

**UNIVERSITY OF KWAZULU-NATAL**

**Leadership Impact on Organizational Productivity: A Study of Eskom,  
Newcastle Zone: KwaZulu-Natal**

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## **Abstract**

Leadership forms part of the imperative issues in organizations and it is a fundamental aspect of transformation. It is therefore a critical aspect of management, which aid leaders in promoting productivity and to realise the goals of an organisation. Almost every human activity has an element of leadership in it. Investors acknowledge the importance of effective leadership when they say that a leader can make a success of an irresolute business plan. Lack of leadership has a great negative effect on any organization. Without leadership companies stagnate, lose vision and fail to meet their set goals. Therefore the leadership style employed in the organization will either enhance or hinder transformation and productivity.

The aim of this research work was to examine the impact that leadership and styles have on organizational productivity in Eskom KwaZulu-Natal: Newcastle Zone. The objectives of this study were to examine impact of Transformational, Transactional, and Laissez-faire leadership styles on productivity. The human resource database of 295 employees served as the sample frame for the research with a probability sample of 123 employees.

A questionnaire instrument was utilised to elicit valuable information from the respondents. The questionnaire consisted of 28 and 5 quantitative and qualitative questions respectively. The study was administered through a link to online survey (Question Pro) emailed to all participants. Statistical Package for Social Sciences (SPSS) was used to analyse data.

The findings revealed that a stronger relationship exists between leadership and employee productivity in that the style employed by the organization can either improve productivity or hinders productivity. The leadership behaviours employed by transformational and transactional leadership showed positive influence in productivity than those of laissez-faire.

The key recommendations for the study were introduction of employee engagement in order to maintain a certain level of relationship between management and workforce in order for the organization to appreciate higher levels of productivity. Also organizations need to employ different leadership styles whereby, one or a combination of leadership style may be employed because of the positive impact they have on productivity.

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## **List of Acronyms and Abbreviations**

KZN	KwaZulu-Natal
OU	Operating Unit

# **CHAPTER ONE**

## **OVERVIEW OF THE STUDY**

### **1.1 Introduction**

Robbins, Odendaal, and Roodt, (2009) defined leadership as “the ability to influence a group toward the achievement of a vision or a set of goals.” Leaders must possess ability to help others envisage an attractive future of their own. Silos (2009) defines a leader as the one who has high influence to direct the cooperation of followers and followers cooperates with the leader’s direction. Leaders have a matchless capacity to manoeuvre the attention of employees/follower to one vision. Due to their strong confidence in the vision, employees feel an irresistible need to follow them.

On the other hand, organizations usually allocate huge budget on training and development to improve productivity of their employees and pursue paths of engaging and retaining talent hoping benefits of such commitments would be realised through improved productivity. The level to which the leader exhibits his/her traits rests not only on personal abilities and physiognomies, but also depends on the extent of the environment and situations dilemmas (Messick and Krammer, 2004). Thus, an employee through influence by his leader will uphold organization values/objectives if he believes they are aligned with his objectives

The purpose of embarking in this study was to examine the impact that leadership has on productivity. The discussion in this chapter focuses on the background, problem statement and significance of the study undertaken, the approach used, the objectives of the research, research questions and lastly, the outline of all chapters is provided.

### **1.2 Motivation for the study**

The aim of this study was to look at the utility company Eskom, Newcastle zone which is one of the Eskom areas in KwaZulu-Natal, in order to examine the employee productivity and leadership styles that are prevailing in the organization and how they impact on its productivity.

It was anticipated that, when the study was completed successfully, it would serve as a foundation of policy guidance to the Newcastle Zone and provide necessary motivation for improving productivity.

It would assist in educating the management of the organization on the necessity and significance of having effective leaders in the organization and to discover what ignites passion for workers to be enthusiastic and devoted to their duties. On the other hand, it will enlighten the employees on their expected roles and obligations to the leadership in the organization while recognizing the reason why employees react in a certain way when a given leadership style of a manager is exerted on them. This research challenged the management and employees in the organization on the importance to increase productivity.

### **1.3 Focus of the study**

The research focussed on relationships that leadership styles have on productivity at Eskom: KwaZulu-Natal Operating Unit. The study is based on 130 employees and managers of the Newcastle Zone. The sample size of 123 people focused on leaders and employees from the various departments which include: Operations, Revenue management, Technical Support employees as well as management at Newcastle Zone.

### **1.4 Problem statement**

The Newcastle zone is one of the three zones of Eskom in the KwaZulu-Natal Operating Unit and is situated in the north western part of KZN. The zone has 13 Local Municipalities that form part of 4 District Municipalities and over 203000 Eskom customers. (Newcastle Municipality Integrated Development plan 2012 – 2017). The zone must provide oversight and direct reporting of customer network centre sector level, integration with Provincial sections and indirect reporting of support functions. It also to ensure that the distribution assets (Primary and Control Plant) within the zone are holistically managed through the Operate, Maintain & Retire asset management phases. The main focus of the zone is on operational and field activities and are empowered to make operational decisions.

Newcastle Zone: KwaZulu-Natal is gifted with adequate and effective human resources which, when developed, can enhance its productivity. However, despite the enormous human and material resources at its disposal and the strategic setting that the Newcastle zone enjoys, not much is seen in productivity improvement.

The graph below depicts the Newcastle performance for the past six years. It is evident that from 2011 performance has declined.

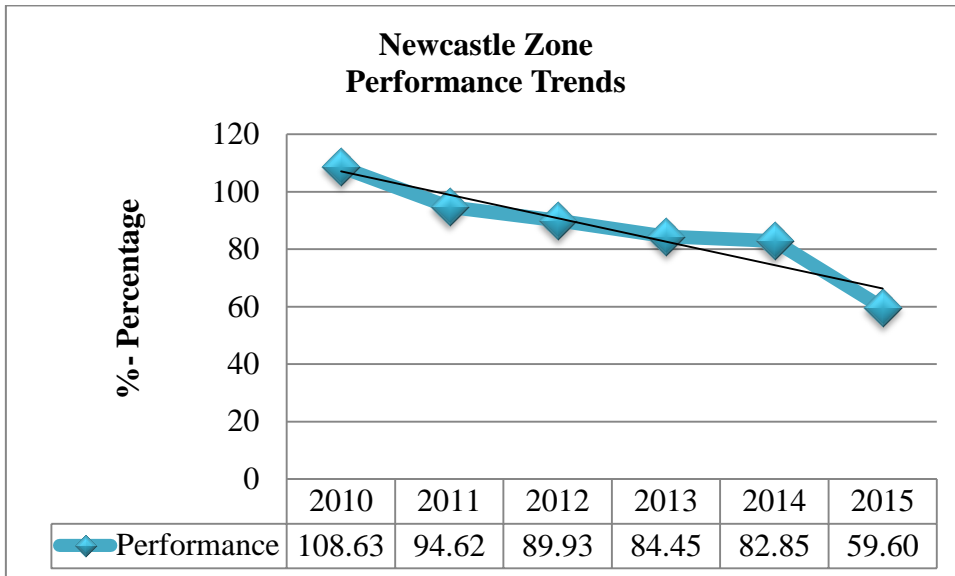


Figure 1: Annual Newcastle Performance (source: Eskom: DPM)

The Newcastle business performance has been unsustainable. The cause of this regressing performance had to be ascertained in order to determine the impact Newcastle leadership had on employee productivity.

### 1.5 Aims and objectives

The objective of this study was to determine the impact of leadership on organizational productivity in Eskom: Newcastle zone. It is explicitly pursued to determine;

- If there is a link between leadership on productivity
- The link between transformational leadership style and productivity
- The link between transactional leadership style and productivity
- The link between laissez-faire and productivity

### 1.6 Research questions

The following research questions are addressed by the study:

1. What is the relationship between leadership and organizational productivity?
2. What is the relationship between Transformational leadership style and organizational productivity?
3. What is the relationship between Transactional leadership style and organizational productivity?

4. What is the relationship between Does laissez-faire leadership style and organizational productivity?

### **1.7 Data collection methods and treatment of data**

- **Research Approach**

The research questionnaire was a combination of both research techniques namely; qualitative and quantitative, which was made up of 28 quantitative and 5 qualitative questions in order to stimulate the benefits suggested by Bryman (2006) whereby researchers obtain wealth of information by using both techniques.

- **Location of the Research**

The research was conducted on Eskom: KwaZulu-Natal Operating Unit in the Newcastle Zone which has 295 employees and managers.

- **Population and Sample**

The Newcastle Zone has a population size of 130 people applicable to this research. Based on the required sample size table recommended by the research advisors in appendix 1, the sample size of 123 employees was derived using 95% confidence interval rule in the following sections: Operations, Revenue management and Technical Support. Probability sampling was utilised together with the employee listing sourced from the Human Resources department at Newcastle Zone.

- **Data Collection**

The instrument that was utilised in the research is a questionnaire, encompassing 28 quantitative questions and 5 qualitative questions. It was emailed to correspondents that have access to computer facilities and also printed out for those who do not have access to computer facilities. The aim was to complete within a period of one month.

- **Data Analysis**

The Statistical Package for Social Sciences (SPSS) was used to evaluate the collected data. The qualitative data was exported manually to Microsoft excel spread sheet for further analysis.

The methodology is discussed in detail in Chapter Three.

## 1.8 Outline of the Study

The study is presented in five chapters.

**Table 1.1: Structure of this Study**

<b>Chapter</b>	<b>Content</b>
<b>Chapter one</b>	This chapter provides a study overview outlining the background of the study, the research problem, objectives, research questions the study aims to answer, the motivation for the study, and concluded with discussion of the proposed methodology.
<b>Chapter two</b>	This chapter discusses the literature work associated with leadership and productivity.
<b>Chapter three</b>	This chapter presents the methods and procedures used in data collection, sampling techniques and methods of data analysis.
<b>Chapter four</b>	This chapter presents the results and discussed the findings of the research.
<b>Chapter five</b>	This chapter offers the conclusions, summaries of major findings and recommendations based on the findings of the study

## 1.9 Summary

Chapter one has set the scene through presentation of the study topic of whether leadership has a significant impact on the organizational productivity. The overview of the study was outlined from the problem statement to the research methodology that was used in the study. The brief outlook of the chapters to follow was also outlined.

Next, is the second chapter of the study which includes contemporary literature on leadership and productivity.

## **CHAPTER TWO**

### **REVIEW OF LITERATURE**

#### **2.1 Introduction**

This chapter is devoted in the examining previous literature in leadership and its relationship with productivity. The leadership concept, theory behind leadership, and the different styles employed in the leadership sphere concentrating mainly on the Transactional, transformational and Laissez faire styles of leadership was reviewed to study the correlation of leadership to productivity and business performance.

The main objectives of the study were to establish whether leadership styles have impact on productivity in Eskom: Newcastle Zone in KwaZulu-Natal. It was explicitly pursued to determine;

- If there is a link between leadership on productivity
- The impact of transformational leadership style on productivity
- The impact transactional leadership style on productivity
- The impact laissez-faire leadership style on productivity

#### **2.2 Leadership**

##### **2.2.1 Leadership concept**

Kruse (2013) defines leadership as “a process of social influence, which maximizes the efforts of others, towards the achievement of a goal.” Thus leaders steer the organization in the direction that will make it more coherent to achieve the desired goal. Northouse (2007) contends that “leadership is a process by which an individual influence a group of individuals to achieve a common goal” (Northouse, 2007).

According to Marn (2012), the leadership defined in Hackman and Johnson’s book as “human communication which modifies the attitudes and behaviors of others in order to meet shared group goals and needs”. In terms of this definition, he pointed out that leadership might be differentiated transformational and transactional as they are most common ones; and both transformational and transactional are based on human moral, behaviors, employees in organizational climate as early leadership theorist argued, and ethics.

Kaile (2006) argues that leadership is not only just about the process of influencing but also of forming a favourable environment for the followers to achieve organizational objectives. Researchers such as Northouse and Kaile came up with traits model of leadership, this model considered leaders as people who possessed particular personality traits which enabled them lead. These studies investigated personality traits like intelligence, status, self-confidence, socially prominent, tall, slender, and energetic (Bass, 1990).

Some scholars have attempted to differentiate leadership from management. Allio, (2012) affirm that managers coerce, while leaders persuade, or that managers take the short view, while leaders take the long view. But the reality is that managers must lead, and leaders must manage. In one framing of the differences, of course, subordinates are assigned (rather than followers) to managers, and assert that leaders exert influence rather than rely on managerial authority.

After concluding that leadership has more to do with behaviour than personality traits, researchers examined the influence of situation on leaders' skills. Situational leadership used the "setting" as the determinant of leadership qualities. The extent to which the individual displays leadership traits is not dependant solely on his characteristics and personality traits but also on the characteristics of the situation in which the leader finds himself (Messick and Krammer, 2004). However, this approach was also inadequate in establishing the skill of leadership conducive for each condition.

Both these investigations could not provide a cut-out conclusion but proved that leadership and leaders are crucial but complex constituents of organizations. Glanz (2002) stresses that, it is crucial for a manager to adopt a leadership style because in an organization because it plays an enormous role in improving productivity.

### **2.2.2 Visionary leadership versus managerial leadership**

Louw and Venter, (2010) describe managerial leadership as the one concerned with short term day to day activities of the organisation ensuring that they are performed in sequence to maintain stability and profitability of the organisation. There is low emotional involvement with employees. Whereas visionary leadership is more concerned with future prospects as it proactively shapes ideas by connecting with people in an empathetic manner ensuring sustainable future of the organisation.



**Table 2.1: Visionary leadership versus managerial leadership**

VISIONARY LEADERSHIP	MANAGERIAL LEADERSHIP
Proactive, shape idea, and change the way people think about what desirable, possible and necessary	Reactive, adopt passive attitudes towards goals. Goals are based on the past and as a necessity not desire
Work to develop choices and fresh approaches to long-standing problems, and work from high-risk positions	View work as an enabling process involving some combination of ideas and people interacting to establish strategies
Concerned with ideas, and relate to people in intuitive and empathetic ways	Relate to people according to their roles in the decision making process
Feel separate from their environment; work in, but do not belong to, organisations; their sense of who they are does not depend on work	See themselves as conservators and regulators of existing order; their sense of who they are depends on who they are in the organisation
Influence attitudes and opinions of others in the organisation	Influence actions and decisions of those with whom they work
Concerned with ensuring the future of the organisation, especially through development and management of people	Involved in situations and contexts characteristics of day to day activities
Are more embedded in complexity , ambiguity and information overload; engage in multifunctional, integrative tasks	Concerned with functional areas of responsibility
Know less than their functional area experts	Are expert in their functional area
More likely to make decisions based on values	Less likely to make value-based decisions
More willing to invest in innovation, human capital, and creating and maintain an effective culture to ensure long-term viability	Engage in and support short-term, least-cost behaviour to enhance financial performance figures

Focus on tacit knowledge and develop strategies as communal forms of tacit knowledge that promote enactment of a vision	Focus on managing the exchange and combination of explicit knowledge and on ensuring compliance with standard operating procedures
Use non-linear thinking	Use linear thinking
Believe in strategic choice	Believe in determinism

Source: adapted from Louw and Venter, (2010)

### 2.2.3 Leadership theories

The earlier theories of leadership focused on leadership qualities distinguishing a leader from a follower, while later leadership theories consider the role of followers and a relative leadership nature. Discussion of major theories is outlined below;

- **Leadership trait theories**

The trait theory is one of the earliest researches that focused on instituting list of traits that define effective leaders (Oosthuizen and Nieuwenhuizen, 2012). According to Bass, (1990), the trait theory assumed that people were born with certain traits which can be aligned with strong leadership. Furthermore, it assumed that leaders that are effective share similar features in terms of personality, social, and physical attributes. Despite extensive and several amounts off research, there is no one set of traits that researches have agreed upon (Mullins, 1999). Researchers often concluded with a list, which comprised a level of subjectivity (Mullins, 1999). Table 2.1 below lists some of the main leadership traits.

**Table 2.2: Main leadership traits**

<b>Personal Characteristics</b>	Self-confidence, emotionally stable, sociable, adaptable, aggressive and dominant.
<b>Social Characteristics</b>	Socially prominent, educated at the “right” schools
<b>Physical Characteristics</b>	Young to middle-aged, tall, slender, energetic with a striking appearance

Source: Hellriegel, Slocum & Woodman (2001).

- **Behavioural theories of leadership**

Because of the dissatisfaction with trait theories, researchers further investigated leadership behaviours relating to the effectiveness of a leader. The emphasis of behavioural theories of leadership according to Oosthuizen and Nieuwenhuizen (2012) is upon ideal behaviour of the effective leader which considers task performed or employee performing the job. This characterization of leadership behaviours originates from studies conducted by Blake & Mouton (1978) and Hershey & Blanchard (1988). Lussier and Achua (2004), summarized the effectiveness of behavioural style of leaders namely; task-initiating structure behaviour whereby a leader's focus is on accomplishment of performance and people-consideration behaviour whereby leader's focus is firstly on the intrinsic need of the employee (Lussier & Achua, 2004). The behavioural theories also assumed that there were customarily accepted and effective leadership behaviours, which caused the acceptability of these theories to decline due to the lack of thought given to context (House and Aditya, 1997).

- **Contingency theories of leadership**

Bolden, Gosling, Marturano and Dennison (2003) suggested the development of contingency theories which stems from impracticality of using one leadership style for every situation. The suggestion is inclusion of individual and situational factors in determining an effective style of leadership.

Hickman (2010) also argued that leader relations with followers differ from one to another. Hersey and Blanchard (2004) further suggest that in a given situation the leadership style exerted on the follower depends on the amount of support and direction required (Hersey and Blanchard, 2004). For example, a self-motivated employee would require less leadership guidance than one who lacks enthusiasm.

- **Transactional theory**

The transactional theory approach according to Bolden, Gosling, Marturano and Dennison (2003) “emphasizes the importance of the relationship between leader and followers, focusing on the mutual benefits derived from a form of 'contract' through which the leader delivers such things as rewards or recognition in return for the commitment or loyalty of the followers.” Each work output that must be performed in the organization is seen as the exchange where the leader identify expected goals and the subsequent rewards thereof (Oosthuizen and Nieuwenhuizen, 2012). It is evident that transactional leaders “lead primarily by using social exchanges for transactions” (Robbins and Judge, 2007).

This approach, by default, acts to reinforce the prevailing structures and culture within the organization (Sadler, 2003).

- **Transformational theory**

Bass (1996) defines transformational leadership as the leader's ability to influence his followers to go beyond their self-regard for organizational goals to be realized. This theory puts the group purpose above individual needs for realization of a collective goal (Seltzer and Bass, 1990). The goal of transformational leadership as outline by Gosling, Marturano and Dennison (2003) is to bring holistic transformation in the organization system through "enlarged vision, congruent behaviour with beliefs, principles, or values; and bring about changes that are permanent, self-perpetuating, and momentum building"

## **2.2.4 Leadership Styles**

It is imperative that that leader understands his followers' needs in order to exude the precise leadership style. Obiwuru, (2011) suggested that the style of leadership applied in the organization has an important role to play in the improvement or hindrance of employee interest and commitment to the organization. Drucker (1993), further suggest that the quality of management determines the success of the organization. Therefore, leadership style entrenched in the organization will an effect on employee productivity.

Among the group of leadership styles available for a leader to choose from, the study focuses on the transactional, transformational and laissez-faire styles of leadership

### **2.2.4.1 Transactional leadership**

Dust, Resick & Mawritz, (2013) describe transactional leadership as an exchange contract or relationship between leadership and employees. As identified by Obiwuru et al. (2011), transactional leadership is based on a conventional exchange relationship in which employees' compliance (effort, productivity, and loyalty) is exchanged for expected rewards. In contrast, transformational (extraordinary) leaders raise employees' consciousness levels about the significance and value of designated outcomes and ways of achieving them (Obiwuru et al., 2011).

Sinha (2008) described exchange principle, as leader and follower's efforts of influencing each other in anticipation of rewards. For example, in order for employees to receive salary increment or promotions the leader expects certain level of performance.

Burn (1978) also presented the engagement of self-interests of employees as the crucial aspect used by transactional leader in motivating employees/followers. This is done in exchange for higher levels of productivity. Furthermore, because of the established tendency to reward expected performance goals, transactional leader will end up paying more for what employees were hired to do with little change in productivity. Yahaya, et al., (2014) can relate to the idea that in the transactional leadership “employees could do less to improve.” There are however, controls that can be implements as discuss in the next section.

- **Elements of transactional leadership**

According to Swanepoel *et al.*, (2003) the most prevailing aim in the transactional leader is the short term achievement of organizational goals whereby rewards and work expectations are clearly defined and shared with employees. This leader is aware of his employee’s strong points and weaknesses thus adjust leadership style to fit the situation. In order for the transactional leader to deal with leadership conditions, constructive and corrective behaviours will have to be applied in the situation. Obiwuru, et al., (2011), contrast the two forms of behaviours; Constructive behaviour refers to contingency reward that is put forth to persuade employee to perform at a certain level, whereas corrective behaviour which refers to management by exception, whereby the leader sets compliance standards and subsequent punishment for non-compliance.

**Table 2.3: Transactional Leadership Behaviours**

<b>BEHAVIOURS</b>	<b>KEY INDICATORS</b>
<b>Contingent Reward</b>	Objectives and exchanges rewards for performance are clarified.
<b>Management-by-Exception: Active</b>	Leaders monitor mistakes and deviations for standards in a systematic manner and ensure corrective actions are taken when mistakes occur.
<b>Management-by-Exception: Passive</b>	Places energy on maintaining status quo, avoids unnecessary change, and enforces corrective action when mistakes are made.

These behaviours can be recognized as the foundation for elements of transactional leadership. Antoniadis et al., (2003) also suggest that management by exception- passive, management by exception- active and contingency reward, are components of transactional leader behaviours.

- **Contingent reward**

Antonakis et al., (2003) defined contingent reward as a leadership behaviour that aims to clarify employee roles and jobs requirements while material or psychological provision is made for the fulfilment of the agreed contractual obligations. It is an exchange principle where rewards are exchange on condition of agreed objective being met. According to Smith, (n.d), the contingent reward system provides leader with positive reinforcement which encourages employees' productivity and accomplishment of organizational goals. Bass (1997) also suggests that provision of contingency rewards ignite a spark of employee involvement and productivity.

- **Management-by-exception active**

Antoniadis et al., (2003) defines management-by-exception active, as a proactive leadership where a leader is more vigilance in ensuring that standards are met. In accordance with Howell and Avolio (1993), this leader actively monitors employee behaviour, able to predict problems, and correct deviation from expected level of performance. In addition to effective monitoring; Chaudhry and Javed (2009) also suggests that the leader grants undisturbed freedom to his followers for them to perform given tasks and only interfere when deviations occur.

- **Management- by-exception: Passive**

Antoniadis et al., (2003) defines management-by-exception passive, as reactive leadership behavior where intervention is made after the non-compliance/error has occurred. Odumeru & Ifeanyi, (2013) also define Passive management-by-exception leaders as those who "wait for issues to come up before fixing the problems". Northouse (2010) provides good example of passive leadership whereby passive leader give an employee poor performance evaluation without prior discussion/ agreement on performance expectations.

#### **2.2.4.2 Transformational leadership**

The transformational leadership style "appears to be the more effective, productive, inventive, and satisfying to followers as both leader and a follower work towards the good of organization driven by shared visions and beliefs as well as mutual trust and respect"

(Ramayan & Min, 2009). This is because transformational leader according to Swanepoel et al. (2003) has abilities that allow him/her to recognize need for transformation in an organization, effectively drive then implementation of that change.

Furthermore, the Transformational leaders “raise follower’s consciousness levels about the importance and value of designated outcomes and ways of achieving them” (Obiwuru, 2011). This means followers are inspired from within themselves to be part of the organisations objectives by becoming more productive.

• **Elements of Transformational Leadership**

Charisma (Idealized influence), inspirational motivation, intellectual stimulation, and individualized consideration are four primary components of Transformational leadership that are based on influencing the behaviours and attitudes of others: (Ruggieri, 2009, McGuire & Kennerly, 2006). Luthans and Doh, (2012) has also later contributed to the development of the transformational leadership elements.

**Table 2.4: Transformational leadership behaviours**

<b>BEHAVIOURS</b>	<b>KEY INDICATORS</b>
<b>Idealized Attributes</b>	Builds trust, confidence and imparts pride
<b>Idealized Behaviours</b>	Put emphasis on collective sense of mission, and talks about values and beliefs.
<b>Inspirational Motivation</b>	Enthusiasm, optimism, and confidence is highly expressed. Expectations and beliefs are raised concerning the mission or vision.
<b>Intellectual Stimulation</b>	Problem solving, critical thinking, and creativity is encouraged Challenges old assumptions and stimulates idea generation.
<b>Individualized Consideration</b>	Develops, coaches, and teaches Determines individual needs and raises them to higher levels.

Luthans and Doh (2012) discusses the components of transformational leadership styles in the following manner:

- **Charisma or idealized influence**

This is an admirable behaviour of a leader that causes followers to relate with the leader because of the clear vision and set of values he/she possess. These values are revealed in every action of the leader. The leader has intrinsic accountability through the vision to impart pride on the followers (Humphreys & Einstein, 2003). This idealized Influence also involves exemplary and selfless leadership (Yukl, 2008).

- **Inspirational motivation**

This component of leadership involves articulation of a vision for the purpose of ignite passion for current work demands and the future state of the organization. According to Robbins & Judge (2007) Motivation is defined “as the processes that account for an individual’s intensity, direction, and persistence of effort towards attaining a goal.” Phillips and Gully (2012), also defines motivation as “the intensity of a person’s desire to begin or to continue engaging in the pursuit of a goal”. Hence, Yulk (2008) suggests utilisation of inspirational motivation to increase employee to work expectations. These assist employees to be more optimistic about themselves and the organization on which they fit.

- **Intellectual stimulation**

According Bass et al., (2003), intellectual stimulations discusses the degree to which leaders action stimulate employees’ creativity in resolving challenging issues of the organization. This stimulation is on employees’ morale. The future outlook of the leader provides context for employees in relation to the link between themselves, the tasks, their leader and the organization at large. This sense of belonging provides a baseline for effective attainment of the required level of performance.

- **Individual consideration**

This component refers to the level at which leader connects directly with individual in the team. This is to manage the contributions of an individual in order to develop growth potential (Bass et al., 2003). The leader can realize connection with individual needs for growth and achievement can be achieved through developing mentorship program and coaching sessions with an employee (Bass, Bernard, Dong, Bruce, Avolio and Yair 2003).

According to Humphreys, (2002) the improvement of performance/productivity in the organization depends on leader's ability to effectively exercise these four components of transformational leadership style to motivate his/her employees.

### **2.2.4.3 Laissez-faire leadership**

According to Bass and Riggio (2008) The Laissez faire leaders avoid making decision through relinquishing responsibilities. The employees are left to make their own decisions in terms of their output thereby strengthening their influence (Deluga, 1990). This means the decision to improve or derail productivity is left with an employee.

Antonakis et al., (2003) describe laissez-faire form of leadership as a more reactive, passive and ineffective. This leadership is as good as absent because of the disconnection that develops between the leader and the follower which in turn endorse ineffectiveness in the organization (McGuire & Kennerly, 2006). If for some unknown reason organization meets objectives, it is through the self-motivation from employees. Therefore, the laissez-faire leaders fail their employees in detaching themselves from regular decisions leaving employees to find way on their own (Webb, 2007).

### **2.2.5 New trends in leadership**

- **Emotional Intelligence of Leaders**

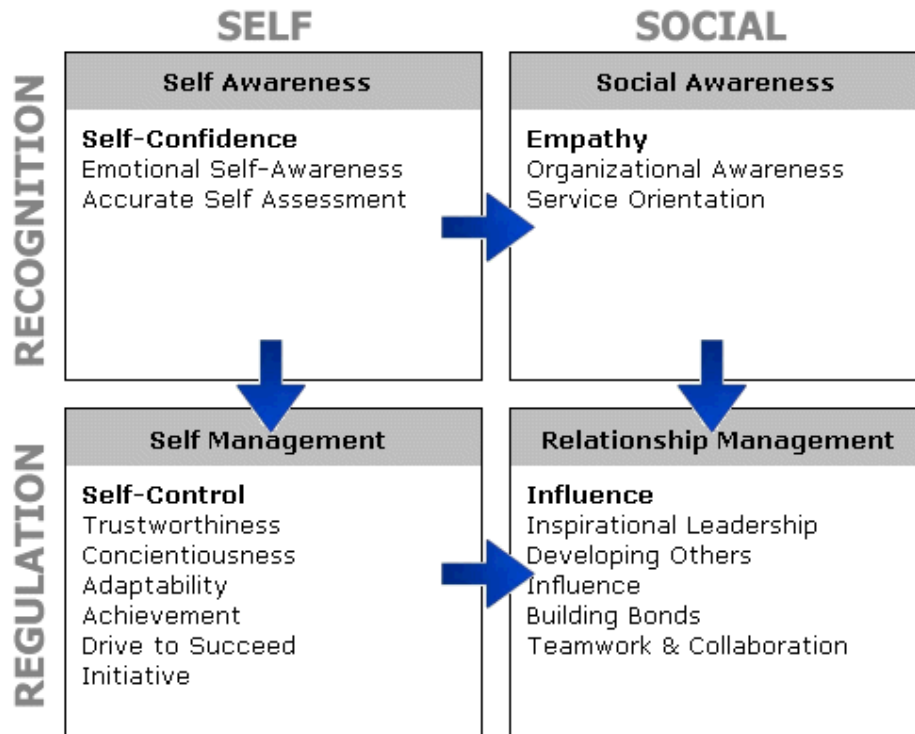
The leadership theories discussed above are the vital factor in aspirations of becoming a great leader. However, the emotional intelligence of a leader has become another important factor that should be considered. The pioneers of Emotional Intelligence concept Mayer and Salovey (1997) described it as the leader's ability to manage one's emotions in any give situation and of those around him. This enables motivation to take place since own feelings and those of others are detected earlier (Goleman 1998).

Heifitz (1996) emphasized the importance of emotional intelligence amongst other factors as it the good tool to measure or predict the next leader of the organization.

Therefore emotional intelligence is closely linked to productivity of the organization as there is a need for constant interactions.

Goleman (1998) also discussed four dimensions of emotional intelligence as follows:

**Table 2.5: Dimensions of emotional intelligence**



Source: adapted from Goleman (1998)

- **Adaptive Leadership**

The competitive world that organizations operate within requires well-informed and engaged leadership in order to prosper. Goleman (2000) suggest efficient collections of leadership styles to be employed in order to reap rewards of improved business performance and productivity.

In order to gain strides in performance and productivity, it is imperative that organisations lead change by adopting Adaptive Leadership which is specifically about change that enables the capacity to thrive (Heifetz and Linsky, 2002). Business signs of thriving include increases in short- and long- term shareholder value, exceptional customer service, high workforce morale, and positive social and environmental impact.

## **2.3 Productivity**

### **2.3.1 Productivity defined**

Stevenson (2012) defines productivity as “a measure of the effectiveness use of resources, usually expressed as the ratio of output to input.” The output the organization realizes is as good as the quality on the inputs. Productivity does not only measure effectiveness use of resources but also gives a level of accomplishment of performance objectives (Sardana, 2000). Kruger, Ramphal and Maritz (2014) suggests that higher levels of productivity results from better management of inputs and processes. This is further suggested by Brewster, Carey, Dowling, Grobler, Holland and Wörnich (2003) where they state that organizations accomplishment of performance objectives relies on being innovative in organizing and running the organization. To manage organization in this era of competitiveness and complication that surround it requires a change in the viewpoint on Productivity.

### **2.3.2 Productivity measure**

Tokarčíková, (2013) defines Productivity as “a ratio to measure how well an organization converts input resources (labor, materials, machines, money) into goods and services”. There are many approaches that can be used to measure productivity. However the measurement system or tool used must measure all the activities/inputs of the organization including employees.

Noe, (1996) mentioned comparative approach where rankings and paired comparison techniques are used to measure productivity and attribute approach where behavioural observation and organizational behavioural adjustment practices are employed to quantify employee productivity.

Kaplan and Norton, (1996) also developed a balanced scorecard as another tool that can be used to measure productivity of the organization including that of employees since it translate the strategic goals of the organization to manageable and measurable work packages. Supervisors, peers, subordinates self-assessments and customer assessment serve as source information in application of the productivity measurement process (Noe, 1996). Green, (2016) further suggests that “performance appraisal can be used to improve performance and build both job satisfaction and organizational commitment”.

Therefore, the measurement of productivity should become an on-going activity for both leaders and employees of the organization in order to assess the state of the organization. Measuring productivity will assist organization leaders in highlighting issues, analysing the problems, scrutinize the possible drivers to improve performance and address them effectively and efficiently.

### **2.3.3 Elements of productivity**

It is vital that both employees and management of the organisation understand what productivity is and what it entails. This is because human behaviour of both management and employee are the most critical factor on productivity (Kruger, Ramphal and Maritz, 2014). It is important that the organisation invest energies to programs or techniques that will have a positive impact on human behaviour thus improving productivity.

- **Employee morale**

Morale is defined as “a state of individual psychological well-being based upon a sense of confidence and usefulness and purpose” (Bowles and Cooper, 2009). It is therefore important that the wellbeing of employees be taken seriously in pursuit for improved productivity.

Heathfield (2012) describes employee morale as a complete view, attitude, contentment and self-confidence that is felt at work by employees. Thus if the employee’s moral is high at work (that is they feel sense of usefulness and satisfaction) productivity will be high. It is for this reason that (ERB, 2011) suggests that leadership must then safeguard and strengthen the morale of its employees as it can either shape or halt the success of the company. If the morale is low that imply reduction in productivity and if the morale is positive the productivity increase, hence, safeguarding by leadership is crucial.

- **Workplace engagement**

Gibbons (2006) defines employee engagement as “a heightened emotional and intellectual connection that an employee has for his or her organisation, manager, or co-workers that, in turn, influences him / her to apply additional discretionary effort to his / her work.”

It is obvious that times business strives in are very competitive in all aspects including innovations, technology, human capital, competitions etc. In the light of competitive edge that companies seek for, it is important that Leadership (in pursuit of competitiveness) take time and commitment in establishing engagement sessions with employees to ignite passion for performance (Robinson, Perryman and Hayday, 2004).

- **Job satisfaction**

The other element contributing to productivity is the level of Job Satisfaction. Bota, (2013) suggests that place of work and the its ailment as determined by management are crucial for the organisation to appreciate an optimal level of job satisfaction. Furthermore, according to Syptak, Marsland and Ulmer (1999), a satisfied employee demonstrates high levels of productivity, innovative and commitment in organizational objectives.

Robbins, (2003) associated job satisfaction to attitude the employee have regarding their job. Therefore, if the attitude is positive productivity will be higher.

Below are the five dimensions that were developed as the measure of job satisfaction.

**Table 2.6: Dimensions of job satisfaction**

<b>DIMENSION</b>	<b>DESCRIPTION</b>
<b>Work itself</b>	This is the extent to which a job provides an individual with opportunity of learning and development
<b>Pay</b>	This refers to the financial package. The remuneration received from employer is seen by employees as a reflection of how management view their contribution towards the organisation.
<b>Promotion Opportunities</b>	The chance of career advancement in the organisation
<b>Supervision</b>	Supervisors ability to provide technical assistance and behavioural support
<b>Co-workers</b>	Degree of technical proficiency and social support of co-workers

Source: adapted from Luthans, 2008

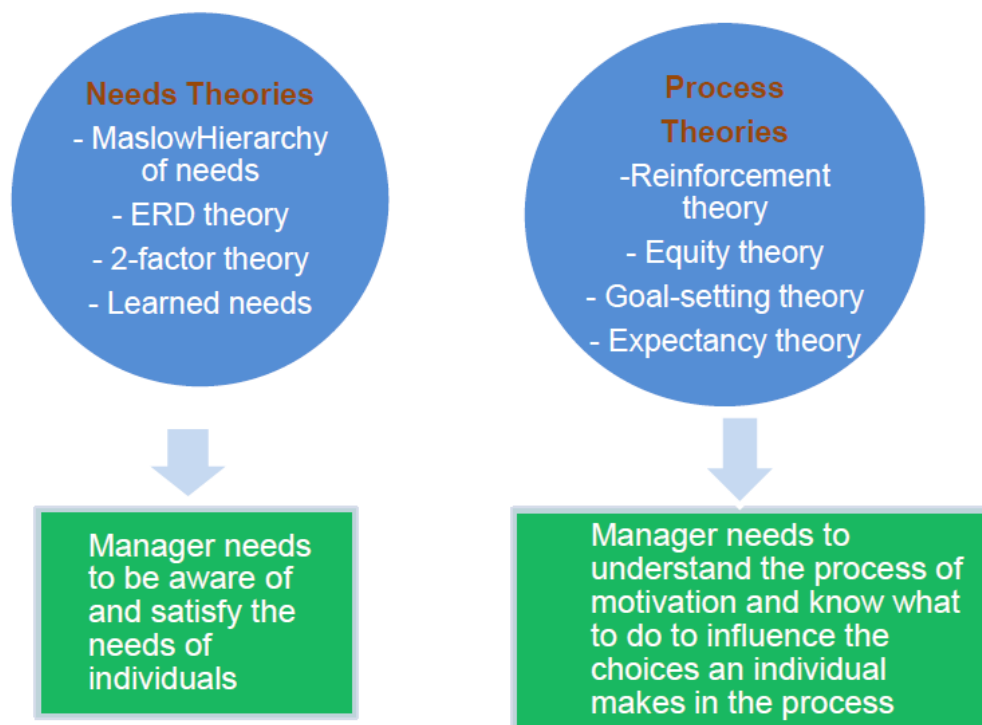
- **Motivation**

According to Robbins & Judge (2007, p.186) Motivation is defined “as the processes that account for an individual’s intensity, direction, and persistence of effort towards attaining a goal.” It is therefore important that Leadership or a manager provides clear direction so that an employee makes correct individual choice. Once direction is clear persistence efforts of attaining the specified goals can develop.

A wide range of books that deals with the subject of motivation suggest the importance of the leader to understand the different motivation theories that have evolved overtime in struggle to unpack the intrinsic needs of employees and satisfaction requirements thereof.

Amos, Ristow and Ristow (2004) clustered motivational theories into needs and process theories.

**Figure: 2.1: Needs and process theories**



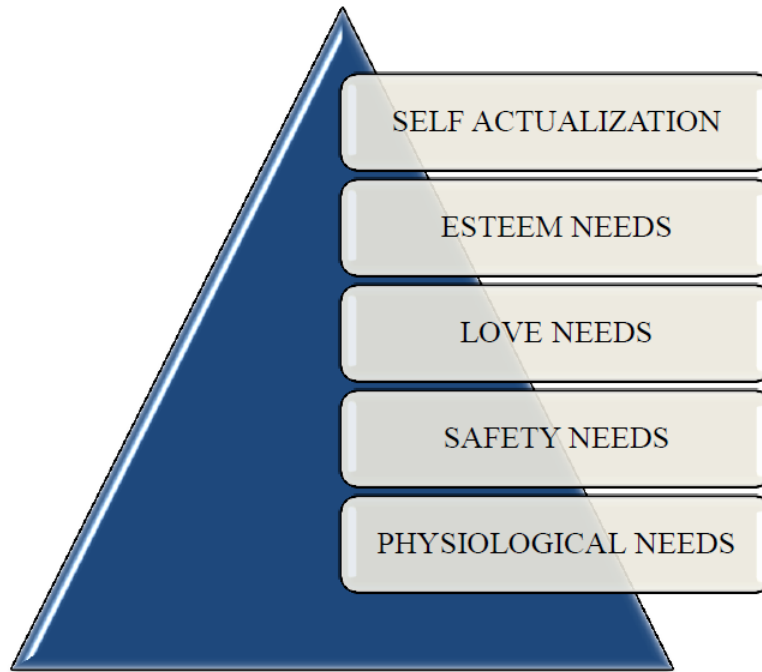
Source: cited from; Amos *et al.*, (2004)

### 2.3.4 Motivation Theories

- **Theory of Maslow's Hierarchy of Needs**

According to the Maslow's Hierarchy of needs theory an individual attempt to accomplish needs that are higher in the hierarchy whenever the lower hierarchy needs have been satisfied.

**Figure 2.2: Maslow Hierarchy of Needs**



Source: Robbins, Odendaal and Roodt, (2009)

Therefore a need remain a source of motivation while unsatisfied, once satisfied the next need in the pyramid becomes a source of motivation.

According to Robbins, Odendaal and Roodt, (2009) there are five levels of individual needs identified by Maslow's hierarchy of needs theory namely; Physiological, safety, love, self-esteem, and self-actualisation.

These are discussed briefly in the table below.

**Table 2.7: Maslow’s hierarchy of needs**

<b>NEED</b>	<b>EXPLANATION</b>
<b>PHYSIOLOGICAL NEEDS</b>	Most basic of all human needs; need for biological maintenance; need for food, water and sustenance
<b>SAFETY NEEDS</b>	Need for security, protection and stability in the physical and inter-personal events of day-to-day life
<b>LOVE NEEDS</b>	Need for love, affection, sense of belongingness in one’s relationship with other persons
<b>ESTEEM NEEDS</b>	Need for esteem of other; respect, prestige, recognition, need for self-esteem, personal sense of competence, mastery
<b>NEED FOR SELF-ACTUALIZATION</b>	Highest need level; need to fulfil oneself; to grow and use abilities to fullest and most creative extent

Source: Adapted from Luthans (2008).

- **Equity theory**

According to Redmond (2010) views “Equity Theory proposes that a person's motivation is based on what he or she considers being fair when compared to others” Leaders need to be aware of these inequity perceptions because they become source of motivation and equity need to be restored (Baxamusa, 2012).

There are four comparisons that employees use to assess inequity as discussed by by Robbins, Odendaal, and Roodt, (2009):

1. Self-inside: An employee’s perception when positioned in a dissimilar portfolio within the organisation;
2. Self-outside: An employee’s perception when positioned in dissimilar portfolio outside the organisation;

3. Other-inside: An external person's perception of the employee's internal environment;
4. Other-outside: An external party's perception of the employee's external environment.

- **Vroom's expectancy theory**

Schermerhorn et al., (2011) outlines Vrooms Expectancy theory by suggesting "that work motivation is determined by individual beliefs regarding effort / performance relationships and work outcomes." Thus if the belief is positive about outcomes e.g. promotion, rewards/compensation, or a simple acknowledgement in front of the peers, productivity will improve.

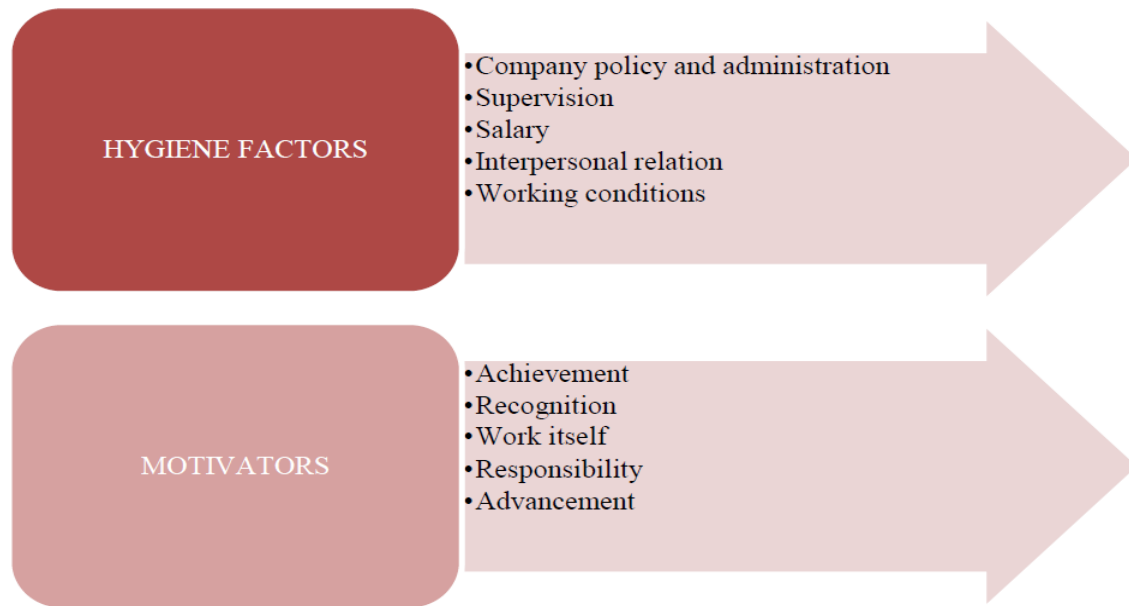
- **Goal setting theory**

According to Robbins (2001) the Goal setting theory suggests that as an employee buy in to the goal or accept it regardless of trouble they'll put extra effort to achieve it Furthermore, Robbins et al., (2009) highlights that Edwin Locke suggested that working toward a goal is a major source of work motivation. This is because the goal informs the required level of worker effort for a given goal. He also made a recommendation for involvement of employees when establishing goals so that employees are part of the goal and that commitment is realised in the achievement of the set goals.

- **Herzberg's two-factor theory**

The Heezbeg's Two-Factor theory was initiated by Frederick Herzberg. According to Phillips and Gully (2012), this theory provides distinction between the two factors which are Hygiene factors and Motivators.

**Figure 2.3: Herzberg's two-factor theory**



Source: Adapted from Luthans (2008).

Hygiene factors are supervisory style, pay, and working conditions that help in creating an atmosphere that is acceptable at work. Thus the lack there-of will negatively affect productivity. Motivators, on the other hand, are intrinsic factors that encourage employees to pursue excellence. Thus, successful leaders have the way of impacting that most inner factor of an employee to encourage productivity

• **Organizational Culture**

Leaders are role models who influence the culture, values, thoughts and actions of the organization and its people.

Organizational culture differs from organization to organization and it has a direct impact on employee morale and behavior. It is a collective view of beliefs, attitudes and values that the organizations embrace (Schermerhorn et al., 2011).

When organizations promote the discussion culture between employees and their leaders tend to benefit more in terms of employee morale because of the greater buy in and employees are presented with an opportunity to bring their ideas to the table. Robbins (2001) proposes that, in principle, organizational culture involves key traits that employees share. These traits include their attitudes towards other people, innovation, risk taking, their attitudes towards outcomes, attention to detail, team commitment and the strength of the organization.

Another important aspect of organizational is that it can improve employee morale or vice versa, as positive culture encourages team and rewards innovation. A conclusion can therefore be drawn, that positive organizational culture allows employees an opportunity to grow mentally and be committed to the vision of the organization.

- **Learning and Development**

Learning and Development is a tool that is not only used to train and nurture talent but it is also used as a retention tool and to improve motivation of employees. In support, Heathfield (2012) states that one significant factor about staff retention and motivation of employee is the prospect that employees have in the continuous job development and nurturing of career enriching skills. Hence, development and training of employees is quoted as the important aspects of motivation. This is because of the greater value and fulfilment that employees gain if organization furnishes them with knowledge and new skills not easily accessible. Because of the costs involved, employees also feel that they company is investing on them, developing them for future growth opportunities.

The benefits of training include:

- a) Less supervision: Properly trained employees require less or no supervision because they are well inured with the job and can work independently
- b) Improves morale of employees: Training equips employees with skills, which helps them accomplish job security and satisfaction. Satisfied employees are more likely to have greater morale and therefore contributing more towards organizational success.
- c) Increased productivity: Trained employees are more productive and efficient because of competency in doing the job; there is no money, time and resources wasted.
- d) Fewer accidents: Trained employee are competent and less likely to make mistakes that leads to incidents
- e) Chances of promotion: Training allows employees to gain skills and efficiency therefore becoming more suitable for promotion.

A supposition can therefore be made that formal and informal training has several benefits.

## **2.4 Leadership style and productivity**

Khan and Soverall, (2007) suggest that Productivity offers a level of organizations' effectiveness and competitiveness in the long run. This level of productivity is brought forth by efficiency in individual productivity through the influenced employee's efforts.

That's where leadership role directs employee behaviour hence affect organizational productivity. According to Gazi and Alam (2014), "A huge part of the responsibility for improving productivity falls on employers and business leaders which are critical in upgrading productivity for businesses." This is because leadership has an ability impart good behaviours in employees and motivate them to effectively accomplish the objectives of the organization. Obiwuru et al., (2011) emphasized the importance of appreciating the effects of leadership as it is also one of the key driving forces for improving organization's performance.

## **2.5 Conclusion**

In summary, this section discussed the leadership concepts where leadership was defined as the process of directing, motivating, influencing and inspiring followers to go beyond their goals in pursuit to achieve organizational goals. The leadership theories from Trait Theory to transformational theory were discussed and the three leadership behaviours/styles which are the focus of this study were discussed in detail. And we closed off the discussion of leadership with the new trends in leadership.

From the theories discussed above, Kaila (2006) in agreement with other writers maintains that leadership is not only the process of influencing people but also of forming a conducive environment for the followers to achieve team and organizational objectives. This can be paved by strengthening the organizational culture through a holistic change of paradigm not from only considering methodological improvements but also to adaptive tactical approach which will secure an improved productivity in the organization.

Therefore, the level to which the leader exhibits his/her traits rests not only on personal abilities to influence, but also depends on the emotional intelligence the leader possesses as well as the extent of the environment setting and dynamics. Thus, an employee influenced by the leadership style practiced by his/her leader will uphold organization values/objectives if he believes they are aligned with his objectives. The leader should then be aware of those elements that stimulate the morale, and motivation and take necessary steps to address and improve on productivity.

## **CHAPTER THREE**

### **RESEARCH APPROACH**

#### **3.1 Introduction**

Welman, Kruger and Mitchell (2005) define research as the “process that involves obtaining scientific knowledge by means of various objective methods and procedures.” This is done in the quest of finding solution for business or research problem where several methods are used to gather, scrutinize and interpret information or data (Stead and Struwig, 2007).

This chapter outlines the design of research and approach utilized to determine the relationship between the leadership styles and productivity in Newcastle Zone. The data collection instruments and analysis methods are discussed. Both quantitative and qualitative research methodologies will be used for the study in order to derive best of both techniques.

#### **3.2 Aim and objectives of the study**

This study examines the leadership styles effects on productivity in Eskom: Newcastle zone. It is explicitly pursued to determine;

- a) If there is a link between leadership on productivity
- b) The impact of transformational leadership style on productivity
- c) The impact transactional leadership style on productivity
- d) The impact laissez-faire leadership style on productivity

#### **3.3 Research approach**

The instrument utilised on the study was questionnaire to examine the impact of leadership on productivity in Newcastle. A combination of qualitative and quantitative techniques is used in order to elicit benefits from both outcomes. The questionnaire therefore, incorporates 29 quantitative questions and 4 qualitative questions. Bryman, (2006) supports the use of both quantitative and qualitative research due to significant data the researcher obtains in consideration of both approaches.

According to Neuman, 2011 there’s a significant distinction between qualitative and quantitative approaches as per the table below:

**Table 3.1: Qualitative versus quantitative approaches**

QUALITATIVE APPROACH	QUANTITATIVE APPROACH
<ul style="list-style-type: none"> <li>• Develop initial understanding of the problem</li> <li>• Focus on collaborating ideas, events and feelings about the problem</li> <li>• Asses validity of the key factors</li> <li>• Values present and explicit</li> <li>• Analysis is constrained by the situation</li> <li>• Based on few cases, subjects</li> <li>• Thematic analysis</li> <li>• Researcher is involved</li> </ul>	<ul style="list-style-type: none"> <li>• Recommendations are objective in terms of the final course of action</li> <li>• Focus on problem variables to establish if there is consensus on the issue at hand</li> <li>• Asses reliability of the key factor</li> <li>• Value free</li> <li>• Analysis is not subject to context</li> <li>• Based on many cases, subjects</li> <li>• Statistical Analysis</li> <li>• Researcher is detached</li> </ul>

Source: Neuman (2011)

The open-ended qualitative questions that are being examined yield the following advantages for the study:

- a) Detailed thoughtful responses are given by participants
- b) Involvements of each participant in the organization can be drawn from the answers
- c) The responses given by participants add significance to the study rather than constrained to ‘agree or disagree’ answer, participant is allowed to express their views

The closed quantitative questions also examined in this study yield the following benefits:

- a) Ease for generalisation of results since a large number of participants is surveyed
- b) More objectivity can result since participants has defined selections for answers,
- c) Reliability and validity of data is highly possible allowing in-depth statistical analysis

### **3.4 Participants and location of the study (Population)**

The population sample of the study covers a total number of 123 employees, supervisors and management at the Eskom: Newcastle Zone.

### 3.5 Population and sampling

#### Population

Population is defined as “the totality of all members under study” (Polit & Hungler 1999). The population of the study was extracted from the total number of one hundred and thirty employees and management of the Newcastle Zone. It is out of this population size where the sample for the study was drawn.

#### Sampling

Thompson (2012), described sampling as a process of “selecting some part of the population to observe so that one may estimate something about the whole population.” Thus the researcher needs to ensure that whatever sample is taken from the population fairly provide a picture of the entire population. This sample should constitute an adequate number of the elements in the population for generalisation of results (Sekaran and Bougie, 2013). For any research to be meaningful a sound process of sampling must be used (Probability and non-probability).

The clustering of probability and non-probability sampling techniques can be explained as per the table below (Neuman, 2000).

**Table 3.2: Probability and Non-probability techniques**

SAMPLING METHOD	DESCRIPTION	SAMPLING TECHNIQUE
Probability Sampling	Each element in the population has a known probability of being included in the sample	<ul style="list-style-type: none"><li>• Random probability sampling</li><li>• Stratified random sampling</li></ul>
Non-probability sampling	The probability of any element in the population being included in the sample is unknown	<ul style="list-style-type: none"><li>• Convenience sampling</li><li>• Judgement sampling</li><li>• Quota sampling</li><li>• Snowball sampling</li></ul>
	Researchers rely mostly on personal judgement	

This research used random probability sampling because the researcher managed to obtain employee listing of from Human Resources which consisted of a population of 295.

The sample size included 123 employees, supervisors and management at the Eskom: Newcastle Zone hence random sampling was relevant to measure significant relationship between leadership and productivity. This study derived information of diverse participants including managers and employees, males and females, different age groups, different race groups which are black, Indian, coloured and white.

### **3.6 Data collection approach**

The data collection approach that was used for the study was primary data which was collected first hand through emailed questionnaire. The research was undertaken as self-administered (Mail and online) due to time constraints and convenience purposes.

Self-Administered surveys are completed by the participants without presence of the researcher allowing participants to freely express their views while remaining anonymous (Mitchell and Jolly, 2010).

### **3.7 Construction of instrument**

The instrument used to conduct the study was the questionnaire. In order to effectively examine the concepts of leadership and productivity in a broader scope, the funnelling approach was applied in the development of the questionnaires. The ranking scale of 1-5 was used to ensure that participants respond within the given parameters, (Gomm, 2008).

The 28 quantitative questions in the questionnaire were developed in correlation to the objectives of the study that was discussed in detail in the overview of the study. A copy of questionnaire is provided in Appendix 3.

Table 3.3 shows a detailed outline of how the questions were grouped to link with objectives of the study.

**Table 3.3: Description of the population**

Objective No.	Objectives	Question Numbers
	Demographics	1-4
1	Impact that leadership has on enhancing productivity in the Newcastle Zone	5-11
2	Impact transformational leadership style on productivity in the Newcastle Zone	12-18
3	Impact transactional leadership style on productivity in the Newcastle Zone	19-25
4	Impact laissez-faire leadership style on productivity in the Newcastle Zone.	26-32
	Open-ended questions	33-35

Demographics provided general information about the respondents. The first 7 questions deal with the effect leadership has on productivity. The second 7 questions address the impact transformational leadership style on productivity in the Newcastle Zone.

The third set of 7 questions deals with the impact transactional leadership style on productivity in the Newcastle Zone. The last set of 7 quantitative questions deals with the impact laissez-faire leadership style on productivity. The 4 open-ended qualitative questions presented participants with a platform to express and put forward their views on the positive or negative impact leadership and productivity.

### **3.8 Recruitment of study participants**

The study participants was recruited using the employee listing sourced from the Human Resources department at Newcastle Zone. The research measured the leadership of the organization and it's correlation to organization's productivity.

### **3.9 Administration of questionnaire**

The study was administered using internet self – administered questionnaire where a link to online survey (Question Pro) was emailed to all respondents. This served as the most

appropriate environment for employees and managers to complete the questionnaire at their most convenient time with minimal disruption from work.

### **3.10 Pre-testing and validation**

According to Saunders, Lewis and Thornhill (2003) pre-tests of questionnaire should be conducted in order to ensure that respondents will be comfortable in answering the questions and that data can be recordable.

In order to ensure validity of the questionnaire to the study a pre-test was conducted through a pilot study. This was conducted through sampling of 6 participants group of management staff and general employees to complete the questionnaire. This pre-test was conducted to assess the understanding of questions, ascertain any inconsistencies with objectives and the time it takes to complete the questionnaire.

The feedback on the pilot study confirmed the straightforwardness of questionnaire and ease in completing the questions within 10-15 minutes of participant's time.

### **3.11 Analysis of the data**

The online survey system used (Question Pro) used to collect data saved all the data from respondents and the data were exported to excel where further analysis occurred. The collected data was analysed and presented in frequency distributions and graphs through utilization of Statistical package for Social Sciences (SPSS) and Microsoft Excel tool.

### **3.12 Ethical considerations**

- a) The following ethical steps were undertaken by the researcher to ensure that the necessary approvals are obtained to continue with the study:
- b) The gate keeper's letter (letter of consent) was obtained from the Regional Manager of Eskom: KZN OU to continue with the study (Appendix 4)
- c) The ethical clearance letter was granted by the University of KwaZulu-Natal (Appendix 5)
- d) An informed consent was obtained from each responded before answering a questionnaire. The letter outlined the objectives and benefits of the study (Appendix 2).

### **3.13 Summary**

The chapter outlined the research methodology that was used for this study which is vital in any research project. The chapter covered the objectives of the study and how the study question feedback will be obtained from place to the participants in the study. This was done through the use of both quantitative and qualitative research. The technique that was used to sample this data was probability: stratified random sampling and collection was done through self-administered questionnaires. The pre-testing and validation was undertaken through a pilot study. Finally the approach for analysing data was discussed.

The next chapter presents data that was collected through analysis and discussion.

## CHAPTER FOUR

### PRESENTATION OF RESULTS

#### 4.1 Introduction

The aim of this chapter is to present the results of the study. The results are from the questionnaire that was emailed to the respondents which contained both quantitative and qualitative questions. The Statistical Package for Social Sciences (SPSS) software was used to analyse questionnaire responses. Figures, tables and discussions have been used to present data. There were ninety one (91) respondents.

#### 4.2 Demographic information of respondents

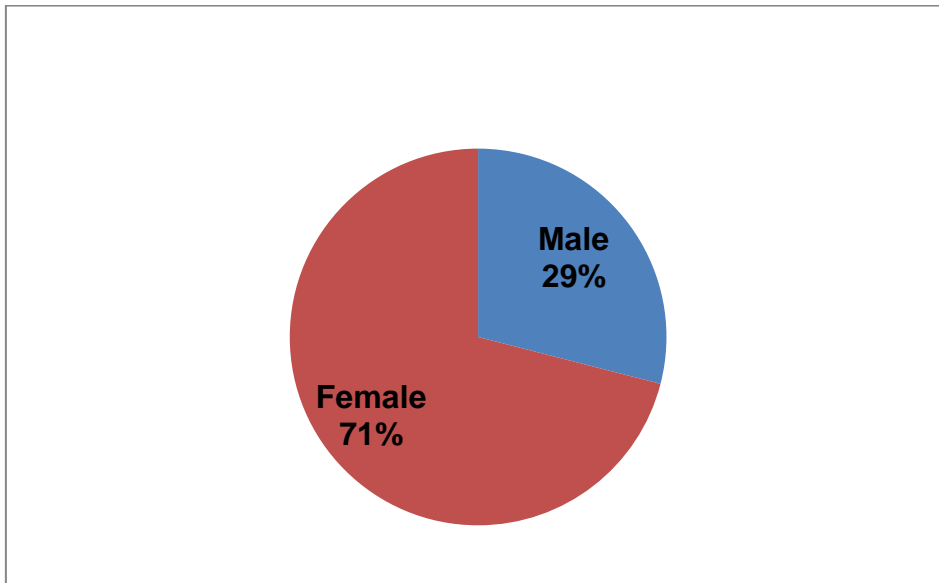
The demographic information presents the background of respondents. The questionnaire dealt with gender, race, age, and Task grading.

**Table 4.1: Demographic data of the respondents**

Demographic Statistics	Frequency	Percentage
<b>Gender</b>		
Male	26	28.89%
Female	<b>64</b>	<b>71.11%</b>
<b>Race</b>		
Black	<b>63</b>	<b>70.00%</b>
Indian	13	14.44%
White	7	7.78%
Coloured	7	7.78%
<b>Age Group</b>		
18-25	5	5.56%
26-35	<b>46</b>	<b>51.11%</b>
36-45	32	35.56%
46>	7	7.78%
<b>Task Grade</b>		
T06-T11	18	20.00%
T12-T13	28	31.11%
P12-P16	<b>29</b>	<b>32.22%</b>
M14-M17	15	16.67%

### 4.3 Gender of Respondents

The gender composition of the respondents is given below.

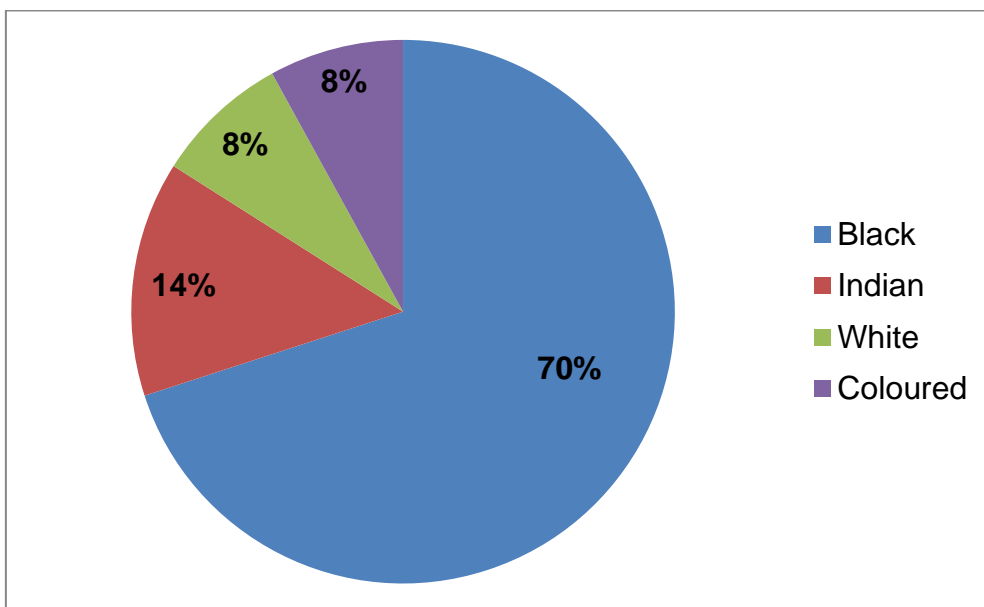


**Figure 4.1: Percentage of respondents by gender**

From the sample, seventy one (71%) were female while twenty nine (29%) were male

### 4.4 Race Group of respondents

The racial composition of the respondents is given below.

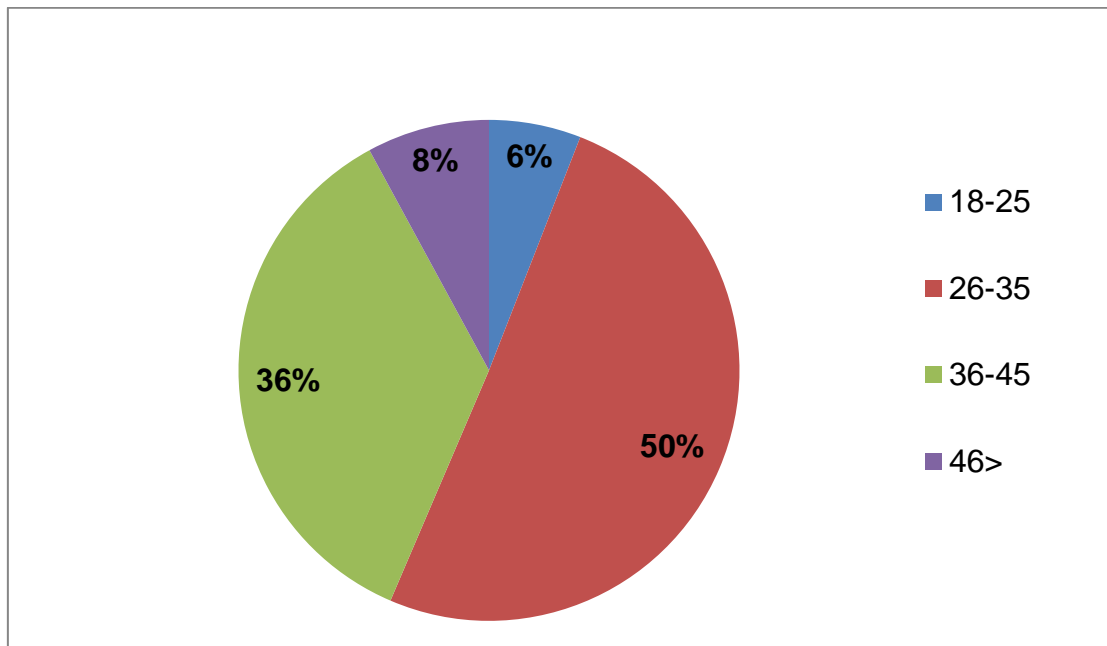


**Figure 4.2: Percentage of Respondents by Race**

From the sample, More than half of the respondents constituted blacks which is seventy (70%), fourteen (14%) were Indian while white and coloured were shared a similar percentage of eight (8%).

#### 4.5 Age cluster of respondents

The age cluster of the respondents (in years) is presented below

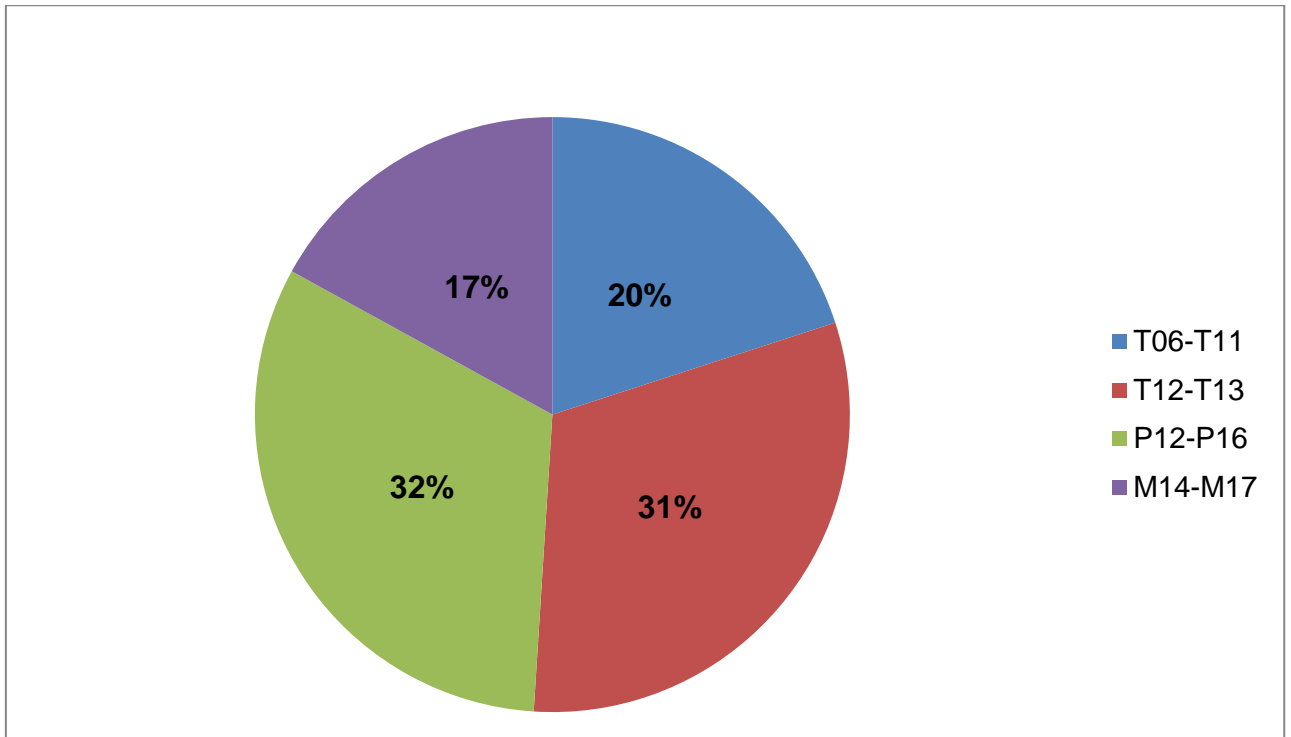


**Figure 4.3: Percentage of Respondents by Age**

From the sample size fifty two (52%) fell within the age group of 26-35 years, thirty six (36%) were between 36-45 years old, 8% were above 46 years old and 6% were between 18 -25 years old.

## 4.6 Task Grading

The Task Grading composition of the respondents is given below.



**Figure 4.4: Percentage of Respondents by Task Grade**

From the sample size thirty two (32%) fell within the task grading group of P12 – P16, thirty one (31%) fell within the task grading group of T12-T13, 20% fell within the task grading group of T06-T11 and 17% fell within the task grading group of M14-M17.

## 4.7 Sectional Analysis

### 4.7.1 Objective One: The impact that leadership has on enhancing productivity in the Newcastle Zone

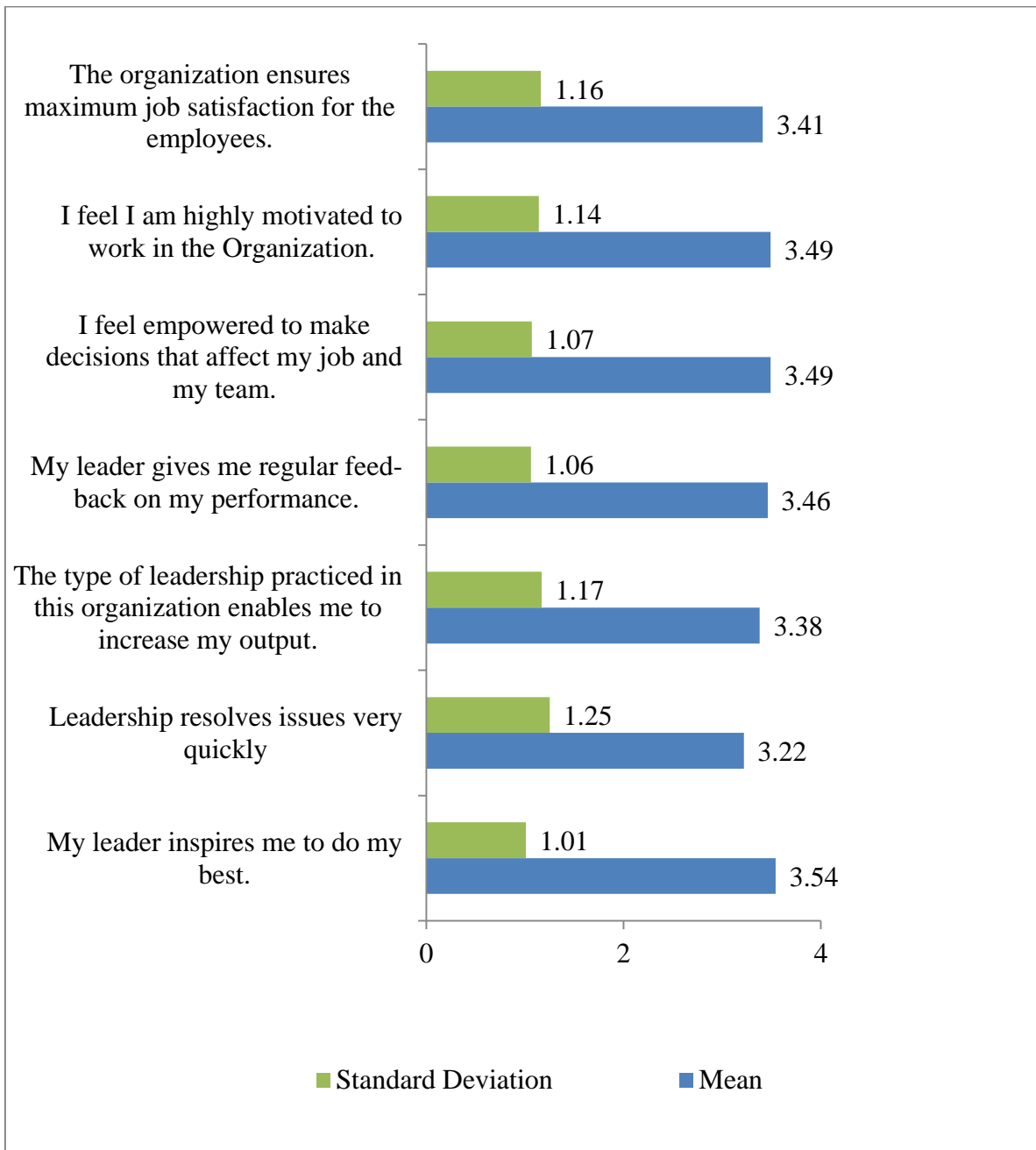
In order to examine the influence of leadership in increasing productivity in the Newcastle Zone, the respondents were asked to indicate to what degree did they agree or disagree with the following statements.

1. Encouragement given to employees to perform better
2. The time taken to resolve issues
3. The relationship between the leadership style and employee performance
4. Employee engagement on performance happens at individual level
5. Employee involvement in decision making

6. Employee drive to work for the organization
7. Level of job satisfaction in the organization

**Table 4.2: Section Analysis of the Impact that leadership has on enhancing productivity in the Newcastle Zone**

	<b>Mean</b>	<b>Standard Deviation</b>
My leader inspires me to do my best.	3.54	1.01
Leadership resolves issues very quickly	3.22	1.25
The type of leadership practiced in this organization enables me to increase my output.	3.38	1.17
My leader gives me regular feed-back on my performance.	3.46	1.06
I feel empowered to make decisions that affect my job and my team.	3.49	1.07
I feel I am highly motivated to work in the Organization.	3.49	1.14
The organization ensures maximum job satisfaction for the employees.	3.41	1.16
<b>Average Mean</b>	<b>3.43</b>	



**Figure 4.5: Section Analysis of the Impact that Leadership has on Enhancing Productivity in the Newcastle Zone**

The high values in Table 4.1 and Figure 4.5 above; are an indication of the positive relationship between leadership and productivity. ‘My leader inspires me to do my best’ had highest ranking of 3.54 with a standard deviation of 1.01 showing that the respondents mostly agreed with the statement. However, the high standard deviation of 1.01 indicates lack of confidence in the current leadership.

There was evident of lower ranking of 3.22 with standard deviation of 1.25 on ‘Leadership resolves issues very quickly’.

This shows that management is not efficient in resolving issues that impact on productivity. The average mean of 3.43 shows that although respondents are in agreement that leadership has an impact on enhancing productivity.

However, the effectiveness of leadership efforts towards improving productivity is not sufficient.

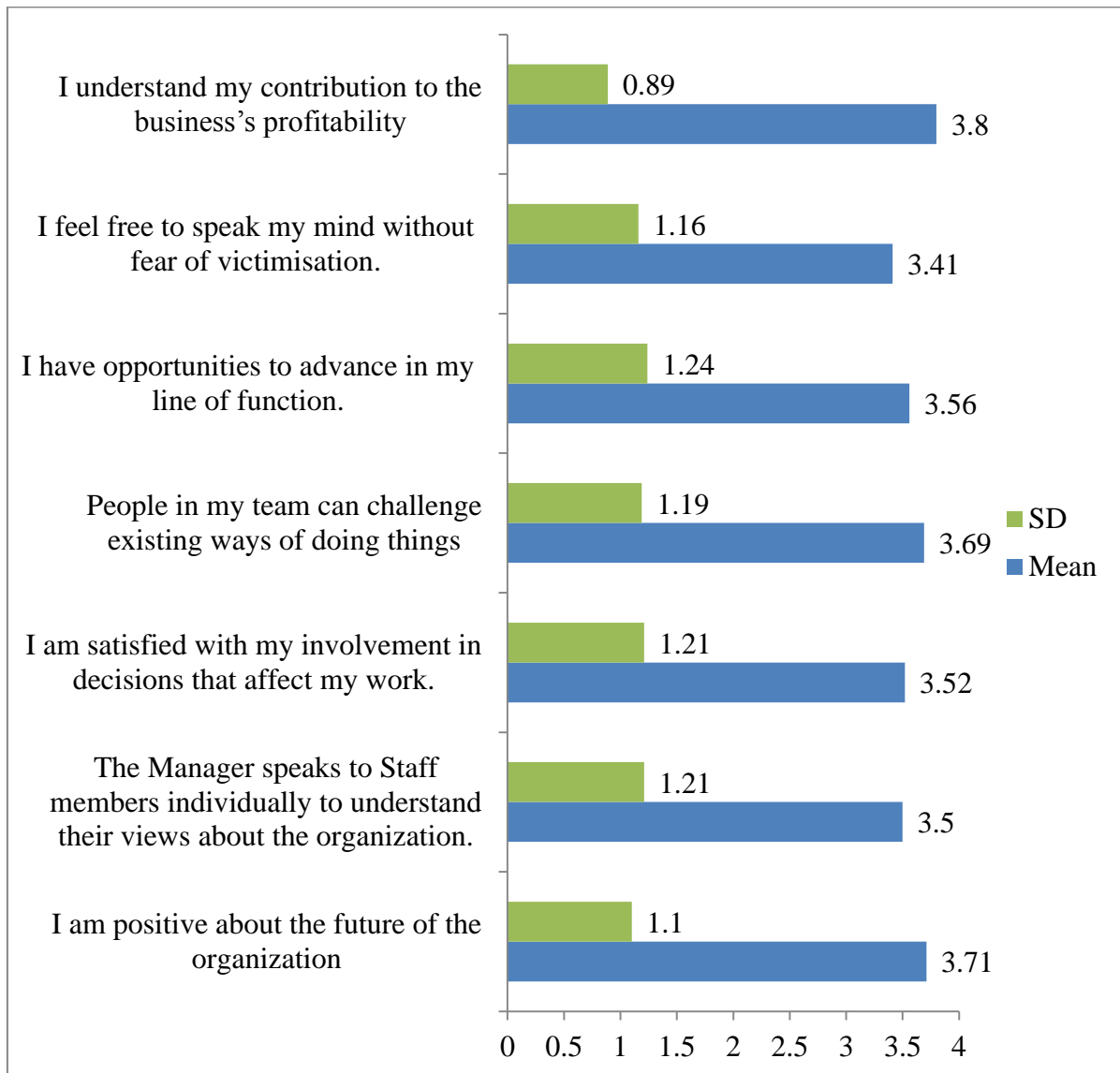
#### **4.7.2 Objective Two: The Impact of Transformational Leadership Style on Productivity in the Newcastle Zone**

In examining the effect of transformation leadership style on productivity in the Newcastle Zone, the respondents were asked to indicate to what degree did they agree or disagree with the following statements:

1. Future prospects of the organization
2. Caring nature of leadership
3. Encouragement on participating in decisions regarding employee work
4. Acceptance of innovation within the organization
5. Career growth opportunities
6. Acceptance of airing views without any fear of judgement
7. Understanding individual impact on the bigger organization

**Table 4.3: Impact transformational leadership style on productivity in the Newcastle Zone**

	<b>Mean</b>	<b>Standard Deviation</b>
I am positive about the future of the organization	3.71	1.10
The Manager speaks to Staff members individually to understand their views about the organization.	3.50	1.21
I am satisfied with my involvement in decisions that affect my work.	3.52	1.21
People in my team can challenge existing ways of doing things	3.69	1.19
I have opportunities to advance in my line of function.	3.56	1.24
I feel free to speak my mind without fear of victimisation.	3.41	1.16
I understand my contribution to the business's profitability	3.80	0.89
<b>Average Mean</b>	<b>3.60</b>	



**Figure 4.6: Section analysis of the impact transformational leadership style on productivity in the Newcastle Zone**

Table 4.2 and Figure 4.6 above; indicates the positive impact that transformational leadership style has on productivity as variables in the table had high values. 'I understand my contribution to the business's profitability' had highest ranking of 3.80 with a standard deviation of 0.89 showing that the respondents strongly agreed with the statement. The standard deviation of 0.89 indicates strong relationship that transformational leaders has on productivity as the vision is clearly articulated to the followers. This is supported by the second highest ranking of 3.71 and standard deviation of 1.10 on the statement 'I am positive about the future of the organization'. This shows transformational leadership enables both employee and his leader to work towards achieving the same goal thus improving productivity.

The lower ranking was 3.41 with standard deviation of 1.16 on 'I feel free to speak my mind without fear of victimisation' this shows that some people may have fear of voicing their opinions. This may be due to the attitude of leaders towards employees or personality traits of employees. In addition, there seem to be a lack of one on one consultations where individual needs are addressed, this is shown by the next lowest rank of 3.50 and standard deviation of 1.21 on 'The Manager speaks to Staff members individually to understand their views about the organization'. However the average mean of 3.60 shows respondents are in agreement that transformational leadership style has an impact on enhancing productivity.

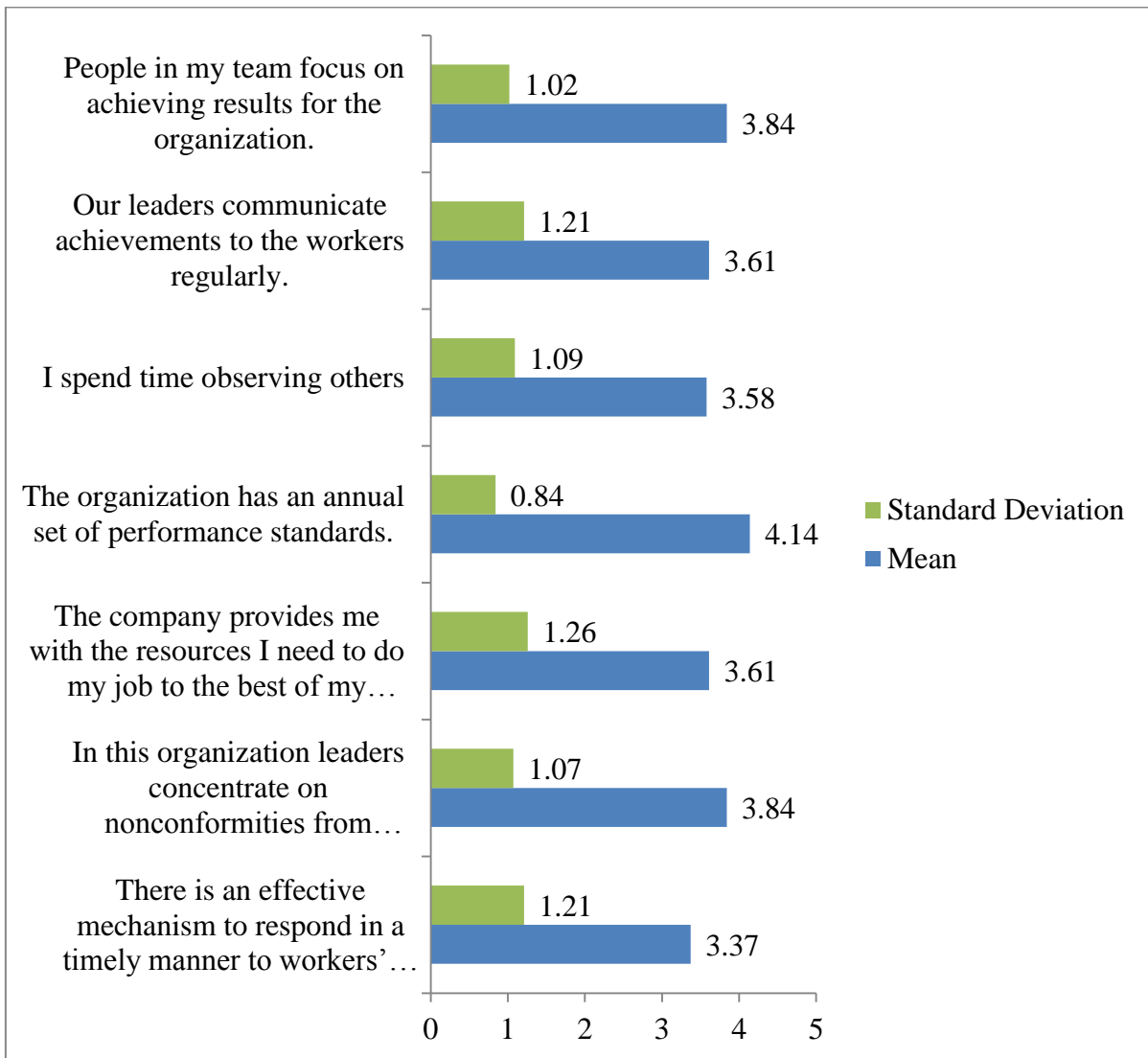
#### **4.7.3 Objective Three: The impact transactional leadership style on productivity in the Newcastle Zone**

In examining the influence that transactional leadership style has on productivity in the Newcastle Zone, the respondents were asked to indicate to what degree did they agree or disagree with the following statements:

1. Understanding of procedures for addressing employee's requirements
2. Managing non-compliance to standards than managing output
3. Provision of resources required to carry out tasks
4. Visibility and understanding of performance requirement
5. Time spent of Fault finding
6. Communication on progress made in achieving performance standards
7. Focus on work outputs

**Table 4.4: Impact transactional leadership style on productivity in the Newcastle Zone**

	<b>Mean</b>	<b>Standard Deviation</b>
There is an effective mechanism to respond in a timely manner to workers' needs.	3.37	1.21
In this organization leaders concentrate on nonconformities from standards/principles	3.84	1.07
The company provides me with the resources I need to do my job to the best of my ability.	3.61	1.26
The organization has an annual set of performance standards.	4.14	0.84
I spend time observing others	3.58	1.09
Our leaders communicate achievements to the workers regularly.	3.61	1.21
People in my team focus on achieving results for the organization.	3.84	1.02
<b>Average Mean</b>	<b>3.71</b>	



**Figure 4.7: Section Analysis of the Impact transactional leadership style on productivity in the Newcastle Zone**

Table 4.3 and Figure 4.7 above; shows the high impact that transactional leadership style has on productivity as most variables in the table had high values. ‘The organization has an annual set of performance standards profitability’ had highest ranking of 4.14 with a standard deviation of 0.84 showing that the respondents strongly agreed with the statement. The standard deviation of 0.84 shows strong correlation between transactional leadership style and productivity since transactional leaders have structured performance standards that are set each year. This is also evident on the second highest ranking of 3.84 and standard deviation of 1.02 on the statement ‘People in my team focus on achieving results for the organization.’ This shows transactional leadership motive is to drive people towards achieving the set performance standards.

In contrast, the lower ranking was 3.37 with standard deviation of 1.21 on ‘There is an effective mechanism to respond in a timely manner to workers needs’. This is because transactional leaders concerns themselves with performance targets and pay little or no attention on workers needs which have a possibility of deterring productivity. Nevertheless, the average mean of 3.71 demonstrate that respondents agree that transactional leadership style has an impact on productivity.

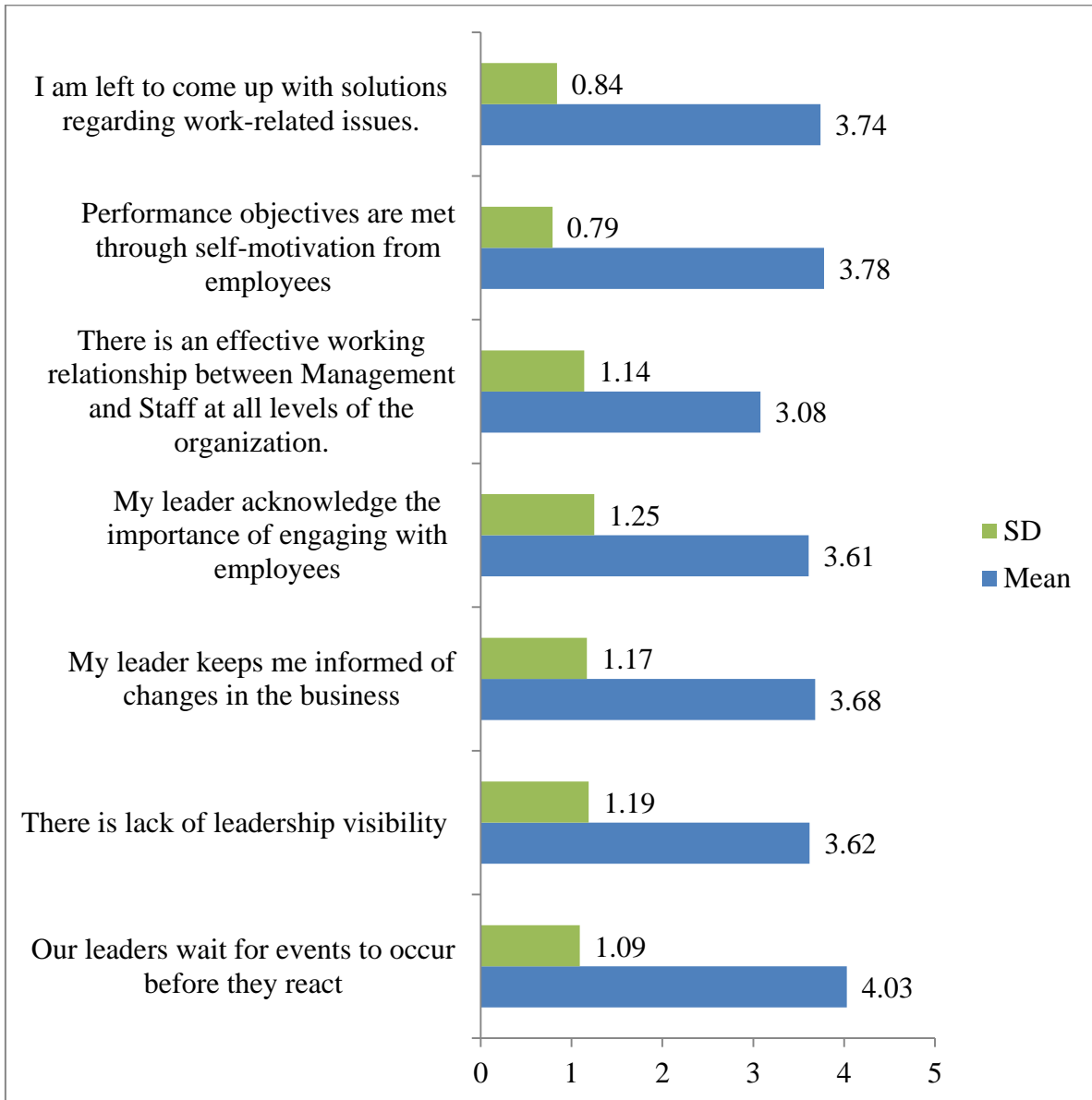
#### **4.7.4 Objective Four: The Impact Laissez-faire Leadership Style has on Productivity in the Newcastle Zone**

In examining the impact that laissez-faire leadership style has on productivity in the Newcastle Zone, the respondents were asked to indicate to what degree did they agree or disagree with the following statements:

1. Proactive versus Reactiveness of a leader
2. Availability of direction when needed
3. Employee understanding of business strategy
4. Level of employee engagements
5. The level of working Relationship gap between lower level staff and superiors
6. Leadership involvement in motivating staff to perform better
7. Leadership level of involvement regarding issue resolution

**Table 4.5: Impact laissez-faire leadership style on productivity in the Newcastle Zone**

	<b>Mean</b>	<b>Standard Deviation</b>
Our leaders wait for events to occur before they react	4.03	1.09
There is lack of leadership visibility	3.62	1.19
My leader keeps me informed of changes in the business	3.68	1.17
My leader acknowledge the importance of engaging with employees	3.61	1.25
There is an effective working relationship between Management and Staff at all levels of the organization.	3.08	1.14
Performance objectives are met through self-motivation from employees	3.78	0.79
I am left to come up with solutions regarding work-related issues.	3.74	0.84
<b>Average Mean</b>	<b>3.65</b>	



**Figure 4.8: Section analysis of the Impact laissez-faire leadership style on productivity in the Newcastle Zone**

The high values on variables shown in Table 4.4 and Figure 4.8 above; confirms that laissez-faire leadership style has high impact on productivity. ‘Our leaders wait for events to occur before they react’ had highest ranking of 4.03 with a standard deviation of 1.09 showing that the respondents strongly agreed with the statement. This standard deviation shows strong correlation between laissez-faire leadership style and productivity since laissez-faire leaders are reluctant to take decisions and less visible to their employees. The second highest ranking of 3.78 and standard deviation of 0.79 on the statement ‘Performance objectives are met through self-motivation from employees’ shows that under the laissez-faire leadership employees motivate themselves because of the absence and lack of direction from leadership.

The negative effects of the laissez-faire leadership style are reflected even on the lowest ranked variable of 3.08 with standard deviation of 1.14 on 'There is an effective working relationship between Management and Staff at all levels of the organization' This is because laissez-faire leaders are absent and have no working relationship with their employees. Employees are left to make decisions on their own without any guidance from the leader. Hence, the average mean of 3.65 demonstrate that respondents strongly agree laissez-faire leadership style have impact on productivity.

#### **4.8 Challenges and way forward**

The Newcastle Zone: KZN Operating Unit has productivity challenges like many other organizations. This is further aggravated by the prevailing human behaviour/culture which needs to make a positive turn. The business performance has been unsustainable and solution to business performance is not limited to technical solutions but extends to overall culture and human behaviour. This human behaviour is no limited to the leadership also followers have contribution.

Several challenges that hinder productivity and performance outlined by the respondents include the following:

- a) Absence or minimum integrative planning and robust forecasting, e.g. Resources and Capacity
- b) Management or employees not being held accountable for poor performance (Embracing the tendency of making excuses for poor performance)
- c) Misalignment of Leadership and Employees (Strategic Alignment, Leadership without Followers). If there is a strategy, it remains very high level and not absorbed in the life blood of the zone. Strategies are not implemented.
- d) Unequal distribution of opportunities for growth and uneven incentive methods for staff
- e) Recommended Rewards and Recognition System is cumbersome leading to employee recognition not consistent.
- f) Lack of commitment to decisions as well as the speed in which Management make critical decision.

#### **Managerial implications**

Nonetheless, the way forward suggested by the respondents is employee - leader engagement sessions where most of the productivity challenges can be addressed.

It is also suggested that leadership should be more visible and present in employee workspace and that the following measures be effectively implemented in order to enhance performance and productivity:

- a) Extend the Foot Print of critical support services within the OU. Support structures should continuously be visible and present at all areas of operations, including remote areas. The visibility of support structures improves industrial relations, communication, employee empowerment, performance improvement, remuneration attention
- b) The Recruitment process should ensure that individuals are Job, Organization and Location Fit; an adequately staffed organisation will have a positive contribution towards performance and productivity.
- c) Discuss employee performance regularly to address any deviations from expectations
- d) The proper implementation of the competency profiles and training within KwaZulu-Natal is the foundation in ensuring that the organization is competent, capable and equal to the task resource to execute its mandate.
- e) Mentoring and coaching of our employees needs to be formalized including the incentivizing of the active Coaches.

#### **4.9 Conclusion**

The chapter was a presentation of results of the study that was administered through questionnaire. The results were presented through descriptive statistics of age, gender, Race and task grading using graphical and table representations. The key objectives of the study were clustered into sections for the analysis of responses. The challenges that were gathered from the open-ended questions and way forward closed off the presentation of results.

Chapter Five outlines the conclusions and recommendations based on the study where field work and review of literature are deliberated on.

## **CHAPTER FIVE**

### **DISCUSSION, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter focuses on the discussion of the research findings, recommendations and conclusions of the study. The aim of the study was to establish the impact of leadership on organizational productivity in Eskom, Newcastle. The research objectives were to examine the;

1. link between leadership on productivity
2. impact of transformational leadership style on productivity
3. impact transactional leadership style on productivity
4. impact laissez-faire leadership style on productivity

#### **5.2 Key findings**

The following discussion links the objectives with the findings and reflects on whether the objectives were met. Furthermore, previous works and research will be reviewed to establish it refute or concur with the findings of this study in order to make more meaningful contributions to business, consumers, society and to provide a framework for extensive future research into this field.

#### **5.3 The impact that leadership has on enhancing productivity in the Newcastle Zone**

On the impact that leadership has on organizational productivity, the respondents in the Newcastle zone were asked to examine the leader's influence on the productivity of his followers. Northouse (2013) defined leadership as "a process whereby an individual influences a group of people to achieve a common goal." Therefore to be called a leader there must be influence exerted to individuals they lead. The set of questions asked allowed the researcher to assess whether leadership have a concern in enhancement of productivity.

The findings of the study revealed that a relationship exists between leadership and productivity of employees. The behavioural patterns of the leader have ability to inspire employees to perform at their best and therefore increase productivity.

There were recorded high scores that showed the impact of leadership to productivity where leaders inspired their followers to do their best and the empowerment that they shared with them in terms of decision making. Because employees are inspired and empowered by their leader, their productivity will improve as they feel motivated to work in the organization. However, the low scores indicated poor communication in terms of performance reviews and issue resolutions. This may in turn becomes a hindrance to productivity and job satisfaction.

Conclusion: It is evident that leadership practiced in an organization have a direct impact on productivity.

Recommendation: It is therefore in the best interest of the organisation that good leadership behaviours are cultivated and negative ones are pruned to ensure that improved productivity is realised in the organization.

#### **5.4 The impact transformational leadership style on productivity in the Newcastle Zone**

Armstrong (2009) viewed leadership as the process of mobilizing followers to do their best in order to achieve desired results. This is one of the characteristic of transformational leaders who are continuously taking initiatives to inspire their followers to uphold the vision of the organization by working towards achieving a common goal (Bodla and Nawaz, 2010).

Data collected on the study show that if goals are clearly defined by leadership the employees understand their contribution on organizational performance and its impact on the future of the organization. The practicality of this environment exists through the application of transformational leadership style which allows engagement between employees and leaders where they can freely challenge the existing way of achieving desired goals. This innovative space created by transformational leader allows for improvement of organizational productivity.

It was however noted from the responses that this type of engagement is not fully implemented in the Newcastle zone as some respondents felt that they could not freely share their thoughts and ideas in fear of victimization. As a result they will limit themselves to predefined goals and will not go beyond job descriptions meaning that higher heights on productivity may never be realised.

Conclusion: Based on the evidence above, transformational leadership style has a direct proportional impact on improving productivity of the Newcastle Zone employees. Thus, the more transformational leadership style is employed the higher the levels of productivity will be realised.

Recommendation: It is recommended that more effective employee engagement sessions take place in order to open communication channels and strengthen the relationship between management and employees. This will encourage openness and honesty in the organization or team without fear of victimization.

### **5.5 The impact transactional leadership style on productivity in the Newcastle Zone**

Transactional leadership is an exchange process based on the fulfilment of contractual obligations and is typically represented as setting objectives and monitoring and controlling outcomes (Ravazadeh and Ravazadeh, 2013).

Based on the study, the leadership style practiced in the Newcastle zone follows a structured way of operating the organization which is mostly admired by the transactional leaders whereby they ensure that year on year performance targets are stipulated and drive the entire workforce towards achieving those objectives.

However, Transactional leadership style does not promote establishment of relationships between employer and employees because focus is solely on achieving targets. Therefore, where transactional leadership is practised, employees feel that employers don't take care of their needs or concerns which directly impact on productivity.

Conclusion: Due to lack of relationships between employers and employees which inhibit opportunities for employers to inspire and motivate employees, transactional leadership only improve productivity based on the pressure/incentives the employer put on employees since it is only an exchange of services for rewards relationship.

Recommendation: Transactional leadership style alone cannot fully improve productivity; therefore organizations should seek to employ different leadership styles based on the current situation or environment.

## **5.6 The impact laissez-faire leadership style on productivity in the Newcastle Zone**

According to the international journal by Ravazadeh and Ravazadeh, (2013), it is suggested that the Laissez-faire leadership is the kind of leadership that presumes absence or disconnect from its followers in order to minimise decision making, responsibility and accountability.

The study findings showed that the absence of leadership authority and responsibility hinders productivity. This is because these leaders are reactive in their nature and don't want to take responsibility of making decisions, hence resorting in absentia leaving employees to resolve matters without any support from the manager. In comparison to transformational and transactional leadership styles which somewhat have relationship with their employees; laissez-faire has none which makes it less desirable in the organization.

**Conclusion:** Based on the study results, laissez-faire has negative impact on productivity and has contributed relatively on the Newcastle Zone performance.

**Recommendation:** It is recommended that Newcastle zone embark on a leadership training and development programme to ensure that the best leadership styles are instigated in the organization in order to improve productivity

Below is the summary of the most significant challenges eminent in the study regarding the leadership style employed in the Newcastle Zone:

1. The poor level of engagement between management and workforce which is supposed to encourage openness and honesty in the organization
2. Lack of leadership visibility and involvement in day-to-day decision making
3. Ineffective communication channels
4. Lack of motivation leading low staff morale

## **5.7 Recommendations to solve the business problem (Managerial recommendations)**

From the study results outlined in chapter 4 and chapter 5, it can be said that there is a significant relationship between leadership and organizational productivity. These finding calls for management and leadership to change the way they do thing when addressing organizational productivity. In accordance with Anderson (2006) and research conducted by the Singapore productivity association in 2010, they both agree that leadership behaviour has influence employee's productivity and that of an organization. Therefore,

there are several steps that can be taken by leaders to ensure that organizations achieve greater heights in productivity.

### **5.7.1 Employee engagement**

In order to realize the effectiveness in the organization Holzer and Lee reconns that employee commitment/engagement is necessary to improve productivity (Holzer and Lee, 2005). Gibbons (2006) defines employee engagement as an employee's delicate intellectual and emotional connection with organization and colleagues that inspires him/her to improve performance. According to Robinson et al. (2004) engaging employees benefit the organization by improving productivity of employee in every task. Poor engagement of employees distorts performance and leads employees to disconnect with/leave the organization (Markos et al., 2010).

It is evident that the times business strives in are very competitive in all aspects including innovations, technology, human capital, competitions etc. In the light of competitive edge that companies seek for, it is important that Leadership (in pursuit of competitiveness) take time and commitment in establishing engagement sessions with employees to ignite passion for performance (Robinson, Perryman and Hayday, 2004).

### **5.7.2 Clarity of goals**

Leadership should clearly define the goals that must be achieved so that employees may effectively focus energies on the right scope of work. Once direction is clear, persistence efforts of attaining the specified goals can develop.

### **5.7.3 Communication and organization productivity**

Mindset Management Programs (2013) recommends that management needs to consult with employees when making decisions. This makes them feel as part of decision- and are, therefore, more likely to be motivated in performing accordingly. This also encourages a two-way relationship where the employer ensures a caring environment and employees build an engaged workplace.

### **5.7.4 Employee morale and organization productivity**

Morale is defined as “a state of individual psychological well-being based upon a sense of confidence and usefulness and purpose” (Bowles and Cooper, 2009). It is therefore

important that the wellbeing of employees be taken into consideration when in pursuit for improved productivity.

Heathfield (2012) describe employee morale as a complete view, attitude, contentment and self-confidence that is felt at work by employees. Thus if the employee's moral is high at work (that is they feel sense of usefulness and satisfaction) productivity will be high. Morale has a direct impact on productivity levels It is for this reason that (ERB, 2011) suggests that leadership must then safeguard and strengthen the morale of its employees as it can either shape or halt hamper the success of the company.. Morale and productivity has a proportional relationship, low morale results in reduced productivity and positive or high morale increases productivity. If the morale is low that imply reduction in productivity and if the morale is positive the productivity increase, hence, safeguarding by leadership is crucial.

### **5.7.5 Employee motivation and organization productivity**

According to Robbins & Judge (2007) Motivation is defined "as the processes that account for an individual's intensity, direction, and persistence of effort towards attaining a goal." Phillips and Gully (2012), also defines motivation as "the intensity of a person's desire to begin or to continue engaging in the pursuit of a goal".

It is therefore important that Leadership or a manager provide clear direction so that an employee makes correct individual choice.

### **5.8 Limitations of this study**

The following limitations were encountered by the researcher during the course of the study:

1. Obtaining letter from employer to conduct the study due to unavailability of committee member and Management s to approve hence research commenced late.
2. Respondents were concerned about confidentiality and had to assure them of confidentiality
3. Respondents also took more time to respond because of their busy schedules and some network problems
4. The study based on the respondents that were available at the point of research

## **5.9 Recommendations for future study**

Future research can focus on the following areas;

- A detailed study that will employ qualitative instrument on the impact of leadership styles on productivity
- Benefits of improving productivity through leadership training and development
- Similar study to be conducted at a broader level of Eskom organization

## **5.10 Summary and conclusions**

Chapter 5 of this study was a review of whether findings from the data collected answers these research questions:

1. Does leadership have significant impact on productivity?
2. Does Transformational leadership style have significant impact on productivity?
3. Does a Transactional leadership style have significant impact on productivity?
4. Does laissez-faire leadership style have significant impact on productivity?

Section 5.2 above discussed the key findings three leadership styles i.e. transformational, transactional, and laissez-faire and the impact they have on productivity. Based on this analysis the dominant leadership style in Newcastle Zone was the transactional leadership style which had an average mean of 3.71 followed by the laissez-faire leadership style with the average mean of 3.65 and lastly transformational leadership style with an average mean of 3.60. Throughout the study, it was discovered that leaders have impact on productivity whether or not they are actively involved in matters affecting their employees on a daily basis. Employees are aware of the organizational goals and in need of guidance in order to achieve those goals. However, there is a certain level of relationship that should be maintained between management and workforce in order for the organization to appreciate higher levels of productivity. Furthermore the study revealed that most respondents agreed that leadership style employed in the organization can empower them to improve productivity or hinder them to improve performance where a leadership style such as

laissez-faire is practiced. It is evident that organizations can employ different leadership styles whereby, one or a combination of leadership style may be more preferred to another because of the positive impact they have on productivity.

### **5.11. Closing remarks**

This last chapter of the study examine whether or not the data that was collected and presented in the previous chapters answered the research questions outlined in chapter one:

- Does leadership have significant impact on productivity?
- Does Transformational leadership style have significant impact on productivity?
- Does Transactional leadership style have significant impact on productivity?
- Does Laissez-faire leadership style have significant impact on productivity?

Chapter two reviewed literature on leadership and productivity, whereby the role/impact that leadership has of directing, motivating, influencing and inspiring employees to achieve organizational goals of productivity was defined. The three leadership styles and productivity which are the focus of this study were discussed in detail. A number of elements and tools that leadership can engage employees on in order to improve productivity were discussed.

The research methodology discussed in Chapter Three for data collection assisted in collecting useful information through questionnaires which displayed a positive relationship between leadership and productivity irrespective of the style being used.

From the study it was evident that evident that leadership practiced in an organization have a direct impact on productivity. Hence, it was concluded and recommended that:

- For leadership to impact productivity, good leadership behaviours should be cultivated and negative ones pruned to ensure that improved productivity is realised in the organization.
- For transformational leadership style to impact productivity, more effective employee engagement sessions take place in order to open communication channels and strengthen the relationship between management and employees.
- For transactional leadership style to fully improve productivity, organizations should seek to employ different leadership styles based on the current situation or environment.

- For laissez-faire to impact productivity, Newcastle zone should embark on a leadership training and development programme to ensure that the best leadership styles are instigated in the organization in order to improve productivity

In conclusion, Newcastle has adequate and effective human resources which, when developed, can enhance its productivity. The simple steps that were recommended to solve the business problem together with the recommendations that address each style of leadership will only add value if commitment to implement them is established from Eskom: Newcastle Zone management and employees.

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## Appendix 1

### Sample Size Table

The Research Advisors <http://www.research-advisors.com/tools/SampleSize.htm>

The table below may be used to determine the appropriate sample size for almost any study. Many researchers (and research texts) suggest that the first column within the table should suffice (Confidence Level = 95%, Margin of Error = 5%).

Population Size	Confidence = 95%				Confidence = 99%			
	Margin of Error				Margin of Error			
	5.0%	3.5%	2.5%	1.0%	5.0%	3.5%	2.5%	1.0%
10	10	10	10	10	10	10	10	10
20	19	20	20	20	19	20	20	20
30	28	29	29	30	29	29	30	30
50	44	47	48	50	47	48	49	50
75	63	69	72	74	67	71	73	75
100	80	89	94	99	87	93	96	99
150	108	126	137	148	122	135	142	149
200	132	160	177	196	154	174	186	198
250	152	190	215	244	182	211	229	246
300	169	217	251	291	207	246	270	295
400	196	265	318	384	250	309	348	391
500	217	306	377	475	285	365	421	485
600	234	340	432	565	315	416	490	579
700	248	370	481	653	341	462	554	672
800	260	396	526	739	363	503	615	763
1,000	278	440	606	906	399	575	727	943
1,200	291	474	674	1067	427	636	827	1119
1,500	306	515	759	1297	460	712	959	1376
2,000	322	563	869	1655	498	808	1141	1785
2,500	333	597	952	1984	524	879	1288	2173
3,500	346	641	1068	2565	558	977	1510	2890
5,000	357	678	1176	3288	586	1066	1734	3842
7,500	365	710	1275	4211	610	1147	1960	5165
10,000	370	727	1332	4899	622	1193	2098	6239
25,000	378	760	1448	6939	646	1285	2399	9972
50,000	381	772	1491	8056	655	1318	2520	12455
75,000	382	776	1506	8514	658	1330	2563	13583
100,000	383	778	1513	8762	659	1336	2585	14227
250,000	384	782	1527	9248	662	1347	2626	15555
500,000	384	783	1532	9423	663	1350	2640	16055
1,000,000	384	783	1534	9512	663	1352	2647	16317
2,500,000	384	784	1536	9567	663	1353	2651	16478
10,000,000	384	784	1536	9594	663	1354	2653	16560
100,000,000	384	784	1537	9603	663	1354	2654	16584
300,000,000	384	784	1537	9603	663	1354	2654	16586

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## **Appendix 2**

### **Introductory letter**

#### **UNIVERSITY OF KWAZULU-NATAL GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP**

#### **MBA Research Project**

**Researcher:** Thobile Sibisi 034-3151348

**Supervisor:** Alec Bozas 082 33 444 77

**Research Office:** Ms P Ximba 031-2603587

I, Thobile Sibisi, Student no.: 204011928. an MBA student, at the Graduate School of Business and Leadership, of the University of KwaZulu-Natal. You are invited to participate in a research project entitled Leadership impact on organizational productivity: a study of Eskom Newcastle zone: Kwazulu-Natal. The aim of this study is to: to examine the impact of leadership styles on productivity of the organization

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this survey/focus group. Confidentiality and anonymity of records identifying you as a participant will be maintained by the Graduate School of Business and Leadership, UKZN.

If you have any questions or concerns about completing the questionnaire or about participating in this study, you may contact me or my supervisor at the numbers listed above.

The survey should take you about 10-15 minutes to complete. I hope you will take the time to complete this survey.

**Sincerely**.....

Investigator's Signature

Date

## Appendix 3

Informed Consent Letter 3C

UNIVERSITY OF KWAZULU-NATAL  
GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP

Dear Respondent,

**MBA Research Project**  
**Researcher:** Thobile Sibisi 034-3151348  
**Supervisor:** Alec Bozas 082 33 444 77  
**Research Office:** Ms P Ximba 031-2603587

I, **Thobile Sibisi, Student no.: 204011928**, an MBA student, at the Graduate School of Business and Leadership, of the University of KwaZulu Natal. You are invited to participate in a research project entitled **Leadership impact on organizational productivity: a study of Eskom Newcastle zone: Kwazulu-Natal**. The aim of this study is to: to examine the impact of leadership styles on productivity of the organization

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this survey/focus group. Confidentiality and anonymity of records identifying you as a participant will be maintained by the Graduate School of Business and Leadership, UKZN.

If you have any questions or concerns about completing the questionnaire or about participating in this study, you may contact me or my supervisor at the numbers listed above.

The survey should take you about 10-15 minutes to complete. I hope you will take the time to complete this survey.

Sincerely

Investigator's signature \_\_\_\_\_



Date 25/05/2015

**This page is to be retained by participant**

**Consent Letter**

**UNIVERSITY OF KWAZULU-NATAL  
GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP**

**MBA Research Project**

**Researcher:** Thobile Sibisi 034-3151348

**Supervisor:** Alec Bozas 082 33 444 77

**Research Office:** Ms P Ximba 031-2603587

**CONSENT**

I.....(full names of participant) hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project.

I understand that I am at liberty to withdraw from the project at any time, should I so desire.

.....

Signature of Participant

.....

Date

## Appendix 4

### Questionnaire

<b>Voluntary Questionnaire</b>
--------------------------------

**UNIVERSITY OF KWAZULU-NATAL  
GRADUATE SCHOOL OF BUSINESS & LEADERSHIP**

**MBA Research Project**

**Researcher:** Thobile Sibisi (034-315 1348)

**Supervisor:** Alec Bozas (082 33 444 77)

**Research Office:** Ms P Ximba 031-2603587

The purpose of this survey is to solicit information from participants regarding Impact of leadership styles on organizational productivity. The information and ratings you provide us will go a long way in helping us identify the possible correlation. The questionnaire should only take 10-15 minutes to complete. In this questionnaire, you are asked to indicate what is true for you, so there are no “right” or “wrong” answers to any question. If you wish to make a comment please write it directly on the booklet itself. Make sure not to skip any questions.

Thank you for participating.

#### DEMOGRAPHIC INFORMATION

**GENDER:**

<b>Please indicate your GENDER</b>	<b>Tick Appropriate box</b>
<b>Male</b>	<b>1</b>
<b>Female</b>	<b>2</b>

**Race:**

<b>Please indicate your Race</b>	<b>Tick Appropriate box</b>
<b>African</b>	<b>1</b>
<b>Indian</b>	<b>2</b>
<b>White</b>	<b>3</b>
<b>Coloured</b>	<b>4</b>

**Age:**

<b>Please indicate your Age group</b>	<b>Tick Appropriate box</b>
<b>18-25</b>	<b>1</b>
<b>26-35</b>	<b>2</b>
<b>36-45</b>	<b>3</b>
<b>46&gt;</b>	<b>4</b>

**Task Grading**

<b>Please indicate your Race</b>	<b>Tick Appropriate box</b>
<b>T06-T11</b>	<b>1</b>
<b>T12-T13</b>	<b>2</b>
<b>P12-P16</b>	<b>3</b>
<b>M14-M17</b>	<b>4</b>

## QUESTIONS

Please tick the suitable box	Strongly Disagree	Disagree	Neither Agree / Disagree	Agree	Strongly Agree
My leader inspires me to do my best.	1	2	3	4	5
Leadership resolves issues very quickly	1	2	3	4	5
The type of leadership practiced in this organization enables me to increase my output.	1	2	3	4	5
My leader gives me regular feed-back on my performance.	1	2	3	4	5
I feel empowered to make decisions that affect my job and my team.	1	2	3	4	5
I feel I am highly motivated to work in the Organization.	1	2	3	4	5
The organization ensures maximum job satisfaction for the employees.	1	2	3	4	5
I am positive about the future of the organization	1	2	3	4	5

The Manager speaks to Staff members individually to understand their views about the organization.	1	2	3	4	5
I am satisfied with my involvement in decisions that affect my work.	1	2	3	4	5
People in my team can challenge existing ways of doing things	1	2	3	4	5
I have opportunities to advance in my line of function.	1	2	3	4	5

I feel free to speak my mind without fear of victimisation.	1	2	3	4	5
I understand my contribution to the business's profitability	1	2	3	4	5
There is an effective mechanism to respond in a timely manner to workers' needs.	1	2	3	4	5
In this organization leaders concentrate on nonconformities from standards/principles	1	2	3	4	5
The company provides me with the resources I need to do my job to the best of my ability.	1	2	3	4	5
The organization has an annual set of performance standards.	1	2	3	4	5
I spend time observing others	1	2	3	4	5
Our leaders communicate achievements to the workers regularly.	1	2	3	4	5
People in my team focus on achieving results for the organization.	1	2	3	4	5
Our leaders wait for events to occur before they react	1	2	3	4	5
There is lack of leadership visibility	1	2	3	4	5
My leader keeps me informed of changes in the business	1	2	3	4	5
My leader acknowledge the importance of engaging with employees	1	2	3	4	5
There is an effective working relationship between Management and Staff at all levels of the organization.	1	2	3	4	5

Performance objectives are met through self-motivation from employees	1	2	3	4	5
I am left to come up with solutions regarding work-related issues.	1	2	3	4	5

**Open-ended Questions**

1. What challenge(s) do you face in your desire to improve productivity? (Please specify)

.....

2. In what way(s) do you think your leader can do to improve your productivity (Please specify)

.....

3. Do you believe that leadership can positively or negatively impact productivity?

.....

4. Other comments

.....  
 .....

**End of the Questionnaire**

Thank you for taking the time to complete the questionnaire.

## Appendix 5

### Ethical clearance



**The Registrar**  
Da Vinci University

**Date:**  
01 June 2015

**Enquires:**  
Zodwa Dlamini  
+27 31 710 5672

**ETHICS CLEARANCE: CONFIRMATION OF ESKOM INTELLECTUAL PROPERTY RIGHTS AND SECURITY CLEARANCE FOR MBA RESEARCH- MISS THOBILE PRINCESS SIBISI**

This memorandum serves as an ethics clearance; confirmation of intellectual property rights and security clearance for continuation of MBA level research and write-up by Thobile Princess Sibisi. The research topic is "LEADERSHIP IMPACT ON ORGANIZATIONAL PRODUCTIVITY: A STUDY OF ESKOM, NEWCASTLE ZONE: KWAZULU NATAL."

Miss Sibisi has followed due internal processes in terms of gaining permission for this research.

It must be noted that this general clearance is for a limited period only, which will be for the rest of the financial year 2016 till end 2016, and in no way waives Eskom's Intellectual Property Rights

Yours sincerely

  
**A Mamanyuha**

General Manager KZN OU

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13 July 2015

Ms Thobile Princess Sibisi (204011928)  
Graduate School of Business & Leadership  
Westville Campus

Dear Ms Sibisi,

Protocol reference number: HSS/0867/015M

Project title: Leadership Impact on Organizational Productivity: A study of Eskom, Newcastle Zone

**Full Approval – Expedited Application**

In response to your application received on 01 July 2015, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and the protocol have been granted **FULL APPROVAL**.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number.

PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

The ethical clearance certificate is only valid for a period of 3 years from the date of issue. Thereafter Recertification must be applied for on an annual basis.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully



Dr Shenuka Singh (Chair)

/ms

Cc Supervisor: Mr Alec Bozas  
Cc Academic Leader Research: Dr Muhammad Hoque  
Cc School Administrator: Ms Zarina Bullyraj

Humanities & Social Sciences Research Ethics Committee

Dr Shenuka Singh (Chair)

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Website: [www.ukzn.ac.za](http://www.ukzn.ac.za)



Founding Campuses:  Edgewood  Howard College  Medical School  Pietermaritzburg  Westville

## Appendix 6

### Proof reading and editing confirmation

# *Proof Reading and Editing*

This letter serves that I have proofread and edited the following documents:

MBA Dissertation: Thobile Princess Sibisi (Student no 204011928)

**“Leadership impact on organizational productivity: A study of Eskom,  
Newcastle zone: Kwazulu-Natal”**

I have made corrections to the text and format to UKZN standards and have submitted suggested changes to the author which he may choose to implement or not.

The scope of the proofreading included:

- Correction of spelling errors
- Correction of grammatical errors
- Re-structuring of sentences
- Correction of errors in the Reference List
- Check that all in-text referencing is correct and corresponds with the authors listed in the reference list (where provided)
- Correction of table numbering
- Advice on improvements in layout

Yours sincerely

*Michelle Dixon*





## Digital Receipt

This receipt acknowledges that Turnitin received your paper. Below you will find the receipt information regarding your submission.

The first page of your submissions is displayed below.

Submission author: Thobile Sibisi  
Assignment title: Dissertation Final Chapter - Part 1...  
Submission title: THOBILE SIBISI 204011928  
File name: ta\_temp\_turnitintool\_814220040.T..  
File size: 1.06M  
Page count: 52  
Word count: 11,634  
Character count: 67,953  
Submission date: 09-Mar-2016 08:28AM  
Submission ID: 642878818

### Abstract

Leadership forms part of the operative issues in organizations and it is a fundamental aspect of transformation. It is therefore a critical aspect of management, which all leaders in promoting productivity and to realize the goals of an organization. Almost every human activity has an element of leadership in it. Citizens acknowledge the crucial role of leadership when voting for political leaders. Investors acknowledge the importance of effective leadership when they say that a leader can make a success of an intricate business plan. Lack of leadership has a great negative effect on any organization. Without leadership companies stagnate, lose vision and fail to meet their set goals. Therefore the leadership style employed in the organization will either enhance or hinder transformation and productivity.

The aim of this research work was to examine the impact that leadership and styles have on organizational productivity in Eastern KwaZulu-Natal, Newcastle Zone. The objectives of this study were to examine aspects of Transformational, Transactional, and Laissez-faire leadership styles on productivity. The human resource database of 295 employees served as the sample frame for the research whereby a probability sample of 125 employees.

A questionnaire instrument was utilized to elicit valuable information from the respondents. The questionnaire consisted of 28 and 5 quantitative and qualitative questions respectively. The study was administered through a link to online survey (Question pro) emailed to all participants. Statistical Package for Social Sciences (SPSS) was used to analyze data.

The findings revealed that a stronger relationship exists between leadership and employee productivity in that the style employed by the organization can either improve productivity or hinder productivity. The leadership behaviors employed by transformational and transactional leadership showed positive influence on productivity than those of laissez-faire.

The key recommendations for the study were introduction of employee engagement in order to maintain a certain level of relationship between management and workforce in order for the organization to experience higher levels of productivity. Also organizations need to employ different leadership styles whereby, one or a combination of leadership style may be employed because of the positive impact they have on productivity.