

**THE RELATIONSHIP BETWEEN LEADERSHIP STYLE AND LOCUS OF  
CONTROL**

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## COMMENTS

The reader is reminded of the following:

- The references as well as the editorial style as prescribed by the *Publication Manual (5<sup>th</sup> edition)* of the American Psychological Association (APA) were followed in this mini-dissertation. This practice is in line with the policy of the Programme in Industrial Psychology of the PU for CHE to use the APA style in all scientific documents as from January 1999.
- The mini-dissertation is submitted in the form of a research article. The editorial style specified by the *South African Journal of Industrial Psychology* (which agrees largely with the APA style) is used, but the APA guidelines were followed in constructing tables.

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## **ABSTRACT**

**Title:** The relationship between leadership style and locus of control.

**Key terms:** Leadership, transformational leadership, transactional leadership, locus of control, internal locus of control, external locus of control, organisational psychology, charismatic leaders, charisma, leadership traits and leadership theories.

Due to the fact that the environment in which companies in South Africa are operating is constantly changing, these companies are undergoing a process of transformation. Organisations that intend competing successfully within this changing environment will have to have the right kind of leaders in order to stay afloat and even flourish. It is expected from companies' leaders at all levels to successfully navigate these troubled waters.

Much of leadership has to do with the way in which leaders motivate their subordinates. Research has shown that there are succinctly different styles of leadership, and that each type of style has a different influence on the motivation of workers.

Another factor, equally important, is the concept of locus of control. Research has also shown that people perceive differently, that which controls their destiny. Does the leader feel that he/she is controlled by this constantly changing environment in which he/she has to lead, or is he/she as the leader of an organisation in control of him-/herself and his/her actions, and therefore also in control of the company itself?

The question that inevitably arises is the following: is there any relationship between the style of leadership and the locus of control of the leader, and if so, what is the nature of this relationship?

A quantitative design (two test survey design on a large population) was used to take the measurements on the style of leadership and the locus of control of the leaders. The Locus of Control Inventory (LCI) of Schepers (1998) and the Multifactor Leadership Questionnaire (MLQ), form 5R of Bass and Avolio (1995), were administered. A statistical analysis was then

carried out in order to determine the relationship that exists between the two measurements, as well as the nature of the relationship. There were 221 respondents from organisations in South Africa, most of whom were in a middle level of leadership.

The results showed that an internal locus of control and a disposition towards autonomy were associated with a laissez-faire leadership style as well as a transformational leadership style. It also showed that an external locus of control was associated with a laissez-faire leadership style.

Recommendations for organisations and for future research were made.

## **OPSOMMING**

**Titel:** Die verband tussen leierskapstyl en lokus van kontrole.

**Sleutel terme:** Leierskap, transformasionele leierskap, transaksionele leierskap, lokus van kontrole, interne lokus van kontrole, eksterne lokus van kontrole, organisasiesielkunde, charismatiese leiers, charisma, leierskaptrekke en leierskapteorieë.

Weens die feit dat die omgewing waarin Suid-Afrikaanse maatskappye beweeg voortdurend verander, ondergaan hierdie maatskappye 'n proses van transformasie. Organisasies wat suksesvol wil meeding in hierdie veranderende omgewing sal oor die regte tipe leiers moet beskik om hulle in staat te stel om kop bo water te hou en selfs te floreer. Hierdie maatskappye verwag van leiers op alle vlakke om suksesvol deur hierdie troebel waters te navigeer. 'n Groot komponent van leierskap het te make met die motivering van ondergeskiktes. Navorsing het getoon dat verskillende leierskapstyle voorkom, en dat elke styl 'n ander invloed het op die motivering van werkers.

'n Ander ewe belangrike faktor is die konsep lokus van kontrole. Navorsing het getoon dat mense op verskillende maniere dit waarneem wat hulle bestemming bepaal. Voel die leier dat hy/sy beheer word deur hierdie voortdurend veranderende omgewing waarin hy/sy die leiding neem, of is hy/sy as die leier van die organisasie in beheer van hom-/haarself en sy/haar aksies, en daarom ook in beheer van die maatskappy?

Die vraag wat onvermydelik opkom, is die volgende: is daar enige verband tussen die leierskapstyl en die lokus van beheer van die leier, en indien wel, wat is die aard van die verband?

'n Kwantitatiewe ontwerp (twee toetsmetings op 'n groot populasie) is gebruik om die leierskapstyl en die lokus van kontrole van die leiers te meet. Die Lokus van Kontrole-vraelys van Schepers (1998) en die Multifaktor Leierskapsvraelys, vorm 5R van Bass en Avolio (1995), is aangewend.

'n Statistiese analise is uitgevoer om die korrelasie wat tussen die twee metings bestaan, vas te stel, asook die aard van die korrelasie.

Die resultate het getoon dat 'n interne lokus van kontrole en 'n geneigdheid tot outonomie 'n verband getoon het met 'n laissez-faire leierskapstyl asook met 'n transformasionele leierskapstyl. Dit het ook getoon dat 'n eksterne lokus van kontrole 'n verband getoon het met 'n laissez-faire leierskapstyl.

Aanbevelings vir organisasies en vir toekomstige navorsing is gemaak.

## **CHAPTER ONE**

### **INTRODUCTION**

This research is concerned with an investigation of the relationship between the style of leadership of a leader, and the locus of control of the leader. In this chapter the reader is oriented regarding the design and layout of this research project. The problem statement and research questions are discussed, and the theoretical and empirical aims, as well as research hypotheses are formulated. Terminology is also clarified and a preview of the study is provided.

#### **1.1 PROBLEM STATEMENT**

To achieve follower performance in an organisation beyond ordinary limits, leadership must be transformational-(Bass, 1985). Bass 1985 further states that followers' attitudes, beliefs, motives and confidence need to be transformed from a lower to a higher plane of arousal and maturity. It can therefore be understood why the correct type of leadership is important. Sound leadership means better and more effective organisations through more effective employees (Bass, 1985). The world organisations find themselves in (the environment) is in a constant state of flux (Van Staden, Schepers & Rieger, 2000). This holds true whether it is a social, political or economic environment. The social environment continually changes. People will be cueing up to be the first to buy a certain product, and the next day no-one will want to possess it. The political arena never remains the same for too long. Governments with their laws rule with great fervour and pride but are destroyed the next year by scandal or deceit. The economy finds itself in a never-ending flow of rising and declining tides of supply and demand. New products and companies will bloom, reach their adult stage and soon, through the powerful force of entropy, meet their end.

In such unstable environments, having an organisational policy of stagnation, could be deadly. Organisations through all history and across the world can do no better for surviving and even thriving, than anticipate, change and adapt along with the environment. This holds true for organisations in South Africa today (Van Staden et al., 2000). In the especially difficult

economic cycle in which we find ourselves in this country, it is quite evident. The ability of an organisation to gauge where the environment will go to next and to be able to follow along with it, will determine whether it will stand or fall. Since organisations are primarily composed of people and it is people who will have to make the decision of change and change along with it, one needs to look at the people factor and therefore the psychological factor if one is going to heed to change. Because this investigation concerns groups and organisations, a good lens to look through will be organisational and industrial psychology.

The effectiveness and style of the leadership of an organisation is vital to the effectiveness of the organisation itself (Bass, 1985). Laissez-faire leadership is a counterproductive leadership style, whereas transformational leadership seems to be the most productive style of leadership as it can have a very positive impact on the effectiveness of an organisation (Bass, 1985). The driving force behind organisational change itself comes from the leaders of the organisation. It is because of this relationship between organisational change, effective organisations and leadership that leadership style and the way in which it relates to the former two concepts needs to be examined. It is to the leaders that the rest of the organisation turns for guidance. The leaders are in a way the eyes of a company; they need to look at the changing environment and see what changes are necessary. Then they need to have the strength of character to bring the whole company in line with this new vision.

Leadership has been studied extensively by various researchers and from different paradigms. For example, personal and situational theories such as the great-man, trait, situational, psychoanalytic and humanistic, and political theories have been developed. Then there were the interaction and social learning theories; for instance the leader-role theory, path-goal and contingency theories. Another paradigm was concerned with theories and models of interactive processes such as exchange theories and behavioural theories. Perceptual and cognitive theories, such as the attribution theory and the rational-deductive approach were yet other attempts at explaining leadership behaviour. Currently the dominant paradigm used in studying leadership is a hybrid explanation, namely the paradigm of transformational leadership (Bass, 1990). This paradigm had evolved from research on the traits and situations that affect leadership to something more dynamic. Burns (1978) presented the new paradigm of the transformational as

opposed to the transactional leader. The transformational leader asks followers to transcend their own self-interests for the good of the organisation and to consider their longer-term needs to develop themselves, rather than their needs of the moment; and to become aware of what is really important. Burns conceived leaders to be either transformational or transactional, but the theory was expanded by Bass (1985) who proposed that transformational leadership augments the effects of transactional leadership on the efforts, satisfaction and effectiveness of subordinates (Bass, 1990).

There are two concepts concerning the psychology of a leader that seem to be especially vital to the outcome of organisational change (Van Staden, Schepers & Rieger, 2000). One is the style of leadership and the other is the locus of control of leadership. There are two basic styles of leading, but one leader can display elements of both styles in his/her behaviour. The two styles are transactional leadership and transformational leadership. Transactional leadership entails an exchange between a leader and follower (Den Hartog, Van Muijen & Koopman, 1997). Transactional leading is leading by giving and withholding rewards and dealing out punishment (Bass, 1990, 1997; Burns, 1978; Chen & Fahr, 2001). The transformational leader is the one person in an organisation who is the most helpful in bringing about the necessary change. He/she transforms organisations, and hence people, by inspiring them to change their own motives, beliefs and values in order to follow a vision that reaches beyond their own immediate self-interests (Bass, 1990; Burns, 1978; Judge & Bono, 2000). Most authors contend that transformational leaders usually are significantly more productive leaders than are contingent leaders (Bass, 1990; Burns, 1978; Lowe, Kroeck & Sivasubramaniam, 1996), although many authors also state that a transformational leader can and should also use some of the contingency leading behaviours (Bass, 1990; Van Staden et al., 2000).

The second important concept is that of the locus of control of the leader. This concept poses the question: does the leader perceive that an event regarded by him/her as a reward follows from his/her own behaviour or attributes, or does he/she feel that a reward is controlled by forces outside him-/herself and may occur independently of his/her own actions? (Rotter, 1966). When a reward or reinforcement is perceived by the subject as following some action of his/her own but not entirely contingent upon his/her action, then it is typically perceived as the power of luck,

chance, fate, as under the control of powerful others or as unpredictable because of the great complexity of the forces surrounding him. This is described as an external locus of control. If the person perceives that the event is contingent upon his/her own behaviour or his/her relatively permanent characteristics, it is termed as an internal locus of control (Boone & De Brabander, 1993; Rotter, 1966; Van Staden et al., 2000).

Seen in this light, it becomes evident why both the concepts of leadership style and locus of control are of such importance to the changing organisation. The transformational leader will probably be better equipped to help an organisation survive through change because the constituents emotionally want to make the change with him/her and for him/her. They feel drawn to such a man or woman and he/she shows them the way through his/her vision. The leader with an internal locus of control feels that the desired outcome of a situation is within his or her control. If an organisation therefore needs to get from point A to point B, such a leader will not leave the matter to chance but will initiate the appropriate behaviours to get to point B, and try and take the organisation with him/her.

There aren't enough good leaders in South Africa and there are too many people still depending on luck, chance and fate and too many not taking responsibility for achieving what they need to achieve by their own actions. Conversely, not enough research is done in this country to determine the nature of the relationship between leadership style and locus of control. Only one South African study could be found that related locus of control and transformational leadership (see Van Staden et al., 2000). It would seem that an internal locus of control is usually the more productive orientation as far as organisations are concerned (Howell & Avolio, 1993; Ward, 1992), and the same can be said for transformational leadership (Bass, 1990; Burns, 1978; Howell & Avolio, 1993).

Van Staden et al. (2000) state that during the last decade the constructs locus of control and transformational leadership were the focus of various research studies. Most of the research literature relates internal locus of control and transformational leadership as well as individual and organisational performance positively. From the research literature it can also be seen that there are similarities between the personality characteristics of a transformational leader and a

person who possesses an internal locus of control. Van Staden et al. (2000) mention a study by Howell and Avolio (1993), that found a statistically meaningful correlation between locus of control and transformational leadership. The results of this study support the existing theories that relate internal locus of control and transformational leadership positively with performance. The results also show that internal locus of control and autonomy positively correlate with transformational leadership. External locus of control and autonomy (inversely) positively correlate with transactional leadership.

The results of the above-mentioned study also relate an internal locus of control positively with three of the four "I's" of transformational leadership, namely idealised influence, intellectual stimulation, and individual consideration. Van Staden et al. (2000) state that various independent studies relate internal locus of control as well as transformational leadership positively with individual and organisational performance.

Therefore it can be hypothesised that there is a relationship between an internal locus of control and transformational leadership. Rationally this can be explained by saying that a leader with an internal locus of control will tend to be more action-orientated and will tend to take specific actions in order to make his/her organisation more effective. If he/she cares about his/her employees, such a leader will also tend towards developing them and giving attention to them. This is part of the characteristics of transformational leadership (Bass, 1985). A leader with an external locus of control will probably have a laissez-faire type of leadership style, because he/she believes reinforcements (such as building a more effective organisation) lie beyond his/her own control and in the environment. Because he/she believes that reinforcement lies outside his/her control, he/she will probably not be inclined to be action-oriented or employee-oriented. Such a style would be similar to the laissez-faire style of leadership, which is a counterproductive style of leadership (Bass, 1985).

The rapidly changing environment calls for transformational leadership in order for organisations to survive and be successful. In order to identify transformational leaders and to develop and identify a culture of transformational leadership, it is essential to gain a sound knowledge of and insight into aspects of transformational leadership and accompanying

personality characteristics. Transformational leadership could be one of the keys towards success and survival for South African organisations in this millennium.

From the above formulation of the research problem, the following questions arise:

- How are leadership styles and locus of control conceptualised in the literature?
- What is the relationship between leadership style and locus of control?
- What are the leadership styles of lower, middle and higher level leaders in organisations in South Africa?
- Is it possible to predict leaders' leadership styles from their loci of control?

## **1.2 AIM OF THE RESEARCH**

The research aim can be subdivided into a general aim and specific objectives.

### **1.2.1 General aim**

The general aim of this study is to determine the relationship between style of leadership and locus of control, and to determine if locus of control can predict leadership styles.

### **1.2.2 Specific aims**

- To conceptualise leadership styles and locus of control from the literature.
- To determine the relationship between leadership styles and locus of control of leaders in various organisations in South Africa.
- To determine the leadership styles of lower, middle and higher level leaders in various organisations in South Africa.
- To determine whether leaders' loci of control could predict their leadership styles.

## **1.3 RESEARCH METHOD**

The research method consists of a literature review and an empirical study.

### **1.3.1 Literature review**

The literature review focuses on the nature of the different styles of leadership, on the nature of locus of control and the relationship between these two concepts.

### **1.3.2 Empirical study**

#### **1.3.2.1 Research Design**

A survey design will be utilised to attain the research objectives. The specific design is a cross-sectional survey design, whereby a sample is drawn from a population at one point at time (Shaughnessy & Zechmeister, 1997). Information collected was utilised to describe the population at that time. The design can also be used to assess interrelationships among variables within the populations. According to Shaughnessy and Zechmeister (1997) this design is ideal to address the descriptive and predictive functions associated with correlational research.

#### **1.3.2.2 Sample**

The target population consists of 221 lower, middle and higher level leaders in various organisations in South Africa.

#### **1.3.2.3 Measuring instruments**

The *Locus of Control Inventory* (LCI) of Schepers (1998) and the *Multifactor Leadership Questionnaire* (MLQ), form 5R of Bass and Avolio (1995), will be administered. The MLQ form 5R of Bass and Avolio (1995), consists of three scales of leadership; the scales being Transformational Leadership, Transactional Leadership and Laissez-faire Leadership.

The LCI (Schepers, 1995) will be used to measure locus of control. The LCI measures three factors, namely internal control, external control and autonomy. An item-analysis of the three scales revealed reliability scores higher than 0,80. Research by Schepers (1995) established the alpha coefficients of the three scales of the LCI at 0,83 (Internal Control), 0,84 (External Control) and 0,87 (Autonomy). The study of Rothmann and Agathagelou (2000) revealed Cronbach alpha coefficients of 0,81 (External Control), 0,77 (Internal Control) and 0,72 (Autonomy). In terms of criterion validity, it has been found that the LCI correlates with a composite criterion of job success ( $r = 0,62$ ) (Bothma & Schepers, 1997).

#### **1.3.2.4 Data analysis**

The statistical analysis will be carried out by means of the SAS-program (SAS Institute, 2000). The SAS-program will be used to carry out statistical analysis regarding the reliability and validity of the measuring instruments, descriptive statistics, correlation coefficients and multiple regression analyses.

Cronbach alpha coefficients, inter-item correlation coefficients and factor analysis will be used to assess the reliability and validity of the measuring instruments (Clark & Watson, 1995). Principal components extraction will be used prior to principal factors extraction to estimate the number of factors, presence of outliers and factorability of the correlation matrices. Oblique rotation will be used to determine intercorrelations between factors. If factors are significantly related the oblique rotation (using Promax) will subsequently be carried out on the factors. If the factors are not significantly related, principal factors extraction with varimax rotation will be performed by means of SAS FACTOR on the measuring instruments.

Descriptive statistics (e.g. means, standard deviations, range, skewness and kurtosis) and inferential statistics will be used to analyse the data. A cut-off point of  $p = 0,05$  will be set for the statistical significance of the results. Effect sizes (Cohen, 1988) will be used to decide on the practical significance of the findings. Pearson product-moment correlation coefficients will be used to specify the relationships between the variables. Where the distribution of scores is skew,

Spearman correlations will be used. A cut-off point of 0,30 (medium effect, Cohen, 1988) will be set for the practical significance of correlation coefficients.

Canonical correlation is used to determine the relationships between the dimensions of leadership style and locus of control. The purpose of canonical correlation is to analyse the relationship between two sets of variables (Tabachnick & Fidell, 2001). Canonical correlation is considered to be a descriptive technique rather than a hypothesis-testing procedure.

## **1.4 CHAPTER LAYOUT**

Chapter 1: Introduction

Chapter 2: Research article

Chapter 3: Conclusion, limitations and recommendations

## **1.5 CHAPTER SUMMARY**

In this chapter the problem statement, the aims of the study and the research method were discussed. A prospective chapter layout was also indicated.

Chapter 2 contains the research article.

**CHAPTER TWO**

**RESEARCH ARTICLE**

# **THE RELATIONSHIP BETWEEN LEADERSHIP STYLE AND LOCUS OF CONTROL**

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## **ABSTRACT**

The objective of this research was to establish the relationship between the style of leadership and locus of control of leaders in South African organisations. A cross-section design was used. The sample consisted of 221 leaders in organisations in South Africa. The Multifactor Leadership Questionnaire and the Locus of Control Questionnaire were administered. An internal locus of control and a disposition towards autonomy were associated with a laissez-faire leadership style and a transformational style of leadership. An external locus of control was also associated with a laissez-faire leadership style.

## **OPSOMMING**

Die doel van hierdie navorsing was om die verband tussen die leierskapstyl en die lokus van kontrole van leiers in Suid-Afrikaanse organisasies te bepaal. 'n Dwarsdeursnee-ontwerp is gebruik. Die steekproef het bestaan uit 221 leiers van organisasies in Suid-Afrika. Die Multifaktor Leierskapsvraelys en die Lokus van Kontrole-vraelys is gebruik. 'n Interne lokus van kontrole en 'n geneigdheid tot outonomie het 'n verband getoon met 'n laissez-faire leierskapstyl asook met 'n transformasionele leierskapstyl. 'n Eksterne lokus van kontrole was ook geassosieer met 'n laissez-faire tipe leierskapstyl.

There are no individual roles in an organisation that have the potential to do as much good or as much damage to an entire organisation as that of the leadership role. Of course, the higher up in the organisation the role of leadership is exercised, the more critical it becomes to have effective managers and leaders at that level.

Bass (1999) states that forty years ago parents believed that it was most important to teach their children to respect authority, to respect the church, to respect one's government, and to avoid questioning authority. Today parents believe it is most important to teach their children to accept responsibility for their own actions, to be confident in accepting challenges and be willing to do so, and to question authority when necessary. Typically, workers in the 1950s did not question their managers' leadership, at least not outright. In the year 2004, things have changed dramatically; leaders are being questioned and evaluated on every decision they make. Today, trust in leadership and warmth towards the leaders is essential for identification with the organisation and in order to internalise its values (Bass, 1999).

To achieve follower performance in an organisation beyond ordinary limits, leadership must be transformational (Bass, 1985). Bass further states that followers' attitudes, beliefs, motives and confidence need to be transformed from a lower to a higher plane of arousal and maturity. It can therefore be understood why the correct type of leadership is important. Sound leadership means better and more effective organisations through more effective employees (Bass, 1985). The world organisations find themselves in is in a constant state of flux (Van Staden, Schepers & Rieger, 2000). This holds true whether it is a social, political or economic environment. The social environment continually changes. People will be cueing up to be the first to buy a certain product, and the next day no-one will want to possess it. The political arena never is static for too long. Governments with their laws rule with great fervour and pride but are destroyed the next year by scandal or deceit. The economy finds itself in a never-ending flow of rising and declining tides of supply and demand. New products and companies will bloom, reach their adult stage and soon through the powerful force of entropy meet their end.

In such unstable environments, having a policy of stagnation could be deadly. Organisations through all history and across the world can do no better for surviving and even thriving, than by

anticipating change and adapting along with the environment. This holds true for organisations in South Africa today (Van Staden et al., 2000). In the especially difficult economic cycle in which we find ourselves, in this country, it is especially evident. The ability for an organisation to gauge where the environment will go to next and to be able to follow along with it, will determine whether it will stand or fall. Since organisations are primarily composed of people and it is people who will have to make the decision of change and change along with it, one must look at the people factor and therefore the psychological factor if one is going to heed to change. Because this investigation concerns groups and organisations, a good lens to look through will be organisational and industrial psychology.

The effectiveness and style of the leadership of an organisation is vital to the effectiveness of the organisation itself (Bass, 1985). Laissez-faire leadership is a counterproductive leadership style, whereas transformational leadership is the most productive style of leadership because it can have a very positive impact on the effectiveness of an organisation (Bass, 1985). The driving force behind organisational change itself comes from the leaders of the organisation. It is because of this relationship between organisational change, effective organisations and leadership, that this article examines leadership and how it relates to the former two concepts. It is to the leaders that the rest of the organisation looks for guidance. The leaders are in a way the eyes of a company. They need to look at this changing environment and see what changes are necessary, and then they must have the strength of character to bring the whole company in line with this new vision.

Leadership has been studied extensively by various researchers and from different paradigms. For example, personal and situational theories such as the great-man, trait, situational, psychoanalytic and humanistic, and political theories. Furthermore there were the interaction and social learning theories, for instance the leader-role, path-goal and contingency theories. Another paradigm was theories and models of interactive processes such as exchange theories and behavioural theories. Perceptual and cognitive theories such as the attribution theory and the rational-deductive approach were yet other attempts at explaining leadership behaviour. Currently, the dominant paradigm used in studying leadership is a hybrid explanation, namely the paradigm of transformational leadership (Bass, 1990). This paradigm evolved from research

on the traits and situations that affect leadership to something more dynamic. Burns (1978) presented the new paradigm of the transformational as opposed to the transactional leader. The transformational leader asks followers to transcend their own self-interests for the good of the organisation and to consider their longer-term needs to develop themselves, rather than their needs of the moment; and to become aware of what is really important. Burns conceived leaders to be either transformational or transactional, but the theory was modified by Bass (1985) who proposed that transformational leadership augments the effects of transactional leadership on the efforts, satisfaction and effectiveness of subordinates (Bass, 1990).

### **Style of leadership and locus of control**

Why is it that certain people seem to naturally inspire confidence, loyalty and hard work, while others just do not seem to have the ability to get their people moving at all? Perhaps Bass (1999) supplied part of the answer to this question when he stated: "The transformational leader emphasises what you can do for your country; the transactional leader, what your country can do for you."

There are two concepts concerning the psychology of a leader that seem to be especially vital to the outcome of organisational change. *One* is the style of leadership and the other is the locus of control of leadership (Van Staden, Schepers & Rieger, 2000). There are two basic styles of leading, but one leader can display elements of both styles in his behaviour. The two styles are transactional leadership and transformational leadership. Transactional leadership entails an exchange between leader and follower (Den Hartog, Van Muijen & Koopman, 1997). Transactional leading is leading by giving and withholding rewards and dealing out punishment (Bass, 1990, 1997; Burns, 1978; Chen & Fahr, 2001). The transformational leader is the one person in an organisation who is the most helpful in bringing about the necessary change. He/she transforms organisations, and hence people, by inspiring them to change their own motives, beliefs and values in order to follow a vision that reaches beyond their own immediate self-interests (Bass, 1990; Burns, 1978; Judge & Bono, 2000). Most authors contend that transformational leaders usually are significantly more productive leaders than are contingent leaders (Bass, 1990; Burns, 1978; Lowe, Kroeck & Sivasubramaniam, 1996), although many

authors also state that a transformational leader can and should also use some of the contingency leading behaviours (Bass, 1990; Van Staden et al., 2000).

The *second* important concept is that of the locus of control of the leader. This concept poses the question: does the leader perceive that an event regarded by him/her as a reward follows from his/her own behaviour or attributes, or does he/she feel that a reward is controlled by forces outside him-/herself and may occur independently of his/her own actions? (Rotter, 1966). When a reward or reinforcement is perceived by the subject as following some action of his/her own but not entirely contingent upon his/her action, then it is typically perceived as the power of luck, chance, fate, as under the control of powerful others or as unpredictable because of the great complexity of the forces surrounding him/her. If the person perceives that the event is contingent upon his/her own behaviour or his/her relatively permanent characteristics, it is termed as an internal locus of control (Boone & De Brabander, 1993; Rotter, 1966; Van Staden et al., 2000).

Seen in this light, it becomes evident why both these concepts are of such importance to the changing organisation. The transformational leader will probably be better equipped to help an organisation survive through change because the constituents emotionally want to make the change with him/her and for him/her. They feel drawn to such a man or woman and he/she shows them the way through his/her vision. The leader with an internal locus of control feels that the desired outcome of a situation is within his or her control. If an organisation therefore needs to get from point A to point B, such a leader will not leave the matter to chance but will initiate the appropriate behaviours to get to point B, and try and take the organisation with him/her.

This researcher is of the opinion that there aren't enough good leaders in South Africa and there are too many people still depending on luck, chance and fate and too many not taking responsibility for achieving what they need to achieve by their own actions. It will be productive to try and find out how this problem can be overcome, as well as to find out the different factors influencing this phenomena. Conversely, not enough research is done in this country to determine the nature of the relationship between leadership style and locus of control. Only one South African study could be found that related locus of control and transformational leadership (see Van Staden et al., 2000). It would seem that an internal locus of control is usually the more

productive orientation as far as organisations are concerned (Howell & Avolio, 1993; Ward, 1992), and the same can be said for transformational leadership (Bass, 1990; Burns, 1978; Howell & Avolio, 1993).

Van Staden et al. (2000) state that in the last decade the constructs of locus of control and transformational leadership were the focus of various research studies. Most of the research literature relates internal locus of control and transformational leadership as well as individual and organisational performance positively. From the literature it can also be seen that there are similarities between the personality characteristics of a transformational leader and a person who possesses an internal locus of control. Van Staden et al. (2000) mention a study by Howell and Avolio (1993), that found a statistically meaningful correlation between locus of control and transformational leadership. The results of this study support the findings that relate internal locus of control and transformational leadership positively with performance. The results also show that internal locus of control and autonomy positively correlate with transformational leadership. External locus of control and autonomy (inversely) positively correlate with transactional leadership.

The results of the study by Howell and Avolio (1993) also relate an internal locus of control positively with three of the four "I's" of transformational leadership, namely idealised influence, intellectual stimulation, and individual consideration. Research seems to suggest that internal locus of control as well as transformational leadership positively relate to individual and organisational performance (Van Staden, Schepers & Rieger, 2000).

Therefore it can be hypothesised that there is a relationship between an internal locus of control and transformational leadership. Conceptually this can be explained by saying that a leader with internal locus of control will tend to be more action-orientated and will be apt carry out specific actions in order to make his/her organisation more effective. If he/she cares about his employees, such a leader will also tend towards developing them and giving attention to them. This is part of the characteristics of transformational leadership (Bass, 1985). A leader with an external locus of control will probably have a laissez-faire type of leadership style, because he/she believes reinforcements (such as building a more effective organisation) lie beyond his/her own control

and in the environment. Because he/she believes that reinforcement lies outside his/her control, he/she will probably not be inclined to be action oriented and will not be employee-oriented. Such a style would be similar to the laissez-faire style of leadership, which is a counterproductive one (Bass, 1985).

The rapidly changing environment calls for transformational leadership in order for organisations to survive and be successful. In order to identify transformational leaders and to develop and identify a culture of transformational leadership, it is essential to gain a sound knowledge of and insight into aspects of transformational leadership and accompanying personality characteristics. Transformational leadership could be one of the keys towards success and survival for South African organisations in this millennium.

## **METHOD**

### **Research design**

A survey design was utilised to attain the research objectives. The specific design is a cross-sectional survey design, whereby a sample is drawn from a population at one point in time (Shaughnessy & Zechmeister, 1997). Information collected was utilised to describe the population at that time. The design can also be used to assess interrelationships among variables within the populations. According to Shaughnessy and Zechmeister (1997) this design is ideal to address the descriptive and predictive functions associated with correlational research.

### **Participants**

A convenience sample ( $N = 221$ ) of lower, middle and higher level leaders and managers in various organisations in South Africa was drawn. These organisations were identified on the basis of the availability of managers and leaders who were willing to take part in this study.

## **Measuring instruments**

The *Locus of Control Inventory* (LCI) of Schepers (1998) and the *Multifactor Leadership Questionnaire* (MLQ), form 5R of Bass and Avolio (1995), were administered. The MLQ, form 5R of Bass and Avolio (1995) consists of three scales of leadership; the scales being Transformational Leadership, Transactional Leadership and Laissez-faire Leadership. Bass (1985) found that charismatic leadership behaviour accounted for 64.9 percent of the variance of consequence, in a military officer sample. He states that it clearly was transformational. Individualised consideration accounted for 6.0 percent of the common variance of consequence. Intellectual stimulation accounted for 2.9 percent of the variance. Management by exception accounted for 4.3 percent of the variance (a transactional factor). Contingent reward accounted for 6.3 percent of the variance of consequence (another transactional factor).

The LCI (Schepers, 1995) was used to measure locus of control. The LCI measures three factors, namely internal control, external control and autonomy. An item-analysis of the three scales revealed reliability scores higher than 0,80. Research by Schepers (1995) established the alpha coefficients of the three scales of the LCI at 0,83 (Internal Control), 0,84 (External Control) and 0,87 (Autonomy). The study of Rothmann and Agathagelou (2000) revealed Cronbach alpha coefficients of 0,81 (External Control), 0,77 (Internal Control) and 0,72 (Autonomy). In terms of criterion validity, it has been found that the LCI correlates with a composite criterion of job success ( $r = 0,62$ ) (Bothma & Schepers, 1997).

## **Statistical analysis**

The statistical analysis was carried out by means of the SAS-program (SAS Institute, 2000). The SAS-program was used to carry out statistical analysis regarding reliability and validity of the measuring instruments, descriptive statistics, correlation coefficients and multiple regression analyses.

Cronbach alpha coefficients, inter-item correlation coefficients and factor analysis were used to assess the reliability and validity of the measuring instruments (Clark & Watson, 1995).

Principal components extraction was used prior to principal factors extraction to estimate the number of factors, presence of outliers and factorability of the correlation matrices. Oblique rotation is used to determine intercorrelations between factors. If factors are significantly related the oblique rotation (using Promax) is subsequently carried out on the factors. If the factors are not significantly related, principal factors extraction with varimax rotation is performed by means of SAS FACTOR on the measuring instruments.

Descriptive statistics (e.g. means, standard deviations, range, skewness and kurtosis) and inferential statistics are used to analyse the data. A cut-off point of  $p = 0,05$  is set for the statistical significance of the results. Effect sizes (Cohen, 1988) are used to decide on the practical significance of the findings. Pearson product-moment correlation coefficients are used to specify the relationships between the variables. Where the distribution of scores is skew, Spearman correlations are used. A cut-off point of 0,30 (medium effect, Cohen, 1988) is set for the practical significance of correlation coefficients.

Canonical correlation is used to determine the relationships between the dimensions of leadership style and locus of control. The goal of canonical correlation is to analyse the relationship between two sets of variables (Tabachnick & Fidell, 2001). Canonical correlation is considered to be a descriptive technique rather than a hypothesis-testing procedure.

A regression analysis was done to indicate effect sizes and gauge practical significance.

## **RESULTS**

The descriptive statistics, alpha coefficients and inter-item correlations of the measuring instruments, namely the MLQ and the LCQ, are presented in Table 1.

Table 1

*Descriptive Statistics, Alpha Coefficients and Inter-Item Correlations of the Measuring Instruments (N=221)*

Factor	Mean	SD	Skewness	Kurtosis	r(Mean)	$\alpha$
Laissez	24,25	3,73	-0,08	0,20	0,35	0,76
Transform	28,32	4,26	-0,36	0,13	0,30	0,79
Transact	5,55	3,68	0,86	1,4	0,28	0,70
Internal	137,37	14,47	-0,67	0,13	0,28	0,90
External	59,58	19,87	0,75	0,39	0,35	0,91
Auto	21,94	3,60	-0,52	0,33	0,35	0,67

The mean inter-item correlation coefficients are in the recommended range ( $0,15 < r < 0,50$ ) and thus confirm the internal consistency all of the factors of the MLQ and the LCQ. An alpha reading must be 0,70 or higher to indicate internal consistency (reliability). Therefore the factors of laissez-faire leadership, transformational leadership and transactional leadership, internal locus of control and external locus of control seem to be reliable. The kurtosis of transactional leadership is higher than one, therefore it might indicate that the factor is not normally distributed.

The distribution of the participants according to the level of leadership they operate on is depicted in Table 2.

Table 2

*Frequency of Leadership Level*

Level of leadership position	Frequency
Unknown	29
Low	27
Middle	111
High	54
Total	221

The "level of leadership position" of the sample is based on a subjective evaluation of participants' own level of management. From Table 2 it is evident that the highest frequency (111), which is 50,23 % of respondents in the study, was of a middle level of leadership. Of the respondents, 29 did not state their level of leadership, 27 were in low leadership levels and 54 of the respondents were in a high level of leadership.

Table 3 contains the results of the factor analysis of participants' responses on the MLQ. According to the eigenvalues, three significant factors were identified.

Table 3

*Factor Analysis of the MLQ*

Item	F <sub>1</sub>	F <sub>2</sub>	F <sub>3</sub>	h <sup>2</sup>
44. I increase others' willingness to try harder	0,60	0,00	0,00	0,47
42. I heighten others' desire to succeed	0,55	0,00	0,00	0,42
41. I am satisfying to work with	0,53	0,00	0,00	0,36
43. I am effective in meeting organisational requirements	0,52	0,00	0,00	0,32
31. I help others to develop their strengths*	0,51	0,00	0,00	0,46
45. I lead a group that is effective overall	0,49	0,00	0,00	0,46
24. I keep track of all mistakes	0,48	0,00	0,00	0,30
38. I use methods of leadership that are satisfying	0,47	0,00	0,00	0,28
13. I talk enthusiastically about what must be accomplished	0,00	0,59	0,00	0,46
26. I articulate a compelling vision of the future	0,00	0,53	0,00	0,48
36. I express confidence that goals will be achieved	0,00	0,52	0,00	0,45
9. I talk optimistically about the future	0,00	0,50	0,00	0,33
11. I discuss specifically who is responsible for achieving targets <sup>a</sup>	0,00	0,49	0,00	0,27
34. I emphasise the importance of having a collective mission	0,00	0,47	0,00	0,39
2. I re-examine critical assumptions and question them	0,00	0,46	0,00	0,26
14. I specify the importance of having a strong sense of purpose	0,00	0,46	0,00	0,33
8. I seek differing perspectives when solving problems	0,00	0,45	0,00	0,20
5. I avoid getting involved when important issues arise	0,00	0,00	0,63	0,40
3. I fail to interfere until problems become serious	0,00	0,00	0,62	0,39
12. I wait for things to go wrong before taking action	0,00	0,00	0,59	0,48
20. Problems must become chronic before I take action	0,00	0,00	0,58	0,35
28. I avoid making decisions	0,00	0,00	0,58	0,34
7. I am absent when needed	0,00	0,00	0,46	0,25
3. I fail to interfere until problems become serious	0,00	0,00	0,40	0,22
5. I avoid getting involved when important issues arise	0,00	0,00	0,40	0,25
28. I avoid making decisions	0,00	0,00	0,37	0,23
SMC (Squared Multiple Correlations)	0,81	0,79	0,73	-
% variance	11,04	10,29	5,40	-
% covariance	41,31	38,80	20,19	-
F1: Transactional leadership				
F2: Transformational leadership				
F3: Laissez-faire leadership				

\* Item 31 (I help others to develop their strengths) is a transformational leadership variable loading on a transactional leadership factor.

\* Item 11 (I discuss specifically who is responsible for achieving targets) is a transactional variable loading on a transformational factor.

Inspection of Table 3 shows that three factors were extracted, accounting for 26,73 % of the total variance in the data. As indicated by the SMC's, all factors were internally consistent and well defined by the variables. Variables were also reasonably well defined by this factor solution. Community values, as seen in Table 3, tend to be moderate to high. With a cut-off of 0,45 for inclusion of a variable in interpretation of a factor, 19 of 45 variables did not load on the three factors. Therefore 26 items were retained.

Table 4 contains the results of the factor analysis of the participants' responses on the LCI.

Table 4

*Factor Analysis of the LCI*

Item	F1	F2	F3	h <sup>2</sup>
Do you make things happen through own input rather than wait for it to happen?	0,69	0,00	0,00	0,53
Do you possess the ability to produce work of the highest quality?	0,67	0,00	0,00	0,44
Do you take initiative to find solutions to problems?	0,66	0,00	0,00	0,46
Do you prefer challenging work to routine work?	0,64	0,00	0,00	0,45
Do you like solving complex problems?	0,62	0,00	0,00	0,41
Do you like occupying a leadership position?	0,59	0,00	0,00	0,38
Are you convinced that you are sufficiently qualified for the work you do?	0,56	0,00	0,00	0,32
Do you take responsibility for your own development?	0,56	0,00	0,00	0,43
Are you convinced that you will succeed when undertaking important tasks?	0,55	0,00	0,00	0,40
Do you achieve set objectives irrespective of conditions?	0,55	0,00	0,00	0,35
Do you like making decisions yourself?	0,54	0,00	0,00	0,31
Are you convinced that your achievements were deserved and not luck?	0,54	0,00	0,00	0,38
Can you convince someone else of your viewpoint?	0,54	0,00	0,00	0,32
Are you convinced you can solve your own problems, irrespective of conditions?	0,53	0,00	0,00	0,34
Would you defend your actions if questioned by others?	0,53	0,00	0,00	0,28
Do you prefer to plan your own work programme?	0,51	0,00	0,00	0,30
Is it important to you to receive feedback on tasks completed?	0,50	0,00	0,00	0,28
Does success encourage you to work harder?	0,49	0,00	0,00	0,33
Does the achievement of important objectives depend on yourself?	0,49	0,00	0,00	0,35
Is the outcome of matters determined by your own inputs?	0,49	0,00	0,00	0,41
Are you convinced that your achievements are the result of work and dedication?	0,48	0,00	0,00	0,39
Does failure motivate you to improve your performance?	0,48	0,00	0,00	0,32
Do you take personal responsibility for the things that go wrong in your life?	0,47	0,00	0,00	0,34
Do only people who are at the right place and time get promoted?	0,00	0,75	0,00	0,60
Will your advancement in life be determined by certain influential people?	0,00	0,68	0,00	0,50
Are other people in charge of your life and determine the outcome of issues?	0,00	0,67	0,00	0,50
Is your fate controlled by coincidental events over which you have no control?	0,00	0,66	0,00	0,50
Are you convinced that failure in life could be attributed to fate?	0,00	0,65	0,00	0,47
Has your progress in the past been thwarted by people that were hostile to you?	0,00	0,63	0,00	0,40
Is clique formation the most important determinant of social acceptance?	0,00	0,62	0,00	0,39
Is advancement in life determined by superiors?	0,00	0,62	0,00	0,40
Are you convinced that you are subject to the whims of fate?	0,00	0,59	0,00	0,38
Are your achievements negatively influenced by people not favourable to you?	0,00	0,58	0,00	0,40
Do you feel that you have no control over your circumstances?	0,00	0,56	0,00	0,41
How often is your life influenced by coincidences?	0,00	0,56	0,00	0,36
Do you agree that a person cannot achieve without the right opportunities?	0,00	0,54	0,00	0,30

**Table 4**  
*Factor Analysis of the LCI (continued)*

Item	F1	F2	F3	h <sup>2</sup>
Did your parents negatively influence school performance because of interference?	0,00	0,54	0,00	0,30
Are your present achievements adversely affected by your past?	0,00	0,52	0,00	0,27
Does your own input bear no relation to the outcome of matters?	0,00	0,51	0,00	0,31
Do only people that belong to the right political party have a chance in life?	0,00	0,48	0,00	0,25
Do you often fail because of other people interfering in your business?	0,00	0,48	0,00	0,24
How often does Lady Luck play a role in your life?	0,00	0,45	0,00	0,23
How often do you believe in fatalism?	0,00	0,45	0,00	0,20
How often are you convinced that success depends mainly on hard work?	0,00	0,00	0,61	0,45
Is success mainly related to a person's ability and dedication?	0,00	0,00	0,56	0,42
Is promotion earned through hard work and perseverance?	0,00	0,00	0,54	0,52
Can failure in life be attributed to a lack of dedication?	0,00	0,00	0,48	0,27
SMC	0,92	0,93	0,80	-
% variance	12,55	12,18	4,59	-
% covariance	42,81	41,54	15,65	-

F1: Internal locus of control

F2: External locus of control

F3: Autonomy

Inspection of Table 4 shows that three factors were extracted, accounting for 29,32% of the total variance in the data. As indicated by the SMC's, all factors were internally consistent and well defined by the variables. Variables were also reasonably well defined by this factor solution. With a cut-off of 0,45 for inclusion of a variable in interpretation of a factor, 33 of 80 variables did not load on the three factors. Therefore, 47 items were retained.

Canonical correlation was performed between leadership style and locus of control using SAS CANCELL. In table 5 correlations between the variable and canonical variates, standardised canonical variates, standardised canonical variate coefficients within set variance, accounted for by the canonical variates (percentage variance explained), redundancies and canonical correlations are shown.

Table 5

*Results of the Canonical Analysis: Locus of Control and Leadership Style*

	First Canonical Variate		Second Canonical Variate	
	Correlation	Coefficient	Correlation	Coefficient
<b>Locus of Control Set</b>				
Internal Locus of Control	0,98	0,89	0,13	0,20
External Locus of Control	-0,48	-0,17	0,81	1,01
Autonomy	0,60	0,07	0,31	0,49
Percent of Variance	0,52		0,26	
Redundancy	0,28		0,04	
<b>Leadership Style Set</b>				
Laissez-faire Leadership	0,81	0,40	0,59	1,15
Transformational Leadership	0,87	0,51	-0,32	-0,81
Transactional Leadership	-0,70	-0,34	0,21	0,32
Percent of Variance	0,63		0,16	
Redundancy	0,34		0,02	
Canonical Correlation	0,74		0,38	
Squared Canonical Correlation	0,54		0,15	

The first canonical correlation was 0,74 (54% overlapping variance); the second was 0,38 (15% overlapping variance). The first correlation includes  $F(9, 523,4) = 28,27$ ,  $p < 0,0001$  and the second  $F(4, 432) = 10,16$ ,  $p < 0,0001$ . Subsequent F-tests were not statistically significant. Total percentage variance explained and total redundancy indicate that the pair of canonical variates are relatively strongly related, while the second pair are only marginally related. Consequently, the interpretation of the second pair should be done with caution.

With a cut-off correlation of 0,30 the variables in the locus of control set that were correlated with the first canonical variate were Internal Locus of Control, External Locus of Control and Autonomy. Among the leadership style variables, Laissez-faire Leadership, Transformational Leadership and Transactional Leadership correlated with the first canonical variate. The variables in the locus of control set that were correlated with the second canonical variate were External Locus of Control and Autonomy. Among the leadership style variables, Laissez-faire Leadership and Transformational Leadership correlated with the second canonical variate.

The first canonical variate indicates that a high loading on internal locus of control (0,98), a smaller loading on autonomy (0,60) and a negative loading on external locus of control (-0,48) are associated with a high loading on transformational leadership (0,87) and laissez-faire leadership (0,81), and a high negative loading on transactional leadership (-0,70). The second pair of canonical variates indicates that a high loading on external locus of control (0,81) and a small loading on autonomy (0,31) are associated with a medium-sized loading on laissez-faire leadership (0,59) and a small negative loading on transformational leadership (-0,32).

Table 6 contains the results of the regression analysis of Internal Locus of Control, External Locus of Control, Autonomy and Laissez-faire leadership.

Table 6

*Regression Analysis of Internal Locus of Control, External Locus of Control, Autonomy and Laissez-faire Leadership*

ANALYSIS OF VARIANCE				
$R^2 = 0,40$	Source of Variance	Degrees of Freedom	Sum of Squares	Mean Square
$R = 0,63$	Regression	3	1236,58	412,19
$F = 48,90 \quad f^2 = 0,67$	Residual	217	1829,43	8,43
VARIABLES IN THE EQUATION				
Independent Variables	Parameter	Standard Error	F	P
Constant Variable	-0,78	2,29	0,12	0,73
Internal Locus of Control	0,15	0,02	78,21	<,0001
External Locus of Control	0,02	0,01	4,60	0,0331
Autonomy	0,17	0,07	6,74	0,0101

Table 6 shows that 40% of the variance in Laissez-faire leadership is predicted by internal locus of control (as measured by the LCI) and external locus of control (as measured by the LCI) as well as autonomy. The multiple correlation coefficient of 0,63 is practically significant (large effect) ( $f^2 = 0,67$ ). It seems as if Internal Locus of Control, External Locus of Control and Autonomy explain approximately 40% of the variance in Laissez-faire Leadership. Therefore, these variables are the best predictor of laissez-faire leadership in leaders in organisations in South Africa.

Based on the results in Table 6, the regression equation for Laissez-faire leadership could be written as follows: Laissez-faire leadership = - 0,78 + 0,15 (Internal Locus of Control) + 0,02 (External Locus of Control) + 0,17 (Autonomy).

Table 7 contains the results of the regression analysis of Internal Locus of Control, External Locus of Control, Autonomy and Transformational Leadership.

Table 7

*Regression Analysis of Internal Locus of Control, External Locus of Control, Autonomy and Transformational Leadership*

ANALYSIS OF VARIANCE				
$R^2 = 0,42$	Source of Variance	Degrees of Freedom	Sum of Squares	Mean Square
$R = 0,65$	Regression	2	1695,27	847,63
$F = 80,51$ $f^2 = 0,72$	Residual	218	2295,25	10,53
VARIABLES IN THE EQUATION				
Independent Variables	Parameter	Standard Error	F	P
Constant Variable	10,48	2,52	17,43	<,0001
Internal Locus of Control	0,15	0,02	92,51	<,0001
External Locus of Control	-0,05	0,01	22,24	<,0001

Table 7 shows that 42% of the variance in Transformational leadership is predicted by internal locus of control (as measured by the LCI) and external locus of control (as measured by the LCI). The multiple correlation of 0,65 is practically significant (large effect) ( $f^2 = 0,72$ ). It seems as if Internal Locus of Control and External Locus of Control and Autonomy explain approximately 42% of the variance in Transformational leadership. Therefore, these variables are the best predictors of transformational leadership in leaders in organisations in South Africa.

Based on the results in Table 7, the regression equation for Transformational leadership could be written as follows: Transformational leadership = 10,48 + 0,15 (Internal Locus of Control) – 0,05 (External Locus of Control).

Table 8 contains the results of the regression analysis of Internal Locus of Control, External Locus of Control and Transactional leadership.

Table 8

*Regression Analysis of Internal Locus of Control, External Locus of Control, Autonomy and Transactional Leadership*

ANALYSIS OF VARIANCE				
$R^2 = 0,28$	Source of Variance	Degrees of Freedom	Sum of Squares	Mean Square
$R = 0,53$	Regression	2	818,57	409,29
$F = 41,41$ $f^2 = 0,38$	Residual	218	2154,62	9,88
VARIABLES IN THE EQUATION				
Independent Variables	Parameter	Standard Error	F	P
Constant Variable	20,51	2,44	70,76	<,0001
Internal Locus of Control	-0,12	0,02	59,25	<,0001
External Locus of Control	0,02	0,01	4,41	0,0368

Table 8 shows that 28% of the variance in Transactional leadership is predicted by internal locus of control (as measured by the LCI) and external locus of control (as measured by the LCI). The multiple correlation of 0,53 is practically significant (medium to large effect) ( $f^2 = 0,38$ ). It seems as if Internal Locus of Control and External Locus of Control explain approximately 28% of the variance in Transactional leadership. Therefore, these variables are the best predictors of transactional leadership in leaders in organisations in South Africa.

Based on the results in Table 8, the regression equation for Transactional leadership could be written as follows: Transactional leadership = 20,51 – 0,12 (Internal Locus of Control) + 0,02 (External Locus of Control).

## DISCUSSION

There were 221 respondents from organisations in South Africa. The highest frequency (111, which is 50,23 %) of respondents in the study were of a middle level of leadership. Of the respondents, 29 did not state their level of leadership, 27 were in low leadership levels and 54 of the respondents were in a high level of leadership. The "level of leadership position" of the sample were based on a subjective evaluation of participants' own level of management.

The mean inter-item correlation coefficients are in the recommended range and thus confirm the homogeneity all of the factors of the MLQ and the LCI. The factors of laissez-faire leadership, transactional leadership and transformational leadership, internal locus of control and external locus of control are confirmed. The alpha-values for autonomy are, however, below the cut-off point of 0,70. Scores on the transactional leadership factor are skewed, because its kurtosis is larger than one. This means that the factors of the LCI and the MLQ are useable, valid, and test what it claims to test.

According to the eigenvalues, three significant factors were isolated on the MLQ, accounting for 26,73 % of the total variance in the data. The factors did not overlap. All factors were internally consistent and well defined by the variables. Variables were also reasonably well defined by this factor solution. Community values tended to be moderate to high. Nineteen of forty-five variables did not load on the three factors.

Three factors were extracted from the LCI, accounting for 29,32% of the total variance in the data. All factors were internally consistent and well defined by the variables. Variables were also reasonably well defined by this factor solution. Thirty-three of eighty variables did not load on the three factors.

The results of the canonical correlations showed that the leadership style and locus of control sets of the first and second pair were related. The variables in the locus of control set that were correlated with the first canonical variate were Internal Locus of Control, External Locus of Control and Autonomy. Among the leadership style variables, Laissez-faire Leadership,

Transformational Leadership and Transactional Leadership correlated with the first canonical variate. Therefore it can be stated that a high internal locus of control and autonomy, and a negative external locus of control were associated with a high laissez-faire leadership style and a high transformational leadership style, and negatively associated with a transactional style of leadership. Also, a high external locus of control and low autonomy, were associated with a medium laissez-faire leadership style and negatively associated with a transformational style of leadership.

The results of the regression analysis of Internal Locus of Control, External Locus of Control, Autonomy and Laissez-faire leadership show that 40% of the variance in Laissez-faire leadership is predicted by internal locus of control (as measured by the LCI) and external locus of control (as measured by the LCI). It seems as if Internal Locus of Control, External Locus of Control and Autonomy explain approximately 40% of the variance in Laissez-faire Leadership. Therefore these variables are the best predictors of laissez-faire leadership in leaders in organisations in South Africa.

The results of the regression analysis of Internal Locus of Control, External Locus of Control, Autonomy and Transformational Leadership show that 42% of the variance in Transformational leadership is predicted by internal locus of control (as measured by the LCI) and external locus of control (as measured by the LCI). It seems as if Internal Locus of Control and External Locus of Control explain approximately 42% of the variance in Transformational leadership. Therefore these variables are the best predictors of transformational leadership in leaders in organisations in South Africa.

The results of the regression analysis of Internal Locus of Control, External Locus of Control, Autonomy and Transactional Leadership, show that 28% of the variance in Transactional leadership is predicted by internal locus of control (as measured by the LCI) and external locus of control (as measured by the LCI). It seems as if Internal Locus of Control and External Locus of Control explain approximately 28% of the variance in Transactional Leadership. Therefore, these variables are the best predictors of transactional leadership in leaders in organisations in South Africa.

## RECOMMENDATIONS

Research has shown that the transformational style of leadership is the most effective kind of leadership. Having an internal locus of control and being autonomous are big contributors towards a person being a transformational leader. Therefore organisations in South Africa should give attention to the locus of control and leadership style of their leaders and managers. The researchers recommend that a four-phase programme be implemented towards the attraction and development of highly effective leaders. The Four-phase Leadership Development Programme consists of the following stages:

1. **Selection phase:** The organisation needs to ensure that it has the right type of leaders available by selecting those who already display the characteristics of someone with an internal locus of control as well as characteristics of a transformational leader. This can be achieved by using test batteries including the MLQ and the LCI in selecting new leaders from internal and external sources. Another excellent technique that could be used for selecting leaders, is an assessment centre or a development centre, based on the internal locus of control and transformational leadership model.
2. **Training phase:** Having assessed the leader's level of functioning, he/she should undergo a leadership training programme, addressing aspects of locus of control and leadership style. Workshops could be presented in order to conceptualise the different factors that were extracted during this research. Training could be given in order to stimulate an internal locus of control and autonomy, and in so doing, move away from an external locus of control. Training could also be given to stimulate both a transformational and transactional leadership style and in order to avoid a laissez-faire style of leadership, because the latter seems to be counterproductive. The training should focus on the different dimensions of the factors such as individual attention and intellectual stimulation, when to reward employees, and how a person can function autonomously.

3. **Experiential phase:** Following the conceptualisation stage, facilitation groups should be used to enhance leaders' and managers' transformational leadership skills, their autonomous functioning and an internal locus of control. This part of the programme will focus on practising the skills acquired during the previous phase.
  
4. **Coaching phase:** Once they are trained in the transformational leadership approach, and have practised it in facilitation groups, coaching, counselling and mentoring could be given to the leaders on an individual basis. This will greatly augment the effectiveness of the program. Providing them with pre-selected models displaying appropriate leadership style and locus of control on which to base their own behaviour, should also contribute significantly towards the future leaders themselves displaying the same appropriate behaviours. Further assessment and reviews in actual practice in the organisation should also be done within the coaching phase in order to give the leaders continuous feedback in their careers.

Future research should focus on causal relationships between leadership style, locus of control and personality differences. It needs to explore the underlying mechanisms of personality that produce different styles of leadership and locus of control. The effect that other dispositional variables such as sense of coherence and hardiness have on leadership style, should also be studied.

Research could be conducted before and after one of the above-mentioned leadership style and locus of control phases to ascertain its effects on the leadership style and locus of control of the individual. In other words, a longitudinal study could be carried out.

Also, in future research, leaders from a wide array of organisations country wide should be included in the empirical study.

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## **CHAPTER THREE**

### **CONCLUSIONS, LIMITATIONS AND RECOMMENDATIONS**

#### **3.1 INTRODUCTION**

In this chapter conclusions regarding the literature review and the empirical study are made. Limitations of the research are highlighted and recommendations for future research are made.

#### **3.2 CONCLUSIONS**

The general aim of this research was to investigate the relationship between leadership style and locus of control in organisations in South Africa. The following conclusions are arrived at pertaining to the constructs of a transformational style of leadership, a transactional style of leadership, a laissez-faire style of leadership, as well as an internal locus of control and an external locus of control.

There are two basic styles of leading, but one leader can show elements of both styles in his/her behaviour. The two styles are transactional leadership and transformational leadership. Transactional leadership entails an exchange between leader and follower. Transactional leading is leading by giving and withholding rewards and dealing out punishment. It encompasses such sub-constructs as contingent reward, management-by-exception (active) and management-by-exception (passive). Transformational leaders rather ask followers to transcend their own self-interests for the good of the organisation and to consider their longer-term needs to develop themselves, rather than their needs of the moment; and to become aware of what is really important. The transformational leader inspires his/her followers to change their own motives, beliefs and values in order to follow a vision that reaches beyond their own immediate self-interests. Most authors contend that transformational leaders usually are significantly more productive leaders than are contingent (transactional) leaders. Many authors, however, also state that a transformational leader can and should also use some of the contingency leading behaviours.

Transformational leadership encompasses such sub-constructs as attributed charisma, idealised influence, inspirational motivation, intellectual stimulation and individual consideration. A laissez-faire leadership is in effect a type of non-leadership. It describes a leader who does not show any attempt to engage in actions to lead his/her people. From the literature, laissez-faire leadership, as well as a management-by-exception style that focuses on reprimanding alone, seems to be counter-productive.

Locus of control is a concept which describes whether or not an individual perceives a reward or reinforcement as following some action of his/her own. A leader with an external locus of control does not perceive a reward or reinforcement as following an action of his/her that is contingent upon his/her action. A leader with an internal locus of control perceives that the reward or reinforcement is contingent upon her/her own behaviour or his/her relatively permanent characteristics.

An internal locus of control seems to be the most productive cognitive attribution for a leader to possess. An external locus of control was correlated with lower productivity in both leaders and subordinates. Transformational leadership is positively related to an internal locus of control. Transactional leadership and laissez-faire leadership, according to the literature, is positively related to an external locus of control.

From the literature it can be concluded that an increase in the internal locus of control in a leader could contribute to a more transformational style of leadership

Conclusions made with reference to the empirical objectives are reflected below.

Two hundred and twenty one respondents of organisations in South Africa, most of whom were in a middle level of leadership, completed the MLQ and the LCI.

Three factors were extracted from the MLQ and three factors from the LCI. The factors extracted from the MLQ were transformational leadership, transactional leadership and laissez-faire leadership. This is in accordance with the conceptualisation of Bass and Avolio (1995) regarding

this measuring instrument. The factors extracted from the LCI were those of internal locus of control, external locus of control and autonomy. This, again, is in accordance with the conceptualisation of Schepers (1995) regarding this measuring instrument.

The factors of the MLQ and the LCI were internally consistent. The factors of transformational, transactional and laissez-faire leadership, and internal locus of control and external locus of control were found to be homogeneous (internally consistent and unidimensional).

According to the eigenvalues, the three significant factors that were isolated on the MLQ, accounted for 26,73% of the total variance in the data. The factors did not overlap. All factors were internally consistent and well defined by the variables. Variables were also reasonably well defined by this factor solution. Community values tended to be moderate to high. Nineteen of forty-five variables did not load on the three factors.

The three factors that were extracted from the LCI accounted for 29,32% of the total variance in the data. All factors were internally consistent and well defined by the variables. Variables were also reasonably well defined by this factor solution. Thirty-three of eighty variables did not load on the three factors.

The results of the canonical correlations showed that the leadership style and locus of control sets of the first and second pairs were related. The variables in the locus of control set that were correlated with the first canonical variate were Internal Locus of Control, External Locus of Control and Autonomy. Among the leadership style variables, Laissez-faire Leadership, Transformational Leadership and Transactional Leadership correlated with the first canonical variate. Therefore it can be stated that a high internal locus of control and autonomy and a negative external locus of control were associated with a high laissez faire leadership style and a high transformational leadership style, and negatively associated with a transactional style of leadership. Also, a high external locus of control and low autonomy were associated with a medium laissez-faire leadership style and negatively associated with a transformational style of leadership.

The results of the regression analysis of Internal Locus of Control, External Locus of Control, Autonomy and Laissez-faire Leadership, showed that 40% of the variance in Laissez-faire leadership is predicted by internal locus of control (as measured by the LCI) and external locus of control (as measured by the LCI). It seems as if Internal Locus of Control, External Locus of Control and Autonomy explain approximately 40% of the variance in Laissez-faire Leadership. Therefore these variables are the best predictors of laissez-faire leadership in leaders in organisations in South Africa.

The results of the regression analysis of Internal Locus of Control, External Locus of Control, Autonomy and Transformational Leadership, showed that 42% of the variance in Transformational leadership is predicted by internal locus of control (as measured by the LCI) and external locus of control (as measured by the LCI). It seems as if Internal Locus of Control and External Locus of Control explain approximately 42% of the variance in Transformational leadership. Therefore these variables are the best predictors of transformational leadership in leaders in organisations in South Africa.

The results of the regression analysis of Internal Locus of Control, External Locus of Control, Autonomy and Transactional Leadership, showed that 28% of the variance in Transactional Leadership is predicted by Internal Locus of Control (as measured by the LCI) and External Locus of Control (as measured by the LCI). It seems as if Internal Locus of Control and External Locus of Control explain approximately 28% of the variance in Transactional Leadership. Therefore these variables are the best predictors of transactional leadership in leaders in organisations in South Africa.

### **3.3 LIMITATIONS**

A limitation of the study is that there was not enough detailed information available regarding the biographical characteristics of the leaders; therefore the different factors could not be related to aspects such as gender, educational background and race, because the questionnaires did not contain the detail.

Another limitation is the fact that the sample is not representative of all managers in South Africa, because a convenience sampling method was employed.

Also, because of the fact that a cross-sectional design was employed, the causal nature of the relationships between the different variables are unknown.

### **3.4 RECOMMENDATIONS**

Recommendations to organisations and future research are made in this section.

#### **3.4.1 Recommendations for organisations**

Research has shown that the transformational style of leadership is the most effective kind of leadership. Having an internal locus of control and being autonomous are big contributors towards a person being a transformational leader. Therefore organisations in South Africa should give attention to the locus of control and leadership style of their leaders and managers. The researchers recommend that a four-phase programme be implemented towards the attraction and development of highly effective leaders. The Four-phase Leadership Development Programme consists of the following stages:

1. **Selection phase:** The organisation needs to ensure that it has the right type of leaders available by selecting those who already display the characteristics of someone with an internal locus of control as well as characteristics of a transformational leader. This can be achieved by using test batteries including the MLQ and the LCI in selecting

new leaders from internal and external sources. Another excellent technique that could be used for selecting leaders, is an assessment centre or a development centre, based on the internal locus of control and transformational leadership model.

2. **Training phase:** Having assessed the leader's level of functioning, he/she should undergo a leadership training programme, addressing aspects of locus of control and leadership style. Workshops could be presented in order to conceptualise the different factors that were extracted during this research. Training could be given in order to stimulate an internal locus of control and autonomy, and in so doing, move away from an external locus of control. Training could also be given to stimulate both a transformational and transactional leadership style and in order to avoid a laissez-faire style of leadership, because the latter seems to be counterproductive. The training should focus on the different dimensions of the factors such as individual attention and intellectual stimulation, when to reward employees, and how a person can function autonomously.
3. **Experiential phase:** Following the conceptualisation stage, facilitation groups should be used to enhance leaders' and managers' transformational leadership skills, their autonomous functioning and an internal locus of control. This part of the programme will focus on practising the skills acquired during the previous phase.
4. **Coaching phase:** Once they are trained in the transformational leadership approach, and have practised it in facilitation groups, coaching, counselling and mentoring could be given to the leaders on an individual basis. This will greatly augment the effectiveness of the program. Providing them with pre-selected models displaying appropriate leadership style and locus of control on which to base their own behaviour, should also contribute significantly towards the future leaders themselves displaying the same appropriate behaviours. Further assessment and reviews in actual practice in the organisation should also be done within the coaching phase in order to give the leaders continuous feedback in their careers.

### **3.4.2 Recommendations for future research**

- Future research should focus on causal relationships between leadership style, locus of control and personality differences. It needs to explore the underlying mechanisms of personality that produce different styles of leadership and locus of control. The effect that other cognitive factors such as sense of coherence and hardiness have on leadership style, should also be studied.
- Research could be conducted before and after one of the above-mentioned leadership style and locus of control phases to ascertain its effects on the leadership style and locus of control of the individual.
- Also, in future research, leaders from a wide array of organisations country wide should be included in the empirical study.
- Further research could include leaders from a wide array of organisations country wide in the empirical study.
- Research could also focus on attaining more biographical information of the leaders, and linking this to the different factors that are extracted.
- Future research should focus on causal relationships between leadership style, locus of control and personality differences. It needs to explore the underlying mechanisms of personality that produce different styles of leadership and locus of control.
- The effect that other cognitive factors, such as sense of coherence and hardiness, has on leadership style, should also be studied.
- Research could be conducted before and after one of the above-mentioned leadership style and locus of control interventions to ascertain the effects on the leadership style and locus of control of the individual.

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