

ARE WE LOSING LEADERS OR MANAGERS? AN EXPLORATORY STUDY OF THE PROPENSITY AMONGST MBA STUDENTS OF KWA-ZULU NATAL, AS FUTURE SKILLED PROFESSIONALS, TO EMIGRATE AND TO ASCERTAIN THE ORIENTATION - LEADERSHIP OR MANAGEMENT - OF THE POTENTIAL EMIGRANT.

PRESENTED TO-

**THE GRADUATE SCHOOL OF BUSINESS
UNIVERSITY OF NATAL**

IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE DEGREE OF-

**MASTER IN BUSINESS ADMINISTRATION
UNIVERSITY OF NATAL**

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DECLARATION

I, Anup Kaihar, declare that the work presented in this dissertation is my own and has not been submitted previously to any other university or technikon. Any work done by other persons has been duly acknowledged.

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August 2001

ACKNOWLEDGEMENTS

I owe my sincere gratitude to each and everyone who has been supportive of me over the last month. I extend my heartfelt appreciation for all the ideas and encouragement that all of you gave me.

I would like to thank my supervisor Professor **D. A. L. Coldwell** who, with his invaluable suggestions, was of profound help in seeing this research through to completion.

I am extremely grateful to my editors who proof-read my work amending and emending where-ever they felt changes were necessary. This research would never have seen completion without their much-appreciated input.

Last but not the least, I thank mom and dad for always egging me on during trying circumstances.

THANK YOU!

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CHAPTER 1

SUMMARY OF THE PROPOSAL

The brain-drain phenomenon was first reported in the 1960s in India, where skilled professionals were voluntarily leaving India to settle abroad in western countries. Thereafter, most developing countries have reported witnessing brain-drain in some form or the other. In South Africa, with the advent of the post-apartheid government, the country saw a drastic change in its social fabric. The brain-drain phenomenon has gathered momentum since, and with every passing year, more and more people continue to emigrate from the country. With skill distribution already highly skewed to the emigrating white minority, the problem of emigration attains more serious proportions as more and more white South Africans contemplate leaving their motherland. Owing to grey emigration it is very difficult to report the exact number of skilled South Africans that have emigrated to Australia, UK, Western Europe, and the US, however, the best estimates indicate the number to be around 233 000.

While many brand these emigrants as being ‘unpatriotic’, the phenomenon of emigration may be occurring because of valid reasons. While many whites may claim that with a non-white government in power, their and their country’s future well-being could be in jeopardy and hence the desire to emigrate, such claims may not be baseless after all. Recent studies have shown that the rate of crime and violence are increasing, and that many of the emigrants have sighted concerns of safety as their primary reason for leaving. And it should be borne in mind that the phenomenon, which is perceived to be a ‘white-only’ phenomenon, has lost ground as many Asians and Africans have shown an equal desire to leave, predominantly due to concerns of personal safety.

Studies, newspaper reports, and magazine articles, have shown that the country is losing valuable skills in the Information Technology sector, Finance and Banking sector and in the Medical Field. These three sectors play a vital role in the development of any developing economy and loss of valuable skills in these sectors evoke serious concerns. This skill loss, while a worrisome factor, stands to be compounded if more and more highly qualified professionals actually emigrate.

The study on the emigration of Masters of Business Administration (MBA) students is scant and, knowing their demand in the market and the contributions that they make to the country's economy, their loss could well seal the fate of this country. MBA students contribute to a country's economy in several ways. Firstly, they are seen as the future business leaders of the country. Through knowledge gained in their business schools (B-schools), MBAs not only manage departments but are also known to lead organisations into a better future. They contribute to their respective organisations by streamlining work flow, ensuring that productivity per person is always on the up, surveying the market to introduce products that will improve the prospects of the company and thereby, bring about growth. In the process, they create jobs that aid in the betterment of the economy. Secondly, they are involved in exports of their products to countries that demand their goods, thereby bringing in the much-needed foreign exchange. Furthermore, when foreign countries decide to set up operations locally, they rely on the skills and talents of the MBAs to spearhead operations. Needless to mention, as these foreign companies grow they again create much-needed jobs that benefit the economy. MBAs also train fresh graduates to obtain the required exposure and experience as one day these very graduates will be spearheading their own projects. Many corporate heads are also assisting the government in developing the economic and commercial policies of the country. Many MBAs, entrepreneurial in nature, venture into business themselves. This entrepreneurial flair has added to the development of many small and medium enterprises.

Today's fast-paced business environment and breakthrough technological developments have necessitated greater reliance on the MBA to make critical decisions that impact upon the future of the organisation and the lives of many employees. The MBAs of today are needed to be visionaries and to lead by example. They are entrusted with the onerous task of being agents of change, to be able to see the changing business horizons and make proper investments in skills, technology and other requirements for the benefit and survival of the organisation. Indeed it may seem a daunting task, but then the salaries they receive commensurate the requirements of the job. The contribution they make is invaluable and definitely their loss can have serious ramifications for the country.

The purpose of this dissertation is to study the emigration phenomenon vis-a-vis the MBA students. Looking at a sample of MBAs that is representative of the Kwa-Zulu Natal MBA

programmes, this research looks into ascertaining the emigration potential of MBA students. Furthering to that, the research probes into the management orientation and leadership orientation of these emigrants. The underlying assumption is that if the potential MBA emigrant has management orientation, then the loss for the country is not all that much, as compared to the potential emigrant having a leadership orientation. This is argued by the fact that it is much easier to take a mind and train it to run a department, as most managers do, than trying to create a mind to lead. While it is still disputed whether leadership can totally be taught, one indisputable fact is that there are aspects that can be taught and those that cannot be taught. While one can be taught interpersonal skills, communications skills and other skills, there are certain traits intrinsic to leadership that just cannot be taught, e.g. risk taking, judgement and challenging the status quo. Some have even gone to state that leadership is a life-long learning process, and most leaders have had a difficult childhood that has led to their need to prove something to the world. It is for this reason that many authors have written that leaders are 'twice born.' Anyhow, the point is that, it is easier to teach someone to manage a department than it is to teach someone to run an organisation.

The third part of the research looks at the view-point of the MBA students towards their institution's orientation, i.e. are their business schools preparing them to be managers or are they being prepared to be leaders. After all, if the business community needs leaders to take over the helm of companies, and if the need of the hour is students who can work under intense pressure trying to tie decision-making with the fast-paced technological developments, the ever increasing pace of competition and the intensity with which globalisation is affecting domestic markets, then the business schools need to produce that calibre of MBA graduates. If the students feel that their business schools have only equipped them with managerial know-how, then these very business schools are being negligent in producing leaders and need to gear their faculties and curricula towards a greater leadership-orientation.

This research will indicate whether the country needs to worry about the future of their corporations being in good hands, and whether emigration is really going to sap the remaining skills that the country's business sector needs desperately. It will also reveal if there is a leadership gap in the market that business schools need to address, i.e. a demand for

MBA's with leadership orientation and an under-supply of such students coming out of the current business schools.

This research could be an eye-opener for business schools to realise that they are falling short in providing quality products to the market. Gone are the days of yore when the market was forced to buy what organisations produced. In today's world, the choice empowered consumer (the business community at large) will seek the desired product of their choice (MBA's that are qualified with the required skills and competencies) and if they are unable to obtain it from the current suppliers (the recognised business schools they currently depend on), they will have no option but to look elsewhere. This could well be taken as a warning sign for business schools that if the very organisations that allow select business schools to have top rankings in the country, were to take away their support and start recognising and recruiting from other, at the moment, lesser recognised B-schools, the fate of the current B-schools could well be sealed. After all history is fraught with examples, and it is a well known fact that has received much attention from consultants, business school professors and management gurus, that if external change outpaces internal change, then only one future awaits such organisations, 'doom'!

CHAPTER 2

LITERATURE REVIEW

2.1 EMIGRATION

The oldest and perhaps the most frequently asked question in economics is why certain countries are rich while others are poor. The answer has been partly explained by economic theory that emphasises differences in the educational levels of the population as being, to a large part, responsible for the observed trend. It has been added that improved and available schooling opportunities should raise incomes in developing countries. In the developing countries, the pool of educated, experienced professionals is scarce and detailed studies have revealed the disturbing trend that many scientists, engineers, doctors and other professionals from these poor countries work in Canada, United States, Western Europe and Australia. This very phenomenon is often referred to as ‘brain-drain’ or ‘the emigration of skilled professionals,’ and has two important implications for developing countries, namely -

- faster economic growth in these developing countries cannot be achieved by investments in education, if a large number of its highly skilled people are emigrating, and
- the government needs to make a concerted effort to eradicate the underlying causes for this flight of skilled professionals (www.imf.org).

2.1.1 Brain-drain and South Africa

Many countries, South Africa included, are in a state of panic about skills emigration. Their panic is justified, bearing in mind the loss and the cost that the emigration phenomenon is having on the country. Human resources development is backward in South Africa, with skills highly skewed to the white minority. According to research conducted by the International Monetary Fund (IMF), it was found that 8% of highly educated South Africans emigrate. “Tomson Financial Bankwatch, a US-based credit rating agency, believes that 16% of South Africans with tertiary education live abroad” (www.queensu.ca).

Brain-drain, though not a recent phenomenon for South Africa, has reached alarming proportions with post-1994’s annual emigration figures being 56% higher than that for 1989-1994 (*Business Day*, Friday August 27, 1999). The loss of skilled professionals from South Africa is expected to continue as research has shown that well-educated South Africans are

the least likely to remain in South Africa, in comparison to the well-educated in other countries.

A study of the well educated, conducted by Swiss-based business school IMD, found that the likelihood of them remaining in the country of their birth was lower for South Africa than any other country, except for Russia.

(Sunday Tribune, 24 October 1999)

A study by the South African Network of Skills Abroad (SANSA) project at University of Cape Town (UCT) revealed that over 233 000 South Africans, between 1989-1997, had emigrated permanently to five countries – the UK, USA, Canada, Australia and New Zealand (www.queensu.ca). The actual figure is certainly much higher. Government departments are unable to put a figure, or even give an estimate, on grey emigration. This is because it is practically impossible to gauge how many people leave for vacations and simply do not return, or return as occasional visitors. Would-be emigrants have their reasons for not declaring their emigration plans as they wish to avoid the lengthy procedures of filling in the morass of paperwork. Other reasons that would account for grey emigration include the desire to hold on to their South African passports or perhaps to avoid making outstanding payments to the taxman.

Would-be emigrants have strong incentives not to declare their plans. They may wish to avoid the pile of paperwork that formal emigration entails; they may owe the taxman arrears; they may wish to keep their options open by hanging on to their South African passports.

(The Economist (US), June 6, 1988)

This fact is substantiated by the findings of the Central Statistical Service (CSS) in Pretoria who recorded 5, 514 South Africans emigrating to Australia between 1994 and 1997 whereas the Australian authorities counted 9,092 (*ibid*). Furthermore, the South African Migration Project (SAMP) survey of South African emigration suggests that the phenomenon of brain-drain is unlikely to abate over the next decade. Contrary to the perceptions, the survey conducted by the Public Opinion Service of the Institute for Democracy in South Africa (Idasa) revealed that the potential emigration from South Africa isn't just a 'white flight'. "Skilled whites are not much more likely to leave than skilled blacks, and there is virtually

no difference in the probability of emigration between white Afrikaner and white English-speaking skilled South Africans” (www.btimes.co.za). Further important findings of the SAMP survey include-

- In contrast to the 17 million strength of the economically active population in South Africa, the size of the skilled sector is roughly 1.6 million (9% of the economically active population).
- More than two-thirds (69%) of the skilled South Africans have thought about emigration whereas some 38% say they have given it a great deal of thought.
- The perception of emigration as being a ‘white-only’ phenomenon is highly misleading as 69% of the white respondents and 68% of black respondents have given emigration some thought.
- There is a marked difference between merely thinking about emigrating and actually going ahead with it. The extent to which an applicant has actually begun the process of application for emigration documentation is the best indicator of a person’s emigration potential. The survey revealed –
 - (i) 6% had applied for work permit in another country;
 - (ii) 5% had applied for permanent residence elsewhere; and
 - (iii) 3% had applied for foreign citizenship.
- If any estimate had to be made of the number of skilled professionals that South Africa stood to lose in the next five years, then, based on the answers furnished by the respondents, a figure of 192 000 would be predicted.
- The perceived impact of brain-drain seems to vary from industry to industry. Education and health, business services, banking and finance, computers and IT services, and industrial high tech seemed to be the industries most adversely affected by the loss of skilled professionals to other developed countries (www.queensu.ca).

What are the implications of this wave of emigration for South Africa? Lost production and the export of human capital in the form of education, training and experience are the two main ways in which emigration negatively impacts the country. A detailed study, conducted a few years ago, estimated that South Africa’s gross domestic product was being lowered by 0,37% owing to the emigration of graduates. The report further stated that approximately R67,8bn of investment in human capital left SA in 1997. “Emigration also results in the

export of real and financial assets. Assuming that each emigrant gives rise to an outflow of R100 000, almost R11bn left the country between 1994 and 1997” (*Business Day*, 27 August 1999). Emigration, as opposed to traditionally accounting for less than 5%, now accounts for approximately 15% of turnover. With the extent of grey emigration occurring, this percentage could well be higher. In a research conducted by FSA Contact, human resource consultants, it was found that 11% of the top managers and 6% of the middle managers that resigned in 1997 did so in order to emigrate (*The Economist (US)*, 6 June 1998). The problem is compounded because South African bosses tend to be responsible for large numbers of staff, and when these bosses emigrate, the unemployment rate automatically increases.

“A break down of emigrants into professional categories by CSS supports the results of a survey last year of 2000 companies by human resource consultants FSA Contact. The latter revealed that, of those who resigned last year to emigrate, 43% were senior supervisors or had advanced skills and a further 27% were middle managers or high-level specialists. The South African Medical and Dental Council says that an average of 150 doctors emigrate each year, while the Transvaal Society of Accountants reckons SA has lost up to 300 accountants last year.”

(*Financial Mail*, May 12 1995: 22)

2.1.2 Causes of the Brain-drain

When emigrants are questioned about the reasons for their emigration, the reasons sighted for their dissatisfaction include-

- Low wages / benefits/ quality of life
- Lack of local jobs
- Political and Social Reasons;
- Poor working conditions locally;
- Local corruption, nepotism, etc...

In the South African context the following reasons have been sighted as the underlying causes for the wave of emigration, namely –

- Crime - Crime, or the perceived threat of crime, is the predominant cause for this emigration phenomenon. People have sighted concerns of personal security as their main reason to leave the country. In a survey of South African emigrants, conducted by FSA Contact, fear of criminal violence was sighted as the main cause by 96% of the respondents for packing their bags. "They are fleeing, they say, because they want to live somewhere where speeding through red lights at night is not safer than stopping" (*The Economist (US)*, June 6 1998: 43). In fact the survey by Idasa revealed that race was no longer a discriminating factor when crime and violence are considered. Owing to crime and violence, black South Africans were as likely to emigrate as any other race group (www.woza.co.za).
- Declining Educational Standards – Owing to the desegregation of schools in the post 1994 era, there has been a need to revamp the curricula in previously white schools to enable children of the disadvantaged communities to enrol their children in such schools. Many emigrants feel that this has caused the educational standards to decline and worry about the quality of education their children will receive.
- Affirmative Action – "Affirmative Action recruitment makes white males over the age of 45 feel redundant if they are not actually forced into early retirement" (*Financial Mail*, October 25 1996:24). Affirmative action has led to many whites witnessing their careers being put on hold for five or more years as their 'black' colleagues go up the corporate ladder. Such developments have caused many whites to feel that corporate career doors are closed for them and that South Africa is no longer a country in which to have white children.
- The Declining Rand – "The declining rand acts as a spur by inducing a now-or-never feeling in those contemplating emigration" (*Financial Mail*, October 25 1999:24). "Because of the decreasing value of the rand, a great number of entrepreneurs have set up operations overseas – possibly mirroring what they have been doing in SA" (*Finance Week*, July 18-24 1996:31). Even businesses are being affected by the depreciation of the rand as companies, such as South African Breweries, move their primary listings to London, what the local press refers to as 'corporate brain-drain' (*Business Week*, May 10 1999).
- Falling living Standards - Fears that are worrying South African whites also include the falling living standards. There is a high level of dissatisfaction with

the cost of living, levels of taxation and the standard of public and commercial services. The SANSA survey revealed that 65% of skilled whites felt their lives had worsened in the previous five years. The blacks felt the opposite with 65% of skilled blacks saying it got better (www.queensu.ca). “However, irrespective of the racial divide, skilled South Africans were pessimistic about the future cost of living, levels of taxation and the standard of public services”(ibid).

- International Pull Factors – A clear incentive for emigration is evidenced by the discrepancies in salaries between working in South Africa and working abroad. As an example, a Chief Executive Officer (CEO) in South Africa earns in the region of R1,5m per annum compared to a starting salary in the USA of R3,25m for a CEO working in retail or R5m for a CEO working in manufacturing (*Finance Week*, April 16 1999:32).

A percentage-wise breakdown of the causes of the emigration phenomenon reflects the following –

Table 1. CAUSES FOR EMIGRATION

REASON SIGHTED FOR EMIGRATION	PERCENTAGE
CRIME	60%
VIOLENCE	47%
FALLING LIVING STANDARDS	13%
POOR HEALTH CARE	20%
EDUCATION PROBLEMS	40%

(Source: *Finance Week*, April 16 1999: 31).

Given the dramatic changes to the country’s social and constitutional fabric, brain-drain had to be expected. Nowadays with the service sector constituting 65% of the South African Gross Domestic Product (GDP), the economy is in demand of more and more highly skilled workers (www.uct.ac.za). The government has to take concerted efforts to either stop this brain-drain or take action to offset the loss of these skilled professionals (www.queensu.ca). Countries such as Canada and New Zealand have been very selective in their recruitment of South Africans. Knowing that innovative and hard-working immigrants add massive value to the economy and society at large, these countries target the most skilled, trained, experienced and entrepreneurial South Africans. And contrary to the belief that immigrants deprive local

South Africans of jobs, when it comes to recruiting skilled immigrants, most of the evidence suggests the opposite. “Skilled immigrants serve three main benefits –

- create enterprises and jobs for locals;
- enhance the productivity of existing enterprises; and
- pass on valuable skills and experience” (*The Economist (US)*, Sept 2 2000).

The extent of undocumented migration in South Africa from neighbouring countries ranges from 2m to 8m (*The Economist (US)*, Sept 2 2000). These immigrants, many of whom arrive illegally, come to South Africa in search of livelihood and are the ones competing with local South Africans for jobs. The government could do best by checking such immigration and allowing legal entry to talented and skilled immigrants who can and will contribute towards nation building.

South Africa is shedding skills at a worrying rate to its global competitors. These countries (Canada and New Zealand) have no compunction about creaming off skilled people from other countries. Why should South Africa be that different? Why should it not also gain massive value from a selective immigration policy that targets the brightest and best of other countries.

(www.queensu.ca)

Furthermore, despite South Africa’s xenophobic attitude, studies show that many foreigners are here on legal visitor’s permits, while others are employing South Africans in street and formal business. Most don’t want to make this country their permanent home (*UNESCO Courier*, Nov 1998).

The other option before the government, as a more permanent solution would be to cut violent crimes, a measure that is far from easy. “South Africa has the world’s widest gap between rich and poor, meaning that there is a lot of stuff to steal and a lot of people for whom stealing is the most lucrative career option” (*The Economist (US)*, June 6 1998). Many believe that it will be years before crime begins to decline. These facts lead one to conclude that brain-drain is not going to slow down so easily. This leaves the government the only option of easing on its immigration policy and providing work permits and resident permits to those skilled and talented immigrants whose services the country requires. South African

According to both research and literature, the ten characteristics most commonly found in successful business leaders include - flexibility, a capacity to inspire others, enthusiasm, the ability to build relationships, to inspire trust, to communicate, to delegate, a willingness to experiment, plus frankness and integrity (*Management Today*, March 1996).

Good leaders-

- Are aware of their own strengths and weaknesses;
- Smoothen the path to enable the employees to get their jobs done;
- Honesty and trustworthiness are their forte and they expect the same qualities in their employees;
- They devote less time to the day-to-day activities and concentrate more on communicating;
- They understand the value of employees' contribution and let their employees know when they've done a good job; and
- They, by serving as models of good leadership, not only command the respect of their employees but also respect them in return (*Industry Week*, Nov 1 1993).

2.3 MANAGEMENT

“Management can be defined as the attainment of organisational goals in an effective and efficient manner through planning, organising, staffing, directing and controlling organisational resources” (Daft, 1999: 35).

Management can be viewed in two ways -

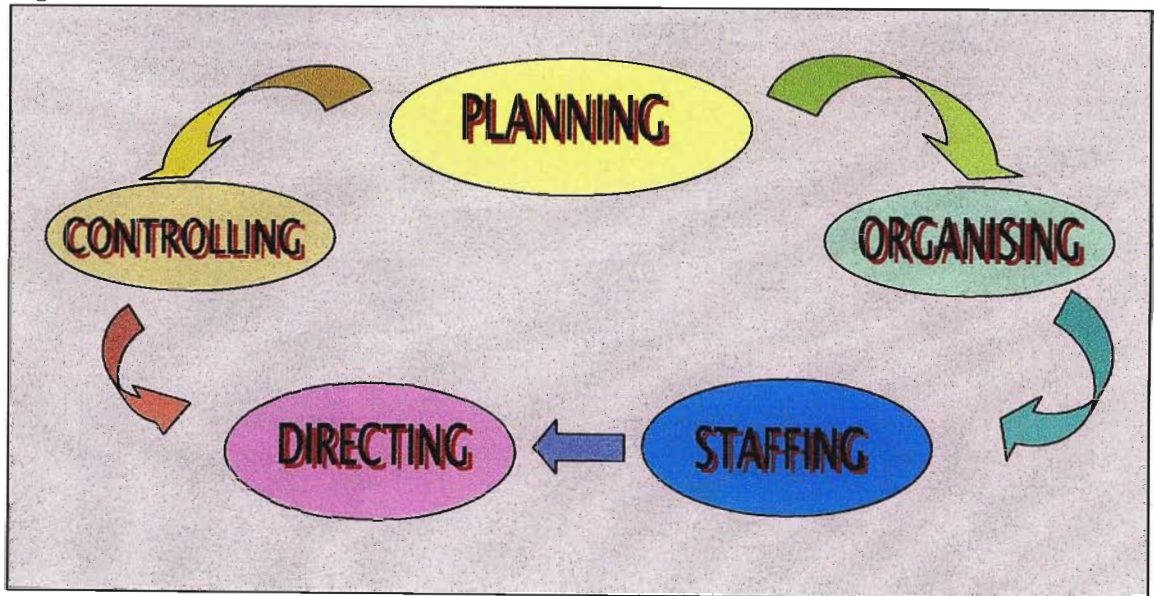
- (A) The functions of management; and
- (B) The roles into which various management activities fit.

A. Functions of Management

- (I) **Planning** - This function includes activities such as defining goals and objectives for the organisation, developing strategies, using budgets for resource allocation and setting policies and procedures.

- (II) Organising - Organising involves establishing organisation structure, creating responsibility and authority relationships, assigning tasks into departments, and allocation of departmental financial resources.
- (III) Staffing - Recruitment and selection of people for positions, and training them accordingly to develop required knowledge and skills all fall under the managerial duties of staffing.
- (IV) Directing - Delegation, coordination of employees and the use of rewards to motivate employees to take desired action encompass the duties falling under this management function.
- (V) Controlling - Controlling involves developing performance standards, monitoring progress towards achievement of targets and establishing reporting systems.

Figure 1. FUNCTIONS OF MANAGEMENT



(Daft, 1999: 36)

B. Managerial Roles

Henry Mintzberg observed that many a times the activities of managers did not fit into the five managerial functions, and put forward ten roles into which managerial work could be categorised.

Table 4. MANAGERIAL ROLES

<i>CATEGORY</i>	<i>ROLE</i>	<i>ACTIVITY</i>
INFORMATIONAL	Monitor	Seek and receive information, scan periodicals and reports, maintain personal contacts.
	Disseminator	Forward information to other organisation members; send memos and reports; make phone calls
	Spokesperson	Transmit information to outsiders through speeches, reports, memos.
INTERPERSONAL	Figurehead	Perform ceremonial and symbolic duties such as greeting visitors, signing legal documents.
	Leader	Direct and motivate subordinates; train, counsel, and communicate with subordinates.
	Liaison	Maintain information links both inside and outside organisation; use mail, phone calls, meetings.
DECISIONAL	Entrepreneur	Initiate improvement projects; identify new ideas; delegate idea responsibility to others.
	Disturbance Handler	Take corrective action during disputes or crisis; resolve conflicts among subordinates; adapt to environmental crises.
	Resource Allocator	Decide who gets resources; schedule, budgets, set priorities.
	Negotiator	Represent department during negotiation of union contracts, sales purchases, budgets; represent departmental interests.

(Daft, 1999: 37)

The ten managerial roles are divided into three conceptual categories, namely –

- (I) Informational Role - This role deals with a manager's constant processing of information. By seeking information from a variety of sources and transmitting it to parties for whom the information is relevant, both inside and outside of the organisation, managers maintain an information network.
- (II) Interpersonal Role - This role involves activities as head of department, activities to motivate and develop others and activities to build relationships, both inside and outside the organisation.

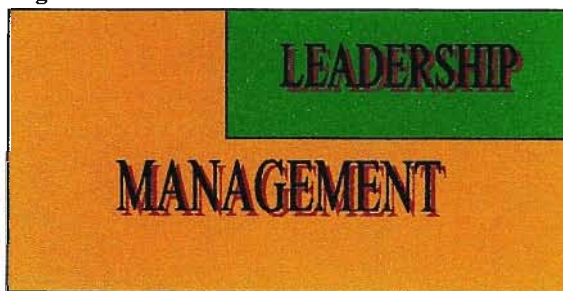
- (III) **Decisional Role** - The decisional role involves those activities / events where managers are required to make a choice and take action. Such activities include initiating changes, handling problems, negotiating agreements, allocating resources, etc...

Such a broader division of the roles of managers has facilitated understanding the numerous activities that fall upon managers.

2.4 LEADERSHIP VS. MANAGEMENT

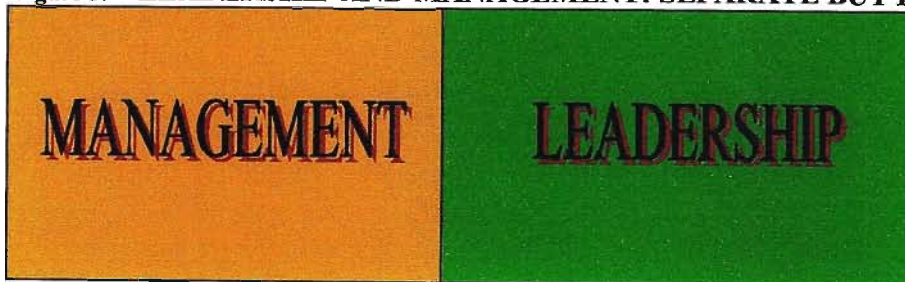
The terms leadership and management are often used interchangeably, but they are not the same thing. There are three different viewpoints on the relationship between leadership and management. The first one (as shown in Figure 2) assumes that among the many competencies required for effective management, leadership is one (Sadler, 1997:38).

Figure 2. LEADERSHIP AS A PART OF MANAGEMENT



The second one (Figure 3) sees the concepts of management and leadership as separate but related (ibid).

Figure 3. LEADERSHIP AND MANAGEMENT: SEPARATE BUT RELATED



CHAPTER 1

SUMMARY OF THE PROPOSAL

The brain-drain phenomenon was first reported in the 1960s in India, where skilled professionals were voluntarily leaving India to settle abroad in western countries. Thereafter, most developing countries have reported witnessing brain-drain in some form or the other. In South Africa, with the advent of the post-apartheid government, the country saw a drastic change in its social fabric. The brain-drain phenomenon has gathered momentum since, and with every passing year, more and more people continue to emigrate from the country. With skill distribution already highly skewed to the emigrating white minority, the problem of emigration attains more serious proportions as more and more white South Africans contemplate leaving their motherland. Owing to grey emigration it is very difficult to report the exact number of skilled South Africans that have emigrated to Australia, UK, Western Europe, and the US, however, the best estimates indicate the number to be around 233 000.

While many brand these emigrants as being ‘unpatriotic’, the phenomenon of emigration may be occurring because of valid reasons. While many whites may claim that with a non-white government in power, their and their country’s future well-being could be in jeopardy and hence the desire to emigrate, such claims may not be baseless after all. Recent studies have shown that the rate of crime and violence are increasing, and that many of the emigrants have sighted concerns of safety as their primary reason for leaving. And it should be borne in mind that the phenomenon, which is perceived to be a ‘white-only’ phenomenon, has lost ground as many Asians and Africans have shown an equal desire to leave, predominantly due to concerns of personal safety.

Studies, newspaper reports, and magazine articles, have shown that the country is losing valuable skills in the Information Technology sector, Finance and Banking sector and in the Medical Field. These three sectors play a vital role in the development of any developing economy and loss of valuable skills in these sectors evoke serious concerns. This skill loss, while a worrisome factor, stands to be compounded if more and more highly qualified professionals actually emigrate.

The study on the emigration of Masters of Business Administration (MBA) students is scant and, knowing their demand in the market and the contributions that they make to the country's economy, their loss could well seal the fate of this country. MBA students contribute to a country's economy in several ways. Firstly, they are seen as the future business leaders of the country. Through knowledge gained in their business schools (B-schools), MBAs not only manage departments but are also known to lead organisations into a better future. They contribute to their respective organisations by streamlining work flow, ensuring that productivity per person is always on the up, surveying the market to introduce products that will improve the prospects of the company and thereby, bring about growth. In the process, they create jobs that aid in the betterment of the economy. Secondly, they are involved in exports of their products to countries that demand their goods, thereby bringing in the much-needed foreign exchange. Furthermore, when foreign countries decide to set up operations locally, they rely on the skills and talents of the MBAs to spearhead operations. Needless to mention, as these foreign companies grow they again create much-needed jobs that benefit the economy. MBAs also train fresh graduates to obtain the required exposure and experience as one day these very graduates will be spearheading their own projects. Many corporate heads are also assisting the government in developing the economic and commercial policies of the country. Many MBAs, entrepreneurial in nature, venture into business themselves. This entrepreneurial flair has added to the development of many small and medium enterprises.

Today's fast-paced business environment and breakthrough technological developments have necessitated greater reliance on the MBA to make critical decisions that impact upon the future of the organisation and the lives of many employees. The MBAs of today are needed to be visionaries and to lead by example. They are entrusted with the onerous task of being agents of change, to be able to see the changing business horizons and make proper investments in skills, technology and other requirements for the benefit and survival of the organisation. Indeed it may seem a daunting task, but then the salaries they receive commensurate the requirements of the job. The contribution they make is invaluable and definitely their loss can have serious ramifications for the country.

The purpose of this dissertation is to study the emigration phenomenon vis-a-vis the MBA students. Looking at a sample of MBAs that is representative of the Kwa-Zulu Natal MBA

programmes, this research looks into ascertaining the emigration potential of MBA students. Furthering to that, the research probes into the management orientation and leadership orientation of these emigrants. The underlying assumption is that if the potential MBA emigrant has management orientation, then the loss for the country is not all that much, as compared to the potential emigrant having a leadership orientation. This is argued by the fact that it is much easier to take a mind and train it to run a department, as most managers do, than trying to create a mind to lead. While it is still disputed whether leadership can totally be taught, one indisputable fact is that there are aspects that can be taught and those that cannot be taught. While one can be taught interpersonal skills, communications skills and other skills, there are certain traits intrinsic to leadership that just cannot be taught, e.g. risk taking, judgement and challenging the status quo. Some have even gone to state that leadership is a life-long learning process, and most leaders have had a difficult childhood that has led to their need to prove something to the world. It is for this reason that many authors have written that leaders are 'twice born.' Anyhow, the point is that, it is easier to teach someone to manage a department than it is to teach someone to run an organisation.

The third part of the research looks at the view-point of the MBA students towards their institution's orientation, i.e. are their business schools preparing them to be managers or are they being prepared to be leaders. After all, if the business community needs leaders to take over the helm of companies, and if the need of the hour is students who can work under intense pressure trying to tie decision-making with the fast-paced technological developments, the ever increasing pace of competition and the intensity with which globalisation is affecting domestic markets, then the business schools need to produce that calibre of MBA graduates. If the students feel that their business schools have only equipped them with managerial know-how, then these very business schools are being negligent in producing leaders and need to gear their faculties and curricula towards a greater leadership-orientation.

This research will indicate whether the country needs to worry about the future of their corporations being in good hands, and whether emigration is really going to sap the remaining skills that the country's business sector needs desperately. It will also reveal if there is a leadership gap in the market that business schools need to address, i.e. a demand for

MBA's with leadership orientation and an under-supply of such students coming out of the current business schools.

This research could be an eye-opener for business schools to realise that they are falling short in providing quality products to the market. Gone are the days of yore when the market was forced to buy what organisations produced. In today's world, the choice empowered consumer (the business community at large) will seek the desired product of their choice (MBA's that are qualified with the required skills and competencies) and if they are unable to obtain it from the current suppliers (the recognised business schools they currently depend on), they will have no option but to look elsewhere. This could well be taken as a warning sign for business schools that if the very organisations that allow select business schools to have top rankings in the country, were to take away their support and start recognising and recruiting from other, at the moment, lesser recognised B-schools, the fate of the current B-schools could well be sealed. After all history is fraught with examples, and it is a well known fact that has received much attention from consultants, business school professors and management gurus, that if external change outpaces internal change, then only one future awaits such organisations, 'doom'!

CHAPTER 2

LITERATURE REVIEW

2.1 EMIGRATION

The oldest and perhaps the most frequently asked question in economics is why certain countries are rich while others are poor. The answer has been partly explained by economic theory that emphasises differences in the educational levels of the population as being, to a large part, responsible for the observed trend. It has been added that improved and available schooling opportunities should raise incomes in developing countries. In the developing countries, the pool of educated, experienced professionals is scarce and detailed studies have revealed the disturbing trend that many scientists, engineers, doctors and other professionals from these poor countries work in Canada, United States, Western Europe and Australia. This very phenomenon is often referred to as 'brain-drain' or 'the emigration of skilled professionals,' and has two important implications for developing countries, namely -

- faster economic growth in these developing countries cannot be achieved by investments in education, if a large number of its highly skilled people are emigrating, and
- the government needs to make a concerted effort to eradicate the underlying causes for this flight of skilled professionals (www.imf.org).

2.1.1 Brain-drain and South Africa

Many countries, South Africa included, are in a state of panic about skills emigration. Their panic is justified, bearing in mind the loss and the cost that the emigration phenomenon is having on the country. Human resources development is backward in South Africa, with skills highly skewed to the white minority. According to research conducted by the International Monetary Fund (IMF), it was found that 8% of highly educated South Africans emigrate. "Tomson Financial Bankwatch, a US-based credit rating agency, believes that 16% of South Africans with tertiary education live abroad" (www.queensu.ca).

Brain-drain, though not a recent phenomenon for South Africa, has reached alarming proportions with post-1994's annual emigration figures being 56% higher than that for 1989-1994 (*Business Day*, Friday August 27, 1999). The loss of skilled professionals from South Africa is expected to continue as research has shown that well-educated South Africans are

export of real and financial assets. Assuming that each emigrant gives rise to an outflow of R100 000, almost R11bn left the country between 1994 and 1997” (*Business Day*, 27 August 1999). Emigration, as opposed to traditionally accounting for less than 5%, now accounts for approximately 15% of turnover. With the extent of grey emigration occurring, this percentage could well be higher. In a research conducted by FSA Contact, human resource consultants, it was found that 11% of the top managers and 6% of the middle managers that resigned in 1997 did so in order to emigrate (*The Economist (US)*, 6 June 1998). The problem is compounded because South African bosses tend to be responsible for large numbers of staff, and when these bosses emigrate, the unemployment rate automatically increases.

“A break down of emigrants into professional categories by CSS supports the results of a survey last year of 2000 companies by human resource consultants FSA Contact. The latter revealed that, of those who resigned last year to emigrate, 43% were senior supervisors or had advanced skills and a further 27% were middle managers or high-level specialists. The South African Medical and Dental Council says that an average of 150 doctors emigrate each year, while the Transvaal Society of Accountants reckons SA has lost up to 300 accountants last year.”

(*Financial Mail*, May 12 1995: 22)

2.1.2 Causes of the Brain-drain

When emigrants are questioned about the reasons for their emigration, the reasons sighted for their dissatisfaction include-

- Low wages / benefits/ quality of life
- Lack of local jobs
- Political and Social Reasons;
- Poor working conditions locally;
- Local corruption, nepotism, etc...

In the South African context the following reasons have been sighted as the underlying causes for the wave of emigration, namely –

- Crime - Crime, or the perceived threat of crime, is the predominant cause for this emigration phenomenon. People have sighted concerns of personal security as their main reason to leave the country. In a survey of South African emigrants, conducted by FSA Contact, fear of criminal violence was sighted as the main cause by 96% of the respondents for packing their bags. "They are fleeing, they say, because they want to live somewhere where speeding through red lights at night is not safer than stopping" (*The Economist (US)*, June 6 1998: 43). In fact the survey by Idasa revealed that race was no longer a discriminating factor when crime and violence are considered. Owing to crime and violence, black South Africans were as likely to emigrate as any other race group (www.woza.co.za).
- Declining Educational Standards – Owing to the desegregation of schools in the post 1994 era, there has been a need to revamp the curricula in previously white schools to enable children of the disadvantaged communities to enrol their children in such schools. Many emigrants feel that this has caused the educational standards to decline and worry about the quality of education their children will receive.
- Affirmative Action –“Affirmative Action recruitment makes white males over the age of 45 feel redundant if they are not actually forced into early retirement” (*Financial Mail*, October 25 1996:24). Affirmative action has lead to many whites witnessing their careers being put on hold for five or more years as their ‘black’ colleagues go up the corporate ladder. Such developments have caused many whites to feel that corporate career doors are closed for them and that South Africa is no longer a country in which to have white children.
- The Declining Rand – “The declining rand acts as a spur by inducing a now-or-never feeling in those contemplating emigration” (*Financial Mail*, October 25 1999:24). “Because of the decreasing value of the rand, a great number of entrepreneurs have set up operations overseas – possibly mirroring what they have been doing in SA” (*Finance Week*, July 18-24 1996:31). Even businesses are being affected by the depreciation of the rand as companies, such as South African Breweries, move their primary listings to London, what the local press refers to as ‘corporate brain-drain’ (*Business Week*, May 10 1999).
- Falling living Standards - Fears that are worrying South African whites also include the falling living standards. There is a high level of dissatisfaction with

the cost of living, levels of taxation and the standard of public and commercial services. The SANSA survey revealed that 65% of skilled whites felt their lives had worsened in the previous five years. The blacks felt the opposite with 65% of skilled blacks saying it got better (www.queensu.ca). “However, irrespective of the racial divide, skilled South Africans were pessimistic about the future cost of living, levels of taxation and the standard of public services”(ibid).

- International Pull Factors – A clear incentive for emigration is evidenced by the discrepancies in salaries between working in South Africa and working abroad. As an example, a Chief Executive Officer (CEO) in South Africa earns in the region of R1,5m per annum compared to a starting salary in the USA of R3,25m for a CEO working in retail or R5m for a CEO working in manufacturing (*Finance Week*, April 16 1999:32).

A percentage-wise breakdown of the causes of the emigration phenomenon reflects the following –

Table 1. CAUSES FOR EMIGRATION

REASON SIGHTED FOR EMIGRATION	PERCENTAGE
CRIME	60%
VIOLENCE	47%
FALLING LIVING STANDARDS	13%
POOR HEALTH CARE	20%
EDUCATION PROBLEMS	40%

(Source: *Finance Week*, April 16 1999: 31).

Given the dramatic changes to the country’s social and constitutional fabric, brain-drain had to be expected. Nowadays with the service sector constituting 65% of the South African Gross Domestic Product (GDP), the economy is in demand of more and more highly skilled workers (www.uct.ac.za). The government has to take concerted efforts to either stop this brain-drain or take action to offset the loss of these skilled professionals (www.queensu.ca). Countries such as Canada and New Zealand have been very selective in their recruitment of South Africans. Knowing that innovative and hard-working immigrants add massive value to the economy and society at large, these countries target the most skilled, trained, experienced and entrepreneurial South Africans. And contrary to the belief that immigrants deprive local

South Africans of jobs, when it comes to recruiting skilled immigrants, most of the evidence suggests the opposite. “Skilled immigrants serve three main benefits –

- create enterprises and jobs for locals;
- enhance the productivity of existing enterprises; and
- pass on valuable skills and experience” (*The Economist (US)*, Sept 2 2000).

The extent of undocumented migration in South Africa from neighbouring countries ranges from 2m to 8m (*The Economist (US)*, Sept 2 2000). These immigrants, many of whom arrive illegally, come to South Africa in search of livelihood and are the ones competing with local South Africans for jobs. The government could do best by checking such immigration and allowing legal entry to talented and skilled immigrants who can and will contribute towards nation building.

South Africa is shedding skills at a worrying rate to its global competitors. These countries (Canada and New Zealand) have no compunction about creaming off skilled people from other countries. Why should South Africa be that different? Why should it not also gain massive value from a selective immigration policy that targets the brightest and best of other countries.

(www.queensu.ca)

Furthermore, despite South Africa’s xenophobic attitude, studies show that many foreigners are here on legal visitor’s permits, while others are employing South Africans in street and formal business. Most don’t want to make this country their permanent home (*UNESCO Courier*, Nov 1998).

The other option before the government, as a more permanent solution would be to cut violent crimes, a measure that is far from easy. “South Africa has the world’s widest gap between rich and poor, meaning that there is a lot of stuff to steal and a lot of people for whom stealing is the most lucrative career option” (*The Economist (US)*, June 6 1998). Many believe that it will be years before crime begins to decline. These facts lead one to conclude that brain-drain is not going to slow down so easily. This leaves the government the only option of easing on its immigration policy and providing work permits and resident permits to those skilled and talented immigrants whose services the country requires. South African

- (ii) *Develop a Vision* - Probably the single most important job of a leader is to articulate a vision, discipline all the organisation's activities to ensure that they are within the scope of that vision. Employees want to follow someone who knows where he or she is taking the organisation. Furthermore by aligning organisational activities and resources to the vision, employees understand the importance that the leader is attributing to the vision (ibid).
- (iii) *Keep your cool* – “While crisis isn't the only test of leadership, it is the acid test” (*Fortune*, Oct 24 1988). Genuine leadership involves stepping forward in a crisis. By demonstrating grace under pressure and maintaining one's aplomb during trying and difficult times, leaders inspire those around them to stay poised and calm and act intelligently. Whether one likes it or not, one has to take a position during a crisis, and it is under such circumstances that employees are more perceptive about your leadership potential (ibid).
- (iv) *Encourage Risks* – By empowering employees, effective corporate leadership aims at encouraging employees not only to take chances but also to readily accept error. By pushing responsibility and decision-making down the hierarchy, leaders make it clear that the future of the enterprise rests on a willingness to experiment. Success and failure are both possible outcomes of experimentation, and good leadership accepts that failures can happen. Employees will never take risks if they know that the slightest failure could jeopardise their entire career (ibid).
- (v) *Be an expert* - It is important for a leader to know as much as his employees do about their work. Employees are more willing to follow if they are aware and confident about their leader's knowledge. “From boardroom to mailroom, everyone had better understand that you (the leader) understand what you are talking about” (*Fortune*, Oct 24 1988).
- (vi) *Invite dissent* - An effective leader will always welcome dissent. Warren Bennis adds, “the smart ones tend to hire people of youth and vitality, people who are chronic grumblers about the status quo. Employees aren't going to give their best if they are afraid to speak up” (*Fortune*, Oct 24 1988).
- (vii) *Simplify* - Effective leaders focus on what is important and reach simple answers to complex problems. Leaders zero in on the essential, overlooking the morass of details.

According to both research and literature, the ten characteristics most commonly found in successful business leaders include - flexibility, a capacity to inspire others, enthusiasm, the ability to build relationships, to inspire trust, to communicate, to delegate, a willingness to experiment, plus frankness and integrity (*Management Today*, March 1996).

Good leaders-

- Are aware of their own strengths and weaknesses;
- Smoothen the path to enable the employees to get their jobs done;
- Honesty and trustworthiness are their forte and they expect the same qualities in their employees;
- They devote less time to the day-to-day activities and concentrate more on communicating;
- They understand the value of employees' contribution and let their employees know when they've done a good job; and
- They, by serving as models of good leadership, not only command the respect of their employees but also respect them in return (*Industry Week*, Nov 1 1993).

2.3 MANAGEMENT

“Management can be defined as the attainment of organisational goals in an effective and efficient manner through planning, organising, staffing, directing and controlling organisational resources” (Daft, 1999: 35).

Management can be viewed in two ways -

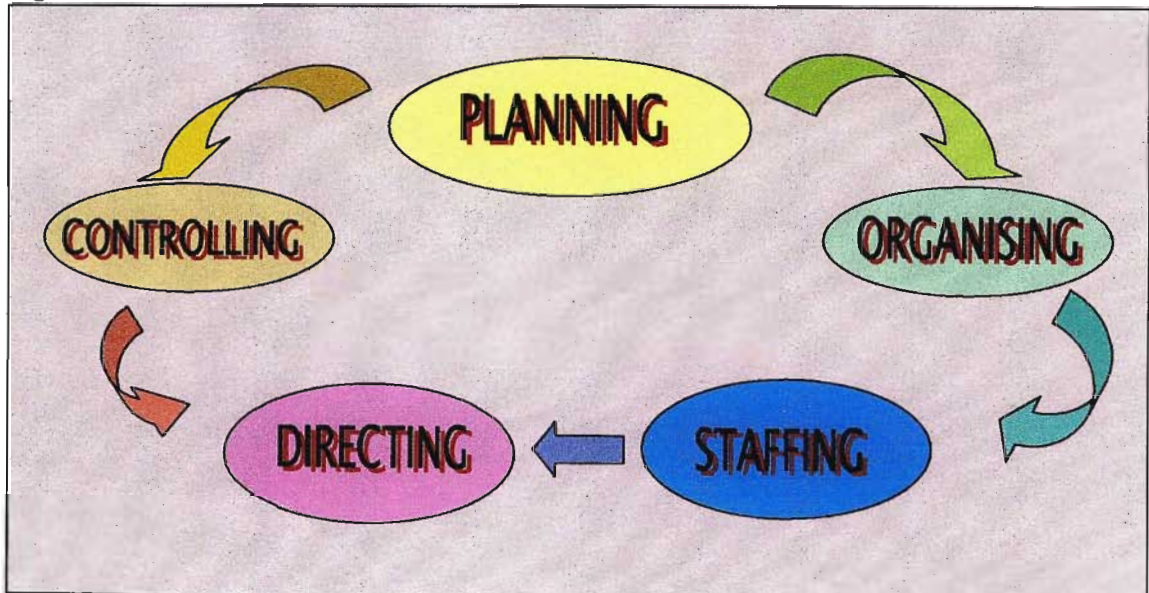
- (A) The functions of management; and
- (B) The roles into which various management activities fit.

A. Functions of Management

- (I) Planning - This function includes activities such as defining goals and objectives for the organisation, developing strategies, using budgets for resource allocation and setting policies and procedures.

- (II) Organising - Organising involves establishing organisation structure, creating responsibility and authority relationships, assigning tasks into departments, and allocation of departmental financial resources.
- (III) Staffing - Recruitment and selection of people for positions, and training them accordingly to develop required knowledge and skills all fall under the managerial duties of staffing.
- (IV) Directing - Delegation, coordination of employees and the use of rewards to motivate employees to take desired action encompass the duties falling under this management function.
- (V) Controlling - Controlling involves developing performance standards, monitoring progress towards achievement of targets and establishing reporting systems.

Figure 1. FUNCTIONS OF MANAGEMENT



(Daft, 1999: 36)

B. Managerial Roles

Henry Mintzberg observed that many a times the activities of managers did not fit into the five managerial functions, and put forward ten roles into which managerial work could be categorised.

Table 4. MANAGERIAL ROLES

<i>CATEGORY</i>	<i>ROLE</i>	<i>ACTIVITY</i>
INFORMATIONAL	Monitor	Seek and receive information, scan periodicals and reports, maintain personal contacts.
	Disseminator	Forward information to other organisation members; send memos and reports; make phone calls
	Spokesperson	Transmit information to outsiders through speeches, reports, memos.
INTERPERSONAL	Figurehead	Perform ceremonial and symbolic duties such as greeting visitors, signing legal documents.
	Leader	Direct and motivate subordinates; train, counsel, and communicate with subordinates.
	Liaison	Maintain information links both inside and outside organisation; use mail, phone calls, meetings.
DECISIONAL	Entrepreneur	Initiate improvement projects; identify new ideas; delegate idea responsibility to others.
	Disturbance Handler	Take corrective action during disputes or crisis; resolve conflicts among subordinates; adapt to environmental crises.
	Resource Allocator	Decide who gets resources; schedule, budgets, set priorities.
	Negotiator	Represent department during negotiation of union contracts, sales purchases, budgets; represent departmental interests.

(Daft, 1999: 37)

The ten managerial roles are divided into three conceptual categories, namely –

- (I) Informational Role - This role deals with a manager's constant processing of information. By seeking information from a variety of sources and transmitting it to parties for whom the information is relevant, both inside and outside of the organisation, managers maintain an information network.
- (II) Interpersonal Role - This role involves activities as head of department, activities to motivate and develop others and activities to build relationships, both inside and outside the organisation.

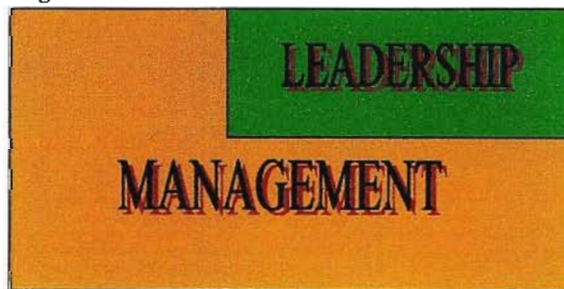
- (III) Decisional Role - The decisional role involves those activities / events where managers are required to make a choice and take action. Such activities include initiating changes, handling problems, negotiating agreements, allocating resources, etc...

Such a broader division of the roles of managers has facilitated understanding the numerous activities that fall upon managers.

2.4 LEADERSHIP VS. MANAGEMENT

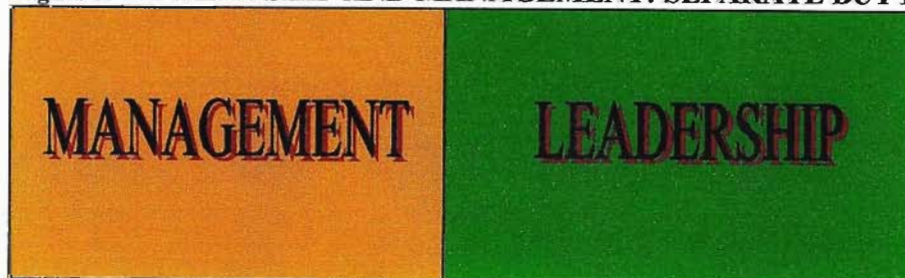
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Figure 2. LEADERSHIP AS A PART OF MANAGEMENT



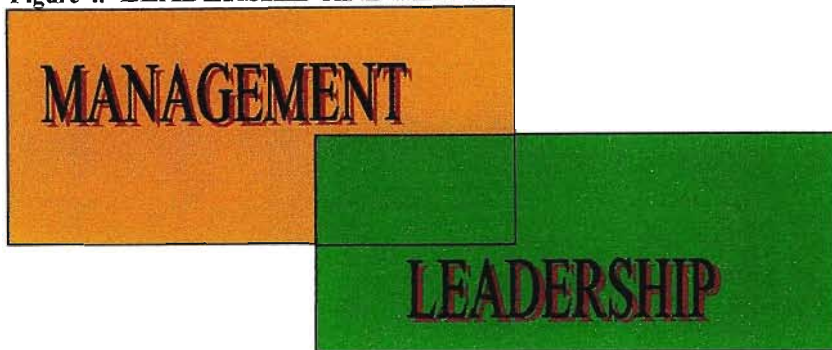
The second one (Figure 3) sees the concepts of management and leadership as separate but related (ibid).

Figure 3. LEADERSHIP AND MANAGEMENT: SEPARATE BUT RELATED



The third one (Figure 4) sees a partial overlap between the two concepts (ibid).

Figure 4. LEADERSHIP AND MANAGEMENT OVERLAP



Managers may sometimes be leaders and leaders may sometimes be managers, but leadership and management are two different processes. While a good leader needs to be a manager too, a manager is not necessarily a leader. Table 5 compares management and leadership along the five dimensions of direction, alignment, relationships, personal qualities and outcomes.

Table 5. COMPARING MANAGEMENT AND LEADERSHIP

	<i>MANAGEMENT</i>	<i>LEADERSHIP</i>
<i>DIRECTION</i>	Planning and budgeting. Keeping eye on bottom line.	Creating vision and strategy. Keeping eye on horizon.
<i>ALIGNMENT</i>	Organising and staffing, directing and controlling. Creating boundaries.	Creating shared culture and values. Helping others grow. Reduce boundaries.
<i>RELATIONSHIPS</i>	Focusing on objects – producing / selling goods and services. Based on position power. Acting as boss	Focusing on people – inspiring and motivating followers. Based on personal power. Acting as coach, facilitator, servant.
<i>PERSONAL QUALITIES</i>	Emotional distance, expert mind, talking, conformity, insight into organisation.	Emotional connections (Heart), open mind (Mindfulness), listening (Communication), nonconformity (Courage), insight into self (Integrity).
<i>OUTCOMES</i>	Maintains stability	Creates change, often radical change.

(Daft, 1999: 39)

The differences between management and leadership can be understood by comparing them along five dimensions – providing direction, aligning employees, building relationships, personal qualities and leader outcomes (as shown in Table 5).

- (I) Providing Direction - While both leadership and management are concerned with providing direction for the organisation, there are inherent differences in how this is achieved. Management focus lies more on establishing detailed plans and schedules for achieving specific results and then allocating the necessary resources to accomplish the plan. Leadership provides direction that is more long-term. Leadership involves creating a vision of the future and then developing farsighted strategies to bring about the required changes to achieve the vision. Whereas management requires keeping an eye on the bottom line and looks at short-term results, leadership calls for keeping an eye on the horizon and the long-term future (Daft, 1999: 39).
- (II) Alignment - Management entails developing a structure to accomplish the desired plan. It requires accordingly staffing the structure with employees and developing policies, procedures and systems to direct the employees and monitor the implementation of the plan. Leadership focuses more on communicating the vision and developing a shared culture. It involves instilling a sense of purpose in the employees to achieve the desired vision. Whereas managers organise by creating departmental boundaries and hierarchical levels and separating people into specialities and functions, leadership breaks down these boundaries to achieve a feeling of team spirit and equalness in achieving outcomes. Whereas managers direct and control employees, leadership is concerned with helping others to grow so that while contributing towards the vision, they can achieve personal growth. Leadership is about aligning the values of the employees to the values of the company (ibid).
- (III) Relationship - Unlike leadership that is based on personal influence, management is based on formal authority. Whereas manager-employee relationship is based on coercion and being pushed towards the goal, leadership-employee relationship is based on influence and being pulled towards the goal. While managers are seen as bosses or supervisors, leaders

are seen as facilitators. While managers are seen as controllers, leaders are seen as coordinators.

- (IV) Personal Leadership Qualities - Leadership stems from certain intangible but powerful qualities, e.g. enthusiasm, integrity, courage and humility. While management encourages emotional distance, leadership encourages emotional connections. While management is more involved with providing answers and solving problems, leadership requires the courage to acknowledge ones mistakes and doubts, encourages risks, and listens, trusts and learns from others.
- (V) Outcomes - While leadership involves creating changes, questioning the status quo, management produces order, a degree of stability, predictability and efficiency, i.e. maintaining the status quo. While good management is required to help the organisation meet current commitments, good leadership is needed to move the organisation into the future (Daft, 1999: 45).

The essential difference between management and leadership lies in their style of thinking. While the reactive style of thinking parallels managerial behaviour, the creative style is the basis for leadership behaviour. There is a distinction between a reactive style of thinking and behaving and a creative style (note that 'reactive' and 'creative' are anagrams).

“The reactive style involves problem solving quickly, maintaining stability and the status quo, reflecting on the past and taking corrective actions after events have taken place, thinking rationally and analytically, breaking things down into their components as a way of understanding them and being controlled by external circumstances. The creative style, by contrast, focuses on desired outcomes without assuming constraints, relies on intuition a great deal, anticipates events and adopts a preventive approach, takes a systemic perspective – seeing the interrelationships of the parts to the whole - and is characterised by inner control and personal mastery.”

(Sadler, 1997:41)

“Leaders are extremely bright, assertive, driven to persuade, empathic and resilient. Having a need to get things accomplished,

they are willing to take risks. They are also moderately sociable, demonstrating a healthy level of skepticism, and are motivated to come up with new ideas. Managers on the other hand are more conservative and succeed by working within established guidelines.”

(*Franchising World*, May/June 2001)

In summary the differences between managers and leaders can be tabulated as follows-

Table 6. MANAGERS VS. LEADERS

<i>MANAGERS</i>	<i>LEADERS</i>
Do things right	Do the right thing
Are interested in efficiency	Are interested in effectiveness
Administer	Innovate
Maintain	Develop
Focus on systems and structure	Focus on people
Rely on control	Rely on trust
Organise and staff	Align people with a direction
Emphasise tactics, structure and systems	Emphasise philosophy, core values, and shared goals
Have a short-time view	Have a long-term view
Ask how and when	Ask what and why
Accept the status quo	Challenge the status quo
Focus on the present	Focus on the future
Have their eyes on the bottom line	Have their eyes on the horizon
Develop detailed steps and timetables	Develop vision and strategies
Seek predictability and order	Seek change
Avoid risks	Take risks
Motivate people to comply with standards	Inspire people with change
Use position-to-position (superior-to-subordinate) influence	Use person-to-person influence
Require others to comply	Inspire others to follow
Operate within organisational rules, regulations, policies, and procedures	Operate outside of organisational rules, regulations, policies, and procedures.
Are given a position	Take initiative to lead.

(Boyett and Boyett, 1998: 16)

2.5 LEADERSHIP AND THE FUTURE

Rapid developments, e.g. ever-advancing technology, globalisation, changing economic, social, and governmental conditions, increasing deregulation, growing environmental concerns and a revolution in management-labour relations are causing fundamental transformations that are presenting new challenges for leadership. In accordance with these changes, leadership is undergoing a paradigm shift.

Table 7. THE NEW REALITY FOR LEADERSHIP

<i>OLD PARADIGM</i>	<i>NEW PARADIGM</i>
Industrial Age	Information Age
Stability	Change
Control	Empowerment
Competition	Collaboration
Things	People and Relationships
Uniformity	Diversity

(Daft, 1999: 9)

As a result of the changing landscape of organisations and of the business environment, leaders now require a different set of competencies that will enable them to successfully steer their organisations through this rapidly changing and less predictable environment. Some of these competencies include-

- (i) **Thinking Globally** - Leaders are required to not only take into consideration the economic implications of globalisation, but also cultural, legal and political ramifications. "Leaders in every arena will need to see themselves as citizens of the world with a greatly expanded field of vision and values" (*CMA Management*, Jan 2000). With increasing global trade and integrated global technology, competitive advantages are quickly being eroded and competitive pressures increasing, thereby necessitating leaders to understand the benefits of going global and think in terms of macro-management. To gain competitive advantage, making globalisation work in their organisation's favour will become a valuable skill leaders must possess.
- (ii) **Appreciating Cultural Diversity** – The research from the Centre of Creative Leadership showed that "respect for differences in people is one of the most important qualities of a successful global leader" (ibid). Developing an understanding of other cultures is a key to being able to compete successfully

in a global environment. Stemming from an understanding of cultural differences will be an understanding of motivational differences. This will lead to developing different motivational strategies for different cultures. “Leaders who can effectively understand, appreciate and motivate colleagues in multiple cultures will become an increasingly valued resource in the future” (ibid).

- (iii) Demonstrating Technological Savvy - With the ever-increasing role of technology in business, it is expected that leadership and technological understanding will go hand in hand. While the leader is not expected to be a gifted technician or computer scientist, he /she needs to-
 - (a) Understand how the organisation can be benefited by the intelligent use of new technology;
 - (b) Technologically competent people will have to be recruited and a network of such people will have to be developed and maintained;
 - (c) Understand how to make and manage investments in new technology; and
 - (d) Lead by example in the use of new technology (*CMA Management*, Jan 2000).
- (iv) Building Partnerships - The future of business will require leaders to have the ability to negotiate complex alliances and manage even more complex networks of relationships. Gone are the days where a business could independently survive and perform all the required roles by itself. Businesses of the future will rely more on outsourcing, thereby necessitating partnerships.
- (v) Sharing leadership - With the traditional hierarchical organisational model giving way to a fluid network, leaders need to be able to effectively share leadership. With most activities, except core activities, being outsourced, future leaders will operate in a mode of asking for input and sharing information as opposed to telling or ordering.

If different personalities are questioned about the requirements of leadership of the future, many different points come up, however, from that long list, the common points that seem to emerge are the aforementioned ones. Evidently, the requirements are challenging and will

demand a lot more from tomorrow's leaders, who now will have to base their decisions keeping in mind a long laundry list of variables. Perhaps, we shall see a repeat of Darwin's theory of evolution, i.e. those leadership minds that are best able to cope with these requirements and adapt to the fast-paced and mercurial environment will see their organisations survive, others unfortunately shall go the way of the dinosaur.

2.6 LEADERSHIP AND BUSINESS SCHOOLS

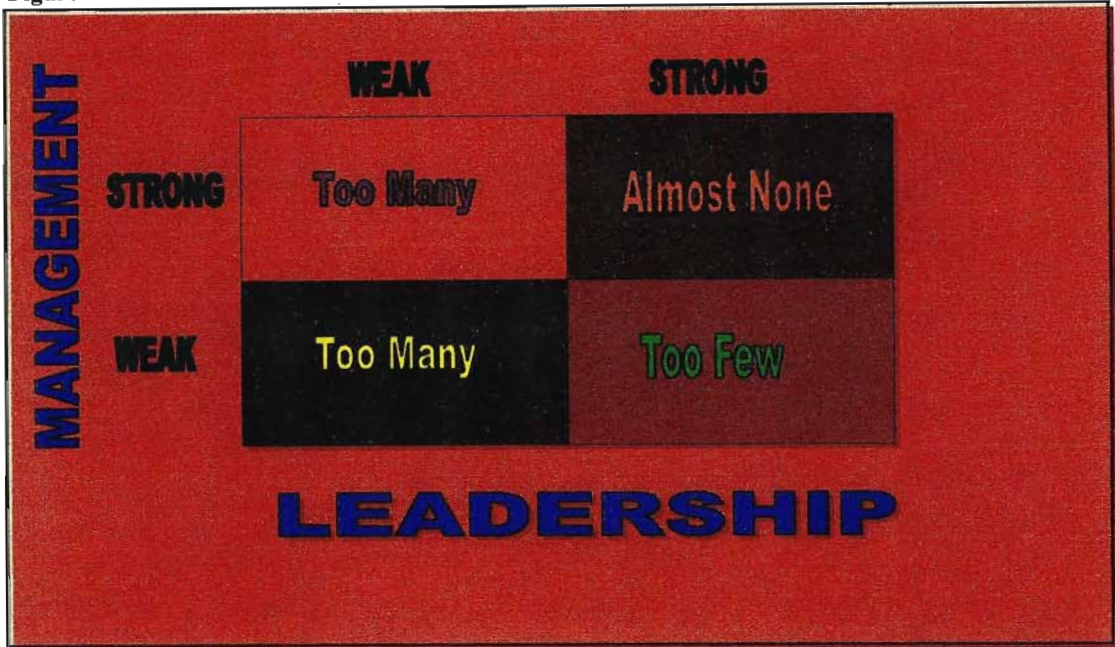
While it is often stated and expected that MBA programs develop business leaders, yet in today's world of rapid and constant change, business schools have been found to be falling short in producing the kind of persons required by industry.

“We had constructed over the years a management approach that was right for its time the toast of the business schools. Divisions, strategic business units, groups, sectors – all were designed to make meticulous, calculated decisions and to move them smoothly forward and upward. The system produced highly polished work. It was right for the 1970s, a growing handicap in the 1980's and....a ticket to the boneyard in the 1990s.” (Welch in Coldwell, 2000).

It is believed that the *raison d'être* of business schools (B-schools) is to turn young people into rising stars of management. While these young stars are expected to contribute to organisations, growth and development cannot take place if these graduates are change resistant and satisfied in preserving the existent state of affairs. Changing lifestyles and changing times have always necessitated a revision of the products and services being delivered by organisations to its consumers. Failure to predict and anticipate changes in the social fabric can cause organisations to either find themselves producing goods and services that no longer satisfy consumer requirements or to find that competitors' products are performing better owing to having adapted to changing consumer lifestyles. Eventually organisations succumb to the harsh reality that they need to change and change preceded in such a fashion is far from pleasant. So these young stars need to also keep a watchful eye on the horizon and, in consonance with the expected changes, bring about the necessary investments.

Management education has been criticised as producing mere preservers of the status quo and not producing leaders that the industry so desperately needs. In the United States, there has been a growing feeling that firms and organisations tend to be over-managed and under-led (*Business Line*, August 21 2000). Figure 5 shows the management and leadership situation as prevalent in the market-place.

Figure 5. TODAY'S MANAGEMENT-LEADERSHIP MIX



(Daft, 1999: 18)

The vexed question, whether leaders are born or made, has been unanswered for a long time. Can leadership be taught? According to research conducted in this field, the answer is yes, it can be taught.

“Bass and his colleagues (1996) have created a workshop where participants, after being given initial feedback on their scores, devise improvement programmes to strengthen their weaknesses and work with trainers to develop leadership skills. This method has the benefit that participants not only are able to gauge their skills but also have the added advantage of working upon their weaknesses to improve their leadership skills. According to Kouzas and Posner (1991), leadership training provided an average of 15 percent increase in the visionary behaviours of participants in the programme.”

(*Business Line*, August 21 2000)

This increase is attributed to the programme that involves more than just mere reading of the theoretical aspects of vision – students attend hands-on-workshops.

At the heart of leadership lies the ability to influence people to act according to a predetermined vision, goals and plans. Such a skill (about influencing people) cannot be taught by mere theoretical readings followed by class discussions. Leadership skill training has to occur in practical terms through group-related activities and what is known in academic circles as experiential learning (ibid). Such a leadership skill cannot be built overnight, but in small incremental steps.

According to the *Guru Guide*, the five factors that affect leadership ability are-

- (i) *Genetics and Early Childhood* – While the debate continues about the relationship between ones DNA and ones leadership abilities, certain leadership gurus believe that leadership is built in ones DNA. The gurus also agree that occurrences in the first few years of one’s childhood makes a difference in one’s leadership abilities. Early successes and failures, encouragement and criticism, experimentation and discipline either have helped develop a sense of confidence or have prevented it.
- (ii) *Education* – The right kind of education to learn to lead is vital in developing leadership abilities.
- (iii) *Experience* – Leadership experience in one’s early career is important to allow exposure to real leadership situations. Learning takes place from risk taking, and from the outcomes, i.e. success and failure.
- (iv) *Failures* – One of the best learning times for people is when they undergo failure. “Failure tends to be the spark that ignites early leadership lessons” (Boyett and Boyett, 1999: 42).
- (vi) *Targeted Training* - A little bit of leadership training aimed at honing certain leadership qualities is also helpful. However, this type of training only hones what is already present and cannot develop what is not there. Furthermore, targeted training does not show results overnight but by continuously applying over a period of time what has been taught (ibid).

“Most schools of business typically include the study of leadership as part of a survey of organisational behaviour (OB) theory and not as a course in its own right” (*Journal of Leadership Studies*, Wntr 1998). Organisational behaviour texts have been criticised as reducing leadership to a mere study of a list of components, attributes, properties, and conditions of leadership theories. Such an approach to teaching and studying leadership purveys the idea that leadership is something one only needs to know about and not something one needs to do. Furthermore, students are taught many beliefs and understandings about leadership that are actually myths when viewed from the perspective of the practitioner. Some of the myths taught include-

- Leadership is viewed as a vertical event, i.e. superiors exercising their superior position over subordinates.
- Leadership is scientific and therefore is predictable.
- Leaders motivate people during circumstances that are applicable only to the workplace.
- Leadership is not multi-directional but a unidirectional act, occurring downward only.
- The ends results matter irrespective of the means used to achieve that result.
- The leader is never wrong.
- Relationships and personality remain unchanged over time (ibid).

Harold Leavitt, Stanford professor, feels that business leaders must be equipped with three essential and major talents: problem solving, implementing, and path-finding, i.e. visionary and entrepreneurial talents. Business schools teach the required analytical tools for problem solving ignoring the other two aspects, which more and more businesses are looking for in MBA graduates (*Fortune*, July 17 1989). Business Week, Fortune and other prestigious magazines have criticised business schools for preparing students to become corporate managers who cannot provide leadership without authoritative power. Furthermore, with the changing work environment, students graduating from business schools aren't equipped with the necessary skills of leading self-directed teams. Leadership and team building skills are indispensable in today's businesses, and owing to the absence of such skills in the MBA graduates, companies are taking the initiative to train their managers and leaders in these invaluable skills (*Journal of Management Development*, November 18 1997).

Three explanations that have been offered for the relative lack of interest in leadership training in business schools are-

- (i) Schools have yet to experience the effect of their failure to provide this training. This is predominantly due to business schools not perceiving the need to change. There has been no internal or external threat that will precipitate the change by acting as a catalyst. Students still enrol in these business schools and businesses still continue to recruit these students. Perhaps the catalyst will set in when students stop enrolling and the industry ceases to recruit students from such B-schools.
- (ii) Schools are managed by the number crunching faculty, i.e. finance personnel, and accountants, who do not understand or appreciate the qualitative aspects of management.
- (iii) Schools don't know how to train. Learning theory only involves a professor and requires printed material, whereas training involves an activity such as team projects (*Journal of Management Development*, November 18 1997).

However, many business schools have woken up to the reality that there is an impending need to do things differently. A pioneer in bringing out dramatic changes to its MBA curriculum is the Warton School of Business, at the University of Pennsylvania. The B-school's existing curriculum is being replaced with a \$2m new one that it reckons will give better value to the students (*The Economist*, Dec 14 1991). This change was precipitated by the recommendation of businesses, academics and alumni that MBA graduates needed better leadership skills and a more global outlook. The Warton business school's new curriculum necessitates first-year students to attend the equivalent of a four-week "boot camp", which includes an outward bound course in the Pocono Mountains to hone those leadership qualities. The in-class leadership course includes practical sessions in being leaders. These sessions are interactive as students receive feedback (often painful) about their leadership abilities from fellow team-members (ibid). Other Universities in the US, such as Eastern Michigan University, are bringing additional interpersonal training into their curriculum. Classes that focus on leadership, communication, creativity and managing change are being added.

Are business schools in South Africa successful in producing graduates with leadership qualities? While most business schools would answer in the affirmative, the evidence to support or reject the assumption is inconclusive. South African business schools have a requirement of several years of work experience prior to enrolling students on their MBA programs. Such an enrolment criteria allows for people already in leadership positions and senior management positions, who have acquired possible leadership skills over the years in their profession, to get accepted. The MBA programs that teach leadership through Organisational Behaviour courses could do little to teach leadership to such students. They may benefit by developing a better understanding of the functional subjects such as Marketing, Finance, Operations Management, and Human Resource Management. Whatever skills they learn, or what the business schools claim they taught could be simply a honing of what was already present. Furthermore, with tertiary institutes having an independent Leadership Centre catering to the needs of developing leadership skills in their students, perhaps business schools have felt a lesser need to teach the subject in as much detail. However, if B-schools in South Africa hone the leadership skills already present in their MBA students, then the prerequisites to enrolment besides a minimum stipulated number of years of work experience, should be a degree / diploma from the Leadership Centre.

Going by the words of many, it seems that the general prevailing mindset is that the industry is over-managed and under-led. If this is the case then business schools definitely need to have a re-look at their leadership curriculum and to ascertain discrepancies between the requirements of industry and what they are supplying. If developed countries like the USA and the UK feel that their B-schools are not churning leaders and that the curriculum in these B-schools needs to be revised, then surely a similar condition must prevail in the South African B-schools. After all, there are South Africa B-schools that have put together their curriculum based on that followed in the B-schools of such developed countries like USA and UK. Furthermore, in such developed countries, the leadership courses are far ahead than those taught in developing countries. So, if the business community in such developed countries feels that there are shortcomings to what their B-schools are churning, then either such a situation must prevail in the South African scenario or will be prevalent in the future. It would be a bonus and a smart strategic move to start implementing incremental changes towards developing a new curriculum vis-à-vis leadership requirements, so that the B-schools give ample time to their staff to accept and adapt to the new curriculum. However, it remains

to be seen if these very business schools have a leader or a manager at the helm. If it is a leader in charge then certainly with an eye on the horizon and questioning the status quo, these changes have already been thought of and should be implemented within a short time span. However, if these business schools have a manager at the top, then with their love for maintaining the status quo and their short-term view, the B-schools will not easily accept that there are short falls in the current curriculum and embark on changing it. Only time will tell whether leaders or managers are steering the B-school enterprises.

CHAPTER 3

RESEARCH DESIGN AND METHODOLOGY

3.1 RESEARCH DESIGN AND SAMPLING

For the purpose of this exploratory study, a descriptive cross sectional research design was used. To achieve a decent sample size, and to ensure that the sample adequately represented the three tertiary institutions of learning that provide full-time MBA programs in the Kwa-Zulu Natal region, questionnaires were circulated to the MBA programs in the University of Natal (Durban Campus), University of Durban Westville and Natal Technikon. To also ensure that respondents had a reasonable exposure to their respective MBA programs, only students who were enrolled in the second year of their MBA were sampled. A sample size of 95 was eventually achieved.

3.2 THE QUESTIONNAIRE AND MEASURING INSTRUMENTS

A self-completion questionnaire consisting of biographical items and specific instruments to measure emigration potential and management and leadership orientations was used. The emigration potential questionnaire was adapted from a previous study conducted by the researcher's group during the Advanced Business Research Methodology course at the University of Natal MBA programme. The specific instruments to measure management and leadership orientations comprised of a series of questions devised by Daft (1999). The questionnaire was administered to the students at the different tertiary institutions during a winter lecture held at their respective campuses in May-June 2000. A brief preamble regarding its purpose, method of completion and an assurance of confidentiality were given. Biographical questions included age, gender, marital status and ethnic group. A Likert-type format with items arranged on a five - point scale ranging from 'strongly agree' to 'strongly disagree' was used to measure emigration potential, management orientation and leadership orientation. The emigration potential scale comprised of items that considered the respondents' attitude towards leaving South Africa, their opinion of the value of their MBA qualification abroad and their preparation towards actually undertaking the journey overseas. The emigration potential questionnaire used in the previous study, that had achieved a Cronbach Alpha (inter-item reliability) of .7747, was slightly altered with a few questions being removed and additional questions being added. The underlying idea was to better the value for the Cronbach Alpha. The instrument for measuring the management and leadership orientations was taken as it is from that devised by Daft (1999). A disadvantage of Daft's

scale is that the questionnaire is divided into two distinct sections. The first section consists of six items relating to the current situation at work. The second section, consisting of sixteen items, asks the respondents to answer items relating to their likely behaviour “as head of a major department.” This form of hypothetical questioning has been criticised as being of limited value because it does not always predict actual future behaviour correctly (Coldwell, 2000).

3.3 DATA ANALYSIS

The following hypotheses will be tested –

- H₁: The emigration phenomenon is predominantly limited to the ethnic group white.
- H₀: The emigration phenomenon is not a white phenomenon.

- H₂: The ethnic group white has a high leadership orientation over other race groups.
- H₀: The ethnic group white does not have a high leadership orientation over other race groups.
- H₃: Business schools have inculcated more of managerial skills than they have leadership skills to the students.
- H₀: Business schools have not inculcated more managerial skills that they have leadership skills to their students.

The data analysis using frequency distributions, high-low charts, multiple regression, correlation analysis, Chi Square tests will attempt to ascertain the following –

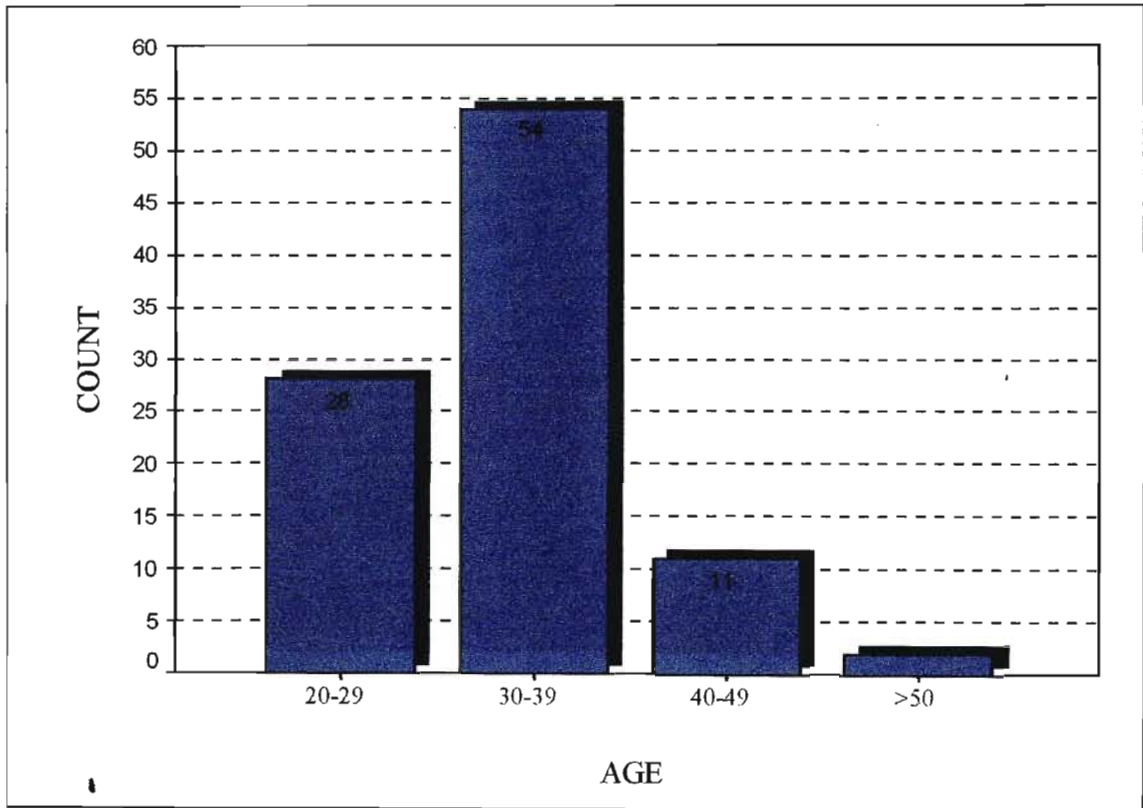
- (i) Reasons sighted by MBA students for the cause of the emigration phenomenon.
- (ii) The presence of any significant associations between the biographical variables and emigration potential, management orientation and leadership orientation of the respondents.
- (iii) The leadership and management orientations of respondents with high emigration potential.
- (iv) Attitudes of the MBA students towards the nature of the management and leadership skills being taught at their institutes and the need of the schools to provide more leadership courses and activities.

CHAPTER 4
DATA & STATISTICAL ANALYSIS

4.1 DISTRIBUTION OF DATA

The age-wise distribution of the sample comprising of 95 MBA students is as follows-

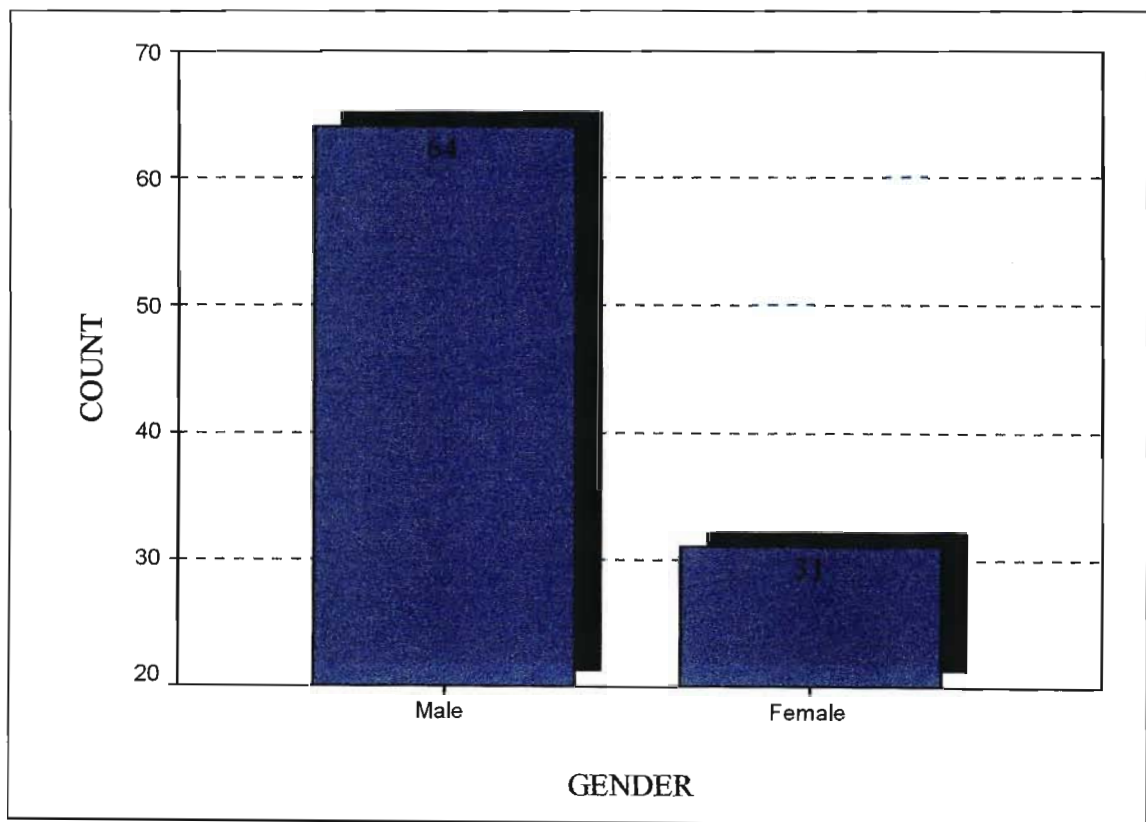
Figure 6. AGE-WISE DISTRIBUTION OF THE SAMPLE



As shown in Figure 6, the sample comprised of 28 respondents who were between the ages of 20-29 years, 54 respondents who were between 30-39 years of age, 11 respondents who were between the ages of 40-49 and 2 respondents who were fifty years or older (the value for which has not been shown in the Figure).

The distribution of the sample along gender lines-

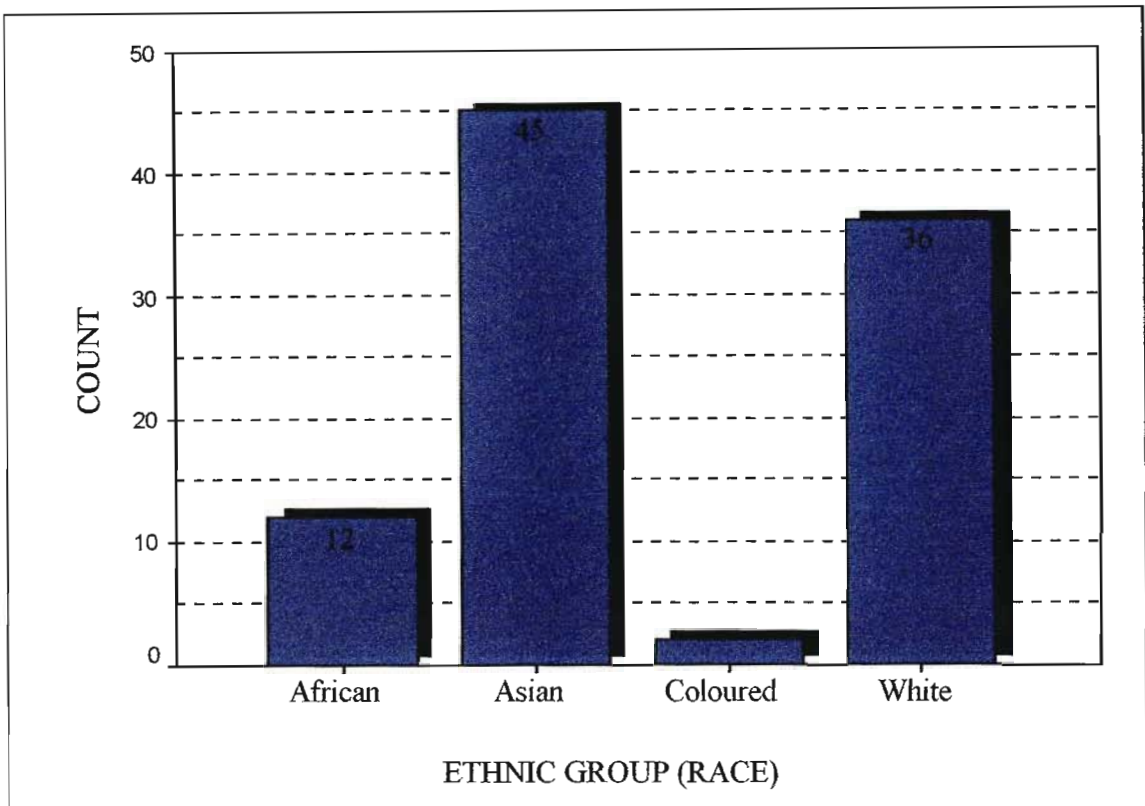
Figure 7. GENDER-WISE DISTRIBUTION OF THE SAMPLE



The sample comprised of 64 male respondents and 31 female respondents. It has been observed that the number of male students in all the three tertiary institutions tended to be more than the number of female students. As per Figure 7, the number of female students is half that of the number of male students.

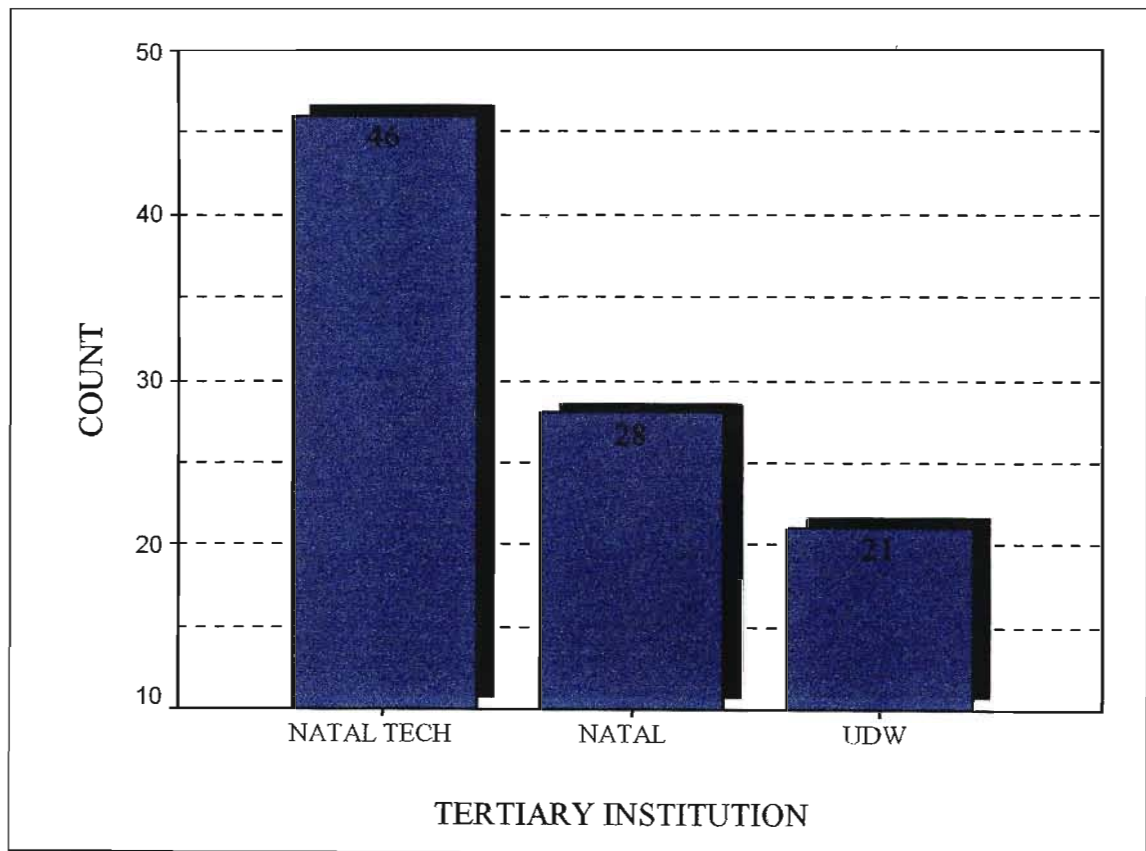
The ethnic distribution of the sample is-

Figure 8. DISTRIBUTION OF THE SAMPLE BY ETHNIC GROUP



The sample comprised of, as shown in Figure 8, 12 respondents who were African, 45 Asians, 2 coloureds (the bar for coloured does not display the value) and 36 white respondents. The common trend observed in the three tertiary institutions was that the number of whites and Asians exceeded the number of African and coloured students. It would have been good, from a purely statistical viewpoint to have a greater number of Africans and coloureds than what was achieved. However, owing to their paucity in second year MBA programmes, a greater representation was not feasible.

Figure 9. DISTRIBUTION OF THE SAMPLE BY TERTIARY INSTITUTION



The sample was representative of the three eminent KZN B-schools. As shown in Figure 9, almost half the sample comprised of 2nd year MBA students from Natal Technikon. There were 28 respondents from the University of Natal and 21 respondents from the University of Durban Westville.

4.2 EMIGRATION

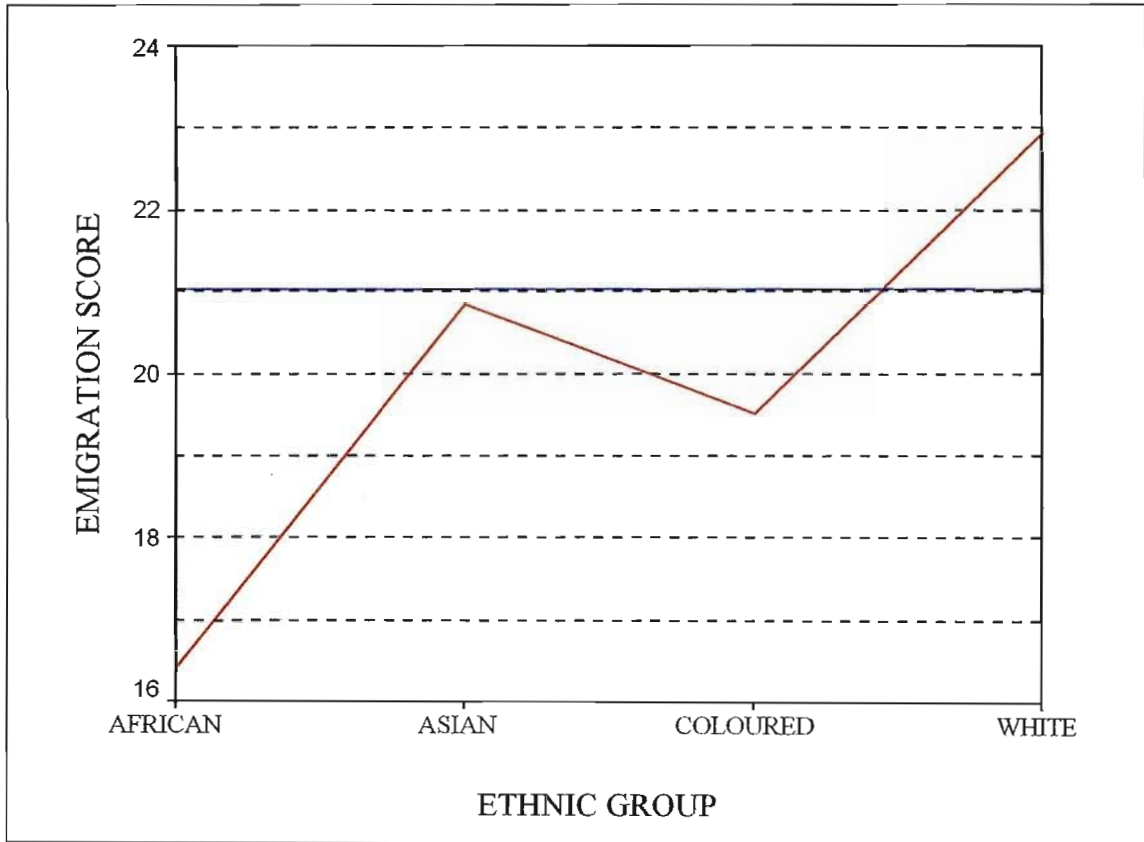
4.2.1 Cronbach Alpha

Table 8. CRONBACH ALPHA - PROPENSITY TO EMIGRATE

Item-total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Alpha if Item Deleted
ANS10	21.0211	33.0208	.6020	.8108
ANS11	20.8842	29.9971	.7686	.7851
ANS12	20.9684	35.0096	.5649	.8161
ANS13	20.6632	34.6938	.5304	.8203
ANS14	21.0421	39.5727	.2032	.8570
ANS15	20.7579	35.0791	.5049	.8235
ANS16	21.2947	32.0186	.7346	.7928
ANS17	20.6316	34.5118	.6073	.8111
Reliability Coefficients				
N of Cases =	95.0		N of Items =	8
Alpha = .8353				
As can be seen, deletion of item 14 from the propensity to emigrate scale takes the value for Cronbach Alpha to 0.8570. As displayed above, item 14 has a low correlation of 0.2032. It is, therefore, removed from the scale. The propensity to emigrate scale will comprise of 7 items, namely items 10, 11, 12, 13, 15, 16, and 17.				
CRONBACH ALPHA AFTER DELETING ITEM 14				
N of Cases =	95.0		N of Items =	7
Alpha = .8570				

4.2.2 Graphs

Figure 10. EMIGRATION SCORE BY ETHNIC GROUP



The line graph in Figure 10 shows the variation of emigration scores by ethnic group. The ethnic group white has the highest average score, followed by the Asians, the coloureds, and finally the Africans. The reference line (solid blue line), drawn at 21.04, indicates the average score of the entire sample for the emigration potential scale. As observed from the graph, the ethnic group white has an average score of 22.92, which is higher than the average score of the sample, indicating that this ethnic group has a high propensity to emigrate. The Asians were slightly lower than the sample average, achieving an average score of 20.84. The coloureds, who were represented in the sample by only two respondents, achieved a score of 19.50, also lower than the sample mean. The Africans showed the lowest propensity to emigrate, achieving a score of 16.42, significantly lower than the sample mean.

Figure 11. EMIGRATION SCORE BY GENDER

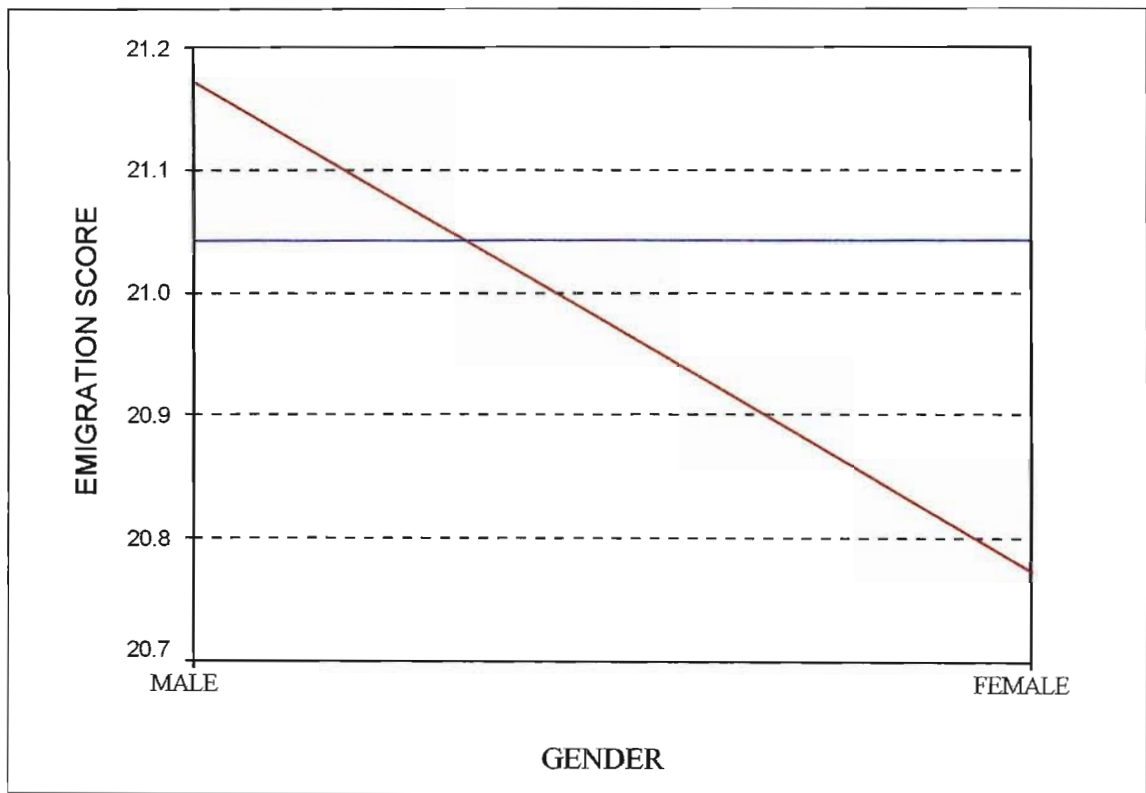


Figure 11, shows the variation in emigration potential scores by gender. The female respondents, who achieved an average score of 20.77, have scored lower than the male respondents, who achieved an average score of 21.17. The blue reference line, drawn at 21.04, indicates the sample average. From the graph it can be seen that the male respondents have achieved a score that is higher than the sample mean indicating a higher propensity to emigrate than the female respondents.

Figure 12. EMIGRATION SCORE BY AGE

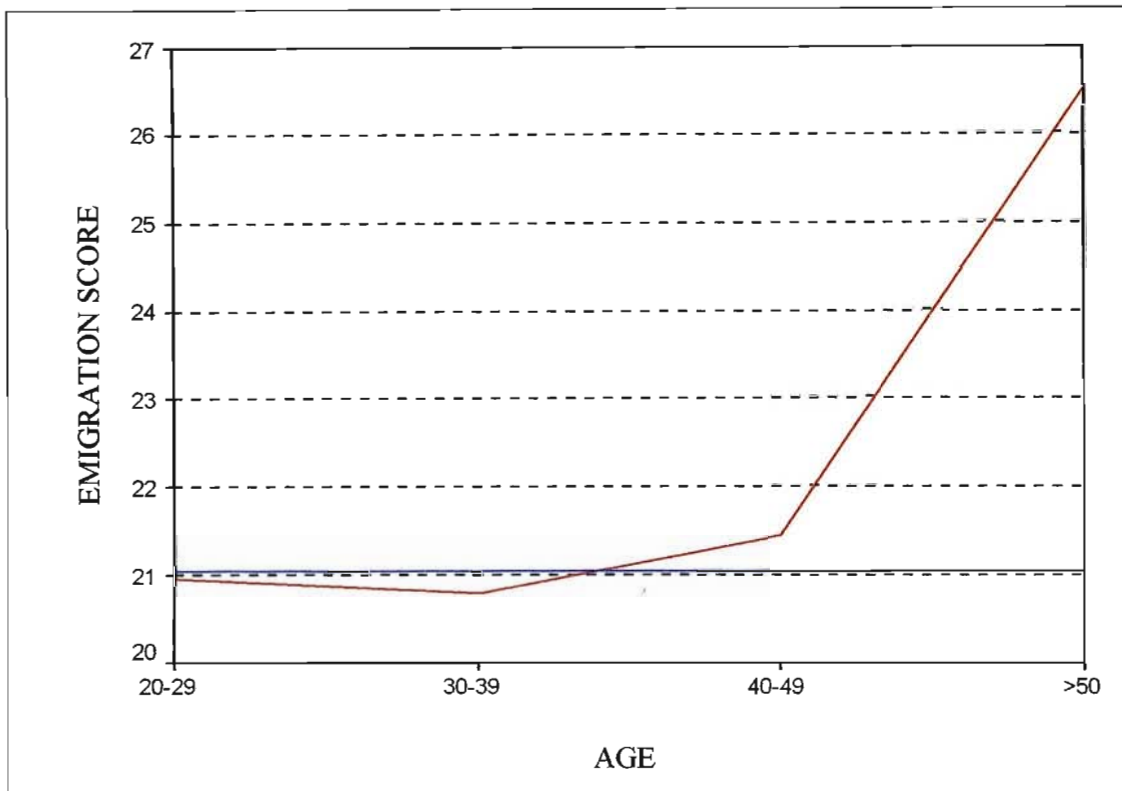


Figure 12, shows the variation of emigration potential scores against age of the respondents. The solid blue line, at 21.04, represents the overall sample mean for the emigration potential. It is clearly observed that respondents who were in the older age brackets, i.e. greater than forty, had achieved a score on the emigration scale that was higher than that of the respondents in the younger age brackets of 20-29 and 30-39. The mean score for respondents who belonged to the age group 20-29 is 20.96, that for the age group 30-39 is 20.8, the mean score for the age group 40-49 is 21.45 and for those who are 50 and older the mean is 26.5. It can be observed that the older respondents who comprised 14% of the sample (13 out of 95) showed a higher propensity to emigrate than the other age groups.

Figure 13. EMIGRATION SCORE BY TERTIARY INSTITUTION

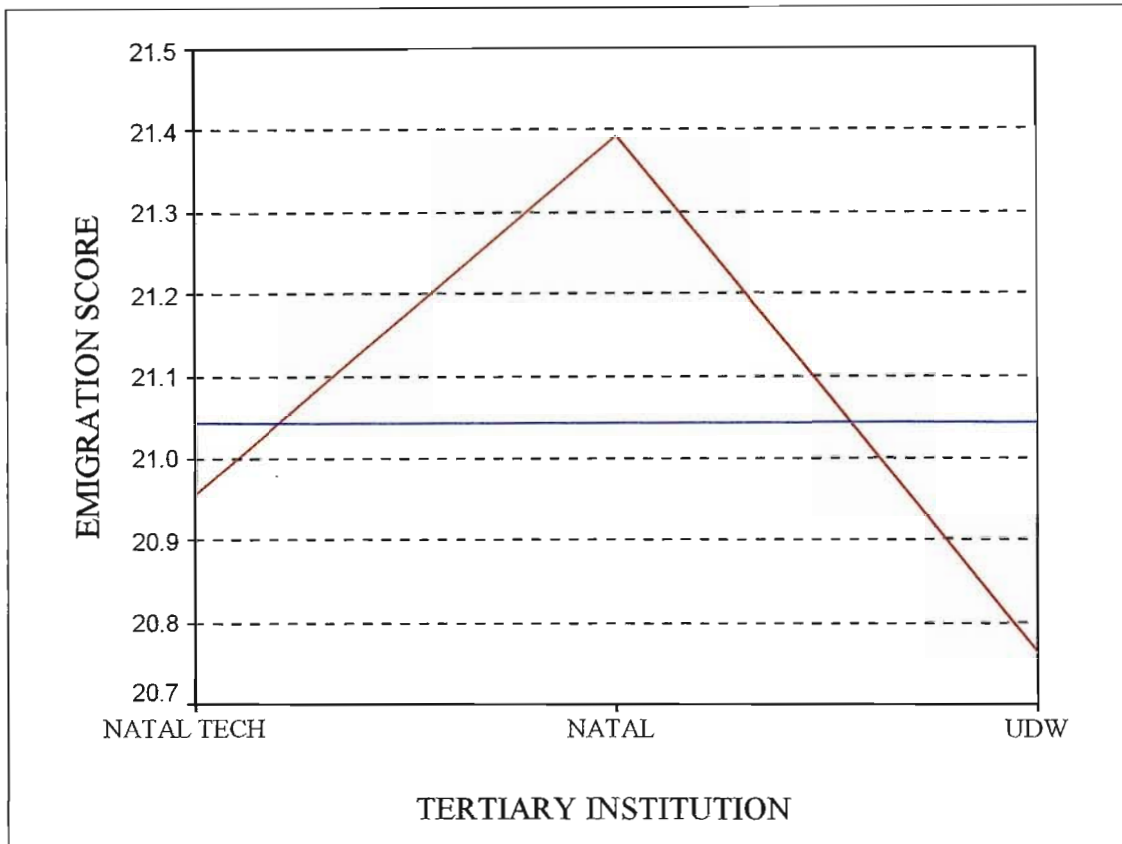
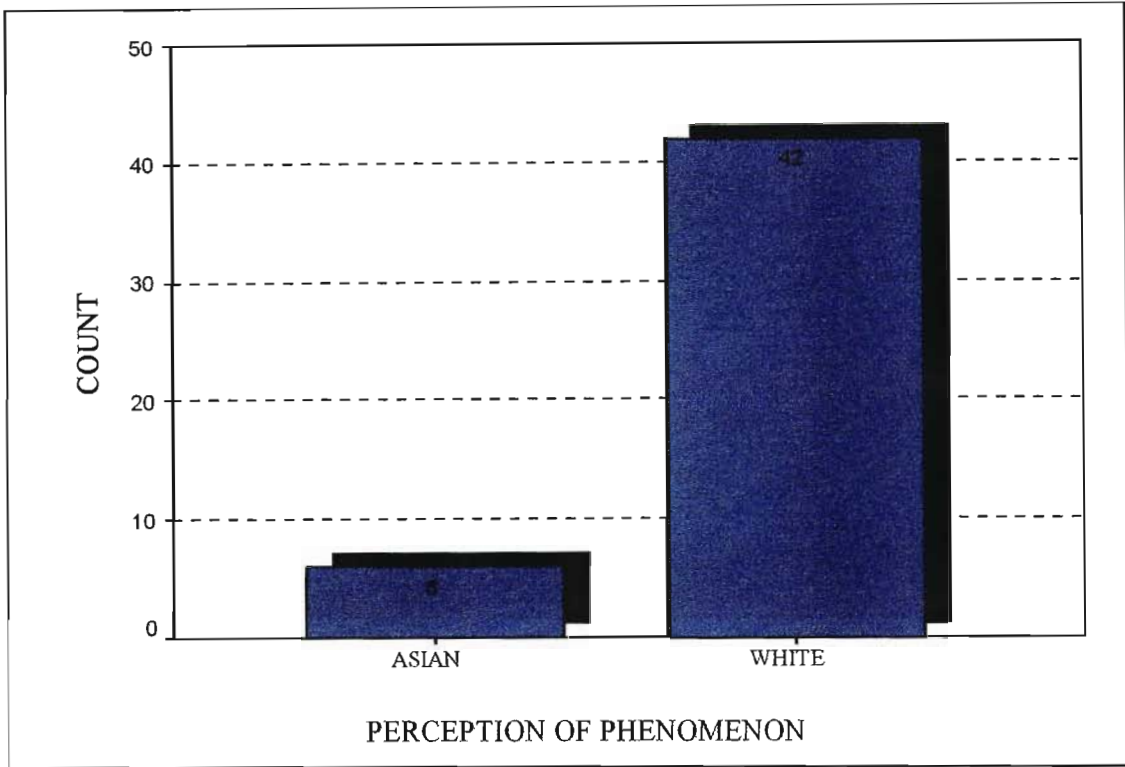


Figure 13, shows the emigration potential scores of the respondents against their respective tertiary institution. The blue line, drawn at 21.04, is the reference line that indicates the mean score of the sample. Respondents from the Natal Technikon B-school averaged 20.96, those from the University of Natal B-school averaged 21.39 and the respondents from the UDW B-school averaged 20.76. The emigration potential is highest for the students of the University of Natal B-school.

Figure 14. IS THE PHENOMENON LIMITED TO ANY PARTICULAR ETHNIC GROUP?



Out of the sample of 95, 48 respondents felt that the phenomenon of brain-drain was limited to a particular ethnic group. Out of these 48, 6 said they felt the phenomenon was predominantly an Asian-only phenomenon whereas 42 said that they felt the phenomenon to be a white-only phenomenon (see Figure 14 above). The remaining 47 respondents felt that the phenomenon was not limited to any particular ethnic group.

4.2.3 Cross-tabulations

Table 9. ETHNIC GROUP AFRICAN BY EMIGRATION POTENTIAL

Count			
	EMIGRATION POTENTIAL		Total
	LOW	HIGH	
AFRICAN NO	32	51	83
YES	9	3	12
Total	41	54	95

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	5.677	1	.017		
Continuity Correction	4.288	1	.038		
Likelihood Ratio	5.743	1	.017		
Fisher's Exact Test				.027	.019
Linear-by-Linear Association	5.617	1	.018		
N of Valid Cases	95				

Table 9, shows the presence of an association between the ethnic group African and one's propensity to emigrate. The association is significant at the 95% confidence.

Table 10. CORRELATION BETWEEN ETHNIC GROUP AFRICAN AND EMIGRATION POTENTIAL

			ETHNIC GROUP AFRICAN	EMIGRATION POTENTIAL
Spearman's rho	ETHNIC GROUP AFRICAN	Correlation Coefficient	1.000	-.244
		Sig. (2-tailed)	.	.017
		N	95	95
	EMIGRATION POTENTIAL	Correlation Coefficient	-.244	1.000
		Sig. (2-tailed)	.017	.
		N	95	95

Table 10, above shows the presence of a negative association between the two variables indicating a low emigration potential for the Africans.

Table 11. ETHNIC GROUP WHITE BY EMIGRATION POTENTIAL

Count				
		EMIGRATION POTENTIAL		Total
		LOW	HIGH	
WHITE	NO	31	28	59
	YES	10	26	36
Total		41	54	95

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	5.589	1	.018		
Continuity Correction	4.625	.1	.032		
Likelihood Ratio	5.734	1	.017		
Fisher's Exact Test				.020	.015
Linear-by-Linear Association	5.531	1	.019		
N of Valid Cases	95				

Table 11, shows the presence of an association between belonging to the ethnic group white and having a high emigration potential.

Table 12. CORRELATION BETWEEN ETHNIC GROUP WHITE AND EMIGRATION POTENTIAL

			ETHNIC GROUP WHITE	EMIGRATION POTENTIAL
Spearman's rho	ETHNIC GROUP WHITE	Correlation Coefficient	1.000	.243
		Sig. (2-tailed)	.	.018
		N	95	95
	EMIGRATION POTENTIAL	Correlation Coefficient	.243	1.000
		Sig. (2-tailed)	.018	.
		N	95	95

The correlation in Table 12 reveals the presence of a positive association between the ethnic group white and the emigration potential. This correlation is significant at the 95% confidence interval.

4.2.4 T-test

Table 13. **INDEPENDENT SAMPLE T-test BETWEEN EMIGRATION SCORE AND ETHNIC GROUP AFRICAN**

GROUP STATISTICS									
AFRICAN		N	Mean	Std. Deviation	Std. Error Mean				
EMIGRATION NO		83	21.7108	6.0577	.6649				
YES		12	16.4167	6.1564	1.7772				

INDEPENDENT SAMPLE TESTS										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
EMIGRATION SCORE	Equal variances assumed	.013	.910	2.824	93	.006	5.2942	1.8745	1.5718	9.0165
	Equal variances not assumed			2.790	14.258	.014	5.2942	1.8975	1.2313	9.3571

Table 13, shows the T-test results between emigration score of the respondents and the ethnic group African. The results reveal the presence of a significant variation in the mean emigration score of the African respondents, as opposed to the emigration scores of the respondents from other ethnic groups.

4.2.5 Underlying Causes of Emigration

Table 14. SAMPLE'S CAUSES OF EMIGRATION

<i>Causes for emigration</i>	<i>Number of respondents that attributed it as primary cause</i>
<i>Crime</i>	69
<i>Insufficient Job Opportunities</i>	25
<i>Depreciating Rand</i>	23
<i>Declining Education Standards</i>	19
<i>High Personal Taxes</i>	11
<i>Difficult Business Environment</i>	7

It comes as no surprise that 69 respondents rated crime as the number one cause for emigration. The decreasing job opportunities was rated as the second most important cause for the emigration phenomenon with 25 respondents attributing it as the number one cause for emigration. Other causes of emigration in order of their importance include-the depreciating Rand, the declining education standards, the high level of personal taxes, and finally the difficult business environment. The results are shown above in Table 14.

4.3

MANAGEMENT AND LEADERSHIP ORIENTATION

4.3.1 Cronbach Alpha

Table 15. CRONBACH ALPHA – MANAGEMENT ORIENTATION SCALE

Item-total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Alpha if Item Deleted
ANS18	37.9053	26.4271	.0747	.1609
ANS20	39.8632	24.9492	.2400	.1097
ANS22	37.9684	27.3075	-.0434	.1922
ANS24	37.8105	25.8786	.2117	.1332
ANS26	37.7684	25.9671	.2294	.1338
ANS28	37.9053	10.2143	-.0132	.5159
ANS30	38.3158	25.3673	.1204	.1401
ANS32	39.4632	27.2087	-.0599	.2034
ANS34	37.4632	26.3364	.1847	.1456
ANS36	37.9158	25.4822	.2071	.1254
ANS38	38.1474	25.6589	.2002	.1298
Reliability Coefficients				
N of Cases = 95.0		N of Items = 11		
Alpha = .1754				
<p>The value for Cronbach Alpha obtained is extremely poor. In fact it would be pointless to work with this management orientation scale. In order for the management orientation scale to have decent inter-item reliability, certain items need to be deleted. As can be seen above, if item 28 is deleted, the value for Cronbach Alpha goes up to 0.5159. This value is much more encouraging over the previously obtained value, however, certain more items have to be deleted to achieve at least a Cronbach Alpha in the region of 0.700. Eventually, by deleting items 20, 28, 30, 32, a final value of 0.7122 was achieved. The seven items that will comprise the management orientation scale are 18, 22, 24, 26, 34, 36, and 38. (To see how the value was finally arrived at, consult the Appendix).</p>				
N of Cases = 95.0		N of Items = 7		
Alpha = .7122				

Table 16. CRONBACH ALPHA – LEADERSHIP ORIENTATION SCALE

Item-total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Alpha if Item Deleted
ANS19	39.4316	9.7586	.0084	.5358
ANS21	39.1789	10.2974	-.0163	.5183
ANS23	39.8316	10.1415	-.0952	.5855
ANS25	38.9684	9.1160	.3374	.4447
ANS27	39.0421	8.4450	.5660	.3916
ANS29	39.7263	9.6903	-.0088	.5505
ANS31	38.9368	7.9534	.5699	.3673
ANS33	39.0421	8.4876	.5019	.4008
ANS35	39.0211	8.1910	.5013	.3885
ANS37	39.0316	9.0096	.3311	.4428
ANS39	39.8947	9.2441	.0772	.5193

Reliability Coefficients	
N of Cases =	95.0
N of Items =	11
Alpha	= .4972

The value obtained for Cronbach Alpha, 0.4972, is extremely poor. In fact it would be pointless to work with this leadership orientation scale. In order for the leadership orientation scale to have decent inter-item reliability, certain items need to be deleted. As can be seen above, if item 29 is deleted the value for Cronbach Alpha goes up to 0.5505. This value is more workable with, however, a value in the region of 0.700 would be much better. Eventually by deleting items 19, 23, 29 and 39, a final value of 0.7485 was achieved. The seven items that will comprise the leadership orientation scale are 21, 25, 27, 31, 33, 35 and 37. (To see how the value was finally arrived at, consult the Appendix).

N of Cases =	95.0
N of Items =	7
Alpha	= .7485

4.3.2 Graph

Figure 15. MANAGEMENT ORIENTATION BY ETHNIC GROUP

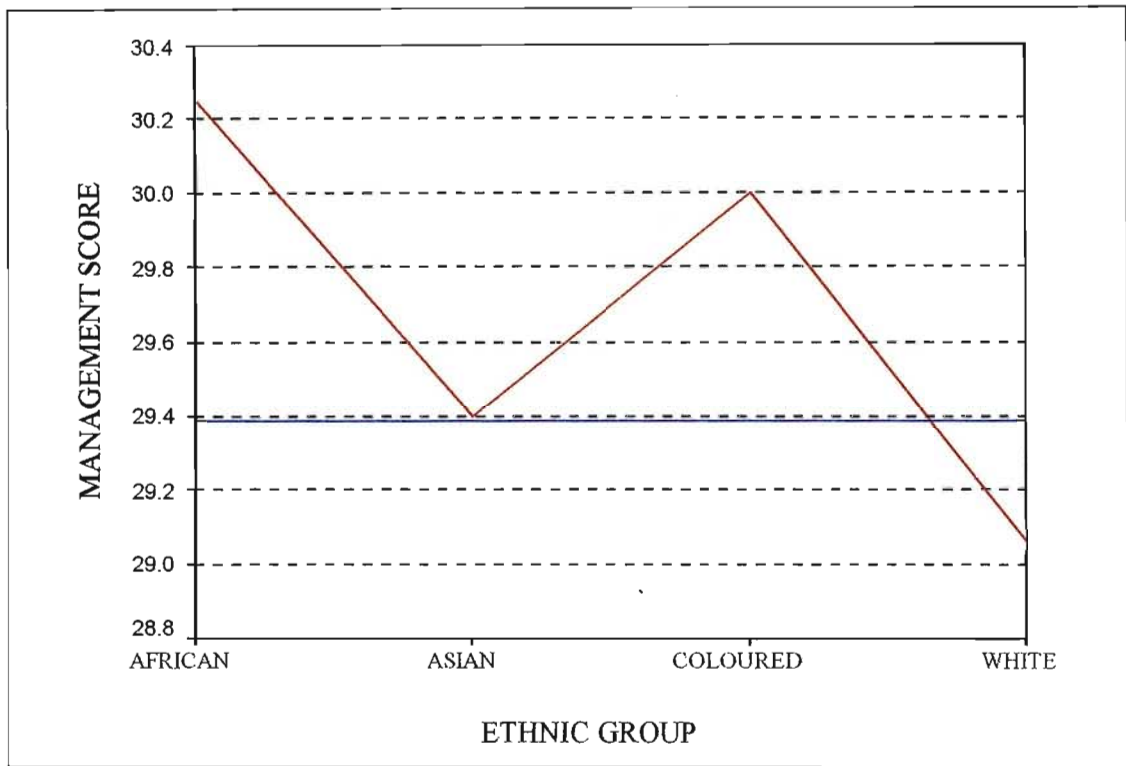


Figure 15, looks at the management orientation of the different ethnic groups. The sample as a whole achieved an average score of 29.38, indicated by the horizontal blue line. The ethnic group African achieved an average score of 30.25 that is higher than the sample average. The Asians obtained an average score of 29.40 just marginally higher than the sample average. The coloureds, with an average score of 30.0, were also higher than the sample mean. The only ethnic group that scored below the sample mean was the ethnic group white, achieving a score of 29.06.

Figure 16. LEADERSHIP ORIENTATION BY ETHNIC GROUP

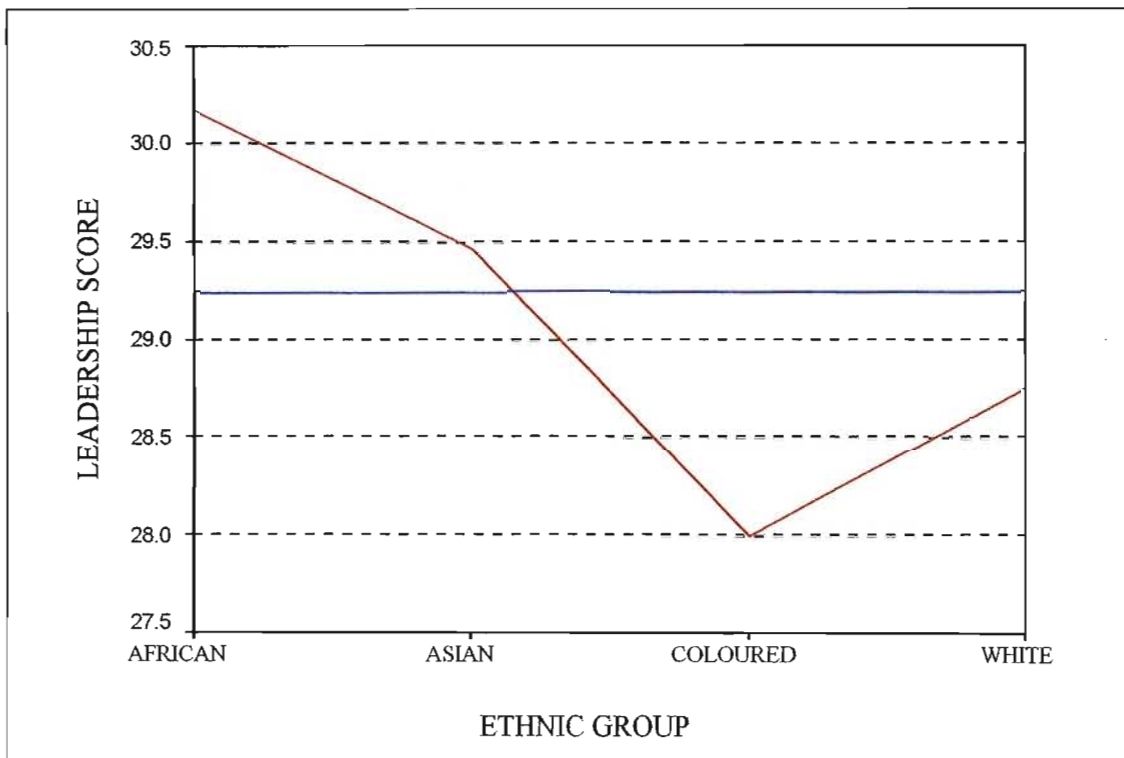


Figure 16, displays the scores obtained by the different ethnic groups on the leadership orientation scale. The sample mean of 29.25 is represented by the solid blue horizontal line. The graph indicates that the ethnic group Africans achieved the highest average score, scoring 30.17, followed by the Asians who achieved an average score of 29.47, then the coloureds with an average score of 28.00 and finally the ethnic group white with an average score of 28.75.

Figure 17. MANAGEMENT AND LEADERSHIP ORIENTATIONS BY ETHNIC GROUP

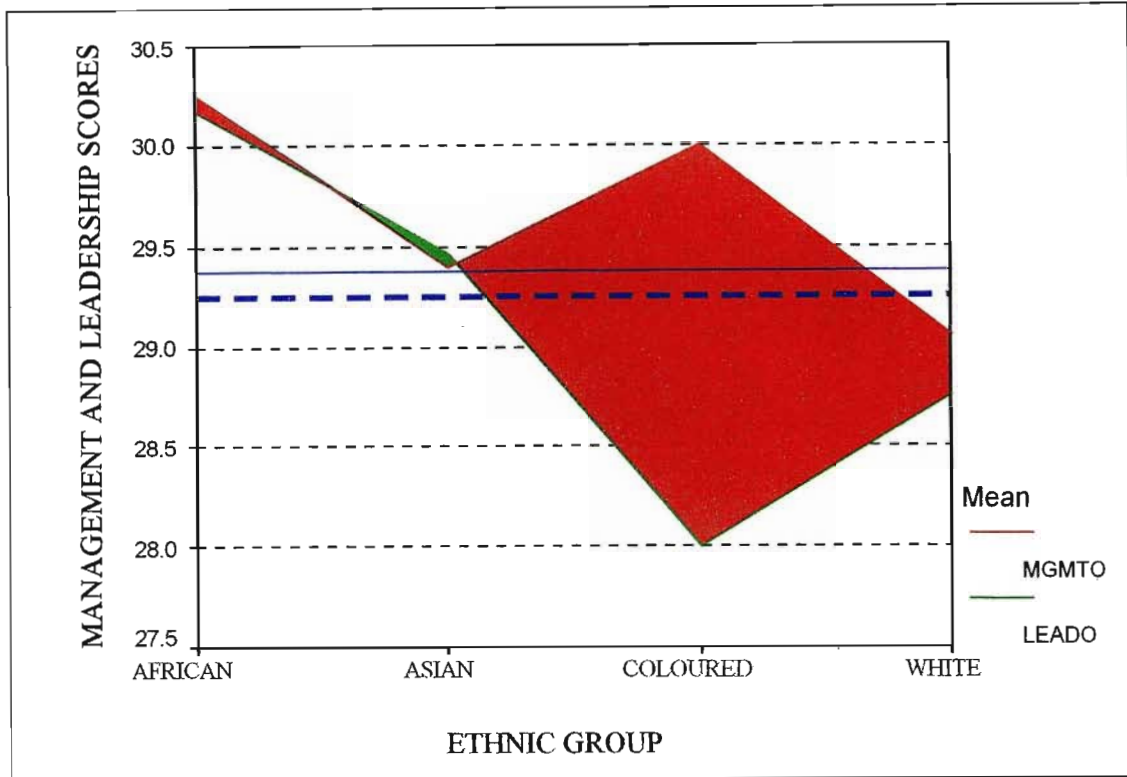


Figure 17, shows a comparison of the management and leadership orientation scores by ethnic groups. The reference lines represented by the solid blue line and the dotted blue line are indicative of the sample mean scores for the management orientation and the leadership orientation respectively. The ethnic group African achieved a higher score for management orientation than it did for leadership orientation. The ethnic group Asian achieved a higher score for leadership orientation than it did for management orientation. Coloureds were also more management orientated than they were leadership orientated. Whites scored higher on the management orientation scale than they did on the leadership orientation scale. Of note is the fact that both Africans and Asians have scored above the mean for both management and leadership orientations. This indicates that the sample viewed as a whole shows a trend towards Africans and Asians being more management and leadership orientated than the total sample with these ethnic groups having a greater propensity towards management and leadership orientations respectively.

Figure 18. MANAGEMENT ORIENTATION BY GENDER

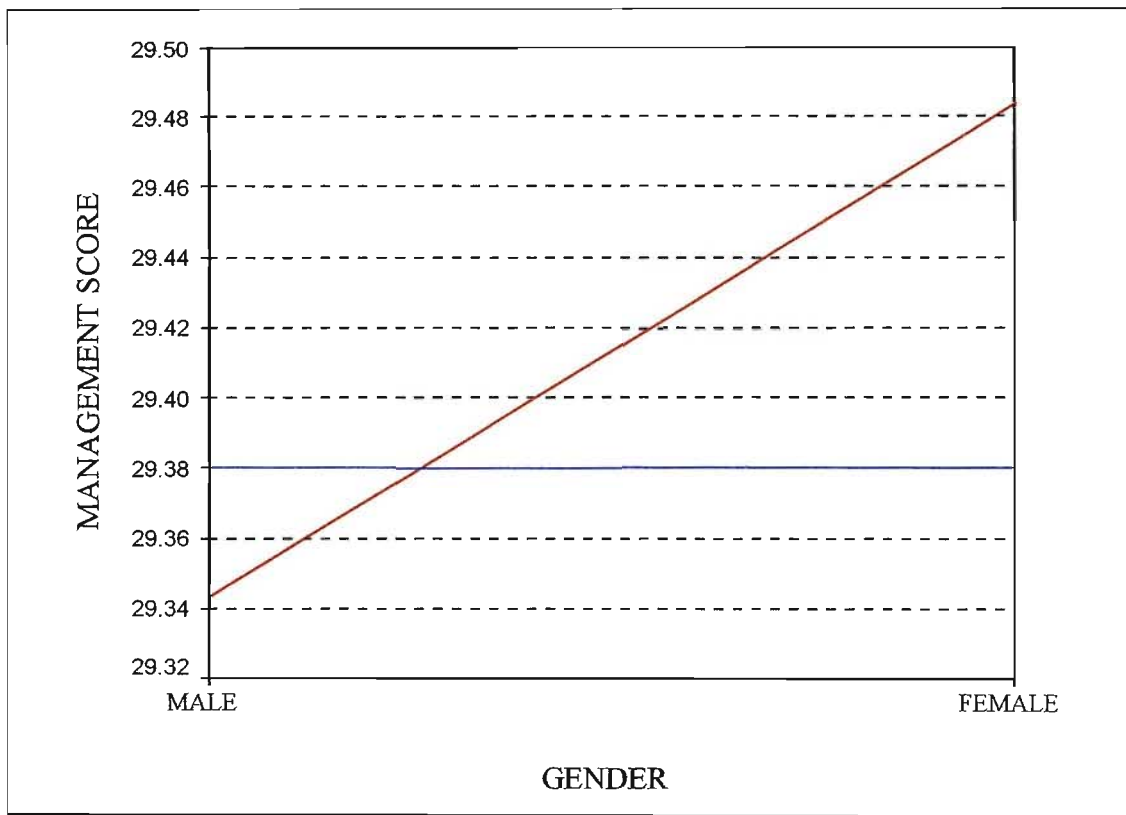


Figure 18, shows the variation of scores on the management orientation scale for the male respondents and the female respondents. The average scores obtained for the males is 29.34, whereas that obtained for the females is 29.48. The blue reference line, drawn at 29.38 indicates the sample mean. It is seen that the female respondents have scored higher than the sample mean whereas the male respondents have scored below the sample mean. Both scores though marginally higher and lower than the sample mean show the presence of a trend.

Figure 19. LEADERSHIP ORIENTATION BY GENDER

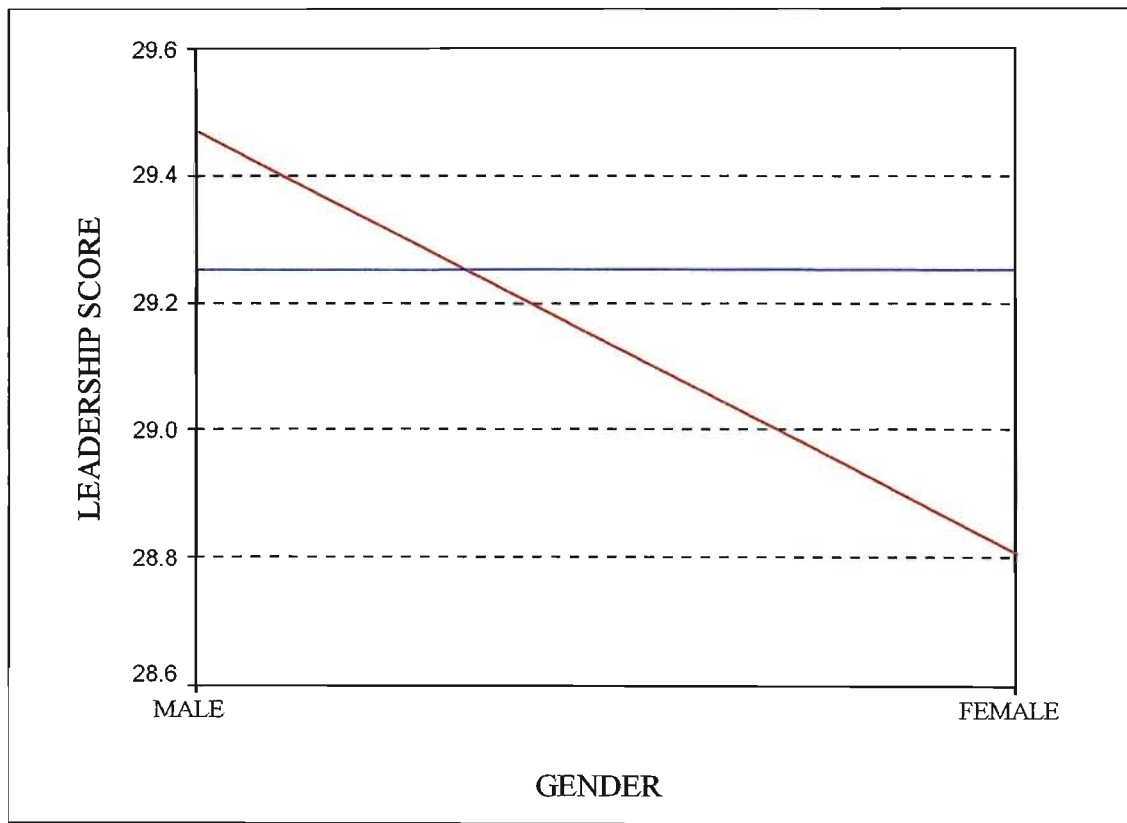
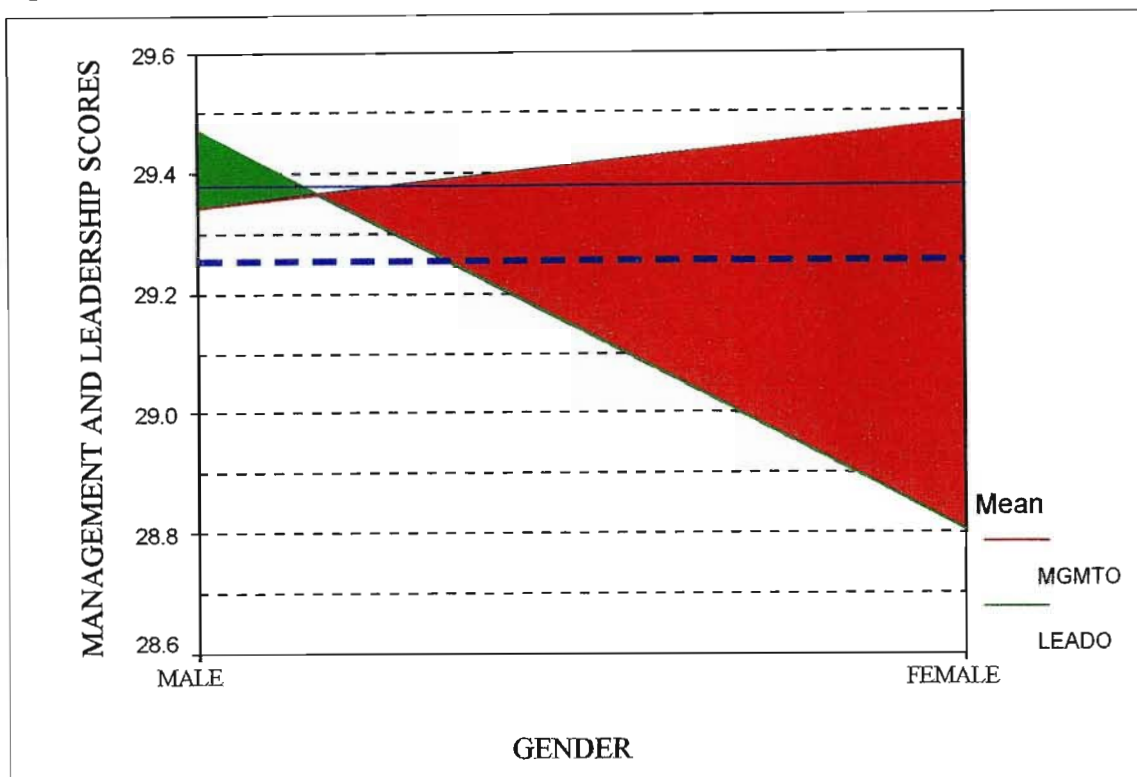


Figure 19, shows the variation of scores on the leadership orientation scale by the gender of the respondents. The trend observed in this graph is the opposite of that observed in the graph in Figure 18. The male respondents have achieved an average score of 29.47 that is higher than the sample mean of 29.25 (indicated by the blue line). The female respondents have achieved a score of 28.81 that is below the sample mean. Males have shown a higher leadership orientation than females have.

Figure 20. MANAGEMENT AND LEADERSHIP ORIENTATIONS BY GENDER



From Figure 20, it can be seen that females have achieved a higher score for the management orientation score than the males have. It can also be seen that the males have achieved a higher score for leadership orientation than females have. The solid blue reference line represents the sample mean for the management orientation whereas the dotted blue line represents the sample mean for the leadership orientation. The difference in the scores of the management and the leadership orientations is much higher for females (0.67 points) than for the males (0.13). This indicates that the female respondents in the sample seemed more inclined towards a management orientation than a leadership orientation. The males on the other hand, while being more leadership orientated than management orientated were probably as adept at leadership work as management work.

Figure 21. MANAGEMENT ORIENTATION BY AGE

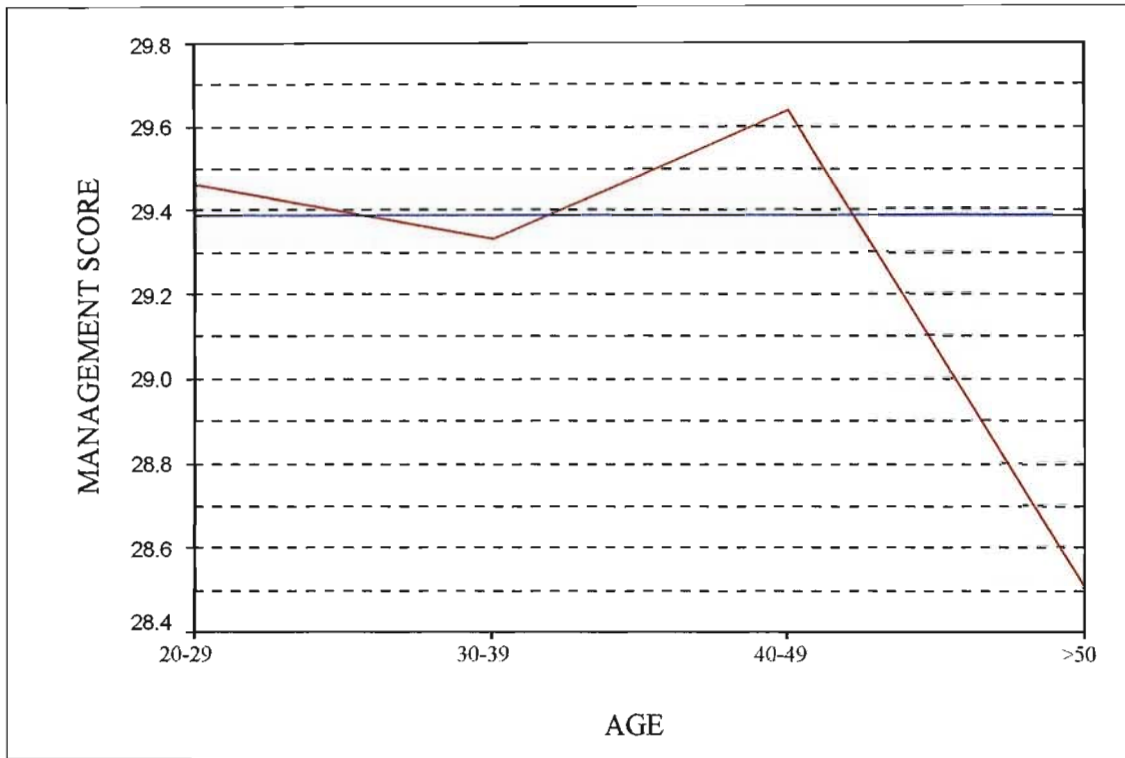


Figure 21, shows the average management scores achieved by the different age groups. The solid blue reference line represents the sample average of 29.38. The age group 20-29 achieved an average score of 29.46, the age group 30-39 achieved an average management orientation score of 29.3, the age group 40-49 achieved an average management orientation score of 29.63 and the two respondents that comprised the age group >50 achieved an average score of 28.5. The only two age groups that were above the sample average were 20-29 and 40-49.

Figure 22. LEADERSHIP ORIENTATION BY AGE

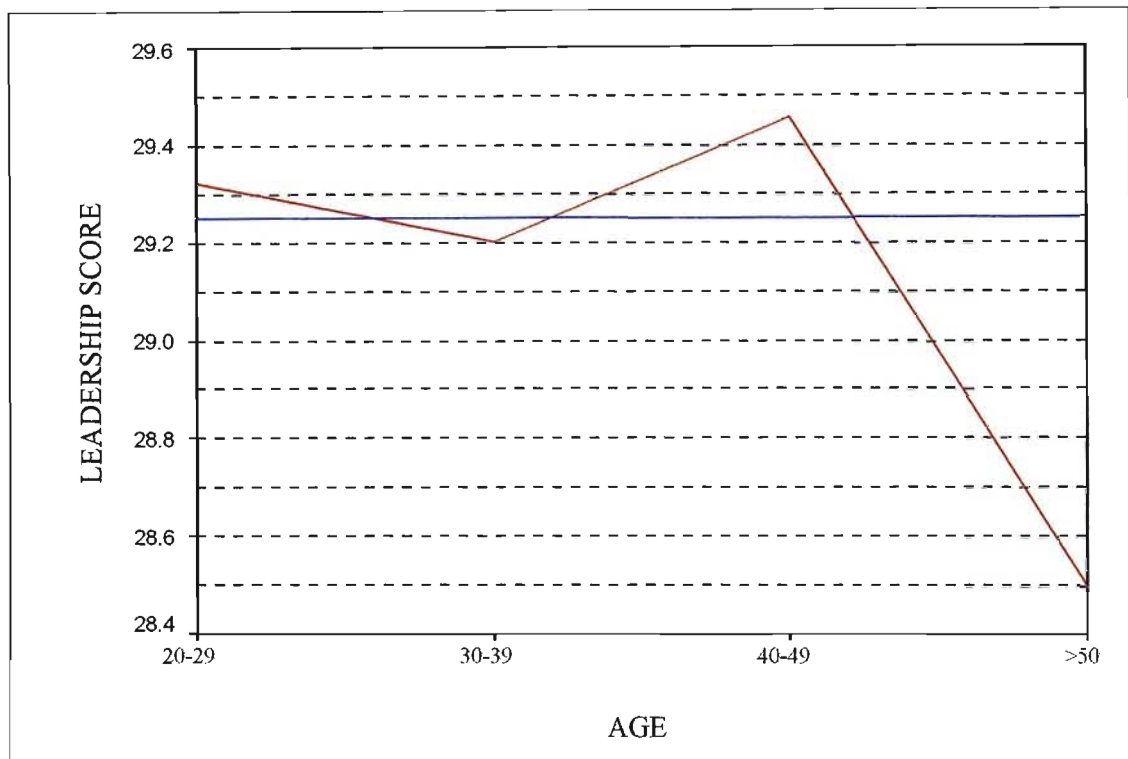


Figure 22, shows the average scores obtained on the leadership orientation scale by the different age groups. The observed pattern is similar to that seen between age and management orientation scores. The two age brackets that achieved scores that are above the sample mean (29.25) are the age group 20-29 that achieved an average score of 29.32, and the age group 40-49 that achieved an average score of 29.45.

Figure 23. MANAGEMENT AND LEADERSHIP ORIENTATIONS BY AGE

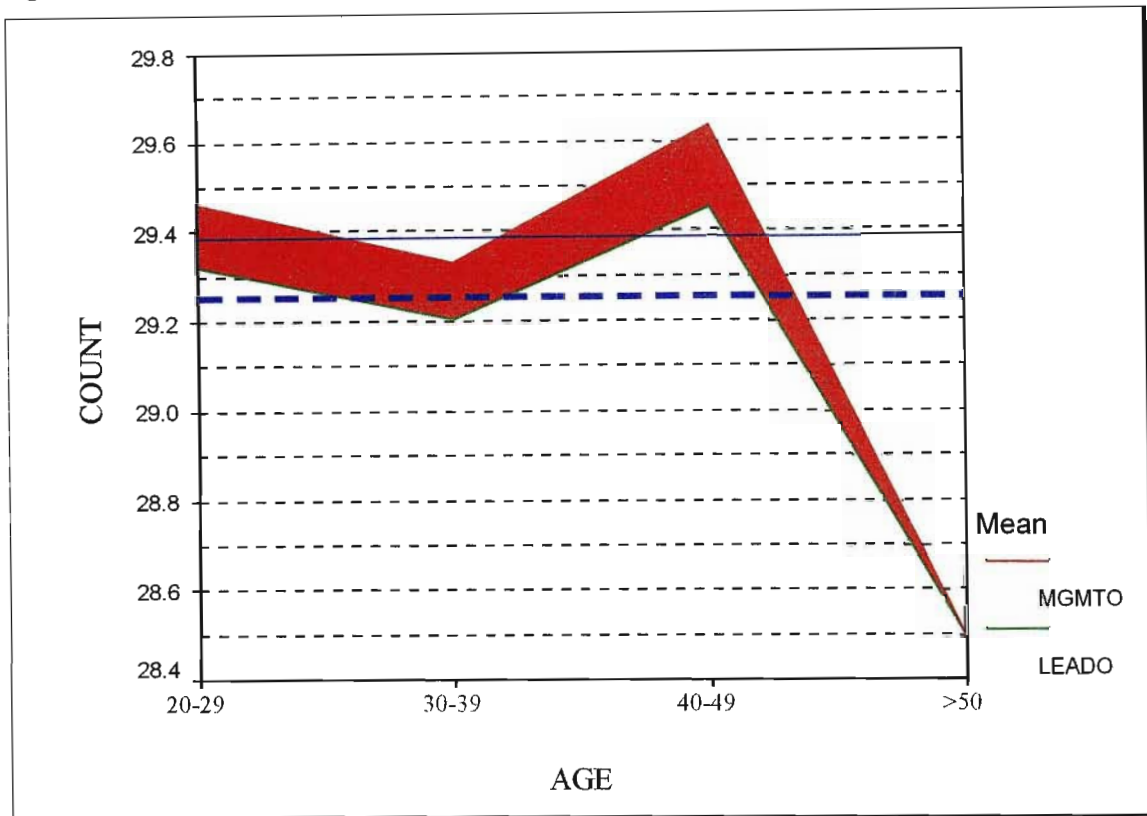


Figure 23, shows the management and leadership orientation scores against age. As is evident, all the age groups have score higher on the management orientation than they have on the leadership orientation. The dotted blue line drawn at 29.25 represents the leadership orientation sample average and the solid blue line represents the management orientation sample average of 29.38. It is observed that the age group 20-29 and the age groups 40-49 have outperformed the other groups and both have achieved scores that are above the sample means on both orientations.

Figure 24. MANAGEMENT AND LEADERSHIP ORIENTATIONS BY TERTIARY INSTITUTION

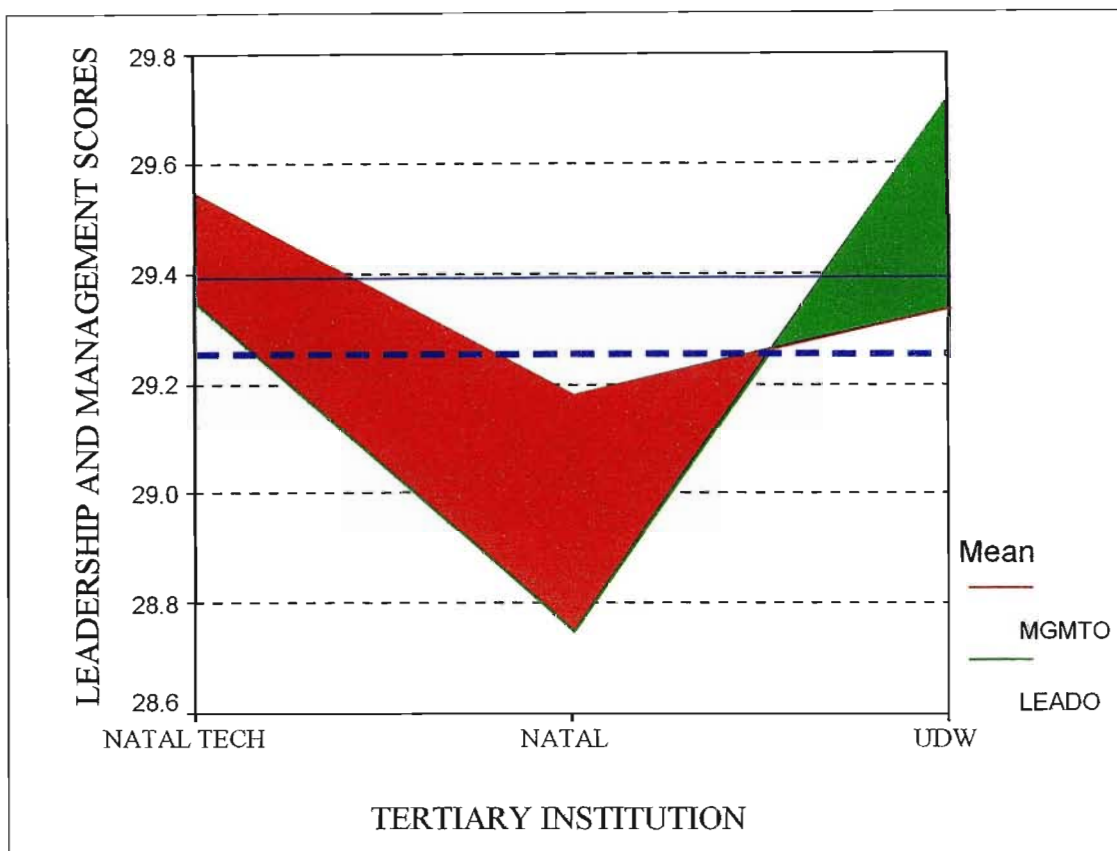


Figure 24, shows the respondents' scores on the management and leadership orientation scales against the three different tertiary institutions. The average score for the management orientation is (in descending order) –Natal Technikon 29.54, UDW 29.33, and University of Natal 29.18. The average score for the leadership orientation is (in descending order) – UDW 29.71, Natal Technikon 29.35 and University of Natal 28.75. The solid blue line represents the sample mean for the management orientation scale (29.38), whereas the dotted blue line represents the sample mean for the leadership orientation scale (29.25). Natal Technikon respondents scored higher than the sample mean on both the management and leadership orientation scales, indicating a greater management orientation. University of Natal MBA respondents, achieved scores that were below the sample average for both the management orientation and the leadership orientation, and indicated a greater management orientation than leadership orientation. University of Durban Westville (UDW) students achieved scores on both orientations that were higher than the sample average with an indication of being more leadership orientated than management orientated.

4.3.3 T-test

Table 17. PAIRED SAMPLE T-test BETWEEN MANAGEMENT AND LEADERSHIP ORIENTATION SCORES FOR FEMALES

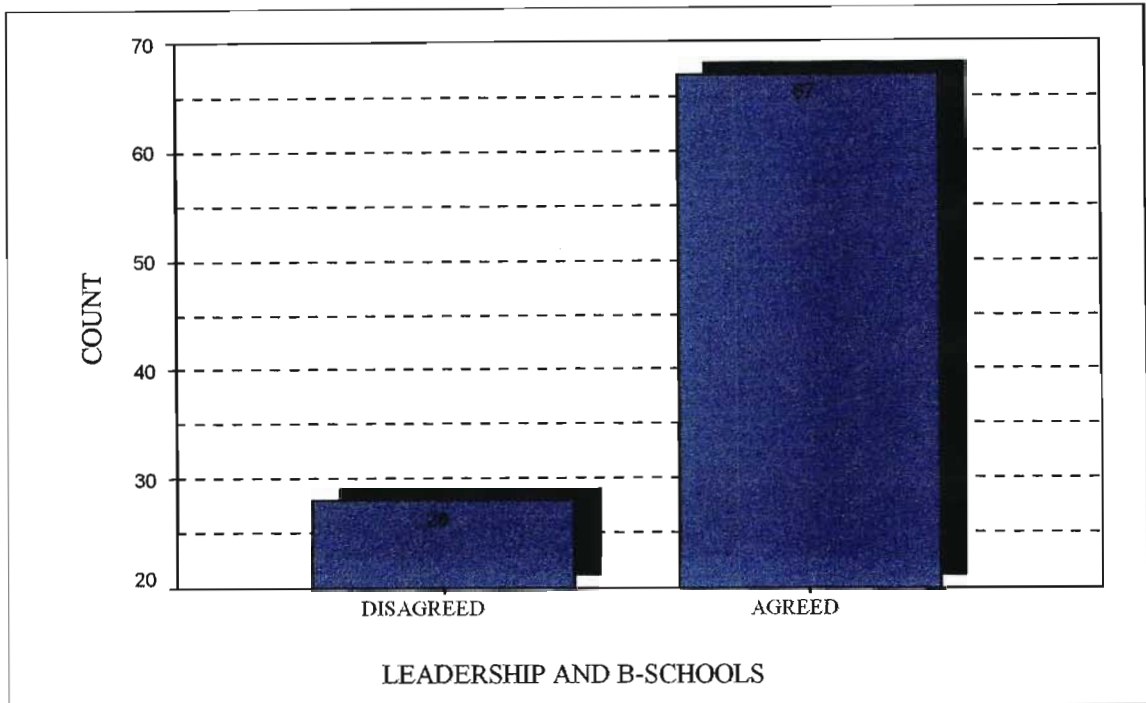
PAIRED SAMPLES STATISTICS				
	Mean	N	Std. Deviation	Std. Error Mean
MANAGEMENT ORIENTATION (FEMALE)	29.4839	31	2.4613	.442'
LEADERSHIP ORIENTATION (FEMALE)	28.8065	31	2.5615	.460'

PAIRED SAMPLES CORRELATIONS			
	N	Correlation	Sig.
MANAGEMENT ORIENTATION (FEMALE) - LEADERSHIP ORIENTATION (FEMALE)	31	.719	.000

PAIRED SAMPLES TEST								
	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
MANAGEMENT ORIENTATION (FEMALE) - LEADERSHIP ORIENTATION (FEMALE)	.6774	1.8866	.3388	-1.46E-02	1.3694	1.999	30	.055

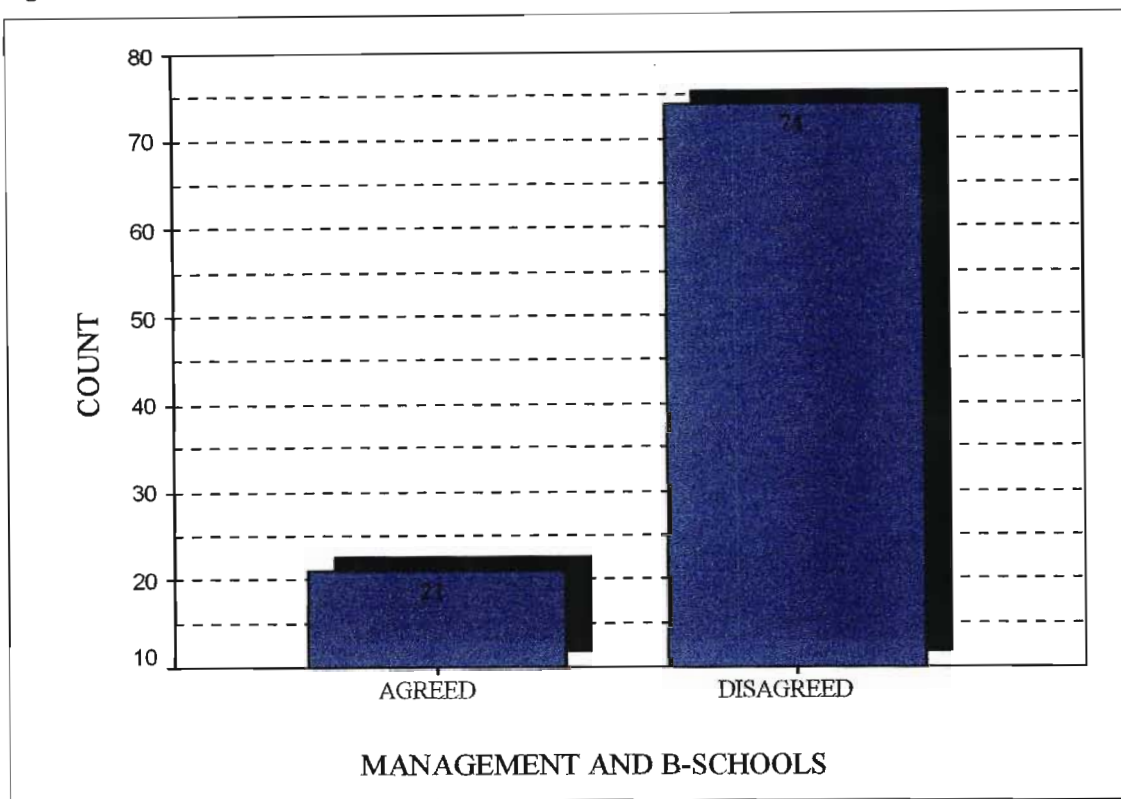
Table 17, shows the results of a paired sample T-test done between the management orientation score and the leadership orientation score for the female respondents of the sample. The results, as shown in the Paired Samples T-test, reveals that female respondents are more management orientated than they are leadership orientated, the results bordering at the 95% confidence interval.

Figure 25. ARE THEY PREPARING THEM TO LEAD?



Question 40 of the questionnaire stated, “My business school has been instrumental in developing leadership qualities in me.” As viewed in Figure 25, 67 out of the sample of 95 agreed with this statement (answered ‘agree’ or ‘strongly agree’). Breakdown by tertiary institution reveals that 33 out of the 46 Natal Technikon respondents (72%), 19 out of the 28 University of Natal respondents (68%), and 15 out of the 21 UDW respondents (71%) also agreed with the aforementioned statement. 45 males (70%) and 22 females (71%) agreed with the aforementioned statement. Analysis of the response to the statement along ethnic group reveals that 92% of the African respondents (11 out of 12), 67% of the Asian respondents (30 out of 45), both the coloured respondents, and 67% of the white respondents (24 out of 36) felt that their B-school was preparing them to lead.

Figure 26. ARE THEY PREPARING THEM TO MANAGE?



Question 41 of the questionnaire stated, “My business school has been instrumental in preparing me to manage my department better.” 76% of the respondents from Natal Technikon, 75% of the respondents from University of Natal and 86% of the respondents from UDW disagreed with the aforementioned statement. 78% of the male respondents and 77% of the female respondents disagreed that their B-school had prepared them to manage their department better. Ethnically, all the Africans, 73% of the Asians, both the coloureds and 75% of the whites, disagreed with the statement for Q41.

When comparing Figure 25 and Figure 26, it can be seen that the respondents have agreed that their B-schools have been instrumental in inculcating leadership qualities in them as opposed to preparing them to manage their departments better. This is definitely reassuring that KZN B-schools have got it right, at least from the perspective of the students.

Figure 27. **SHOULD THERE BE MORE LEADERSHIP COURSES?**

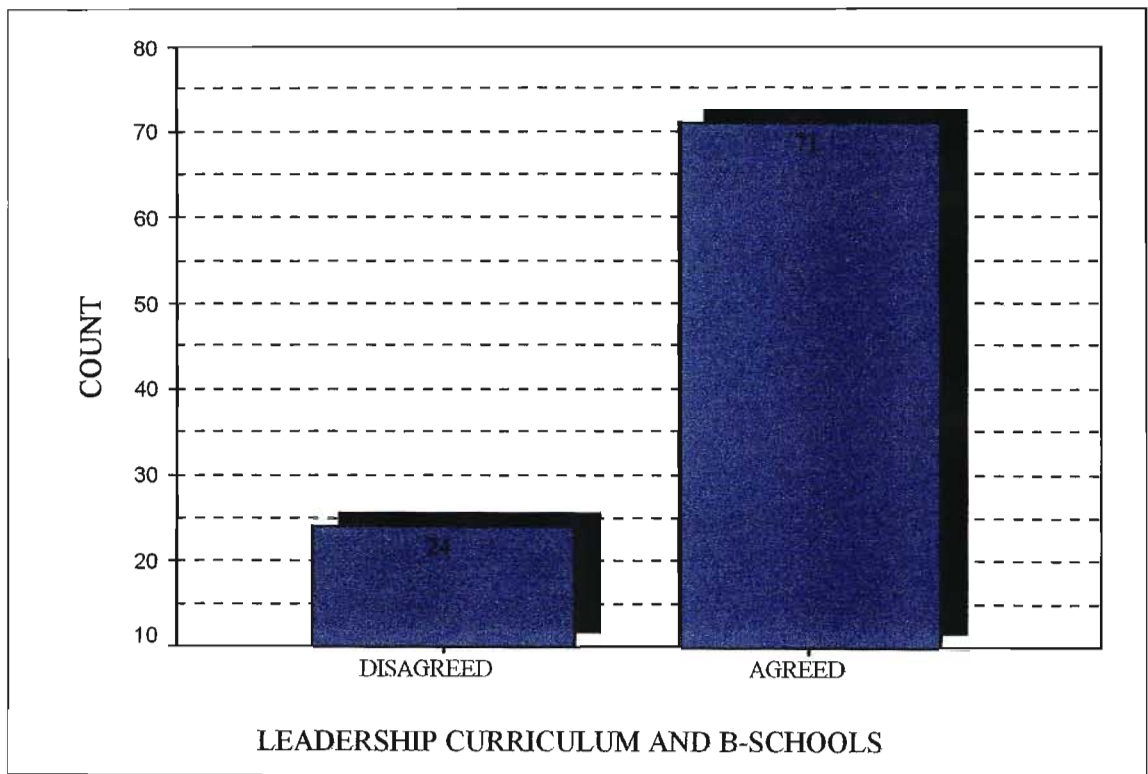


Figure 27, shows the answer obtained for question 42 that stated, “My Business School should have more courses, activities, and exercises that aid in the development of leadership skills.” Out of the sample of 95, 74 respondents (78%) responded in the positive.

CHAPTER 5

DISCUSSION OF THE FINDINGS

The sample of 95 proved to be a big enough sample to obtain findings that indicated the presence of trends that are owing to the differences in the biographical variables of respondents. It is observed that the bulk of the sample of 2nd year MBA students fell in the age group 20-39, comprising 86% of the sample. Male MBA students tended to out number the female MBA students by a ratio of 2:1. Second year MBA programmes tended to have a greater number of White and Asian students as opposed to African and Coloureds. The sample comprised of 2.1% Coloureds, 12.6% Africans, 37.9% Whites and 47.4% Asians.

5.1 EMIGRATION

The general perception prevalent amongst those that felt that emigration was limited to any particular race group was that the phenomenon was predominantly a white phenomenon. This perception is substantiated by the findings that the ethnic group White achieved an average score of 22.92 on the propensity to emigrate scale. This score was not only the highest achieved by any ethnic group but was also the only average score that was above the sample mean of 21.04. Percentage-wise, as well, the Whites showed the highest propensity to emigrate with 26 out of the 36 white respondents (72% to be exact) indicating a high propensity to emigrate. The ethnic group African showed the lowest propensity to emigrate achieving an average score of 16.42. Out of the 12 African respondents, only 3 (25%) showed a high-propensity to emigrate. The Asians were divided about in propensity to emigrate with only 24 (53%) out of the 45 Asians in the sample showing a high propensity to emigrate.

Overall, crime was sighted as being the primary cause for emigration, with 69 out of the 95 respondents selecting it as the number one cause. Eighty percent of the White respondents who showed a high propensity to emigrate, sighted crime as being the number one cause for emigration. Sixty-one percent rated the depleting job opportunities as the number two reason for emigrating. Whites were pursuing an MBA degree because it made them more marketable abroad whereas Africans were pursuing it not for emigration purposes. Perhaps the pursuit of the MBA degree, for the African respondents, was to obtain a higher qualification that would enable them to compete more effectively for jobs in the national job market.

5.2 Management and Leadership Orientations

Africans achieved the highest scores on both the management and leadership orientation scales whereas, whites achieved the lowest scores on both scales. Owing to the poor representation of the ethnic group coloured, with only two respondents in the sample, there was no option but to omit them from the interpretation of the analysis. Asian respondents scored marginally better on the leadership orientation scale than they did on the management orientation scale. Females achieved a higher score for the management orientation scale than did the male respondents, whereas for the leadership orientation scale, the males outperformed the females. Females, it seemed were more comfortable in management related jobs that tended to be more repetitive in nature, relied more on control, involved motivating people to comply with standards and involved little changes. Male respondents indicated a greater preference for thinking long-term, developing vision and strategies, taking initiative to lead and overall seeking changes, characteristics that are concomitant of leadership. In no way is this to say that female MBA respondents do not have leadership attributes, however, by scoring higher on the management orientation scale than the leadership orientation scale, they have indicated a preference for being managers as opposed to leaders. This finding was also substantiated by the T-test shown in Table 18.

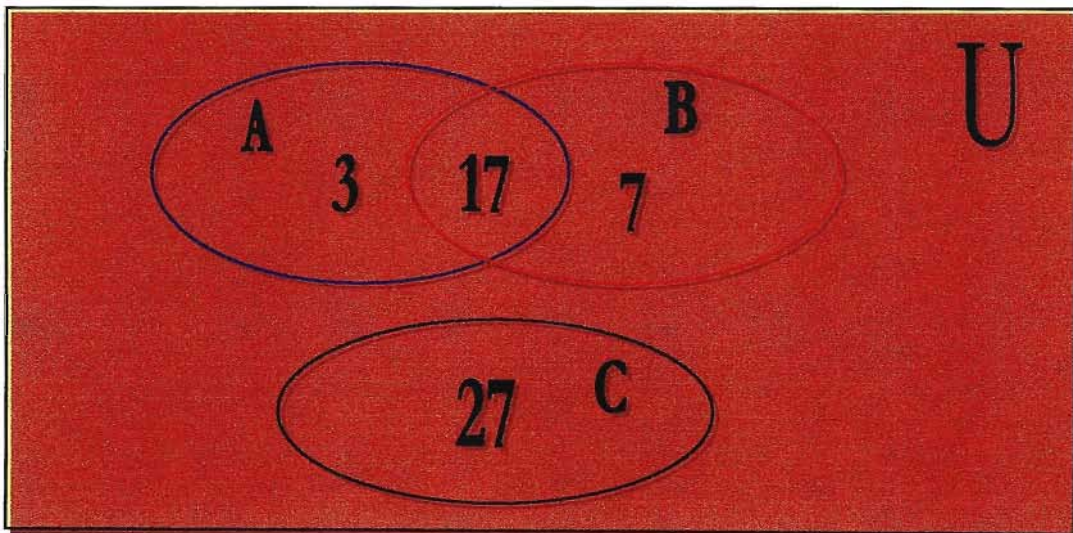
5.3 Management, Leadership and B-Schools

Of the three tertiary institutions comprising the sample, MBA students at the University of Westville Durban scored higher on leadership orientation than they did on management orientation. The other two tertiary institutions, i.e. University of Natal and Natal Technikon, have students that scored higher on management orientation than they did on leadership orientation. Natal Technikon MBA students achieved an average management orientation score and an average leadership orientation score that was above the sample mean. UDW MBA students, while achieving a leadership orientation that was above the sample mean, achieved a management orientation score that was below the sample mean. University of Natal MBA students achieved management and leadership orientation scores that were below the sample mean. When questioned about their business schools preparing them to lead, 71% agreed, indicating that the students felt that their B-schools had provided them enough material to prepare them to be leaders. Seventy-five percent of the sample agreed that their B-schools had prepared the sample to manage their departments better. The limitations of the questionnaire and the closeness of the percentages preclude any further analysis. However,

75% of the respondents agreed that their B-schools should have more leadership courses, exercises and activities to aid in the development of leadership skills.

Orientation of respondents does not seem to be a predictor of the propensity to emigrate. Emigration potential of MBA students seems to be affected by other variables like work environment, employment opportunities, levels of personal security, etc... Out of 54 respondents who showed a high propensity to emigrate, 3 had high leadership orientation only, 7 had a high management orientation only and 17 had scored high on both management and leadership orientation. Twenty-seven respondents who indicated a high propensity to emigrate, had a low score on both leadership and management orientations.

Figure 29. ORIENTATIONS OF SAMPLE WITH HIGH EMIGRATION POTENTIAL



- U = Universal Set of MBA students with high emigration potential
- A = Set of potential MBA emigrants with high leadership orientation
- B = Set of potential MBA emigrants with high management orientation
- C = Set of potential MBA emigrants with low leadership and management orientations

This research allows one to conclude that the country is not losing entrepreneurs or potential captains of the industry as a significant proportion of the total sample. However, the country is losing, en masse, qualified professionals- qualified both with degrees and experience. Furthermore, it seems fair to say that with the emigration of whites, the country is not really being sapped of managerial or leadership skills. If similar trends are prevalent amongst other

MBA institutions, then it can be said that with affirmative action and employment equity objectives being the lodestars of human resource departments' recruitment processes, organisations stand to benefit in the long run. Recruiting African candidates possessing MBA degrees will bring in the high managerially orientated employees whereas the recruitment of Asian candidates possessing MBA degrees will bring in high leadership orientated employees. However, the loss that emigration could be causing in terms of lost white experience is an area that lies beyond the scope of this thesis. Are multinationals and other foreign companies willing to recruit only Africans and Asian MBA students? Or more importantly, with studies showing that White MBA students have a high propensity to emigrate over other equally qualified race groups, are foreign countries and companies still willing to invest in South Africa? Perhaps these questions will find an answer with time.

As far as the education being meted out by the B-schools is concerned, the students are rather confident. However, if the trend in foreign countries is that the industry is over-managed and under-led, then a similar trend must be prevalent in South Africa. Schools need to establish what are the shortfalls in the students when they enter industry and from there work backwards to develop the required curriculum. The results regarding the curriculum in the B-schools sampled is encouraging, however, let it also not be forgotten that the scale used is far from a genuine predictor. It only indicates the prevalent attitude based on one question. A detailed study could unearth shortfalls and discrepancies between industry requirements and students' knowledge. On the other hand, the detailed study may be very encouraging. Going by this thesis per se, it is safe to conclude that students are convinced that the B-schools are equipping them with the necessary managerial and leadership know-how to enter the marketplace. B-schools can sit back and smile being privy to the vox populi – “We are satisfied with the business education that you are meting out.”

CHAPTER 6

CONCLUSION

The research into the emigration potential and the orientations of MBA students has revealed certain interesting findings. While these findings are indicative of certain trends, they are not entirely conclusive and predictive in nature. Owing to certain limitations of the research a deeper analysis and a greater degree of predictability of the results is precluded. However, this research is an exploration into a phenomenon that has received widespread attention and reporting but has never been really being broken down into a discipline specific research. The findings corroborate certain already prevalent perceptions and supports findings from other research. It has revealed certain trends that could, if researched further, bring to light a better and deeper understanding of the emigration phenomenon, either by allaying currently existing fears or compounding them.

There are several recommendations for students or agencies looking at performing similar research. The emigration scale needs to be slightly modified incorporating more probing questions to fathom the seriousness that the MBA students are attributing to emigration. A bigger sample that is more representative of the ethnic groups and of the tertiary institutions offering MBA programmes would reveal findings relevant and applicable to South African MBA programmes. Furthermore, a longitudinal study of the same MBA students after 5 years will reveal how many of these students actually emigrated. This will allow for a better understanding of the seriousness of the emigration of MBA students.

Secondly, an area to investigate would be the extent to which B-schools are really improving the business calibre of the students. For this a longitudinal study would have to be conducted, administering the questionnaire to students as they enrol for the MBA programme, at the completion of the MBA programme and maybe 2 years after the completion of the MBA. This will allow the researcher to examine the managerial and leadership qualities that the candidate had just prior to admission in the business school, the skills developed over the two-year MBA programme, and finally their performance at work, two years after the completion of the MBA. This process could however, bring along difficulties of contacting the very students two years after the completion of their MBA and results could be influenced due to factors beyond the control of the researcher. Furthermore,

the items comprising the scale for leadership and management orientation will have to comprise of more questions that accurately probe into the two orientations. A pilot study may also have to be conducted to ensure that the scales produce decisive results. In this research, the scale that was adapted from Daft, 1999 found a high correlation between having a high score on both orientations. Such results distort the findings, making any definitive or predictive conclusions difficult. Researching the entrepreneurship qualities of MBA students and looking for associations between the potential entrepreneur and potential for emigration stands to reveal the extent to which the country is losing entrepreneurs.

Thirdly, for the scale that looks into the extent to which B-schools have inculcated management and leadership know-how to the students, a series of questions need to be asked. For example, for B-schools and leadership, a scale needs to be devised that looks into specific aspects of leadership. This will then allow the researcher to gain a more accurate understanding of the nature of the leadership courses being delivered in the MBA programmes. It is recommended that such a questionnaire be prepared by interviewing members of the industry to ascertain what are the attributes that business leaders require, and then look at those being inculcated by the B-schools comprising the sample. This will not only serve the purpose of knowing which B-schools are doing a good job and which ones are falling short but also enable B-schools to know what new courses or activities to introduce. A similar procedure must be followed to devise the scale for B-schools and management. By studying the gamut of available MBA programmes, an inter-institute comparative analysis can be made that would reveal which institutes are better preparing the student to run the industry.

Another area to research would be a comparative analysis between the performance of full-time MBA students, part-time MBA students and distance learning MBA students. Such a research would examine the managerial and leadership know-how of these students just at the time of admission and then examine the skills learned over the two-year MBA programme and finally their performance after two years. The purpose of such a study would be to examine which of the three types of MBA studies is most beneficial in inculcating the managerial and leadership know-how and also to see how the students, having undergone three different methods of learning the same curricula, differ in their performance in the industry. Also looking at which functions, i.e. marketing, finance, human resources,

international business, e-commerce, have the greatest propensity to emigrate could indicate which sectors in industry are likely to feel the impact of the skills loss due to emigration.

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APPENDIX-A

THE QUESTIONNAIRE

PROPENSITY AMONGST MBA STUDENTS TO EMIGRATE

Purpose of the Research

South Africa presently faces a skill shortage due to the mass emigration of skilled professionals. As the media reports, doctors and IT personnel comprise the bulk of South Africans that have emigrated or expressed a desire to do so. The research into the potential emigration of MBAs is scant. MBA students contribute not only towards the development of the corporate environment, but also through their entrepreneurial abilities create much-needed jobs that help uplift the economy in the process. MBA students can be either leadership or management oriented, with both orientations being necessary to uplifting the economy. This questionnaire aims to explore the propensity of MBA students to emigrate and to ascertain the orientation (leadership or management) of the potential emigrant.

Confidentiality

This questionnaire will be used strictly for the said research and for no other purpose. In order to maintain your anonymity and to allow you to answer the questions honestly and to the best of your ability, your name has not been requested.

Biographical Data

Please tick the applicable box.

1. Age:

Under 20 years	20-29	30-39	40-49	50 and over
----------------	-------	-------	-------	-------------

2. Gender:

Male	Female
------	--------

3. Marital Status:

Single	Married	Other
--------	---------	-------

Please Specify _____

4. Ethnic Group:

African (Black)	Asian	Coloured	White
-----------------	-------	----------	-------

5. Are you currently employed?

Yes	No
-----	----

6. Below are proposed causes of emigration from South Africa. In each case select a ranking from 1 to 5, which in your opinion, is most relevant in contributing to emigration. Remember that 1 means highly contributing to emigration whereas 5 means contributing least towards emigration.

• Declining Education Standards

1	2	3	4	5
---	---	---	---	---

• Alarming rate of crime in the country.

1	2	3	4	5
---	---	---	---	---

• Insufficient Job / Promotional Opportunities

1	2	3	4	5
---	---	---	---	---

• High Personal Income Taxes

1	2	3	4	5
---	---	---	---	---

• Depreciation of the Rand

1	2	3	4	5
---	---	---	---	---

• Difficult Business Environment (i.e. high interest rates, inflation, labour costs)

1	2	3	4	5
---	---	---	---	---

7. In the past 24 months, you know of _____ professional(s) who have emigrated.

Nil	1-3	4-7	7-10	>10
-----	-----	-----	------	-----

8. Do you feel the phenomenon of brain drain is limited to any particular ethnic group?

Yes	No
-----	----

9. If your answer is yes, then to which ethnic group is the phenomenon limited?

African (Black)	Asian	Coloured	White
-----------------	-------	----------	-------

Kindly tick the box that best describes your opinion towards the statements made. Please remember, this is not a test hence there are no right or wrong answers.

10. Given the opportunity, I would prefer staying abroad than in South Africa.

Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
----------------	-------	-------------------------------	----------	----------------------

11. I am presently considering emigration from South Africa within the next five years.

Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
----------------	-------	-------------------------------	----------	----------------------

12. Emigrants have a better quality of life overseas than they did in South Africa.

Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
----------------	-------	-------------------------------	----------	----------------------

13. I am studying an MBA because it makes me more marketable abroad.

Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
----------------	-------	-------------------------------	----------	----------------------

14. There are sufficient opportunities for career development in South Africa.

Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
----------------	-------	-------------------------------	----------	----------------------

15. Through inquiries that I have made, I am aware of the necessary documentation and other requirements that are mandatory for emigration.

Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
----------------	-------	-------------------------------	----------	----------------------

16. I have made an attempt / am currently working towards / will be working towards obtaining the required documents to ease my emigration.

Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
----------------	-------	-------------------------------	----------	----------------------

17. My perception of life being better abroad (in the country where you want to emigrate) is based on information obtained from books, friends, people settled there, or other credible sources.

Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
----------------	-------	-------------------------------	----------	----------------------

The following series of questions focus on leadership / management orientation. There are no right or wrong answers. Answer the following questions keeping in mind that the responses must indicate what you would do in real life situations. The questions 18-23 are concerned with your current situation. What do you do now when confronted with these issues? Questions 24-39 are concerned with how you would behave if you were the head of a major department, so please consider them in that light.

Now

18. When I have a number of tasks or homework to do, I set priorities and organise the work to meet the deadlines.

Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
----------------	-------	-------------------------------	----------	----------------------

19. When I am involved in a serious disagreement, I hang in there and talk it out until it is completely resolved.

Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
----------------	-------	-------------------------------	----------	----------------------

20. I would rather sit in front of my computer than spend a lot of time with people.

Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
----------------	-------	-------------------------------	----------	----------------------

21. I reach out to include other people in activities or when there are discussions.

Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
----------------	-------	-------------------------------	----------	----------------------

22. I know my long-term vision for career, family, and other activities.

Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
----------------	-------	-------------------------------	----------	----------------------

23. When solving problems, I prefer analysing things to working through a group of people.

Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
----------------	-------	-------------------------------	----------	----------------------

Head of Major Department

24. I would help subordinates clarify goals and how to reach them.

Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
----------------	-------	-------------------------------	----------	----------------------

25. I would give people a sense of mission and higher purpose.

Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
----------------	-------	-------------------------------	----------	----------------------

26. I would make sure jobs get out on time.

Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
----------------	-------	-------------------------------	----------	----------------------

27. I would scout for new product or service opportunities.

Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
----------------	-------	-------------------------------	----------	----------------------

28. I would use policies and procedures as guides for problem solving.

Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
----------------	-------	-------------------------------	----------	----------------------

29. I would promote unconventional beliefs and values.

Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
----------------	-------	-------------------------------	----------	----------------------

30. I would give monetary rewards in exchange for high performance from subordinates.

Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
----------------	-------	-------------------------------	----------	----------------------

31. I would inspire-trust from everyone in the department.

Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
----------------	-------	-------------------------------	----------	----------------------

32. I would work alone to accomplish important tasks.

Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
----------------	-------	-------------------------------	----------	----------------------

33. I would suggest new and unique ways of doing things.

Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
----------------	-------	-------------------------------	----------	----------------------

34. I would give credit to people who do their jobs well.

Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
----------------	-------	-------------------------------	----------	----------------------

35. I would verbalise the higher values that I and the organisation stand for.

Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
----------------	-------	-------------------------------	----------	----------------------

36. I would establish procedures to help the department operate smoothly.

Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
----------------	-------	-------------------------------	----------	----------------------

37. I would question the “why” of things to motivate others.

Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
----------------	-------	-------------------------------	----------	----------------------

38. I would set reasonable limits on new approaches.

Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
----------------	-------	-------------------------------	----------	----------------------

39. I would demonstrate social nonconformity as a way to facilitate change.

Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
----------------	-------	-------------------------------	----------	----------------------

The following questions relate to your perceptions of the effect the MBA course has had on your leadership / management development. Please answer them bearing this in mind.

40. My Business School has been instrumental in developing leadership qualities in me.

Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
----------------	-------	-------------------------------	----------	----------------------

41. My Business School has been instrumental in preparing me to manage my department better.

Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
----------------	-------	-------------------------------	----------	----------------------

42. My Business Schools should have more courses, activities, and exercises that aid in the development of leadership skills.

Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
----------------	-------	-------------------------------	----------	----------------------

You have reached the end of the questionnaire. Thank you for having given me your time.

APPENDIX-B

OTHER STATISTICAL ANALYSIS

Table 18. CRONBACH ALPHA-MANAGEMENT ORIENTATION

STEP 2 (AFTER DELETING ITEM 28)				
Item-total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Alpha if Item Deleted
ANS18	33.7579	8.9727	.1627	.5055
ANS20	35.7158	9.2056	.0747	.5350
ANS22	33.8211	8.3400	.3112	.4605
ANS24	33.6632	8.5449	.3768	.4514
ANS26	33.6211	8.5570	.4332	.4438
ANS30	34.1684	8.5032	.1310	.5283
ANS32	35.3158	9.3673	-.0098	.5764
ANS34	33.3158	8.5588	.4876	.4379
ANS36	33.7684	8.4777	.2879	.4683
ANS38	34.0000	8.6596	.2690	.4751
Reliability Coefficients				
N of Cases =	95.0		N of Items = 10	
Alpha = .5159				

Table 19. CRONBACH ALPHA-MANAGEMENT ORIENTATION (Cont'd)

STEP 3 (AFTER DELETING ITEM 32)				
Item-total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Alpha if Item Deleted
ANS18	31.1684	8.0139	.1992	.5672
ANS20	33.1263	8.8988	-.0368	.6390
ANS22	31.2316	7.3713	.3614	.5193
ANS24	31.0737	7.4945	.4646	.5005
ANS26	31.0316	7.7330	.4480	.5107
ANS30	31.5789	7.7144	.1268	.6086
ANS34	30.7263	7.5413	.5822	.4877
ANS36	31.1789	7.4251	.3597	.5204
ANS38	31.4105	7.9467	.2461	.5535
Reliability Coefficients				
N of Cases =	95.0		N of Items = 9	
Alpha = .5764				

Table 20. CRONBACH ALPHA-MANAGEMENT ORIENTATION (Cont'd)

STEP 4 (AFTER DELETING ITEM 20)				
Item-total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Alpha if Item Deleted
ANS18	28.9789	7.3825	.2487	.6306
ANS22	29.0421	6.7854	.4071	.5860
ANS24	28.8842	6.8056	.5584	.5551
ANS26	28.8421	7.1557	.5035	.5744
ANS30	29.3895	7.6020	.0619	.7122
ANS34	28.5368	7.1236	.5798	.5642
ANS36	28.9895	6.8403	.4055	.5868
ANS38	29.2211	7.6208	.2136	.6379
Reliability Coefficients				
N of Cases = 95.0		N of Items = 8		
Alpha = .6390				

Table 21. CRONBACH ALPHA-MANAGEMENT ORIENTATION (Cont'd)

STEP 5 (AFTER DELETING ITEM 30)				
Item-total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Alpha if Item Deleted
ANS18	25.2421	6.1854	.2442	.7285
ANS22	25.3053	5.7250	.3764	.6937
ANS24	25.1474	5.4674	.6379	.6281
ANS26	25.1053	5.9250	.5282	.6591
ANS34	24.8000	6.0128	.5544	.6578
ANS36	25.2526	5.4036	.4978	.6586
ANS38	25.4842	6.2524	.2568	.7218
Reliability Coefficients				
N of Cases = 95.0		N of Items = 7		
Alpha = .7122				

Table 23. CRONBACH ALPHA – LEADERSHIP ORIENTATION

STEP 2 (AFTER DELETING ITEM 29)				
Item-total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Alpha if Item Deleted
ANS19	35.9474	8.5823	.0817	.5766
ANS21	35.6947	9.3420	.0265	.5681
ANS23	36.3474	9.0802	-.0594	.6383
ANS25	35.4842	8.1886	.3913	.4933
ANS27	35.5579	7.7386	.5540	.4564
ANS31	35.4526	7.2504	.5645	.4338
ANS33	35.5579	7.7599	.4968	.4644
ANS35	35.5368	7.3789	.5265	.4454
ANS37	35.5474	8.2078	.3420	.5014
ANS39	36.4105	8.8829	-.0051	.6115
Reliability Coefficients				
N of Cases =	95.0		N of Items =	10
Alpha =	.5505			

Table 24. CRONBACH ALPHA – LEADERSHIP ORIENTATION (Cont'd)

STEP 3 (AFTER DELETING ITEM 23)				
Item-total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Alpha if Item Deleted
ANS19	32.5684	7.8011	.1221	.6708
ANS21	32.3158	8.5162	.0995	.6512
ANS25	32.1053	7.4569	.4513	.5855
ANS27	32.1789	7.2336	.5367	.5681
ANS31	32.0737	6.8349	.5250	.5587
ANS33	32.1789	7.0208	.5645	.5576
ANS35	32.1579	6.9003	.5063	.5638
ANS37	32.1684	7.3756	.4309	.5868
ANS39	33.0316	8.3501	-.0199	.7195
Reliability Coefficients				
N of Cases =	95.0		N of Items =	9
Alpha =	.6383			

Table 25. CRONBACH ALPHA – LEADERSHIP ORIENTATION (Cont'd)

STEP 4				
(AFTER DELETING ITEM 39)				
Item-total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Alpha if Item Deleted
ANS19	29.2526	6.6589	.2272	.7485
ANS21	29.0000	7.4894	.2115	.7261
ANS25	28.7895	6.5935	.5280	.6710
ANS27	28.8632	6.4811	.5752	.6622
ANS31	28.7579	6.2918	.4906	.6738
ANS33	28.8632	6.4598	.5308	.6682
ANS35	28.8421	6.2195	.5183	.6675
ANS37	28.8526	6.9993	.3276	.7078
Reliability Coefficients				
N of Cases =	95.0		N of Items =	8
Alpha	=	.7195		

Table 26. CRONBACH ALPHA – LEADERSHIP ORIENTATION (Cont'd)

STEP 5				
(AFTER DELETING ITEM 19)				
Item-total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Alpha if Item Deleted
ANS21	25.2211	6.0676	.1287	.7803
ANS25	25.0105	5.1169	.5115	.7086
ANS27	25.0842	4.9716	.5812	.6940
ANS31	24.9789	4.5527	.5938	.6855
ANS33	25.0842	4.8439	.5834	.6912
ANS35	25.0632	4.7832	.5023	.7095
ANS37	25.0737	5.3456	.3610	.7405
Reliability Coefficients				
N of Cases =	95.0		N of Items =	7
Alpha	=	.7485		

Table 27. GENDER BY ITEM 33

Count		ITEM 33		Total
		LOW	HIGH	
GENDER	MALE	43	21	64
	FEMALE	28	3	31
Total		71	24	95

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	5.920	1	.015		
Continuity Correction	4.758	1	.029		
Likelihood Ratio	6.674	1	.010		
Fisher's Exact Test				.022	.012
Linear-by-Linear Association	5.858	1	.016		
N of Valid Cases	95				

Item 33 stated “ I would suggest new and unique ways of doing things.” This question was one of the seven that comprised the leadership orientation scale. As previously explained, leaders challenge the status quo and are always looking at finding new, better and improved ways of performing the tasks at hand. This is part of the innovation that leaders bring along to organisations. The cross-tabulation in Table 27 shows the presence of an association between respondents’ answer to item 33 and gender, significant at the 95% confidence interval. As observed in the cross-tab, women respondents (female gender) had achieved a low score for item 33 (low meaning below the sample mean) as opposed to the male respondents. Out of the 31 female respondents in the sample, 28 had a score below the sample mean. This finding indicates an aversion among female respondents to change the status quo by suggesting new and unique ways of doing things. Such a finding corroborates the trend observed that women respondents had lower leadership orientation scores than the male respondents had, a score that was lower than the sample average.

Table 28. EMIGRATION POTENTIAL BY ITEM 31

Count			
	ITEM 31		Total
	LOW	HIGH	
EMIGRATION POTENTIAL LOW	20	21	41
HIGH	41	13	54
Total	61	34	95

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	7.473	1	.006		
Continuity Correction	6.338	1	.012		
Likelihood Ratio	7.495	1	.006		
Fisher's Exact Test				.009	.006
Linear-by-Linear Association	7.394	1	.007		
N of Valid Cases	95				

The cross-tabulation in Table 28 shows the presence of an association between a respondent's emigration potential and their response to item 31. Item 31 stated, "I would inspire trust from everyone in the department", one of the many attributes of a leader. From Table 20 it can be seen that respondents with a high emigration potential had a low score for item 31 (a score below the sample mean). This association is significant at the 95% confidence interval. This could be an indication that MBA respondents with a high emigration potential could have a low leadership orientation. After all, of the 54 respondents who showed a high potential to emigrate, 41 achieved a low score for item 31.

Table 29. EMIGRATION POTENTIAL BY ITEM 34

Count			
	ITEM 34		Total
	LOW	HIGH	
EMIGRATION POTENTIAL			
LOW	12	29	41
HIGH	27	27	54
Total	39	56	95

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	4.139	1	.042		
Continuity Correction	3.327	1	.068		
Likelihood Ratio	4.208	1	.040		
Fisher's Exact Test				.058	.033
Linear-by-Linear Association	4.096	1	.043		
N of Valid Cases	95				

The above cross-tabulation between emigration potential and the respondents' answer to item 34, reveals the presence of an association bordering on the 95% confidence interval. Item 34, one of the seven questions that comprised the management orientation scale, stated "I would give credit to people who do their jobs well." From Table 29, it is observed that there is an association between having a low emigration potential and having a high score for item 34. This is suggestive of management orientation present in those respondents who are less likely to emigrate.

Table 30. ETHNIC GROUP AFRICAN BY ITEM 10

Count			
	ITEM 10		Total
	LOW	HIGH	
ETHNIC GROUP NO	30	53	83
AFRICAN YES	9	3	12
Total	39	56	95

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	6.541	1	.011	.024	.013
Continuity Correction	5.034	1	.025		
Likelihood Ratio	6.539	1	.011		
Fisher's Exact Test					
Linear-by-Linear Association	6.472	1	.011		
N of Valid Cases	95				

Table 30, shows the cross-tabulation performed between the ethnic group African and the respondents' answer to item 10. Item 10 stated, "Given the opportunity I would prefer staying abroad than in South Africa." This question comprised the emigration potential scale and was the most direct question asked. The cross-tabulation reveals the presence of an association between belonging to the ethnic group African and achieving a low score for item 10, i.e. Africans have a greater preference for staying in South Africa than living abroad. This cross-tabulation corroborates the findings in Figure 10, Table 9, Table 10 and Table 13.

Table 31. ETHNIC GROUP AFRICAN BY ITEM 13

Count			
	ITEM 13		Total
	LOW	HIGH	
ETHNIC GROUP NO AFRICAN YES	36	47	83
Total	46	49	95

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	6.703	1	.010	.013	.010
Continuity Correction	5.199	1	.023		
Likelihood Ratio	7.189	1	.007		
Fisher's Exact Test					
Linear-by-Linear Association	6.633	1	.010		
N of Valid Cases	95				

Table 31, shows the cross-tabulation performed between the ethnic group African and the respondents' answer to item 13. Item 13 stated "I am pursuing an MBA degree because it makes me more marketable abroad." The cross-tabulation shows the presence of an association between being African and not pursuing the MBA degree because it made the respondent more marketable abroad. This association is significant at the 95% confidence interval. It comes as no surprise, because Africans have achieved a low score on the emigration potential scale.

Table 32. ETHNIC GROUP AFRICAN BY ITEM 22

Count			
	ITEM 22		Total
	LOW	HIGH	
ETHNIC GROUP NO AFRICAN	66	17	83
YES	3	9	12
Total	69	26	95

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	15.676	1	.000		
Continuity Correction	13.054	1	.000		
Likelihood Ratio	13.849	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	15.511	1	.000		
N of Valid Cases	95				

Table 32, shows the results of the cross-tabulation performed between belonging to the ethnic group African and the respondents' answer to item 22. Item 22 was one of the questions that comprised the management orientation scale. The question states' " I know my long-term vision for career, family, and other activities." The cross-tabulation reveals the presence of an association between belonging to the ethnic group African and having achieved a high score for item 22. The Africans knew their long-term vision for career, family and other activities. Such know-how involves two important aspects of management, i.e. planning and implementing. The Africans scored high not only for this question but also achieved a high score for the management orientation.

Table 33. ETHNIC GROUP WHITE BY ITEM 11

Count			
	ITEM 11		Total
	LOW	HIGH	
ETHNIC GROUP NO	41	18	59
WHITE YES	12	24	36
Total	53	42	95

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	11.851	1	.001		
Continuity Correction	10.431	1	.001		
Likelihood Ratio	12.009	1	.001		
Fisher's Exact Test				.001	.001
Linear-by-Linear Association	11.727	1	.001		
N of Valid Cases	95				

Table 33, shows the results of a cross-tabulation performed between the ethnic group white and the respondents' answer to item 11. Item 11 stated, "I am presently considering emigration from South Africa within the next five years." This cross-tabulation shows the presence of an association between being white and having achieved a high score for item 11, significant at the 95% confidence interval. The perception that emigration is a 'white-only' phenomenon is further substantiated by this finding.

Table 34. ETHNIC GROUP WHITE BY ITEM 13

Count			
	ITEM 13		Total
	LOW	HIGH	
ETHNIC GROUP NO	34	25	59
WHITE YES	12	24	36
Total	46	49	95

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	5.283	1	.022		
Continuity Correction	4.355	1	.037		
Likelihood Ratio	5.361	1	.021		
Fisher's Exact Test				.034	.018
Linear-by-Linear Association	5.228	1	.022		
N of Valid Cases	95				

Table 34, shows the cross-tabulation performed between the ethnic group white and the respondents' answer to item 13. Item 13 stated "I am pursuing an MBA degree because it makes me more marketable abroad." The cross-tabulation shows the presence of an association between being white and pursuing the MBA degree because it made the respondent more marketable abroad. This association is significant at the 95% confidence interval. Whites have indicated a high emigration potential and therefore their pursuit of the MBA degree could be to be equipped with the necessary qualifications to find employment overseas.

Table 35. ETHNIC GROUP WHITE BY ITEM 22

Count			
	ITEM 22		Total
	LOW	HIGH	
ETHNIC GROUP NO	38	21	59
WHITE YES	31	5	36
Total	69	26	95

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	5.298	1	.021	.032	.017
Continuity Correction	4.263	1	.039		
Likelihood Ratio	5.674	1	.017		
Fisher's Exact Test					
Linear-by-Linear Association	5.243	1	.022		
N of Valid Cases	95				

Table 35, shows the results of the cross-tabulation performed between belonging to the ethnic group white and the respondents' answer to item 22. Item 22 was one of the questions that comprised the management orientation scale. The question states " I know my long-term vision for career, family, and other activities." The cross-tabulation reveals the presence of an association between belonging to the ethnic group white and having achieved a low score for item 22. Whites did not know their long-term vision for career, family and other activities. Such know-how involves two important aspects of management, i.e. planning and implementing, and whites have scored low for this question. Whites scored low not only for this question but also achieved the lowest score for the management orientation.

Table 36. ETHNIC GROUP WHITE BY ITEM 31

Count			
	ITEM 31		Total
	LOW	HIGH	
ETHNIC GROUP NO	31	28	59
WHITE YES	30	6	36
Total	61	34	95

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	9.224	1	.002		
Continuity Correction	7.933	1	.005		
Likelihood Ratio	9.838	1	.002		
Fisher's Exact Test				.004	.002
Linear-by-Linear Association	9.127	1	.003		
N of Valid Cases	95				

Table 36, shows a cross-tabulation performed between the ethnic group white and the respondents' answer to item 31. Item 31 stated, "I would inspire trust from everyone in the department." The cross-tab reveals the presence of an association between being white and achieving a low score for item 31, significant at the 95% confidence interval. Out of the 36 white respondents, only 6 achieved a high score, the remaining 30 had a low score. Inspiring trust from all the employees is of paramount importance to leadership. Lack of trust implies no followers and without followers there can be no leadership. Furthermore, if the employees do not trust their leader, they will never accept his vision and the bigger objectives that he is aiming at. Leadership will collapse in the absence of trust.

The above result coupled with the cross-tabulation in Table 35 show that the ethnic group white lacks certain essential qualities that are intrinsic to leadership. It is not surprising that they (whites) have achieved a low score on the leadership orientation scale.

Table 37. ETHNIC GROUP WHITE BY ITEM 36

Count			
	ITEM 36		Total
	LOW	HIGH	
ETHNIC GROUP NO	38	21	59
WHITE YES	30	6	36
Total	68	27	95

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	3.937	1	.047		
Continuity Correction	3.061	1	.080		
Likelihood Ratio	4.145	1	.042		
Fisher's Exact Test				.061	.038
Linear-by-Linear Association	3.895	1	.048		
N of Valid Cases	95				

Table 37, shows the cross-tabulation performed between the ethnic group white and the respondents' answer to item 36. Item 36, one of the seven questions that comprised the management orientation scale, stated "I would establish procedures to help the department operate smoothly." The cross-tabulation shows the presence of an association between belonging to the ethnic group white and not willing to establish procedures to help the department operate smoothly. The association borders on the 95% confidence interval. Low score on this question is not surprising, because on the management orientation scale, this ethnic group has also achieved the lowest score.

Table 38.

ETHNIC GROUP WHITE BY ITEM 37

Count		ITEM 37		Total
		LOW	HIGH	
ETHNIC GROUP	NO	39	20	59
WHITE	YES	31	5	36
Total		70	25	95

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	4.616	1	.032		
Continuity Correction	3.642	1	.056		
Likelihood Ratio	4.929	1	.026		
Fisher's Exact Test				.034	.026
Linear-by-Linear Association	4.568	1	.033		
N of Valid Cases	95				

Table 38, shows a cross-tabulation between the ethnic group white and the answer of the respondents to item 37. Item 37 stated, “ I would question the ‘why’ of things to motivate others.” Item 37 was one of the seven questions that comprised the leadership orientation scale. The above table reveals the presence of an association between being white and achieving a low score for item 37, i.e. whites are less likely to question the ‘why’ of things to motivate others. An essential attribute of being a leader is the ability to inspire others and to build a shared vision. By encouraging employees to question ‘why’, leaders enable them to better understand corporate values and develop an organisation-wide sense of purpose that automatically translates into employees better knowing how their work contributes to the achievement of the corporate objectives. This is automatically a motivating factor. Could this cross-tabulation be an indication that whites still prefer the old leadership paradigm of control as opposed to empowerment and that their attitude is more of authoritative than participative? Out of the 36 white respondents that comprised the sample, 31 achieved a low score. Will these white managers or leaders, be able to adapt to the changing employee-employer landscape and break out of their mould and adapt to the new paradigm?

Table 39. MANAGEMENT ORIENTATION BY LEADERSHIP ORIENTATION

Count			
	LEADERSHIP ORIENTATION		Total
	LOW	HIGH	
MANAGEMENT LOW ORIENTATION	44	5	49
HIGH	12	34	46
Total	56	39	95

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	39.795	1	.000		
Continuity Correction	37.206	1	.000		
Likelihood Ratio	43.539	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	39.376	1	.000		
N of Valid Cases	95				

Table 39, shows the cross-tabulation between the respondents' management orientation score against their leadership orientation scores. The cross-tab reveals the presence of an association between the management and leadership scores. Those respondents who had achieved a high score for one scale also achieved a high score on the other scale and vice versa.

Table 40. ETHNIC GROUP ASIAN BY ITEM 11

Count		ITEM 11		Total
		LOW	HIGH	
ASIAN	NO	22	28	50
	YES	31	14	45
Total		53	42	95

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	5.948	1	.015		
Continuity Correction	4.982	1	.026		
Likelihood Ratio	6.030	1	.014		
Fisher's Exact Test				.022	.012
Linear-by-Linear Association	5.886	1	.015		
N of Valid Cases	95				

The cross-tabulation shown in Table 40 is between the ethnic group Asian and the respondents' answer to item 11. Item 11 stated "I am presently considering emigration from South Africa within the next five years." The cross-tabulation reveals the presence of an association, significant at the 95% confidence interval, between the Asian respondents' achieving a low score for item 11 as opposed to the other ethnic groups put together. This shows that as a race group, Asian respondents had a low propensity to emigrate within the next five years.

It does mean that Asians have a low propensity to emigrate. Out of the 45 Asian respondents that comprised the sample, 24 achieved an emigration score that was higher than the sample mean, clearly indicating a preference to emigrate. Out of the 24, only 14 indicated a preference for doing so in the next 5 years.

Table 41. ETHNIC GROUP ASIAN BY ITEM 31

Count		ITEM 31		Total
		LOW	HIGH	
ASIAN	NO	37	13	50
	YES	24	21	45
Total		61	34	95

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	4.402	1	.036		
Continuity Correction	3.549	1	.060		
Likelihood Ratio	4.429	1	.035		
Fisher's Exact Test				.053	.030
Linear-by-Linear Association	4.356	1	.037		
N of Valid Cases	95				

Table 41, shows the results of the cross-tabulation performed between the ethnic group Asian and the respondents' answer to item 31. Item 31, one of the items that comprised the leadership scale stated "I would inspire-trust from everyone in the department." The results, reveal the presence of an association between belonging to the ethnic group Asian and achieving a high score for item 31, almost significant at the 95% confidence interval. The ethnic group Asian, which showed a greater leadership orientation than a management orientation, also scored high on inspiring trust from everyone in the department. Trust from the followers was an indispensable part of leadership.

Out of the 24 Asian respondents who showed a high emigration potential, 8 had achieved a high score (above the sample average) on the leadership orientation, and 10 had achieved a high score on the management orientation.

Table 42. ETHNIC GROUP ASIAN BY ITEM 37

Count		ITEM 37		Total
		LOW	HIGH	
ASIAN	NO	44	6	50
	YES	26	19	45
Total		70	25	95

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	11.156	1	.001		
Continuity Correction	9.652	1	.002		
Likelihood Ratio	11.521	1	.001		
Fisher's Exact Test				.001	.001
Linear-by-Linear Association	11.039	1	.001		
N of Valid Cases	95				

Table 41, shows the results of the cross-tabulation performed between the ethnic group Asian and the respondents' answer to item 37. Item 37, one of the items that comprised the leadership orientation scale, stated "I would question the 'why' of things to motivate others." The results reveal the presence of an association between belonging to the ethnic group Asian and having a high score for item 37. This reveals that Asian respondents were more likely to resort to participative methods to motivate their subordinates than resort to coercive methods. Furthermore, such methods of motivation are more effective as it allows the employees to genuinely understand and appreciate goals and then to work towards accomplishing them.

Asian respondents, who have scored high on the leadership orientation scale, have done so by scoring high on certain indispensable attributes of leadership.