CHANGE MANAGEMENT

A DRIVER FOR

EFFECTIVE LEADERSHIP

By

RAHIMOONISHA ABDOOL

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Student Number: 201508369
Supervisor: PROFESSOR ELZA THOMSON
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KINGSWAY HOSPITAL – NETCARE GROUP

To Whom It May Concern:

Owing to the sensitive nature of some of information and material contained within this case study, duplication or circulation of the study is prohibited for a period of five (5) years.

Sincerely

096584

Rahimoonisha Abdool
Kingsway Hospital (Pty Ltd) – Netcare Group Ltd.

DECLARATION

This work has not previously been accepted in substance for any degree and is not concurrently submitted in candidature for any degree.

Signed: .....

Date: .....

STATEMENT 1

This dissertation is being submitted in partial fulfillment of the requirements for the degree of Masters in Business Administration.

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STATEMENT 2

This dissertation is the result of my own independent work/investigation, except where otherwise stated. Other sources are acknowledged within the text and explicit references are included in the bibliography appended at the end of this study.

Signed: .....

Date: .....

ACKNOWLEDGEMENTS

The final completion of this dissertation can be fully attributed to the following people:

The staff and management of Kingsway Hospital, Netcare Group Limited for affording me the opportunity to conduct my research on them and for their assistance in the collection of data for this study.

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And I thank God for providing me with inspiration , strength, support and spiritual guidance during these trying times. There were times I needed it most.

ABSTRACT

The objective of this thesis is to identify and recommend leadership styles and strategies for Kingsway Hospital within the Netcare Group corporate culture to re-dress the unacceptable leadership style currently in operation, a declining business life cycle and a potential threat to financial sustainability. The thesis commences with an in depth discussion of the various leadership theories in context; starting from the rudimentary and culminating in the sophisticated Hersey and Blanchard Situational Behavior theories. Interestingly, the basic leadership dimensions have been retained throughout the years by the different theorists, with each subsequent theorist expanding on the original leadership qualities. This chapter concludes with the author's composite model of leadership, resulting in effective leadership, underpinned by corporate culture.

The case study situation is described in detail, using the same criteria as the author's composite model of leadership. The core issue is the current Hospital General Manager's leadership, his behavior and action within the work environment. Two organizational strategies were identified in the case study; albeit they were not being currently implemented.

Evaluation of the theory and case study led to the conclusion that are gaps between the current incumbent's skills and the composite model of leadership , posing a potential internal as well as external threat and lost opportunities for Kingsway Hospital. The internal threat is of a human nature; high staff turnover and the external threat could result in potential lost opportunities, patients and competitor threat.

The two strategies identified will be presented as the core strategies relevant to Kingsway Hospital. Finally, the recommendations will be given after having completed an in depth evaluation of the case study, identification of the core strategies and assessing the benefits. Most of the recommendations are for immediate implementation, while some span over short to medium term. The recommendations are geared towards retaining the current Hospital General Manager, but with a changed leadership style. However, if there is no change in the status quo, the worst case scenario will be to transfer the Hospital General Manager to a position that does not involve a high degree of people interaction, as is the current situation.

Clearly, from this case study, the recommendations contained in this thesis are to be implemented as a matter of urgency to ensure stability, sustainability, continuity and finding a resolution to the problem statement. If staff is the assets of the Netcare Group, then immediate action is necessary to protect them.

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CHAPTER 1

1.1 INTRODUCTION

This is an unsolicited proposal, required for Assignment Two in Advanced Research Methods. My research proposal addresses the issue of leadership within one of the Netcare`s Hospital, namely, Kingsway Hospital situated in Amanzimtoti, south of Durban. The Netcare Group is a public company, listed on the Johannesburg Stock Exchange, being the largest private healthcare provider in South Africa, boasting forty-six private hospitals, Netcare 911 Trauma Units, Medicross Clinics and Ampath Laboratories. Each hospital is headed by a General Manger, a Financial Manager, a Nursing Manager, a Pharmacy Manager and a Human Resources Manager making up the core Executive Management (Exco). Each department within the hospital has a senior manager, line manager or a supervisor. The whole management hierarchy is very steep and structures with some form of management within each level. Netcare has enjoyed organic growth within its short history with a very young dynamic executive team heading the company. The organisation has a staff complement of eighteen thousand. Each hospital is a separate entity and responsible for its own results.

The author has been employed by Netcare as a Financial Manager for the two years at two different hospitals. . Based on interviews, discussions with doctors and staff, it has been established that leadership style is a large degree autocratic and rigid. The research problem shall be explored through management questionnaires and interviews with Kingsway`s management and discussions with staff at the hospital. The author also plans to familiarise herself with the available literature on management styles and current trends in staff management and leadership styles at the hospital. A non-probability sampling approach will be used in the research as the researcher needs to identify leadership styles and behaviour and any variations thereof. Non-probability sampling has been chosen primarily due to the researcher having identified the target group. The target group only includes managers based at Kingsway Hospital.

1.2 PROBLEM STATEMENT

Organisations usually employ one manager to manage the business from inception to its maturity. Organisations expect the same manager to perform different leadership roles within different stages of the business.

Information is required to establish the effectiveness of a business having the same manager throughout the different stages of a business's life cycle.

Does it take a single manager to lead a business and its team during different situations and times within the organisation?

Is the leader flexible to change his / her style to fit in with the team and business ethos or does the leader expect the organisation to fit in with his / her management style?

Are managers considered sacrosanct, the whole organisation expected to fit in with his / her style?

Research will be conducted by means of questionnaires given to line managers; junior, middle and senior managers to complete, indicating their individual leadership style. Restrictions to the questionnaires may be not being able to openly solicit managers, obtaining honest answers, especially from Exco. Exco may not readily answer the questionnaire, not wanting to risk exposing their individual leadership style.

1.3 RESEARCH OBJECTIVES

- The research aims to highlight the leadership styles under different situations within the hospital.
- Leaders / management's flexibility in managing / handling staff under different work situations.
- The researcher would be able to determine the influence of management behaviour / styles on staff morale.
- The research will be fact oriented and information gathering, hence applied research methods will be used.

1.4 LITERATURE REVIEW

A review of the following primary data, Risk taker, Caretaker, Surgeon, Undertaker: The Four Faces of Strategic Leadership William E. Rothschild, Rothschild Strategies Unlimited, John Wiley 1993 and secondary data of the Famous Models, Situational Leadership Model, Ken Blanchard's (1982) "Leadership and the One Minute Manager". Both literacy reviews deals with situational leadership/management and their followers from two different perspectives.

Risktaker, Caretaker, Surgeon, Undertaker by Wilson E Rothschild

Rothschild (1993) discusses the four stages of business management/leaders. After choosing a competitive strategic advantage, a leader is identified by the company, who in turn, selects the right team and manage and lead the company to success. The company has a responsibility to its staff and shareholders to select the right leader, providing support and strategy at the right time with the right strategies.

Rothschild (1993:79) espouses three factors as being the key to strategic leadership:-

- Leader and life cycle phase must be matched.

  Businesses have products that go through different life phases that are from growing to maturing. Businesses require a different leader in each of the product lifecycle.

  Each phase has been managed with a different attitude and skill to manage the process.
- Each strategic differentiator requires a different leader and implementation team.

  All businesses/products have a competitive advantage or differentiator. The leader and his/her team must match the strategic driver (differentiator).
- Just as strategic must change, so must leadership.

  Timing is vital to leadership. Successful managers, does not guarantee success in the future.

Different leadership is required in re-engineering / restructuring a business.

The Risk takers – revolutionaries who can develop a changing company during its infancy stages.

The Caretakers – evolutionaries, systematic leaders growing the company from its infancy to adulthood

The Surgeons – restructurers, who can objectively make the most critical decisions. They make a turn around when a company is in too deep.

The Undertaker – who recognises the company is "dead" and need new blood to resuscitate the company. Undertakers are committed to its people and the company and make every effort to revive the company.

Before a company starts to mature and head downwards, a decision must be taken to change leadership by bringing in a manager that is going to take the business to new heights, growth and renewed profitability. Allowing the same manager to continue in old tried and tested ways, means plodding at the same old thing in the same old way. Find new blood, new thinking, new innovative leadership that is not afraid of making decisions and taking the company to a different level of the game.

Companies feel an obligation for past results to retain leadership even after their "sell by date" has expired. Companies dwell on past successes, using the same leadership and wanting/hoping for continued successes.

The secondary literary review is Blanchard and Heresy's famous situational leadership model (1993:128). This review reinforces Rothschild's thought on strategic leadership. There is no "one size fits all" manager or a manager "for all seasons". Companies have to break away from emotional guilt about past success managers. Companies have an obligation to the organisational team to provide a leader who will fit into the organisation and meet the deliverables, success.

Blanchard and Hersey were famous for characterising leadership style by the amount of direction and support provided by the leader to his/her team/staff/followers.

SUPPORTING (S3)	COACHING (S2)
DELEGATING (S4)	DIRECTING (S1)

\- DIRECTIVE BEHAVIOUR +

- **Directing** leaders define the roles and tasks of followers, which are closely monitored by the leader. The leader makes the decision and communicated to the followers, making this type of leadership, mostly one way.

- **Coaching** leaders is similar to directing leaders, in that they also define roles and tasks, however, ideas and suggestions are sought from the followers. Decision making remains in the hands of the coach, albeit communication is much more two way.
- **Supporting** leaders pass down the daily operational decision making to their followers. The leader facilitates and is part of the decision making processes, but control vests with the followers.
- **Delegating** leaders follow a similar pattern in leadership style to the supporting leader, but the follower decides on the leader's involvement, that is when and how the leader should be involved.

Blanchard and Hersey advocates an effective leader should be versatile and be able to move around the grid based on each situation. There is no one right style, however, there is a preferred style and by applying situational leadership, a leader knows her particular style. Applying a particular leadership style, will depend upon the person being led by the leader that is the follower/team member. Blanchard and Hersey extended their model to include the Development Level of the follower. They maintained that the follower's competence and commitment, is the key driver of the leader's style and consequently came up with four levels;

D4	High Competence High Commitment	Experienced at the job, and comfortable with their own ability to do it well. May even be more skilled than the leader.
D3	High Competence Variable Commitment	Experienced and capable, but may lack the confidence to go it alone, or the motivation to do it well/quickly.
D2	Some Competence Low Commitment	May have some relevant skills, but won't be able to do the job without help. The task or the situation may be new to them.

D1	Low Competence Low Commitment	Generally lacking the specific skills required for the job in hand, and lacks any confidence and / or motivation to tackle it.

The development model also revolves around particular situations. Followers change their development levels depending on the different situation faced in the work environment.

Blanchard and Hersey maintained both models could be beneficial to leaders. By using both models, leaders will be able to ascertain which leadership style to use at different development levels. An effective leader can adapt leadership styles to suit his/her follower's development styles and get results.

1.5 IMPORTANCE / BENEFITS OF STUDY

The benefits of this study will demonstrate the responsibility of organisations / businesses to ensure leaders that can adapt to the different situations within a business to manage and lead its most important assets, its people. Leaders must be able to work with their respective teams in order to meet the organisational goals and targets of the company. At each stage of the business, companies should access their leaders and make changes to leaders / management to retain the company's frame of reference and its team. At most times, leaders expect the organisation and its team of staff members to adapt to his/her management style. Leaders find it difficult and / or are reluctant /loathe becoming flexible to their organisational behaviour in order to cater for changing situations/circumstances within the organisation.

1.6 RESEARCH DESIGN

The research design will encompass a full complement of line managers, from junior managers to senior managers.

The sample size will be all line managers at Kingsway Hospital; twenty-one in total. Each manager will be given a questionnaire to complete.

All line managers were chosen in the sample selection, due to the small sample size and the nature of the research. Researcher will include all managers in this research.

Nature and Type of Study

The applied research will be a statistical study.

Duration of Study

This research programme is will be conducted within a time frame of one month (15 November 2002 to 17 December 2002) for the entire research study.

Research Enviroment

This research will be an on-the-field study; in the work environment.

Data Collection Methods

Primary Data Collection

The primary data collection tool will be a questionnaire which will provide quantitative data.

Research Survey Instruments

Questionnaire Design

Step 1

- The questionnaire will be a pre-formulated set of investigative questions to be completed by managers (see problem statement above); flowing directly from the problem statement.
- The questionnaire will focus on leadership style within a given situation, allowing four options for each situation. Participating managers will have to choose one alternative from the given set of responses in each situation.
- Managers would be urged to retain their frame of reference throughout the questionnaire as any change could affect the results.
- For each question, managers have to analyse the question in terms of the work environment and / or situation that managers most find them as leaders.
- The researcher will consider reliability and validity as principles of measurement when assessing responses.

Step 2

- After managers have answered the questions, each manager responses must be further assessed as follows:-

- Circle the letter you chose for each situation in the area below, labelled Flexibility (Figure 1). For example, if you answered alternative C for Situation 1, circle the Cs in row 1 under Flexibility.
- Add the numbers of letters you circled in each leadership style, SI, S2, S3, S4.
- Maximum scores indicate each manager's leadership style.

- The researcher will consider validity and reliability when assessing responses.
- The questionnaire design has been chosen because it is cost and time effective for the research project at Kingsway Hospital.

Secondary Data Collection

With the assistance of the Human Resources Manager, a list of all staff complaints / grievances / compliments of management would be included for the month during the research.

Sample

A non probability sample of all management at Kingsway Hospital has been selected. The target population has been predetermined and identified as all managers at Kingsway Hospital.

Reliability and Validity

To ensure good measurement, the results must be reliable and valid.

Reliability

Results must be obtained by the same means; using same sample group. This will ensure consistency with the research programme. All participants must be treated under research conditions. There should be no personal bias and participants must be allowed to answer questions honestly, unprompted and / or unaided.

Validity

Content Validity

The questionnaire covers the objective of the research question.

External Validity

A potential threat to the research programme could be a refusal by some managers to participate in the study by completing the questionnaire due to repercussions from Netcare and / or risk of exposing their management style. In this case, can the findings from the some of the participants be generalised to the target population?

Other Reactive Factors

The possibility that some participants react when they know they are part of a survey/questionnaire.

1.7 DATA ANALYSIS

The grid would be analysed to ascertain solutions to the problem statement and fulfil the objectives and hypotheses of the research programme.

The results of the questionnaire will be represented by visual and graphical aids.

Description under headings for the different management styles will be highlighted to show different management styles operating at Kingsway Hospital.

Being an exploratory proposal on a small scale, the results of the research design will be analysed on an individual basis. Each participant's response will be enumerated on a grid, determining the manager's organisational style, providing a broad profile on each manager at Kingsway Hospital.

Computers and Computer programmes like SPSS make it easy to handle the data analysis when the research is rolled out to the Netcare Group.

1.8 NATURE AND FORM OF RESULTS

The nature of the study addresses the problem statement. The results from this study will be findings, conclusions, plans and recommendations to the Netcare Executive Board of Directors.

1.9 FACILITIES AND SPECIAL RESOURCES

This research proposal will be conducted within a single entity of a large corporation. Due to the nature of the research and the sensitivity of the questionnaire, the research will conducted within the researcher's immediate work environment. After the initial project at Kingsway Hospital, the same research could possibly be rolled out to the entire Netcare Group.

No facilities and or special resources will be needed for this research proposal.

1.20 CONCLUSIONS AND RECOMMENDATIONS

No conclusions will be made before the results of the survey are available, however, the following recommendations are being considered:-

- Are the managers at Kingsway Hospital applying different management levels at different situations?
- Does the Netcare Group consider different / changing hospital general managers at different stages of the business cycle, that is when the business is experiencing high growth or low growth?
- Is staff morale affected by management behaviour and actions?

CHAPTER TWO

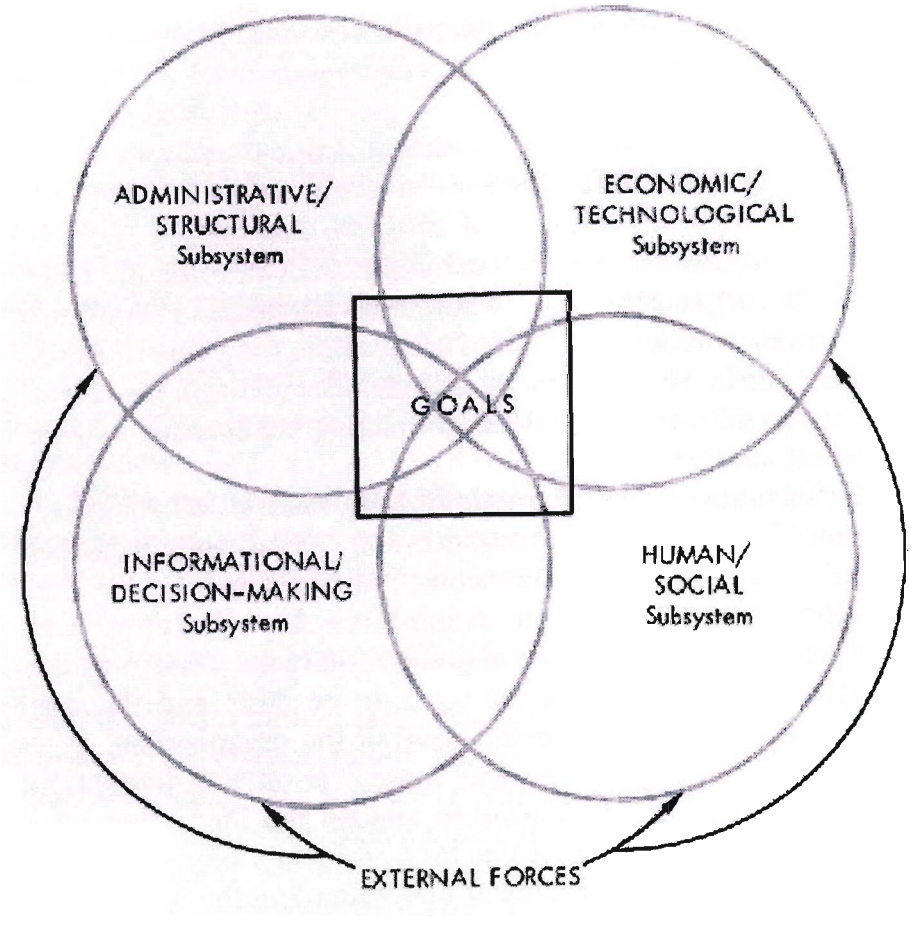
LEADERSHIP THEORIES IN CONTEXT

2.1 INTRODUCTION

This chapter will be the focus of Leadership Theories that influences peoples' behaviour within organisations. The purpose of this chapter is to discuss the independent approaches to leadership of various writers and disciplines that have contributed towards providing an understanding of human behaviour and leadership theories within an organisation and the impact of corporate culture on leadership styles. An organisation operates within a corporate culture, which is crucial to strategy implementation. Studies have been conducted on leadership theories since the early 1900s, culminating in reports, papers, journals and books on the subject which is still relevant today, as it was then, albeit with cosmetic changes, enhancements and updates.

According to behaviourists, Hersey and Blanchard (1993:xvi), an organisation is a considered a unique living organism whose basic component is the individual. The individual will be the primary unit of study in this chapter, analysing the interaction of people, motivation and leadership styles within the context of organisational culture and behaviour.

Figure 2.1: The interrelated subsystems of an organisation



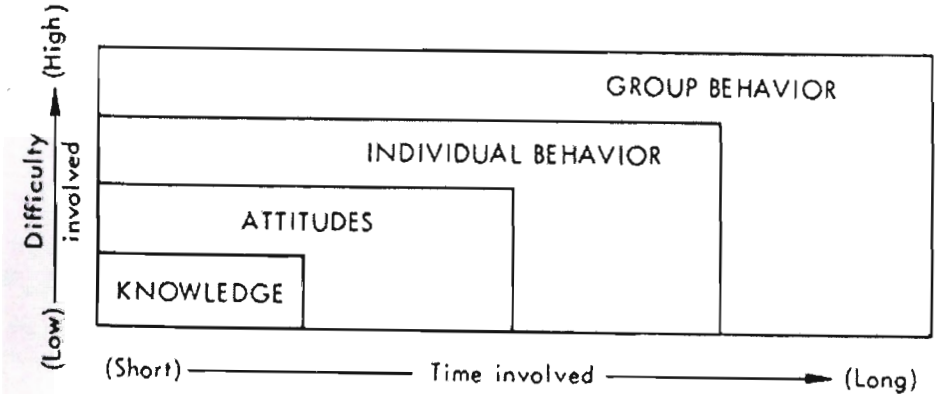
Source: Hersey and Blanchard: Management of Organisational Behaviour, 1998:10

2.2 MANAGEMENT AND LEADERSHIP

In this thesis management and leadership will be used interchangeably and the two terms "Management" and "Applied Behavioural Science" requires clarify for the purposes of this thesis. There are many different definitions of management with some commonalities found in the various definitions. According to Hersey and Blanchard (1993:5), management is a narrower concept compared with leadership, a special kind of leadership and (1993:9) managements` primary objective is to achieve organisational goals by working with and through

individuals, groups and other factors. Management concentrates on making the organisation successful by using interpersonal skills. The organisation ensures that management have the necessary skills in order to meet organisational goals or objectives. Hersey and Blanchard (1988:1), in most cases, leadership is considered an applied behavioural science. The concept in itself, gives one ideas / food for thought, but does not provide further practical application. Early studies carried out by Mayo (1945: 23) in the behavioural sciences, focussed on the theory without a concomitant change in behaviour. In order for people to be successful within the organisations, people must implement change in four dimensions: knowledge, attitudinal, individual and group changes.

Figure 2.2 Time and Difficulty involved in making various changes



Source: Adapted Hersey and Blanchard: Management of Organisational Behaviour (1993:4)

Mayo (1945:23), in his early studies, which was later concurred by Hersey and Blanchard (1988:4) said: "*the relationship between time and making changes at each level, with no external factors, like force, coercion, or prescription that is applied to make the change.*"

Each dimension illustrated in Figure 1, follows the same sequence and time frame in terms of the degree of difficulty and length of time to make the change. Hersey and Blanchard (1988:4) said:"*effecting change in peoples` knowledge is the easiest of the four dimensions, followed by attitudinal change.*" However, attitudinal change involves either positive or negative emotions; hence a slightly higher degree of difficulty and time is involved. People facing changes in individual behaviour, will find it a lot more difficult and time consuming than the first two dimensions. Hersey and Blanchard (1988:4) is of the opinion, the most difficult and challenging is the change people face within an organisation, which is on the last level of the model.

2.3 DEFINITION OF LEADERSHIP

The major difference between a successful and unsuccessful organisation is dynamic and effective leadership. Peter F. Drucker (1967: 271) said:" *business leaders are the basic and scarcest resource of any business enterprise."*

According to Hersey and Blanchard (1988:5), leadership is a much broader concept than management. Whereas management focuses on achieving organisational goals, leadership focuses on trying influence individual or group behaviour, period. Hersey and Blanchard (1988:5), has stated a leader must be aware of tasks and human relationships in order to influence behaviour. The reasons for trying to influence behaviour in people may be personal goals or change for others, which may or may not be aligned to the organisational objectives, in contrast to management which strives to achieve organisational goals.

❖ George R. Terry

George R. Terry (1960:5) defines leadership as the activity of influencing people to strive willingly for group objectives.

❖ Robert Tannebaum, Irving R. Weschler and Fred Massarik

(1961:24) defines leadership as interpersonal influence exercised in a situation and directed, through the communication process, toward the attainment of a specialised goal or goals.

❖ Harold Kroon and Cyril O` Donnell

Harold Kroon and Cyril O` Donnell (1959:435) defines leadership as influencing people to follow in the achievement of a common gaol.

❖ Hersey and Blanchard

Ten years later, according to Hershey and Blanchard (1988:86), most writers agree that leadership is the process of influencing the activities of an individual or a group in efforts toward goal achievement in a given situation. Further to this definition, it follows that the leadership process is a function of the leader, the follower and the situation, L = f (l, f, s).

According to Hersey and Blanchard (1993:6) to effectively and successfully influence behaviour, the following three competencies of leadership must be exercised; which is directly dependant on effective communication:-

- Diagnosing (cognitive) – the leader must understand the situation that needs to be influenced. Understanding the gap between the current situation and a reasonable future expectation, defines the actual problem that needs to be resolved.
- Adapting (behavioural) – the leader must adapt his / her behaviour and any other resources available in order to meet needs of the situation, which is to meet a reasonable future expectation.
- Communicating (process) – the leader must be able to communicate in a way that is easily understood and accepted.

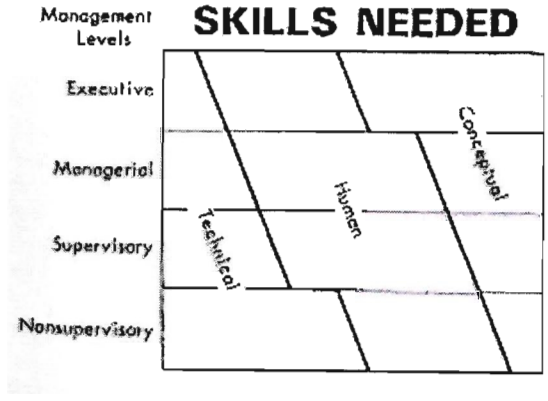
2.3.1 Skills of a Leader

Hersey and Blanchard (1993:8) maintain that the leader requires skills in three areas in order to be effective and successful in carrying out her functions:

- Technical skills refer to the knowledge, methods, techniques and equipment necessary to carry out specific functions / tasks that has been learned through education, training and from personal experience.
- Human Skills are of paramount importance when leading people. They focus on the leader's ability and judgement of working with and through people, which includes an understanding of motivation and effective leadership skills.
- Conceptual Skills is necessary to understand the dynamics of the organisation and to be able to fit individual divisions / departments within this context, ensuring the leader to perform in accordance with the organisational goals, as opposed to individual divisions / departments.

The degree, to which each skill is exercised, depends on the level of leadership as illustrated below:

Figure 2.3 Management skills necessary at various levels of an organisation



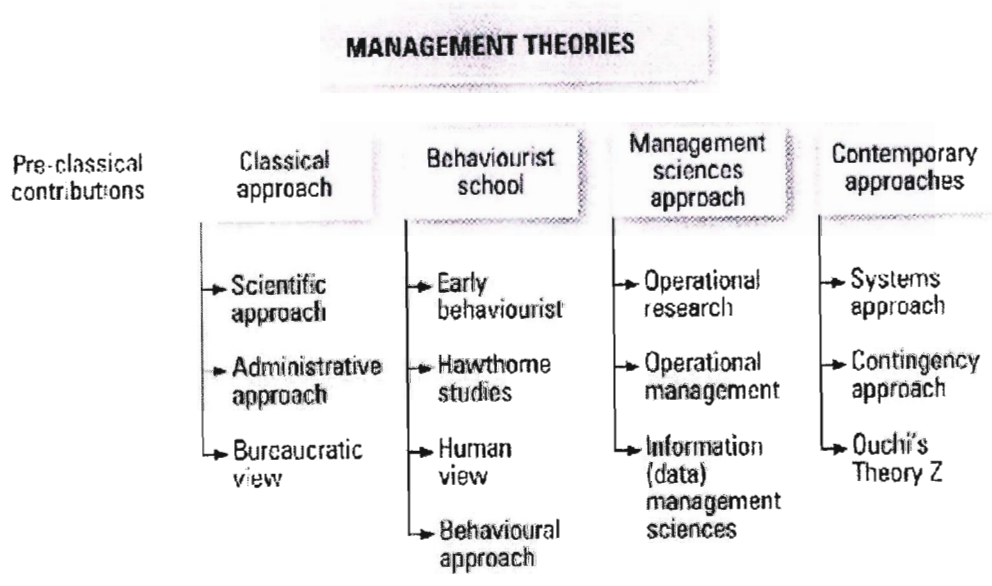
Source: Adapted from Hersey and Blanchard: Management of Organisational Behaviour (1993:8)

Hersey and Blanchard (1993:8) said: *upward mobility within the organisation require a change in the skill mix that is from a low level to a higher level of leadership.* Leadership levels determine the degree of skills mix. Lower levels, require more technical skills compared to conceptual skills and vice versa. Hersey and Blanchard (1993:8) said: "*top leaders that are at executive levels are not required to have the technical knowledge at operational level; however they should be able to understand how individual functions synergise to achieve strategic organisational goals.*" Although, different skills mixes are required at different leadership levels, they all share one common factor; human skills. Human skills, synonymous with "people skills", have moved from a position of being important to being of primary importance to leaders. A survey carried out by the American Management Association, conceded that the importance of human skills, that is a leader's ability to get along with people, and exceeds intelligence, decisiveness, and knowledge and job skills.

2.4 DEVELOPMENT OF LEADERSHIP THEORIES

The various schools of thought on leadership are related, enjoying some commonality; namely tasks and human relationship. However, due to certain differences, they may be separated into different schools from the traditional to the more contemporary.

Figure 2.4 Management Theories



Source: Adapted from: Bartol & Martin (1991:42)

2.4.1 Schools of Leadership Theories

The two schools of leadership theories; the scientific and behavioural school, are made up of three primary theories, namely Organisational, Trait and Attitudinal.

- **The Scientific School – Frederick Winslow Taylor**

  Based on a scientific approach, this school of thought made its mark between 1900 and 1930, and identified with the studies and writings of Frederick Winslow Taylor (1911:96), which was technological in nature. F.W. Taylor (1911: 96 was of the opinion that the best way to increase output was to improve the techniques, or methods used by workers and went on think of people as instruments or machines that could be manipulated by leaders. Taylor's counterparts believed that an organisation that was properly planned and managed could be built to be efficient and as the result of this clinical planning, would increase output.

F.W. Taylor (1911:96) said: "*the leader did not have to be involved with human relations and emotions, resulting in the worker having to adjust to the leader and not the leader to the worker.*" In order for this theory to be successful, F.W. Taylor (1911:96) started his time –and –motion study which analysed work tasks that would improve worker performance within the organisation. The objective was to create job efficiency in the worker's mind, and only thereafter the worker's financial interest could be satisfied by incentive work plans. F.W. Taylor's (1911:96) theory focused on performance in order to meet organisational goals, hence the leader was concerned with organisational needs; not worker needs.

- **Human Relationships Movement – Elton Mayo**

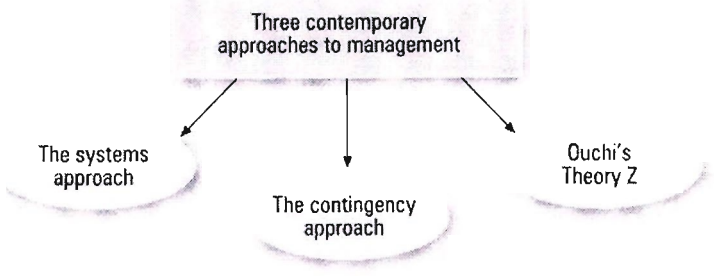
  Elton Mayo (1945:23) and his associates argued that in addition to finding the best technological methods to improve output, it was beneficial to management to look into human affairs. Experiments conducted by Elton Mayo (1886-1949) at Hawthorne Works of Western Electric Company conceded that higher production was not solely dependant solely upon organisations providing better physical working conditions, such as lighting, good ventilation and better pay. Productivity improves when leaders displayed greater interest in their workers, notwithstanding their working conditions. According to Elton Mayo (1945:23) the organisation was to be developed around the workers and had to take into consideration human feelings and attitudes and the function of the leader was to facilitate cooperative goal attainment among workers while providing opportunities for their personal growth and development.

Hersey and Blanchard (1988:88), sums up the two conflicting schools of leadership: "*the scientific theory was focused on tasks (output); while the human relations theory concentrated on relationships (people), giving rise to three dominant phases; namely, Trait, Attitudinal and Situational Leadership.*"

2.4.2 Current Approaches to Leadership

The views and research of contemporary approaches to leadership are: The Systems Approach, The Contingency Approach and Ouchi`s Theory Z, illustrated below:

Figure 2.5 The Systems Approach



Source: Adapted from: De Beer, Rossouw, Moolman, et al: 1998:8

- **The Systems Approach**

  According to De Beer, Rossouw, Moolman, et al (1978: 8) the systems approach focuses on the organisational structure, based on the concept of the whole is the sum of its parts. The organisation is seen as an integrated, focused system that is made up of interdependent parts or subsystems. De Beer, Roussow, Moolman, et al (1978:8) believe leaders must take cognisance of this concept as decisions in one area will affect the entire organisation because the rationale behind the thinking in this school of

thought is that leaders must be aware that each area / unit is not independent, but interdependent and impacts on decisions made within the organisation.

- **The Contingency Approach**

  This theory was developed from leaders trying to make decisions using an integration of the various theories available under different situations. According De Beer, Roussow, Moolman, et al (1978:8), researchers found that good results were obtained in specific situations, using specific principles of leadership. Later, using the same theory in similar situations, the results may be less successful. There was no consistency. Due to the inconsistency, De Beer, Roussow, Moolman, et al (1978:8), believe that leaders should find a fit between the leadership technique that will contribute to the overall goals of the organisation as a whole within a specific situation and specific time. It became apparent just how complex the leadership of specific situations within the organisation was, and therefore De Beer, Roussow, Moolman, et al (1978:9), asks the following question: "*which are the best fit method/techniques/approaches that will deliver the best results in a specific situation?*"

- The Ouchi`s Theory Z

  This contemporary was developed in the early 1980s to specifically find the reasons behind the drop in productivity in the United States of America, compared with other countries, especially Japan. According to De Beer, Roussow, Moolman, et al (1978:9), this theory was developed from a combination of the best practice / successful leadership principles used in Japanese and

American organisations, and culminated into one theory known as the Ouchi`s Theory Z.

2.5 THREE APPROACHES TO LEADERSHIP

As mentioned earlier there are three approaches to leadership, trait, attitudinal and situational. There are as many writes as there are theories, however, for the purposes of this thesis, only three primary leadership styles that was developed from the earliest theories will be presented.

2.5.1 Trait Approach to Leadership

As mentioned earlier there are three approaches to leadership, trait, attitudinal and situational. According to Hersey and Blanchard (1998: 98), prior to 1945, studies on leadership focused primarily on traits, implying that to be effective leaders, inherent qualities such as physical energy and friendliness were essential. Hersey and Blanchard (1998:98) further added, in the same vein as intelligence, these qualities should be able to transfer across different situations. Hersey and Blanchard (1998:98) is of the opinion that all individuals did not have these inherent qualities, hence only those having it could become leaders, and this brought into question the value of training to develop leaders. Hersey and Blanchard (1998:98) strongly believed, if there was some method to identify and measure inherent leadership qualities, leaders could be separated from non leaders and consequently training will only be of help to potential leaders. However, research, based on this approach has not provided any consistent or significant findings. This was conceded by the research conducted by Eugene E. Jennings's (1982:315-316) that fifty years of study have failed to produce one personality trait or set of qualities that can be used to discriminate leaders and non leaders. According to Hersey and Blanchard (1998:98) traits do not prevent or provide a platform for leadership, as

studies on this theory has not produced any evidence or either success or failure. Yukl (1981:144) observations concur with this theory: "*the old assumption that leaders are born has been discredited completely, and that the premise that certain leader traits are absolutely necessary for effective leadership has never been substantiated in several decades of trait research. Today there is a more balanced viewpoint about traits. It is now recognised that certain traits increase the likelihood that a leader will be effective, but they do not guarantee effectiveness, and that the relative importance of different traits is dependant upon the nature of the leadership situation.*" Yukl (1981:144) provides the following insights on the trait and skills characteristic of successful leaders:

Table 2.1 Traits and Skills Found Most Frequently to be Characteristic of Successful Leaders

TRAITS	SKILLS
Adaptable to Situations	Clever (Intelligent)
Alert to Social Environment	Conceptually Skilled
Ambitious and Achievement Oriented	Creative
Assertive	Diplomatic and Tactful
Cooperative	Fluent in speaking
Decisive	Knowledgeable about Group Task
Dependable	Organised (Administrative Ability)
Dominant (Desire to influence others)	Persuasive
Energetic (High Activity Level)	Socially Skilled
Persistent	
Self Confident	
Tolerant of Stress	
Willing to Assume Responsibility	

Source: Gary A. Yukl, Leadership in Organisations, 1981:70)

Although this theory has not made any significant or consistent contribution, research in this area of leadership is still being undertaken. A five year study of ninety exemplary leaders and their followers carried out by Warren Bennis (1984:15-19) found four traits or competencies common to all ninety leaders:

Table 2:2 4 Competencies of leadership

TRAITS	SKILLS
Management of Attention	The ability to communicate a sense of outcome, goal or direction that attracts followers.
Management of Meaning	The ability to create and communicate meaning with clarity and understanding.
Management of Trust	The ability to be reliable and consistent so people can count on them.
Management of Self	The ability to know one's self and to use one's skills within limits of strengths and weaknesses

Source: Warren Bennis, "The 4 Competencies of Leadership," Training and Development Journal (1984:15-19)

Warren Bennis (1984:15-19) is of the opinion that empowerment of organisations by leaders is to build an environment where people feel significant, where learning and competence matter, people are part of the team, work is exciting, quality matters and dedication to work energises effort. A study by Geier (1967:114), found three traits that

hindered group members from competing for a leadership role namely, perception of being uninformed, being non participants and being extremely rigid. Research conducted by McCall and Lombardo (1983:26-31) on executives who succeeded on getting to the top and those who did not reach the top; despite being expected to do so, revealed both strengths and weaknesses. However, those that failed apparently had one or more of what McCall and Lombardo (1983:26-31) called "fatal flaws":

- Insensitive to others: abrasive, intimidating, bullying, style Cold, aloof, arrogant
- Betrayal of trust
- Overly ambitious: thinking of next job, playing politics
- Specific performance problems with the business
- Over managing – unable to delegate or build a team
- Unable to staff effectively
- Unable to think strategically
- Unable to adapt to boss with different style
- Over dependent on advocate or mentor

The primary reason for failure claims McCall and Lombardo (1983:26-31) was insensitivity to others, while betrayal of trust was the "one unforgivable sin", not keeping to promises or double dealing. Independent research results carried out by Kirkpatrick and Locke (1991:41-60), concurs with Bennis (1984:15-19), Yukl (1981:144) and others on the trait theory, making it clear that successful leaders are not like other people. The evidence indicates that there are certain core traits which contribute to business leaders' success. Hersey and Blanchard (1998:90): *"leaders do not have to be great men or women by being intellectual geniuses or omniscient prophets to succeed, but they do need to have the "right stuff" and this stuff is not equally present in all people."*

Kirkpatrick and Locke (1991:41-60), found the following leadership traits that do matter:

- Drive: achievement, ambition, energy, tenacity, initiative
- Leadership motivation (personalised vs. socialised)
- Honesty and integrity
- Self confidence (including emotional stability)
- Cognitive ability
- Knowledge of the business
- Other traits(weaker support): charisma, creative/originality, flexibility

Although empirical studies by Bennis (1984:15-19), Yukl (1981:144), McCall and Lombard (1983:26-31) and others suggest that leadership is a dynamic process, depending on the situation and leader at the time, and there could be factors that would lend to its success or stand as an obstacle, there are no traits to guarantee success. The absence of evidence prompted Hersey and Blanchard (1998:90), to under further research, the most important of these being: attitudinal studies, concentrating on two theoretical concepts, the one focusing on task activities (task orientated) and the other emphasising the building personal relationships (people oriented).

2.5.2 Attitudinal Approaches to Leadership

Attitudinal approaches were developed by the Ohio State and Michigan studies which featured during mid 1945s and the Managerial Grid in the mid 1960s. Attitudinal studies used paper and pencil tools, such as questionnaires to measure Leadership attitude/behaviour. The Managerial Grid encompasses traits such as concern for production, concern for people. According to Robert R. Blake and Jane S. Mouton (1986:238-24), displaying or having "concern" is the precursor

to production and people. A discussion of the three attitudinal approaches will follow, namely, Ohio State Leadership Studies; Michigan Studies, and Rensis Likert`s studies and the Managerial Grid.

- **Ohio State Leadership Studies**

In 1945, the Bureau of Business Research at Ohio State University initiated studies to try to identify the components of leadership behaviour. Research into the Ohio State studies led by Ralph Stogdill (1974:7) defined leadership as: *"the behaviour of an individual when directing the activities of a group toward goal attainment."* By the end of the research, the definition was consolidated into two components: Initiating Structure and Consideration. According to the researchers at the Bureau of Business Research at Ohio State University, "initiating structure" refers to (1998: 103) *"leader's behaviour in delineating the relationship between him and the members of the work group and in endeavouring to establish well defined patterns of organisation, channels of communication and methods of procedure."* The other component, "consideration", refers to (1998:103) *"behaviour indicative of friendship, mutual trust, respect, and warmth in the relationship between the leader and the members of her staff."* In 1952, the research team at the university designed the Leader Behaviour Description Questionnaire (LBDQ) to carry out their research / studies on leadership behaviour; in order to describe how leaders perform their tasks / activities. The questionnaire contained equal number of questions for both components and the respondents are the followers / workers, assessing leadership behaviour as seen by others. Participants assessed the frequency with which their leader uses each type of behaviour by marking off one of the five descriptions, "always, often, occasionally, seldom or never", against the LBDQ questionnaire. The two components of leadership,

namely, consideration and initiating structure are observed behaviour as perceived by others and listed below in the table below:

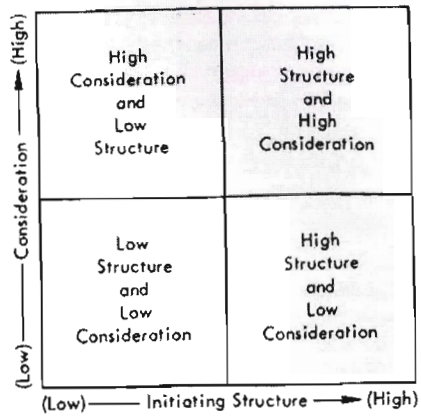
Table 2.3 Examples of LBDQ Items

CONSIDERATION	INITIATING STRUCTURE
The leader finds time to listen to group members.	The leader assigns group members to particular tasks.
The leader is willing to make changes.	The leader asks the group members to follow standard rules and regulations.
The leader is friendly and approachable.	The leader lets group members know what is expected of them.

Source: Adapted from Hersey and Blanchard (1998:91)

By designing the Leader Opinion Questionnaire (LOQ), the primary focus was on observed behaviour, allowing leaders to gather data about the self perception leaders had about their own leadership style. The researchers (1952) found that the two components of leadership, "consideration" and "initiating structure" were mutually exclusive; the score in one component did not necessarily determine the score of the other component. However, the researchers (1952) conceded behaviour of the leader could be a mix of both components. Leadership behaviour was, instead of being plotted on a single axis, was plotted for the first time on two separate axes, as a combination of the two components; consideration (relationship behaviour) and initiating structure (task behaviour); as illustrated below:

Figure 2.6 The Ohio State leadership quadrants



Source: Adapted from: Hersey and Blanchard: Management of Organisational Behaviour (1988:92)

- **Michigan Leadership Studies**

The Michigan leadership studies followed the Ohio State University research carried out by the Survey Research Center, based at the University of Michigan. According to Hersey and Blanchard (1998:92), in its early research, the researchers tried to study leadership by identifying groups of characteristics that shared some commonalties and their effectiveness. The researchers recognised two types of leaders, naming them employee orientation and production orientation leaders. Hersey and Blanchard (1998:92) said that according to the Michigan studies, an employee oriented leader is one who concentrated on the relationship aspect of the job; acknowledging the importance of each employee, shows an interest in everyone, acknowledges their uniqueness and individual needs; whereas the production oriented leader is one who concentrated on the production and technical aspects of the job and perceived as part of the production process and a technical pre-requisite to get the job done, that being a necessary tool to meet organisational goals. Hersey and Blanchard (1998:92) are of the opinion that these two groups

of leadership behaviour are analogous to the democratic (relationship) and authoritarian (task) concepts of the leader behaviour range of the Tannenbaum – Schmidt model (discussed later).

- **Rensis Likert`s Management System**

  Rensis Likert (1967:7) used the Michigan studies as a starting point to conduct his own research to establish the broad outline of characteristics of high producing managers used, in comparison, to other managers. Likert (1967:7) established that supervisors with the best record performance focus their primary attention on the human aspects of their employee's problems and on endeavouring to build effective work groups with high performance goals. Likert (1967:7) called these supervisors "employee centered". In sharp contrast, supervisors who put regular demands on production were called "job centered" and this was synonymous with low-production. Likert (1967:7) further established that high producing supervisors: *"make clear to their employees what the objectives are and what needs to be accomplished and then give them freedom to do the job."* Likert (1967:7) and his colleagues reiterated the need to take cognisance of both human and capital resources as assets requiring proper management attention. Hersey and Blanchard (1998:94) are of the opinion organisations acknowledge that human resources are their most important assets, whereas previously capital resources were considered most important and have recognised that managing human resources is one of their most fundamental jobs. After conducting research studies on organisational behaviour, Likert (1967:7) effected organisational change programs in different industrial sectors by assisting organisations to move from Theory X to Theory Y assumptions, whereby leaders were moved

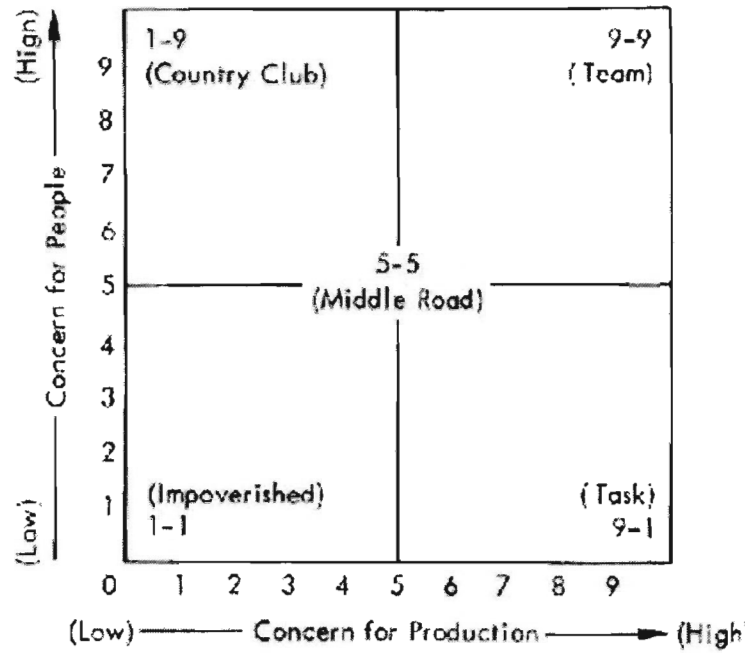
from immature behaviour to encouraging and developing mature behaviour. Likert (1967:7) did not stop at his present studies by just measuring the present characteristics of the organisation, but went a step further by finding out what employees considered the ideal organisation. Likert`s (1967:7) studies conducted on large organisations, indicated a huge gap between the current management system and the ideal. The shift would not be an easy one, and would have to make a paradigm shift across the entire organisation to fill the gap.

2.5.3 Situational Leadership

- **Managerial Grid**

Robert R. Blake and Jane S. Mouton (1984:238-240) modified the concepts of leadership from three different studies, namely, the Ohio State (1952), Michigan and Likert (1967:7) and used the concepts in the Managerial Grid model and have used them in organisational and management development programs. According to Robert R. Blake and Jane S. Mouton (1984:238-240), the managerial grid is made up of four different quadrants, similar to the Ohio State studies, with five different types of leadership relating to concern for production (task) and concern for people (relationship) which are positioned within the four quadrants.

Figure 2.7 The Managerial Grid Leadership Styles



Source: Adapted from: Hersey and Blanchard: Managerial Organisational Behaviour (1998:100)

The concern for production is depicted on the horizontal axis, and as the leader becomes more concerned about production, the rating increases on the horizontal axis. The concern for people is depicted on the vertical axis, and as the rating climbs up the vertical axis, the concern for people becomes important to the leader. Blake and Mouton (1984: 238-240) describes the five leadership styles within the quadrant:

Impoverished - exertion of minimum effort to get required work done is appropriate to sustain organisation membership.

Country Club - thoughtful attention to needs of people for satisfying relationships leads to a comfortable, friendly organisation atmosphere and work tempo.

Task - efficiency in operations results from arranging conditions of work in such a way that human elements interfere to a minimum degree.

Middle-of-the-Road - adequate organisation performance is possible through balancing the necessity to get out work while maintaining morale of people at a satisfactory level.
Team - work accomplishment is from committed people; interdependence through a "common stake" in organisation purpose leads to relationships of trust and respect.

Robert and Mouton`s (1984: 238-240), managerial grid was instrumental in giving popular names to the four original Ohio State quadrants. According to Hersey and Blanchard (1998:100), the managerial grid is more geared to an attitudinal aspect of leadership that measures the values and feelings of a leader, whereas, the Ohio State study tries to include behavioural components (items) and attitudinal items.

2.6 IS THERE A BEST STYLE OF LEADERSHIP?

Three main components of the leadership process were identified, namely, the leader, the follower, and the situation. While some researchers, for example Blake, Mouton and McGregor (1984:238-240) are of the opinion that there is only "one best" style of leadership, whose objective is to optimise productivity, satisfaction, growth and development in all situations, others like Hersey and Blanchard`s (1998: 101) research in the last several decades has clearly supported the contention that there is no one best leadership style. Hersey and Blanchard (1998:101) are of the opinion that successful and effective leaders are able to adjust their approach to fit in with the needs of the situation; called situational leadership. Hersey and Blanchard (1998:101) believe that the reason why there is no "one best way" of leadership is because leadership is situational or contingent. Hersey and Blanchard (1998:101) said: *"effective leadership is dependent on conditions, whereby a leader will act / behave according to the conditions prevailing at the time."* The writings of theorists such as

House (1974:29-55), Fiedler (1986: 15-18), Reddin (1967:8-17), Vroom-Yetten (1973:198) and Yukl (1981:144) are all situational in nature and embody the majority schools of thought on leadership. Robbins (1983:12-12) is of the opinion, organisational behaviour concepts are founded on situational conditions; that is, if X, then Y, but only under conditions specified in Z (the contingency variables). Hersey and Blanchard (1998:102) takes it one step further and expands by adding that effective managers not only have the analytical capacity to decide on the most appropriate leadership style, but they also have the capacity to accurately apply that style.
Owen (1981:81) aptly encapsulates the situational nature of leadership thus: *"these managers expressed a virtual consensus; based on their actual experience each situation they handled demanded a different leadership style. No single style could suffice under the day-to-day, even minute-by-minute, varying conditions of different personalities and moods among their employees, routine process vs. changing or sudden deadlines, new and ever changing government regulations and paperwork, ambiguous roles of workers wide ranges in job complexity from simple to innovation-demanding, changes in organisational structure and markets and task technologies and so on. Contingency theory has come to mean, therefore, that the effective manager has, and knows how to use, many leadership styles as each is appropriate to a particular situation."* Ralph Stodgill (1974:7) puts it most cogently: *"The most effective leaders appear to exhibit a degree of versatility and flexibility that enables them to adapt their behaviour to the changing and contradictory demands made on them."*

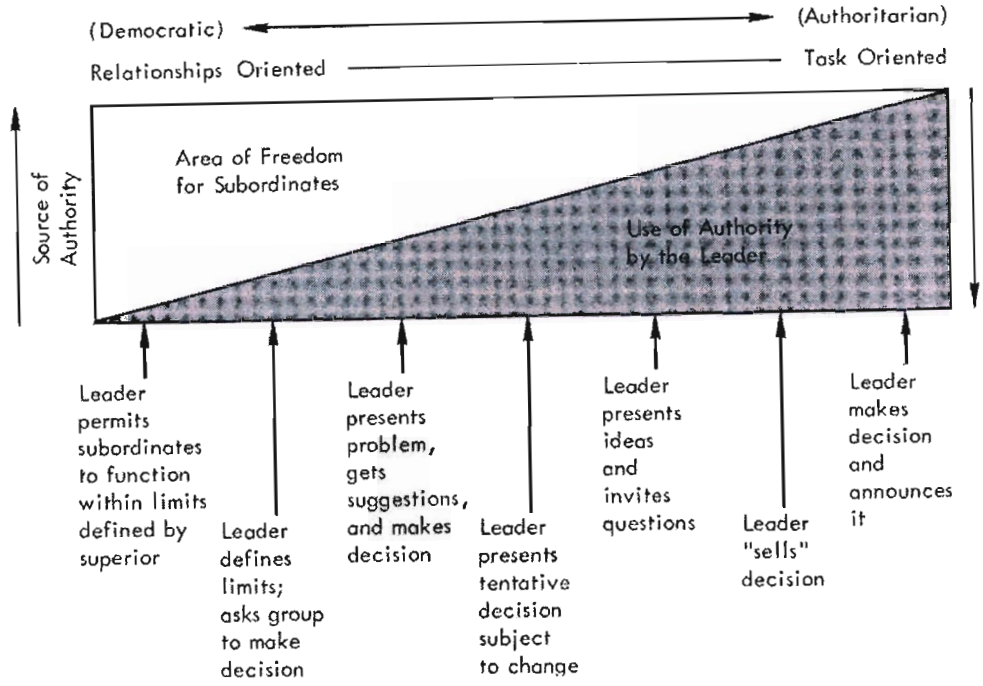
Hersey and Blanchard (1998:102) said that situational approaches to leadership examine the interplay among these variables in order to find the casual relationships that will

lead to predictability of behaviour. Hersey and Blanchard (1998:102) believe that situational theories share a commonality, that is, in all situational approaches the leader is expected to act and behave in a flexible manner, to be able to identify the suitable leader style conducive to the situation and to be equipped to affect the most appropriate style. There are many models and theories on situational leadership, for the purposes of this thesis, the author has chosen five models that is renowned and have received wide attention in leadership research: The Tannenbaum and Schmidt Continuum of Leader Behaviour, Fiedler`s Contingency Model, the House –Mitchell Path-Goal Theory, Vroom – Yetten Contingency Model and the Hersey – Blanchard Tri-Dimensional Leader Effectiveness Model.

2.6.1 Tannenbaum-Schmidt Continuum of Leader Behaviour

Tannenbaum-Schmidt`s (1986:129) Harvard Business Review article, "How to Choose a Leadership Pattern", written in 1957, was considered one of the early and most important situational approaches to leadership. A leadership pattern is chosen from a list of seven possible leader behaviours; which are contingent upon the synergy among the leader, follower, and situation. In Tannenbaum-Schmidt`s model (1961:312), the range or continuum of choices lies between democratic or relationship-oriented behaviours (same concepts as in the Michigan studies – refer above), and authoritarian or task-oriented behaviours (same concepts as the Ohio State studies – refer above) as presented below:

Figure 2.8 Continuum of leader behaviour



Source: Adapted from Management of Organisational Behaviour: Hersey and Blanchard (1998: 107)

Previous researchers have conceded that concern for tasks has a tendency to lean towards a leader with authoritarian behaviour patterns, whilst a concern for relationships leans towards a leader with democratic behaviour patterns. Tannenbaum-Schmidt (1961:312) is of the opinion that the popularity of this sentiment was mainly due to the fact that it was generally accepted that leaders influenced their followers in one of two ways:

- they tell their followers what to do and how to do it (authoritarian style, emphasing task concerns, primary objective is to meet organisational goals; or
- they share their leadership responsibilities with their followers by involving them in planning and execution of the task (nondirective democratic style, emphasising

concern for human relationships, primary objective is to influence followers in activities, ensuring the organisational strategic goals are met).

Tannenbaum-Schmidt (1961:312) believes the differences between the two styles of leadership emanate from the assumptions that leaders make about their source of power or authority and human nature. The leader that displays authoritarian style behaviour assumes that the power of leaders is derived from their position within the organisation and Theory X, which is based on the assumption that people are inherently lazy and unreliable. Tannenbaum-Schmidt (1961:312) said that policies are determined by this type of leader and conversely, the democratic style leader assumes that the power of leaders is given by the followers that they lead and Theory Y, which assumes that people can be self directed and innovative within the work environment, if they are encouraged and motivated. Thus, this type of leader opens up policies for group discussion and decision-making. Tannenbaum-Schmidt (1961:312) point out that spanning these two extremes, there is an extensive range of leader behaviour, as illustrated in Tannenbaum-Schmidt` continuum of leader behaviour (1961:312), ranging from authoritarian, or boss-centred leader behaviour on the one extreme to democratic or subordinate-centred leader behaviour on the other extreme, referring to them as manager power and influence and non manager power and influence, respectively. Democratic leader behaviour on the continuum could be expanded to include a laissez-faire style, whereby followers are allowed as they please, no policies and procedures are established for this group, each member operates on their own, and no effort is made within the group to exert any form of influence over anyone. However, this type of leader behaviour has been excluded from Tannenbaum-Schmidt`s (1961:1312) continuum

model, because a laissez-faire style is indicative of an absence of formal leadership. However, for the purposes of this thesis, no further mention will be made of the laissez-faire theory as it does not apply in this case study. Tannenbaum-Schmidt`s (1986:129) conceded in a reprint of an article in 1973, that dynamics between the leader, the follower and the situation were becoming progressively more complex, making it complicated to identify the casual relationship among the role players, as more stakeholders become involved, and conventional work cultures are under going enormous changes.

2.6.2 Fiedler`s Leadership Contingency Model

Fiedler (1986:15-16) is renowned for the Leadership Contingency Model and is considered the pioneer of the Contingency Theory of Leadership and bases his model on three contingencies / situational variables which establish whether a given situation is favourable to leader:

- their personal relations with the members of their group (leader-member relations)
- the degree of structure in the task that their group has been assigned to perform (task structure)
- the power and authority that their positions provides (position power)

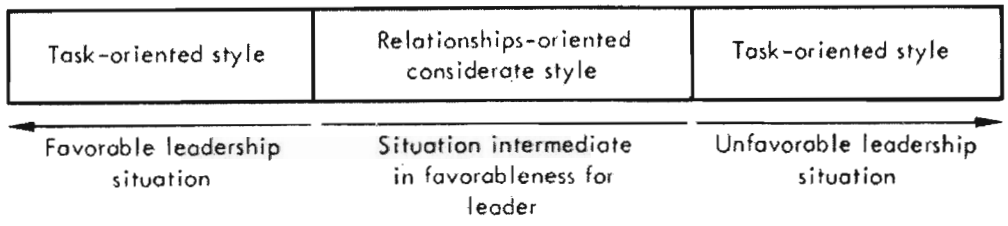
Fiedler`s (1986:15-16) model resembles the task and relationship model of previous writers discussed above and especially, Tannenbaum-Schmidt (refer 2.6.1). Fiedler (1984:15-16) defines the favourableness of a situation as *"the degree to which the situation enables the leader to exert his influence over his group"*. Fiedler (1984:15-16) uses the three primary situational variables to extract eight possible combinations (situations); in which the most favourable situation is for the leader to influence the group is:

- is well liked by the group members
- has a high powerful position (high position power)
- directing awell defined job (high task structure).

Conversely, the most unfavourable situation for the leader is one in which:

- she is disliked
- has little position power
- faces an unstructured task

Figure 2.9 Leadership styles appropriate for various group situations



Source: Adapted from Fiedler, A Theory of Leadership Effectiveness, p14

After developing a model that classified group situations, Fiedler (1986:16-18) wanted to establish the other side of the equation for each of the eight combinations, that is, the most effective leadership styles; task or relationship oriented.

After re-visiting both old and contemporary studies on leadership, Fielder concluded that (1984:16-18): *"task-oriented leaders tend to perform best in group situations that are either very favourable or very unfavourable to the leader, whereas relationship-oriented leaders tend to perform best in situations that are intermediate in favourableness."* Fielder`s Leadership Contingency Model (1096:16-18)) has limited usefulness to a leader, because his model is based on two leader behaviour styles; task-oriented and relationship-

oriented. The shortcoming of his model is, whereas most models are plotted on two separate axes, Fielder`s (1986: 16-18) is a single continuum model not allowing for a combination of the two dimensions.

2.6.3. House - Mitchell Path-Goal Theory

The Path-Goal model is an expansion of two dimensions mentioned earlier, namely the Ohio State model and the expectancy model of motivation. The Ohio State school of thought was based on initiating structure and consideration on which an effective leader would attain success on both. The expectancy model was directed at effort – performance and the performance – goal satisfaction (reward) linkages. House and Mitchell (1974:81-98) explains the path-goal theory: "*According to this theory, leaders are effective because of their impact on subordinates` motivation, ability to perform effectively and satisfactions. The theory is called Path-Goal because its major concern is how the leader influences the subordinates` perceptions of their work goals, personal goals and paths to goal attainment. The theory suggests that a leader's behaviour is motivating or satisfying to the degree that the behaviour increases subordinate goal attainment and clarifies the paths to these goals.*" House and Mitchell (1974:81-98) said that leadership is related to the expectancy theory:"*subordinates are motivated by leader behaviour to the extent that this behaviour influences expectancies.*" This type of leadership is best suited to the Path-Goal theory when leaders provide the missing link in a situation. House and Mitchell's model (1974:81) is based on two dimensions, namely highly structured and relatively unstructured tasks. In the former the subordinates are carrying out highly structured tasks and the most effective leader behaviour style in this situation is to exercise highly supportive (relationship) behaviour and low on instrumental (task) behaviour. This

model is based on the following assumptions in the case of highly structured tasks:

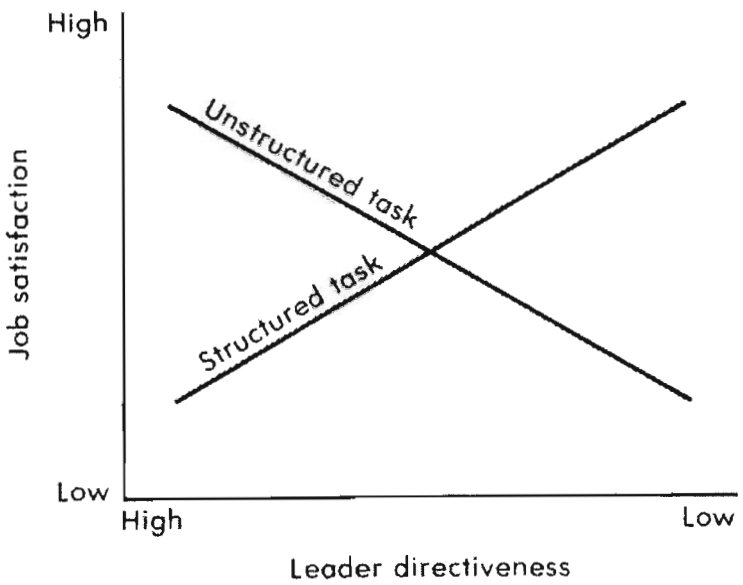
- innately less satisfying and a source of frustration and stressful for subordinates.
- Consists of activities that are unambiguous to subordinates and so the leader task behaviour (guidance and instruction) is less significant.

In the latter, House and Mitchell (1974:81) suggest that a leadership style high on task behaviour and low on relationship behaviour will be most effective in the case of subordinates carrying out relatively unstructured tasks. Assumptions on which this dimension is based are that:

- The required activities and performance expectations are unclear and leader task behaviour is needed to provide direction and role structuring.
- These activities are more challenging, more inherently satisfying, less frustrating and stressful.
- The leader relationship is less significant.

The model is presented below:

Figure 2.10 **Hypothetical relationship between directive leadership and subordinate satisfaction with task structure as a contingency factor**



Source: Adapted from House and Mitchell, "Path-Goal Theory of Leadership," Journal of Contemporary Business, 1974:81

Researchers, John E. Stinson and Thomas W. Johnson (1974:242-252) are of the opinion that the interplay between two dimensions, namely, leader behaviour and task structure is more intricate than was suggested by House and Mitchell (1974:81). Although Stinson and Johnson (1974:242-252) agree with House and Mitchell (1974:81) on the importance of leader behaviour on subordinates carrying out highly structured tasks, they felt that the quantity of task behaviour the leader should use is dependent on the character of the subordinates, as well as the kind of task the subordinate are carrying out. Particularly, Stinson and Johnson (1975: 242-252) suggest that high task behaviour is effectual if follower's tasks are:

- highly structured and followers have strong needs for achievement and independence and a high level of education and/or experience (that is, followers are overqualified for the job).
- unstructured and followers have weak needs for achievement and independence and a low level of task relevant education and / or experience (that is, followers are underqualified for the job).

  And the converse if considered true, low task behaviour by the leader is effective if follower's tasks are:
- highly structured and followers share weak needs for achievement and independence but an adequate level of task relevant education and / or experience.
- unstructured and followers have strong needs for achievement and independence and a high level of education and / or experience.

Figure 2.11 The relationship between leadership style and different combinations of task structure and follower capacity

		TASK STRUCTURE	
		Low	High
Follower Capacity	High	Low Relationship Low Task	High Task High Relationship
	Low	High Task Low Relationship	High Relationship Low Task

Source: Adapted from: Stinson and Johnson: "The Path-Goal Theory of Leadership: A Partial Test and Suggested Refinement", Academy of ManagementJournal, 18 No. 2 (June 1975)

In the figure above, the high probability leader behaviour style for different combinations of task structure and subordinate capacity is shown. According to Stinson and Johnson (1975:242-252), follower capacity refers to the degree of achievement, motivation, need for independence, and task-relevant education and experience.

2.6.4 Vroom – Yetten Contingency Model

The Vroom – Yetten (1986:129) model is based on a contingency approach with three primary dimensions associated with this model, namely, personal attributes, behaviour of the leader and the organisation. Interaction between the situational variables with the personal attributes of the leader result in behaviour that can affect organisational effectiveness. The organisation is considered part of the situation, hence a change in the organisation, consequently have an effect on the subsequent leadership intervention. The Vroom-Yetten (1986:129) model uses both the situational and the trait approaches as a basis of their theory and is called a "contingency model" because the leader's potential behaviour is contingent upon the interaction between the questions and the leader's assessment of the situation in deciding upon a response to the questions. The Vroom-Yetten (1973:198) model is important because:

- it is widely respected among researchers in leadership behaviour.
- the authors believe that leaders have the ability to vary their styles to fit the situation (crucial to acceptance of situational approaches to leadership).
- the authors believe that people can be developed into more effective leaders

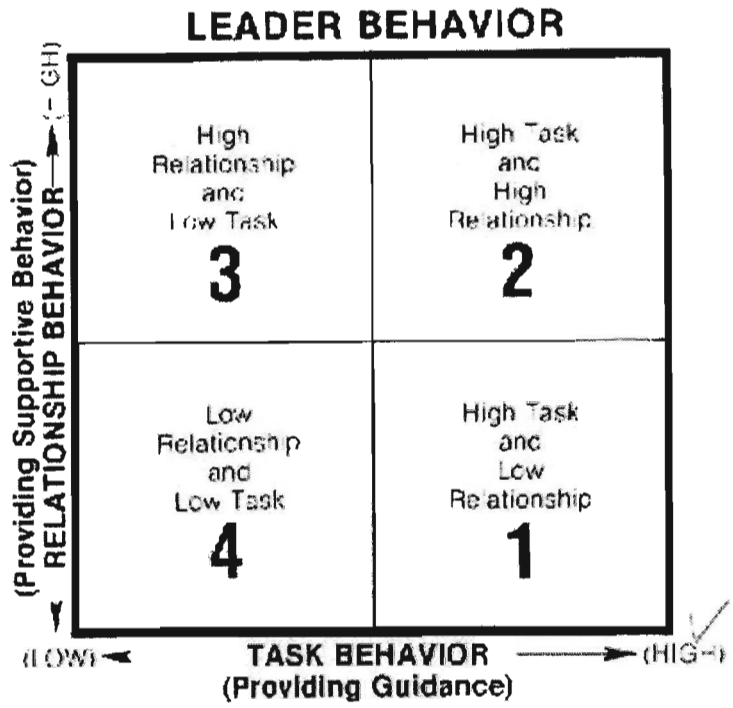
2.6.5 Hersey–Blanchard Tri-Dimensional Leader Effectiveness Model

Hersey and Blanchard (1993:16) developed two models, the two – dimensional model and later expanded it to the three-dimensional model.

- **Two-Dimensional Model**

In their studies, Paul Hersey and Kenneth H. Blanchard (1993:116) developed leadership models using two primary dimensions, namely task behaviour and relationship behaviour which is synonymous with the Ohio State University studies, called initiating and consideration. Hersey and Blanchard (1993:128) said that the basic leader behaviour styles consist of four quadrants: high task and low relationship, high task and high relationship, high relationship and low task; and low relationship and low task and which describes the different leadership styles.

Figure 2.12 Basic leader behaviour styles



Source: Hersey and Blanchard: Management of Organisational Behaviour (1998:117)

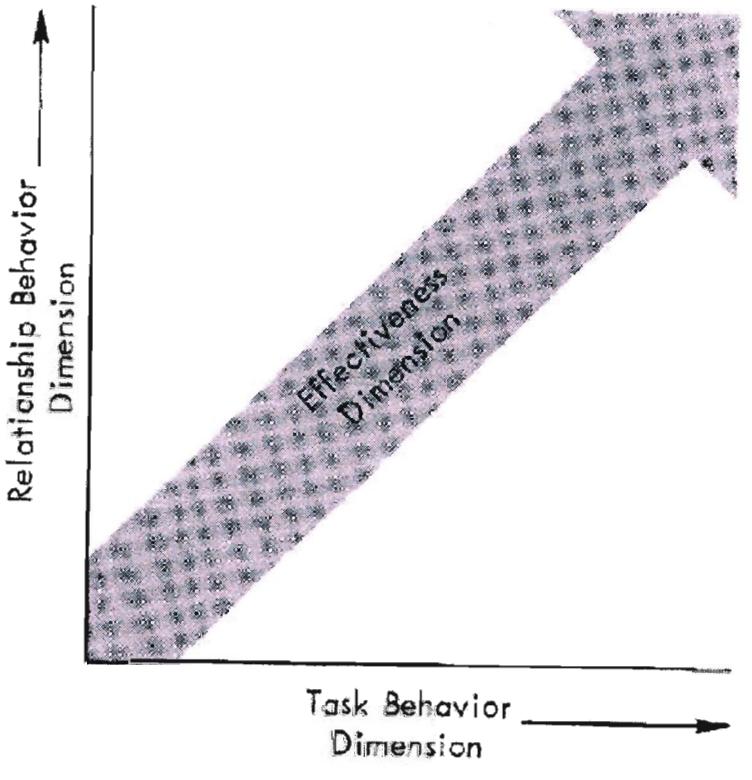
According to Hersey and Blanchard (1993:116), and individual's leadership style is the behaviour pattern of the individual when trying to influence the activities of others as perceived by them. The leader's perception may be different from that of the follower, and the writers called it *self perception*, as opposed to style. A combination of some degree of task behaviour and leadership behaviour makes up a person's leadership style. Task and relationship behaviours are paramount to the concept of leadership style. Hersey and Blanchard (1993:117) adapted their definitions from the definitions of "initiating structure" (task) and "consideration" (relationship): R. M. Stogdill and Alvin E. Coons (1957:42-43): *"Task behaviour- The extent to which leaders are likely to organise and define the roles of the members of the group (followers); to explain what activities each is to do and when,*

where, and how tasks are to be accomplished, channels of communication, and ways of getting jobs accomplished. Relationship behaviour- The extents to which leaders are likely to maintain personal relationships between themselves and members of their group (followers) by opening up channels of communication, providing socio emotional support, psychological strokes, and facilitating behaviours."

- Effectiveness Dimension

  Following on from the two dimensions, task behaviour and relationship behaviour, Hersey and Blanchard (1993:117) recognised that the effectiveness of leaders depends on how the leadership style interacts with the situation in which they operate; hence the effectiveness model should be added to the two-dimensional model.

Figure 2.13 Adding an Effectiveness Dimension



Source: Hersey and Blanchard: Management of Organisational Behaviour: (1998:118)

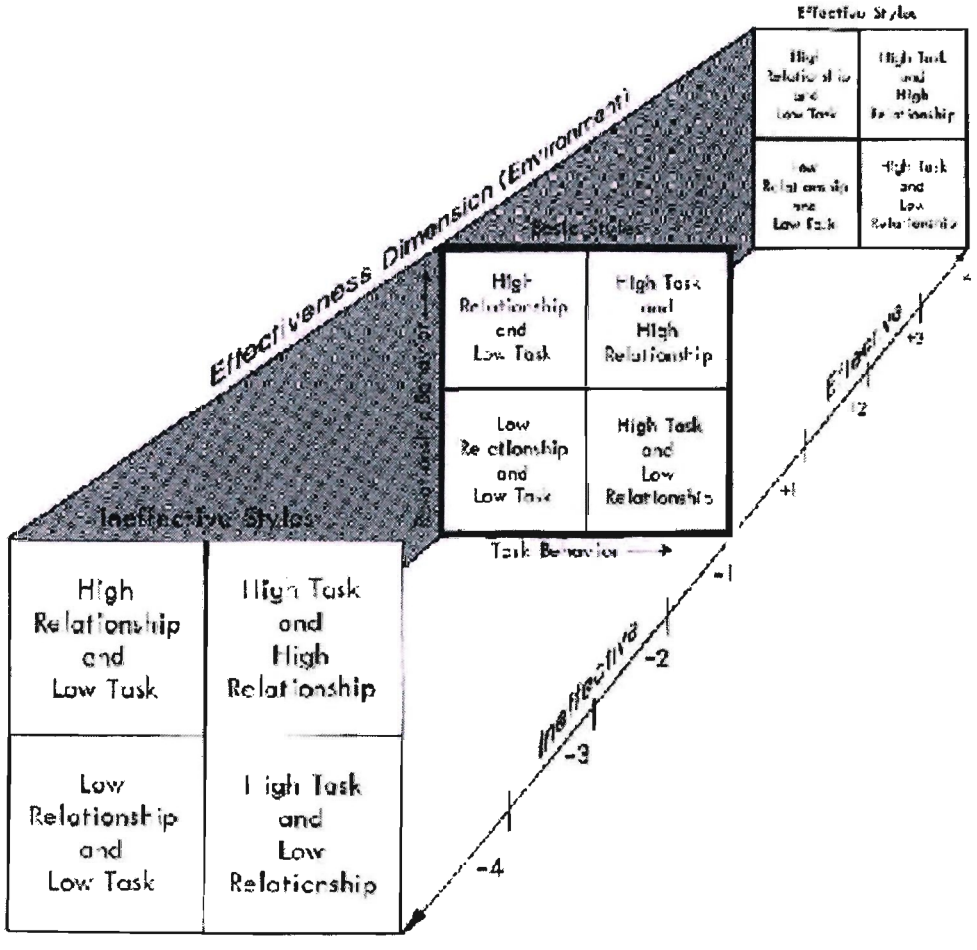
William J. Reddin (1967:8-17), the first theorist to add the effectiveness dimension to the task concern and relationship concern dimensions of his earlier work on attitudinal models such as the Managerial Grid; influenced Hersey and Blanchard in the development of their Tri-Dimensional Leader Effectiveness Model. Hersey and Blanchard (1993:118) were of the opinion that a useful theoretical model: "*must allow that a variety of styles may be effective or ineffective depending on the situation*".

2.6.5 Three-Dimensional Leader Effectiveness Model

Hersey and Blanchard (1993: 118), used an extension of the earlier Ohio State (1952) leadership model (task and relationship behaviour) and by adding the effectiveness dimension, tried incorporate the leader style dimension with the situational demands within a particular environment and consequently developed the Tri-Dimensional Leader Effectiveness Model. According to Hersey and Blanchard (1993:118), when the leadership style is suitable for a given situation, it is termed effective and ineffective when the leadership is unsuitable for a given situation. Hersey and Blanchard`s (1993:118) model which comprises effective and ineffective leader style, suggests that there is a casual relationship between fundamental leader styles and on the situation, resulting in effective or ineffective leader styles. Hersey and Blanchard (1993:118) said that the actual behaviour of the leader is not the determinant of effective or ineffective styles, but applying the correct behaviour to the environment. In real terms, the environment is the third dimension in Hersey and Blanchard`s (1993: 118) Tri-Dimensional Leader Effectiveness Model, because it is the interaction between the fundamental style with the environment that marks the degree of effectiveness or ineffectiveness. However, the writers named the third

dimension "effectiveness" due to the fact that in most organisations, the leader / manager's effectiveness or ineffectiveness is measured by different performance criteria. They further clarify this point by considering the leader's fundamental style as a specific stimulus, and it is the leader's response to this stimulus that measures the degree of effectiveness or ineffectiveness, as illustrated below:

Figure 2.14 Tri-Dimensional Leader Effectiveness Model



Source: Hersey and Blanchard: Management of Organisational Behaviour: (1998:119)

The Tri-Dimensional Leader Effectiveness Model is unique in that it does not represent a single ideal leader behaviour style

that is suitable in all situations. Hersey and Blanchard (1993:119) are of the opinion, that although effectiveness is illustrated as either / or in this model, in real terms, it should be depicted as a continuum, ranging from extremely effective to extremely ineffective, as described in the table below:

Table 2.4 How the basic leader behaviour styles may be seen by others when they are effective or ineffective

Basic Styles	Effective	Ineffective
High task and low relationship behaviour	Seen as having well defined methods for accomplishment goals that are helpful to followers	seen as imposing imposing methods on others; sometimes seen as unpleasant and interested only in short-run output
High task and high relationship behaviour	Seen as satisfying the needs of the group for setting goals and organising work, but also providing high levels of socio emotional support.	Seen as initiating more structure than is needed by the group and often appears not to be genuine in interpersonal relationships.
High relationships and low behaviour	Seen as having implicit trust in people and as primarily concerned with	See as primarily interested in harmony, sometimes seen as unwilling to accomplish if it risks disrupting a relationship or losing "good" person image
Low relationship low task behaviour	Seen as appropriately delegating to subordinates decisions about how the work should be done and providing little socio-emotional support where little is needed by group	Seen as providing little structure or socio-emotional support when needed members of the group

Source: Adapted from: Hersey and Blanchard: Management of Organisational Behaviour: (1998:120)

- **Situational Leadership**

Following on from the Tri-Dimensional Effectiveness Model, Hersey and Blanchard (1998:183) expand their model to include the leader's ability to diagnose the situation. The relationship / interaction between the leader and the follower are the key for diagnosing a situation. Edgar H. Stein (1965:61) contends that *"the successful manager must be a good diagnostician and must value a spirit of inquiry. If the abilities and motives of the people under him are so variable, he must have the sensitivity and diagnostic ability to be able to sense and appreciate the differences. He must have the personal flexibility and range of skills necessary to vary his own behaviour. If the needs and motives of his subordinates are different, they must be treated differently."* Hersey and Blanchard (1998:184) realised it would not be an easy to inform practising managers to use behavioural science theory and research to develop required diagnostic skills to maximize effectiveness. Consequently they developed a practical model that could be used by anybody, in any environment to make a on-the-spot decision that is required to effectively influence other people; resulting in a model called "situational leadership." Hersey and Blanchard (1993:184) is of the opinion, that their model is user-friendly and practical, because the information used is the perceptions and observations made by the very people involved on a day-to-day basis in their own environments. It is not dependant on professional researchers and consultants through specific measuring instruments, methodical observations and personal interviews. Hersey and Blanchard (1998:170) said: "*situational leadership is based on an interplay between (1) the amount of guidance and direction (task behaviour) a leader gives, (2) the amount of socio-emotional support (relationship behaviour) a leader provides, and (3) the*

readiness level that followers exhibit in performing a specific task, function or objective."

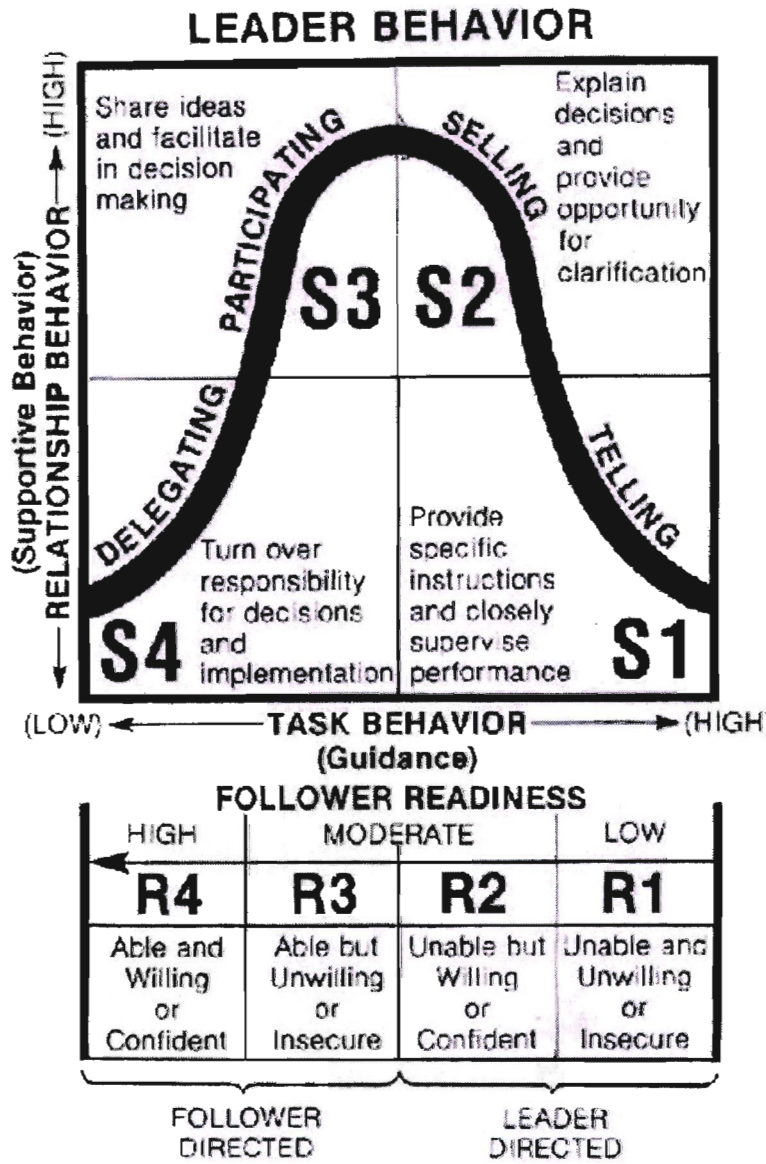
This model was developed to:

- assist people, irrespective of their standing, who are trying leadership, to be more effective in daily interactions.
- provide leaders with some understanding of the relationship between an effective style leadership and the level of readiness of their followers.

It must be noted that Hersey and Blanchard (1998:171) uses readiness in place of maturity because it is a more descriptive term of a person's ability and willingness to perform a specific task. Hersey and Blanchard (1998:171) accepts that despite the fact that all situational variables such as leader, follower, superior, associates, organisation, job demands, and time are crucial, however, in the case of situational leadership, the focus is on the behaviour of the leader relative to followers. This view is supported by Fillmore H. Stanford (1950:13), who said that there is some justification for regarding the followers as the most crucial factor in any leadership event. Hersey and Blanchard (1998:171) endorses Stanford`s (1950:13) view by adding that followers in any situation are important, not only because individually they can accept or reject the leader, but as a group, they have the muscle to determine the level of leader's personal power. This model cautions against hierarchical relationships that is, superior/subordinate, and moreover, references to follower and leader should be "potential follower" and "potential leader" and the model can be applied to any person, in any situation. The main premise of the situational leadership model is that there is no single best method to influence people. Hersey and Blanchard (1998:171) said that applying a particular leadership style to either individuals or groups will be dependant on the readiness level

of the people that the leader is trying to influence, as illustrated below:

Figure 2.15 Situational Leadership



Source: Hersey and Blanchard, Management of Organisational Behaviour (1998:171)

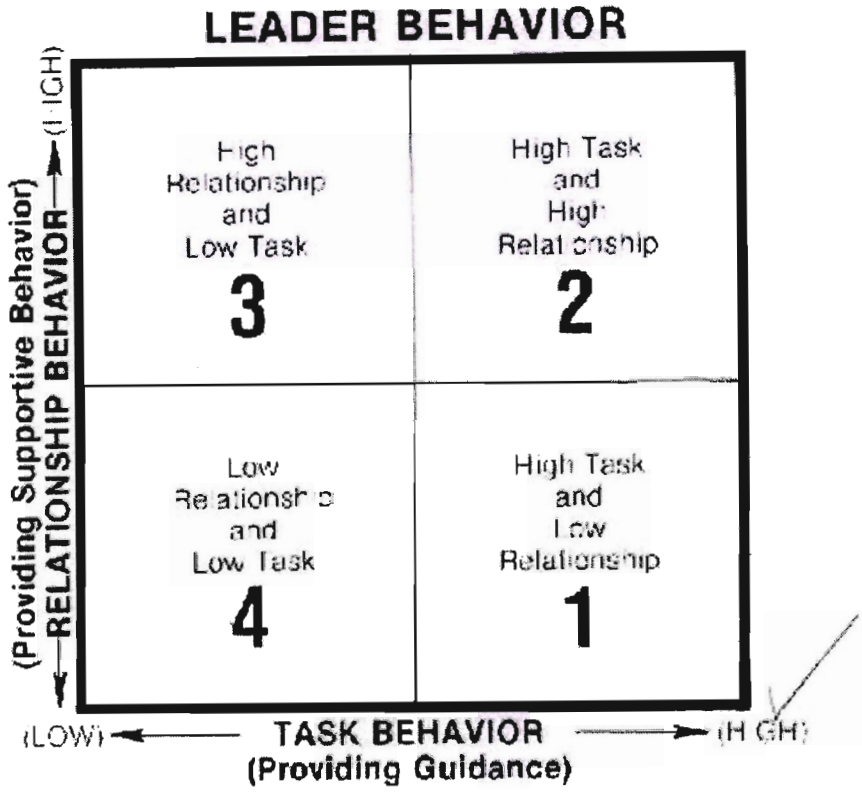
Hersey and Blanchard (1998:115) adapted, R. M. Stogdill (and Alvin E. Coons (1957: 35-71) definition of task and relationship behaviour and developed their own definition.

After having developed the situational leadership model, they further streamlined the definition to match the leader / follower model. Hersey and Blanchard (1985:19), defines leader style as basically, the behaviour by the leader as perceived by the follower/s. Before discussing the merits of the situational leadership model, the leadership styles and follower readiness that is used in this model will be established. Hersey and Blanchard (1998:183) define task behaviour as: "*the extent to which the leader engages in spelling out the duties and responsibilities of an individual or group. These behaviours include telling people what to do, how to do it, when to do it, where to do it, and who is to do it. Task behaviour is characterised by one –way communication from the leader to the follower. The person is not concerned with your feeling, but with how to help you achieve your goal. Relationship Behaviour is defined as the extent to which the leader engages in two – way or multi – way communications. The behaviours include listening, facilitating, and supportive behaviours.* " Hersey and Blanchard (1998:183) noted that the two concepts, "task" and "relationship" behaviour are separate and discrete and can be plotted separately on a two – dimensional graph, depicting the four fundamental leadership styles, with the following descriptions:

- Style 1: The leadership style active in this quadrant is characteristic of the above-average amounts of task behaviour and below average focus of relationship behaviour.
- Style 2: The leadership style active in this quadrant is characteristic of above-average focus of both task and relationship behaviour.
- Style 3: The leadership style active on this quadrant is the converse of quadrant 1 and is characterised by above-average focus of relationship behaviour and below average focus of task behaviour.

- Style 4: The leadership style active in this quadrant is the converse of Style 2, having below average focus of both concepts.

Figure 2.16 Leadership Styles



Source: Hersey and Blanchard, Management of Organisational Behaviour, Utilising Human Resources (1998:173)

The concepts used in Hersey and Blanchard`s (1998:173) situational leadership model are operational in nature and can be flexible to incorporate words appropriate to the setting (situation), for example a work related issue.

- Readiness of the Followers or Group

  Hersey and Blanchard (1998:188) said that the relationship between leaders and followers is the important variable in

the leadership situation. They do not operate in isolation, but interact to influence the desired effective leadership behaviour. Hersey and Blanchard (1998:188) said that the following conditions are considered primary factors that influence effectiveness:

Leader
Followers
Boss
Key Associates
Organisation
Job Demands
Decision Time

In essence, Hersey and Blanchard (1998:174) said: *"there is no leadership without someone following."* They believed that the onus is on the leader to establish the task-specific results the followers are to achieve, individually or in a group, in order for the leader to maximise the leader – follower relationship; without which the leader cannot decide on follower readiness or leadership style to apply for a specific readiness level.

❖ Determining Readiness

Readiness, per se, is not an inherent ability, rather it is dependant on the task they are asked to perform. Hersey and Blanchard (1998:188), defines readiness as: *"how ready is a person to perform a task, in totality."* To be able to assess an individual in a group situation, it is incumbent upon the leader to assess the readiness of the group as a whole, especially if the group interacts regularly in the same work area. According to Hersey and Blanchard (1998:189), leaders should take cognisance of the fact that they may have to adapt their behaviour when dealing one-on-one with members within a group, as opposed to dealing with the whole group. They further added that in order to assess

readiness two main components are considered - ability and willingness. Hersey and Blanchard: 1998:190) defines ability as the knowledge, experience, and skill that an individual or group brings to a particular task or activity. An effective leader should be able to concentrate on the exact result required, and concomitantly consider the ability of the followers, based on desired results. The definition of willingness, according to Hersey and Blanchard (1998:191) is the extent to which an individual or group has the confidence, commitment, and motivation to accomplish a specific task, be it not having the experience, or regressing, or never having undertaken such a task. Although Hersey and Blanchard (1998:191) accept that ability and willingness are dissimilar, they have to interact together to be able to influence the system, that is they share a casual relationship, affecting the whole system. Consequently, readiness levels are made up various combinations of ability and willingness that people take to each task.

Table 2.5 Follower Readiness

HIGH	MODERATE		LOW
R4	R3	R2	R1
Able and Willing or Confident	Able but Unwilling or Insecure	Unable but Willing or Confident	Unable and Unwilling or Insecure

Source: Adapted from: Paul Hersey: Situational Selling: 1985:27

Hersey and Blanchard (1998:176) divided the scale of follower readiness into four different combinations of follower ability and willingness and each combination is described below:

- Readiness Level One (R1)

  Unable and Unwilling

  On this level, the follower is unable, and also does not have the commitment

  Unable and Insecure

  The follower is unable, and also does not have the confidence.

- Readiness Level Two (R2)

  Unable, but Willing

  On this level, the follower does not the ability, but is motivated and is making an attempt at the task.

  Unable but Confident

  The follower does not have the ability, but has confident, if the leader provide guidance.

- Readiness Level Three (R3)

  Able but Unwilling

  On this level, the follower has the ability to perform the task, but is reluctant to apply that ability.

  Able but Insecure

  The follower possesses the ability to deliver the outcome of the task, but lacks confidence or uneasy about doing it alone.

- Readiness Level Four (R4)

  Able and Willing

  On this level, the follower has the ability to deliver the outcome and is also committed.

  Able and Confident

  The follower has the ability to deliver the outcome, and possess the confidence.

Hersey and Blanchard (1998:193) noted the following points:

a). At the lower levels of readiness, the leader is providing the direction (what, where, when and how), therefore decisions are leader directed.

b). At higher levels of readiness, followers take over the responsibility for task direction, therefore decisions are follower directed.

c). The change from leader to self directed could result in potential uneasiness and insecurity.

- Selecting Appropriate Styles from the Continuum

The next step in Hersey and Blanchard`s (1998:193) model (refer Figure 16) is to choose the correct style of followers, from a range of S1 to S4 to match the readiness levels R1 to R4.

❖ Readiness Level 1: Style 1 Match – *Telling*

For a specific task, the leader must provide guidance in abundance, with little supportive behaviour. Hersey and Blanchard (1993:193) termed this leadership style "telling", actually telling the followers exactly what to do, where to do it, and how to do it. As per the grid above, the follower at this level is low in ability and willingness, and consequently needs specific direction. Hersey and Blanchard use words such *guiding, directing, or structuring* to describe this leadership style.

❖ Readiness Level 2: Style 2 Match – *Selling*

The follower is unable, but is making an attempt, displaying willingness or confidence. Hersey and Blanchard (1993:193) believe the most suitable leader at this level, should provide a combination of both high task (follower is unable) and relationship (supportive of their motivation and commitment) behaviours. This level is an extension of the first level, in that the leader, not only provides guidance,

but also allows communication to clarity, and get "buy-in" (commitment) from the follower. Hersey and Blanchard (1993:193), cogently raises the question "why", enabling dialogue between the leader and follower. They describe this leadership style using words such as *explaining*, *persuading*, or *clarifying*.

❖ Readiness Level 3: Style 3 Match – *Participating*

Two scenarios are pertinent to this style:

Followers are able, however, due to only recently acquiring this ability, they do not have the confidence of doing it on their own.

Followers that were able and willing (Level 4), but are losing motivation, and hence are becoming unwilling.

Hersey and Blanchard (1993:193) is of the opinion that in both cases, the appropriate leader style would be to provide an abundance of two way communication / dialogue, a high dosage of supportive behaviour, with little guidance. Since this is a Level 4 follower, with an ability to perform the task; discussion and support would be the appropriate leader behaviour to provide facilitation to resolve the problem, that is, the leader encouraging and communicating. *Collaborating*, *facilitating*, or *committing*, are some words used to describe this leadership style.

Readiness Level 4: Style 4 Match – *Delegating*

Hersey and Blanchard (1993:193) states that level 4 is the ideal level, both ready and willing, or ready and confident, as these followers had sufficient opportunity to practice and they are confident, without having the leader provide the direction. The follower has the ability and also the confidence, commitment, and motivation to operate independently; however, the leader must maintain some relationship behaviour (minimal), especially to monitor progress of task. It is in the

leader's interest to filter down the responsibility and accountability to the follower, by allowing them to implement and drive their own task. This leadership style is called *delegating*; other similar words, include: *observing*, or *monitoring*. From the foregoing discussion, it is apparent that the appropriate leadership style for all four of the readiness levels, matches the leadership style levels, as seen in the table below:

Table 2.6 Leadership styles appropriate for various readiness levels

Readiness Level	Appropriate Style
R1 Low Readiness Unable and Unwilling or Insecure	S1 Telling High Task Low relationship behaviour
R2 Low to Moderate Readiness Unable but Willing or Confident	S2 Selling High Task High relationship behaviour
R3 Moderate to High Readiness Able but Unwilling or Insecure	S3 Participating High relationship Low task behaviour
R4 High Readiness Able/competent and Willing/confident	S4 Delegating Low relationship Low task behaviour

Source: Adapted from: Hersey and Blanchard: Management Organisational Behaviour (1998: 180)

Hersey and Blanchard`s Situational Leadership (1998: 179), not only suggests the high –probability leadership style for various readiness levels, but also indicates the probability of the success of the other style configurations if the leader is unable to use the desired style. The probability of success of each style is from the high- probability style along the prescriptive curve in the style of leader portion of the model, is as follows:

R1 S1 high, S2 2nd, S3 3rd, S4 low probability
R2 S2 high, S1 2nd, S3 2nd, S4 low probability
R3 S3 high, S2 2nd, S4 2nd, S1 low probability
R4 S4 high, S3 2nd, S2 3rd, S1 low probability"

Hersey and Blanchard (1993:179) ask the question: *"who has the problem in situational leadership; the leader or the follower?"* In situational leadership, the follower can illicit the desired behaviour from the leader, depending on the follower's behaviour, that is the follower, by her actions/behaviour determines the leader's behaviour. Hersey and Blanchard (1998:179) add another thought to be pondered: the reason for a leader style that is not our "natural" style is often our most *effective* style? Hersey and Blanchard (1993:179) states that the reason: our "natural" styles have been worked at, practiced, and have become second nature to us, hence we do not have to put the same effort and skill into it as the learned styles ("unnatural), and as a result it is not as effective. They reiterate the flexible and user friendly value/benefit of situational leadership, in that it is not dictatorial with set rules. Based on the behavioural sciences, situational leadership strives to and attempts to improve or find a workable solution to leader – follower problems; so that managers will be able to realize the outcome they are striving from human resources. A more comprehensive version of the

situational leadership model will be presented that pulls together the dimensions, the concepts, and the interplay between the various combinations, which will consolidate the various models discussed in this section. In essence this version will provide a "snapshot" reference, in this sequence, to assist in:

- diagnosing the level of readiness
- adapting by selecting high probability leadership styles, and
- communicating these styles effectively to influence behaviour.

To this end, the leader should assist followers develop in readiness as much as they are able and willing to proceed; by adapting leadership behaviour through the four styles along the prescriptive curve.

Figure 2.17 Expanded Situational Leadership Model

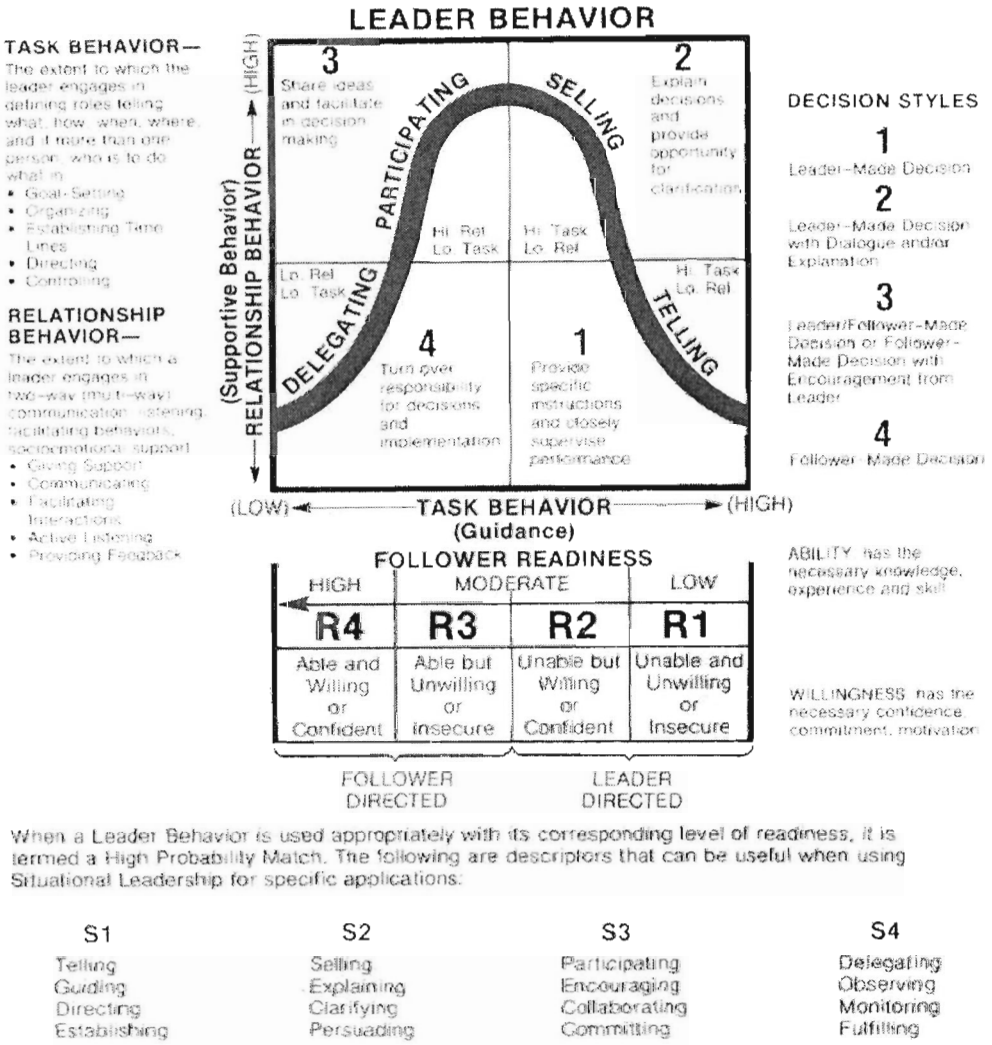


Figure 8-4 Expanded Situational Leadership Model[15]

Source: Hersey and Blanchard, Management of Organisational Behaviour, 1998:182

Hersey and Blanchard (1993:193) advocates that to influence followers with low readiness to become productive, the leader should apply strong direction (task behaviour). Positive reinforcement and socio-emotional support (relationship behaviour) should be awarded to unready followers who become ready. They believe as followers reach higher levels of readiness, the leader should diminish control over task and

human relationship behaviour, and increase the degree of autonomy, hence demonstrating their confidence and trust in people. Change may take place at any level of readiness, signalling to the leader the need to reassess the readiness level of the follower and retrace the steps in the prescriptive curve, ensuring socio-emotional support and direction is provided, according to Hersey and Blanchard (1993:193).

2.7 STRATEGIC LEADERS

Strategic leaders forms a crucial part of leadership styles and to this end the author will review literature by William E. Rothschild`s latest book, entitled, Risktaker, Caretaker, Surgeon, Undertaker: The Four Faces of Strategic Leadership (1993): to highlight the different leadership styles required at the different life cycle of a business. Rothschild (1993:79) puts it succinctly, "Strategic leadership is very simple." In his book, Rothschild (1993:79) links three key factors, the organisation, its strategic goals to the leader, and the team. These three factors working together are the vital to the success of the organisation. This will unfold in the discussion that follows, and show how each concept is linked, and any weak link will prove fatal for the organisation.

For sustainable success, the organisation must decide where it wants to invest, design a competitive advantage (differentiator), engage the "right" leader who must be able to identify the "right" team. Once these three fundamentals are in place, the way forward is "good" management.

Rothschild (1993:79) is of the opinion, that most organisations do not see the connection between these three fundamentals, namely, the leader with the team with the strategy. The connections are of utmost importance to ensure the success of the organisation. The three fundamentals must all fit together like a jigsaw puzzle, failing which Rothschild (1993:79) claims, the organisation will not succeed in its strategic goals.

2.7.1. Leader and life-cycle phase must be matched

It is a given fact that all organisations have a group of products, and / or possibly businesses. These organisations could be in different stages of its life, some on a growth cycle, others maturing, while others are waning. Rothschild (1993:79) is of the opinion, that a different kind of leader is crucial to direct the organisation in each stage of its life cycle. Due to the dynamics of the organisation in each stage, the leader must possess exact attitudes and skills in dealing with the change and risk involved. According to Rothschild (1993:79) one of the reasons strategic management became so popular in the 1970s and early 1980s was that many organisations had expanded by acquisitions and diversification. Due to this diverse portfolio of businesses, organisations found that one strategy did not prove successful in all their different business interests. In addition, they also discovered that while some of the business entities or product lines proved lucrative, others were the opposite.

Rothschild (1993:80) believes strategic thinking equipped organisations with the proper instruments to identify the different types of businesses and make decisions with regards to allocating restricted resources. It also enhanced the leader's skills to restructure and terminate unwanted products and business units. He went on to add that strategic thinking was instrumental in assisting leaders to decide on acquisitions that would add value strengthen the organisation, and consequently give them a competitive advantage in their targeted market environments. A successful organisation, continuously seeks out growth opportunities, however, cash is required for investment in new ventures. These organisations rely on strong, profitable entities within the organisation to provide the cash in order to grow the business by seeking out growth

opportunities. Rothschild (1993:80) said: "*businesses that cannot finance their growth have a tendency of not to succeed because of the onerous tasks of servicing debt, causing financial distress, and consequently the need to think and manage in the short term basis.*" He emphasised that strategic thinking allows the organisation / leader to distinguish the differences in businesses and have different strategies and resource provisions systems pertinent to each type of business. Rothschild (1993:80) said that successful organisations must be able to have the aptitude to decide on and place the right leader in the right job at the right time. Rothschild (1993:81), in his capacity of corporate planner at General Electric, had personal involvement in making such assessments and decisions. Due to the complex nature of the organisation, having both success stories and failures within their portfolio of companies, Rothschild (1993:81) was able to apply strategic thinking and make the right decisions. Rothschild (1993:810 reasoned that if it is accepted that an organisation may have a range / selection of businesses or products, there should be concomitant acceptance that organisation will need a range / selection of leaders. To make his point and reinforce the logic of strategic leadership, Rothschild (1993: 80) asks the following questions:

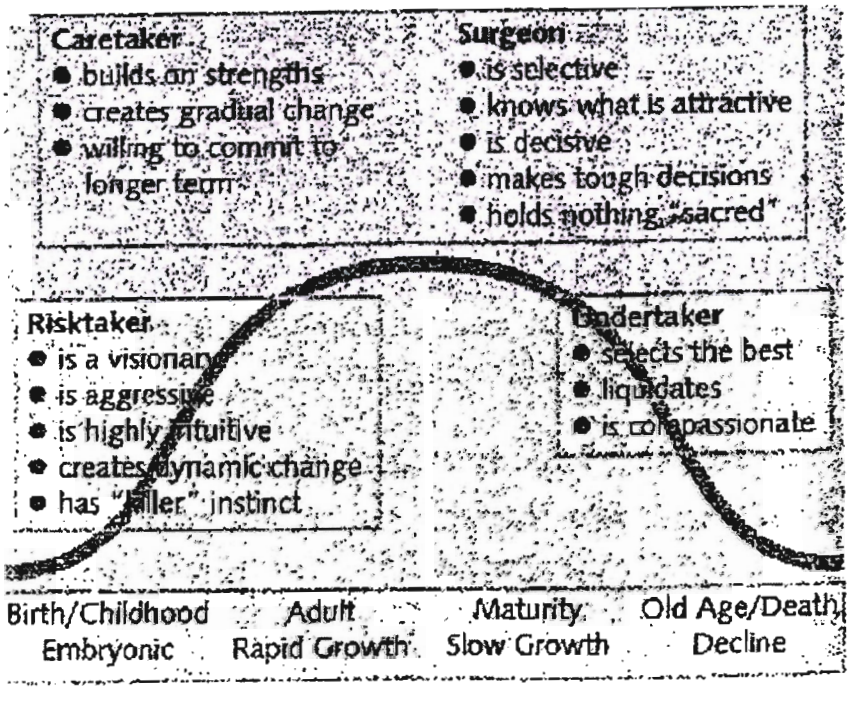
- "Have you ever seen a successful growth business led by a low risk micro manager?"
- "Have you witnessed the frustration of a high risk taker trying to manage a conservative, incremental business or trying to lead a business that needs to be pruned?"

The answer was resounding "yes". Rothschild (1993:81) said: "*the above-mentioned scenarios are reality, it happens and are catastrophic. Having the wrong type of leader is a recipe for failure of people, business units and product lines.*"

According to Rothschild (1993:82) in order to match the leader to the business life cycle, the leader needs to be matched to

the needs of the organisation. He said: "make sure the leader has the right risk profile and the time horizon."

Figure 2.18 Linking Strategy and Leaders



Source: William E. Rothschild, The Four Faces of Strategic Leadership, (1993:80)

Figure 2.18 shows the life cycle of an organisation and the right type of leader required to make the necessary changes in each of the stages of the life cycle. Rothschild (1993:80-81) describes the different leaders as follows:

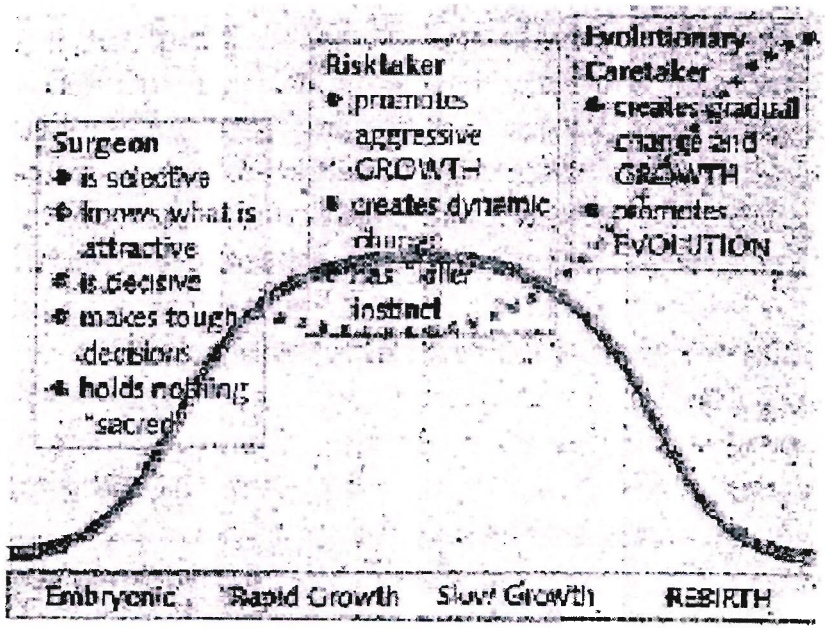
Risk taker - in the beginning of its life cycle, at an embryonic stage, risk takers are needed to manage the organisation.

Caretaker - on reaching a specific size and magnitude, leader has to have qualities of a caretaker.

Surgeon - as the organisation progressively matures, pruning will be required consequently the leader with the ability of a practiced surgeon will become necessary.

Undertaker - the final stage, whereby the organisation or the product line may have to be "killed" warrants a leader with the skills of an undertaker. Rothschild (1993:81) is of the opinion each type of leader is different and the chances of a single leader managing all four stages of the life cycle of the organisation are very unusual. Organisational reengineering and restructuring as a business strategy indicates that it not unusual to find the demise of organisations, however, according to Rothschild (1993:81), having the right strategic leader can change the organisation and its place it in a new cycle of continued growth, as graphically represented below:

Figure 2.19 Leadership Required in Reengineering / Restructuring



Source: William E. Rothschild, The Four Faces of Strategic Leadership, (1993:81)

Rothschild (1993:81) believes that in order to reengineer or restructure an organisation, a leader with the skills of a

surgeon is required. The surgeon should have the following attributes as leader:

- refuse to hold anything sacrosanct
- methodically decide on which parts of the organisation are viable to retain, or which are unappealing or lack a true strategic fit. Leaders acting as caretakers or "premature undertakers" who attempted to restructure and simultaneously protecting the tradition and the "heritage of the organisation" have unsuccessful.

Rothschild (1993:83) said: "a *successful surgeon does not discard the unproductive parts but recognises all property / resources have intrinsic value and solicit other companies that would like or require that the organisation plans on discarding. A strategic leader that uses strategic thinking in divesting, and simultaneously making a profit, is Jack Welsh, the Chief Executive Officer of General Electric. On identifying companies that is unattractive or lacking a true strategic fit, Jack Welsh, breaks the portfolio into pieces and either sells them or trades them, only retaining companies that would increase investor worth."* It is all very well, installing a surgeon to carry out the task of cutting costs, however, after the surgeon has completed her job, where to from hereon?
Rothschild (1993:81) is quick to caution organisations to be aware of the actions of a surgeon, bearing in mind, that the outcome of sustained cost cutting will be "corporate anorexia" and consequently a slow painful death. Therefore the organisation must take cognisance of the time span and objectives of the strategic leader. He firmly believes that once the surgeon has productively applied her skills and completed the surgery required this leader should move over and allows the organisation to substitute a "dynamic top-line grower, a risk taker leader to take over the leadership of the business.

Rothschild (1993:81) said that depending on the turnabout time available, an evolutionary caretaker may be apposite in focusing on ensuring a sustainable growth on both the top line (revenue) and the bottom line (earnings). Classifying businesses or product lines into different evolutionary stages will assist organisations to establish whether current leaders fit the needs of the individual businesses. Organisations must desist from having extreme leadership styles in the job. Whenever there is a mismatch of leaders the organisation experiences negative results an indication of employing / installing wrong leadership type. Picture a surgeon trying to manage a growth business. The surgeon would concentrate on eliminating or reducing costs, instead of focusing on growing the business, proving disastrous for the organisation.

2.7.2 Matching the leader to the strategic differentiator

This step involves the competitive advantage that the organisation holds / enjoys. Rothschild (1993:81) `s second step of strategic thinking and decision making involves deciding on ways to increase and retain a sustainable competitive advantage by carefully analysing the present and expected market, the customers, the competitors and changing trade characteristics. In order to beat competitors and market threats, the organisation has to find its strengths and identify opportunities. Depending on the industry, customer market, for example, organisations create a sustainable competitive advantage, thereby creating an obstacle to competitors and would be threats. According to Rothschild (1993:85) some common competitive advantages are:

- What to sell: innovative, differentiated products and services.

- How to sell: unique and strong sales and distribution networks or diverse ways of attaining and converting customers.
- Lowest Cost: Unique way of manufacturing or to supply products and services at the lowest cost, thus ensuring customer and market demands are met swiftly.
- Strong Financial Differentiator: develop a unique advantage.

Rothschild (1993:81-82) emphasises that the strategic differentiators have to be genuine, actionable and sustainable strengths, not just "wish lists". After identifying the strategic differentiator, the next fundamental step is to match this to the skills of the strategic leader and the team to the competitive differentiator.

Table 2.7 Matching the strategic differentiators with leader talents

Differentiator	Leader Talents
What to sell (Products / Applications	Product / Service Innovation Problem Solving Skills
How to Sell (Approaches / Distributions	Selling / Marketing skills Relationship orientation
How to Make / Source	Production / Logistics skills Costs / Efficiency orientation
How to Finance	Financial creativity

Source: William E. Rothschild, The Four Faces of Strategic Leadership, (1993:81)

Rothschild (1993:82) takes cognisance of the fact that leaders are people first and then leaders having diverse talents and skills and diverse degrees of forbearance for risk and uncertainty. Different people make different types of leaders. Some may have a propensity for sales and marketing, others for financial analysts. However, should the leader not have the aptitude, loyalty and drive to implement the strategic differentiator and achieve the competitive advantage, then the leader must be replaced by a new leader. Rothschild (1993: 82) asks the questions to reiterate the importance of matching the leader to the differentiator: *"how many times have you seen a financial expert succeed in a marketing and sales driven company?"* Or have you seen a marketing professional succeed in a situation that required the talents of a financial leader?" He claims that in most organisations not matching the talents and strategic needs equates to failure for the leader, the company and on a wider scale, society.

- Match the team to the leader and the strategy

This step follows on logically from the previous step, whereby the strategic differentiator is matched to the leader.

If for example, a business entity is going to use "a strong financial position" as its strategic differentiator, this entity's game plan would be to outperform all its competitors, which is characteristic in a dynamic and aggressive market. Rothschild (1993:82) asks the following question and provides the answer below: *"what constitutes the right team required to support a leader with the job?"* The tasks of such a team would be to:

- The product designers must package the product to appeal to the market. The product must look the part, and its features must be appealing and easy to use.

- The sales force must be highly aggressive and have a strong "missionary instinct". It must enjoy prime shelf space in the stores and must not take a secondary position. Advertising must be aggressive, timely, and strongly related to the reasons the customer buys.
- The logistical system must be in place so that there are no stock outs.
- Finally, the team must be willing to fix the customer `s problem quickly. If for example, the customer cannot get Windows 95 to work, the toll free number must be available and responsive.

Rothschild (1993:84) believes the leader requires support from a vibrant, forceful, and competitive, flexible and innovative team. The service and support provided by the team must meet or surpass customers` expectations. Bill Gates` strategy differentiator is sales and marketing however; this could be a potential problem for Gates, as he has created high expectations, which could be a disappointment for many of his users should his team not deliver. Each differentiator requires a specialised team bearing in mind, that there would be a differentiated organisation, compensation, and reward systems. Switching / changing the leader and her team from one differentiator to another, is not easily achieved, and in addition, the people involved would not find it easy to adapt. Rothschild (1993:84) firmly believes the team, the organisation, and the measurement and reward systems must match if not the strategy will either be doomed to failure or perform at sub optimal levels. To ensure success, there has to be synergy between all the role players. Recognise that nothing lasts forever. Generally, the feeling is if something works it is a recipe for success. However, if successful companies or business entities followed this advice, there

could potentially be problems. Rothschild (1993:83) said that if an organisation has a winning strategy, leader, and team there is a strong temptation to hold on, keep it in place, and assume it will continue to work. However, this attitude can lead to trouble as shown in the table below:

Table 2.8 Nothing lasts forever

Waited Too Long To Change

- IBM stayed with caretaking/evolutionary management too long. It was slow to recognise the PC revolution, and then gave away the crown jewels and helped Microsoft and Intel becomes the leaders.
- GM stayed with caretaking, financially driven leaders. It invested in diversification, instead of core businesses and refused to recognise importers and the importance of responding to customer needs.
- Kodak stayed with caretakers and product evolutionaries and missed the imaging revolution.

On The Job Too Long

- Peter Grace became a "legend in his own mind" while at the head of W.R. Grace.
- Ken Olsen stayed around too long at DEC and missed the micro market.
- And Wang made Wang a family business, but his son was not a leader.

Succession Planning Needed

- How long can Jack Welsh continue to be successful at GE? Who will Replace him?
- Are Microsoft, Intel, and other high fliers prepared for the next stage? It may come sooner than they think.

Source: William E. Rothschild, The Four Faces of Strategic Leadership (1993: 83)

Rothschild (1993:84) said: "this step in strategic thinking leaves one with the question of when to change leaders and teams?" Rothschild (1993:84) is of the belief that a company that fully understands its markets and when a business or product line is moving from one stage of the life cycle to the next will be more readily prepared to make the necessary changes. In addition, if the company has a system of monitoring its customer base, technology, and competitive patterns, it will know the type of differentiator that will give the company the competitive edge, and consequently making it successful. Strategic leader has been developed to provide strong strategic management, which is made up of internal and external sensors that will give the company warning signs to make changes and act as a proactive signal, ensuring there are no surprises and change is systematically planned. According to Rothschild (1993:84), having discussed strategic leadership, the team and the implications thereof, the questions arises as to whether the present leader and the team are trainable and ready to make the necessary changes or is a new leader and team needed. It is possible to transform, however, it is uncommon. Rothschild (1993:84) strongly feels that it is preferable to bring in a new leader and team, using the premise that when the strategy changes, so must the team. Please note the present team is not wasted, but moved onto a new situation, where their strengths could be fruitfully utilised. He goes on to add that the replacement of leaders and teams should be conducted in a methodical way, with no leader being in charge for more than eight to ten years. Rothschild (1993:84) said "*having a leader in power for too long becomes problematic insofar as, power / authority and organisations, invariably find that such leaders are not willing to make changes or to hand over the reins.*" Ideally strategic leaders must fit in with the strategic direction and life cycle of the company. It is of utmost importance that they have the ability

and the devotion / loyalty to execute the strategic differentiator, allowing them sufficient time to achieve the results, implement succession planning and make an exist on a winning streak.

2.8 CORPORATE CULTURE

According to Thompson and Strickland (2001:410), corporate culture is basically an organisation's values, beliefs, business principles, traditions, ways of operating, and internal work environment; which grows from a multifarious grouping of sociological factors functioning within the internal organisation. Culture originates from many different sources, the most common being the founder or strong leaders, who project an image of being the organisational culture or its policies and procedures; which employees and managers must adhere to. Gerry Johnson (1998:138) defines culture as that which is taken for granted in a society or organisation. Corporate culture is the reason for the organisation's existence that is the routines, the systems and the structure of the organisation. According to Gerry Johnson (1998:138), culture is taken for granted as to the way things are done within the organisation. Thompson and Strickland (2001:410) said that corporate culture provides a set of guidelines which employees and other stakeholders operate within the work environment, called a cultural web. The cultural web is useful within an organisation and is beneficial to its employees for the following reasons:

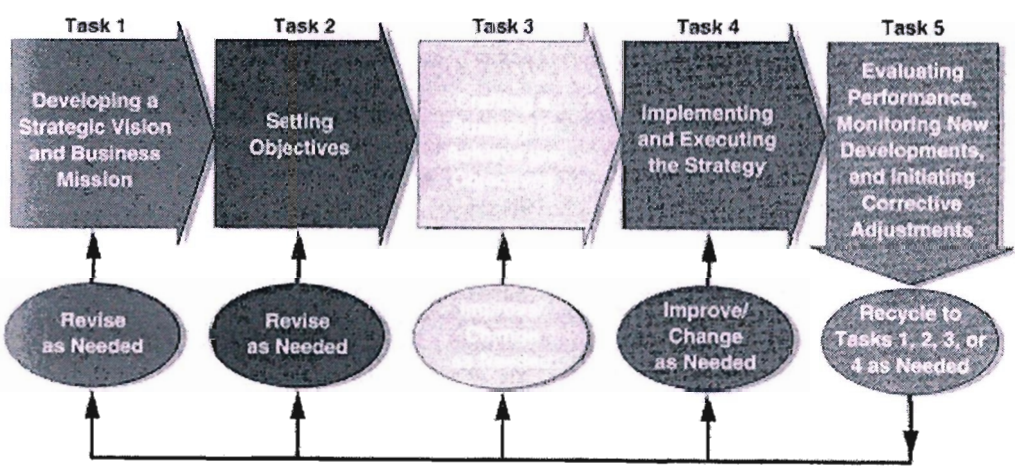
- it simplifies complex situations
- could be an organisation's competitive advantage providing it is unique to the organisation.

  As much as it has it is useful, it could also have the following negative effects:

- New ideas, thinking, opinions and information may be stifled or suppressed.
- Culture may be very difficult to change.

According to Thompson and Strickland (2001:19) for organisations to implement and execute their strategies, people must have managerial skills to carry out the exercise proficiently and produce gaol oriented results. They further added that (2001:19): "*strategy execution is an action oriented, hands-on process, the core functions are to develop competencies, capabilities, budgeting, policymaking, motivating, culture building, and leadership.* Implementing and executing the strategy falls into fourth place within the five tasks strategic management; requiring either an improvement or change as needed by the organisation.

Figure 2.20 The Five Tasks of Strategic Management



Source: Thompson and Strickland, Crafting and Executing a Strategy, 2001:7

The combined effect of corporate culture and leadership are the key to effective execution of strategy; as advocated below:

- Sun Zi said that weak leadership can wreck the soundest strategy; forceful execution of even a poor plan can often bring victory.
- Noel M. Tichy (1986:13) said that leadership is accomplishing something through other people that wouln`t have happened if you weren`t there...Leadship is being able to mobilise ideas and values that energise other people... Leaders develop a story line that engages other people.

Thompson and Strickland (2001:439) said that organisations need to build a strategy supportive corporate culture because it is the foundation on which the work climate and spirit of the organisation is built, thus striving to meet performance targets and success. It can either be deeply embedded or conversely, operate superficially, while others are detrimental to the organisation. Thompson and Strickland (2001:439) said: "*that poor or bad corporate culture is driven by expediency, change adverse and narrow visioned people. In their opinion, fast changing business environments should adopt adaptive cultures because these are more readily acceptable and support the organisation to adapt to environmental changes.*" They were quick to point out that these must be in well-matched with cores values and beliefs. Thompson and Strickland (1998:439) said: "o*ne significant defining trait of adaptive cultures is that top management genuinely cares about the well being all of key constituencies-customers, employees, stockholders, major suppliers and the communities where it operates-and tries to satisfy all their legitimate interests simultaneously. Changing a company's culture, with traits that do not fit a new strategy requirement is one of the toughest management challenge.*" Gerry Johnson (1998:137) agrees: "o*ne of the main problems organisations face in managing strategic change is effecting change in*

organisational culture." Change in organisational culture involves proficient top leadership. Leaders have to be committed and show changes in their actions. According to Thompson and Strickland (1998:439), *"the stronger the fit between culture and strategy, the less the manager have to depend on policies, rules, procedures, and supervision to enforce what people should and should not do; rather, cultural norms are so well observed that they automatically guide behaviour."*

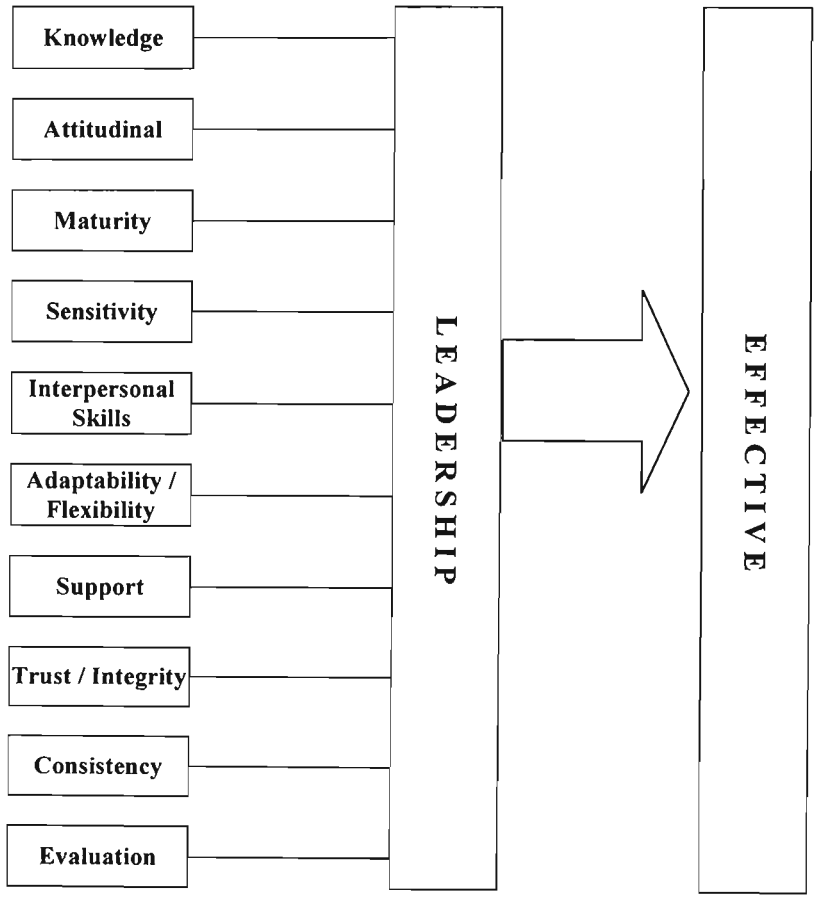
Successful managers emulate strategy executing leadership by being at the coal face, instead of being desk bound, available to employees by listening, communicating, coaching stroking and gathering important information. Encouraging creative and innovative thinking and ideas should be encouraged to enable the organisation to be receptive to environmental changes, exploit new opportunities and take initiatives. Thompson and Strickland (1998:439) believes successful managers should, ideally, support and encourage new initiatives, new thinkers at the risk of calculated failure. Corporate culture is a vital link to leadership, an internal environment in which leadership operates. Corporate culture is the underpinning critical success factor in which leadership operates

2.9 COMPOSITE MODEL OF LEADERSHIP WITHIN THE CONTEXT OF CORPORATE CULTURE

Drawing from the best practice of leadership theories, the author has developed a composite model of leadership underpinned by the corporate culture, that makes an effective leader. The leadership qualities described in the model are appropriate to the case study. Hersey and Blanchard (1993:403) is of the opinion for successful organisational performance, an effective leader's should include, amongst others, knowledge, attitudinal, maturity, sensitivity,

interpersonal skills, adaptability, support, trust, consistency and evaluation. To be effective and successful, a leader must have a mixture of the above-mentioned competencies. Hersey and Blanchard (1993:407) believe the degree of the competent is not of major concern, providing it is present. Hersey and Blanchard (1993:407) said that the degree of the competent low levels in certain competencies can be compensated for by competencies that have higher levels, providing these are developed. This thesis will be based on the composite model of leadership and its effectiveness on leaders.

Figure 2.21 Composite Model of Leadership



2.9.1 Knowledge

According to Kirkpatrick and Locke (1991:41-60) knowledge of the business is a leadership trait that does matter. Knowledge is power. Hersey and Blanchard (1993:407), believes that knowledge as being power can be used to gain competitive advantage. Prior to being appointed, the organization should ensure, especially in the case of senior leaders / managers, that prospective candidates have sufficient knowledge of the type of business or industry the organization is involved in. Kirkpatrick and Locke (1991:41-60) said that knowledge of the business is one of the strategies of the organization and having an in depth knowledge of the business, will give the leader a competitive edge.

- Type of Business

  The first aspect entails understanding the specific type of business, the organisation, its people (staff), its customers, the area (location), and the competitors.

  The leader needs to have an in depth understanding each of these dynamics, which must be exploited during the different stages of the life cycle of the business.

- Business Life Cycle

  The second aspect of knowledge is to understand the life cycle of the business. According to Rothschild`s Four Faces of Strategic Leadership (1993:79), a different leader is required during the different life cycle of the business. When an organization knows and understands exactly where a business fits on the life line, the correct leader can be placed in the business to exploit the competitive advantage. Rothschild`s Four Faces of Strategic Leadership (1993:79), claims that a different leader is required at different stages of a business life cycle. Most organisations place a single leader in a business, until the leader leaves the organization or is promoted within the organization. Assessing exactly

where the business lies on the life cycle, is important for every role player; that is the organization, the leader, the staff and to outdo the competition.

2.9.2 Attitudinal

Sak Onkvisit and John Shaw (1998: 41-50), defines attitudes as a *"learned tendency to respond to an object in a consistently favourable or unfavourable way."* Attitudes comprise of three components, namely, affective (emotion), cognitive (knowledge) and conative (behavioural) tendency (desire or purpose). Attitudes include non – verbal expression such as facial expressions or body language, or may not be expressed at all. According to Frederick Herzberg (1982:80-88), people's attitudes are more of a consequence of their behaviour than precursors to behaviours. Frederick Herzberg (1982:80-88), added that attitudes are the rationalizations, confirmations, and justifications of the behaviour that our abilities and opportunities essentially permit.

2.9.3 Maturity

Argyris` Immaturity – Maturity Theory (1962:13), states that seven changes should take place in the personality of individuals if they are to develop into mature people over the years. Argyri`s (1962:13) is of the opinion that these changes lie on a continuum and that a "healthy" personality develops along the continuum from a state of immaturity to a state of maturity as shown in the table below:

Table 2.9 Argyris` Immaturity – Maturity Continuum

Immaturity →	*Maturity*
Passive	Active
Dependence	Independence
Behave in a few ways	Capable of behaving in many ways
Erratic shallow interests	Deeper and stronger interests
Short time perspective	Long time perspective (past and future)
Subordinate position	Equal or superordinate position
Lack of awareness of self	Awareness and control over self

Source: Hersey and Blanchard, Management of OrganisationalBehaviour, 1998:61

2.9.4. Sensitivity

An important characteristic of an effective leader is to be human. To be human, requires a person to be sensitive to others, the social environment and oneself. Hersey and Blanchard (1998: 407) are of the opinion people having varying degrees of sensitivities. A leader who is sensitive, can judge the relevancy of perceptions, which can guide her choice of influence efforts. According to Tannenbaum, Weschler and Massarik (1961:312) the most important competency of a leader is social sensitivity to the follower (staff / colleagues, business associates) whom she wants to influence, including the follower's needs, feelings and motivations. Sensitivity includes a wide range of concepts, including, interpersonal sensitivity towards individuals, and sensitivity toward self, (insight" into self). As a generic, includes, empathy, diagnostic skill, understanding others. The leader may need to understand many aspects of the follower's personality and the follower's situation. According to McCall and Lombardo`s (1983:26-31) fatal flaws of unsuccessful leaders; insensitivity was the most frequent cause for derailment in not reaching the top as a leader.

2.9.5. Interpersonal Skills

Hersey and Blanchard (1998:59-62) defines interpersonal skills as involving human relationships, encompassing influencing and understanding people through the process of communication; and the competence skills of a leader. Hersey and Blanchard (1998: 59-61) believe an effective leader should possess strong interpersonal skills in order to be able to influence people to deliver results. Understanding people is the key to influencing them.

2.9.6. Adaptability/Flexibility

Adapting is one of the three competencies of leadership, according to Hersey and Blanchard (1993:5-6); which entails behavioural competency. Hersey and Blanchard (1993:408) Hersey and Blanchard (1993:408) said: *"it involves adapting the manager's behaviour and other resources in a way that helps to close the gap between the current situation and what the manager wants to achieve."* Hersey and Blanchard (1993:488-490) refers to action flexibility which is related to the leader's personality structure, in particular his / her action capacities. Rigidities in the personality structure, lack of experience and training, and similar shortcomings may restrict the leader's capacities for behaviour and flexibility for communication claims Hersey and Blanchard (1993:488). A leader that can adapt his / her management skills to fit in with his / her followers within a given situation is the essence of an effective leader and considered one of the most important dimensions of success, according to Tannenbaum, Weschler and Massarik (1961: 312).

2.9.7. Support

Hersey and Blanchard (1993:408) call it organisational support, commonly known as "HELP" Support is needed by the follower for effective task completion. According to Hersey and Blanchard (1993:408) support factors should include, adequate budget,

equipment and facilities for task completion, support from other departments, product quality and availability and supply of human resources. The pinnacle of support should be forthcoming from the leader of the organization, claims Hersey and Blanchard (1993:408) and should be levelled at the different hierarchical levels within the organisational. Even if it cannot be delivered personally, the support should filter from the top and pervade the organization, by following the leader's example. Whatever, is given by the leader should be reciprocated throughout the organization.

2.9.8. Trust / Integrity

De Beer, Roussouw, Moolman, et al (1998:200) said that leaders who are known for their honesty and integrity usually have a large following. The followers know that they can trust their leader, and make decisions which are in their best interest. Peter Drucker (1999:277) said: *"trust is the conviction that the leader means what he says. It is a belief in something very old fashion, called "integrity". Effective leadership is not based on being clever; is based primarily on being consistent. Without integrity, leadership disintegrates into a farce."*

2.9.9. Consistency

Hersey and Blanchard (1993:134-135) said: "*consistent leadership behaviour is not using the same leadership style all the time, but using a style suitable for the follower's readiness, so that followers understand the reason for the leader's behaviour.*" Inconsistent behaviour is using the same style in every situation. To be consistent, managers must behave the same way in similar situations for all parties concerned. Hersey and Blanchard (1993:134-135) strongly believe that managers must match their behaviour with the readiness, performance and demonstrated ability of the follower. Hersey and Blanchard (1993:134-135) further added that the leader's behaviour must be

consistent with the leader's attitude. It must be stated that the same behaviour / action must be used under the same circumstances. A leader should not apply different rules for different people, rather the principle should be he same outcome for the same action.

2.9.10 Evaluation

According to Hersey and Blanchard (1993:408) evaluation refers to informal day to day performance feedback, as well as, formal reviews. Effective feedback lets followers know, on an on going basis, how well they are doing their job. Hersey and Blanchard (1993:408) said that it is an unrealistic to expect followers to improve their performance if they are unaware or uninformed that performance problems exist. People should be given feedback on a regular basis before their formal evaluation takes place. Many problems can be caused by lack of necessary coaching and performance feedback. An evaluation problem may be caused by the lack of day to day feedback on both effective and ineffective performance. Most managers have a tendency to focus on bad news, and forget to or do not acknowledge when things are going well, claims Hersey and Blanchard (1993:408). Acknowledgement / recognition for a job well done are crucial to the ongoing evaluation process.

2.10 EFFECTIVENESS

Being effective is getting the results, that is doing things right. The composite model of leadership describes some important skills a leader should have in order to be an effective leader. In order for an organisation to be run effectively, a leader has to must perform four important roles; producing, implementing, innovating and integrating. This can be achieved by planning, organising, motivating and controlling. The leadership skills described above is important to deliver effective and success leadership and management. The human relationship in the

organisation is the most important aspect of a leader` job; building human relationships is the key to effectively run the organisation.

2.11 CONCLUSION

This chapter has been devoted to discussing the merits of different, yet similar leadership theories in context. From very early studies to contemporary works, two common threads runs through the theories, that is, task and human relationships, albeit different writers may have termed the descriptors different. From early to contemporary writers, the author has traced the different theories, later called models and ended the theories with an all encompassing leadership model, called situational leadership.
Previously many writers have undertaken the mammoth task of suggesting various theories and models to explain this very dynamic, continuously evolving concept, called leadership. There are as many writers as there are as many approaches. Some writers have piggy-backed on existing models, like Hersey and Blanchard, who used an outgrowth of the Managerial Grid. They expanded on the original model with its two crucial dimensions, task behaviour and human relationship behaviour, and as their theory progressed, they added on readiness and style.

The situational leadership model is seen as all encompassing, model because of its flexible, variable approach to leadership, involving both leader and follower. The leader's behaviour is dependant on follower. Their approach is outcomes based and reiterative, making both parties responsible and accountable. Whereas, in earlier models, the leader was primarily responsible for the follower's behaviour, activities and outcomes, Hersey and Blanchard uses behavioural sciences as their premise to determine situational behaviour.

Leadership theories cannot be discussed in isolation, because they operates within an organisation which has its own set of beliefs, values, rules, procedures and systems, commonly known as corporate culture. Corporate culture is unique to an organisation and is largely inbred. The organisation does not exist in a vacuum it operates within the culture that has evolved over time. Corporate cultures can either have either a positive or negative impact on leadership. Leaders function within the realms of corporate culture, which affects their behaviour and actions and ultimately the effectiveness of the leader.

The composite model will be used in the next chapter to describe the current situation in the case study.

CHAPTER 3

SITUATION – KINGSWAY HOSPITAL – NETCARE GROUP

3.1 INTRODUCTION

The author's composite model of leadership underpinned by corporate culture which was introduced in the previous chapter will be applied to the case study. The focus of this chapter will be components of the composite model of leadership within the current situation at Kingsway Hospital. The theories and the actual situation will link the case study to the problem statement;

Is the leader flexible to change his / her style to fit in with the team and business ethos or does the leader expect the organisation to fit in with his / her management style?

Are managers considered sacrosanct, the whole organisation expected to fit in with his / her style?

This chapter outlines of the background to the Netcare Group and Kingsway Hospital, including organisational structure and financial data. An overview of the three main competitors is outlined; identifying possible threats and the strategies available to Kingsway Hospital to overcome these.

The selection process and the core competencies of a Hospital General Manger (HGM) are presented, followed by review of the previous and current HGMs.

The current Hospital General Manager's (HGM) leadership style is presented, using the composite model of leadership within the Netcare Group corporate culture, which is summarised based on information and data collated from

personal interviews, discussions with various doctors, staff and patients at Kingsway Hospital.

3.2 BACKGROUND - NETCARE GROUP

History of the Network Healthcare Holdings Limited (Netcare)

Netcare is one of the top fifty companies to work for in South Africa, having enjoyed a meteoric rise to success and its expansion into the global market in a relatively short period. Netcare is run by a predominately young dynamic Executive Team based at its Head Office in Sandton, Johanessburg. The financial results of the holding company will be disclosed for purposes of demonstrating its financial worth, its clout and success, with a core group of management and staff at the operations levels. Network Healthcare Holdings Limited (Netcare) has come to be recognized as an exceptional business success story, having started from a single day clinic and grown to Africa`s largest private hospital and doctor network. The group, which was listed on the Johannesburg Stock Exchange (JSE) in 1996, and currently owns forty-five hospitals, with sixty-one specialised medical units, fifty-three complementary health-related facilities – the Medicross Family Medical and Dental Centres. More than sixty percent of medical practitioners are in private practice supports Netcare. By acquiring Medicross, Netcare is able to provide high quality private, primary healthcare services to South Africa's urban population. The Group currently comprises five independent operating divisions, namely:

- Netcare Hospital Group

Backed by more than forty years experience in the healthcare industry, Netcare`s hospitals and specialised units represent the most modern and dedicated medical facilities in Southern Africa. The staff, medical practitioners and equipment at these hospitals are equal to the best in the world – a status maintained through on-going investment, training and a quest

for patient service excellence. In line with the Group's dedication to offering patients access to personalised, world class medical attention in the most centres of excellence in numerous fields. Netcare boosts seven thousand four hundred beds and some sixteen thousand staff members.

- Medicross Healthcare Group

Medicross Family and Dental Centres, is a primary one-stop healthcare medical resource base, which operates over extended hours, seven days a week, including Public Holidays, providing extensive range of medical, dental and community healthcare services under one location. Medicross comprises doctors, dentists, physiotherapists, dieticians, psychologists and medical specialists; is providing an integral support structure to these doctors with its in-house facilities.

- TraumaLink / Netcare911

TraumaLink has two operating divisions, namely, Ground Mobile Road Division and the Fixed / Rotary Wing Aeromedical division. The Ground Mobile Road division comprises the Netcare 911Emergency Units. The Fixed / Rotary Wing Aeromedical division comprises Netcare 911 Aeromedical Services. Launched in 1998, Netcare911 has grown to become South Africa's leader in Emergency Medical Services, offering a world class pre hospital emergency medical assistance to almost twenty percent of the country's population. In 2002, Netcare911 was endorsed and sponsored by Vodacom, and has responded to more than hundred thousand emergency calls in South Africa.

- Netcare International

Dedicated to expanding Netcare`s business operations beyond Southern Africa's borders through the provision of expertise and skill, rather than financial investment.

- Netcare Health Systems (NHS)

NHS is a healthcare management company, offering Netcare`s management and administrative expertise to the industry, via risk free management contracts.

Netcare also holds active interests in numerous other health related fields, which includes;

SAA-Netcare Travel Clinics – boasts the largest national and international travel advisory and infectious disease management operation on the African continent.

Netcare Transplant Division – Johannesburg based operation, offers transplants to those awaiting the "gift of life".

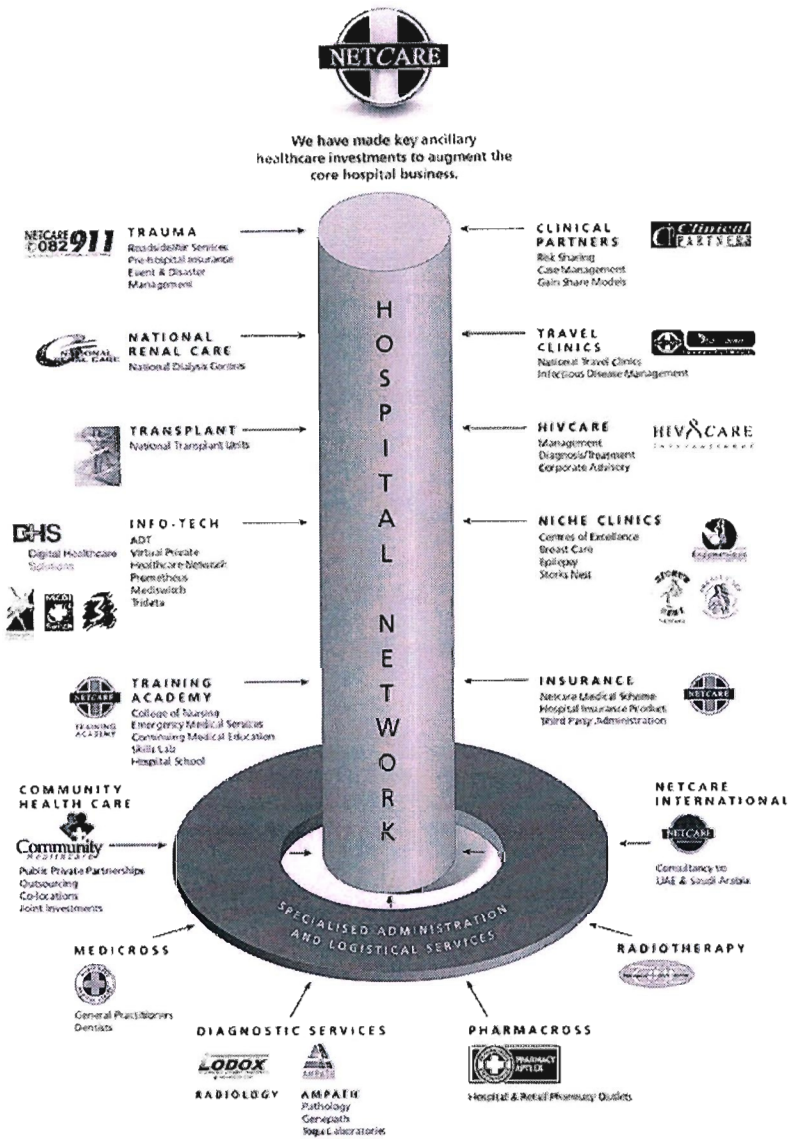
National Renal Care (NRC) – a joint venture between Netcare Hospital Group and pharmaceutical company, Adcock Ingram Limited, providing expert and holistic medical treatment and care to patients with acute or chronic renal problems.

Digital Healthcare Solutions – Netcare holds a stake in an e-commerce company, providing a cost effective replacement of paper-based billing systems.

Lodox – In November 2001, Netcare with association with Lodox Systems, DeBeers and the Industrial Development Corporation launched a digital, full body low dosage X-ray diagnostic system.

Genecare – In April 2002, Netcare was instrumental in the establishment of the first independent bio-technology laboratory focusing on molecular genetic testing in a clinical setting in Southern Africa.

Figure 2.22 The Netcare Core Group Activities



Source: Netcare Investor Centre

3.2.1 Netcare`s Vision Statement

Netcare aspires to become a global, integrated healthcare organisation and prescribes to the undermentioned guiding principles:

- To create synergy by forming strong partnerships with those who share our values.

- To uphold the sanctity of life and exceed the expectations of each and every patient whose care is our primary concern.
- To attract premier physicians and specialists to our facilities and in partnership to better serve the healthcare needs of our communities.
- To treat our patients, our staff, our medical specialists and our partners with respect and dignity.
- To hold integrity and honesty as our most important values and to strive to perform the highest ethical standards at all times.
- To ethically and transparently in our business and professional dealings with our patients.
- To apply quality leadership and management principles to foster continual employee development.
- To strive for continuous improvement in everything we do.
- To re-invest in the communities we serve.
- To challenge problems and solve them with creativity and innovation.

3.2.2 Netcare`s Values

- Partners

Our principles strengths are the medical specialists working at our hospitals and our staff whom we value highly and will strive to support in their in their personal and professional development. Honesty and integrity, teamwork, consultation and respect for others are our core human values.

- Patients

We acknowledge the rights of our patients and strive to exceed the expectations of quality care, service and outcomes.

Professional Care

We value high quality clinical care and services which have measurable outcomes and are both cost-effective and appropriate.

Shareholders

We value our shareholders and seek to provide them with above-averagereturns on their investments through loyalty, fidelity and efficient management. Netcare claims without applying their vision and guiding principles of conduct to their relationships and the service and care they offer, they could never achieve and maintain their position as the Premier Healthcare group in Africa. The Chief Executive Officer, Jack Shevel, said; "***People are our Greatest Assets***".

Netcare`s shareholder analysis is presented below:

Table 2.10 Netcare Group – Shareholder Analysis

Holdings	Breakdown of shares	Number of shareholders	Percentage of shareholders	Number of shares millions	Percentage of issued shares
	1 - 1 000	2 601	34,6	1,0	0,1
	1 001 - 50 000	3 949	52,6	36,9	2,5
	50 001 - 100 000	349	4,6	25,0	1,7
	100 001 - 10 000 000	589	7,8	567,1	39,0
	10 000 001 - 250 000 000	30	0,4	822,9	56,7
Totals		7 518	100,0	1 452,9	100,0

Category	Number of shareholders	Percentage of shareholders	Number of shares millions	Percentage of issued shares
Individuals	6 915	92,0	493,6	34,0
Companies	139	1,8	361,8	24,9
Investment and trust companies	218	2,9	445,4	30,6
Nominee companies	102	1,4	43,2	3,0
Other corporate bodies	144	1,9	108,9	7,5
Totals	7 518	100,0	1 452,9	100,0

SHARE OWNERSHIP AT 30 SEPTEMBER 2002

Major individual holdings (Excluding directors: For directors' shareholdings see directors' report.)
According to the register of shareholders and information provided to the directors or established from enquiries, and, pursuant to the provisions of Section 140A of the Companies Act, 1973, as amended, beneficial shareholdings at 30 September 2002 which represent 5,0% or more of the total issued shares of the company were:

	Number of shares millions	Percentage of issued shares*
The Public Investment Commissioner	174,8	12,0
The Netcare Trust	125,2	8,6

NOTE

Shareholder spread

Other than directors (13 shareholders holding in aggregate 12,0% of the Company's shares), there were no "non-public" shareholders holding in excess of 10,0% of the share capital of the Company.
7 503 Public shareholders held 85,9% of shares issued and 15 Non-public shareholders held 14,1% of shares issued.

*Percentages are based on shares in issue less shares repurchased by a wholly-owned subsidiary of Netcare.

Source: Netcare Investor Centre

3.2.3 Netcare`s Customers

Netcare`s primary customers are the doctors; the majority of whom are based at the individual hospitals. They are considered and treated as extremely important because they generate income for the hospital by booking patients into the hospital. And for Netcare that means "bums in beds"; which translates into revenue. Patients are considered secondary customers. Netcare provides the facilities that which the doctors use in order to treat patients, be it beds in wards or operating theatres. The majority of the public are under the misconception that the doctors are employees of Netcare.

3.2.4 Netcare Core Strategies

The Netcare Group's core strategies are its competitive advantages, strong marketing strategies and its brand name. Designed at a corporate level, the core strategies used nationally and encompasses all its divisions and subsidiaries.

- Competitive advantages includes amongst others, the facilities offered at the hospitals, such as number of beds, doctors based at the hospital (disciplines / specialists), theatres, skilled nursing staff, location, HGM, parking, pharmacy on site, refreshments, convenience.
- Marketing strategies – to position Netcare as a market leader in private healthcare by offering the competitive advantages (see above). To build relationships with the communities the hospitals serve. To form partnerships / build synergies with other businesses, such as Vodacom and insurance companies.
- Brand name is crucial to the success and sustainability of the organisation. Within a short time, approximately ten years, Netcare established its brand name nationally and internationally. The Netcare brand name is its biggest marketing tool.

3.2.5 Competitors

Private healthcare is very competitive and expensive, just like other industries / businesses. Private healthcare is only available to people who can afford it by means of medical aid cover or cash. Payments are made up front or collected before patients are discharged. There are three major groups, namely, Netcare, Afrox and Medi-Clinic dominate the private healthcare industry, excluding the small independents, such as Joint Medical Holdings. Competition for the slice of private healthcare, totally two billion medical aid members is very stiff amongst all groups. The Netcare Group dominates

Gauteng, Afrox, KwaZulu-Natal and Medi-Clinic, the Cape Province. The small independents are scattered throughout South Africa. The number of beds dictates the leader. Doctors and facilities also play an important role in terms of occupancies in the hospital. The empty beds have to filled by patients, and that is the doctor's responsibility.

- Afrox – Afrox Healthcare Limited is mostly situated in South and is recognised as one of the largest private healthcare operators outside the United States. Listed on the Johannesburg Stock Exchange in 1999 and is one of South Afica`s Top 100 companies. Offers seven thousand-five hundred to patients in South Africa and Botswana in sixty hospitals and day clinics.
- Medi-Clinic Private Hospital Group owns thirty-six hospitals in South Africa including Namibia and has ten thousand staff members
- Small Independents – located nationally, primarily run by doctors, providing significant competition to the major operators.

3.3 BACKGROUND TO KINGSWAY HOSPITAL (PTY) LTD

Kingsway Hospital (Pty) Limited is one of forty-six hospitals of the Netcare Group; based in Amanzimtoti, on the south coast of KwaZulu-Natal, approximately thirty kilometres from the Durban Central Business District. Kingsway Hospital was built by a group of private doctors from the community in 1983, and operated under Clinic Holdings. In 1997 Netcare purchased Kingsway Hospital from Clinic Holdings under a special dispensation to eventually purchase all hospitals under Clinic Holdings. There has been very minimal structural changes to the original building however, the entire hospital was given a cosmetic facelift and given a "hotel" like

appearance since its takeover by the Netcare Group; changing it from a mainly white community hospital into a first world private hospital, serving a larger community. First class healthcare facilities are available at Kingsway Hospital, comprising one hundred and thirty-five beds and ranging from primary to tertiary healthcare and anything in between. Kingsway has five operating theatres, a medical centre and doctors' suites, housing general practioners to super specialists such as maxilla facial and neurosurgeons. Kingsway's maternity unit boasts a water birth facility, the only Netcare hospital in KwaZulu-Natal to cater for water births. Kingsway currently has a staff complement of two hundred and fifty staff; predominately females; made up of one hundred non nursing and one hundred and sixty nursing staff. Due to the global demand and chronic shortage of nursing staff, there is a high turnover of nursing staff at Kingsway. However, Kingsway has its own unique set of problems that exacerbates the natural attrition of staff due to external factors. This hospital carries its historical racial baggage with it, having served a predominately White Afrikaans speaking population as well, as employing predominately white Afrikaans staff. Albeit there is a mixed doctor and patient base, the majority of doctors, staff and patients are dominated by White Afrikaans speaking people from the community. Although Amanzimtoti was recently incorporated into the greater eTekwini Municipality (2002), it has made very little progress in shedding its historical baggage.

3.3.1 Kingsway Hospital - Core Strategies

Kingsway Hospital core strategies should be modelled on Netcare's corporate strategies mentioned in 3.2.4 above. Being part of the Netcare Group and sharing the same vision, mission and goals Kingsway should align its core strategies with the corporate vision, mission and goal. It is important that each

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entity within the group develop its own local strategies to cater for the communities it serves.

- Competitive advantages – being part of the Netcare Group and providing first class private healthcare facilities.
- Marketing strategies – developing and modelling local marketing strategies that is in line with corporate initiatives. By actively providing exposure to Kingsway Hospital by taking the name to the communities and industries.
- Brand name – a name that is well established nationally, and should be exploited locally.

3.3.2 Competitors

Isipingo Hospital is part of the Joint Medical Holdings Limited, comprising two hospitals and two clinics situated in Durban with a staff complement of five hundred. Isipingo Hospital is Kingsway Hospital's closest rival, situated some fifteen kilometres away. Isipingo Hospital has ninety seven beds and three theatres.

3.3.3 Demographics of staff employed at Kingsway Hospital

Kingsway Hospital employee profile is presented hereunder:

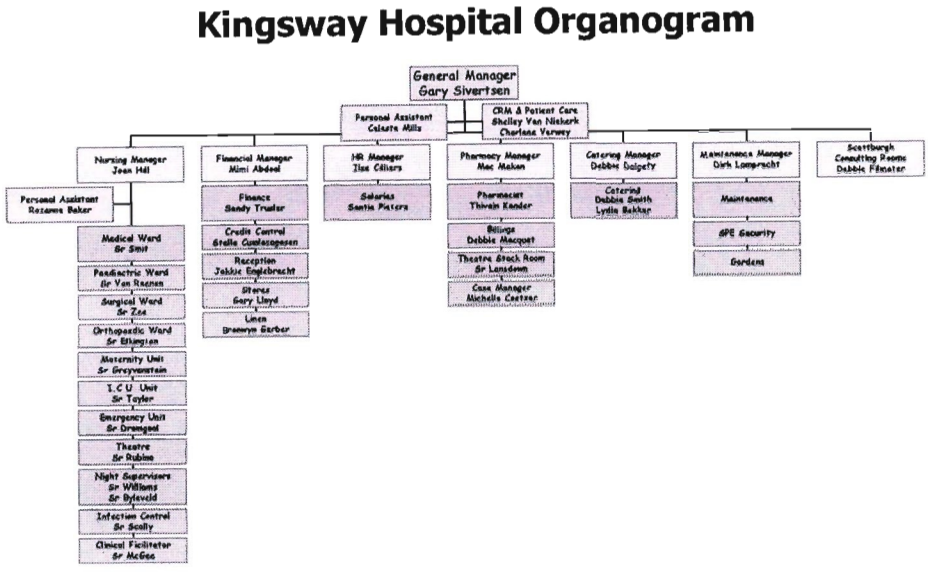
Table 2.11 Analysis of Employees

Occupational Categories	Male				Female				TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers									
Professionals					14	3	17	54	88
Technicians and associate professionals				1	21	2	23	32	79
Clerks	1		1	7	4		8	29	50
Service and sales workers	5				4			4	13
Skilled agricultural and fishery workers									
Craft and related trades workers	2		1	2					5
Plant and machine operators and assemblers	1							1	2
Elementary occupations					10			1	11
TOTAL PERMANENT	9		2	10	53	5	48	121	248
Non – permanent employees	1						1		2
TOTAL	10		2	10	53	5	49	121	250

3.3.4 Organisational Structure

Kingsway`s organogram is presented hereunder; depicting the organisational structure of Kingsway Hospital, bearing in mind, all other hospitals are similarly structured.

Figure 2.23 Kingsway Organogram



The Management Team, colloquially, called "Manco" at Kingsway Hospital; consists of eight managers, who head up the different departments within the hospital as shown in the organogram. MANCO is headed by the Hospital General Manager and each MANCO member should make contributions in order to reach consensus in the decision making process, which will ensure the successful running of the hospital.

3.3.5 Criteria Used in the selection of a HGM

Netcare requires all potential candidates applying for senior management posts to complete a Personal Profile Assessment (PPA). It is designed by Thomas International Management Systems. The questionnaire comprises forty questions, twenty of which is asked in the positive and the same twenty questions asked in the negative to prevent manipulation by the participant for self interest. The questions are designed to assess the potential candidate, in relation to four personal

dimensions under different work, home, stress and social environments, within various situations. The four dimensions are: Dominance, Influence, Structure and Compliance; commonly known as *DISC*. The questions relate to the different environments in which a person could possibly operate in, namely, work, home, and stress, social. There are two possible responses to each question, namely, "least likely" or "most likely". The questionnaire is assessed by means of a software programme, which analyses the participant's responses and provides a complete Personal Profile Assessment on the individual.

Depending on the seniority of the position, Netcare uses five primary reports to assess the potential applicant's personal profile in relation to the job requirements. The five reports used to place senior management are: Executive Summary, PPA Profile, Strengths and Limitations, How to Manage and Management Audit. Senior appointments within Netcare are made based on the PPA results. Should the applicant's personal profile not match the core competencies of the job, there is a strong likelihood the applicant would be unsuccessful in securing the position. Netcare uses this tool to assess personal profiles, to ensure managers with the correct personal profiles are placed in the key positions. This method is closely related to Rothschild's (1993:79) Caretaker, Risktaker, Surgeon, Undertaker profiles of Strategic Leadership. Identifying and placing the "right" leader in strategic positions within the organisation, is, essentially the key to success of any organisation. From my limited experience at Netcare (two hospitals that I have been HFM), apparently, this does not seem to be the case, albeit, great emphasis is placed on DISC.

The DISC assessment is an important tool, providing it is used objectively. If an applicant's personal profile does not match job profile, the organisation should ideally reject the applicant, or else implement a training programme for the individual to meet the criteria. Not all managers have the profiles or competencies to become leaders. Some reach management level, and due to lack of leadership skills, competencies, or personalities do not become effective leaders. Within the Netcare group, the HFM position naturally succeeds to becoming the HGM providing proper succession planning has been taken place more importantly, the incumbent has the correct profile and competencies befitting that of the HGM.

The Netcare Group HGM`s job folio requires the following pre-requisite inherent skills; aligning for success, building successful teams, continous improvement, collaboration, customer focus, strong interpersonal and communication skills, decision making, leading through vision and value, delegating, planning and organising. The potential incumbent must possess some or all of the above-mentioned skills.

3.4 IDENTIFYING THE LEADERSHIP STYLE

In Tannenbaum-Schmidt`s model (1961:312) presented in the previous chapter states that the range or continuum of choices of leadership lies between democratic or relationship-oriented behaviours and authoritarian or task-oriented behaviours. Tannenbaum-Schmidt (1961:312) believes the differences between the two styles of leadership emanate from the assumptions that leaders make about their source of power or authority and human nature. The leader that displays authoritarian style behaviour assumes that the power of leaders is derived from their position within the organisation and Theory X, which is based on the assumption that people are

inherently lazy and unreliable. Tannenbaum-Schmidt (1961:312) said that policies are determined by this type of leader and conversely, the democratic style leader assumes that the power of leaders is given by the followers that they lead and Theory Y, which assumes that people can be self directed and innovative within the work environment, if they are encouraged and motivated. Thus, this type of leader opens up policies for group discussion and decision-making. Tannenbaum-Schmidt (1961:312) point out that spanning these two extremes, there is an extensive range of leader behaviour, as illustrated in Tannenbaum-Schmidt` continuum of leader behaviour (1961:312), ranging from authoritarian, or boss-centred leader behaviour on the one extreme to democratic or subordinate-centred leader behaviour on the other extreme, referring to them as manager power and influence and non manager power and influence, respectively. Democratic leader behaviour on the continuum could be expanded to include a laissez-faire style, whereby followers are allowed as they please, no policies and procedures are established for this group, each member operates on their own, and no effort is made within the group to exert any form of influence over anyone.

Following formal and informal discussions and interviews with key role players at the hospital, namely doctors and staff, the previous and current HGM`s leadership will be presented.

3.4.1 Previous HGM – Gloria Murison (1997 – 2000)

The previous HGM, Gloria Murison, a white female, aged thirty-five served as Kingsway HGM for three years. Gloria was an amiable, fairly democratic, consistent and adaptable leader. The atmosphere and the staff morale that prevailed under her tutelage were borne out by the output from staff and their level of productivity. She encouraged a culture of

communication, consultation and participation. The hospital financial results were proof of an effective manager, using resources, including staff to deliver success. Staff turnover was relatively low, given the huge demand for nursing staff, nationally and internationally. Gloria excelled in her job as HGM, earned the respect of doctors, staff, patients and the public. She understood people, knew how to influence them and how to get results. The recipe for her success as HGM was her ability to be flexible, adapt her management style to the situation/person. She was sympathetic, yet firm, accepting no compromise on results and deliverables. During her tenure, staff morale was at a high level. The hospital enjoyed an atmosphere of joy and merriment. People respected each other, no task was too big; in fact, staff went beyond the call of duty to deliver / meet deadlines. Staff prided themselves on working at Kingsway Hospital; it was an honour to be part of the Kingsway team. Staff members had a sense of security and well being, under Gloria`s management; as if someone is "looking after you." She managed with foresight and vision, having strong interpersonal and intrapersonal skills, identifying with people and make sound judgements of situations involving people. She had a very balanced and rational outlook to her job and the people she worked with. She enjoyed her work and ensured others did likewise. Essentially, she wanted for others, as she did for herself. Gloria was prepared to share, give and take, enjoyed the fruits of her success and shared it with everyone. As an effective manager, she was aware that her success was dependant on the people who worked with her. Gloria`s success as HGM at Kingsway saw her being promoted in less than three years to a larger hospital within the Netcare group. Interviews, discussions and conversations with doctors and staff for comments on Gloria's leadership styles are presented below:

"She came through the entire hospital every morning and greeted individual staff members."
Gloria had a wonderful way of dealing with people, she always made you feel important."
"When there was a problem, Gloria, always worked with you, to get it resolved."
"Gloria knew how to get results from staff, she was always polite and respectful."
"When staff had problems, she cared."
"She was part of the team, not superior to everybody, although she maintained her position, as the boss."
"Staff wanted to do things for her, always willing to deliver whatever she asked for, nothing was too much of an effort."
"She never sat behind her desk she was always visible throughout the hospital."
"She got results from staff by using her influence, as opposed to the big boss approach."
"The hospital was busy and doctors worked well with the staff."
"I loved coming to work, and thoroughly enjoyed my work."
"She expected and at times demanded delivery, but she was fair."

3.4.2 Current HGM – Gary Sivertsen (2000 to date)

Gloria was succeeded by Gary Sivertsen as HGM in August 2000. Gary was forty at the time of his appointment to Kingsway Hospital. The current HGM is an accountant by profession, holding a Bachelor of Commerce degree. Prior to joining the Netcare Group, he had worked for a few organisations, such as Unilever, Playtex. As the HFM, he was found to be very analytical and figure oriented, which saw him involved in special projects. He joined Netcare as a Hospital Financial Manager (HFM) at of the largest hospitals` in Kwa-Zulu in 1998. He was promoted from this position to HGM

after being in the position for two years. Having being promoted from a much larger hospital, and a more impersonal environment, both Gary and the staff found it extremely difficult to establish a working relationship. Two significant issues which could potentially have eroded the possibility a working relationship are:

- Gary insisted all staff members address him formally as Mister Sivertsen.
- Gary did not understand or try to accommodate or adapt to the smaller, more personal community environment.

Essentially, Gary walked into Kingsway Hospital established his territory, his terms, conditions, his expectations, his rules and regulations, his protocols, his way of doing things and more importantly he set the tone of his relationship with the staff. Interviews, discussions and conversations with doctors and staff on Gary's leadership styles are presented below:

"He will make an excellent accountant."

"He is very good with figures".

"He is the invisible manager."

"He does not smile."

"His word is final, no discussion."

"It is his way ."

"His expectations are always changing"

"Gary likes analysing everything."

"He does things his way, no discussion."

"He does not like to communicate."

"He is protected by higher powers."

"He is a bean counter, which makes him a good accountant."

"Why is there nothing being done about him?"

"Most doctors and staff find it very difficult to communicate with him"

"He should be in a position that does not involve interacting with people."

Using Tannenbaum-Schmidt`s model (1961:312) and the interviews, discussions and conversations with key role players, the author has identified that the current HGM displays or has a tendency to display authoritarian style or boss centred behaviour and assumes that the power of leaders is derived from his position within the hospital and Theory X, which is based on the assumption that people are inherently lazy and unreliable. The composite model of leadership behaviour will be used to establish the leadership style being used within the Netcare culture by the current HGM at Kingsway Hospital.

3.5 COMPOSITE MODEL OF CURRENT LEADERSHIP OPERATING WITHIN THE NETCARE CORPORATE CULTURE

The case study will be presented using the author`s composite model of leadership. The current HGM`s leadership style will be described using each of the dimensions of the model. Presentations are based on interviews, discussions, observations and experiences of people based at Kingsway Hospital, the majority of whom are long serving doctors and staff, having worked with both HGM described above.

3.5.1 Knowledge

As mentioned earlier the current HGM is an accountant by profession, holding a Bachelor of Commerce degree. He has the knowledge, skills and competencies proficient to that of an accountant. The hospital, doctors, patients, staff and their competitors within the private healthcare is specialised like any other industry. Specialised knowledge is required to manage the business successfully. The HGM should have accurate knowledge and information of the area in which the hospital is situated, local communities, healthcare trends, industries, and transportation systems, main and national roads. This type of

information will assist the HGM to exploit opportunities and minimise threats. Knowledge is a business strategy that is crucial to the success of the organisation in order to effectively manage and grow the business by corporate standards.

- External Knowledge

  In discussions with the HGM, the author has established that the HGM has not actively sought out information or visited the local communities or industries. The hospital is being managed the same as when the previous HGM, Gloria was HGM (three years ago). Kingsway does have some advantages in that some industries, for example Toyota send all their staff to Kingsway Hospital for treatment. The HGM does not visit the local communities, such as Isipingo, Merebank, Umlazi, Chatsworth, Umzinto, etc to market Kingsway Hospital, or to establish cordial relationships. As mentioned earlier, Isipingo Hospital is a significant threat to Kingsway Hospital and information about them, is crucial to the HGM. It has been established from conversations with the HGM, he does perceive Isipingo Hospital as a treat, consequently no action plan or strategies have been drawn up or implemented to address the competition.

- Internal Knowledge

  In a dynamic environment like a hospital, the leader has to be very "hands-on", visible and keep a finger on the pulse of daily operational issues and activities. The HGM tends to shy away from public eye by spending most of the day in his office. He likes to be kept informed of the going-ons telephonically or electronically. He is perceived to have a "closed door" policy and people tend to avoid personal contact with him. Daily hospital visits is of paramount importance to the staff, because of the nature of the business. The HGM does not make the daily hospital rounds and by spending time in his office, he is not in touch with operational issues.

- Corporate Knowledge / Advantage

  Kingsway Hospital provides a much larger facility under the Netcare banner than does Isipingo Hospital. This in itself gives Kingsway a competitive advantage compared. However, the corporate advantage must be exploited by developing a local flavour. Kingsway Hospital, situated in a small community environment requires personal intimate service compared to "big city" hospital, for example Saint Augustine's, based in Durban. Kingsway Hospital does limited local marketing drives, such as maternity clinics, blood drives. The HGM requires in depth external and internal knowledge to be able to develop local marketing strategies and other competitive strategies. Obviously the distinct advantage is the Netcare corporate brand; however, it adds no real value if not used in conjuncture with individual local strategies. Without having sufficient knowledge about business, customers, competitors and staff, is detrimental even to the most well thought out plans. Knowledge is power! Equipped with relevant accurate information about each and every role player is the key to achieving fruitful and successful results.

- **Business Cycle**

  Having in depth knowledge of the business will provide leaders with important information to peg the business on the business life line. This will assist leaders, at both, at local level and corporate level to implement strategies that will exploit competitive advantages and minimise disadvantages and threats. The hospital is growing at a marginal rate, due to a marginal increase in the population and the annual increase in hospital fees (negotiated at national level). There has been no growth in real terms. The HGM is on major cost containment drive, trying to maximise profit by saving costs. The author (being the HFM) is of the opinion, Kingsway Hospital is bordering on

the mature and declining stages. The HGM apparently does not think the business life cycle is under any threat to Kingsway Hospital to its sustainability and growth and MANCO are not involved in or are aware of action plans or strategies that are in place or being developed by the HGM.

3.5.2 Attitudinal

Being an accountant, the HGM is very knowledgeable about finances and is analytical by nature. He also tends to be rigid and at most times, people find him uncompromising. On taking over the reins as HGM, he implemented rules, regulations, and expectations / outcomes without consultation or discussion with relevant role players, such as doctors and staff. To some extent, the rules are in line with corporate policies and procedures however they have strong personal preferences, such as deadlines have to be met before the corporate deadlines and hard copies of certain records are retained, despite the contrary. The HGM`s expectations and standards demanded from the staff are to a degree unreasonable and unwarranted as Netcare provides guidelines for work standards. The HGM`s natural disposition and personality structure is stern and unyielding which could possibly attributed to the accountant in him. However, people perceive him to be fearsome and strict and staff are afraid of his unpredictable mood swings. The HGM`s attitude in general does not dispel the perceptions or try to foster good working relationships with the staff. When dealing with people, especially staff, the HGM is rigid and makes demands that may not appear be too reasonable to the staff member. The HGM has a tendency of addressing the person and not the problem or issue at hand and

consequently damages peoples` self esteem. The staffs` biggest contention is not being able to negotiate or discuss issues and reach a compromise. No consultation or participation takes place between the HGM and the staff member. From interviews and discussions with doctors and staff it was established that the HGM has earned a reputation of punishing or "getting rid" of people who do not meet his expectations or standards because two MANCO members services were terminated by the HGM (refer chapter four).

3.5.3 Maturity

The level of maturity displayed in situations cited in the previous chapter suggests varying levels of immaturity in the personality. The HGM`s level of maturity will be described using the Argyris model.

- *Passive / Inactive* – according to most doctors and staff the HGM`s behaviour and actions could be interpreted as inactive or non responsive. Due to the nature and needs of the business, reaction time has to be almost instantaneous. Most people are of the opinion that the HGM does not respond timeously or quick enough to be able to provide the service that is required from a Netcare Hospital. The delay could be misconstrued as a refusal or being ignored. Communication is an important tool to ensure this is prevented, however this is not the HGM`s strong point. He thinks it is incumbent on the other party to follow up with him.
- *Dependence* – relatively speaking, HGM is dependent on external senior management. In the main, the HGM checks with or vetoes his decisions, actions and deliverables with

external senior management before taking a stand. The HGM is very cautious and likes to get external senior management's opinion or backing.

- *Behave in a few ways* - HGM behaves in a few predictable ways which are consistent with his behaviour and actions. He does not covertly attempt to adapt or change his behaviour under different circumstances. Generally people are aware of his behaviour and try to adapt to his ways or avoid him depending on the circumstances.
- *Erratic shallow interests* – The HGM`s forte lies in projects and analytical exercises. He identifies specific projects or exercises and delegates the tasks. He could lose interest during or after the project. During the project, he may move onto another project and terminate the task team or lose interest and abandon the project. After the project no feedback is provided to the task team.
- *Short time perspective* – According to the nursing manager, the HGM on his arrival at Kingsway Hospital announced to the staff he had very short term plans at Kingsway. He did not plan to stay on as HGM for longer than a year as Kingsway was a stepping stone to his career. Apparently the HGM is not involved in any structured strategic plans or in developing core strategies for Kingsway Hospital. The HGM does not identify Kingsway Hospital in a potential declining phase on the business life, hence there are no structured marketing, growth or strategic plans. The hospital's marginal increase in revenue is attributed to the annual mandatory increases in prices charged by the hospital. The price increases are negotiated by the national private healthcare providers. The marginal increase in patient days is due to natural increases in the population.
- *Subordinate position* – The HGM subordinates his leadership position by his over reliance on external senior

management. This type of behaviour subordinates his authority and leadership as people are aware of his reliance on external senior management. The HGM does not see his reliance as a problem with his leadership style; on the contrary, he sees it as being an effective leader.

- *Lack of awareness of self* - this is the HGM`s Achilles Heel because either he is unaware or does not want to acknowledge that there are problems or weaknesses with his leadership style and people's perceptions and feelings of his attitude and behaviour.

3.5.4 Sensitivity

As mentioned earlier the HGM tends to shy away from personal contact and he is perceived to lack social and self sensitivity. He avoids using sensitivity to manage people, instead relies on power, authority, policies and protocols. The HGM is of the opinion people will exploit and manipulate the situation whenever sensitivity is involved. He feels using managerial power will not create any misunderstandings However, the doctors and staff finds his attitude and behaviour cold and uncaring, especially in sensitive issues like illness, death, divorce and other social problems. The effect of this situation will be reported in the evaluation.

- General

  Overall staff find the HGM insensitive to their needs and situations within the work environment. The HGM uses a *"one fits all"* management style. Firstly he does not assess each case individually, on its merit and perceptions and make a judgement or take decisions based on his assessment of facts. Secondly he does not consult or involve the other party before making his decision.

3.5.5 Interpersonal skills

It is common knowledge within Netcare, from hospital level right up to external senior management level that the HGM has poor interpersonal skills. This raises the following question": *How is the HGM going to communicate and influence people / followers effectively?* Both the HGM and his followers find it very difficult to communicate and interact. There is a lack of understanding on both sides that exacerbates the problem. Due to a lack of strong interpersonal skills the HGM relies on positional power and written correspondence to manage people. People in turn find this intimidating and lack of action from the HGM, as reported below:

- Doctors

  The HGM avoids interpersonal contact with the doctors unless it is absolutely warranted or becomes unavoidable.

- Staff

  The HGM uses electronic mail extensively to communicate with staff. The HGM is of the opinion having a copy makes it easier for him to track and follow up, whereas staff would enjoy more personal and informal interaction. Staff are of the opinion the HGM does not understand people very well, hence his poor interpersonal and communication skills which puts them into an invidious position as they feel intimidated.

3.5.6 Adaptability / Flexibility

As mentioned earlier under knowledge, the HGM has a rigid personality structure and this is seen in his leadership style. The HGM is set in his ways and in general he does not adapt to different people and circumstances. People find his leadership inflexible. The HGM manages by the "book" and applies the same "rules" for all; and is not seen to cater for individual needs and circumstances. Most people find the HGM`s leadership style rigid and often autocratic.

- Communication

  Communication and negotiation is not encouraged with regards to work, standards and results, making it difficult and de-motivating to staff to produce results and outcomes. Staff feel a sense of resentment because of the HGM`s autocratic leadership style, especially when it involves deadlines, outcomes which could impact on their performance.

- Consultation

  The HGM does not involve, consult or invite participation from role players with regards to work, standards, expectations and outcomes. There are no agreed outcomes / expectations or outcomes. The HGM makes the decision and staff are expected to abide by them. Staff finds it onerous to deliver under these conditions.

  - Staff

    Staff feel a sense of resentment because of the HGM`s autocratic leadership style, especially when it involves deadlines, outcomes which could impact on their performance. They are of the opinion that the HGM adopts a leadership style relatively inflexible and is unfair.

3.5.7 Support

Ideally support should emanate from the leader's leadership style. An adaptable and flexile leader should lend support to his followers. In discussions with doctors and staff, people felt that the HGM did not provide support and guidance. The HGM refers people to rules, policies and procedures, instead of providing support. The HGM is of the opinion people know what is expected of them and if they are competent, should be to deliver results without needing support from him. According to the staff thirty staff interviewed, the majority felt that is a general lack of support in the work environment as well as in the event of internal and external disagreement and conflicts. There is a

perception amongst staff and doctors that the HGM as leader does not lend support. They added that at times he made people feel incompetence when they went to him for support and guidance. In internal or external disagreement or conflict situations, the staff are of the opinion the HGM does not investigate or establish facts while providing support, instead he is judgemental.

3.5.8 Trust / Integrity

Good solid relationships are built on trust and integrity which are difficult to maintain and sustain relationships without a solid foundation. The discussion will focus on the HGM`s perspective and the people who share the work environment and support for his followers. It is apparent from interviews, discussions with doctors and staff and interaction the HGM since his appointment has not been able to build strong working relationships. Most of his relationships are established on position and authority making it difficult for people to establish interpersonal relationships. Weak working relationships tend to erode the element of trust and integrity and people become suspicious of each other. Due to the nature of the hospital industry, it is crucial to establish trust and integrity as patients lives are at stake. Not having a strong relationship with the staff, makes a leader vulnerable to managing people he does not know very well or not being able to put his trust in them. This raises the question of support and double dealing. Without trust and integrity can there be support and what about double dealing? The situation creates suspicion and an unpleasant working environment.

3.5.9 Consistency

The HGM`s behaviour and action is consistent with his attitude, which most people find rigid and autocratic. Opinions expressed in interviews and discussions with doctors and staff leaned heavily towards an inconsistent leadership style. The general

feeling is that the HGM applies a "one rule fits all" policy. As mentioned earlier the HGM relies heavily on policies and rules. Most people are of the opinion that the HGM`s behaviour and actions is inconsistent under the same circumstances and consistent under different circumstances. The general consensus is that the HGM meters out inconsistent and questionable outcomes / decisions when managing specific circumstances.

- Different people, same circumstances. The HGM meters out different outcomes / decisions, for the same situation for different people.
- Different people, different circumstances – the HGM meters out the same outcomes / decisions for different people, under specific circumstances.

3.5.10 Evaluation

The HGM`s leadership style does not involve providing timeous on – going information, or feedback to staff. The HGM manages staff performance as per Netcare`s policy and procedures, which takes place at formal appraisals. Netcare prescribes two performance appraisals per annum, one of which is linked to annual salary increases. Staff claims they do not receive on – going informal communication and feedback on daily operational issues which affect their work performance and output. With timeous feedback the situation can be improved / corrected. Most staff felt strongly about not receiving positive evaluation or acknowledgement. Even at formal performance discussions, very little positive evaluation is given. There is a perception amongst staff that the HGM does not deem it necessary to communicate positive evaluation because he sees performance discussions as corrective evaluation.

3.6 SUMMARY OF CURRENT LEADERSHIP STYLE AT KINGSWAY HOSPITAL

The composite model of leadership styles of the HGM at Kingsway Hospital has been described in this chapter. The author will summarise the current HGM`s leadership style that is being used to manage the doctors and staff members.

- By his actions and behaviour, the HGM displays an autocratic leadership style.
- The HGM does not provide the guidance, support, sensitivity that is needed by the doctors and staff of Kingsway Hospital.
- The HGM avoids personal contact and communicates via electronic format which results in minimal personal contact.
- There is no consultation or participation with role players when making decisions, resulting in goals and deadlines not being agreed upon.
- The HGM`s lack of support or guidance makes it very difficult for people to deliver, especially as his expectations are not negotiable.
- The HGM does not advocate a "hands-on" leadership style, instead expect people to deliver and meet their job requirements and competencies without support.
- The HGM relies heavily on rules, policies and procedures to manage.
- The HGM chooses a "closed door" policy resulting in isolation from the rest of the hospital.
- The HGM limits his interaction and management of staff to MANCO level, perpetuating a descending hierarchical leadership style within each management level.
- The MANCO team has a weekly meeting with the HGM to discuss operational issues, deadlines, feedback and report backs.
- Interestingly, The Mercury dated 04 June 2003, "The Job

Finder" carried an article, entitled "Identifying and dealing with workplace bullies". This article lends some support to the case study in this thesis. Bullying in the workplace is not uncommon. According to research, one in every ten persons is bullied and Britain loses eighteen million working days annually due to workplace bullying. In Australia, the problem costs the government three billion dollars per annum. In Victoria, lost productivity and absenteeism costs businesses fifty-seven million dollars annually. The government is implementing a new campaign to address the problem, failing which it might establish an enforceable code of practice to wipe out workplace bullying. The question is "what sort of people turn into workplace bullies?" According to experts, the answer lies in psychology. Those people who had childhood problems, carrying the emotional baggage into adulthood. It manifests itself when they are given positions of power and authority; and on making others feel incompetent gives them a preserve sense of competence. Usually workplace bullies are highly insecure individuals.

- Stress

  The majority of bullies are under stress and use bullying as a management tool. They do not know how to cope with their workload.
- Bullying in the workplace have different forms, not all are in the form of shouting, or being downright rude to people.
- Subtle rudeness, insults and veiled innuendoes can also be construed as bullying.
- Deliberately ignoring or excluding someone is another form of bullying.

Bullying does not only affect the victim, but also affects witnesses; adversely affecting sickness levels in the workplace.

Research has found that quite often the victims or those who are being persecuted are generally high achievers and confident. The bully sees them as a threat and systemically tries to wear them down.

- Bullying Tactics

  Unwarranted, humiliating, offensive behaviour towards an individual or group of employees;

  Persistently negative and malicious attacks on personal or professional performance, which are unpredictable, unfair, irrational and often unseen;

  An abuse of power or position that can cause such anxiety that people gradually lose faith in themselves, suffer physical ill health and mental distress as a result;

  The use of power or position to coerce others by fear or persecution, or to oppress them by force of threat.

  The HGM plays a crucial role in facilitating a harmonious environment between the hospital, staff, facilities, doctors and patients. The HGM must have the necessary skills, ability and personality to manage the relationships amongst the various diverse parties, bearing in mind, the potential for conflict with regards to patient care. Doctors enjoy a partnership with Netcare and are only responsible and accountable from an ethical point of view. From the foregoing review of the HGM`s leadership, problems have identified in terms of the brief described above.

3.7 NETCARE CORPORATE CULTURE

Netcare`s, being a relatively new organisation has an evolving corporate culture, which is constantly changing as the organisation is growing internationally and becomes successful. The executives and senior corporate staff are primarily young dynamic, white males followed by white females. Netcare`s corporate culture is embedded in its policies, procedures, rules, regulations, systems and work

ethics. Part of the corporate culture has been formalised in functional policies and procedures, such as: Accounting Policy, Human Resources Policy, Credit Policy and Purchasing Policy. Systems are being used to manage the business, such as accounting systems, computer systems, procurement systems, catering systems. Work ethics are loosely based on the formal policies, procedures and systems. However, the work ethics / work culture primarily stems from the executive leadership styles, thinking and strategic goals. The executives all share similar characteristics, a strong possibility they were hand picked to match the corporate vision, mission and strategic goals of the organisation; which is commonplace in corporate organisations. The executives are extremely results oriented growth and success driven, again common with other corporate organisations. However, their demands are unreasonable in terms of lead times and deadlines.

- Management are expected to work until the job is completed, without overtime pay or time off in lieu of overtime worked. There is an understanding that management are expected to work without asking questions Work is priority and must supersede everything else, which is acceptable; however, at times executives and senior corporate managers demands are unreasonable. Invariably, after having completed a task only to find out that the message was inaccurate or exercise was futile and unwarranted. No explanation or feedback is given. No recognition is given for the staff's dedication and commitment. The message to staff is: It is part of the job, and not meeting the deadline is a career limiting move (clm). This phrase is thrown around facetiously; however, it contains a veiled threat.
- In most situations no proper planning or rationale takes place before instructions are issued for special projects or

tasks. No proper thought is given or an estimate undertaken of the logistics involved. Demands are erratic and unreasonable within the time limits set by Netcare. In many instances the rationale for carrying out certain tasks are unknown, even to the project leader.

- Communication is sadly lacking amongst the different divisions within the Netcare Group. There is very little or no interdepartmental communication. Each executive or corporate departmental head has his / her departmental interest at heart, to the detriment of other departments. Staff is discouraged from contacting senior management at corporate level. Even MANCO at hospital levels communicate via the HGM. All hospital staff, including MANCO has being asked to desist from making personal contact with corporate management and executive. Apparently they take exception to staff contacting them directly. All communication has to go via the HGM, through to regional offices and then to the relevant corporate manager / executive.
- Interaction / contact from corporate management are rare within Netcare. Executives, senior corporate leaders and regional management do not make visits to the hospitals. They tend to visit the larger hospitals and neglect the others. Staff are of the opinion executives and senior corporate leaders are out of touch with the hospitals and daily operational issues.
- Netcare does not advocate a culture of recognising and providing positive feedback to the staff contrary to when there are problems or when things go wrong. This perpetuates a culture of blame and fault which starts at the top (corporate level) and finally filters down to the hospital level, with each level trying to get rid of the hot potato, and

finally the weakest link takes the blame. Trying to be assertive could be interpreted as a career limiting move.

- Netcare is very structured and rigid as an organisation. There is a perception that Netcare manages by rules, policies and procedures and constantly "throws the book" in the face of a challenge or deviation.

3.8 CONCLUSION

The current situation at Kingsway Hospital and the leadership style of the current HGM was presented, using the author`s composite model of leadership; culminating in a summary. Three main competitors and possible threats to Kingsway Hospital were discussed as part of the external environment. Within the external environment competitive and marketing organisational strategies were identified.

In the internal environment, the current leadership styles and identifying the business life cycle were presented, which are the core components of organisational strategies; affecting the financial results, as well as, the survival of the organisation. The leader is responsible for the identifying and implementing organisational strategies, using effective leadership skills.

The underpinning internal environment is the corporate culture in which the organisation operates. The corporate culture plays an important role in which the leader operates. Netcare`s corporate culture was described from interviews and discussions held with staff at various levels. Netcare`s corporate culture weighs heavily on the leadership and staff at hospital levels.

The case study presented herein will be used to evaluate the current leadership styles at Kingsway Hospital against composite model of leadership presented in chapter two.

Kingsway Hospital`s business life cycle will be used to assess suitable strategies that are available to Kingsway.

CHAPTER 4

EVALUATION OF THE SITUATION

4.1 INTRODUCTION

Evaluation of the theory benchmarked against the case study will be presented in three sections of this chapter. The first part will form the diagnosis of the case study, which will be done by means of measuring the current leadership style operating at Kingsway Hospital using the author's composite model of leadership. The HGM`s leadership style will be benchmarked against the leadership theories discussed in chapter two against the case study described in chapter three. Each component will be measured individually against the theory indicating a match or a gap indicating exactly where leadership at Kingsway Hospital currently is and where it should be.

The second section will be a presentation of interviews and discussions conducted with staff members at Kingsway Hospital. These will focus on the impact / effect of the current leadership style being practiced at Kingsway Hospital. The interviews and discussion will focus on human relationships, outcomes, staff morale, productivity, the general ethos and environment at Kingsway Hospital.

The third section will be a presentation of the findings of the research survey administered for the purposes of this case study. The survey was administered to all managers and supervisors at Kingsway Hospital, except the HGM.

A gap analysis will be presented, highlighting the current case study situation and where it should to be.

Within a Netcare context, a manager should possess all or most of the leadership qualities described in the composite model of leadership to be effective, efficient and ensure delivery to customers, staff and shareholders. The efficacy of the Kingsway HGM`s leadership style will discussed in this chapter.

4.2 BENCHMARKING

Each component of the composite model of leadership will be benchmarked against the case study, consequently measuring the efficacy of the HGM`s leadership skills. Benchmarking is the most suitable method of evaluation for this case study, as the match or gap between each component will be clearly illustrated. The leadership theories described in chapter two will briefly be re- introduction as a precursor to the benchmarking exercise. According to Hersey and Blanchard (1993:xvi), the basic component of an organization is the individual. The primary objective of management; considered the key driver within an organization; is to achieve organizational goals by working through individuals, groups and other factors by exercising interpersonal skills. To achieve success, four important dimensions, namely knowledge, attitudes, individual behaviour and group behaviour have to change. The major difference between successful and unsuccessful organisations is dynamic and effective leadership. Peter Drucker (1967) said:"*business leaders are the basic and scarcest resource of any business enterprise.*" This statement is still true today. To influence behaviour, a leader must be aware of tasks and human relationships, which must be aligned to objectives of the organization. Hersey and Blanchard (1969:13) put it succinctly: "*leadership is the process of influencing the activities of an individual or a group in their efforts toward goal achievement in a given*

situation." Leadership is a function of the leader, the leader and the situation.

$$L = f(l, f, s)$$

According to Blake, Mouton and McGregor, there is one best style of leadership, whose objective is to optimize productivity, satisfaction, growth and development in all areas. Hersey and Blanchard (1998:117) tend to differ, stating that successful and effective leaders must be able to adjust their approach to fit in with the needs of the situation. Their rationale is that leadership is situational or contingent, which is dependent upon strategic leaders. Rothschild, in his book, "Risktaker, Caretaker, Surgeon, Undertaker: The Four Faces of Strategic Leadership (1993:79) highlights the different leadership styles that is required at the different life cycle of a business; linking the organization, its strategic goal to the leader and the team. These fundamentals must be place to in place to ensure organizational success. Tannenbaum-Schmidt`s Continuum of Leader Behaviour and Hersey and Blanchard's Tri-Dimensional Leader Effectiveness Models lends itself to Rothschild's strategic leader concept, all adding value in devising effective leadership within an organisation. The case study will be evaluated using these models and conclusions presented from the assessment.

4.2.1 Knowledge

Does the current HGM have sufficient knowledge and understanding of the business to exploit opportunities and minimise threats during the business life cycle to ensure its success? Are the hospital's core strategies, namely its competitive advantage and marketing strategies being exploited? The HGM has not have the necessary level of knowledge or information of the doctors, staff, patients and competitors to effectively and successfully manage the business.

- Doctors

  The doctors are dissatisfied with the HGM`s handling of on- going queries, issues and problems, to the point of being frustrated with the situation. They are beginning to lose some loyalty with Kingsway Hospital and starting to form partnerships with Kingsway's closest competitor; Isipingo Hospital. Isipingo is a much smaller independent hospital (ninety seven beds) compared to Kingsway (one hundred and thirty seven beds) and does not have as many facilities, yet it poses a threat. There are two issues f concern for Kingsway:

  - Loss of patients

    Loss of patients, translates into loss of revenue and ultimately erosion of profits. This will affect organic growth and the business life cycle.

  - Disillusionment

    The doctors concerns and unresolved issues leave them feeling a sense of disillusionment and unhappiness with the status quo at Kingsway Hospital. Not enjoying open and timeous communication results in delays and affects service delivery. Having to approach Regional Management exacerbates the delays. In interviews and discussions it became apparent there is a growing frustration amongst the doctors.

- Staff

  A hospital is a specialised industry, requiring specialised staff such as nurses, pharmacists, caterers and linen controllers. Each individual has the knowledge and skills necessary to carry out their tasks and deliver service, for example the nursing manager and the pharmacy manager. Most staff, especially managers is of the opinion the HGM tends to interfere in their areas of expertise and some thinks he undermines their authority. The HGM takes action or

makes decisions without involving relevant staff members which results in the staff feeling sidelined. At times the situation can result in conflict and de-motivation and some staff members feel rebuffed which shakes their self esteem. The HGM does not entertain suggestions and ideas readily and the effect of this type of behaviour results in staff members not offering their expert knowledge, advice or suggestions. They are of the opinion it is futile. The medium to long term effect will result in a decline in the training, growth and development of staff.

- Competition

  A significant and real external threat to Kingsway Hospital is the much smaller independent Isipingo Hospital. Without a structured local strategy to minimise or kill the threat Kingsway Hospital could lose patients and potential revenue and ultimately profits. Despite facts to the contrary; downturn in revenue and marginal growth in patient days, the HGM does not accept Isipingo Hospital is a threat to Kingsway Hospital.

- Business Life Cycle

  Not accurately identifying Kingsway Hospital's position on the business life cycle is a threat in itself. The HGM would not be able to develop local strategies or take action to address the situation. Kingsway Hospital's competitive advantage cannot be exploited and used to counter the external threat described above. Should the status quo continue Kingsway Hospital could possibly run the risk of diminishing doctor and patient base and at the worst case scenario of financial distress. Any organisation that does not earn a return that will maximise and satisfy the executives and the shareholders wealth, runs the risk of financial loss and could face possible closure or being divested from the group. Each entity within the Netcare

Group is measured by its individual financial results not withstanding all other subordinate factors.

- Core Strategies

  Kingsway Hospital has the added advantage of enjoying the Netcare corporate brand. However, not using it in conjuncture with locally developed strategies will result in lost opportunities for Kingsway Hospital. Although the Netcare brand name is a distinct advantage, however without an understanding of the local communities, their need for personal intimate service and the dynamics of private healthcare within this environment it is not possible to develop local core strategies.

4.2.2 Attitudinal

The HGM`s attitude is reflected in his behaviour and actions. People find it difficult to make personal contact with the HGM because of his rigid. Bearing in mind the previous HGM Gloria and the staff's need for personal one on one interaction, the HGM does not meet their expectations. Although it is approximately three years since the HGM was appointed to Kingsway Hospital, staff his attitude confusing. Some staff members are of the opinion that the HGM displays a judgemental attitude, which de motivates people, affecting their output, performance, morale and the ethos of the working environment, while others are afraid of the HGM moods, reaction and behaviour. Most staff members were afraid of having their self esteem destroyed in the process or having their services terminated. As was reported in the previous chapter under the composite model of leadership two MANCO members services were terminated during the HGM`s tenure, one of which is described hereunder:

- A previous HFM, worked at Kingsway for four years prior to the appointment of the current HGM. There were no

problems with his performance, or counselling or any indication of sub standard work reported. From the beginning, the HGM found the HFM to be incompetent and unable to deliver results. The HFM`s problem was that he did not meet the HGM`s expectations, despite the fact he had been working for Netcare for four years. Finally, a year later the HFM started to show strain and his work standards started to decline. The HFM was formally charged with not meeting his job requirements and asked to attend a disciplinary hearing. The HFM tried to commit suicide, fortunately he survived the ordeal, and on his recovery, attended the disciplinary hearing, found incapable of performing in his position as HFM and was demoted to the position of Accountant. Eventually, he resigned his job and left the organization and currently works as an insurance assessor. People in contact with him report that is happy with his decision.

The effect of the HGM`s attitude negatively affects attendance and productivity; resulting in an average of thirty twenty staff days have been lost through absenteeism and an average of six resignations per month since the appointment of the current HGM. During the predecessor's tenure, loss of staff was minimal, an average loss of five days per month. In the last three years, there have been three HFMs, certainly a cause for concern in any organisation, especially as the HFM is second in command at the hospital level. In a business world, replacement of key personnel is extremely costly to an organisation, and value is only added from approximately eighteen months from appointment. The loss of key personnel leads to instability within the organisation, and is not favourable viewed by stakeholders.

4.2.3 Maturity / Individual Behaviour

The HGM`s level of maturity described in the previous chapter suggest a gap in the level of maturity as leader of the hospital and will be evaluated below.

- Passive / Inactive

  The HGM`s cautious leadership style in addressing problems and daily operational issues is misconstrued by people as being passive, inactive or indifferent. People are weary of approaching the HGM because of delays in his response. Interviews revealed people become frustrated and despondent. Generally people felt they were left in limbo while awaiting action from the HGM. These situations negatively affect efficiency, effectiveness and service of the hospital and possible delays in decision making results in loss of opportunities for Kingsway Hospital.

- Dependence

  HGM`s dependence and reliance on external senior management is perceived by most people to be a lack of maturity and leadership skills necessary to provide effective leadership to the organisation. These people become disillusioned with the HGM, as he is not being able to make and take quick, decisive action. This raises the question in many minds, "*Why does the HGM have to always consult with the Regional General Manager before he gives an answer?*" The delays caused in getting a response is making people despondent with HGM`s leadership style, and many doctors have chosen to by pass the HGM and directly approach external senior management.

- Behave in a few ways

  The HGM`s limited predictable behaviour is of concern to people, especially staff. By applying and treating everybody in the same manner the HGM displays a rigid and "one stroke for all folk" leadership style, leaving people

resentful and de motivated in the situation. People have become wary of him and tend to avoid him. On the other hand the HGM`s limited behaviour could possibly make him vulnerable to manipulation by some people. By retaining a few behavioural patterns the HGM could be missing or losing opportunities in meeting organisational strategic gaols.

- Erratic shallow interests

  The HGM`s interests in the working environment are dominated by organisational values, its culture, protocols, policies and procedures. An effective leader has to be able to find a balance between the organisational interests / values, its people and his interests / values. Most staff does not give their whole hearted commitment or "buy-in" into projects because the HGM is to have erratic shallow interests. Under most circumstances the HGM is justified due to pressure or other commitments, but he does not communicate this to the staff, nor does it show interest in the task. Staff interprets his behaviour as self serving and little consideration for others and their time invested.

- Short time perspective

  By announcing his short term plan on his appointment the HGM made a as a mistake. That first impression has remained and staff holds this against him. Most people have aspirations; however, announcing it first day on the job is not very wise. Due to this most staff are of the opinion the HGM does not have Kingsway Hospital and the staff`s interest at heart. With a great desire for personal relationships, staff feels a sense of betrayal by the HGM. On the contrary the HGM was merely informing them of his ambitions and his drive for success, which included Kingsway Hospital.

- Subordinate position

  The HGM`s cautious nature makes him "dependent" on external senior management. However, from the interviews results people perceived it to be a subordination of his leadership position. The question on most people's minds is: *"if Gary is the HGM, why does he always have to veto his actions and decisions by external senior management before he is prepared to respond?"* This behaviour causes confusion because people perceive the HGM`s leadership style as autocratic and yet he subordinates his authority and leadership by checking with external senior management. The other effect of this type of behaviour causes delays while awaiting a response from both levels.

- Lack of awareness of self

  There is a strong possibility the HGM is not aware of the severity of his autocratic leadership style although MANCO did inform him. At times this translates into loss of control over himself and people in the work environment, resulting in management problems with doctors and staff, leading to dissatisfaction and unhappiness. At times this situation erupts into loss of self esteem, de-motivation and low staff morale.

A gap has been identified between the Arygi`s maturity level and the case study. However it is noted that the HGM`s cautious nature lends to the gap.

4.2.4 Sensitivity

From the research and interviews conducted with staff and doctors, they are of the opinion, that sensitivity is not one of the HGM`s strong attributes. They feel the HGM is not in tune with either social sensitivity or self sensitivity. The HGM uses

positional power, instead of sensitivity to manage. Two personal experiences will be reported hereunder:

- Death of a Best Friend

  The nursing manager's long standing, best friend finally lost her battle with cancer. Due to work demands and pressure, fear of being turned down by the HGM, the nursing manager did not attend the funeral. She blames herself and is full of grief, because she did not say goodbye to her best friend and get closure. She lives with regret, grief and blame, and cannot find it within herself to get past the incident. She says *"I will live with my guilt for the rest of my life for not having the guts to ask Gary. I will never let that happen again."* The blow of losing her best friend and facing the HGM was too much for her and she was afraid of breaking down. She did not feel comfortable enough to approach him, nor did she feel he would be sympathetic to her case.

- Birth of Grandchild and Confinement of Daughter

  This is the author's personal experience. At my interview with the HGM, the author specifically arranged for leave due to the expected birth of her grandchild and her daughter spending her customary confinement period of forty days. Due to demands at work, and being newly appointed, it was agreed the author would be given two weeks leave. On the arrival of my grandchild she took three hours off work, just in time to be at the hospital to see the arrival of her granddaughter. Although her daughter was in labour from the morning, the author delayed her departure from work, because she did not want to be to ask for time off. The following day the author requested leave as per the agreement with the HGM some three months before. The leave was refused. The HGM claimed work pressure and deadlines made it impossible to be given leave.

In general, most staff finds the HGM insensitive to people's needs and situations. Interviews revealed that the HGM projects a feeling of distrusting people. His lack of sensitivity results in a cycle of poor performance, absenteeism, low morale and lack of support, which negatively affects the financial results of the hospital, and Netcare as a whole. Ultimately, the all stakeholders are adversely affected with poor returns on their investment.

4.2.5 Interpersonal Skills

Measuring the HGM`s interpersonal skills against the composite model, it can be concluded from the case study that the HGM possesses poor interpersonal skills. A leader needs to understand and be able to influence people to deliver by using interpersonal skills. The HGM`s constant lack of communication and interaction annoys and frustrates people.

- Doctors

. In June of 2001, ten months after the appointment of the HGM, doctors became frustrated with the HGM`s lack of interpersonal skills and his inability to establish a workable relationship with them. They approached the Regional Manager and cited on-going problems, the HGM`s apparent apathy to their concerns, delivering on promises taking decisive action and avoiding personal meetings with them. They demanded intervention from a higher level to address their genuine concerns. The Regional Office responded by sending a regional manager to attend doctors meetings and in the event of problems the Regional Manager is contacted. Whenever, there is a problem with the doctors, the regional manager has to be contacted. The doctors are not happy with this arrangement because of delays, and inefficiencies in the protracted approach to resolving issues. They also question the need to treat the symptom and not the cause by resorting

to external senior management. They raise the following question: *"Why is a person in charge who cannot manage or cope, hence the need to refer to the regional manager"*.

- Staff

  Most staff avoids interaction with the HGM, because of his apparent lack of interpersonal skills, which negatively affects outcomes, results and staff morale, adding undue stress in the work environment. Keeping records of all communication, makes staff people like they being policed, which creates an unpleasant working environment in which staff feel insecure and distrustful. A minority of staff were afraid of asking or querying operational issues. Generally, staff found the HGM`s interpersonal skills confusing, frightening and insecure. This made them seek or turn to their immediate line managers / supervisors. A unit manager said: *"the hospital environment is fraught with emotions, health hazards and patients needing lots of tending loving care, without having a leader who puts undue pressure and duress into staff, making them vulnerable to errors and delivering sub standard results."*

4.2.6 Adaptability / Flexibility

The HGM`s inflexible leadership style and his inability to adapt to different people under various situations, makes it a very onerous working environment. Staff have not been able to understand the HGM`s management style. The HGM`s autocratic leadership style is often interpreted as intimidating and he is perceived to be a bully. People do not enjoy working under an inflexible leader and comments range from: "dislike, resentment low morale, unhealthy to unacceptable". The situation causes great strain and stress on individuals adversely affecting performance, work record, physical and mental health. There is a higher than normal level of absenteeism at Kingsway Hospital. The

illness could be associated with their working environment and the leadership style, and could possibly be interpret as psychosomatic.

- Nursing Manager

  The nursing manager has been employed at Kingsway Hospital for over twenty years, with no history or medical problem related to bronchitis or loss of voice. However, since the appointment of the current HGM, she regularly takes ill, especially after her return form annual leave. She loses her voice and becomes weak and ill, that she has to take sick leave for a minimum of a week. It is rather disturbing, as it has become a pattern. Despite numerous medical tests, no medical grounds were established for her condition.

The HGM`s autocratic leadership style incorporates high task behaviour leadership which is not conducive to the working environment.

4.2.7 Support

People find it very difficult to understand the HGM`s, lack of support and guidance. Staff and doctors find it onerous to meet their tasks and outcomes without support from the leader. Not having proper guidance results in the incorrect outcomes and a waste of effort, time and resources. Some staff feels a sense of disillusionment which negatively affects their self esteem, while others do not take risks, offering no suggestions or getting involved in anything other than their work. Some have resorted to "doing the bare minimum". Due to these attitude suggestions, opportunities and perhaps great ideas are lost, leaving staff feeling disillusioned and betrayed due to lack of support.

4.2.8 Trust / Integrity

The first concern with trust is integrity. Interview results revealed that staff is under the perception that the HGM does not trust them. Their strongly feel their integrity and values are under the spot light. Not having close interactions with the HGM staff found it uncomfortable and difficult to build a strong working relationship with the HGM. The HGM does not see his autocratic leadership style creating a perception of distrust amongst the staff; hence there is a stalemate in the situation. The second concern with trust is support which was reviewed (see 4.2.7 above). The third concern is double dealing. The staff is under the misconception that the HGM double deals because he makes decisions and takes action without informing, consulting or involving them. The HGM in his position as leader feels it is his prerogative to act when the need arises. A report of a personal interview follows:

- While the HRM was on study leave, she arranged with the assistant (HRA) for a report be completed and submitted to the Regional Office. The HRA chose to send the report to the HGM for his approval and submission to the Regional Office. The HGM acknowledged the report and agreed to submit it after reviewing the report. A day later, the HRM was contacted and asked to report to work because the report had not been submitted to the Regional Office. The HRM assured the HGM there had to be some plausible explanation, as the HRA is very competent. The HGM was not prepared to accept this, and insisted on her return. The HRM was on study leave and lived forty kilometres away from the hospital. On investigating the matter, the HRM was told that the HGM had been given the report the previous day and took responsibility to submit it. The HRA was not aware the report had not been submitted. After ensuring the report was sent off, the HRM contacted the HGM and explained the situation to the HGM. His response was that

he was not the responsible manager, nor did he understand the requirements, hence he was in no position to review the report. The HRM and the HRA felt a sense of betrayal as this was not communicated to either of them on receipt of the report by the HGM.

4.2.9 Consistency

From the situation described in the previous chapter it has been suggested that the HGM doe not apply consistent styles of leadership. It could possibly be attributed to his autocratic leadership. However, reports from interviews and discussions reveal that people are affected by the inconsistency.

- Adapt management style

  As mentioned in the previous chapter the HGM is rigid and inflexible in his leadership approach, which is consistent with his behaviour and actions. An assessment of this skill was described in 4.2.6 above.

- Consistency

  The HGM is not consistent in his leadership style and is perceived to hand out different outcomes in the same situation or vice versa; creating annoyance, frustration and a sense of helplessness. The HGM change of moods exacerbates the situation and people misconstrue this as favouritism or discrimination. Staff find his erratic and inconsistent behaviour confusing and does not know what to expect.

4.2.10 Evaluation

Providing informal and formal feedback is crucial to people. It would provide invaluable information of where they and if there is a gap where they need to be. Positive feedback is just as important. Only providing evaluation twice a year, leaves staff assuming there are no problems with performance and

results. However, when they do find at formal appraisal discussions it is long "after the fact". Staff believes it is unfair not to be given on-going feedback. They strongly that by giving six months of performance feedback in one sitting is ineffective and will not help in improving their performance. The question: "I have been doing this wrong for six months and am only being told now?" The other concern is many are daily operational issues and with timeous feedback, could be immediately improved / corrected. The majority of issues do not warrant formal feedback, which negatively affects the staff's performance record, and consequently their salary increases. This behaviour is questioned by the staff: "why does the HGM not inform them of once off performance issues as and when they arise, as opposed to making it a serious performance issue?" The HGM follows the Netcare policy in this regard and is of the opinion that the formal appraisal discussion is the most appropriate forum to provide evaluations. Staff is unhappy and dissatisfied with the status quo. To overcome this problem staff has formed alliances amongst their peers and MANCO, to give them feedback, acknowledge their contribution, maintain their self esteem and keep their spirits up.

4.5 CORPORATE CULTURE

The Netcare corporate culture pervades each entity under its banner. As powerful, strong and successful as the brand name is, so is the culture. In the previous chapter the corporate culture was presented. The effect of the corporate culture does impact on the individual leadership style, influencing the leadership style. Staff including MANCO question Netcare`s directives, deadlines and sensitivity to staff. Many are of the opinion the deadlines and erratic requests are unreasonable. Not providing follow ups and feedback de motivates staff and affects their morale and productivity. Policies, procedures and

systems are important management tools if used with sensitivity. By blinding applying or using these tools without thought or rationale could prove ineffective and counterproductive to the organisational goals and objectives. In the interviews the following question was raised: *"if people are our greatest assets as Jack Shevel claims, then why are we treated as just a number"*.

There are many commonalities between the Netcare culture and the HGM`s leadership style. People are of the opinion that the HGMs are trained and specifically chosen to fit in with the Netcare`s corporate culture. However, HGMs are expected to interact extensively with people and facilitate communication between all role players. The HGM at Kingsway Hospital apparently lacks or avoids interaction and communication.

4.6 RESULTS OF RESEARCH

The results of the research will be presented in by means of a descriptive analysis outlining the management style being pursued by managers and supervisors. The author used Hersey and Blanchard`s (1998:182), Expanded Situational Leadership Model to analyse the current leadership / management styles being used by senior management and line supervisors at Kingsway Hospital. The research results revealed fifty per cent (50%) used "selling", thirty per cent (30%) used "participation" and twenty per cent (20%) used a combination style.

- S2 – Selling - High Task, Low Relationship
  The follower readiness is unable, but willing or confident. The leader / manager explain the decisions and provide opportunity for clarity. This finding is indicative of the environment and current situation in that it is leader directed.

- S3 – Participating – High Relationship, Low Task
  The converse of the S2 style. The follower readiness is able but unwilling. The leader / manager share ideas and facilitate in decision making, it is more follower directed.
- Combination – Using all four (4) styles
  The leaders / managers used a combination of all four different styles.

MANCO members had a spilt between S2 and S3 leadership styles. They used either S2 or S3 leadership styles. The results presented indicate a relatively flexible and adaptable management team at Kingsway Hospital. Interestingly of the sample, none were of the S1 or S4 management styles.

4.7 GAP ANALYSIS – A SUMMARY OF THE EVALUATION

According to Thompson and Strickland (2001:534) the gap between what a firm must do to compete and what it actually is doing represents a strategic gap. Strategic management must be able to address this gap. Thompson and Strickland (2001:534) said "*strategy represents how the firm balances its competitive "cans" and "musts" to develop and protect its strategic niche." "Gap analysis can help the manager better understand the dynamics of the competitive environment. Importantly it can be used to reveal where an organisation has weaknesses and where it has strengths"* (Billsberry 1998:219).

Having completed the evaluation of the case study by benchmarking it against the composite model of leadership a gap has been established between current situation and where it needs to be. The leadership style that is currently in operation at Kingsway Hospital has been identified as

autocratic. Against this background the composite model of leadership skills were individually evaluated. The HGM`s natural characteristics influences his leadership skills in the workplace. The evaluation leads to the conclusion that there is a lack of communication, understanding and flexibility to varying degrees. Most of the issues raised by doctors, staff and the HGM centres around these skills or a lack thereof.

- Communication

  The lack of sufficient two way communication is apparently a major obstacle to the current leadership problems at Kingsway Hospital. The lack of open, honest and on-going communication affects the working relationships, the environment, ethos, morale, outcomes, performance and to a degree, resentment.

- Understanding

  Understanding people and each other is an important ingredient towards building working relationships on trust and integrity. Clearly there is either limited or a lack of understanding amongst the role players at Kingsway Hospital. People assume or misconstrue intentions or actions due to not understanding each other. This translates into varying degrees of mistrust, unhappiness and dissatisfaction.

- Flexibility

  Flexibility is the art of being able to adapt and fit in with the situation. The HGM`s autocratic leadership style is rather rigid and inflexible leaving people feeling resentful as they always have to adapt to his ways. This affects people's interaction with the HGM, their performance and their sense of loyalty.

4.8 HOW IS THE CURRENT LEADERSHIP STYLE AFFECTING EFFECTIVENESS?

The current leadership style is having an adverse impact on the running of the organisation. People are dissatisfied with the HGM`s leadership style and are experiencing varying degrees of negativity towards performance, results and commitment, loyalty. This is resulting in ineffectiveness in many areas in of the workplace, as well as leading people for success. The skills employed by the HGM is not favourably accepted by the doctors and staff, and often results in alienating one or both parties and widening the gap.

4.9 CONCLUSION

After evaluating the composite model of leadership against the current HGM`s management style, it can be concluded that the there is a gap between the model and the case study. The current situation leads to the conclusion that the gap in the current leadership style and leads to ineffective leadership; perceived or real. The effects and impact of ineffective leadership is negatively affecting the outcomes, performance and results at Kingsway Hospital, including financial loss. The business life cycle has reached the maturity stage and is on the verge of the declining stage with no or very little organic growth having taken place during the past three years. The HGM`s autocratic leadership style is resulting in high staff turnover, absenteeism, ill health and low morale. The competitive and marketing strategies that are available to Kingsway Hospital to overcome or at least, minimise the external threats have not been developed.

The final chapter of this thesis will present the two strategies that were identified in chapter three to re-dress the business life cycle by pursuing recommendations that could lead to effective leadership.

CHAPTER 5

RECOMMENDATIONS

5.1 INTRODUCTION

Following on from the evaluation of the composite model of leadership, specific gaps have been identified in this case study. In order to revert to a stronger competitive position and re-gain some market share from the competition, and consequently reverse the imminent declining business life cycle; to return to a self sustainable organic and financial growth, there has to changes in the leadership style that is currently operating at Kingsway Hospital. To make changes to the leadership style there will have to be a move towards a less autocratic style of leadership within a working environment that is open, enjoyable and a leader that is more people oriented and strive for the effective running of the business by an effective leader.

As a precursor to the recommendations each of the major stakeholders will be revisited. The impact of the case study and the recommendations will be briefly outlined under each stakeholder.

The two strategies identified in the previous chapters will be discussed in conjunction with the composite model of leadership which will lead to successful effective leadership within the realms of corporate culture. The recommendations presented in this thesis are will specifically address the case study and offer a workable solution to the problems currently being experienced at Kingsway Hospital; striving towards a win-win situation for all the role players.

The recommendations that will follow are highly objective, based on the case study after conducting personal interviews with the doctors, staff and the research questionnaire and evaluation and hopefully will fill strive towards filling in the gaps.

5.2 EFFECT ON STAKEHOLDERS

The recommendations will ultimately affect the major stakeholders of Kingsway Hospital and the Netcare Group. The role of the major stakeholders will be discussed as a precursor to the recommendations.

5.2.1 Staff

The Chief Executive Officer of the Netcare Group, Jack Shevel, claims, "people are our assets". This is a very profound, bold, public statement. This statement can be interpreted as staff have to protected, nurtured, taken care of, and to provide an environment that is enjoyable, happy and safe, provide support and guidance, develop and grow in. The Executive Officer of the hospital division, Richard Friedland, advocates retaining the talent and fighting the talent wars. Leaders within Netcare should try and retain staff by ensuring they have an enjoyable working environment and an effective leader.

5.2.2 Hospital General Manager (HGM)

The HGM is member of the Netcare staff, who enjoys the same benefits and advantages as all other staff members. The HGM practices an autocratic leadership style in the main which is negatively affecting the doctors and staff and the working environment. Measured against the composite model of leadership, a gap in the leadership style has been identified. Since his appointment there has been marginal organic growth,

a real potential threat from the competition, higher staff absenteeism and a more rigid working environment. Staff at Kingsway Hospital is relatively dissatisfied with the status quo and are voicing the same.

5.2.3 NETCARE GROUP

Each staff within the Netcare Group is expected to add some add value to the organization. The strategic goals and vision is drawn up at the executive and board level. It is incumbent upon each and every employee of Netcare to contribute positively in realizing the goals and vision of Netcare. Being a member of staff of the group, creates an inherent expectation to perform, to deliver and to contribute to achieving and making Netcare a success. Without people, it would not be possible, and if people are not performing at their peak, there has to be redress in striving towards peak performance. Based on this case study, the staff and doctors at Kingsway Hospital are experiencing problems with the HGM`s autocratic leadership style, which is affecting their outcomes, performance, development, productivity and negatively impacts on Netcare`s goals and financial results. An organization's goal is shareholder wealth maximization. Is Kingsway Hospital contributing to maximizing shareholder wealth? Based on the situation and the effects thereof, discussed above, the staff at Kingsway Hospital is not performing at maximum because of underlying management issues. Based on this premise, it can be concluded that the shareholders are not deriving maximum returns from Kingsway Hospital.

5.3 RECOMMENDATIONS

Each of the recommendations will be discussed using the composite model of leadership and the within the context of the case study. The current problems at Kingsway Hospital is

of concern to all stakeholders and therefore a plan of action has to implemented with immediate effect, driven by the executive level of Netcare, with specific short term measurables.

5.3.1 Executive Meeting

An executive meeting, involving a representation from the hospital, the Regional Office and Executive has to held together with the HGM whereby the issues / situation as a result of the HGM`s management style are put to the HGM. There is a possibility the HGM is lacking awareness of self in terms of his leadership style and the consequences thereof. The meeting has to be open, honest, with specific issues directed at the HGM`s autocratic leadership style. The representatives must ensure personal issues and personality clashes do not surface and become an issue. The research and actual interview results conducted in this case must be presented to the HGM in a professional and impersonal manner. It is a sensitive issue and needs to be handled with caution, sensitivity and care.

5.3.2 Training and Development

The HGM should be temporarily taken off the job and sent for training and development to an independent consultant to develop leadership skills that are less autocratic and in line with the people oriented hospital industry. It is important to disclose to the trainer, the actual problems and the specific resolution sought or outcomes. Within this context a customized training and development programme must be drawn up to suit specific needs of the HGM. The programme must ensure the components of the composite model of leadership are incorporated in the training and development.

It would be prudent due to the nature of the case study that a training and development session is designed for each of the

components within the composite model of leadership taking the theories and the case study into account. There must be disclosure to the HGM of this thesis and its finding through the research, interviews and discussions. The training has to be Netcare specific, however, underpinned by general leadership skills. An effective leader must be able to apply his / her skills in any organization, with any type of follower, in any given situation. Due to the lack of communication and understanding between the HGM and the doctors and staff at Kingsway Hospital the training and development must focus on basic leadership skills and building up to more complex leadership skills such as adaptability, flexibility and evaluation. It must be noted that the training and development programme must not be fragmented into various leadership skills but must be a holistic programme. Leadership grounding must be set in the basic coursework at the full time training and development programme.

On completion the HGM must return to the job and implement the training under close scrutiny and monitoring by the consultant. The representation staff group must be involved in supporting and providing feedback, in consultation with executives and regional management. It is imperative, this process is handled delicately, considering the various levels of personnel involve. The HGM could be sensitive to having hospital staff involved however, they are the best suited to provide invaluable feedback. In conjunction with the training and development programme counselling must provided to ensure the self is intact and views the problem objectively. Senior HRM would be most suited to manage the HGM.

5.3.3 Staff and Doctors

Staff and doctors must also be counselled, and given due support and reassured of positive change. Executives and regional management must put in action plans to contain the current on – going problems at Kingsway Hospital without deviation from their responsibilities and must remain accountable for their outcomes, action, productivity and results. Every effort must be made within the hospital to continue with the operations and strive towards meeting goals and results. There should be continuity while the HGM is under going training and development. A programme geared towards staff at all levels should implemented to develop staff to be assertive and manage upward. Initially, an experienced, external senior human resources practioner should be placed on site, until such time the staff begins to feel comfortable and secure. The same offer must be made to doctors however their training and development must be separate to the staff due to the sensitive nature of the case study. As stated earlier in this thesis, doctors are an integral part of Netcare`s business, without whom Netcare will not be able to generate revenue. It is therefore imperative; doctors concerns, problems and dissatisfaction are immediately addressed. Doctors have to be given reassurances of change in the HGM`s management style, deliverables, action and results or possibly risk losing them to the competition. To get commitment and "buy-in" from all role players it is imperative both staff and doctors see a process of change in leadership.

5.3.4 Caretaker HGM

This recommendation is directly related to Rothschild's Four Faces of Management, The Life Cycle of a Business. Kingsway is moving towards a declining phase of its life cycle. Based on the case study and Rothschild` (1993:79) theory; at this stage Kingsway Hospital would require a caretaker leader. This plan

of action will serve two purposes; to strive towards getting Kingsway Hospital out of the imminent declining life cycle stage and the other to provide a mentor to the current HGM . This recommendation must be carefully handled, so as not to offend the current HGM, alienate him, or de-motivate him or make him feel insecure or a treat losing his job. The objective of placing a caretaker HGM is to improve the current situation at Kingsway Hospital for all the role players and not result in a negative backlash or deterioration. The caretaker HGM could also act as a catalyst and provide, by actions and behaviour, an example of effective leadership. The caretaker should not be from within the organization, or at least, not of equal position. The caretaker HGM should have very strong leadership qualities and do not have to necessarily hold the same position, that is of HGM. The objective is to develop leadership skills and not necessary from the same background. The caretaker HGM should provide coaching, guidelines and behaviour with a view to eliciting behavioural changes from the current HGM. Feedback to the HGM and senior management is the key to this process. Continuos, regular, on-going feedback and evaluation is crucial to the success of this process, ensuring the current HGM`s self esteem is kept intact.

5.3.5 Hospital Rounds / Interaction

The HGM projects a "closed door" policy. The HGM has to shed this image / perception of himself by a change in his action and behaviour. A quick and easy solution to remedy the problem is for the HGM to set himself a daily routine of walking and be seen throughout the hospital, visiting every ward / unit, department and doctors` room greeting people and interacting with them. This recommendation has to be carefully managed, starting with a little exposure and incrementally increasing the momentum of the visits and the degree of interaction. It must be borne in mind that the HGM

has to build up his interpersonal skills in order to correct the situation at Kingsway Hospital. This plan of action will assist the HGM to make personal contact, instead of the need to avoid human contact. Greeting and exchanging a few pleasantries will be the stepping stone to acquiring basic leadership skills and shedding the criticism.

5.3.6 MANCO

MANCO must be used in the change process as they act as a link and support between the HGM and the rest of the staff members. The HGM must use MANCO as the control group, almost as a laboratory experiment to try out different situational scenarios with different followers. Buy – in from all role players must be established before the action plan is rolled out. They have a very significant role to play in the development of the formal training and development and the implementation of the recommendations within the organization. MANCO would be able to provide information, suggestions, feedback to the HGM and the dedicated consultant. Seeing that MANCO is in regular contact with the HGM, they would be the most appropriate group to facilitate the change process. The importance of the training is for the HGM to be able to suppress / release his power and authority without feeling total loss of control. He must allow meetings to be more democratic, soliciting and suggestions, consultation, participation and input from other members present. Again, MANCO can be used, until such time the HGM feels comfortable to roll put his new leadership style to all role players. This action would be a mental as well as professional breakthrough, providing the HGM understands and accepts the need for positive change without lose of authority.

The research results bode well for Kingsway Hospital because the leadership / management style is "selling" (S2) and participating (S3). This has a positive impact, or at the least acts as a buffer. The HGM should the examples of use other leaders / management and try and emulate the different styles.

5.3.7 Results Based Leadership (RBL)

This recommendation relates to the evaluation leadership skill whereby staff is managed through their performance and continuos feedback instead of just plain power and authority. The programme is aimed at all managers / supervisors who manage staff. The objective of RBL is to achieve results / outcomes from staff, by acknowledging and recognizing positive outcomes, while negative or substandard outcomes will be treated as areas for improvement; as opposed to weaknesses or criticisms. The focus of RBL is to provide regular and continuos informal and formal feedback, not only at formal performance or salary review discussions. The concept is called the STAR and the STAR/AR. STAR is usually used for positive feedback, whereas STAR/AR is used to improvement.

S Situation

T Task

A Action

R Results

A Action

R Results

The RBL programme allows two way interactions, by both the manager and the follower. Specific issues are discussed; action for improvement must be the prerogative of the follower, with support and guidance provided by the manager / leader. This programme requires commitment and sincerity from all parties.

This would be an ideal tool for the current HGM, especially due to the fact he does provide on – going feedback and evaluation.

5.3.8 Set Time Frame for Change

It is important to set time frames for each action plan, which must be monitored and controlled by the HGM, the dedicated consultant and the mentors. Ignoring or not setting specific, individual time frames would be detrimental to the success of the action plans, and could possibly result in failure. Time frames will ensure commitment and focus from all role players striving towards a meeting the organisational goals by working towards behaviour change.

5.3.9 Hospital Growth, Results and Value

In conjunction with the human relationships aspects of change, the financial results must also be considered for positive change. The HGM has to implement a plan of action to grow the hospital, produce organic growth and financial results.

Kingsway Hospital has to be marketed and exposed to the outer lying areas surrounding Amanzimtoti. The HGM has to network, meet and build relationships with the businesses and communities within the vicinity. The action plan will be crucial to the life cycle of Kingsway Hospital. The HGM is the key to ensuring sustainability and growth. Interacting, organizing events, sponsoring community projects, being visible to the pubic is essential to gaining exposure. It has to be on going and maintained by the HGM. Getting involved with the local communities will make people loyal to Kingsway Hospital make Netcare part of the local community and a household name. This comradeship will translate into patients for Kingsway Hospital, adding revenue and profits.

More patients mean growth and success, changing the position on the life cycle into a growth phase.

5.3.10 How to Deal with Workplace Bullying?

This recommendation follows on from an article from the Mercury which advocates that bully should not be tolerated. This recommendation has been included because of the perceptions and or people misconstruing the HGM as a bully.

- Keep believing in yourself and your abilities.
- Maintain your self esteem and the bully becomes powerless to affect you.
- If your work is being criticised, ask other trusted colleagues for a second opinion.
- If under verbal attack, keep your cool. Try not to flare up. Retaliation might lead to an even worse situation.
- Keep a record of what was said and when.
- If possible, have a witness present.
- If you are being deliberately workload, check this against your job description.
- If other colleagues are having the same problem, get together and try an informal approach to the bully. If all else fails, approach the firm's human resources department or a union representative.

5.3.11 Refresher Courses

On going refresher courses must be offered to the HGM. The recommendations are not once off, but must be maintained on a medium to long term basis depending on the HGM`s progress and change in leadership styles. The refresher courses must be customised to the specific needs of the HGM and from on going monitoring of the situation.

5.3.12 External Senior Management

To ensure success externals senior must show commitment and support, without which the recommendations will be difficult to implement. The doctors and staff cannot drive the programme because of the HGM`s positional authority.

5.3.13 Awareness of Self

There is a strong possibility that the HGM does not perceive a problem with his leadership style. Only a single attempt was made by MANCO to inform the HGM of their dissatisfaction with his leadership based on a specific incident. It is important that the HGM is made aware of the autocratic leadership style that he is using. Due to nature of his job (accountant) it is possible that the HGM is not aware that he displays autocratic qualities when managing people.

5.3.14 Core Strategies

In order to develop and implement the two main strategies at a local level, the HGM must be equipped with accurate first hand information and knowledge. It must be used to develop specific local marketing action plans for Kingsway Hospital based on corporate strategies under the Netcare banner. This will definitely provide a competitive advantage compared to the competition. There has to on-going marketing programmes aimed at regaining or initiating a drive to lure patients to Kingsway Hospital. By providing a hospital and facilities that is more personal to the local communities, Kingsway will be successful in growing their patient base. The HGM has to make personal visits to the local communities and industries, organising events under the Kingsway such as sports days, sponsoring local initiates such as fund raising. This recommendation must be implemented after the HGM has attended some training and development.

5.3.15 Appendixes – Recommendations

Four recent articles that appeared in the local newspaper have been included as appendixes. It is directly related to the case study and is recommended for leaders / managers.

5.3.16 What do Workers want from their Jobs?

It is appropriate to use Hersey and Blanchard`s (1998:49) question to end the recommendations for implementation at Kingsway Hospital.

Table 2.12 What do Workers want from their Jobs

	Supervisors	Workers
Good working conditions	4	9
Feeling "in" on things	10	2
Tactful disciplining	7	10
Full appreciation for work done	8	1
Management loyalty to workers	6	8
Good wages	1	5
Promotion and growth	3	7
Sympathetic understanding of Personal problems	9	3
Job security	2	4
Interesting work	5	6

Source: Hersey and Blanchard, Management of Organisational Behaviour (1998:48)

5.4 CONCLUSION

The recommendations have been carefully thought out with assistance and input from interviews and discussions held with doctors, staff members and competitors. People are Netcare`s greatest asset and it is incumbent on the organisation to ensure people are relatively happy in the work environment. It is apparent the corporate culture of the Netcare Group; is partly responsible for a rigid leadership style. A leader that has to rely on policies, procedures, and endorsement from higher levels of authority is sadly lacking the soft, practical skills necessary to be an effective, successful manger. It is in the current HGM`s interest to make the changes as recommended as did is beneficial to all role players and to strive to effective leadership.

In the interest of all the stakeholders, it would be prudent for the Netcare Group to take cognizance of this case study and recommendations and take immediate action.

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Other

- The Hospital Manager
- The Nursing Manager
- The Pharmacy Manager
- The Human Resources Manager
- The Catering Manager
- The Maintenance Manager
- The Credit Manager
- The Reception Supervisor
- The Unit Managers – All Wards
- The Accountant
- The Retail Pharmacy Officer
- The Shop Steward
- The Payroll Officer
- The Human Resources Officer
- The Credit Controllers
- The Pharmacy Assistant
- The Porter
- The Ward Personal Assistant

APPENDIX 1

MANGEMENT QUESTIONAIRE

TAKEN FROM : Judith R. Gordon, Caroll School of Business, 1999, Organisational Behaviour: A Diagnostic Approach, Sixth Edition, Prentice Hall International, Inc. New Jersey

Step 1

Situation 1

The employees in your programme appear to be having serious problems getting the job done.

Their performance has been going downhill rapidly. They have not responded to your efforts to be friendly or to your expressions of concern for their welfare.

What would you do?

a). Re-establish the need for following program procedures and meeting the expectations for task accomplishment.

b). Be sure that staff members know you are available for discussion, but don't pressure them.

c). Talk with your employees and then set performance goals.

d). Wait and see what happens.

Situation 2

During the past few months, the quality of work done by staff members has been increasing. Record-keeping is accurate and up to date. You have been careful to make sure that all staff members are aware of your performance expectations.

What would you do?

a). Stay uninvolved.

b). Continue to emphasize the importance of completing tasks and meeting deadlines.

c). Be supportive and provide clear feedback. Continue to make sure that staff members are of performance expectations.

d). Make every effort to let staff members feel important and involved in the decision making process.

Situation 3

Performance and interpersonal relations among your staff have been good. You have normally left them alone. However, a new situation has developed, and the staff members are unable to solve the problem themselves.

What would you do?

a). Bring the group together and work as a team to solve the problem.

b). Continue to leave them alone to work it out.

c). Act quickly and firmly to identify the problem and establish procedures to correct it.

d). Encourage the staff to work on the problem, letting them know you are available as a resource and for discussion if they need you.

Situation 4

You are considering a major change in your program. Your staff has a fine record of accomplishment and a strong commitment to excellence. They are supportive of the need for change and to have been involved in the planning.

What would you do?

a). Continue to involve the staff in the planning, but you direct the change.

b). Announce the changes and then implement them with close supervision.

c). Allow the group to be involved in developing the change, but don't push the process.

d). Let the staff manage the change process.

Situation 5

You are aware that staff performance has been going down during the first several months.

They need continual reminding to get tasks done on time and seem unconcerned about meeting objectives. In the past, redefining procedures and role expectations has helped.

What would you do?

a). Allow your staff to set their own direction.

b). Get suggestions from the staff but see that the objectives are met.

c). Redefine goals and expectations and supervise carefully.

d). Allow the staff to be involved in setting goals, but don't pressure them.

Situation 6

You have just been appointed as a director of a new program that has been running smoothly under the previous director. She had the reputation of running a tight ship. You want to maintain the quality of the program and the service delivery, but you would like to begin humanizing the environment.

What would you do?

a). Do nothing at the present time.

b). Continue with the administrative pattern set by the previous director, monitoring the staff and emphasizing the importance of task accomplishment.

c). Get the staff involved in decision making and planning, but continue to see that objectives are met and quality is maintained.

d). Reach out to staff members to let them feel important and involved.

Situation 7

You are considering expanding your unit's responsibilities. Your staff members have made suggestions about the proposed change and are enthusiastic. They operate effectively on a day-to-day basis and have shown themselves willing to assume responsibility.

What would you do?

a). Outline the changes and monitor carefully.

b). Reach consensus with the staff on the propose changes and allow the staff members to organise the implementation.

c). Solicit input from the staff on the proposed change but maintain control of the implementation.

d). Let the staff handle it.

Situation 8

Staff members have been working well. Interpersonal relations and morale are good. The quality of service delivery is excellent. You are somewhat unsure of what to do about your apparent lack of direction of the group.

What would you do?

a). Be careful not to hurt your relationship with staff by becoming too directive.

b). Take steps to assure that staff members are working in a well defined manner.

c). Leave the staff alone to work as they have been doing.

d). Discuss the situation with the staff and then initiate the necessary changes.

Situation 9

You have been appointed to replace the chairman of a task force that is long overdue in making requested recommendations for certification requirements. The group is not clear about its goals. Attendance at meetings has been poor. Frequently, the meetings are more social than task oriented. Potentially, the group members have the knowledge and experience to complete the task.

What would you do?

a). Let the group members work out their problems.

b). Solicit recommendations from the group, but see that the objectives are met.

c). Redefine and clarify the goals, tasks and expectations, and carefully supervise progress toward task completion.

d). Allow group involvement in setting goals but don't push.

Situation 10

Your employees are usually able to take responsibility. However, they are not responding well to your recent redefinition of performance standards.

What would you do?

a). Supervise carefully to assure that standards are met.

b). Solicit input from the staff on performance standards. Incorporate their suggestions and monitor their progress toward meeting the standards.

c). Allow staff involvement in the redefinition of performance standards, but don't push.

d). Avoid confrontation. Apply no pressure and see what happens.

Situation 11

You have been promoted to the position of manager. The previous manager appeared to be uninvolved in staff affairs. They have adequately handled their tasks and responsibilities. Their morale is high.

What would you do?

a). Become active in directing the staff toward working in a clearly defined manner.

b). Involve your staff in decision making and consistently reinforce good contributions.

c). Discuss past performance with your staff and examine the need for new procedures.

d). Continue to leave the staff alone.

Situation 12

You have recently become aware of some internal difficulties on your staff. They had been working well together for the past year. The staff has an excellent record of accomplishment. Staff members have consistently met their performance goals. All are well qualified for their roles in the program.

What would you do?

a). Allow your staff members to deal with the new problem themselves.

b). Tell the staff how you propose to deal with the situation and discuss the necessity for these procedures.

c). Make yourself available for discussion but don't jeopardise your relationship with the staff by forcing the issue.

d). Act quickly and firmly to nip the problem in the bud.

APPENDIX 2

MANGEMENT RESPONSE GRID

TAKEN FROM : Judith R. Gordon, Caroll School of Business, 1999, Organisational Behaviour: A Diagnostic Approach, Sixth Edition, Prentice Hall International, Inc. New Jersey

Step 2

After managers have answered the questions, each manager responses must be further assessed into a grid.

GRID TO DETERMINE MANAGER`S FLEXIBILITY

	S1	S2	S3	S4
1	A	C	B	D
2	B	C	D	A
3	C	A	D	B
4	B	A	C	D
5	C	B	D	A
6	B	C	D	A
7	A	C	B	D
8	B	D	A	C
9	C	B	D	A
10	A	B	C	D
11	A	C	B	D
12	D	B	C	A
SCORES	S1 =	S2 =	S3 =	S4 =

APPENDIX III

RESPONSE TO QUESTIONAIRE RESEARCH - NETCARE

Name	Age	Title	MANCO/EXCO	Question 1	Question 2	Question 3	Question 4	Question 5	Question 6	Question 7	Question 8	Question 9	Question 10	Question 11	Question 12	S1	S2	S3	S4	LEADERSHIP STYLE
Mimi Abdool	43	Financial Manager	Yes	2	3	2	2	2	2	2	2	1	2	3	2	1	9	2	0	S2
Joan Hill	62	Nursing Manager	Yes	3	1	1	2	1	3	2	3	2	1	3	3	4	3	5	0	S3
Mac Makan	63	Pharmacy Manager	Yes	2	1	1	2	2	2	2	2	1	2	3	2	3	8	1	0	S2
Ilse Cilliers	30	Human Resources	Yes	2	1	3	1	2	2	2	1	1	3	4	4	4	4	2	2	S1S2
Debbie Dalgety	39	Catering Manager	Yes	1	1	3	3	3	3	3	1	2	3	4	4	3	1	6	2	S3
Dirk Lampbretch	35	Maintenance Manager	Yes	1	3	2	3	3	3	3	3	1	2	3	1	3	2	7	0	S3
Shelly van Niekerk	29	Client Relations Manager	Yes	3	1	2	1	1	3	3	3	2	2	4	2	3	4	4	1	S2S3
Anne van Reenen	40	Children Unit Manager	No	1	3	3	2	2	3	3	1	1	2	3	4	3	3	5	1	S3
Jill Eldington	48	Orthopaedic Unit Manager	No	2	3	2	2	1	3	3	2	1	2	3	1	3	5	4	0	S2
Alma Zee	55	Surgical Unit Manager	No	2	2	2	2	1	2	3	1	1	2	4	3	3	6	2	1	S2
Sharlon Dromogool	46	Casualty Unit Manager	No	2	3	2	2	1	2	3	1	1	2	3	2	3	6	3	0	S2
Kerry McGee	38	Clinical Facilitator	No	2	2	3	3	2	2	3	2	1	2	3	3	1	6	5	0	S2
Elene Smit	50	Medical Unit Manager	No	2	3	2	3	1	2	2	2	1	2	3	2	2	7	3	0	S2
Hannekie Greyvenstein	38	Maternity Unit Manager	No	1	2	3	2	3	2	1	3	1	2	3	3	3	4	5	0	S3
Beth Taylor	52	ICU Unit Manager	No	3	2	1	1	1	3	3	1	1	2	3	3	5	2	5	0	S1S3
Lulu Rubino	53	Theatre Unit Manager	No	1	3	1	1	2	2	2	2	1	2	3	2	4	6	2	0	S2
Jakkie Engelbrecbt	34	Reception Supervisor	No	1	1	2	3	2	2	2	2	2	1	4	2	3	7	1	1	S2
Stella Peters	35	Credit Manager	No	3	1	3	4	1	3	2	1	1	2	3	2	4	3	4	1	S1S3
Debbie McDermert	40	Billings Supervisor	No	1	3	2	3	3	3	2	1	1	2	4	3	3	3	5	1	S3
Sandy Trusler	40	Accountant	No	1	2	1	2	1	2	2	2	1	2	3	1	5	6	1	0	S2
															Average	3.2	4.8	3.6	0.5	
															Std Deviatior	1.0	2.2	1.8	0.7	

	Count	%
S1	0	0.0%
S2	10	50.0%
S3	6	30.0%
S4	0	0.0%
Combination	4	20.0%
Total	20	100.0%

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APPENDIX IV

The new bosses

Leadership will hinge, as never before, on good manners and genuine respect for others

NOW'S THE TIME: Consultant Tony Manning argues here that modern business leaders need to understand that manners maketh management

EADERS can only be as great as others let them be. Too many people in high office seem to think that their titles or roles make them special.

hey think that because they are in 'ge they have an infinite ability to make ers do as they wish.

hey imagine that the trappings of power e them powerful, that everything they carries clout, and that all their decisions e sense to everyone around them.

onfidence is a critical factor in an utive but it needs to be rooted in an ty to get results by bringing out the best hers, not by lording it over them.

onfidence should never be confused arrogance, which is a disgusting trait.

uth Africa has a tragic history of di- shing people, not just black people or en or those with disabilities.

ross the board, individuals with am- n, enterprise, ideas, enthusiasm and en- have been held back, frustrated, insult- nderestimated and short-changed.

ey have been told what to do, rather listened to. They have been controlled r than inspired. They have been treat- incompetent halfwits, rather than as ple and intelligent individuals.

d they have been pushed into con- ational relationships by the very peo- who should have been winning their s and minds.

for half a century the "human re- es school of management" has evan- d the importance of people.

enty years ago, US and European com- s started copying Japanese manage- practices which emphasised the tance of what is now called "human l". Today there is a new recognition of lue of people.

the last decade, technology clearly l a huge role in boosting productivity. ound the world, smart executives are shing the imagination and human spir- ush the boundaries of corporate per- nce.

anisations are discovering that however well they performed in the past, extraordinary changes and improvements are still possible when they tap the human potential within their walls.

Everywhere, people are working smarter. Ideas are bubbling up from the most unexpected quarters. Innovation has become everybody's business. Frontline service has become vastly better than it ever was — even though many of the same people still deliver it.

If the 1990s was a time of astonishing technological progress, this decade will see human beings back on top of the performance agenda.

The first wave of productivity gains — through re-engineering, downsizing, outsourcing, and so on — is past. Now firms must find new ways to do better in business conditions that are much worse.

In the 21st century, leadership will hinge, as never before, on good manners and genuine respect for others. These soft factors deliver hard results.

They apply both within organisations and outside, with all stakeholders.

After all, suppliers, customers, government and the rest are not just legal bodies, nameplates, or amorphous masses; they are made up of human beings with needs and feelings, hopes and fears.

Treat those people well, and you immediately stand out as being different and nicer to work with; treat them badly, and they'll get you.

No company is a social club. Not every business conversation is pleasant.

Leaders have to say no, have to take hard decisions, and have to pressure people to perform. But the way they do these things will turn people on or off — possibly forever.

Good manners are a personal choice. But no company can allow its employees to get away with being bad mannered. Their behaviour impacts widely. It sends strong messages about an organisation and its values.

It is an integral part of a firm's identity, its reputation and its brands — all of which are increasingly important. Good manners should be seen as a strategy, rather than a happy accident.

□ *Manning is an independent consultant in the areas of competitive strategy and change management*

THE JOBFINDER

APPENDIX V

The importance of being a good staff manager

F REPORTER

EVERY worker, wherever or whoever he or she is, has a basic personality type. And as a good ager, it's your job to identity one and match it to how nteract with that employee. ; no good treating all of staff the same. They aren't. ı behaviour types include rs, drifters, pleasers, perers, procrastinators, conrs and analytical characics, among others. Each ıses a different motivator reacts differently, dependon how communication is ished. As a manager, for ple, you would be wise to trage team behaviour dealing with an employee cares only for his or her well-being or success.

nember, too, that where ship leaves off, manageakes up. As a manager, it's ou learn to identify specifniques to motivate indiemployee behaviour and ies, and to make sure the getting done. The ultimate to persuade staff to folur directive.

Good managers are concerned with the success of each individual, which ultimately enables the entire group to profit and work as a team. Leaders usually have little concern for individual players, and focus more on the bottom line, or goal, of the group.

In fact, leaders turn employees into controlled followers, whereas managers empower employees to be effective, motivated and productive.

Is a management job the right place for you?

No matter how many employees you're responsible for managing there's a science to the art of management, and if you don't have the ability to be the 'purveyor of the law', you should probably pass on any opportunity to oversee other staff. So how will you know if you'll be up to scratch?

If you have no prior management experience, not even overseeing the daily activities of one peer, volunteer, co-worker or employee, you need to try out your skills before jumping into the responsibility. With a wide variety of management styles, philosophies and techniques available, there is no cut-and-dried management blueprint.

Not every application will fit the needs and personalities of every manager, or worker. But if you're looking to quickly determine if you have what it takes to manage employees, check out this quick self-test.

❑ Can you perform non-biased evaluations? Being a manager means reinforcing positive employee behaviour as well as identifying specific areas an employee needs to improve. An effective manager must initiate and direct those changes. This means being able to accurately evaluate each employee based on their individual performance and workplace contributions. Good managers help employees create short-term and long-term career goals and help employees understand what they need to do to get ahead.

❑ Can you create a positive office culture?. A manager can excel in a management role if he or she can successfully create a workplace culture that supports management staff.

❑ Can you set clear objectives? A manager is expected to identify clear job standards.

Employees must understand what is expected of their performance, and if they aren't performing satisfactorily, the manager must initiate the necessary changes. A great manager will realise not every employee is suited to his or her job. It's the manager's task to match employees' skills and abilities with their positions.

❑ Are you an expert listener? An effective manager must be able to hear what employees are saying, and understand their concerns. This means being able to focus on the immediate issue and understand the facts. A good manager must realise not every situation warrants an instant managerial reaction or policy change, but should be perceptive enough to identify when this is necessary.

❑ Can you defuse problematic situations? As a manager, it is crucial you don't take your employee's anger or reaction to a specific situation personally, even if they lash out at you in a personal attack.

Remain professional and composed at all times, and never allow an employee's frustration to rattle you.

❑ Can you respond to facts without reacting to personal feelings? A manager must be able to get to the bottom of work-related issues and concerns and offer workable solutions in a timely manner. Otherwise, employees will become disgruntled and poor performers.

❑ Are you able to respond to various personal agendas? Identifying individual employee goals is a good start, but an excellent manager needs to unify those agendas and make them work toward a common workplace goal. Don't assume your employees share your same agenda. Frequently discuss the goals of the company while realising what is most important to your staff.

❑ Do you know when to initiate change? It is usually your job to decide whether or not a policy or situation warrants modification. Are you able to make decisions and justify their outcomes?

Many good managers are born, not made. But with some work and a little modification, even the worst manager can brush up on skills and adapt to supervising others.

AS a manager you should realise each of your staff has a different personality type and you should link this to how you interact with him or her

APPENDIX VI

WANTED: Good soft skills

Today's leaders are expected to communicate well and have empathy, writes GAENOR VAIDA

MANAGEMENT in today's business world is no longer just about financial efficiency and being a forceful leader.

here is, instead, a growing global focus he need to develop what are termed soft s, such as communication, empathy and ;itivity.

ınine Rothwell, head of consultancy Mar- ıg Options, says: "Today's managers : evolved their image from a typically rolled style to a commitment style that urs and believes in learning processes, :ation and training."

ıe UK's Henley Management College sur- d 328 managers in 22 European coun- to find out what are important man- ıent attributes.

pping the list in all countries except :e was the ability to motivate others. r key attributes were leadership, listen- :utely to customers, an excellent busi- sense, efficient planning, good judge- and an orientation towards change.

:hwell carried out similar research y.

:ctive communication was named by f respondents as crucial for keeping up ›yee morale. One of Rothwell's clients, -chip company, had to communicate ployee relations policy to everyone in ›mpany.

; policy was communicated:

t a launch function.

erbally to all employees and in meet- ith unions.

a booklet written in a number of lan- :.

a the company's intranet.

a a video.

a cartoon poster aimed at illiterate 'ees.

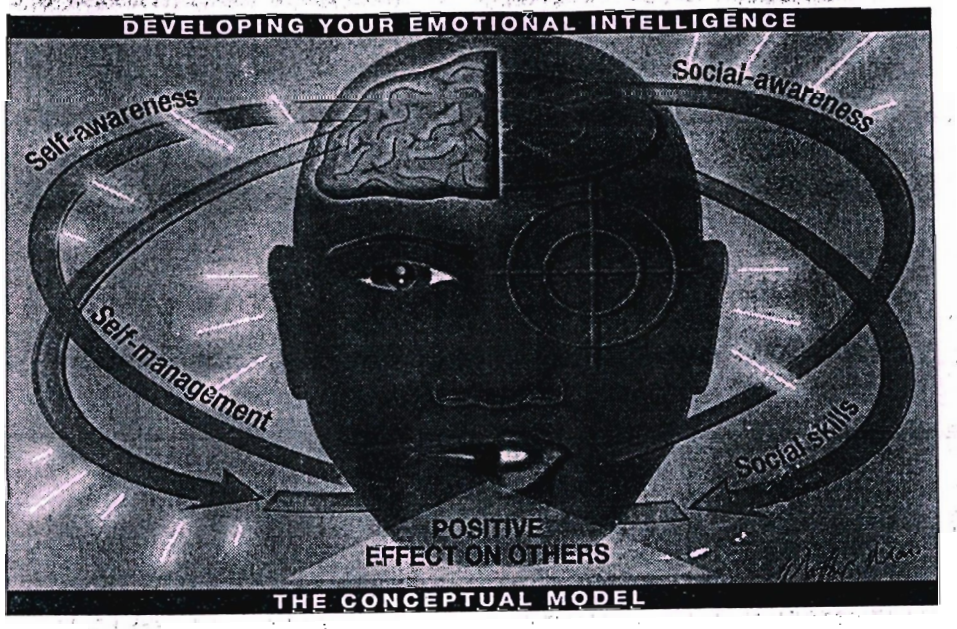
stakeholder newsletters.

well says this policy was effectively :nicated because

was consistent.

nvolved all stakeholders.

ensured all the target audiences un- d.



- It was open to ongoing discussion.
- It was relevant to all parties.
- It was delivered timeously.

Rothwell gives an example of an ineffective communication strategy: One written notice, aimed at the entire workforce, is sent out haphazardly. Supervisors and/or managers are not briefed; there is no reinforcement; and no measures are taken to ensure the announcement is understood by the recipients.

Industrial and organisational psychologist Gary Norton, from Renwick Reward, prefers to talk about emotional intelligence. Emotional intelligence is about having the necessary skills — including communication — to manage relationships.

Research has found a commonality of certain soft-skill traits among CEOs. They displayed seven times as much self-control and three times as much empathy as their counterparts who did not make it to the top. Both self-control and empathy are components of emotional intelligence.

Developing emotional intelligence is a four-part process.

The first step is about self-awareness.

Often developed alongside self-awareness is the second step, self-management, which is about self-control.

Individuals with self-control avoid emotional responses like sulking or exploding in anger.

"It is about trying to feel and think at the same time, rather than responding the way we feel before we think," says Norton.

The third step, social awareness, requires empathy.

The final step is called relationship management and involves social skills.

It has two facets: leading others and working with others.

Leading others requires, aside from leadership, being a good communicator, an initiator and manager of change, and being able to develop the abilities of others and wield influence.

When it comes to working with others, the leader must be able to resolve conflicts, build bonds and develop teamwork.

Norton says that in a conflict situation, one has two options.

One can either walk away — without achieving the objective of having the conversation — or one can "counter-influence". The second action involves "tailoring the message to have greater influence".

Norton says many companies list soft-skill requirements when recruiting staff, but human resource personnel are often not trained to measure these skills.

Managers brought into interviews and then tasked with making a decision are inclined to choose employees who have similar personalities to them, rather than those right for the job.

But soft skills, like hard skills, can be measured.

An individual's emotional intelligence is measured by scoring how he or she reacts in certain situations according to the opinions of others.