

THE RELATIONSHIP BETWEEN MANAGEMENT STYLES AND PRACTICES AND EXPERIENCED ORGANISATIONAL CLIMATE

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Dissertation submitted in fulfilment of the requirements for the degree
Magister Artium in Industrial Sociology at the North-West University,
Potchefstroom Campus

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Potchefstroom
November 2008

ACKNOWLEDGEMENTS

Because no big success can be achieved on one's own I would like to thank the following people for their support and encouragement in concluding this project.

- My husband Lance and my children Horatio and Angelica, for their love, support, patience and encouragement of this venture but mostly for the sacrifices they made while I was working on this dissertation.
- My father, Don Loots for always believing in me and for encouraging me to be all that I can be.
- My mother Hester Duvenhage for being so proud of me.
- My stepmother Annette Combrink for her inputs, support and language editing skills.
- My supervisor Ian Rothmann who, in difficult times, became a friend as well as a mentor, restoring my faith in people.
- My friends Nedie Mackay and Naomi Kotze for always sympathising when I got stuck and who's encouragements gave me the strength to persist.
- The School of Business Management and the North-West University for the use of their study facilities.

SUMMARY

Topic: The relationship between management styles and practices and experienced Organisational Climate

Key words: Organisational Climate, leadership, management, experiences

The relationship between management, leadership and Organisational Climate is an important research topic. Organisational Climate refers to the perception of the conditions under which a work group or individual operates. It is necessary to investigate how Organisational Climate manifests in different organisations in South Africa, and to assess its relationship with Managerial Leadership. The aim of this study was to examine the differences between Organisational Climate in different South African organisations and to investigate whether Managerial Leadership is related to the perceived Organisational Climate.

A cross-sectional survey was undertaken to reach the research objectives. The participants included employees from seven types of organisations in South Africa. The Organisational Diagnosis Questionnaire (ODQ) was administered. T-tests were used to assess the differences between the Organisational Climate in different organisations. Pearson correlations and canonical correlation were used to assess the relationships between Organisational Climate and Managerial Leadership. Multiple regression analyses were used to investigate whether managerial leadership predicts Organisational Climate. Cross-validation was done in which statistically significant predictors of Organisational Climate in one half of the sample were used to predict Organisational Climate in the other half of the sample.

Goal clarity, labour relations and quality of the work environment showed the highest scores in the total sample, while communication flow, interest in the well-being of employees and decision-making practices showed the lowest score. Regarding Managerial Leadership in the total sample, production orientation and effectiveness were the highest. The biggest differences in Organisational Climate between organisations were experienced regarding three dimensions, namely goal orientation, the effectiveness of change management and general motivating conditions.

The canonical analysis showed that all dimensions of Managerial Leadership were related to all dimensions of Organisational Climate. Furthermore, the results of the multiple regression analyses showed that Organisational Climate is best predicted by three Managerial Leadership dimensions, namely managerial work facilitation, managerial team-building, and managerial effectiveness. It seems that managerial facilitation had the strongest effect in terms of predicting experiences of Organisational Climate, followed by managerial team-building and managerial effectiveness. The results also showed that Managerial Leadership had moderate to strong effects on the sub-factors of Organisational Climate.

Recommendations for future research are made.

OPSOMMING

Onderwerp: Die verband tussen bestuurstyl en praktyke en ervarings van organisasieklimaat

Sleutel terme: Organisasieklimaat, leierskap, bestuur, ervarings

Die verhouding tussen bestuur, leierskap en organisatoriese klimaat is 'n belangrike navorsingstema. Organisasies klimaat verwys na die persepsie van die omstandighede waaronder 'n werkgroep of 'n individu werk. Daar is 'n behoefte aan navorsing oor hoe organisatoriese klimaat manifesteer in verskillende organisasies in Suid-Afrika en om die verhouding daarvan met bestuursleierskap te assesser. Die doel van hierdie studie was om die verskille tussen organisatoriese klimaat in verskeie Suid-Afrikaanse organisasies vas te stel en ook te bepaal of bestuursleierskap verwant is aan die waargenome organisasieklimaat.

'n Opname gebaseer op 'n dwarsdeursnit is gedoen om by die navorsingsdoelwitte uit te kom. Die proefpersone het werknemers ingesluit uit sewe verskillende organisasies in Suid-Afrika. Die Organisational Diagnosis Questionnaire (ODQ) is gebruik. T-toetse is gebruik om te bepaal wat die verskille is tussen die organisasieklimaat soos beleef in verskillende organisasies. Pearson-korrelasies en kanoniese is gebruik om die verhoudinge tussen organisasieklimaat en bestuursleierskap te assesser. Meervoudige regressie-analises is gebruik om vas te stel of bestuursleierskap organisasieklimaat voorspel. Kruisvalidering is gedoen waarbinne statisties betekenisvolle voorspellers van organisasieklimaat in een helfte van die steekproef gebruik is om organisasieklimaat in die ander helfte van die steekproef te voorspel.

Doelwit duidelikheid, arbeidsverhoudinge en kwaliteit van werkomgewing het die hoogste telling getoon in die totale steekproef, terwyl kommunikasievloei, belangstelling in die welstand van werknemers en

besluitnemingsprosesse die laagste telling getoon het. Wat bestuursleierskap in die hele steekproef betref, het produkorientasie en effektiwiteit die hoogste uitgekom. Die grootste verskille in organisasieklimaat tussen organisasies is beleef met betrekking tot drie dimensies, naamlik doelwitoriëntering, die effektiwiteit van veranderingsbestuur en algemene motiverende omstandighede.

Die egtheidsanalise wys dat al die dimensies van bestuursleierskap verwant is aan al die dimensies van organisasieklimaat. Meer nog – die resultate van die veelvoudige regressie-analises wys dat organisasieklimaat beste voorspel word deur drie bestuursleierskapdimensies, naamlik bestuurswerkfasilitering, bestuurspanbou en bestuurseffektiwiteit. Bestuursfasilitering het die sterkste uitwerking in terme van die voorspelling van die ervaring van organisasieklimaat, gevolg deur bestuurspanbou en bestuurseffektiwiteit. Die resultate wys ook uit dat bestuursleierskap matige tot sterk uitwerking het op die sub-faktore van organisasieklimaat.

Aanbevelings vir verdere navorsing word ook gemaak.

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CHAPTER 1

INTRODUCTION, GOAL AND METHOD

This dissertation is about the manifestation of Organisational Climate in different South African organisations and the relationship between Managerial Leadership styles and practices and Organisational Climate.

Chapter 1 focuses on the problem statement, research objectives and the research method.

1.1 Problem statement

This research is aimed at exploring the relationship between Managerial Leadership and Organisational Climate in different organisations. Mullins (2002:809-810) provides valuable insights in this context. He maintains that, while Organisational Climate is difficult to define precisely, it relates to the prevailing atmosphere, to the level of morale and to the strength of feelings among members. Organisational Climate is based on the perceptions¹ of members towards the organisation. Mullins points out (2002:813) that "if Organisational Climate is to be improved, then attention should be given to the level of morale, the sense of involvement and strength of commitment of members. The climate created by managers will have a significant influence on the motivation and behaviour of employees. ... The management of Organisational Climate is therefore an important means of improving productivity and standards of work performance".

Further insights are provided by Litwin *et al.* (1996:216ff) who maintain that Organisational Climate is a relatively enduring quality of the internal environment of an organisation that (a) is experienced by its members, (b) influences behaviour, and (c) can be described in terms of the values of a particular set of characteristics (or attributes) of the environment".

¹ The perceptions of employees are relevant for this study if one considers the title of the study – where the focus is on **experienced** organisational climate.

It is clear that if climate is such an embedded quality within the work environment, the experience by employees of the workplace climate will have a profound effect on all aspects of work life within the organisation, and will present management with real challenges in terms of the achievement of both short and longer term goals and objectives. In this context Litwin *et al.* (1996) used leadership style as a variable in determining various orientations in workplace climate. They concluded that climate could be achievement-related, power-oriented and affiliation-oriented, and that each of these modes of climate would be crucial in the determination of motivational patterns leading to the achievement of goals, and determining interventions that would be needed to make adjustments.

Most interventions in organisations in terms of their climate and culture today are performed with one or both of the following objectives in mind. Firstly, these are intended to improve organisations' effectiveness, productivity and profit and secondly to enable or enhance employees' quality of work life and satisfaction or wellbeing.

It has been well-established by researchers (Hendrikse, 1989; Smith, 1995; Theron, 2000) that the Organisational Climate in which employees function has an influence on both their productivity and well-being. It has also been well-documented that the way people are managed has an effect on productivity and wellbeing (Lourens, 2002; Nel, 2004; Riekert, 1999).

It is important to investigate the manifestation of Organisational Climate in South African organisations and to study the relationship between the phenomena of management, leadership and Organisational Climate. If a relationship is found between Organisational Climate and Managerial Leadership, interventions could be implemented to affect the Managerial Leadership in organisations. Effective Managerial Leadership will most likely lead to higher production, organisational effectiveness and higher employee satisfaction within the organisation.

It is expected that a relationship between Managerial Leadership as manifested in management systems and practices and experienced Organisational Climate will manifest. Organisational Climate is perhaps the most crucial factor in providing an environment conducive to the efficient, compliant functioning of all employees in an organisation aimed at the achievement of the goals and objectives of the organisation. Litwin *et al.* (1996) point out, for example, that productivity is highly dependent on Organisational Climate, and that loyalty and commitment were also strongly affected by a positively experienced Organisational Climate. It has even emerged (Litwin *et al.*, 1996:218) that self-esteem and psychological health are affected by perceptions of Organisational Climate – "continued exposure to a situation which causes loss of self-esteem and disrespect of others does damage to a person's sense of well-being and his or her ability to function in a healthy way as represented by these well-validated psychological tests". These results were achieved in an American context – it would be important to determine whether they are extrapolatable to the South African context as well.

Following the issues outlined above, and in terms of the fact that although studies have been conducted regarding the relationship between Managerial Leadership and Organisational Climate, specific research questions that arise from the literature are:

- ≈ How can Managerial Leadership be conceptualised and what are its dimensions?
- ≈ What is the theoretical relationship between Managerial Leadership and Organisational Climate?

The empirical investigation is intended to provide answers to the following questions:

- ≈ Do differences exist between the Organisational Climate and Managerial Leadership in different organisations?

- ≈ What is the relationship between Organisational Climate and Managerial Leadership?
- ≈ Do perceptions of Managerial Leadership predict the experienced Organisational Climate?
- ≈ What recommendations can be made?

The aim of the study is to investigate the relationship between management systems and practices (that determine the mode of organisational leadership) and experienced Organisational Climate in different organisations. This will be done in the context of Nadler and Tushman's organisational model where Managerial Leadership represents the independent, transformational variables and Organisational Climate represents the transactional, dependent variable. The data relating to these variables will be compared. To reflect the chosen focus for the research a literature review is conducted to examine the selected sub-factors and their relationships in the Nadler and Tushman's Organisational Model (1980).

A research proposition is formulated to explore the relationship between Managerial Leadership and Organisational Climate. The focus of this exploration is to determine whether Managerial Leadership styles have an impact on organisation climate. To achieve this, the sub-factors in organisation climate are compared to different aspects of Managerial Leadership. A sample of 9248 employees from different organisations participated in the study.

Information gained from the study might enable managers/leaders to create an Organisational Climate which focuses on organisational effectiveness and increases the quality of well-being of employees.

1.2 Study objectives

This study has a general objective and specific objectives.

1.2.1 General objective

The general objective of this study is to investigate the Organisational Climate in different organisations and to assess the relationship between Managerial Leadership and Organisational Climate.

1.2.2 Specific objectives

The specific objectives of this study are:

- ≈ to investigate the differences in the Organisational Climate and Managerial Leadership in different South African organisations.
- ≈ to investigate whether Managerial Leadership is related to Organisational Climate;
- ≈ to investigate whether Managerial Leadership predicts Organisational Climate;

1.3 Research design

The over-arching goal of research is to plan and structure a research project to ultimately increase the validity of the findings (Mouton & Marais, 1992). For the purpose of this study the dependent variable is **Organisational Climate** and the independent variable is **Managerial Leadership**. In the first part of the research, exploratory research will be done regarding Managerial Leadership and Organisational Climate. The method that will be used is a literary survey that is goal-orientated and qualitative.

The second part of the research is quantitative where data reflecting Managerial Leadership and Organisational Climate will be used and the influence of Managerial Leadership on Organisational Climate will be determined with correlations and regressions using a cross-sectional survey design. In the research the internal validity at the conceptual level will be ensured by presenting the questionnaire strictly according to the manual's guidelines, as well as by using only pure measuring instruments. External

validity (generalisation) at the universal level will be ensured by doing a representation and random sample to ensure that assumptions of normality are adhered to.

1.3.1 Research methods

A literature overview of Managerial Leadership will be done using Coetsee's' (2002) model. The study will focus on defining Managerial Leadership and identifying the relevant sub-factors. Then a literature overview of Organisational Climate will be done again using Coetsee's' (2002) model. This part of the study will focus on defining Organisational Climate and its sub-factors.

1.3.2 Empirical study

Step 1: Participants

The study population consists of seven types of organisations in the following sectors namely: Banking, Mining, Petroleum, Publishing, Services, Textile and Transport. The sample consists of 9248 individuals within these sectors, chosen to represent the whole work population. The descriptive statistics of the sample consists of the year in which the study was done, the company type, gender, highest qualification, type of employment and number of job changes in the last ten years.

Step 2: The measuring instrument

For the conceptualisation of the two constructs, Managerial Leadership and Organisational Climate, a standardised, valid and reliable, measuring instrument was chosen, discussed and motivated. For these constructs the Organisational Diagnostic Questionnaire (ODQ) was used.

Step 3: Data collection

The researcher was given access to an existing data bank built up over a period of five years.

Step 4: Data capture and analysis

The validity of the Organisational diagnostic Questionnaire (ODQ) was established using factor analysis.

Step 5: Results

Results will first be reported and then discussed.

Step 6: Conclusion

The conclusion with regards to specific goals will be formulated.

Step 7: Discussion

Discussion of the research with regards to the literature study and empirical study will be listed.

Step 8: Recommendations

Recommendations with regards to the literature and the relevant organisations will be formulated.

1.4 Key terms

The key concepts used throughout this study such as management, leadership, managerial-leadership and Organisational Climate, need to be explained.

1.4.1 *Management*

Management is defined as a form of work that involves coordinating an organisation's resources – assets, labour and capital – towards accomplishing organisational objectives (Rue & Bayars, 2003:256).

Management in simple terms can mean the act of getting people together to accomplish desired goals. Management comprises planning, organising, resourcing, leading or directing, and controlling an organisation (a group of one or more people or entities) or effort for the purpose of accomplishing a goal.

1.4.2 *Leadership*

Leadership is the ability of a person to influence people in such a way that they willingly follow the leader's guidance or adhere to his/her decisions (Rue & Bayars, 2003:256).

1.4.3 *Managerial Leadership*

Managerial Leadership is a combination of managing and leadership an expression of competence, character and of emotional intelligence focused on the enhancement of performance, satisfaction and aligned commitment (Coetsee, 2003:54-55).

For the purpose of this study I will in future use the term Managerial Leadership.

1.4.4 *Organisational Climate*

The term *Organisational Climate* originated in a non-educational context and indicates how employees experience the physical and psychological environment in their organisation.

The Organisational Climate refers to the perception of the conditions under which a work group or individual operates. It is a set of attributes or characteristics that are measurable and which results from the philosophy, policies and actions of senior groups (leaders and managers). It also refers to the employees' positive or negative experiences of their work environment (Van der Westhuizen, 2007:146).

1.5 Chapter outline

The chapters will be presented as follows in this dissertation:

Chapter 1: Introduction, goal and method

Chapter 2: Management and leadership

Chapter 3: Organisational Climate

Chapter 4: Empirical study of the relationship between Organisational Climate and Managerial Leadership

Chapter 5: Discussion of results

Chapter 6: Conclusion and recommendations

The study will conclude with a selected bibliography.

CHAPTER 2

MANAGEMENT AND LEADERSHIP

2.1 Introduction

The purpose of this chapter is to explore the relationship between various management/leadership styles and practices and the effect of these on certain organisational phenomena. It is important to be able to identify which styles are best suited to the practices identified in the problem statement, namely team-building, mentorship and effective management.

The first part of the chapter consists of a discussion of managerial styles such as the Blake and McCauley management/leadership grid, the Ohio studies and the University of Michigan studies. In the second part the concepts management and leadership will be defined. Then a comparison of the similarities and the differences between the concepts management and leadership will provide the definition for the modern concept managerial - leadership. The chapter will conclude by exploring some differences between the traditional manager and the modern manager-leader.

The most popular traditional descriptions of management in the literature can be placed into two categories. The first is to describe the concept in terms of management functions and roles such as planning, organising, leading, and controlling (Robbins & DeCenzo, 2005:8). The second category is to describe management as a way to reach or obtain goals through people (Robbins & DeCenzo, 2005:7).

A more fruitful approach, according to Kroon (1995:356) is to see management in terms of emphasising the leadership requirements and the roles of managers. An example of this is to be found in the statement that "Managerial Leadership is to make your people successful" (Kroon, 1995:356). This application changes the focus from the narrow explanation of goal attainment and management tasks (such as planning, organising, leading

and controlling) to focus on the mentorship, coaching and developmental roles and leadership, orientation and focus, to make employees successful.

2.2 Managerial styles

Managers have to perform a variety of roles in an organisation and how they handle these depend on their style of management. Management style is the style of management a person uses who has been appointed in a leadership position with associated power in the organisation. He/she has committed him/herself to taking the lead to effect the execution of specific work-related activities by focussing employees as team members within his/her control (Oosthuizen, 2002:19). Various management styles can be employed depending on the culture of the business, the nature of the task, the nature of the workforce and the personality and skills of the managers.

Some managers are primarily task-oriented; and they simply want to get things done. Others are primarily people-oriented; and they want people to be happy and satisfied. Others are able to combine these orientations, both people and task focused.

2.2.1 Blake and McCauley Managerial/Leadership Grid

A popular framework for thinking about a leader's 'task versus person' orientation was developed by Robert Blake and Jane Mouton in the 1960s (Linstead *et al.*, 2004:331). It is called the Managerial Grid, or Leadership Grid, and plots the degree of task-centeredness versus person-centeredness and identifies five combinations as distinct leadership styles.

Robert Blake and Anne McCauley refined the behavioural leadership model called The Managerial Grid; in 1991. It was renamed the Leadership Grid (see Linstead *et al.*, 2004:331), and is a matrix formed by the intersection of two dimensions of a leader's behaviour. The Blake and Mouton grid identified only four factors, while the Blake and McCauley version identified five basic combinations of concern for production and concern for people, using a 1-9

scale to identify each style. This model identifies five different leadership styles. The optimal leadership style in this model is 9, 9 because it demonstrates an effective balance between management and teamwork.

Figure 2.1 is a graphic representation of Robert Blake and Anne Adams McCaense's (1991) leadership grid.

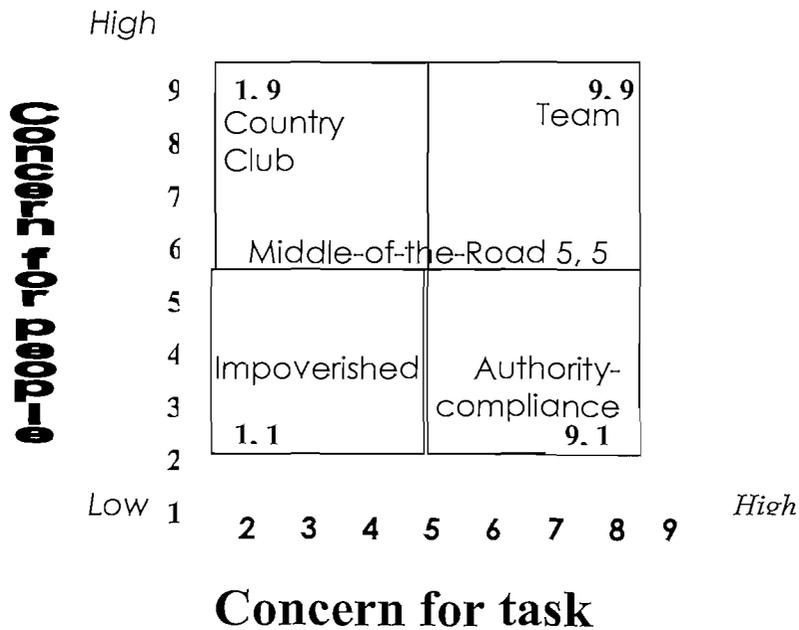


Figure 2.1: A graphic representation of The Leadership Grid (Source: Linstead *et al.*, 2004:331)

The five resulting leadership styles are as follows:

≈ The Impoverished Management Style (1, 1)

This leader exerts minimal effort and has little concern for either employee satisfaction or work targets. This is a leader who is going through the motions and is indifferent, non-committal, resigned and apathetic. He/she is doing just enough to keep their job (Kreitner & Kinicki 2001: 559; Linstead *et al.*, 2004:331).

≈ *The Country Club Management Style or democratic style (1, 9)*

This leader is attentive to his/her people's needs and has developed satisfying relationships and work culture - but at the expense of achieving results. The leader is defined as agreeable, eager to help, non-confrontational, comforting and uncontroversial (Kreitner & Kinicki 2001: 559; Linstead *et al.*, 2004:331).

≈ *The Middle-of-the-Road Management Style (5, 5)*

Adequate performance is possible by balancing the necessity to get work done and maintaining morale. Managers using this style try to balance a focus on company goals and workers' needs. By giving some concern to both people and production, managers who use this style hope to achieve acceptable performance (Kreitner & Kinicki 2001: 559; Linstead *et al.*, 2004:331).

≈ *The Team Management Style (9, 9)*

Work accomplishment is from committed people and interdependence through a common stake in the organisation leads to trust and respect. Managers choosing to use this style encourage teamwork and commitment among employees. This method relies heavily on making employees feel like being a constructive part of the organisation (Kreitner & Kinicki 2001: 559; Linstead *et al.*, 2004:331).

≈ *Authority-compliance or Autocratic Style (9, 1)*

Efficiency in operations results from arranging conditions of work in such a way that human elements interfere to a minimum degree. Managers using this style regard employee needs as being unimportant; they provide their employees with rewards and expect performance. Managers using this style also pressure their employees through rules and punishment to achieve the company goals (Kreitner & Kinicki 2001: 559; Linstead *et al.*, 2004:331).

The Blake and McCauley Model could lead one to think there is only one best style. To avoid that mistake a manager should know that different styles work extremely well in different circumstances. The leader who cares little about people and operates in fear of something going wrong will seldom promote a long-term healthy climate in an organisation for his/her focus will be on achieving results and productivity and not employee wellbeing. The leader who cares little about productivity and operates wholly from a desire to be loved and approved of will seldom be effective or productive. It is clear that there should be a balance between people orientation and production orientation in order for a manager to be effective in his role.

2.2.2 *The Ohio State Studies*

Researchers at Ohio State University in the 1940s developed a two-dimensional matrix to analyse a manager's effectiveness. The researchers found two significant dimensions that connect with people and task orientation, namely *consideration* and *initiating structure*. Consideration represents people-orientation and initiating structure refers to task orientation, both of which could be high or low and are independent of one another. It is noteworthy that the two factors correlate with the people-task division that appears in other studies and descriptions such as the Blake and Mouton/McCauley management grid. The two factors also appear as preferences (although the preference scale generally assumes an either-or structure rather than two interdependent scales).

Task-orientated behaviour or initiating behaviour includes establishing policies, seeing that deadlines are met, exerting pressure, and emphasising performance. It is also the degree to which a leader defines and structures his or her role and the roles of the subordinates towards achieving the goals of the group. Here the manager's behaviour is engaging employees to ensure the work gets done and subordinates perform acceptably and the organisation is efficient and effective (Jones & George, 2003:451).

Considerate behaviour includes praising, listening, explaining and seeking opinions. It is seen as the degree to which a leader acts in a friendly and supportive manner towards his or her subordinates. The manager's behaviour indicates that he/she trusts, respects and cares about subordinates (Jones & George, 2003:451). Managers could then be placed into a box on the matrix according to their preferred style. These two dimensions of leader behaviour are orientated at right angles to yield four behavioural styles of leadership explained (Figure 2.2).

Initially it was hypothesised by researchers at Ohio State University (Jones & George, 2003:451), that a high-structure, high-consideration style would be the best leadership style, but over the years the effectiveness of high-structure/high-consideration styles has been tested many times and results have been varied. For this study one can thus conclude that there is no one best style of managing people, rather that effective management style depends on the situation and a leader who is high on both dimensions is seen as the most effective by subordinates.

C o n s i d e r a t i o n	High	<p>Low structure, high consideration Less emphasis is placed on structuring employee tasks while leader concentrates on satisfying employee needs and wants</p>	<p>High structure, high consideration The leader provides a lot of guidance about how tasks can be completed while being highly considerate of employee needs and wants</p>
	Low	<p>Low structure, low consideration The leader fails to provide necessary structure and demonstrates little consideration for employee need and wants</p>	<p>High structure, low consideration Primary emphasis is placed on structuring employee tasks while leader demonstrates little consideration for employee needs and wants</p>
		Low	High
		Initiating structure	

Figure 2.2: Four leadership styles derived from the Ohio State Studies (Kreitner & Kinicki: 2001:558)

2.2.3 *The University of Michigan Studies*

Kreitner and Kinicki (2001:558) discuss a series of studies on leadership done at the University of Michigan where the researchers sought to identify the behavioural differences between effective and ineffective leaders. They identified two different styles of leadership; one was employee, thus people-orientated and the other was job, thus goal-orientated. These styles paralleled the consideration and initiating structure styles identified by the Ohio state group. The researchers found three critical characteristics of effective leaders (Kreitner & Kinicki, 2001:558) namely:

≈ Task-oriented behaviour

Effective managers do not do the same kind work as their subordinates. Their tasks are different, and include planning and scheduling work, co-ordinating activities and providing necessary resources. They also spend time guiding subordinates in setting task goals that are both challenging and achievable.

≈ Relationship-oriented behaviour

Effective managers not only concentrate on the task, but also on their relationship with their subordinates. They are considerate, helpful and supportive of subordinates, and help them with their career and personal problems. They recognise effort with intrinsic as well as extrinsic rewards, thanking employees for their effort when a task has been completed. Overall, the effective manager preferred a general and hands-off form of supervision rather than close control. They set goals and provide guidelines, but then give their subordinates plenty of freedom as to how the goals should be achieved.

≈ *Participative leadership*

Here effective leaders use a participative style, managing at the group level as well as individually, for example using team meetings to share ideas and involve the team in group decisions and problem-solving. By their actions, such leaders model good team-oriented behaviour. The role of the manager is more facilitative than directive, guiding the conversation and helping to resolve differences. The manager, however, is responsible for results and is not absolved of responsibility. As such, they may make final decisions that take recommendations from the team into account.

The effect of participative leadership is to build a cohesive team which works together rather than a set of individuals. It is notable that the two factors correlate with the people-task division that appears in other studies and also as preferences (although the preference scale generally assumes an either-or structure rather than two independent scales) (Kreitner & Kinicki, 2001:558).

2.2.4 Conclusion

The literature consulted reveals that there is no one best management style. The effectiveness of a particular style depends on the situation at hand. The Leadership grid, the Ohio Studies and the Michigan Studies all indicated that if people are motivated and supported they will perform best. The management grid states that a balance between goals to be reached and the needs of the employees is the best way to promote an effective climate. The Ohio Studies concluded that a high consideration (people) and high initiating (tasks/goals) style would be the most effective. The University of Michigan Studies said that if the leader has a participative style balancing between people orientation and task orientation his/her management style will result in the most effective climate. The art of managing is changing, and at a rapid pace. In today's corporate world, managers are continually discussing the everyday nature of business and the effects on them but very few of them are properly focusing on managing itself. The new generation of

employees, who enter through the corporate door post a threat to the traditional top-down, authoritarian management practices, which expected employees to be loyal and faithful to the employer, no matter how they were treated. The business world has changed, and the twenty-first century management systems will depend on its fundamentals. These rely on leadership, processes, and organisations.

2.3 The concepts management and leadership

For most people in most organisations, the key interaction with any aspect of leadership is at the middle management level. This is also the place where organisations have the possibility of experiencing the greatest impact on productivity and growth - yet it is the place where, in the eyes of many people, the greatest savings can be made through its elimination.

One thing should be made very clear at the outset - Middle Managers are a critically important part of every organisation. Those organisations that seek to eliminate or minimise their influence do so at their own peril. To explain this we need to explore the whole issue of who middle managers are and what they do.

The starting point is to answer the question: What is management?

2.3.1 What Is management?

When the question as to what is management is asked, the definitions that are given by practising managers invariably describe some aspects of the manager's own actions, tasks or intentions. Examples in literature abound on management being a process, a combination of managerial tasks or activities, individuals with certain power as well as management functions. It is the process of co-ordinating and integrating work-related activities in order to complete tasks and activities effectively and efficiently with and through other people (Oosthuizen, 2002:32).

2.3.1.1 Traditional views

A way to establish what management is would be to look at the functions a manager performs. Early in the twentieth century Henri Fayol wrote that all managers perform five management activities, which are referred to as the management process. Managers plan, organise, command, co-ordinate and control. In 1959 two professors at UCLA used the terms planning, organising, staffing, directing and controlling as a framework for a textbook on management that for 20 years went undisputed. Popular textbooks used for academic study, define the primary management function as being: planning, organising, leading and controlling, and the secondary functions as decision-making, motivation, communication, co-ordination, delegation and disciplining (Kroon, 1995:4; Robbins & DeCenzo, 2005:8)

George and Jones (2004:5) agree that the principal functions of a manager are the process of planning, organising, leading and controlling an organisations' human, financial, material and other resources to increase effectiveness. Jones and George (2003:5) also say the job of a manager is to help the organisation to best use its available resources to achieve its goals. This they do using four essential functions, namely:

- **Planning** – Identifying and selecting appropriate goals and deciding how best to allocate and use resources to achieve organisational goals
- **Organising** involves the establishing of a structure of relationships that dictates how members of an organisation work together to achieve organisational goals.
- **Leading** consists of encouraging and coordinating and articulating a clear vision and energising and enabling organisational members so that they understand the part they play in achieving organisational goals

- **Controlling** is the monitoring and evaluating individuals, groups and organisational performance to see whether organisational goals are being achieved (Jones & George, 2003:8-12).

Wehrich and Koontz (2005:27-29) defined the function of managers as providing a useful structure for organising management knowledge. Planning involves the selection of missions and objectives as well as the actions to achieve them, which requires decision-making.

- **Organising** is the establishing of an intentional structure of roles for people to fill in an organisation.
- **Staffing** is the filling and keeping filled of the positions in the organisational structure.
- **Influencing** people so that they will contribute to organisational and group goals.
- **Controlling** as the measuring and correcting individual and organisational performance to ensure that events conform to plans.

There have been very few new ideas, research findings or techniques that cannot be placed in the classifications of planning, organising, staffing, leading and controlling (Wehrich & Koontz 2005b:27-29).

According to Gibson, Ivancevich and Donnelly (2002); Hughes, Ginnett and Curphy, (2002); and Robbins (1989) a manager's main function has traditionally been planning, organising, leading and controlling.

Figure 2.3 is a schematic representation of managerial functions (adapted from Gibson, Ivancevich & Donnelly, 2002).

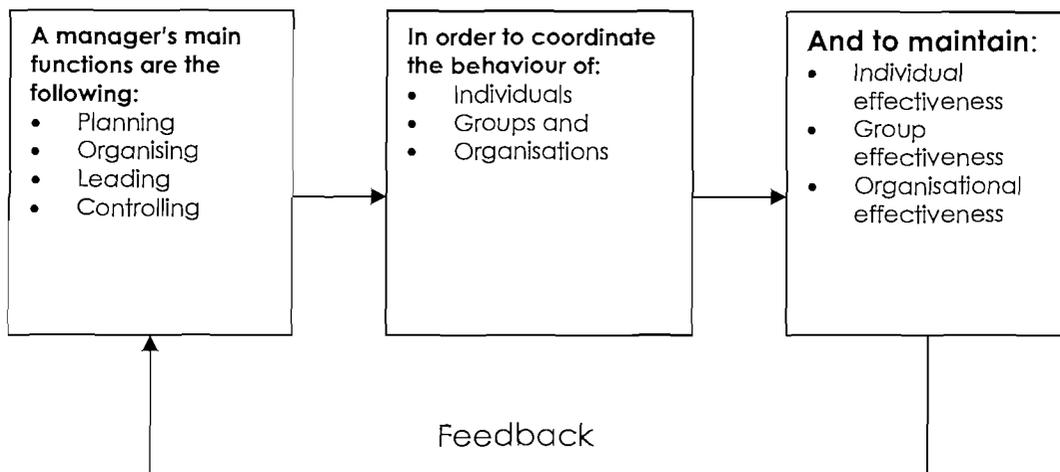


Figure 2.3: A schematic representation of managerial functions (adapted from Gibson, Ivancevich & Donnelly, 2002)

From the schematic representation in 2.3 it is clear that planning, organising, leading and controlling by managers are important to effectively maintain an organisation.

2.3.1.2 Mintzberg's description

In the early 1970's Henry Mintzberg (1973) commented on the nature of managerial work. He observed the everyday activities of senior managers and offered telling conclusions to be compared with the limited definitions of managerial functions from the classical and human relations schools, for example, Fayol - to forecast, plan, organisation, command/motivate, communicate, review and control or leadership models which recommend various task and relationships-oriented behaviours. Mintzberg presents a picture of all managers for twenty-first century management, new managerial skills are developed for all managers: to earn the loyalty of employees by offering them exciting and entrepreneurial chances for personal growth and empowerment in organisations that are fair, flat and

flexible. Assuming role for managers and prescriptions about how to behave or techniques to use should be treated with caution.

2.3.1.3 Modern views

Not all managers will be required or able to undertake all these activities on an equal basis. As summarised by Garrett (2003:11) in the 1st Interim report, the following factors are necessary for management development to succeed:

- "Participants must contribute to the structures and content of any formal development;
- Formal development must recognise the informal, intuitive, related nature of management practice;
- Management developers and organisations must try to make the most of learning on the job by utilising structures that encourages management reflection (e.g. appraisal systems);
- Development must be both aware of the learning preferences of individuals and try to produce a more rounded approach to learning;
- Development must be linked to clear job/promotion objectives;
- There must be a shared diagnosis of individual development needs;
- There must be a rational cumulative approach to individuals development;
- There should be an avoidance of development fashions and fads for their own sake;
- Measurement of progress against defined outputs (Garrett (2003:11)).

The professional development of senior managers is most important with a view to managerial effectiveness. More modern descriptions of management emphasising concepts such as empowerment, mentorship and coaching follow in the next section

Carlos Poñe (CFR, 2006a) states that management is as much about empowerment as it is about strategising. He believes that a company's success lies in the fact that the entire management team plays an active role in decision-making. Poñe emphasises that engaging with employees is indicative of the seriousness with which the manager considers his role as mentor. He makes a point of working closely with new appointees for at least six months to encourage mentoring as part of the management culture, for as people are mentored the new employee, in turn become adept in providing guidance and advice.

Bassa (CFR, 2006b) describes herself as a manager who tries to focus on people and encourages them to create a vision, which then acts as a driving force. She feels that as employees spend more time at work than at home it is imperative to create a comfortable work environment. This is done by creating a strong team where mutual support is highly valued and criticism is always constructive.

According to Williams (2001:12), managers talk to people, gather and give information and make decisions. Managers' jobs are people-intensive, and they spend between two-thirds and four-fifths of their time in face-to-face communication. They motivate and encourage employees to achieve the organisation's goals.

The modern view combines concepts such as manager and leadership and calls it Managerial Leadership (Aamodt, 1999; Anderson, 1992; Bennis, 1993; Hughes, Ginnett & Curphy, 2002, Kreitner & Kinicki, 2001; Pierce & Newstrom, 2000). The following are key elements of an effective manager and effective leadership: *Identifying of goals and a clear vision that encourages participation, planning and organising technical and administrative knowledge, facilitator, supplier of feedback, focuses on goal attainment, empower employees, give recognition success, identifies values, and leads by example.*

2.3.1.4 Conclusion

Management in simple terms can mean the act of getting people together to accomplish desired goals. Management comprises planning, organising, resourcing, leading or directing, and controlling an organisation (a group of one or more people or entities) or effort for the purpose of accomplishing a goal. Resourcing encompasses the deployment and manipulation of human resources, financial resources, technological resources, and natural resources, or so it was thought for a long time.

According to Marshall *et al.* (2000:44) management encompasses both management and leadership. These authors identified seven areas of knowledge and activity that are essential for the effective manager and that can be developed. Garrett (2003:7) summarised them as follows:

- **Professional identity.** Managers must have a good understanding of their institution and their wider context. They must also be aware of their responsibilities
- **Strategic leadership and management.** Managers must have a good understanding of their institutions' strategies and the relationship with their own management functions. They must also be skilled at strategic planning in their own area of responsibility.
- **Operational leadership and management.** Managers must be able to ensure the quality of inputs, processes and outputs and anticipate, plan, implement, monitor and evaluate change to core activities as imposed/required/suggested by the wider context.
- **Financial and physical resource management.** Managers must be able to plan, develop, maintain and dispose of physical assets in sympathy with their unit's strategic priorities. They must also have a good understanding of budgets and accounting systems and deal with both physical and financial recourses in line with institutional guidance.
- **Human resource management.** Managers must have a good knowledge of planning, recruiting, selecting, inducting, motivating, supervising,

evaluating and rewarding staff. These activities must be undertaken in the light of equal opportunities and health and safety legislation.

- **Information management.** Managers must be able to utilise, develop, maintain and evaluate systems that ensure that adequate information is available to inform operational and strategic decision-making.

It is thus crucial that managers improve their interpersonal skills to improve their own effective functioning and that of their team members.

2.3.2 *What Is leadership?*

Leadership is a human factor that leads an organisation towards realising goals through the voluntary co-operation of all the people in that organisation (Kroon, 1995:353). Leadership is difficult to define as some people define leadership as being aggressive and enthusiastic while others seem to think it is synonymous with popularity. The main characteristics of leadership are to bring people to work together effectively as a team, to inspire loyalty towards the group and to make a meaningful contribution to the achievement of objectives.

According to Yukl (2002:7), leadership is often confused with concepts such as power, authority, management, administration, control and supervision. The essence of the leadership role and process is, however, to inspire, develop and empower followers. This author states that leadership is the process of influencing others to understand and agree about what needs to be done and how it can be done effectively, and the process of facilitating individual and collective efforts to accomplish the shared objectives.

Empey, Peskiest and Lees (2002:191) argue that leadership should incorporate various elements relating to knowledge, skills and competencies and personal characteristics and behaviour.

Figure 2.4 is a graphic representation of the key elements of effective leadership (according to Empey *et al.* (2002:192).

CREDIBILITY		
↓	↓	↓
KNOWLEDGE	LEADERSHIP CHARACTERISTICS AND BEHAVIOUR	SKILLS AND COMPETENCIES
↓	↓	↓
Human behaviour	Self awareness	Analytical
Own role	Self confidence	Imagination and creativity
Internal environment	Empathy	Listening
External environment	Integrity	Influencing
National issues	Values	Enabling
	Vision	Collaborative working
		Technical competencies

Figure 2.4: Effective leadership – key elements (Empey *et al.*: 2002:192).

Figure 2.4 shows the specific tracts within each of the following elements:

- Knowledge deals with human behaviour; the leader's own role, the internal and external environment and national issues.
- Skills and competencies deal with the analytical, imagination and creativity, listening, influencing, enabling, collaborative working and technical competencies of the leader.
- Leadership characteristics and behaviour deal with self-awareness, empathy, values, self-confidence, integrity and vision.

Berthoin *et al.* (2001:148) state that personal characteristics are a more important indicator of leadership than an actual job description, while Addicott *et al.* (2003:7) argue that personal traits, such as commitment to an issue and an ability to develop relations between perspectives and objectives have a big influence on the effectiveness of a leader.

In comparison to the preceding, Yukl (2002a:9) states that characteristics of the followers, the nature of the work, the type of organisation, as well as the nature of the external environment all influence what it would take to effect a most appropriate leadership style. Kotter (2001:87) also agrees that personality is not necessarily an indication of successful leadership.

Jackson (1997:15) defines a leader as someone who focuses on the purpose and values of the organisation, leaving employees the freedom and responsibility to decide how. By creating the right environment (climate) leaders can encourage employees to take responsibility. Leadership according to Martin (2002:836) is a process in which a leader is able to influence the behaviours and actions of those being led.

George and Jones (2004:375) define leadership as the exercise of influence by one member of a group or organisation over another member to help the group or organisation achieve its goals. A leader is an individual who is able to influence a group or organisational members to help the group or organisation to achieve its goals. A formal leader is a member of an organisation who is given authority by the organisation to influence other organisational members to achieve organisational goals. An informal leader is an organisational member with no formal authority to influence others who nevertheless is able to exert considerable influence because of special skills or talents.

To measure leadership more specifically, one may assess the extent of influence on the followers, that is, the amount of leading. Within an organisational context, this means financially valuing productivity. Effective leaders generate higher productivity, lower costs, and more opportunities than ineffective leaders. Effective leaders create results, attain goal, realise vision and other objectives more quickly and at a higher level of quality than ineffective leaders.

Looking at the above definitions, it becomes clear that there are many factors that play an important role in being an effective leader. Most of the authors agree that leadership is a way of bringing people together to reach a set goal. Berthoin *et al.* (2001) and Kotter (2001) both spoke about leadership characteristics being important to the style he/she chooses to use. It can be concluded that personality traits are not the main factor that make a leader, lead, but rather his/her skills, knowledge and competencies. The only way this can be done is through knowing oneself and being confident of convincing people to follow one. People will easily follow a knowledgeable and skilled person for then they know what will be expected of them. A leader's personality is not the only reason why people will follow him/her - it depends on the people, situations and goals to be attained.

2.3.3 Leadership and management

According to Addicott, Atun and Associates (2003:7) of the Imperial College in London, management and leadership are diverse roles that require different characteristics and functions. Although the roles are often contradictory, they are complementary – one cannot function without the other.

Leadership can therefore, in summary, be described as setting the direction and developing a vision for the future, while management is concerned with planning that is deductive and orderly, not a process of producing change. Planning should complement direction-setting (Addicott *et al.*, 2003:7).

Kotter (2001:87) is of the opinion that one of the most frequent mistakes that over-managed and under-led organisations make is to embrace long-term planning as a "solution for the lack of direction and inability to adapt to an increasingly competitive and dynamic business environment".

Table 2.1 represents a comparison of management and leadership according to Kotter (1990:6).

TABLE 2.1: COMPARISON BETWEEN MANAGEMENT AND LEADERSHIP

	Management	Leadership
Creating an agenda	Planning and budgeting	Establishing direction
Developing a human network for achieving the agenda	Organising and staffing	Align people
Execution	Controlling and problem solving	Motivating and inspiring
Outcomes	Predictable and order	Change

Source: Kotter (1990:6)

Managers, according to Kotter (1990:6), are more focused on the future of an organisation, while leadership is more present-focused. Because managers focus on the future they often forget to include the people in the planning and then people will have to be forced or coerced to participate. Management is concerned with coping with complexity, and leadership on the other hand is concerned with coping with change (Puth, 2005:69-70).

Armstrong (2004:7) states that managers have to be leaders and leaders are often, but not always, managers. Management is concerned with achieving results by effectively obtaining, deploying, utilising and controlling all the resources required, namely people, money, information, facilities, plant and equipment. Leadership focuses on the most important resource: people. It is the process of developing, and communicating a vision for the future, motivating people and gaining their commitment and engagement

Wehrich and Koontz (2005:4) define management as the process of designing and maintaining an environment in which individuals, working together in groups, efficiently accomplish selected goals; and leadership as the art or process of influencing people so that they will strive willingly and enthusiastically towards achievement of group goals.

2.3.3.1 Conclusion

This goodwill and support originate in the leader seeing people as people, not simply as another resource for deployment in support of "the task". The manager often has the role of organising resources to get something done. People form one of these resources, and many of the worst managers treat people as if they were just another interchangeable item. A leader has the role of motivating others to follow a path he/she has laid out or a vision he/she has expressed in order to achieve a task. Often, people see the task as secondary to the vision. Leadership does not manifest itself as purely a business phenomenon. Similarly, management does not occur only as a purely business phenomenon.

Differences in the mix of leadership and management can define various management styles. Some management styles tend to de-emphasise leadership. Other management styles, such as authoritarian management, micro-management, and top-down management, depend more on a leader to provide direction.

A leader optimises positive aspect opportunity and a manager minimises drawback risk. A successful executive needs to apply both disciplines in a balance appropriate to the enterprise and its context. Leadership without management yields steps forward, but as many if not more steps backwards. Management without leadership avoids any step backwards, but doesn't move forward.

2.3.4 *Manager – Leadership*

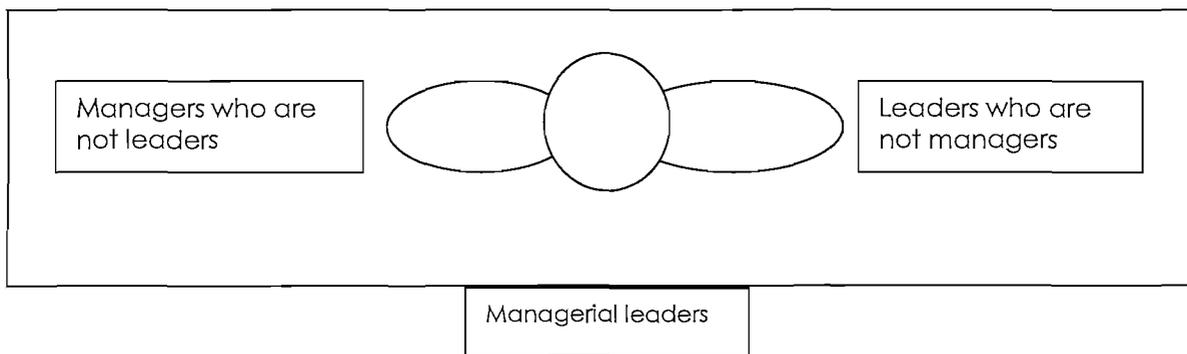
It is clear in the discussion of management (section 2.3.1) and leadership (section 2.3.2) that there are significant differences but also similarities between the two concepts, and that the term Managerial Leadership is more useful for purposes of this study.

Bill Slim (as quoted by Botha, 1997:2) designates the difference between leadership and managers as follows: "The leaders and those who follow him represent one of the oldest, most natural and most effective of human relationships. Leadership is of the spirit, compounded of personality and vision; it is an art. While management is of the mind, more a matter of accounts calculation, of statistics, of methods, timetables and routine, its practice is a science. Managers are necessary, leaders are essential. A good system will provide efficient managers, but more than that is needed. We must find managers who are not only skilled managers, but who are also inspired and inspiring leaders."

According to the discussion of Charlton (1993) Coetsee (2005) and Mullins (1996); the concepts of management and leadership can be combined in the following schematic representation:

Table 2.2 shows that a person can have both leadership and management characteristics – therefore the term Managerial Leadership.

Table 2.2 A SCHEMATIC REPRESENTATION OF MANAGERIAL LEADERSHIP



(Adapted from Greenberg & Baron, 1993:44; Hughes, Ginnett & Curphy, 2002, 12)

From the above it becomes clear that characteristics of both the manager and leader in the 21st century have to be combined in order to create an

effective, successful and motivating organisation. According to Judson (1991), the ability of a manager-leader to get maximum advantages from change depends on the effective development and maintenance of an organisations climate that minimises resistance and promotes acceptance and support. This is in line with Coetsee's approach to Managerial Leadership.

The following are the most important characteristics of a typical manager-leader (Coetsee, 2003:63):

- Successful manager-leaders create motivating visions (dreams) and/or inspiring goals which they wish to achieve.
- Successful manager-leaders create empowered people
- Successful manager-leaders are lifelong learners and they regularly stimulate the growth and development of their teams
- Successful managers-leaders enjoy their work and create an environment in which their team members are able to experience job satisfaction.

Coetsee (2003:55) stated that the most important prerequisites for the creation of a motivating climate are effective manager-leadership, the development and the establishment of shared value systems and ensuring that sound work ethics operate in the organisation. The creation of a motivating climate is impossible without the orientation of effective manager-leadership which is a combination of managing and leadership – therefore it is labelled manager-leadership.

Manager-leadership is more than just filling the role of planning, tasks, actions, giving support and direction but is also an expression of the manger-leader's character. According to Coetsee (2003:55), effective managerial-leadership is a combination of expressions of competence, character and of emotional intelligence focused on the enhancement of performance, satisfaction and aligned commitment. Effective manager-leadership consists of a combination of competencies (such as intelligence, knowledge, abilities,

skills, values, and personality traits); knowing the business and business environment; and a high emotional intelligence consisting of self-awareness, self-regulating, motivation to achieve, empathy and social skills (Coetsee, 2003:75).

Anderson (1992), Bass (1997) and Howell and Avolio (1997) indicate that manager-leadership is vision-focused, charismatic, supportive and inspiring. With this they lead employees through creating a vision, changing the organisation and motivations in order to reach set goals. Managerial leaders are also innovative, changing the status quo, focusing on employees, are adaptable, look at the future expectation, analyse problems, are expressive, supportive, trust their intuition and give recognition to employees for achievement (Anderson, 1992; Bass, 1997; Hughes, Ginnett & Curphy, 2002; Ivancevich & Matteson, 1999; Pierce & Newstrom, 2000; Yukl, 2002).

To my mind, manager-leaders are not born, but can develop. But they have to accept the responsibility to grow and to develop, using all available opportunities as well as demonstrate the will and willpower to learn and create opportunities for team members to learn to develop with them. This means a manager-leader is a person who influences individuals working together in a group to want to achieve set goals. It is important to understand that a leader is a person who focuses on people and is able to motivate them to reach their goals without being goal orientated but rather people orientated; and a manager is a person who is more focused on results than on people.

2.4 Conclusion

Through the preceding discussion it becomes clear that different writers distinguish between leadership and management, but the more contemporary view is to combine the concepts manager and leader. When one is referring to a manager-leader there should be management and

leadership qualities in the same person. Managers-leaders are not born but can develop with skills, competencies and knowledge.

The Chinese philosopher Lao Tzu many centuries ago referred to the core of leadership applicable to this study (Pierce & Newstrom, 2000:3):

A leader is best when people barely know he exists, not so good when people obey and acclaim him, worse when they despise him. But a good leader, who talks little, when his task is done, his aim fulfilled, and the people will say: 'we did it ourselves'.

What becomes clear in the discussion is that all managers will not always be good leaders and leaders won't always be good managers, but a manager-leader (a person with both leadership and management qualities) will promote a stimulating and healthy work environment. The approaches of Anderson (1992); Bass (1997); Charlton (1993); Coetsee (2005); Hughes, Ginnett and Curphy (2002); Ivancevich and Matteson (1999); Judson (1991); Mullins (1996); Pierce and Newstrom (2000); Yukl (2002) are complementary to one another rather than being substitutes for one another. A good manager-leadership representation would be: A manager-leaders who employs the basic management functions of planning, organising, leading and controlling, as well as decision-making, communication, motivating employees, co-ordinating tasks, being clear on discipline, having clear goals, and being involved in employee wellbeing, specifically the work environment. A manager-leader is of cardinal importance in any organisation to raise motivation and productivity that leads to togetherness in a motivating climate. If a manager-leader can do all this he/she will be effective and the organisation will be efficient.

Coetsee (2002:57) refers to success as the "balance between good achievement and high work satisfaction of employees". Successful manager-leaders' employees will achieve better and at the same time enjoy their work. Coetsee (2002: 56) defines Managerial Leadership as the ability to make your team members successful.

The core characteristics of managerial leaders in the literature are also the factors measured in the Organisational Diagnostic Questionnaire (ODQ) that will be used for the purpose of this study. These characteristics are: managerial-leadership styles of production orientation and people orientation, team-building, mentorship and a general judgement of effective managerial-leadership.

CHAPTER 3

ORGANISATIONAL CLIMATE

3.1 Introduction

The object of this chapter is to define and discuss the concept *Organisational Climate* in order to conceptualise the dimensions thereof. As Organisational Climate is often confused with organisational culture the chapter will begin with a brief overview of organisational culture. Then the concepts of Organisational Climate and culture will be compared in order to establish the differences and similarities regarding the two concepts. A definition of Organisational Climate, for the purpose of this study will be developed and the elements (sub-factors or building blocks) of Organisational Climate will be identified from the literature and will be discussed in detail.

Moran and Volkwein (1988) and Schein (1992) (as quoted in McMurray, 2003) state that for about 30 years Organisational Climate and culture have been important constructs in organisational theory even though few researchers chose to study them at the same time. There is a lot of uncertainty in the literature when it comes to the differentiation between Organisational Climate and organisational culture. Belief systems for example are regarded as central to Organisational Climate, but are derived from prevailing values systems and therefore must be associated with organisational culture. The two concepts, climate and culture are often confused or even used as synonymous to one another. Because this study deals with only climate, it is important to differentiate between climate and culture. An examination of the specific relationships between culture and climate begins with the views of various authors on the nature and dimensions of climate.

Managerial leaders provide and facilitate the processes that allow organisations to reach their goals and objectives. Even though productivity and financial objectives are often the main goal, managerial leaders have a responsibility to institute standards of ethical conduct and moral values that

guide their followers' behaviour. Managerial leaders not only influence the behaviour of employees, but their actions influence employees perception of norms and appropriate behaviour, which becomes Organisational Climate.

Grojean *et al.* (2004:228) have suggested that an organisation's climate regarding ethics is a unique type of climate as it is based on values, and the leaders and managers have the primary role in communicating and demonstrating the true importance of ethical values to the members in term of:

- ≈ Which leadership style best promotes the desired Organisational Climate;
- ≈ Whether there is a relationship between team-building and Organisational Climate; and
- ≈ If there is a relationship between mentoring and Organisational Climate; and lastly
- ≈ The relationship between effective management and Organisational Climate?

A more in-depth discussion of Organisational Climate follows after the discussion of the comparison of organisational culture and climate.

3.2 A comparison of organisational culture and climate

Organisational culture can be seen as a system of shared backgrounds, norms, values or beliefs among members of a group (Schein, 1985 as quoted by Hughes *et al.*, 2002), while Organisational Climate concerns members' subjective reactions about the organisation. The member's feelings and emotions about an organisation are mostly affected by the degree to which a person share in the prevailing values, beliefs and background of the other organisational members. Members are also influenced emotionally by their direct managers. If a person does not share the same values or beliefs of the majority, that person could properly have a negative reaction to the Organisational Climate. Although perceptions and attitudes of an organisation's existing climate can be correct or incorrect, complete or

incomplete, for the individuals concerned these perceptions represent the truth. To a large extent it is therefore irrelevant if perceptions are correct or complete – they exist and if they are negative, they should be attended to and changed (Philosophy of mind, 2004).

Studies of organisational culture are varied, multilevel (department, division, company, country), and have been considered widely. Schein (2005) stated that culture is "the deep structure of an organisation, which is rooted in the values, beliefs and assumptions held by organisational members". In comparison, "climate is often considered as relatively temporary, subject to direct control, and largely limited to those aspects of the social environment that are consciously perceived by organisational members".

Cummings and Worley (2005:483) define culture as the pattern of visible symbols (artefacts), unwritten rules (norms), what is important (values) and the taken for granted (basic), assumptions about how things has always been done. Culture is a process of social learning; it is the outcome of prior choices about experiences with strategy and organisational design. It is also the foundation for change that can either facilitate or hinder transformation. Whereas climate is often referred to the way employees perceive their work environment (Cummings & Worley, 2005:483).

Organisational Climate refers to the shared perception of the way things are experienced in the organisation. Organisational culture, on the other hand, is a specific collection of values and norms that are shared by people and groups within an organisation and controls the way they interact with each other and stakeholders. A key difference is that climate is a perception of how individuals experience an organisation, while culture a set of rules (norms, values) shared by member of the organisation (Cummings & Worley, 2005:483).

Changing the culture of an organisation required the commitment of every person within the organisation. You cannot just tell people, "From now on it's going to be done this way." On the other hand, climate is a perception of the

employees of how they feel or experience organisational factors such as decision-making and communication. These feelings can normally be changed over a short period of time - days or weeks. The employees' perception is based on his or her own feelings as well as that of their leaders and peers and might be formal or informal. Feelings are transmitted to them by how their leaders act and model, and what they praise and ignore (Cummings & Worley, 2005:483). Clapper (1995) is of the opinion that Organisational Climate is often confused with Organisational Climate because: researchers haven't defined the concepts enough, and seldom states that the concepts originate from different disciplines. Coetsee (2005:207) states that climate is the temperature, (perceptions and attitudes) of organisation's members, and it is measured by attitudes and perceptions. Culture on the other hand consists of shares values, expectancies and beliefs established over time, and cannot be measured directly. The differences between Organisational Climate and Organisational Climate according to Coetsee (2003) and Clapper (1995) is summarised in Table 3.1.

TABLE 3.1: COMPARISON OF ORGANISATIONAL CLIMATE AND CULTURE

Differences	Organisational Climate	Organisational Culture
Tempo of evolution	Fast	Slow
Tempo of change	Fast and fairly easy	Slow and relative difficult
Stability and permanence	Temporary and unstable over time	More permanent an stable over time
Level of manifestation	Perception Feeling Attitude	Attitude Values Convictions Assumptions
Causal effect	Being influence by culture during the forming stage	Influence Organisational Climate while forming
Construct	Measuring of individual perception and attitude towards management, structure, tasks, support, conflict, warmth, friendliness etc.	Verbal non verbal behaviour/ communication for example language, expression, signs, facial expression. Ideologies, symbols, rituals, stories, heroes etc.
Discipline	Social psychology	Sociology and anthropology

Adapted from Coetsee (2003) and Clapper (1995)

Differences as discussed above might be out of relation in the light of later approaches regarding culture and climate. According to Clapper, (1995) the two concepts are related to one another in two ways:

- Both constructs are essential elements of the expressed, commutative, socially constructed dimension of organisations (Moran & Volkwein, 1992 as quoted in McMurray, 2003). According to these authors climate is the more noticeable construct of organisations while culture is less noticeable, and
- Organisational culture has a strong influence on the determination of necessary attitudes and practices of Organisational Climate.

Similarities between Organisational Climate and organisational culture according Coetsee (2003) and Clapper (1995) is summarised in Table 3.2

TABLE 3.2: SIMILARITIES BETWEEN ORGANISATIONAL CLIMATE AND CULTURE

Similarities	Description
Operational definition	1. Both constructs are complex and hadn't been defines completely
Two perspectives of the same phenomenon	1. Both concepts study the internal psychology and the relation to the environment and how to adapt to the organisation. 2. Both concepts are studies over time and share defines social contents
The same theoretical questions within each concept.	1. Both focus on problems of social contexts and individual interaction. 2. Both are multidimensional. 3. Similarities in the literature regarding perspectives
Strong similarities between traditional climate studies and recent culture studies	1. Traditional culture research did not evaluate using comparisons, leading to strong overlapping. 2. Recent climate research uses quantitative climate research and qualitative culture research again causing overlapping.

Adapted from Coetsee (2003) and Denison (1996)

Table 3.2 indicates that the relation between the two concepts is real and might explain why they are often confused or used as synonyms for each other. Looking at the literature one is to conclude that Organisational Climate is a temporary perception of employees work environment; and culture is rooted in values, beliefs, assumptions and the way it has always (permanent) been done. In spite of these differences these concepts are often used as synonyms.

3.3 The concept Organisational Climate

Gibson *et al.* (2002:174) describe **climate** as the perception of employees in regards to certain characteristics of their work environment. According to Coetsee (1993), climate is changeable, short term and tactical. This also means that climate is relatively easy to change. The global place of climate within an organisation is described by an adaptation of the Nadler and Tushman's 1980 organisational congruence model. Figure 3.1 is a representation of a simplified version of Nadler and Tushman's (1980) organisational congruence model. The Nadler-Tushman Organisational Model is a systems model, specifying inputs, throughputs and outputs, which are consistent with open system theory (an open system is a state of a system, in which a system continuously interacts with its environment. Open systems are those that maintain their state and exhibit the characteristics of openness (Coetsee & Pottas, 1990). The model is based on several assumptions which are common to modern organisational diagnostic models. These assumptions are as follows:

- ≈ Organisations are open social systems within a larger environment
- ≈ Organisations are dynamic entities (i.e., change is possible and occurs).
- ≈ Organisational behaviour occurs at the individual, the group and the system level.
- ≈ Interaction occurs between the individual and leadership sources, equipment and tasks and social sub systems to transform inputs into outputs.

≈ To the above it can be added that their interaction takes place in an 'environment' – which is the climate of the organisation, and that this climate has an influence on individuals behaviours and is influenced by their interactions with other sub systems" (Coetsee & Pottas, 1990) (based on Nadler and Tushman's (1980) model).

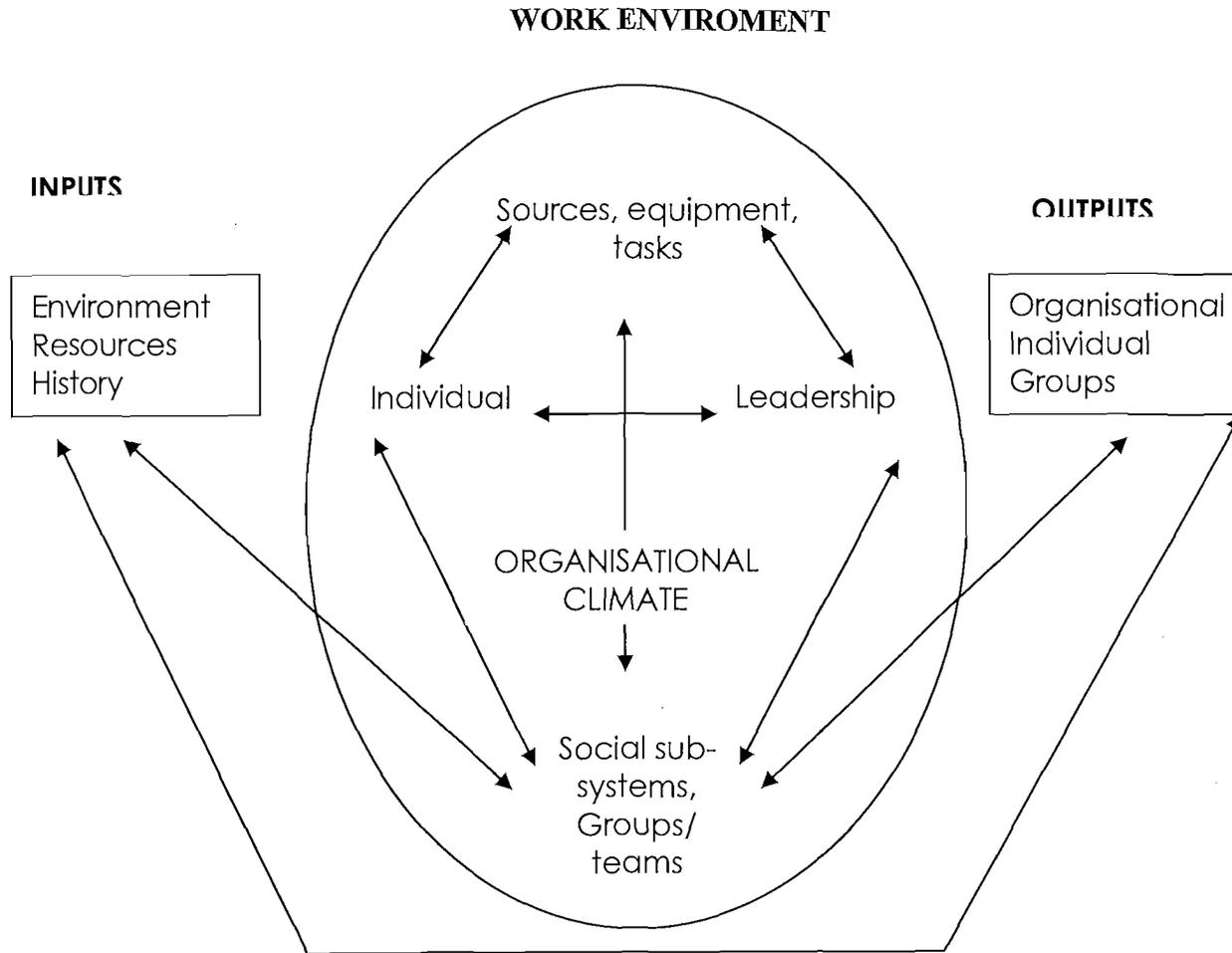


FIGURE 3.1: SIMPLIFIED ORGANISATIONAL MODEL (Coetsee & Pottas (1990) (based on Nadler and Tushman's (1980) model)

The inputs within the adapted Nadler-Tushman organisational model include such factors as the environment, resources, history (patterns of past behaviour) and organisational strategies (Coetsee & Pottas, 1990). Nadler and Tushman are explicit in their conceptualisation of each of the factors, namely:

- ≈ **Work environment.** This can be any work area where individuals, groups and leaders regularly spend time working.
- ≈ **Individuals.** This person can be from any position or department in the organisation.
- ≈ **Groups.** Groups can be any number of people grouped together for the achievement of a common goal. The grouping does not have to be permanent,
- ≈ **Leadership.** The leader represents the person who leads and makes decisions in the organisation and can be chosen, appointed or self appointed. Leadership is accumulation of a association that acts as a unit to accept and delegate power
- ≈ **Sources, equipment and tasks.** Sources equipment and tasks represent any form of resources or support the individual or group uses to their advantage or disadvantage. It can be physical such as furniture or the talents of people and activities. Activities represent the results of the effort of people and is organised. An undetermined number of people can be involved in to the activity but the leader is usually responsible for the organisation of the said activity.

3.4 Conclusion

In the preceding section the concepts of Organisational Climate and culture was compared in order to establish the differences and similarities regarding the two concepts. It became clear that the two concepts are not the same, but are more closely related to each other than was previously thought. The assumption of this research will thus be that climate is a surface or conscious manifestation of culture. Climate consists of feelings and attitudes, as well as

perceptions regarding the organisation, and culture is the deeper underlying unconscious level and consists of attitudes, values assumptions and convictions. The two overlap with regards to attitudes which represent both concepts. For the purpose of this study the dimensions of Coetsee (2005) will be used. This is because Coetsee's model best applies within the organisational diagnostic questionnaire (ODQ) that will be discussed later.

3.5 Definitions of Organisational Climate and its sub-factors

To develop a definition of Organisational Climate suited to this study, it is necessary to consider a number of definitions of Organisational Climate. It is also necessary to analyse the various sub-factors that make up the various definitions of different scholars. The definitions will first be given and compared (in table format) to derive a definition best suited to this study.

3.5.1 Pareek (1989)

According to Pareek (1989:161-162), Organisational Climate can be defined in terms of how the climate is perceived or experienced by employees. Climate may for example be perceived as hostile or supportive. Pareek (1989) then describes climate as a set of attributes that can be perceived regarding a particular organisation and/or its sub-systems, and that may be deduced from the way that an organisation and/or its sub-systems deal with employees and environment.

The dominant orientation of an organisation is the main concern of its members, and an important determinant of climate. An organisation's interpersonal relations process is reflected in the way which informal groups are formed.

Pareek (1989:161-162) also indicates that 12 processes or factors of Organisational Climate exist namely:

≈ Supervision contributes significantly to climate.

- ≈ Problem management can be seen as challenges or irritants.
- ≈ An organisations approach to the management of mistakes influences the climate.
- ≈ The way conflict management is practiced, influences the climate.
- ≈ Communication is concerned with the flow of information. An organisations' approach to decision-making can be focussed on maintaining good relations or on achieving results.
- ≈ The degree of trust or its absence amongst employees affects climate. The management of rewards influences the motivational climate.
- ≈ The way people respond to risk taking and who they seek help from, in situations involving risks are important to climate.
- ≈ Innovation and change and who initiates change, and how it is perceived and how it is implemented are critical to establishing climate.

3.5.2 Govender (1999)

Govender (1999:44-48) contends that climate deals with organisational characteristics, which are perceived by the individuals: Anything in the organisation which employees interpret or attach meaning to in their attempt to make sense of the organisational environment. Climate is a perceptual process regarding the whole organisation. The sub-factors or elements identified by Govender are:

- ≈ Goals,
- ≈ Priorities,
- ≈ Equity,
- ≈ Task completion
- ≈ Communication at a personal level.

3.5.3 Kossuth and Cilliers (2002)

Based on their research Kossuth and Cilliers (2002:8-13) describe Organisational Climate as the psychological atmosphere of measurable

properties that correlates with self-efficacy. Organisational dimensions on a formal level are structure, policy, objectives, management practice, task specialisation, decision-making, standards and rewards.

At the informal level, climate refers to identity, employee needs, responsibility, interactive communication, information sharing, support, warmth and conflict handling. The interpersonal dimensions of climate refer to the nature of managerial support with its directives and interactive properties.

The directive dimensions are structure, role, clarity, job standards, managerial effectiveness and job satisfaction, and the interactive ones are communication, team functioning, contributions to profit, conflict handling and reward. The combined interactive properties are responsibilities, decision-making, job tension and propensity to leave. Managerial support forms part of an effective goal setting strategy and impacts on goal commitment and performance. Kossuth and Cilliers (2002) also suggest that managerial support relates to the building of the esteem of each employee through informal and problem solving support. The individual employee's frame of reference influences his/her perception of the nature of Organisational Climate.

Thus Organisational Climate results from the way in which the above mentioned organisational dimensions are managed, the quality of the manager's leadership styles and the way the individual perceives and react to the environment

3.5.4 Martins and Von Der Ohe (2003)

Martins and Von Der Ohe (2003:41-59) define Organisational Climate is a relatively enduring quality of the internal environment of an organisation that (a) is experienced by its members, (b) influences their behaviour and (c) can be described in terms of values of a particular set of characteristics of the organisation. Thus Organisational Climate is a set of measurable dimensions of the work environment that people who live and work in this environment

perceive directly or indirectly and that are assumed to influence their motivation and behaviour. According to Martins and Von Der Ohe (2003:41-59), the way to measure Organisational Climate, are in terms of:

- ≈ The perception or self-determination with reference to work procedures, goals and priorities is autonomy.
- ≈ Cohesion is the perception of togetherness or sharing within the organisation settings, including willingness of employees to provide material aid.
- ≈ Freedom to communicate openly with members at higher organisational levels about sensitive or personal issues with the expectation that the integrity of such communications will not be violated is a perception of trust.
- ≈ Employees experience pressure on their demands on time, with respect to task completion and performance standards increases.
- ≈ Support is the perception of tolerance of member behaviour by superiors, including the willingness to let employees learn from their mistakes without fear of reprisal.
- ≈ Fairness is the perception that organisational practices are equitable and no-arbitrary or impulsive.
- ≈ Recognition is when employees feel that their contributions to the organisation are acknowledged.
- ≈ Innovation is the feeling that change and creativity are encouraged, including risk taking into new areas or areas where the employee has little or no prior experience.

3.5.5 Bellingham–Timmer (2004)

Bellingham-Timmer (2004:29-36) believes that top management creates the Organisational Climate, policies and procedures within a given organisational structure. The factors, which impact on the middle managers and are inherent to the individual, are needs, abilities role perception and values. The middle manager would develop a certain attitude towards his work and

given the effort he exerts, a certain level of performance will be reached. This performance is rewarded intrinsically and/or extrinsically, which requires the middle manager to evaluate the rewards. Given the fact that the rewards are equitably perceived, the manager will experience feeling of satisfaction, which will impact positively on the management of lower levels in the organisation.

3.4.6 *Ochitwa (2005)*

The concept of Organisational Climate has been the subject of many studies and research activities for the past three decades. The following description analysis is principally based on the views of Ochitwa (2005). In his attempt to systematically describe the factors which comprise Organisational Climate Ochitwa (2005) saw a conflict between the individual, who seeks activity and independence through psychological development and the bureaucratic, formalised organisation, which keeps the individual in an infantile state of passive dependence. He suggests that it is important to find ways to manage this inevitable conflict and keep it within tolerable bounds. He further contends that an interpersonal climate of trust, openness, and low threat needs to be created. Without such a climate, people feel they must attempt to hide conflict.

In a study of deliberately manufactured variations of autocratic and democratic leadership applied to experimental boys' clubs to produce artificial group climates the relationship between leadership and climate was demonstrated by Ochitwa (2005). The conclusions are that (1) different behaviour styles of leaders do produce different group climates, (2) discussion categories differentiated leadership styles better than social behaviour categories (3) different leaders, exercising the same kind of leadership roles, used similar behaviour styles and produced similar reaction patterns, (4) group members in a democratic climate were more friendly to one another, showed more initiative, more group-mindedness and more work-mindedness, and had a higher level of frustration, tolerance, and (5) leader behaviour

categories represent the important parameters to which the employees reacted (Ochitwa, 2005a).

Closely associated with the concept of Organisational Climate is the concept of "organisational health", Ochitwa (2005) suggests 10 criteria for judging the health or climate of an organisation:

- ≈ The goals of the organisation should be reasonably clear to those in the system.
- ≈ There should be relatively little distortion of communication vertically or horizontally and information should travel reasonably well.
- ≈ Subordinates should be able to influence upward and, even more important; they should perceive that their boss could do likewise with his boss. Inter group struggles for power should not be bitter, although conflict would be present.
- ≈ The system's inputs, especially human resources, should be used effectively.
- ≈ The organisation should know "who it is"; its members should feel attracted to the organisation.
- ≈ Individuals should take satisfaction from their work, and a sense of general well-being should prevail.
- ≈ A healthy system should tend to invent new procedures, move toward new goals, produce new kinds of products, diversify itself, and become more, rather than less, differentiated over a period of time.
- ≈ The organisation should attain that degree of independence from the environment, which allows interaction with the environment but not control by it.
- ≈ The system should be able to bring about corrective change in itself faster than the change cycle in the surrounding environment.
- ≈ Problems should be solved with minimal energy; they should stay solved; and the problem-solving mechanisms used should not be weakened, but maintained and strengthened (Ochitwa, 2005).

Organisations that are judged to be healthy on the basis of the preceding criteria would most likely be seen as having an open climate. An open climate is characterised by the functional flexibility where, trust and consideration are high; separation, interference, production emphasis and aloofness are low; and intimacy is an average.

3.5.7 Afolabi (2005)

Afolabi (2005:102-113) defines Organisational Climate as an enduring quality of an organisations internal environment that distinguishes it from other organisations. This includes its norms or culture, equity, social process, leadership styles and management practices. If the climate is perceived to be conducive, employees will be satisfied working in the organisation. Job satisfaction is therefore the feelings and thoughts that arise from actual work experience that inspires employees to be positively committed to the organisation. On the other hand, when workers are dissatisfied with their jobs, there will be a lack of involvement and commitment and a tendency to leave. If employees perceive the climate to be positive they will have higher job satisfaction and be less likely to leave.

3.5.8 Coetsee (2005)

Coetsee (2005:207) states that Organisational Climate is represented by how employees collectively perceive and feel about factors such as: decision-making, communication, motivating environment, clarity of goals in an organisation, the interest in employee wellbeing, co-ordination, effective change management and labour and grievance procedure.

According to Coetsee (2005:207), Organisational Climate consists of the following elements or sub-factors:

≈ **Decision-making.** Decision-making refers to the way in which employees perceive themselves as being involved in decision that affects them or if they can make a contribution.

- ≈ **Communication effectiveness.** Communication effectiveness is represented by the quality and effectiveness of the flow of information downwards, upwards and laterally through the organisation.
- ≈ **General motivating conditions.** General motivating conditions are the extent to which a motivating climate exists such as a friendly atmosphere, the quality of human relations and the presence of factors that motivate employees to work hard and improve performance.
- ≈ **Quality of the physical work environment, equipment and resources.** Quality of the physical work environment, equipment and resources refers to the availability and quality of, and satisfaction with, the resources and equipment necessary to perform at ones peak.
- ≈ **Goal clarity.** Goal clarity is represented by the awareness that the organisation “knows where it wants to go” and the way employees are aware of these goals and the way to achieve them.
- ≈ **Interest in the well-being of employees.** An interest in the well being of employees is the extent to which the organisation is perceived to care for and have an interest in its employees as human beings.
- ≈ **Co-ordination.** Co-ordination is the meaningful planning and integration of work activities of individuals, teams, sections and divisions, and the extent to which individuals and sub-sections integrate their efforts and support one another.
- ≈ **Effectiveness of change management.** Effectiveness of change management is the extent to which employees feel and/ or understand that organisational change and growth is necessary and constructive, well planned, communicated and effectively managed.
- ≈ **Labour relations/grievance procedures.** Labour relations/ grievance procedures relate to the existence of grievance and disciplinary policies, and opportunities to express grievances, its experienced fairness, and employee satisfaction with these (Coetsee, 2005).

Climate is thus measured by the extent to which employee's expectancies regarding the organisation are realised and whether their attitudes towards the organisation is positive or negative. It is observed through measuring employee perception with regards to rewards, management, structure task, support, conflict, warmth and friendliness.

3.6 A comparison of the definitions of Organisational Climate

Table 3.3 is a representation in tabular form of the comparison of various definitions of Organisational Climate which has been discussed above.

TABLE 3.3: A COMPARISON OF THE DEFINITIONS OF ORGANISATIONAL CLIMATE

Author	Core concepts of Organisational Climate defined			
	Sources	Qualities/ attributes	Focus	Effect
Pareek 1989	Perceived/ experience by employees	A set of attributes	Deals with employees and environment	Deals with employees and environment
Govender 1999	Perceived by individuals	characteristics	Employees and environment	Interprets Attaches meaning to
Kossuth and Cilliers 2002	Psychological atmosphere	Measurable properties	Individual, interpersonal and organisational	Self-efficacy
Martins and Van der Ohe 2003	Experienced by members Perceived directly or indirectly	Values, and a set of characteristics Measurable	Internal environment	Influences behaviour and motivation
Bellingham-Timmer 2004	Created by top management	Value system	Rewards	Positive feelings
Ochitwa 2005	the same leadership style produce the same reaction	Psychological development	Leaders produce climate	Employees react to Leader behaviour
Afolabi 2005	Perception of good and bad	Enduring distinguishable	Internal environment	Belief the organisation values them
Coetsee 2005	Perceive and feel	Factors	Employees	Effectiveness

If the definitions are arranged in tabular format, it becomes clear that most writers agree that Organisational Climate refers to the perception of the conditions under which a work group or individual operates. It is a set of values, attributes or characteristics that is measurable and results from the

philosophy, policies and actions of senior groups (leader's, managers). And lastly it refers to the employees' positive or negative experiences of their work environment. For the purpose of this study, Organisational Climate will thus be defined as the collective perception and or feelings (attitudes) about the organisations shares with others in order to influence the behaviour of an organisation positively or negatively. Organisational Climate results from the philosophy, policies and actions of leaders and managers.

3.7 The sub-factors of Organisational Climate

TABLE 3.4 is a comparison of the sub-factors of Organisational Climate.

Kossuth and Cilliers (2002) Pareek (1989) and Coetsee (2005) identified decision-making as a sub-factor of Organisational Climate. Martins and Van Der Ohe (2003) and Ochitwa (2005) have identified autonomy which is the perception of self-determination with respect to work procedures, goals and priorities. For the purpose of this study autonomy can be associated with decision-making and conflict handling. Pareek (1989) also speaks of management of mistakes and conflict handling which is synonymous to decision-making. Cilliers and Kossuth (2002) identified conflict handling as a factor of Organisational Climate, which can be synonymous with decision-making.

Kossuth and Cilliers (2002a) have identified information sharing and interactive communication as factors of Organisational Climate. Govender (1999) identified communication at a personal level and Pareek (1989) also identified communication as important to Organisational Climate as it maintains good relations on achieving result. Communication effectiveness according to Coetsee (2005) refers to the quality of information and the effectiveness with which it is transmitted downwards, upwards and laterally through the organisation.

Martins and Van der Ohe (2003) mentioned support as the perception of tolerance of member's behaviour by superiors, including the willingness to let members learn by their mistakes without fear of reprisal. Bellingham-Timmer (2004) and Cilliers and Kossuth (2002) speaks of employee needs as an important factor to Organisational Climate. Coetsee (2005) speaks of general motivating condition which is the conditions or reasons (e.g. friendly atmosphere, remuneration system based on employee worth, human relations, active working hours) that encourages employees to work hard and improve their performance.

Coetsee's (2005) quality of work environment, equipment and resources refers to the quality and satisfaction with resources and equipment in performing work.

Coetsee (2005), Cilliers and Kossuth (2002): Ochitwa (2005) and Govender have all identified goals and goal clarity as an important factor of Organisational Climate because goal clarity indicates the extent to which the organisation knows where it want to go (the vision of the organisation) and the extent to which employees are aware of these goals and how the work must be carried out

Bellingham-Timmer (2004) and Kossuth and Cilliers (2002) also identify employee needs as an important factor. Cilliers and Kossuth (2002) have gone so far as to add warmth to the equation of employee needs. Coetsee (2005) has identified the interest in well-being of employees as the way the organisation cares for and has an interest in their employees as human beings.

Coetsee (2005) speaks of co-ordination as the meaningful organising of work activities and the extent to which sub-sections work and plan together to integrate their efforts. Afolabi (2005) calls it the social processes that commit employees to the organisation. Kossuth and Cilliers (2002) call it the structure of an organisation, and Pareek (1989) calls it supervision.

Effectiveness of change management, according to Coetsee (2005), gauges the way employees feel and understand that growth is a necessary and constructive, well planned, communicated and effectively manages as part of organisational development. Pareek (1989) refers to the innovation of change.

TABLE 3.4: A COMPARISON OF THE SUB-FACTORS OF ORGANISATIONAL CLIMATE

Pareek, 1989	Decision-making	Communication	Interpersonal relationships	Management of rewards	Problem management	Trust	Management of mistakes	Innovation of change	Conflict management	Risk taking	Supervision	Orientation
Govender, 1999	Priorities	Communication at a personal level		Task completion	Goal							
Cilliers, & Kossuth, . 2002	Decision-making Support	Management practice Interactive communication Tendency to leave	Policy Employee needs	Structure Identity Responsibility	Objectives Responsibility Job tension	Task specialisation Information sharing	Standard Warmth	Reward Conflict handling				
Martins, & Van der Ohe, . 2003	Autonomy	Cohesion	Fairness, Trust	Innovation	Pressure	Recognition	Support					
Bellingham-Timmer, 2004	Abilities	Perception	Needs	Role		Values						
Ochitwa, 2005	Autonomy	Communication adequacy	Morale	Resource utilisation	Goal focus	Innovativeness	Optimal power equalisation	Adaptation	Problem solving	Cohesiveness		
Afolabi, 2005	Management practices	Leadership styles	Norms or culture	Equity		Social process						
Coetsee, 2005	Decision-making	Communication effectiveness	General motivating conditions	Quality of the physical work environment, equipment and resources	Goal clarity	Interest in wellbeing of employees	Coordination	Effectiveness of change management	Labour relations and grievance procedure			

The last factor of Organisational Climate identified by Coetsee (2005) is labour relations and grievance procedures. This relates to the grievance and disciplinary procedure and opportunities to express grievances. Ochitwa (2005) identified problem solving as an important part of Organisational Climate and Martins and Van der Ohe (2003) call it fairness. For the purpose of this study Organisational Climate is defined as the collective way employees perceive and feel about their working conditions. The Organisational Climate influences the interaction of employees, but also creates the interaction. Lastly, the sub-factors in different definitions were compared to identify the main factors to be used in this study.

For the purpose of this study Coetsee's (2005), Organisational Diagnostic Questionnaire (ODQ) will be used. According to Coetsee (2005), organisation climate consists of nine sub-factors and the elements of Organisational Climate are the following:

- Decision-making practices
- Communication flow
- General motivating conditions
- Quality of work environment, equipment and resources
- Goal clarity
- Interest in well-being of employees
- Co-ordination
- Effective change management
- Labour relations/grievance procedures

These sub-factors will be used because they are all-encompassing and link to the measuring instrument (ODQ) to be used in the empirical study.

3.8 Conclusion

In the preceding discussion the characteristics and sub-factors of Organisational Climate with reference to various definitions in literature was explained. The dimensions that further explained the perception of an Organisational Climate were explored by way of their various sub-factors.

Organisational Climate is related to leadership and management styles of the leader, based on the values, attributes, skills, and actions, as well as the priorities of the leader. How these concepts relate will be the focus of the empirical study, which follows in Chapter 4.

CHAPTER 4

EMPIRICAL STUDY

4.1 Introduction

In this chapter the research design and the execution of the empirical part of the study will be discussed. For the purpose study the researcher was given access to the Organisational Diagnostic Questionnaire (ODQ) database that has been in existence since 1976 where the information of approximately 250 applications of the ODQ on a number of different organisations in Southern Africa is stored. For this study only information from the year 2002 to 2005 was used and only seven types of organisations were selected.

The objective of this chapter is to report on the relationship between Managerial Leadership and Organisational Climate in a number of South African organisations. The general aim of this study is to the differences between Organisational Climate in different South African organisations and to determine whether Managerial Leadership is related to Organisational Climate. A quantitative study will be undertaken to reach the objectives which were set out in Chapter 1. The obtained results will then be related to literature findings.

4.2 Participants

Employees in different organisations ($N = 9248$) were included in the empirical study. Table 4.1 summarises the biographical information of the employees. The percentages of employees in each of the different groups

(pertaining to year in which the study was done and company type,) are given. The characteristics of the participants are reported in Table 4.1

TABLE 4.1: CHARACTERISTICS OF THE PARTICIPANTS

Year	Percentage	Company	Percentage	Gender	Percentage
2000	8,75	Banking	1,65	Male	76,23
2001	5,74	Mining	40,12	Female	23,77
2002	58,81	Petroleum	21,35		
2003	15,52	Publisher	1,36		
2004	10,91	Service	0,83		
2005	0,27	Textile	5,74		
		Transport	28,76		
		Academic	0,18		
TOTAL	100,00		100,00		100,00

The data was collected over a five-year period (2000–2005). The highest participation was in 2002. Seven types of organisations were included in this study namely: Banking, Mining, Petroleum, Publishing, Service, Textile and Transport. The characteristics of the sample showed that the most employees were from the mining sector. Of the overall participants, most were male. Table 4.2 summarises the work-related characteristics of the employees.

TABLE 4.2: WORK-RELATED CHARACTERISTICS OF THE PARTICIPANTS

Highest qualification	Percentage	Employment	Percentage	Number of job changes	Percentage
B. Degree	10,08	Fixed term	4,33	1	19,64
Honours	3,31	Permanent	95,67	2	12,53
Master's or Doctorate	3,66			3	7,80
Grade 12	40,06			4	2,27
Other	20,32			5+	2,24
Grade 10	22,57			None	55,52
TOTAL	100,00		100,00		100,00

Table 4.2 indicates the following: The majority of the employees who participated had Matric as their highest qualification, while most of the employees were employed permanently. More than half of the participants have not changes jobs in the last 10 years.

4.3 Measuring instrument

An organisational diagnosis is valuable as most organisations have information regarding profit, turnover, production, and sales, but seldom have information regarding commitment, perception and attitudes of employees (Coetsee, 2002).

The Organisational Diagnosis Questionnaire (ODQ) that was used in this study was originally designed to make an organisational diagnosis. The main purpose of the ODQ is to determine problems within an organisation. This includes information about Organisational Climate and Managerial Leadership (two of the six factors measured by the ODQ) on which this study will focus. The ODQ is a well-known South-African measuring instrument and is available in two forms: The first is a standardised questionnaire for literate people and the second is a related version that focuses on groups of illiterate people, and with the help of facilitators and translators their answers are recorded.

4.4 Validity of the ODQ

The Nadler and Tushman (1989) model is an accepted model of organisational behaviour (Coetsee, 2002) and the Organisational Diagnosis Questionnaire is based on this model.

4.5 Reliability of the ODQ

The ODQ is a reliable measure of organisational functioning and effectiveness. Reliability refers to the generalisation of the numbers obtained at the measuring opportunity (Baron, 2001). Cronbach alpha coefficients (α) were used to test the reliability of the Organisational Development questionnaire and its six main factors, under which Managerial Leadership and Organisational Climate falls. This index indicates the measure to which all the items of a factor in the questionnaire test the same characteristics (Huysamen, 1993; Yu, 2002).

The ODQ's reliability is mainly set in the factor analysis procedure with which it was designed, as well as the organisational behaviour models on which it was based (Coetsee, 2002). The ODQ validity is calculated according to the Kuder-Richardson-20 and summarises as:

TABLE 4.3: RELIABILITY OF THE ODQ SCALES

Factor /Dimension	KR-20
Organisational Climate	
Decision-making practices	0,78
Communication flow	0,74
Motivating conditions	0,70
Quality of work environment	0,85
Goal clarity	0,78
Interest in wellbeing of employees	0,83
Co-ordination	0,77
Effective change management	0,89
Labour relations	0,79
Managerial Leadership	
Production orientation	0,81
People orientation	0,85
Team-building	0,82
Mentoring	0,89
Effectiveness	0,88

According to Nunnally and Bernstein (1994), an alpha coefficient of 0,70 can be regarded as acceptable for research purposes. Table 4.3 shows that the alpha coefficients of all the scales used in this study were higher than 0,70. Therefore, the reliabilities of the scales are sufficient for the purposes of this study. The highest Cronbach alpha coefficient for the Organisational Climate sub-factors was effective change management with 0,89 and the lowest was motivating conditions with 0,70. The highest Cronbach alpha coefficient for sub-factors of Managerial Leadership was mentoring with 0,89 and the lowest was production orientation with 0,81.

4.6 Data analysis

The data analysis was carried out with the help of the SAS-programme. The following procedure was performed to check the construct validity of the questionnaire. Cronbach alpha coefficients and inter-item correlation coefficients were used to assess the internal consistency of the measuring instrument (Clark & Watson, 1995). According to Clark and Watson (1995), the mean inter item correlation coefficient (which is a straight forward measure of internal consistency) is a useful index to supplement information supplied by coefficient alpha.

Descriptive statistics were used to analyse the data. Effect sizes were used to decide on the significance of the findings. Pearson product-moment correlation coefficients were used to specify the relationships between the variables. A cut-off point of 0,30 (medium effect) was set for the practical significance of correlation coefficients.

Canonical correlation was used to determine the relationships between the dimensions of burnout, personality traits and coping strategies. The goal of canonical correlation is to analyse the relationship between two

sets of variables (Tabachnick & Fidell, 2001). Canonical correlation is considered a descriptive technique rather than a hypothesis-testing procedure.

Multiple regression analyses were conducted to determine the proportion of variance in the dependent variable (Organisational Climate or the dimensions thereof) that is predicted by the independent variables (Managerial Leadership style and practices). Cross-validation was implemented in this study following two steps. In step 1 multiple regression analyses were carried out in half of the sample using Managerial Leadership dimensions as independent variables and Organisational Climate and/or dimensions thereof as dependent variables. Statistically significant predictors of Organisational Climate were identified. In step 2 multiple regression analyses were carried out with the statistically significant predictors of Organisational Climate in Step 1 to predict the Organisational Climate of the other half of the sample. The R^2 (percentage of variance explained) in the two steps were compared to assess whether the statistically significant predictors in step 1 were valid predictors of Organisational Climate. If no (or a small) differences in R^2 were found between the two steps, it was accepted that the statistically significant predictors of Organisational Climate (or the dimensions thereof) in step 1 were indeed valid.

4.7 The Organisational Climate and Managerial Leadership for the total sample

The descriptive statistics of the ODQ are reported in Table 4.4

TABLE 4.4: DESCRIPTIVE STATISTICS OF THE ODQ

ORGANISATIONAL CLIMATE				
Item	Mean	SD	Min	Max
Decision-making practices	3,08	1,01	1	6
Communication flow	3,03	0,95	1	6
Motivating conditions	3,12	0,93	1	6
Quality of work environment	3,39	0,94	1	6
Goal clarity	3,44	0,80	1	6
Interest in wellbeing of employees	3,06	1,02	1	6
Co-ordination	3,14	1,00	1	6
Effective change management	3,29	0,87	1	6
Labour relations	3,32	0,96	1	6
TOTAL	3,23	0,77	1	6
MANAGERIAL LEADERSHIP				
Item	Mean	SD	Min	Max
Production orientation	3,99	0,71	1	6
People orientation	3,57	0,96	1	6
Team-building	3,56	1,00	1	6
Mentoring	3,57	0,91	1	6
Effectiveness	3,69	0,89	1	6
TOTAL	3,67	0,78	1	6

The mean scores for Organisational Climate show that Goal Clarity, Labour Relations and Quality of Work Environment were the highest in the total sample. The mean scores for Communication Flow, Interest in Well-being of employees and Decision-making practices were the lowest in the total sample. Regarding Managerial Leadership in the total sample, Production Orientation and Effectiveness attained the highest mean scores.

The descriptive statistics of Organisational Climate per organisation type are reported in Table 4.5. Furthermore, the result of t tests which were used to determine the difference between Organisational Climate in different organisations is reported in Tables 4.6 to 4.14. The results in Table 4.6 to 4.14 reflect the practical significance of differences (effect sizes) between the Organisational Climates in different organisations. When interpreting these

results it should be taken into account that the following formula was used in calculating the effect sizes:

$$d = \text{Mean}_A - \text{Mean}_B / \text{largest } SD$$

where

A = one organisation

B = other organisation

Largest *SD* = Largest standard deviation of the two groups

Differences in means will be categorised as large, medium or visibly practically significant differences. Ellis and Steyn (2003:51) stated that by using the standardised difference between means for the given populations – the effect size between means – researchers can observe whether the effect is practically significant. Cohen (as quoted by Steyn, 1999:3) represents the effect size for the difference between means by a *d* value with the following guidelines for its interpretation:

* $d = > 0,50$ medium effect, which indicates an effect that is visible to the observant researcher.

** $d = > 0,80$ large effect which indicates the difference is practically significant

In this study only practically significant results will be discussed. Values higher than $d = 0,50$ (medium effect) will be regarded as practically significant for the purposes of this study. The results in Table 4.5 should be used to understand the direction of the obtained differences in the Organisational Climate of different organisations.

TABLE 4.5: DESCRIPTIVE STATISTICS FOR ORGANISATIONAL CLIMATE PER ORGANISATION TYPE

	Banking		Mining		Petroleum		Publishing		Services		Textile		Transport	
	Mean	SD	Mean	SD	Mean	SD	Mean	SD	Mean	SD	Mean	SD	Mean	SD
Decision-making practices	3,33	1,14	3,18	1,00	3,21	0,94	3,17	0,98	3,10	1,16	3,33	0,87	2,80	1,06
Communication flow	3,22	1,00	3,15	0,92	3,15	0,88	3,02	0,9	2,80	1,13	3,24	0,82	2,76	0,99
General motivation conditions	3,56	1,01	3,26	0,89	3,25	0,86	3,23	0,82	2,98	0,94	3,41	0,78	2,77	0,98
Quality of work environment, equipment and resources	3,93	0,81	3,47	0,92	3,60	0,86	3,38	0,86	3,08	0,90	3,44	0,86	3,12	0,98
Goal clarity	3,88	0,72	3,51	0,75	3,60	0,73	3,45	0,74	3,17	0,93	3,68	0,64	3,18	0,90
Interest in well being of employees	3,03	1,30	3,15	1,00	3,16	0,98	3,08	1,03	2,75	1,10	3,20	0,94	2,86	1,06
Co-ordination	3,41	1,12	3,22	0,97	3,26	0,88	3,15	1,07	2,87	1,11	3,33	0,90	2,91	1,08
Effectiveness of change management	3,85	0,83	3,42	0,82	3,38	0,81	3,46	0,76	3,14	0,89	3,57	0,70	2,96	0,95
Labour relations / grievance procedure	3,13	1,23	3,37	0,95	3,42	0,90	3,33	0,93	2,93	1,01	3,50	0,91	3,19	1,01

The effect sizes for differences between organisations with regards to decision-making practices are reported in Table 4.6.

TABLE 4.6: EFFECT SIZES FOR DIFFERENCES BETWEEN ORGANISATIONS WITH REGARDS TO DECISION-MAKING PRACTICES

	Banking	Mining	Petroleum	Publishing	Services	Textile
Banking	-	-	-	-	-	-
Mining	0,14	-	-	-	-	-
Petroleum	0,11	0,03	-	-	-	-
Publishing	0,15	0,01	0,04	-	-	-
Services	0,21	0,07	0,10	0,06	-	-
Textile	0,00	0,16	0,13	0,17	0,20	-
Transport	0,47*	0,36	0,39	0,35	0,26	0,50*

* $d > 0,50$ – Practically significant (medium effect)

** $d > 0,80$ – Practically significant (large effect)

Banking (Mean = 3,33; $d=0,47$) and Textile (mean = 3,33; $d=0,50$), scored higher on Decision-making practices than Transport (Mean = 2,80). (Mean scores are reported in Table 4.5) The differences between Decision-making practices for the other organisations were not significant.

The effect sizes for differences between organisations regarding Communication flow are reported in Table 4.7 Mean scores are reported in Table 4.5.

TABLE 4.7: EFFECT SIZES FOR DIFFERENCES BETWEEN ORGANISATIONS REGARDING COMMUNICATION FLOW

	Banking	Mining	Petroleum	Publishing	Services	Textile
Banking	-	-	-	-	-	-
Mining	0,07	-	-	-	-	-
Petroleum	0,07	0,01	-	-	-	-
Publishing	0,20	0,14	0,14	-	-	-
Services	0,37	0,31	0,31	0,19	-	-
Textile	0,02	0,09	0,10	0,23	0,39	-
Transport	0,16	0,40	0,39	0,27	0,04	0,49*

* $d > 0,50$ – Practically significant (medium effect)

** $d > 0,80$ – Practically significant (large effect)

Textile (Mean = 3,24; $d=0,49$) has a *practically significant* higher score on Communication flow than Transport (Mean = 2,76). The differences

between Communication flows for the other organisations were not significant.

The effect sizes for differences between organisations regarding General motivating conditions are reported in Table 4.8. Mean scores are reported in Table 4.5

TABLE 4.8 EFFECT SIZES FOR DIFFERENCES BETWEEN ORGANISATIONS WITH REGARDS TO GENERAL MOTIVATIONAL CONDITIONS

	Banking	Mining	Petroleum	Publishing	Services	Textile
Banking	-	-	-	-	-	-
Mining	0,29	-	-	-	-	-
Petroleum	0,30	0,01	-	-	-	-
Publishing	0,32	0,03	0,03	-	-	-
Services	0,58*	0,30	0,29	0,27	-	-
Textile	0,14	0,17	0,19	0,22	0,47*	-
Transport	0,78**	0,50*	0,49*	0,47*	0,21	0,66*

* $d > 0,50$ – Practically significant (medium effect)

** $d > 0,80$ – Practically significant (large effect)

Banking (Mean = 3,56; $d=0,78$), Mining (Mean = 3,23; $d=0,50$), Petroleum (Mean = 3,25; $d=0,49$), Publishing (Mean = 3,23; $d=0,47$) and Textile (Mean= 3,41; $d=0,66$) has visibly higher score for Motivational conditions than Transport (Mean = 2,77) respectively. A visible *practical significance* can also be observed between the following organisations: Banking and Services (Mean = 3,5; $d=0,58$) and Services and Textile (Mean = 2,98; $d=0,47$) respectively. Almost all the organisations have *practically* higher Motivational conditions than Transport.

The effect sizes for differences between organisations regarding Quality of Work environment, Equipment and Resources are reported in Table 4.9. Mean scores are reported in Table 4.5.

TABLE 4.9: EFFECT SIZES FOR DIFFERENCES BETWEEN ORGANISATIONS WITH REGARDS TO QUALITY OF WORK ENVIRONMENT, EQUIPMENT AND RESOURCES

	Banking	Mining	Petroleum	Publishing	Services	Textile
Banking	-	-	-	-	-	-
Mining	0,50*	-	-	-	-	-
Petroleum	0,38	0,15	-	-	-	-
Publishing	0,64*	0,09	0,26	-	-	-
Services	0,95**	0,42	0,59*	0,34	-	-
Textile	0,57*	0,03	0,19	0,07	0,41*	-
Transport	0,82**	0,35	0,49*	0,27	0,05	0,33

* $d > 0,50$ – Practically significant (medium effect)

** $d > 0,80$ – Practically significant (large effect)

Banking (Mean = 3,93) has visibly to *practically significantly* higher Quality of work environment, equipment and resources than Mining (Mean = 3,47; $d=0,50$), Publishing (Mean = 3,38; $d=0,64$), Services (mean = 3,08; $d=0,95$), Textile (Mean = 3,44; $d=0,57$) and Transport (Mean = 3,12; $d=0,82$) respectively. A medium practical effect can be seen between Petroleum Services (Mean = 3,60; $d=0,59$) and Transport (Mean = 3,12; $d=0,49$) respectively and Service and Textile (mean = 3,08; $d=0,41$).

The effect sizes for differences between organisations regarding Goal clarity are reported in Table 4.10. Mean scores are reported Table 4.5

TABLE 4.10: EFFECT SIZES FOR DIFFERENCES BETWEEN ORGANISATIONS WITH REGARDS TO GOAL CLARITY

	Banking	Mining	Petroleum	Publishing	Services	Textile
Banking	-	-	-	-	-	-
Mining	0,49*	-	-	-	-	-
Petroleum	0,38	0,12	-	-	-	-
Publishing	0,58*	0,08	0,21	-	-	-
Services	0,76*	0,36	0,46*	0,29	-	-
Textile	0,28	0,22	0,10	0,31	0,54*	-
Transport	0,77*	0,36	0,46*	0,29	0,01	0,55*

* $d > 0,50$ – Practically significant (medium effect)

** $d > 0,80$ – Practically significant (large effect)

Banking (Mean = 3.88) has visibly to *practically significantly* higher Goal clarity than, Mining (Mean = 3,51; $d=0,49$), Publishing (Mean = 3,45; $d=0,58$), Services (Mean = 3,17; $d=0,76$) and Transport (Mean = 3,18; $d=0,77$) respectively. A visible *practical significance* can be observed between the following organisations: Petroleum and Services, (Mean = 3,60; $d=0,46$) and Petroleum and Transport (Mean = 3,18; $d=0,46$) respectively; and Services and Textiles (Mean = 3,17; $d=0,54$) and Transport and Textile (Mean = 3,18; $d=0,55$) respectively.

The effect sizes for differences between organisations regarding interest in well being of employees are reported in Table 4.11. Mean scores are reported Table 4.5

TABLE 4.11: EFFECT SIZES FOR DIFFERENCES BETWEEN ORGANISATIONS WITH REGARDS TO INTEREST IN WELLBEING OF EMPLOYEES

	Banking	Mining	Petroleum	Publishing	Services	Textile
Banking	-	-	-	-	-	-
Mining	0,09	-	-	-	-	-
Petroleum	0,10	0,00	-	-	-	-
Publishing	0,03	0,07	0,08	-	-	-
Services	0,22	0,37	0,38	0,30	-	-
Textile	0,13	0,05	0,04	0,12	0,41*	-
Transport	0,13	0,27	0,28	0,20	0,11	0,32

* $d > 0,50$ – Practically significant (medium effect)

** $d > 0,80$ – Practically significant (large effect)

Service (Mean = 3,20; $d=0,41$) has visibly higher Interest in the well being of employees than Textile (Mean = 2,75). There were no practically significant differences with regards to the Interest and well being in the other organisations.

The effect sizes for differences between organisations regarding co-ordination are reported in Table 4.12. Mean scores are reported Table 4.5.

TABLE 4.12: EFFECT SIZES FOR DIFFERENCES BETWEEN ORGANISATIONS WITH REGARDS TO CO-ORDINATION

	Banking	Mining	Petroleum	Publishing	Services	Textile
Banking	-	-	-	-	-	-
Mining	0,16	-	-	-	-	-
Petroleum	0,13	0,04	-	-	-	-
Publishing	0,22	0,06	0,10	-	-	-
Services	0,47*	0,32	0,35	0,25	-	-
Textile	0,07	0,11	0,07	0,16	0,41*	-
Transport	0,44*	0,29	0,33	0,23	0,03	0,39

* $d > 0,50$ – Practically significant (medium effect)

** $d > 0,80$ – Practically significant (large effect)

Services (Mean= 2,87; $d=0,47$) and Transport (Mean = 2,91; $d=0,44$) is practically significant to Banking (Mean = 3,41). A visible *practical significance* can be observed between Services and Textile (Mean = 2,87; $d=0,41$). The differences between Co-ordinations for the other organisations were not significant.

The effect sizes for differences between organisations regarding effectiveness of change management are reported in Table 4.13. Mean scores are reported Table 4.5

TABLE 4.13: EFFECT SIZES FOR DIFFERENCES BETWEEN ORGANISATIONS WITH REGARDS TO EFFECTIVENESS OF CHANGE MANAGEMENT

	Banking	Mining	Petroleum	Publishing	Services	Textile
Banking	-	-	-	-	-	-
Mining	0,51*	-	-	-	-	-
Petroleum	0,56*	0,05	-	-	-	-
Publishing	0,48*	0,04	0,09	-	-	-
Services	0,80**	0,32	0,28	0,36	-	-
Textile	0,34	0,18	0,23	0,15	0,48*	-
Transport	0,05	0,49*	0,45*	0,52*	0,19	0,64*

* $d > 0,50$ – Practically significant (medium effect)

** $d > 0,80$ – Practically significant (large effect)

Banking (Mean = 3,85) has visibly higher Effectiveness of Change management than, Mining (Mean = 3,42; $d=0,51$), Petroleum (Mean = 3,38; $d=0,56$), Publishing (Mean = 3,46; $d=0,48$) and Services (mean = 3,14; $d=0,80$). A visible *practical significance* can also be observed between: Mining (Mean = 3,42; $d=0,49$), Petroleum (Mean = 3,38; $d=0,45$), Publishing (Mean = 3,46; $d=0,52$), Textile (Mean = 3,57; $d= 0,64$) and Transport respectively. A visible *significance* can also be seen between Service and Textiles (Mean = 3,14; $d=0, 48$).

The effect sizes for differences between organisations regarding Labour relations/grievance procedure are reported in Table 4.14. Mean scores are reported Table 4.5.

TABLE 4.14: EFFECT SIZES FOR DIFFERENCES BETWEEN ORGANISATIONS WITH REGARDS TO LABOUR RELATIONS / GRIEVANCE PROCEDURE

	Banking	Mining	Petroleum	Publishing	Services	Textile
Banking	-	-	-	-	-	-
Mining	0,20	-	-	-	-	-
Petroleum	0,23	0,05	-	-	-	-
Publishing	0,16	0,05	0,10	-	-	-
Services	0,16	0,44*	0,49*	0,40	-	-
Textile	0,30	0,13	0,09	0,18	0,57*	-
Transport	0,05	0,18	0,23	0,14	0,26	0,30

* $d > 0,50$ – Practically significant (medium effect)

** $d > 0,80$ – Practically significant (large effect)

A visible *practical significance* can also be observed between, Mining (Mean = 3,37; $d=0,44$) Petroleum and Services (Mean = 3,21; $d=0,49$) and Services (Mean = 2,93; $d=0,57$) and Textile respectively.

Table 4.15 indicates the descriptive statistics (mean and standard deviations) of Managerial Leadership for the different organisations.

TABLE 4.15: DESCRIPTIVE STATISTICS FOR MANAGERIAL LEADERSHIP PER ORGANISATION

	Banking		Mining		Petroleum		Publishing		Services		Textile		Transport	
	Mean	SD	Mean	SD	Mean	SD	Mean	SD	Mean	SD	Mean	SD	Mean	SD
Managerial procedure orientation	4,15	0,87	4,00	0,68	4,11	0,67	3,91	0,71	3,83	0,89	4,10	0,63	3,89	0,78
Managerial people orientation	3,56	1,12	3,59	0,93	3,68	0,94	3,57	0,93	3,27	1,13	3,81	0,88	3,46	1,00
Managerial team-building	3,78	1,11	3,62	0,95	3,66	0,97	3,52	0,96	3,31	1,20	3,74	0,90	3,37	1,07
Managerial work facilitation (mentoring)	3,73	1,01	3,59	0,87	3,71	0,87	3,64	0,88	3,45	0,93	3,77	0,81	3,42	0,99
Managerial effectiveness	3,84	0,98	3,71	0,85	3,81	0,87	3,72	0,83	3,43	0,95	3,88	0,76	3,55	0,96

The effect sizes for differences between organisations with regards to Manager procedure orientation are reported in Table 4.16. Mean scores are reported Table 4.15

TABLE 4.16: EFFECT SIZES FOR DIFFERENCES BETWEEN ORGANISATIONS WITH REGARDS TO MANAGERIAL PROCEDURE ORIENTATION

	Banking	Mining	Petroleum	Publishing	Services	Textile
Banking	-	-	-	-	-	-
Mining	0,18	-	-	-	-	-
Petroleum	0,06	0,16	-	-	-	-
Publishing	0,28	0,12	0,27	-	-	-
Services	0,37	0,19	0,31	0,10	-	-
Textile	0,06	0,16	0,00	0,27	0,31	-
Transport	0,30	0,14	0,28	0,03	0,07	0,28

* $d > 0,50$ – Practically significant (medium effect)

** $d > 0,80$ – Practically significant (large effect)

There were no practically significant differences in the organisations with regards to Managerial procedure orientation.

The effect sizes for differences between organisations with regards to Manager People orientation are reported in Table 4.17. Mean scores are reported Table 4.15

TABLE 4.17: EFFECT SIZES FOR DIFFERENCES BETWEEN ORGANISATIONS WITH REGARDS TO MANAGERIAL PEOPLE ORIENTATION

	Banking	Mining	Petroleum	Publishing	Services	Textile
Banking	-	-	-	-	-	-
Mining	0,02	-	-	-	-	-
Petroleum	0,11	0,10	-	-	-	-
Publishing	0,01	0,02	0,12	-	-	-
Services	0,26	0,28	0,37	0,26	-	-
Textile	0,22	0,24	0,13	0,26	0,48*	-
Transport	0,09	0,12	0,22	0,10	0,17	0,34

* $d > 0,50$ – Practically significant (medium effect)

** $d > 0,80$ – Practically significant (large effect)

Textile 3, 81) has visibly higher Managerial People orientation, than Services (Mean= 3,27; $d=0,48$). The other organisations are not practically significant regarding Manager people orientation.

The effect sizes for differences between organisations with regards to Manager team-building are reported in Table 4.18. Mean scores are reported Table 4.15

TABLE 4.18: EFFECT SIZES FOR DIFFERENCES BETWEEN ORGANISATIONS WITH REGARDS TO MANAGERIAL TEAM-BUILDING

	Banking	Mining	Petroleum	Publishing	Services	Textile
Banking	-	-	-	-	-	-
Mining	0,15	-	-	-	-	-
Petroleum	0,11	0,04	-	-	-	-
Publishing	0,23	0,10	0,14	-	-	-
Services	0,39	0,26	0,29	0,17	-	-
Textile	0,04	0,13	0,08	0,23	0,36	-
Transport	0,37	0,23	0,27	0,14	0,05	0,34

* $d > 0,50$ – Practically significant (medium effect)

** $d > 0,80$ – Practically significant (large effect)

The organisations are not practically significant regarding Manager team-building.

The effect sizes for differences between organisations with regards to Manager work facilitation are reported in Table 4.19. Mean scores are reported in Table 4.15.

TABLE 4.19: EFFECT SIZES FOR DIFFERENCES BETWEEN ORGANISATIONS WITH REGARDS TO MANAGERIAL WORK FACILITATION (MENTORING)

	Banking	Mining	Petroleum	Publishing	Services	Textile
Banking	-	-	-	-	-	-
Mining	0,14	-	-	-	-	-
Petroleum	0,02	0,14	-	-	-	-
Publishing	0,09	0,06	0,07	-	-	-
Services	0,27	0,14	0,27	0,20	-	-
Textile	0,04	0,22	0,08	0,15	0,35	-
Transport	0,30	0,16	0,29	0,22	0,03	0,36

* $d > 0,50$ – Practically significant (medium effect)

** $d > 0,80$ – Practically significant (large effect)

The organisations are not practically significantly different regarding Manager work facilitation (mentoring).

The effect sizes for differences between organisations regarding Manager effectiveness are reported in Table 4.20. Mean scores are reported Table 4.15

TABLE 4.20: EFFECT SIZES FOR DIFFERENCES BETWEEN ORGANISATIONS WITH REGARDS TO MANAGERIAL EFFECTIVENESS

	Banking	Mining	Petroleum	Publishing	Services	Textile
Banking	-	-	-	-	-	-
Mining	0,14	-	-	-	-	-
Petroleum	0,03	0,12	-	-	-	-
Publishing	0,13	0,01	0,11	-	-	-
Services	0,42	0,29	0,39	0,30	-	-
Textile	0,04	0,20	0,08	0,20	0,47*	-
Transport	0,30	0,16	0,27	0,17	0,12	0,34

* $d > 0,50$ – Practically significant (medium effect)

** $d > 0,80$ – Practically significant (large effect)

Textile (= 3,88) has visibly higher Manager effectiveness than Services (= 3,43; $d=0,47$). The other organisations are not practically significant regarding Manager effectiveness.

Table 4.21 indicates the descriptive statistics (mean and standard deviations) of Managerial Leadership for style and behaviour elements.

TABLE 4.21: CATEGORISATION OF MANAGERIAL LEADERSHIP IN STYLES AND BEHAVIOUR ELEMENTS

	Banking		Mining		Petroleum		Publishing		Services		Textile		Transport	
	Mean	SD	Mean	SD	Mean	SD	Mean	SD	Mean	SD	Mean	SD	Mean	SD
Styles	7,71	1,69	7,58	1,36	7,78	1,38	7,48	1,36	7,10	1,73	7,91	1,20	7,35	1,52
Behaviour	7,52	2,02	7,21	1,70	7,37	1,74	7,18	1,71	6,77	1,91	7,51	1,59	6,80	1,95

Table 4.22 indicates the descriptive statistics (mean and standard deviations) of Managerial Leadership for people and workelements.

TABLE 4.22: CATEGORISATION OF MANAGERIAL LEADERSHIP IN PEOPLE AND WORK ELEMENTS

	Banking		Mining		Petroleum		Publishing		Services		Textile		Transport	
	Mean	SD	Mean	SD	Mean	SD	Mean	SD	Mean	SD	Mean	SD	Mean	SD
People	7,88	1,74	7,58	1,36	7,81	1,37	7,55	1,46	7,28	1,59	7,88	1,23	7,31	1,57
Work	7,35	2,13	7,21	1,76	7,34	1,79	7,11	1,73	6,58	2,15	7,55	1,66	6,83	1,97

4.8 CATEGORISATION OF MANAGERIAL LEADERSHIP IN STYLES AND BEHAVIOUR ELEMENTS

The effect sizes for differences between organisations with regards to styles are reported in Table 4.23. Mean scores are reported Table 4.21

TABLE 4.23: EFFECT SIZES FOR DIFFERENCES BETWEEN ORGANISATIONS WITH REGARDS TO STYLES

	Banking	Mining	Petroleum	Publishing	Services	Textile
Banking	-	-	-	-	-	-
Mining	0,08	-	-	-	-	-
Petroleum	0,04	0,15	-	-	-	-
Publishing	0,14	0,08	0,22	-	-	-
Services	0,36	0,28	0,40	0,22	-	-
Textile	0,12	0,24	0,09	0,32	0,47*	-
Transport	0,21	0,15	0,28	0,08	0,15	0,37

* $d > 0,50$ – Practically significant (medium effect)

** $d > 0,80$ – Practically significant (large effect)

Petroleum (Mean = 7,78) has visibly higher ($d = 0,47$) Styles, than Services with a mean of 7,10. The other organisations were not practically significant regarding style.

The effect sizes for differences between organisations with regards to behaviour are reported in Table 4.23. Mean scores are reported in Table 4.21

TABLE 4.24: EFFECT SIZES FOR DIFFERENCES BETWEEN ORGANISATIONS WITH REGARDS TO BEHAVIOUR

	Banking	Mining	Petroleum	Publishing	Services	Textile
Banking	-	-	-	-	-	-
Mining	0,15	-	-	-	-	-
Petroleum	0,08	0,09	-	-	-	-
Publishing	0,17	0,01	0,11	-	-	-
Services	0,37	0,23	0,31	0,22	-	-
Textile	0,00	0,18	0,09	0,19	0,39	-
Transport	0,36	0,21	0,29	0,20	0,02	0,37

* $d > 0,50$ – Practically significant (medium effect)

** $d > 0,80$ – Practically significant (large effect)

Banking (Mean = 7,52) and Textile (Mean = 7,51) respectively have visibly higher Behaviour than Transport with means of 6,80. The other organisations are not practically significant regarding Behaviour.

4.9 CATEGORISATION OF MANAGERIAL LEADERSHIP IN PEOPLE AND WORK ELEMENTS

Table 4.21 indicates the descriptive statistics (mean and standard deviations) of the Organisational Climate in terms of people and work for different organisations.

The effect sizes for differences between organisations with regards to people are reported in Table 4.25. Mean scores are reported Table 4.22

TABLE 4.25: EFFECT SIZES FOR DIFFERENCES BETWEEN ORGANISATIONS WITH REGARDS TO PEOPLE

	Banking	Mining	Petroleum	Publishing	Services	Textile
Banking	-	-	-	-	-	-
Mining	0,17	-	-	-	-	-
Petroleum	0,04	0,17	-	-	-	-
Publishing	0,19	0,02	0,18	-	-	-
Services	0,35	0,19	0,34	0,17	-	-
Textile	0,00	0,22	0,05	0,22	0,38	-
Transport	0,33	0,17	0,32	0,15	0,02	0,36

* $d > 0,50$ – Practically significant (medium effect)

** $d > 0,80$ – Practically significant (large effect)

Banking and Textile with means 7,88 respectively have visibly higher People component than Services (Mean = 7,28). The other organisations are not practically significant regarding people.

The effect sizes for differences between organisations with regards to work are reported in Table 4.26. Mean scores are reported Table 4.22

TABLE 4.26: EFFECT SIZES FOR DIFFERENCES BETWEEN ORGANISATIONS WITH REGARDS TO WORK

	Banking	Mining	Petroleum	Publishing	Services	Textile
Banking	-	-	-	-	-	-
Mining	0,07	-	-	-	-	-
Petroleum	0,00	0,08	-	-	-	-
Publishing	0,11	0,06	0,13	-	-	-
Services	0,36	0,29	0,35	0,24	-	-
Textile	0,09	0,19	0,11	0,25	0,45*	-
Transport	0,24	0,19	0,26	0,14	0,12	0,36

* $d > 0,50$ – Practically significant (medium effect)

** $d > 0,80$ – Practically significant (large effect)

Textile (Mean = 7,55) has visibly higher ($d = 0,45$) Work component than Services with mean of 6,58. The other organisations are not practically significant regarding Work.

4.10 Relationship between the set of Organisational Climate and Managerial Leadership sub-factors

Canonical correlation was performed between a set of Organisational Climate traits and Managerial Leadership traits using PROC CANCORR of SAS. Shown in the tables are correlations between the variables and their first canonical variates, as well as between the other sets first variables and standardised canonical variate coefficients, within set variance accounted for by the canonical variates (percent of variance), redundancies and canonical correlations.

The results of the canonical analysis of Organisational Climate variables and Managerial Leadership variables are shown in Table 4.27.

TABLE 4.27: RESULTS OF THE CANONICAL ANALYSIS: ORGANISATIONAL CLIMATE AND MANAGERIAL LEADERSHIP

	First canonical variate of Organisational Climate		Second canonical variate of Organisational Climate	
	Correlation	Coefficient	Correlation	Coefficient
ORGANISATIONAL CLIMATE				
Decision making practices	0,85	0,29	0,50	0,43
Communication flow	0,86	0,35	0,51	0,20
General motivation conditions	0,81	0,10	0,48	0,07
Quality of work environment, equipment and resources	0,69	0,19	0,41	0,12
Goal clarity	0,82	0,23	0,49	0,58
Interest in well-being of employees	0,76	0,03	0,45	1,00
Co-ordination	0,71	0,09	0,42	0,27
Effectiveness of change management	0,79	0,10	0,47	0,84
Labour relations / grievance procedure	0,77	0,20	0,46	0,52
Percent of variance	62,60			
Redundancy	0,22			
MANAGERIAL LEADERSHIP				
Managerial production orientation	0,58	0,00	0,34	0,51
Managerial people orientation	0,83	0,04	0,49	1,43
Managerial team building	0,90	0,30	0,53	0,03
Managerial work facilitation (mentoring)	0,95	0,47	0,56	0,59
Managerial effectiveness	0,91	0,25	0,54	0,39
Percent of variance	75,00			
Redundancy	0,27			
Canonical correlation	0,60			

The first canonical correlation between Organisational Climate sub-factors and Managerial Leadership sub-factors was 0,60 (36% overlapping variance) indicating a practically important relationship between

Organisational Climate and Managerial Leadership; the second was 0,16 (2,7% overlapping variance) indicating that this relationship is not important in practice. The other three canonical correlations were 0,11, and 0,04 and 0,03. With all five canonical correlations included, $F(45,41) = 102,70$, $p < 0,0001$, and with the first canonical correlation removed, $F(32,33) = 12,33$, $p < 0,0001$. Two subsequent F tests were also statistically significant ($p < 0,05$). However the correlations were not practically important. The first pair of canonical variates, therefore, accounted for a practically significant relationship between Organisational Climate and Managerial Leadership. Data on the first pair of canonical variates appears in Table 4.27. Total percentage of variance explained (62,0%) and total redundancy (22,3%) indicate a practically significant relationship between the first pair of canonical variates. Steyn (2006) indicates that the redundancy is the best measure of practical significance between two sets of variables and can be interpreted with the same guidelines as percentage variances explained, The guideline given for interpretation of percentage variance explained is: 1% Small, 10% Medium, 25% Large (Steyn, 2006).

All sub-factors of Organisational Climate and Managerial Leadership correlate practically significantly with correlations larger than 0,30 with their own canonical variates (see Table 4.27). Correlations ($>0,30$) between all Organisational Climate sub-factors and the canonical variate of Managerial Leadership as well as between all Managerial Leadership sub-factors and the canonical variate of Organisational Climate were also found (see Table 4.27). This is further evidence of the practically significant relationship between Organisational Climate and Managerial Leadership.

To investigate this relationship further a multiple regression analysis were done where Managerial Leadership's sub-factors were used to predict the

sub-factors of Organisational Climate: To validate the relationship, the data set was randomly divided in a test and validation data set and the regression results of the test data set were used to predict the Organisational Climate sub-factors in the validation data set. The R² of the test and validation sets are reported as evidence of the fit of the data. The percentage variance explained by the regression (as given by the R²) will be used as a measure of this relationship rather than the t test statistics and p values, because this is not a random sample from a population. The guidelines for interpretation of the percentage variance explained are the same previously mentioned in this paragraph.

The results of the multiple regression analysis with Organisational Climate as dependent variable and Managerial Leadership's sub-factors as independent variables are reported in Table 4.28.

TABLE 4.28: MULTIPLE REGRESSION ANALYSIS WITH ORGANISATIONAL CLIMATE AS DEPENDENT VARIABLE AND MANAGERIAL LEADERSHIP'S SUB-FACTORS AS INDEPENDENT VARIABLES

Variable	Beta	SE Beta	B	t	P
Managerial production orientation	0,01	0,01	0,01	0,97	0,33
Managerial people orientation	0,03	0,02	0,02	1,34	0,18
Managerial team-building	0,18	0,02	0,14	8,55	<0,001*
Managerial work facilitation (mentoring)	0,26	0,02	0,22	10,99	<0,001*
Managerial effectiveness	0,14	0,02	0,13	5,76	<0,001*

*p < 0,05 indicates statistical significance

Table 4.28 shows that Managerial Leadership's sub-factors explained 34% of the variance in Organisational Climate in the test sample. However the regression coefficients of only three Managerial Leadership variables were

statistically significant ($p < 0,05$). Therefore, the three variables, namely Managerial team-building ($\beta = 0,18$), Managerial work facilitation ($\beta = 0,26$) and Managerial effectiveness ($\beta = 0,14$) contributed statistically significantly to the experience of Organisational Climate in the original sample. Furthermore, when these statistically significant variables were used to predict Organisational Climate in the validation sample a total of 32% of the variance was explained. This finding confirms that three Managerial Leadership variables, namely Managerial team-building, Managerial work mentoring and Managerial effectiveness predict Organisational Climate in all the participating organisations.

Next, multiple regression analyses were carried out to investigate whether Managerial Leadership predict the dimensions (sub-factors) or Organisational Climate. The results of the multiple regression analysis with decision-making practices as dependent variable and Managerial Leadership's sub-factors as independent variables are reported in Table 4.29.

TABLE 4.29: MULTIPLE REGRESSION ANALYSIS WITH DECISION-MAKING PRACTICES AS DEPENDENT VARIABLE AND MANAGERIAL LEADERSHIP'S SUB-FACTORS AS INDEPENDENT VARIABLES

Variable	Beta	SE Beta	B	t	p
Managerial production orientation	0,04	0,01	0,02	1,01	0,31
Managerial people orientation	0,00	0,02	0,00	0,02	0,98
Managerial team-building	0,20	0,02	0,20	8,74	>0,001*
Managerial work facilitation (mentoring)	0,23	0,02	0,25	9,29	>0,001*
Managerial effectiveness	0,15	0,03	0,17	5,61	>0,001*

* $p < 0,05$ indicates statistical significance

Table 4.29 shows that Managerial Leadership's sub-factors explained 27% of the variance in Decision-making practices as sub-factor of Organisational Climate in the test sample. However the regression coefficients of only three Managerial Leadership variables were statistically significant ($p < 0,05$). Therefore, the three variables, namely Managerial team-building ($\beta = 0,20$), Managerial work facilitation ($\beta = 0,23$) and Managerial effectiveness ($\beta = 0,15$) contributed statistically significantly to the experience of Decision-making practices as sub-factor of Organisational Climate in the original sample. Furthermore, when these statistically significant variables were used to predict Decision-making practices (as a dimension of Organisational Climate) in the validation sample a total of 24% of the variance was explained. This finding confirms that three Managerial Leadership variables, namely Managerial team-building, Managerial work facilitation and Managerial effectiveness could be used to predict Decision-making practices as sub-factor of Organisational Climate in all the participating organisations.

The results of the multiple regression analysis with Communication flow as dependent variable and Managerial Leadership's sub-factors as independent variables are reported in Table 4.30.

TABLE 4.30: MULTIPLE REGRESSION ANALYSIS WITH COMMUNICATION FLOW AS DEPENDENT VARIABLE AND MANAGERIAL LEADERSHIP'S SUB-FACTORS AS INDEPENDENT VARIABLES

Variable	Beta	SE Beta	B	t	p
Managerial production orientation	0,02	0,01	0,03	1,55	0,12
Managerial people orientation	0,03	0,02	0,03	1,29	0,20
Managerial team-building	0,18	0,02	0,17	8,13	<0,001*
Managerial work facilitation (mentoring)	0,30	0,02	0,29	11,64	<0,001*
Managerial effectiveness	0,13	0,03	0,14	5,13	<0,001*

* $p < 0,05$ indicates statistical significance,

Table 4.30 shows that Managerial Leadership's sub-factors explained 27% of the variance in Communication flow (as a dimension of Organisational Climate) in the test sample. However the regression coefficients of three Managerial Leadership variables were statistically significant ($p < 0,05$). Therefore, the three variables, namely Managerial team-building ($\beta = 0,18$), Managerial mentoring ($\beta = 0,30$) and Managerial effectiveness ($\beta = 0,13$) contributed statistically significantly to the experience of Communication flow as sub-factor of Organisational Climate in the original sample. Furthermore, when these statistically significant variables were used to predict Communication flow in the validation sample a total of 26% of the variance was explained, this finding confirms that three Managerial Leadership variables, namely team-building, mentoring and effectiveness could be used to predict communication flow (as a dimension of Organisational Climate) in all the participating organisations.

The results of the multiple regression analysis with Motivating conditions as dependent variable and Managerial Leadership's sub-factors as independent variables are reported in Table 4.31.

TABLE 4.31: MULTIPLE REGRESSION ANALYSIS WITH MOTIVATING CONDITIONS AS DEPENDENT VARIABLE AND MANAGERIAL LEADERSHIP'S SUB-FACTORS AS INDEPENDENT VARIABLES

Variable	Beta	SE Beta	B	T	p
Managerial production orientation	0,01	0,01	0,01	0,46	0,65
Managerial people orientation	0,07	0,02	0,07	0,93	<0,001*
Managerial team-building	0,16	0,02	0,15	6,91	<0,001*
Managerial work facilitation (mentoring)	0,20	0,02	0,20	8,07	<0,001*
Managerial effectiveness	0,10	0,03	0,11	3,86	<0,001*

* $p < 0,05$ indicates statistical significance

Table 4.31 shows that Managerial Leadership's sub-factors explained 24% of the variance in Motivating conditions as sub-factor of Organisational Climate in the test sample. However the regression coefficients of four Managerial Leadership variables were statistically significant ($p < 0,05$). Therefore, the four variables, namely Managerial people orientation ($\beta = 0,07$), Managerial team-building ($\beta = 0,16$), Managerial work facilitation ($\beta = 0,20$) and Managerial effectiveness ($\beta = 0,10$) contributed statistically significantly to the experience of Motivating conditions as sub-factor of Organisational Climate in the original sample. Furthermore, when these statistically significant variables were used to predict Motivating conditions (as a dimension of Organisational Climate) in the validation sample a total of 23% of the variance was explained. This finding confirms that four Managerial Leadership variables, namely Managerial people orientation, Managerial team-building, Managerial work facilitation and Managerial effectiveness could be used to predict Motivating conditions as sub-factor of Organisational Climate in all the participating organisations.

The results of the multiple regression analysis with quality of work environment as dependent variable and Managerial Leadership's sub-factors as independent variables are reported in Table 4.32.

TABLE 4.32: MULTIPLE REGRESSION ANALYSIS WITH QUALITY OF WORK ENVIRONMENT AS DEPENDENT VARIABLE AND MANAGERIAL LEADERSHIP'S SUB-FACTORS AS INDEPENDENT VARIABLES

Variable	Beta	SE of Beta	B	T	p
Managerial production orientation	0,03	0,02	0,04	1,17	0,07
Managerial people orientation	0,06	0,02	0,06	2,46	0,01*
Managerial team-building	0,07	0,02	0,07	3,11	<0,001*
Managerial work facilitation (mentoring)	0,17	0,03	0,18	6,63	<0,001*
Managerial effectiveness	0,11	0,03	0,12	3,90	<0,001*

* $p < 0,05$ indicates statistical significance

Table 4.32 shows that Managerial Leadership's sub-factors explained 16% of the variance in Organisational Climate in the test sample; however, the regression coefficients of the four Managerial Leadership variables were statistically significant ($p < 0,05$). Therefore, the four variables, namely Managerial people orientation ($\beta = 0,07$), Managerial team-building ($\beta = 0,07$), Managerial work facilitation ($\beta = 0,17$) and Managerial effectiveness ($\beta = 0,11$) contributed statistically significantly to the experience of Quality of the work environment (as a dimension of Organisational Climate) in the original sample. Furthermore, when these statistically significant variables were used to predict Quality of the work environment Organisational Climate in the validation sample a total of 18% of the variance was explained. This finding confirms that four Managerial Leadership variables, namely Managerial team-building, Managerial work facilitation and

Managerial effectiveness could be used to predict quality of the work environment in all the participating organisations.

The results of the multiple regression analysis with goal clarity as dependent variable and Managerial Leadership's sub-factors as independent variables are reported in Table 4.33.

TABLE 4.33: MULTIPLE REGRESSION ANALYSIS WITH GOAL CLARITY AS DEPENDENT VARIABLE AND MANAGERIAL LEADERSHIP'S SUB-FACTORS AS INDEPENDENT VARIABLES

Variable	Beta	SE Beta	B	t	p
Managerial production orientation	0,05	0,01	0,06	3,38	<0,001*
Managerial people orientation	0,00	0,02	0,00	0,01	0,99
Managerial team-building	0,13	0,02	0,10	5,72,	<0,001*
Managerial work facilitation (mentoring)	0,24	0,02	0,21	9,58	<0,001*
Managerial effectiveness	0,13	0,03	0,11	4,61	<0,001*

*p < 0,05 indicates statistical significance

Table 4.33 shows that Managerial Leadership's sub-factors explained 24% of the variance in Goal clarity (as dimension of Organisational Climate) in the test sample. However the regression coefficients of four Managerial Leadership variables were statistically significant ($p < 0,05$). Therefore, the four variables, namely Managerial production orientation ($\beta = 0,05$), Managerial team-building ($\beta = 0,13$), Managerial work facilitation ($\beta = 0,24$) and Managerial effectiveness ($\beta = 0,13$) contributed statistically significantly to the experience of Goal clarity in the original sample. Furthermore, when these statistically significant variables were used to predict Goal clarity in the validation sample a total of 24% of the variance was explained. This finding confirms that four Managerial Leadership

variables, namely Managerial production orientation, Managerial team-building, Managerial work facilitation and Managerial effectiveness could be used to predict goal clarity in all the participating organisations.

The results of the multiple regression analysis with interest in well being of employees as dependent variable and Managerial Leadership's sub-factors as independent variables are reported in Table 4.34.

TABLE 4.34: MULTIPLE REGRESSION ANALYSIS WITH INTEREST IN WELL BEING OF EMPLOYEES AS DEPENDENT VARIABLE AND MANAGERIAL LEADERSHIP'S SUB-FACTORS AS INDEPENDENT VARIABLES

Variable	Beta	SE Beta	B	t	p
Managerial production orientation	0,03	0,02	0,04	1,95	0,05*
Managerial people orientation	0,13	0,02	0,14	5,58	<0,001*
Managerial team-building	0,15	0,02	0,15	6,48	<0,001*
Managerial work facilitation (mentoring)	0,18	0,02	0,20	6,98	<0,001*
Managerial effectiveness	0,07	0,03	0,09	2,74	0,01*

*p < 0,05 indicates statistical significance

Table 4.34 shows that Managerial Leadership's sub-factors explained 22% of the variance in well being of employees (as a dimension of Organisational Climate) in the test sample. The regression coefficients of five Managerial Leadership variables were statistically significant ($p < 0,05$). Therefore, the five variables, Managerial people orientation ($\beta = 0,13$), Managerial team-building ($\beta = 0,15$), Managerial work facilitation ($\beta = 0,18$) and Managerial effectiveness ($\beta = 0,07$) contributed statistically significantly to the experience of well being of employees in the original sample. Furthermore, when these statistically significant variables were used to predict Organisational Climate in the validation sample a total of

20% of the variance was explained. This finding confirms that four Managerial Leadership variables, namely Managerial people orientation, Managerial team-building, Managerial work facilitation and Managerial effectiveness could be used to predict Organisational Climate in all the participating organisations.

The results of the multiple regression analysis with co-ordination as dependent variable and Managerial Leadership as independent variables are reported in Table 4.35.

TABLE 4.35: MULTIPLE REGRESSION ANALYSIS WITH CO-ORDINATION AS DEPENDENT VARIABLE AND MANAGERIAL LEADERSHIP AS INDEPENDENT VARIABLE

Variable	Beta	SE Beta	B	t	p
Managerial production orientation	0,02	0,02	0,03	1,37	0,17
Managerial people orientation	0,02	0,02	0,02	0,76	0,44
Managerial team-building	0,13	0,02	0,13	5,64	<0,001*
Managerial work facilitation (mentoring)	0,20	0,02	0,22	7,94	<0,001*
Managerial effectiveness	0,15	0,03	0,16	5,18	<0,001*

* $p < 0,05$ indicates statistical significance

Table 4.35 shows that Managerial Leadership's sub-factors explained 19% of the variance in Co-ordination (as a dimension of Organisational Climate) in the test sample. The regression coefficients of three Managerial Leadership variables were statistically significant ($p < 0,05$). Therefore, the three variables, namely Managerial team-building ($\beta = 0,13$), Managerial work facilitation ($\beta = 0,20$) and Managerial effectiveness ($\beta = 0,15$) contributed statistically significantly to the experience of Co-ordination in the original sample. Furthermore, when these statistically

significant variables were used to predict Co-ordination (as a dimension of Organisational Climate) in the validation sample a total of 16% of the variance was explained. This finding confirms that three Managerial Leadership variables, namely Managerial team-building, Managerial work facilitation and Managerial effectiveness could be used to predict Co-ordination in all the participating organisations.

The results of the multiple regression analysis with effective change management as dependent variable and Managerial Leadership's sub-factors as independent variables are reported in Table 4.36.

TABLE 4.36: MULTIPLE REGRESSION ANALYSIS WITH EFFECTIVE CHANGE MANAGEMENT AS DEPENDENT VARIABLE AND MANAGERIAL LEADERSHIP'S SUB-FACTORS AS INDEPENDENT VARIABLES

Variable	Beta	SE Beta	B	t	p
Managerial production orientation	0,03	0,01	0,03	1,76	0,08
Managerial people orientation	0,03	0,02	0,02	1,13	0,26
Managerial team-building	0,17	0,02	0,15	7,56	<0,001*
Managerial work facilitation (mentoring)	0,23	0,02	0,22	9,11	<0,001*
Managerial effectiveness	0,13	0,03	0,13	4,7	<0,001*

*p < 0,05 indicates statistical significance

Table 4.36 shows that Managerial Leadership's sub-factors explained 23% of the variance in Effective change management (as a dimension of Organisational Climate) in the test sample. However the regression coefficients of three Managerial Leadership variables were statistically significant ($p < 0,05$). Therefore, the three variables, namely Managerial team-building ($\beta = 0,17$), Managerial work facilitation ($\beta = 0,23$) and Managerial effectiveness ($\beta = 0,13$) contributed statistically significantly to the experience of Effective change management in the original sample.

Furthermore, when these statistically significant variables were used to predict experiences of effective change management in the validation sample a total of 21% of the variance was explained. This finding confirms that three Managerial Leadership variables, namely Managerial team-building, Managerial work facilitation and Managerial effectiveness could be used to predict Effective change management in all the participating organisations.

The results of the multiple regression analysis with labour relations as dependent variable and Managerial Leadership's sub-factors as independent variables are reported in Table 4.37.

TABLE 4.37: MULTIPLE REGRESSION ANALYSIS WITH LABOUR RELATIONS AS DEPENDENT VARIABLE AND MANAGERIAL LEADERSHIP'S SUB-FACTORS AS INDEPENDENT VARIABLES

Variable	Beta	SE Beta	B	t	p
Managerial production orientation	0,01	0,02	0,01	0,65	0,51
Managerial people orientation	0,11	0,02	0,11	4,65	<0,001*
Managerial team-building	0,13	0,02	0,12	5,62	<0,001*
Managerial work facilitation (mentoring)	0,15	0,02	0,16	6,03	<0,001*
Managerial effectiveness	0,11	0,03	0,12	3,93	<0,001*

*p < 0,05 indicates statistical significance

Table 4.37 shows that Managerial Leadership's sub-factors explained 21% of the variance in experiences of Labour relations (as a dimension of Organisational Climate) in the test sample. However the regression coefficients of four Managerial Leadership variables were statistically significant ($p < 0,05$). Therefore, the four variables, namely Managerial people orientation ($\beta = 0,11$), Managerial team-building ($\beta = 0,13$), Managerial work facilitation ($\beta = 0,15$) and Managerial effectiveness ($\beta =$

0,11) contributed statistically significantly to the experience of Labour relations in the original sample. Furthermore, when these statistically significant variables were used to predict Labour relations in the validation sample a total of 21% of the variance was explained. This finding confirms that four Managerial Leadership variables, namely Managerial people orientation, Managerial team-building, Managerial work facilitation and Managerial effectiveness could be used to predict Labour relations in all the participating organisations.

4.11 Chapter summary

The goal of this chapter was to report the relationship between Managerial Leadership and Organisational Climate in a number of South African organisations. The general objective of this study was to determine differences between the experiences of Organisational Climate in different South African organisations and to investigate whether Organisational Climate is related to Managerial Leadership.

The alpha coefficients of all the scales used were higher than 0,70, therefore, the reliabilities of the scales are sufficient for the purposes of this study. The highest Cronbach alpha coefficient for the Organisational Climate was effective change management and for Managerial Leadership was mentoring and the lowest for the Organisational Climate was motivating conditions and Managerial Leadership was production orientation.

The mean scores of Organisational Climate showed that Goal clarity, Labour relations and Quality of work environment were the highest in the total sample. Communication flow, Interest in wellbeing of employees and Decision-making practices were the lowest in the total sample. Regarding

Managerial Leadership in the total sample, Production orientation and Effectiveness attained the highest scores.

The results showed that Managerial Leadership is strongly related to Organisational Climate. The canonical analysis showed that all dimensions of Managerial Leadership were related to all dimensions of Organisational Climate. Furthermore, the results of the multiple regression analyses showed that Organisational Climate is best predicted by three Managerial Leadership dimensions, namely managerial work facilitation, managerial team-building, and managerial effectiveness. It seems that managerial facilitation has the strongest effect in terms of predicting experiences of Organisational Climate, followed by managerial team-building and managerial effectiveness. The results also showed that Managerial Leadership had moderate to strong effects on the sub-factors of Organisational Climate.

CHAPTER 5

DISCUSSION OF RESULTS

5.1 Introduction

In this chapter the results and conclusions of the problem statement (whether it the Managerial Leadership that influences the climate or whether it is the climate that influences the Managerial Leadership) will be presented. Relations/correlation between the literature and the empirical study will be drawn, and results are presented in tabular form after which they will be discussed. Conclusions will then be made based on the results.

5.2 Organisational Climate in South African Organisations

Regarding the Organisational Climate in all the organisations that participated in the study showed that goal clarity, labour relations and quality of the work environment were the highest. Communication flow, interest in the well-being of employees and decision-making practices were the lowest in the total sample. Regarding Managerial Leadership in the total sample, production orientation and effectiveness were the highest.

5.3 Differences between experienced Organisational Climate in different organisations

Next, the differences between the experienced Organisational Climates in different organisations are discussed.

TABLE 5.1: COMPARISON OF CLIMATE AND ITS SUB-FACTORS IN DIFFERENT ORGANISATIONS

	Banking	Mining	Petroleum	Publishing	Service	Textile	Transport
Decision-making practices	b					b	a
Communication flow						b	a
General motivation conditions	c, e	b	b	b	d, b	b, e	a
Quality of work environment, equipment and resources	c, h		b		d	b, e, g	a
Goal clarity	b, e, h, k	d	b, k	g	a	b, k	j
Interest in well being of employees					a	b	
Co-ordination	e				a	b, d	e
Effectiveness of change management		b, h	h, b	b, g	i, d	e	a
Labour relations / grievance procedure		b	b		a	b	

a Organisation differs practically significantly from organisation where b (medium effect) or c (large effect) is indicated.

d Organisation differs practically significantly from organisation where e (medium effect) or f (large effect) is indicated.

g Organisation differs practically significantly from organisation where h (medium effect) or i (large effect) is indicated.

j Organisation differs practically significantly from organisation where k (medium effect) or l (large effect) is indicated.

Table 5.1 shows that the biggest differences in Organisational Climate between different organisations were experienced regarding three dimensions, namely goal orientation, the effectiveness of change management and general motivating conditions. The findings of this study also showed that Organisational Climate is strongly predicted by Managerial Leadership. Therefore, it is also possible that these dimensions of Organisational Climate will co-vary with the Managerial Leadership in

the different organisations. More specifically, it was found that goal clarity is predicted by managerial work facilitation, managerial team building, managerial effectiveness and managerial production orientation. The first three Managerial Leadership practices also strongly predicted general motivational conditions and effective change management. Therefore, it can be argued that Managerial Leadership (and specifically managerial work facilitation, managerial team building, and managerial effectiveness) might have impacted on the dimensions of Organisational Climate which differed most between organisations. It should be possible to change experiences of Organisational Climate by addressing the Managerial Leadership in the organisations, and notably the transport textile, and service organisations.

In Table 5.1 it is clear that most sub-factors of Organisational Climate except labour relations are experienced significantly more negative in the transport organisations (compared with specific other organisations). The transport organisation scored lower on the following dimensions:

Decision-making practices: The transport organisation obtained a practically significantly lower score on decision-making practices compared to the banking and textile organisations. This means that decision-making practices, i.e., the way in which employees perceive themselves as being involved in decisions that affect them or if they can make a contribution (Coetsee 2005:207), are experienced more negatively in transport organisations. Vroom and Yetton's (Mullins, 2002 273) contingency model is based on two aspect of leaders' decision-making approach: quality and acceptance. The decision quality or rationality is the effect that the decision has on a group's performance. The decision acceptance refers to the motivation and commitment of the group. Managerial problems vary not only in content but also in

uniqueness. A managerial leader has to be able to make decisions that will have an effect on employees on a daily basis. The style chosen will depend on the manager. If the manager-leader does not have enough training, experience or knowledge it could have a detrimental effect on the Organisational Climate of the organisation.

Communication flow: The transport organisation (compared with the textile organisation) obtained a practically significantly lower score on communication flow, referring to the quality and effectiveness of the flow of information downwards, upwards and laterally through the organisation (Coetsee 2005:207). Kelly 2000 (Schultz *et al.* 2003a:207) describes the breakdown when the sender fails to influence the receiver in the intended way. The failure is caused by barriers such as process, personal, physical, defensive and non-defensive. Power and hierarchy pose a big problem. The style of management plays a big role. Employees are more likely to distort the information because they are dependent on the manager-leader as a link to the organisation and each one wishes to promote his or her own interest.

General motivating conditions: The transport organisation obtained a practically significantly lower score on general motivating conditions, compared with mining, petroleum, publishing, services and textile. It is clear that motivating conditions, i.e. the extent to which a motivating climate exists, such as a friendly atmosphere, the quality of human relations and the presence of factors that motivate employees to work hard and improve performance (Coetsee, 2005:207) are experienced more negatively in the transport organisations (compared with all other organisations, excluding banking).

The textile organisation also obtained a practically significantly lower score on general motivating conditions compared with mining, petroleum, publishing, services and transport. It is clear that motivating conditions) are experienced more negatively in the textile organisations (compared with all other organisations, excluding banking)

The service organisation obtained a practically significantly lower score on general motivating conditions, compared with mining, petroleum, publishing, textiles and transport. Motivating conditions are experienced more negatively in the transport organisations (compared with all other organisations, excluding banking). Litwin and Stringer (Litwin *et al.*, 1996:216) demonstrate that climate was a discernible and measurable quality and that, once established, has long-term pervasive effects on motivation. The variable is leadership style (achievement-orientated or affiliation-orientated). Achievement-motivated groups are more productive because often power-motivated climate involves authority and reasonably strict control and does not promote innovative thinking. Manager leaders in lower scoring organisations do not create or maintain a motivational climate.

Quality of work environment, equipment and resources: The transport organisation obtained a practically significantly lower score on quality of work environment, equipment and resources, compared with petroleum, services and textiles. The quality of the work environment, equipment and resources (the availability and quality of, and satisfaction with, the resources and equipment necessary to perform at one's peak (Coetsee 2005:207) are experienced more negatively in the transport organisations This can be attributed to evidence found by *Moving South Africa* of substantial capacity gaps in the current system. These gaps are a natural outgrowth of the tension between a need for new skills resulting from new

priorities and a new constitution with the results of a system engineered to support previous national objectives. Thus, it is not surprising to find that in 1995, South Africa rated worst of 46 countries in a survey of human resource development practices. Whereas the pre-transition economy stressed labour creation in transport jobs, the new economy that is competing globally needs transport workers with sufficient skills to create *value* in their work. This represents a substantial shift, and one which is embraced unevenly across the sector. Transnet, for instance, spends over 4,5% of remuneration on training, but many private bus and freight competitors – particularly the smaller ones – spend less than 1% of remuneration on training (Anon 2009).

The textile organisation also obtained a practically significantly lower score on quality of work environment, equipment and resources, compared with petroleum, textile, and transport. The quality of the work environment, equipment and resources is experienced more negatively in the textile organisation (compared with all other organisations, excluding banking).

The service organisation obtained a practically significantly lower score on goal clarity compared to the banking, petroleum and textile organisations. This means that goal clarity (the awareness that the organisation "knows where it wants to go" and the way employees are aware of these goals and the way to achieve them (Coetsee 2005:207) are experienced more negatively in service organisations compared with banking, petroleum and textile organisations.

The transport organisation obtained a practically significantly lower score on goal clarity compared to the textile organisations. This means that goal clarity is experienced more negatively in transport organisations

compared with textile organisations. Goals have been defined as value premises that serve as inputs to decision-making. At various levels of the organisation goals contribute to the alternatives for decision-making, it is almost a set of constraints which the organisation must satisfy. If the decision-making practices of the managerial leader are inadequate then the goal clarity will be almost non-existent. In today's organisation the old style of command and control no longer works. People want freedom, and organisations, like people, need goals. The appropriate goals are set by the manager leader and generally the more challenging the goal the more creative the organisation but the obverse is also true - the less clear the goal the less productive the organisation (Mullins, 2002b:273).

Interest in the well-being of employees: The service organisation obtained a practically significantly lower score on interest in the well being of employees compared to the textile organisations. This means that the interest in the well being of employees (the extent to which the organisation is perceived to care for and have an interest in its employees as human beings (Coetsee 2005:207) are experienced more negatively in service organisations compared with textile organisations. The manager leader does not implement policies and practices to ensure employee well-being at work; in other words that employees have a healthy and safe environment in which they can perform effectively. The aim is to ensure that everyone is properly managed, encouraged to lead a healthy lifestyle and supported when things go wrong, as well as ensuring that legal standards are met, but management might be the biggest problem as it is important to make employees feel valued and well-informed. Policies help to discern what is expected of employees, and ensure consistency across departments. Effective performance depends on balancing employee needs with those of management. Poor communication can lead to anxiety and uncertainty, and the manager

leader is always trying to improve internal communication, to keep employees well informed on issues that affect them. The organisation is always changing, and for some it brings new opportunities. For others it can be difficult and unsettling.

The service organisation obtained a practically significantly lower score on co-ordination compared to the textile organisations. This means that the co-ordination is experienced more negatively in service organisation compared with textile organisations.

The textile organisations obtained a practically significantly lower score on co-ordination compared to the transport and banking organisations. This means that the co-ordination (the meaningful planning and integration of work activities of individuals, teams, sections and divisions, and the extent to which individuals and sub-sections integrate their efforts and support one another (Coetsee 2005:207) are experienced more negatively in the textile organisation compared with the transport and banking organisations. There are a number of problems which often mark a struggling organisation. Low motivation and morale, late and inappropriate decisions, conflict and lack of co-ordination are but a few. Conflict and lack of co-ordination may result from conflicting goals and people working at cross purpose because of lack of clarity on objectives and priorities. Failure to bring people together into teams or through lack of liaison, and breakdown between planning and actual operation (Mullins, 2002:553)

Effectiveness of change management: The transport organisation obtained a practically significantly lower score on effectiveness of change management, compared with mining, publishing and petroleum. It is clear that effectiveness of change management (the extent to which

employees feel and/or understand that organisational change and growth is necessary and constructive, well planned, communicated and effectively managed (Coetsee, 2005:207) are experienced more negatively in the transport organisation.

The service organisation obtained a practically significantly lower score on effectiveness of change management, compared with banking. It is clear that effectiveness of change management is experienced more negatively in the service organisation.

The publishing organisation obtained a practically significantly lower score on effectiveness of change management, compared with the mining, petroleum and service organisations. It is clear that effectiveness of change management are experienced more negatively in the service organisation. Change management and job insecurity are stressful for employees. Restructuring downsizing acquisitions, closures and retrenchments leaves the remaining employees facing job loss, extra work demands and anxiety about what might happen next. Many South African organisations still have a mechanistic structure. This also inhibits employee flexibility, risk taking and career development (Schultz et al., 2003b:209). It is no surprise that an organisation with low goal clarity also has low co-ordination.

Labour relations/grievance procedures: The service organisation obtained a practically significantly lower score on labour relations/ grievance procedures, compared with mining, petroleum and textile organisations. It is clear that labour relations/grievance procedures (the existence of grievance and disciplinary policies, and opportunities to express grievances, its experienced fairness, and employee satisfaction with these) are experienced more negatively in the Service organisations. This

can be attributed to the types of people employed in the service industry. Generally, the tertiary sector of the service industry involves the provision of services to businesses as well as final consumers. Services may involve the transport, distribution and sale of goods from producer to a consumer, or may involve the provision of a service, such as in pest control or entertainment.. However, the focus is on serving a customer. In South Africa these people might be uneducated persons that are not aware of their rights. South Africa's labour legislation is among the most progressive in the world, providing for institutions to settle disputes and ensure fairness in the workplace. This was not always the case. Industrial relations in the apartheid era were characterized by high levels of racial discrimination, conflict, union repression, cheap labour policies and authoritarian management style. The post-1994 labour legislation has not changes as fast as it should so there is still a lot of unhappiness in some organisations (Robbins, 1989b:37).

Table 5.2 provides a comparison of Managerial Leadership in different types of organisations

TABLE 5.2: COMPARISON OF MANAGERIAL LEADERSHIP SUB-FACTORS IN DIFFERENT ORGANISATIONS

	Banking	Mining	Petroleum	Publishing	Service	Textile	Transport
Managerial production orientation							
Managerial people orientation					a	b	
Managerial team-building							
Managerial work facilitation (mentoring)							
Managerial effectiveness					a	b	

a Organisation differs practically significantly from organisation where b (medium effect) or c (large effect) are indicated.

Managerial people orientation: The service organisation obtained a practically significantly lower score on managerial people orientation compared to the textile organisation. This means that managerial people orientation (referring to the managers concern for his subordinates as people and the extent to which his behaviour towards them is fair and characterised by sensitivity. It also reflects the confidence and trust he/she has in them and whether he/she enjoys the respect, confidence and trust of his/her subordinates) are experienced more negatively in service organisations compared with textile organisations. Banks also face a host of other challenges such as aging ownership groups. Across the country, many banks' management teams and board of directors are aging. Banks also face ongoing pressure by shareholders, both public and private, to achieve earnings and growth projections. Regulators place added pressure on banks to manage the various categories of risk. Banking is also an extremely competitive industry. Competing in the financial services industry has become tougher with the entrance of such players as insurance agencies, credit unions, and check cashing services, credit card companies.

Managerial effectiveness: The service organisation obtained a practically significantly lower score on managerial effectiveness compared to the textile organisation. This means that managerial effectiveness (referring to how well managers handles the human, production and administrative sides of his/her job and how effective subordinates perceive him/her to be) are experienced more negatively in service organisations compared with the textile organisation. A possible reason for this can be there are so many managers in the service industry that changes from job to job, that the management is not as effective.

Table 5.3 is a comparison of Managerial Leadership for styles and behaviour in different organisations

TABLE 5.3 COMPARISON OF MANAGERIAL LEADERSHIP FOR STYLES AND BEHAVIOUR IN DIFFERENT ORGANISATIONS

	Banking	Mining	Petroleum	Publishing	Service	Textile	Transport
Styles					a	b	
Behaviour							

a Organisation differs practically significantly from organisation where b (medium effect) or c (large effect) are indicated.

Style: The service organisation obtained a practically significantly lower score on leadership style compared to the textile organisation. This means that style (the particular style used to manage) is experienced more negatively in the service organisation compared with the textile organisation. A possible reason for this can be because the changes with each new research development and the textile industry has to adapt to survive in the very competitive market.

Table 5.4 provides a comparison of Managerial Leadership for people and work in different organisations.

TABLE 5.4 COMPARISON OF MANAGERIAL LEADERSHIP FOR PEOPLE AND WORK IN DIFFERENT ORGANISATIONS

	Banking	Mining	Petroleum	Publishing	Service	Textile	Transport
People							
Work					a	b	

a Organisation differs practically significantly from organisation where b (medium effect) or c (large effect) are indicated.

Work: The service organisation obtained a practically significantly lower score on work compared to the textile organisation. This means that work (what is done to reach the organisations goals) are experienced more negatively in the service organisation compared with the textile organisation. A possible reason for this can be because the textile industry has to produce more in a shorter time in order to retain their foothold in the market.

5.4 The relationship between Managerial Leadership and Organisational Climate

The results of a canonical analysis showed that all dimensions of Managerial Leadership are related to all dimensions of the experienced Organisational Climate. Therefore if Managerial Leadership are experienced as the combination of managing and leadership and expression of competence, character and of emotional intelligence focused on the enhancement of performance, satisfaction and aligned commitment, then the experience Organisational Climate as indicated by experiences of decision-making practices, communication flow, general motivating conditions quality of work environment, equipment and resources, goal clarity, interest in wellbeing of employees, co-ordination,

effective change management and labour relation and grievance procedure are also experienced more positively.

These findings support the importance of all dimensions of Managerial Leadership in contributing to experiences of Organisational Climate. It also showed that Managerial Leadership is strongly related to experiences of the Organisational Climate. However these findings should be interpreted with caution because of two reasons.

A series of multiple regression analyses were carried out to determine which Managerial Leadership styles could be regarded as the best predictors of specific dimensions of experiences Organisational Climate.

Table 5.5 shows the statistically significant contributors to Organisational Climate.

TABLE 5.5 STATISTICALLY SIGNIFICANT PREDICTORS OF ORGANISATIONAL CLIMATE

Organisational Climate	Decision-making practices	Communication flow	General motivation conditions	Quality of work environment, equipment and resources	Goal clarity	Interest in well being of employees	Co-ordination	Effectiveness of change management	Labour relations / grievance procedure
- Managerial team-building	- Managerial team-building	- Managerial team-building	- Managerial people orientation	- Managerial team-building	- Managerial production orientation	- Managerial people orientation	- Managerial team-building	- Managerial team-building	- Managerial production orientation
- Managerial work facilitation (mentoring)	- Managerial work facilitation (mentoring)	- Managerial work facilitation (mentoring)	- Managerial team-building	- Managerial work facilitation (mentoring)	- Managerial team-building	- Managerial team-building	- Managerial work facilitation (mentoring)	- Managerial work facilitation (mentoring)	- Managerial team-building
- Managerial effectiveness	- Managerial effectiveness	- Managerial effectiveness	- Managerial work facilitation (mentoring)	- Managerial effectiveness	- Managerial work facilitation (mentoring)	- Managerial work facilitation (mentoring)	- Managerial effectiveness	- Managerial effectiveness	- Managerial work facilitation (mentoring)
			- Managerial effectiveness		- Managerial effectiveness				- Managerial effectiveness

Table 5.5 shows that experiences Organisational Climate (the perception of the conditions under which a work group or individual operates) is best predicted by managerial team-building. Team-building is the process of diagnosing task procedures and patterns of human interaction within an organisation. The basic objective is to improve the overall performance of the organisation through improvement in the effectiveness of teams. Attention is focused on work procedures and interpersonal relationships, and especially the role of the leader in relation to other members in the group (Mullins, 2002:801). Managerial work facilitation (mentoring) involves establishing a close link between a manager leader and another organisation member who is less experienced. It assists members in the establishment, advancement and maintenance stages of their careers (Cummings & Worley 2005:407) and managerial effectiveness (how well managers handle the human, production and administrative sides of his/her job and how effective subordinates perceive him/her to be (Coetsee 2005:207). These results mean that the most important dimensions of Managerial Leadership which contribute to experienced Organisational Climate in the total sample is managerial team-building, managerial work facilitation (mentoring) and managerial effectiveness.

These findings support the findings of Pareek (1989), Kossuth and Cilliers (2002), Martins and Van Der Ohe (2003), Bellingham - Timmer (2004:29-36), Ochitwa (2005), Afolabi (2005) and Coetsee (2005).

Pareek (1989) showed that certain processes or factors of Organisational Climate exist namely:

- ≈ Supervision contributes significantly to climate.
- ≈ Problem management can be seen as challenges or irritants.
- ≈ An organisation's approach to the management of mistakes influences the climate.
- ≈ The way conflict management is practiced, influences the climate.
- ≈ Communication is concerned with the flow of information. An organisation's approach to decision-making can be focussed on maintaining good relations or on achieving results.

- ≈ The degree of trust or its absence amongst employees affects climate. The management of rewards influences the motivational climate.
- ≈ The way people respond to risk taking and who they seek help from, in situations involving risks are important to climate.
- ≈ Innovation and change and who initiates change, and how it is perceived and how it is implemented are factors critical to establishing climate.

Kossuth and Cilliers (2002) said that Organisational Climate results from the way in which organisational dimensions are managed, the quality of the manager's leadership styles and the way the individual perceives and react to the environment.

Martins and Van Der Ohe (2003) stated that support is the perception of tolerance of member behaviour by superiors, including the willingness to let employees learn from their mistakes without fear of reprisal.

Bellingham-Timmer (2004:29-36) believes that top management creates the Organisational Climate, policies and procedures within a given organisational structure.

Ochitwa (2005) states that different behaviour styles of leaders do produce different group climates, discussion categories differentiated leadership styles better than social behaviour categories different leaders, exercising the same kind of leadership roles, used similar behaviour styles and produced similar reaction patterns, group members in a democratic climate were more friendly to one another, showed more initiative, more group-mindedness and more work-mindedness, and had a higher level of frustration, tolerance, and leader behaviour categories represent the important parameters to which the employees reacted

Afolabi (2005) defines Organisational Climate as an enduring quality of an organisations internal environment that distinguishes it from other organisations. This includes its norms or culture, equity, social process, leadership styles and management practices.

For motivational conditions and interest in employee wellbeing, people orientation is more important than managerial effectiveness. To motivate people the manager leader has to focus on employees rather than a specific management style. For goal clarity and labour relations it is more important to focus on production.

5.5 Chapter summary

The Organisational Climate in all the organisations that participated in the study showed that Goal clarity, Labour relations and Quality of the work environment were the highest. Communication flow, Interest in the well-being of employees and Decision-making practices were the lowest in the total sample. Regarding Managerial Leadership in the total sample, Production orientation and Managerial effectiveness were the highest.

It became clear that the biggest differences in Organisational Climate between different organisations were experienced regarding three dimensions, namely goal clarity, effective of change management and general motivating conditions. It was found that goal clarity is best predicted by managerial work facilitation, managerial team building, managerial effectiveness and managerial production orientation. The first three Managerial Leadership practices also predicted general motivational conditions and effective change management.

The results showed that Managerial Leadership is strongly related to Organisational Climate. It seems that Organisational Climate is best predicted by three Managerial Leadership dimensions, namely managerial work facilitation, managerial team-building, and managerial effectiveness. Managerial facilitation had the strongest effect in terms of predicting experiences of Organisational Climate, followed by managerial team-building and managerial effectiveness.

CHAPTER 6

CONCLUSION AND RECOMMENDATIONS

6.1 Introduction

In this chapter the purpose of the study as well as the methodology and the measuring instrument will be discussed in short. The most important findings in the literature and empirical study are summarised as well as the relationship between the two concepts. Lastly the most important conclusions and limitations are given, and recommendations are made.

6.2 Purpose of the study

This purpose of this study was to determine what relationship exists between Managerial Leadership and Organisational Climate in a number of South African organisations. The aim was to enable managers/leaders to create an Organisational Climate that focuses on organisational effectiveness and an increase in quality of well-being for employees. It was also very important to find out whether it is the managerial leadership that influences the climate or whether it is the climate that influences the managerial leadership.

A number of studies have already been conducted (see 1.1) regarding the relationship between Managerial Leadership and Organisational Climate. Against this background, the following objectives were set for this study:

- ≈ to investigate the differences in the Organisational Climate and Managerial Leadership in different South African organisations.
- ≈ to investigate whether Managerial Leadership is related to Organisational Climate;
- ≈ to investigate whether Managerial Leadership predicts Organisational Climate;

6.3 Conclusions

In Chapter 2 a literature study was undertaken to present an overview of current literature on leadership and management in order to develop a concept known as Managerial Leadership. The literature reveals that there is no one best leadership style. The effectiveness of a particular style depends on the situation at hand.

The Leadership Grid, the Ohio studies and the Michigan studies all indicated that if people are motivated and supported they will perform best. The Leadership Grid states that a balance between goals to be reached and the needs of the employees is the best way to promote an effective climate. The Ohio studies concluded that a high consideration (people) and high initiating (tasks/goals) style would be the most effective. The University of Michigan studies said that if the leader has a participative style balancing between people orientation and task orientation his/her management style will result in the most effective climate.

In today's corporate world, managers are continually discussing the everyday nature of business and the effects on them but very few of them are properly focusing on managing itself. The new generation of employees entering the corporate door posts a threat to traditional top-down, authoritarian management practices, which expects employees to be loyal and faithful to the employer, no matter how they are treated. The business world has changed, and the twenty-first century management systems will depend on its fundamentals that rely on leadership, processes and organisations.

Management in simple terms can mean the act of getting people together to accomplish desired goals. It comprises of planning, organising, resourcing, leading or directing, and controlling an organisation (a group of one or more people or entities) or effort for the purpose of accomplishing a goal.

According to Marshall *et al.* (2000:44) management encompasses both management and leadership. These authors identified seven areas of knowledge and activity that are essential for the effective manager and that can be developed. Garrett (2003:7) summarised it as follows:

- Professional identity. Managers must have a good understanding of their institution and their wider context. They must also be aware of their responsibilities
- Strategic leadership and management. Managers must have a good understanding of their institutions strategies and the relationship with their own management functions. They must also be skilled at strategic planning in their own area of responsibility.
- Operational leadership and management. Managers must be able to assure the quality of inputs, processes and outputs and anticipate, plan, implement, monitor and evaluate change to core activities as imposed/required/suggested by the wider context.
- Financial and physical resource management. Managers must be able to plan, develop, maintain and dispose of physical assets in sympathy with their unit's strategic priorities. They must also have a good understanding of budgets and accounting systems and deal with both physical and financial recourses in line with institutional guidance.
- Human resource management. Managers must have a good knowledge of planning, recruiting, selecting, inducting, motivating, supervising, evaluating and rewarding staff. These activities must be undertaken in the light of equal opportunities and health and safety legislation.
- Information management. Managers must be able to utilise, develop, maintain and evaluate systems that ensure that adequate information is available to inform operational and strategic decision-making.

It is thus crucial that manager improve their interpersonal skills to improve the effective functioning of them and their team members.

This goodwill and support originates in the leader seeing people as people, not as another resource for deployment in support of the task. The manager often has the role of organising resources to get something done. People are one of these resources, and many of the worst managers treat people as just another interchangeable item. A leader has the role of causing others to follow a path he/she has laid out or a vision he/she has expressed in order to achieve a task.

Often, people see the task as secondary to the vision. Leadership and management do not only manifest itself as purely a business phenomenon.

Differences in the mixture of leadership and management can define various management styles. Some management styles tend to de-emphasise leadership. Other management styles, such as authoritarian management, micro-management, and top-down management, depend more on a leader to provide direction.

A leader optimises positive aspects such as opportunity and a manager minimises drawback and risk. A successful executive needs to apply both disciplines in a balance appropriate to the enterprise and its context. Leadership without management yields steps forward, but as many if not more steps backwards. Management without leadership avoids any step backwards, but doesn't move forward.

Through the discussion it becomes clear that different writers distinguish between leadership and management, but the modern view is to combine the concepts manager and leader. When one is referring to a manager-leader there should be management and leadership qualities in the same person. Managers-leaders are not born but can develop with skills, competencies and knowledge.

What became clear in the discussion was that all managers will not always be good leaders and a leader won't always be good managers, but a manager-leader (a person with both leadership and management qualities) will promote a stimulating and healthy work environment. The approaches of Anderson (1992); Bass (1997); Charlton (1993); Coetsee (2005); Hughes, Ginnett and Curphy (2002); Ivancevich and Matteson (1999); Judson (1991); Mullins (1996); Pierce and Newstrom (2000); Yukl (2002) are complementary to one another rather than being substitutes for one another. A good manager-leadership representation would be: A manager-leader who employs the basic management functions of planning, organising, leading and controlling, as well as decision-making, communication, motivating employees, co-ordinating tasks, being clear on discipline, having clear goals, and being involved in employee wellbeing, specifically the work

environment. A manager-leader is of cardinal importance in any organisation to raise motivation and productivity that leads to togetherness in a motivating climate. If a manager-leader can do all this he/she will be effective and the organisation will be efficient.

Coetsee (2002:57) refers to success as the "balance between good achievement and high work satisfaction of employees". Successful managerial-leadership's employees will achieve better and at the same time enjoy their work. Coetsee (2002, 56) defines Managerial Leadership as the ability to make your team members successful.

The core characteristics of managerial leaders in the literature are also the factors being measures in the Organisational Diagnostic Questionnaire (ODQ) that was used for the purpose of this study. These characteristics are; the managerial-leadership styles of production orientation and people orientation, team-building, mentorship and a general judgement of effective managerial-leadership.

In Chapter 3 the concepts of Organisational Climate and culture were compared in order to establish the differences and similarities regarding the two concepts. It became clear that the two concepts are not the same, but are more closely relates to one another than was thought before. The assumption of this research will thus be that climate is a surface or conscious manifestation of culture. Climate consists of feelings and attitudes, as well as perceptions regarding the organisation, and culture is the deeper underlying unconscious level and consists of attitudes, values assumptions and convictions. The two overlaps with regards to attitudes which represent both concepts. For the purpose of this study the dimensions of Coetsee (2005) were used. This is because Coetsee's model best applies within the organisational diagnostic questionnaire (ODQ) that will be discussed later.

In the foregoing discussion the characteristics and sub-factors of Organisational Climate with reference to various definitions in literature was explained. The dimensions that further explained the perception of an Organisational Climate was explored by their various sub-factors.

Organisational Climate is related to leadership and management styles of the leader, based on the values, attributes, skills, and actions, as well as the priorities of the leader. How these concepts relate is the focus of the empirical study, which has been discussed in Chapter 4.

Regarding experiences of Organisational Climate, it can be concluded that the organisations that participated in the study showed more positive inclinations towards goal clarity, labour relations and quality of the work environment. Communication flow, interest in the well-being of employees and decision-making practices were generally experienced as lower. Managerial Leadership aspects that were higher were production orientation and managerial effectiveness were the highest.

The biggest differences in Organisational Climate were experienced regarding three dimensions, namely goal clarity, effective of change management and general motivating conditions. It was found that goal clarity is best predicted by managerial work facilitation, managerial team building, managerial effectiveness and managerial production orientation. The first three Managerial Leadership practices also predicted general motivational conditions and effective change management.

The results showed that Managerial Leadership is strongly related to Organisational Climate. It seems that Organisational Climate is best predicted by three Managerial Leadership dimensions, namely managerial work facilitation, managerial team-building, and managerial effectiveness. Managerial facilitation had the strongest effect in terms of predicting experiences of Organisational Climate, followed by managerial team-building and managerial effectiveness.

6.4 Limitations of the study

The questionnaire was completed by people within the organisations and no external evaluation was done to determine whether the experience was visible from outside the organisation.

The study was done using organisations that are very different. Future research might focus on the transport sector as there were the most problems.

Cross-sectional data gathering in the form of a questionnaire were used. Cross-sectional data refers to data collected by observing many subjects (such as individuals, firms or countries/regions) at the same point of time, or without regard to differences in time. Analysis of cross-sectional data usually consists of comparing the differences among the subjects. It is not possible to prove a causal relationship between the variables which were correlated. It is possible that Managerial Leadership could have lead to positive experiences of the Organisational Climate. On the other hand, it is also possible that the experienced Organisational Climate could have contributed to positive experiences of Managerial Leadership.

The fact that only questionnaires were used can give rise to common method variance, variance that is attributed to the measurement method rather than the constructs of interest, may cause systematic measurement error and further bias the estimates of the true relationship among theoretical constructs. Method variance can either inflate or deflate observed relationships between constructs,

Despite these shortcomings in the research design, it is expected that Managerial Leadership impacted on the experienced Organisational Climate rather than the other way around.

6.5 Recommendations

The following recommendations are made:

It is clear that a strong relationship exist between Managerial Leadership style and practices and Organisational Climate. Interventions should take place to address the Managerial Leadership styles and practices in the different organisations. Managerial Leadership styles and practices will impact on the total Organisational Climate, as well as experiences of specific dimensions thereof, such as decision making, communication, motivation quality work environment, goal clarity, employee well-being, co-ordination, effective change management, and labour relations. A Managerial Leadership development programme should be designed

and implemented to develop the required knowledge, skills and attitudes of managers and leaders in the organisations.

The relationship between team building and Organisational Climate should be strengthened in order for employees to learn to trust in themselves, others, manager/leaders and the organisation. By improving the teams within an organisation the organisation will be improved. The need for teamwork increases every day within South Africa's ever changing and evolving corporate / business landscape. A course that focus on developing and inspiring the participant as well as role-specific programs for specific jobs. And structure and develop a program that addresses the organisation's needs

A good mentoring program should be developed in order for leaders and people in senior positions to play a mentoring role in the workplace. There is an assumption that because one has been in a job for a certain amount of time, or one is older, that one can automatically be a successful mentor, but in reality, one often has to be taught how to develop this critical skill. Participants should have a clear understanding of mentoring, an ability to recognise openings for mentoring, and confidence that mentoring efforts will result in impact interventions, the ability to create effective conversation, explore different styles of mentoring, and identify barriers and obstacles. The benefits of a mentoring environment, from an improved bottom line to informed and productive staff, have been recognised globally this has led to an increased expectation.

Managing people is a skill that needs to be acquired, practiced and continually revisited. An organisation is only effective if its managers/leaders are effective in managing changes and in not alienating employees if and when change happens. To ensure employees remain productive, diligent and motivated, managerial leaders need to learn the critical skills to managing people confidently and sensitively. Develop a course that:

≈ Assess the various ways of successfully managing people and find the method most suited to the organisation.

- ≈ Discover ways of raising sensitive topics in informal meetings to ensure the point gets across.
- ≈ Using techniques to discipline your staff in a way that not only corrects their behaviour, but also motivates them.
- ≈ Communicating effectively with your staff by clearly stating your requirements and listening carefully to complaints and suggestions.
- ≈ Leading by example: avoiding common unproductive people management behaviours.
- ≈ Constantly re-looking and monitoring the way you manage to ensure you are not drifting into bad management habits.
- ≈ Union action including strikes, CCMA or Labour Law implications.

A longitudinal study could also be done and because longitudinal studies are observational, in the sense that they observe the state of the organisation without manipulating it, it has been argued that they may have less power to detect causal relationships. But because of the repeated observation at the individual level, they have more power than cross-sectional observational studies, by virtue of being able to exclude time-invariant unobserved individual differences, and by virtue of observing the temporal order of events

A longitudinal study is a co-relational research study that involves repeated observations of the same items over long periods of time — often many decades. It is a type of observational study. Longitudinal studies are often used to study developmental trends across the life span. The reason for this is that unlike cross-sectional studies, longitudinal studies track the same people, and therefore the differences observed in those people are less likely to be the result of cultural differences across generations. Longitudinal studies are also used in medicine to uncover predictors of certain diseases.

6.6 Conclusion

In summary, the most important findings of this study were that

- There is a relationship between Organisational Climate and Managerial Leadership,
- Effective Managerial Leadership leads to the establishment of a positive Organisational Climate,
- Effective Managerial Leadership will most likely lead to higher production, organisational effectiveness and higher employee satisfaction within the organisation.

Within the context of management and leadership, which are both crucial concepts, it is important to be able to point out that the manager-leader does indeed play a role in creating a conducive atmosphere for employees to function in optimally. Employees who experience a conducive and congenial work environment and climate of necessity have buy-in, take ownership and contribute to better production, greater organisational effectiveness as an outflow of higher employee satisfaction with the organisation.

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