated into the organisational culture in order to produce leaders who can deal adequately with organisational challenges. Leadership development must be built on a foundation of cognitive, socio-emotional and behavioural skills.
- It is recommended that all employees be equipped with leadership skills because leadership roles and processes are critical in setting direction, creating alignment and nurturing commitment in a group of people.
- It is recommended that leadership skills should include elements such as envisioning the future, establishing goals, communicating, rallying support for the vision, planning for its implementation and putting plans in place. These skills should be supported by leader attributes such as self-awareness, openness, trust, creativity, social and general intelligence.
- It is recommended that further studies be conducted to establish a causal or statistically significant relationship between leadership development initiatives and leadership competency.
- It is also necessary to develop a better understanding of the conditions or contextual factors needed to enable development of effective leaders (Amagoh, 2009). With such an understanding, senior management can develop conditions necessary to facilitate the growth of future leaders.

A major goal of all leadership development programs is to increase leadership effectiveness in guiding the organisation through periods of uncertainty and change (Amagoh, 2009).

#### **6.4 SUMMARY**

Leadership effectiveness refers to a leader's success in influencing followers towards achieving organisational objectives (Amagoh, 2009). Leadership effectiveness is an evolutionary process of inter connected events as a foundation for organisational performance and growth (Amagoh, 2009). In fact, effective leadership is a source of competitive advantage for organisations. The absence of effective leadership has had a significant impact on the ability for organisations to implement and sustain strategic change initiatives (Amagoh, 2009).

The conclusions and recommendations are only applicable to the senior management of the selected business unit in this research.



## CHAPTER 7: LEARNING AND REFLECTION

In this study I have learned that emotional factors such as self-awareness, motivation, empathy and social skills are the fundamental characteristics of emotional intelligence and leaders should exemplify these characteristics at all levels. It is my opinion that measure of leadership effectiveness fosters the development of leadership behavioural dimensions and wisdom in the people involved.

When I think about leadership, there are principles that I have learned that define what it means to be a leader:

- Leaders must focus on mission.
- Leaders convey and models values for organisation.
- Leaders must pay attention to their organisation's culture and be proactive in shaping the environment in which others will do their work.
- Leaders must be risk takers.
- Leaders empower others. They build and foster trust among others and build teams to accomplish the organisation's mission and vision.
- Leaders must understand themselves.

I have also learned that leadership is tough because leadership is about change, either initiating change or steering an organisation in a changing or even chaotic environment. Leaders must have credibility and be able to build trust among followers. Once attained, leaders must carefully guard their credibility in order to continue to be effective leaders. Leaders must be able to inspire hope in their followers.

Conducting this research has been a wonderful yet difficult journey but I have gained tremendous amount of knowledge and growth. I am now a better person than I was before.

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## Appendix A: Leadership Effectiveness Assessment questionnaire

### BIOGRAPHICAL DATA

1. Age Group (please tick with X)

The age of respondents <i>(Tick the appropriate box with an X)</i>		
Age:		Code:
18 – 25		1
26 – 35		2
36 – 46		3
47 – 56		4
56 and over		5

2. Gender (tick with X)

Gender:		Code:
Male		1
Female		2

3. Racial Group (tick with X)

Racial Group:		Code:
White		1
Black		2
Coloured		3
Indian		4

4. Highest level of Education Completed (tick with X)

Highest Level of Education Completed		Code:
Matric		1
Diploma		2
BTech or Degree		3
Honours		4
Master's Degree		5
Doctorate		6
Other: Specify		7

5. Department (tick with X)

Department:		Code:
Engineering		1
Finance and Business Services		2
Production		3
Operating		4
SHEQ		5
Projects and Outage Management		6
Maintenance		7
Human resources		8



6. Position Grade (tick with X)

<b>Position Grade:</b>		<b>Code:</b>
P15		1
G15		2
T13		3
T12		4
T11		5
T10		6
T09		7
T08		8
T07		9
T06		10
T05		11

7. Years of Service (tick with X)

<b>Years of Service:</b>		<b>Code:</b>
Less than 1 year		1
1 to 5 years		2
6 to 10 years		3
11 years and above		4

## QUESTIONNAIRE

### Instructions:

This questionnaire consists of six dimensions. Each dimension consists of various questions. Please rate the leader against each question as you perceive his/her performance. Scoring is on a 5 point rating scale with 1 extremely poor and 5 excellent.

<b>1 = Extremely Poor</b>	<b>2 = Poor</b>	<b>3 = Good</b>	<b>4 = Very Good</b>	<b>5 = Excellent</b>
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### 1. PROMOTES OPEN COMMUNICATION BY:

1.1	Communicating expected behaviours, results and standards in clear terms	1	2	3	4	5
1.2	Communicating clearly that personal excellence is necessary to realise organisational goals	1	2	3	4	5
1.3	Obtaining and acting on feedback	1	2	3	4	5
1.4	Being visible	1	2	3	4	5
1.5	Demonstrating good listening skills	1	2	3	4	5

### 2. PROMOTES TEAMWORK BY:

2.1	Building a high performance culture	1	2	3	4	5
2.2	Promoting high standards	1	2	3	4	5
2.3	Challenging values, assumptions and beliefs that could lead to complacency	1	2	3	4	5
2.4	Not tolerating disrespectful behaviour within the team e.g. based on gender, culture, race or religion	1	2	3	4	5
2.5	Dealing effectively with conflict	1	2	3	4	5

### 3. LIVE THE PUBLIC UTILITY VISION BY:

3.1	Providing clear strategy and direction	1	2	3	4	5
3.2	Promoting a compelling view of the future	1	2	3	4	5
3.3	Translating the vision into actionable steps	1	2	3	4	5
3.4	Adapting his/her method of exploring the organizational vision to be understandable to the particular audience	1	2	3	4	5

### 4. IGNITE PASSION BY:

4.1	Inspiring employees	1	2	3	4	5
4.2	Motivating employees	1	2	3	4	5
4.3	Empowering employees to be and do more than they thought possible	1	2	3	4	5
4.4	Promoting work ethic through his/her example	1	2	3	4	5
4.5	Creating a positive climate of trust during interactions with others	1	2	3	4	5

### 5. GROW PEOPLE BY:

5.1	Being a mentor and coach for employees	1	2	3	4	5
5.2	Ensuring that employees are trained and developed	1	2	3	4	5
5.3	Caring for them	1	2	3	4	5
5.4	Stretching them beyond their comfort zones	1	2	3	4	5
5.5	Ensuring feedback on performance and recognising achievements	1	2	3	4	5

### 6. ENCOURAGES THE RIGHT BEHAVIOURS BY:

6.1	Inventing solutions for customers through innovation	1	2	3	4	5
6.2	Partnering with customers and stakeholders	1	2	3	4	5
6.3	Being uncompromising on safety	1	2	3	4	5
6.4	Delivering on promises	1	2	3	4	5

## **Appendix B: Covering letter to the potential respondent**

To Whom It May Concern

My name is Sidwell Muthavhine and I am a researcher completing my Masters in Business Administration (MBA) degree at UNISA School of Business Leadership (SBL) focussing on leadership effectiveness of senior management in the business unit.

You are receiving this letter because you have been selected to participate in the study. Your responses will remain anonymous. There will be no risk involved in the participation. Please keep in mind that your participation in this study is important and will positively affect the findings of the study.

Your contribution is to complete a questionnaire which should not take you more than 10 minutes. After you complete the questionnaire, please return it by e-mail or fax. The details are indicated on the questionnaire.

I would greatly appreciate if you could complete the questionnaire within 5 days of receipt.

Thank you in advance.

Sincerely,

Sidwell Muthavhine

## Appendix C: Summary statistics

### Summary statistics: Overall survey

Variable	Observations	Minimum	Maximum	Mean	Std. deviation
PROMOTES OPEN COMMUNICATION	240	2.000	5.000	3.46	0.696
PROMOTES TEAMWORK	240	2.000	5.000	3.38	0.687
LIVE THE PUBLIC UTILITY VISION	240	1.000	5.000	3.16	0.653
IGNITE PASSION	240	1.000	5.000	3.33	0.752
GROW PEOPLE	240	1.000	5.000	3.35	0.738
ENCOURAGES THE RIGHT BEHAVIOURS	240	2.000	5.000	3.35	0.681

### Summary statistics: Human Resources

Variable	Observations	Minimum	Maximum	Mean	Std. deviation
PROMOTES OPEN COMMUNICATION	55	2.000	5.000	3.78	0.786
PROMOTES TEAMWORK	55	2.000	5.000	3.64	0.778
LIVE THE PUBLIC UTILITY VISION	55	3.000	5.000	3.75	0.615
IGNITE PASSION	55	2.000	5.000	3.67	0.771
GROW PEOPLE	55	3.000	5.000	3.84	0.660
ENCOURAGES THE RIGHT BEHAVIOURS	55	2.000	5.000	3.45	0.761

**Summary statistics: Maintenance**

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Variable	Observations	Minimum	Maximum	Mean	Std. deviation
PROMOTES OPEN COMMUNICATION	25	1.000	4.000	2.92	0.862
PROMOTES TEAMWORK	25	2.000	4.000	3.00	0.707
LIVE THE PUBLIC UTILITY VISION	25	1.000	4.000	2.85	0.671
IGNITE PASSION	25	1.000	4.000	2.48	0.714
GROW PEOPLE	25	1.000	4.000	2.80	0.764
ENCOURAGES THE RIGHT BEHAVIOURS	25	2.000	4.000	3.15	0.587

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**Summary statistics: Finance and  
Business Services**

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Variable	Observations	Minimum	Maximum	Mean	Std. deviation
PROMOTES OPEN COMMUNICATION	50	2.000	5.000	3.40	0.639
PROMOTES TEAMWORK	50	2.000	5.000	3.24	0.716
LIVE THE PUBLIC UTILITY VISION	50	2.000	4.000	3.20	0.516
IGNITE PASSION	50	2.000	5.000	3.30	0.763
GROW PEOPLE	50	2.000	5.000	3.30	0.678
ENCOURAGES THE RIGHT BEHAVIOURS	50	2.000	5.000	3.25	0.707

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**Summary statistics: SHEQ**

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Variable	Observations	Minimum	Maximum	Mean	Std. deviation
PROMOTES OPEN COMMUNICATION	35	2.000	5.000	3.46	0.701
PROMOTES TEAMWORK	35	2.000	4.000	3.03	0.747
LIVE THE PUBLIC UTILITY VISION	35	2.000	4.000	2.93	0.663
IGNITE PASSION	35	2.000	4.000	3.23	0.646
GROW PEOPLE	35	2.000	5.000	3.40	0.736
ENCOURAGES THE RIGHT BEHAVIOURS	35	2.000	5.000	3.50	0.638

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**Summary statistics: Projects and  
Outage Management**

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Variable	Observations	Minimum	Maximum	Mean	Std. deviation
PROMOTES OPEN COMMUNICATION	40	2.000	5.000	3.43	0.675
PROMOTES TEAMWORK	40	2.000	5.000	3.25	0.707
LIVE THE PUBLIC UTILITY VISION	40	2.000	4.000	2.94	0.564
IGNITE PASSION	40	2.000	5.000	3.38	0.667
GROW PEOPLE	40	2.000	5.000	3.20	0.758
ENCOURAGES THE RIGHT BEHAVIOURS	40	2.000	5.000	3.38	0.751

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**Summary statistics: Engineering**

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Variable	Observations	Minimum	Maximum	Mean	Std. deviation
PROMOTES OPEN COMMUNICATION	45	0.000	5.000	3.27	0.809
PROMOTES TEAMWORK	45	2.000	4.000	3.27	0.618
LIVE THE PUBLIC UTILITY VISION	45	2.000	4.000	3.08	0.500
IGNITE PASSION	45	2.000	5.000	3.36	0.712
GROW PEOPLE	45	2.000	5.000	3.40	0.688
ENCOURAGES THE RIGHT BEHAVIOURS	45	3.000	5.000	3.44	0.607

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**Summary statistics: Operating**

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Variable	Observations	Minimum	Maximum	Mean	Std. deviation
PROMOTES OPEN COMMUNICATION	50	2.000	5.000	3.600	0.700
PROMOTES TEAMWORK	50	2.000	5.000	3.520	0.677
LIVE THE PUBLIC UTILITY VISION	50	2.000	5.000	3.025	0.620
IGNITE PASSION	50	1.000	5.000	3.320	0.844
GROW PEOPLE	50	2.000	5.000	3.220	0.616
ENCOURAGES THE RIGHT BEHAVIOURS	50	2.000	5.000	3.250	0.630

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