

**THE INFLUENCE OF DIRECTORS' LEADERSHIP STYLES IN COMPANY
PERFORMANCE: THE CASE OF OHLTHAVER AND LIST (O&L)
GROUP OF COMPANIES**

A thesis submitted in partial fulfilment of the requirements for the degree of
Master of Business Administration

By

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ABSTRACT

This study is about how the effectiveness of leadership in an organisation is determined by or is a consequence of the style of the leadership as delineated by Hersey and Blanchard who limit styles to *Selling*, *Telling*, *Participating* and *Delegating*. A selected group of managing directors in one of the oldest and most respected business enterprise in Namibia, the O&L Group of Companies was studied.

The study used Hersey's (1989) "Leader Effectiveness and Adaptability Description" - LEAD SELF and LEAD OTHER as the instrument. Questionnaires were administered to managing directors and their direct reports in selected O&L Group of Companies. The LEAD SELF measured the self-perception of managing directors of their own leadership styles and the LEAD OTHER reflected the perception of employees of the leadership styles of managing directors.

It was found that a growing number of Managing Directors used the democratic leadership style to create ownership in the company. It was also found that depending on situations, Managing Directors used various leadership styles, as the leaders chose the style that was considered most appropriate.

The study concluded that managing directors themselves perceived *selling*, as their dominant or primary style of leadership while relying on a two-way communication and socio-emotional support system to get the senior managers to psychologically buy into decisions.

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Finally, I am grateful to my family for their patience when I had to labour in the pages of books late into the night. My gratitude to you cannot be expressed in words.

DEDICATION

I lovingly dedicate this thesis to my wife, Melitta, for her love and patience and to my one and half-year old son, Audrin Mathe Jr, who, during my thesis writing, unremittingly unplugged my computer when batteries were gravely low.

DECLARATION

I, Audrin Mathe, declare hereby that this study is a true reflection of my own research, and that this work, or part thereof has not been submitted for a degree in any other institution of higher education.

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Chapter One

INTRODUCTION

1.1 Orientation of the proposed study

The Ohlthaver and List Group of Companies (O&L) is one of the oldest and well-established companies in Namibia. It emerged from the earlier operations of Ohlthaver & List Ltd Company founded by Carl List and Hermann Ohlthaver in 1923 in the old South West Africa under the jurisdiction of the then Union of South Africa. Today, it is the largest privately held group of Companies outside of the mining sector. The Ohlthaver & List Group of Companies has wide-ranging interests, such as food production, fishing, beverages, farming, retail trade, information technology, property development, leisure, marine engineering, the service sector and the hospitality industry.

Before independence, the then South West Breweries was notorious for its treatment of its workers through retrenchments and dismissals but their fortunes turned with independence when the company found favour with the new government of a free Namibia following its donation of farms for resettlement of landless black Namibians.

1.2 Problem Statement

The Ohlthaver & List Group of Companies was awarded overall second place in the large-business category in the SADC Region for the second year in a row, and the Best Company To

Work For in Namibia in the 2011 Deloitte Best Company To Work For survey. The chairman of the O&L Group of Companies, Sven Thieme, once explained the success of the organisation to the Namibia Press Agency (2011) in the following words: “this shows the tremendous commitment and dedication to excellence that the company continuously strives to obtain in all its people management processes, and is testimony that it is an employer of choice in Namibia and indeed southern Africa”. The Group also received the Deloitte Seal of Excellence Award for its outstanding achievement in continuously striving for operational excellence in all its human capital processes. Many ascribed the group’s success story to the styles of leadership it practised over the years, which in part influenced employee satisfaction as an indicator of success.

Academic research has established a strong correlation between employee satisfaction scores and subsequent customer satisfaction scores and in both cases these have been tied back to leadership practices (Witt, 2011). This emphasises that leadership practices matter. Companies that have good leadership practices outperform companies that do not. The effect of leadership performance on the employee’s working experience cannot be underestimated. In most cases, the quality of relationship of an employee with his or her immediate manager is an important determinant of job satisfaction.

Managers who are able to read the changes in their organisations and apply the correct mix of leadership styles are more effective leaders and have a better chance of a shared mission the organisation set for itself adapt his or her leadership style to situations -- be it in *telling*, *selling*,

delegating or *participating* (Hersey and Blanchard, 1993). Not much is known about this development in the private and public sectors in Namibia.

1.3 Objectives of the study

The purpose of the study was to investigate the leadership styles of Managing Directors in selected Ohlthaver and List Group of Companies. Specifically, it was to determine the extent to which the Managing Directors have demonstrated the leadership styles of *Telling*, *Selling*, *Participating* and *Delegating* as delineated in The Leader Effectiveness and Adaptability Description (LEAD) designed by Hersey and Blanchard (1993).

LEAD sheds light on the correlation between the amount of guidance and direction, the amount of socio-economic support a leader provides on the one hand and the readiness level that followers exhibit in performing a specific task, function or objective on the other. The study also looked at the employees' perception of their leaders in analysing leadership styles.

1.4 Research questions

This study endeavoured to answer the following questions:

- a) What are leadership styles of Managing Directors in selected O&L Group of Companies?
- b) What are the perceptions of O&L Group of Companies Managing Directors of their own leadership styles?
- c) What are the perceptions of employees of the delineated leadership styles of the Managing Directors?

- d) To what extent are the Managing Directors in these companies demonstrating the leadership styles of *Telling, Selling, Participating and Delegating*?
- e) Would the outcome(s) of these directors' leadership have been different if they chose different leadership styles?

1.5 Significance of the Study

This study names existing leadership styles that were used by companies in Namibia, knowingly or inadvertently, in pursuing their business goals. The findings of the study offer policy makers in the private and public sector leaders in Namibia to be more informed about theories of leadership in the workplace. The results of this study may aid organisations to plan and develop professional leadership training programmes for senior leadership teams so that they can effectively lead their organisations in an increasingly competitive labour market. It is hoped that this study will help managers realise the need to be more deliberate in effective leadership by attention to these styles. The study will illuminate the view of leadership as involving more than the leader's personality and focus on leaders as understood by their roles of leading in context.

The study is a contribution towards a better understanding of specificities of a successful business leadership in Namibia parallel with and in spite of political changes that came with the attainment of political independence in 1990. This will add to the scanty literature available to business leadership in Namibia.

1.6 Limitation of the study

The O&L Group of companies has 11 subsidiaries under it namely, Namibia Breweries Limited, Brolls Namibia, Hangana Seafoods, Pick n Pay, Midgard Country Estate, Kraatz Marine, Kraatz Steel, Windhoek Schlachtereij, Eros Air, Namibia Diaries and Dimension Data Namibia.

One would have hoped to study all the subsidiaries in order to attain a broader understanding of the leadership styles at O&L but by nature of any study and, due to resources and time constraints, it was not feasible. However, what was learnt from this study offer sufficient understanding of styles of leadership under study. Furthermore, the representative sample used, limited in scope though it was, is sufficient to enable the generalisation of the findings on the study of leadership styles at selected O&L companies.

1.7 Definition of Terms

According to Hersey (1992) there are four leadership styles, which refer to salient communication patterns the leader may use in talking to followers based on the Situational Leadership Model. They are defined here under.

Telling would mean a style characterised by one-way communication in which the leader defines the roles of followers and tells them what, how, when and where to do various tasks.

Selling would mean a style whereby most of the direction is still provided by the leader. The leader also attempts through two-way communication and socio-emotional support to get the followers psychologically to buy into decisions that have to be made.

Participating would mean a style where leader and follower share in decision making through two-way communication and much facilitating behaviour from the leader, since the followers have the ability and knowledge to do the task.

Delegating involves letting followers “run their own show”. The leader delegates since the followers are high in readiness, have the ability and are both willing and able to take responsibility for directing their own behaviour.

1.8 Summary

The purpose of the study was to investigate the leadership styles of Managing Directors in selected O&L Group of Companies in an effort to delineate what style of leadership, *Selling*, *Telling*, *Participating* and *Delegating*, was used most frequently to acquire the reputation the company has in the economic role of Namibia. Various perspectives of leadership theories as discussed -- mainly those provided by Hersey and Blanchard's Situational theory (1982). The study included the employees' perceptions of Managing Directors in the group of companies. The study focused on four research questions that would provide grounds for discussion and conclusions.

The study concluded that Managing Directors used the democratic leadership style in order to create ownership in the company. Although the democratic style was most preferred, it was found that depending on situations, Managing Directors tended to vary the different leadership styles. At times, even the autocratic style of leadership was used though on a seldom basis and only when it was deemed to be most appropriate. It was also established that where the democratic style of leadership was practiced, most senior managers were likely to accept and thus be submissive to the leadership of the company.

The study recommended that Managing Directors and senior managers should be provided with necessary leadership courses in order to broaden their understanding of their functions as well as those of tiers immediately before and after them to avoid unnecessary expectations.

Chapter Two

LITERATURE REVIEW

2.1 Introduction

The art or function of leadership is as old as humankind. What is commonly understood is more political than stewardship. This study is grounded on leadership in business as opposed to common traits of political leadership, such as the most familiar leadership associated with liberation politics.

2.2 Leadership: the definition

Leadership has been a preoccupation of human beings since the beginning of life (Bass, 1990). Knowing and understanding how communities are led can only contribute to appreciating peace and stability and these communities and can serve leaders to be able to rate themselves against great individuals who have worn the title of being great leaders. According to Burns (1978, p. 3) leadership “is one of the most observed phenomenon on earth and one of the least understood”. He further asserts that the different scholars, who have attempted to define, categorise and to attribute the study of leadership to particular situations, have only added to its confusion and incomprehensibility. According to Adlam (2003), leadership is a rather complex concept. This is due to the fact that several approaches have been employed to provide meaning to the term leadership and its effectiveness. The following are some of the definitions that have been rendered; leadership is the process of influencing the activities of an organised group towards goal setting and goal achievement (Stogdill, 1986).

Lipman-Blumen (1994) defines leadership as the initiation of a new structure or procedure for accomplishing an organisation's goals and objectives and according to Kenzevich (1975), leadership is a force that can initiate action among people, guide activities in a given direction, maintain such activities and unify efforts towards common goals. Jacques and Clement (1991, p. 4-5) defines leadership as a process in which an individual provides direction for other people and carries them along in that direction with competence and full commitment. Along the same lines, Hannagan (1995) and Botha (2005) define leadership as the process of motivating people to achieve specific goals. Hannagan, however, falls short of mentioning those motivational procedures that leadership offers to effect organisational change.

Gardner (1990) identifies leadership as "the process of persuasion and example by which an individual (leadership team) induces a group to take action in accord with the leader's purpose or the shared purpose of the group. This view is supported by Hogan (1994) who states that leadership involves persuading other people to set aside for a period of time their individual concerns and to pursue a common goal that is important for the responsibilities and welfare of a group. Hogan (1994, p. 493) defines leadership as:

...Persuasion, not domination, persons who can require others to do their bidding because of their power are not leaders, Leadership only occurs when others willingly adopt for a period of time, the goals of a group as their own. Leadership concerns building cohesive and goal orientated teams; there is a casual and definitional link between leadership and team performance.

Razik and Swanson (1995, p. 552) quotes Sergiovanni (1989) defining leadership as “The process of persuasion by which a leader or leadership group...induces followers to act in a manner that enhances the leader's purposes or shared purposes”. Leadership also is conveyed in the leader's ability to analyse situations and people, psychologically affect followers, and control the environment. Hersey (1992) defines leadership as the process of influencing the activities of an individual or a group in efforts toward goal achievement in a given situation. With the kinds of complex demand placed upon those in positions of leadership, it is not surprising that a wide range of skills should be displayed in the behaviours of those who are most successful.

Leadership is necessary for a variety of reasons. On a supervisory level, leadership is required to complement organisational systems (Katz and Kahn, 1978) and enhance subordinate motivation, effectiveness and satisfaction (Bass, 1990). At the strategic level, leadership is necessary to ensure the coordinated functioning of the organisation as it interacts with a dynamic external environment (Katz and Kahn, 1978). Thus leadership is required to direct and guide organisational and human resources towards the strategic objectives of the organisation and ensure that organisational functions are aligned with the external environment (Zaccaro, 2001)

2.3 Studies in leadership styles

The literature on leadership, regardless of tradition, has focused mostly on those in formal leadership positions, chiefly on the chief executive officer. For example, the ‘*leaders’ traits*’ approach defines leadership chiefly as a function of individual personality, ability, traits, and style—and the focus on the venerable ‘great man’ theories of leadership continues unabated

(Burns, 1978). This approach has a long history and marked influence on leadership research, focusing on the identification of leaders' personality traits, and in some cases relating these traits to leaders' effectiveness (Stogdill, 1948, 1950, Yukl 1981). Traits such as self-confidence, sociability, adaptability, and co-operativeness, among others, are thought to enable leaders to inspire others, and thus get others to follow; and empirical work suggests that such leader traits do indeed increase the likelihood of a leaders' effectiveness (Yukl, 1981).

Responding in part to criticisms levelled at the leaders'-traits tradition for its silence about what leaders do, other researchers began to investigate leadership as a set of *behaviours* (Hemphill and Coons, 1950, Kunz and Hoy, 1976, Mouton and Blake, 1984). Such research, which documented the behaviours of 'successful' leaders, has generated taxonomies of behaviours, including 'monitoring', 'consulting', and 'delegating' (Hemphill and Coons, 1950, Hallinger and Hausman 1993). Other work in this tradition has identified broad styles of behaviour, including autocratic, democratic, and laissez-faire (Lewin *et al.* 1939, White and Lippitt, 1960), employee-oriented and directive (Mouton and Blake, 1984), and task-oriented and relationship-oriented (Likert, 1967), at times showing a relationship between these behaviours and effectiveness.

While providing valuable insight, the focus in these traditions on positional leaders is problematic because other research underscores the need to move beyond those at the top of organizations in order to understand leadership (Barnard 1938, Katz and Kahn, 1966, Heenan and Bennis, 1999). Thus, critics of the solo decision-maker model have argued for giving attention to the shifting coalitions of decision-makers in organizations in which preferences and

coalition membership is neither stable nor unified (Cyert and March, 1963, March and Olsen, 1984).

Seeking to address the inattention to context or situation, another line of research on leadership, *contingency theory*, has focused on the relations between the situation of leaders' work and their actions, goals, and behaviours (Fiedler, 1973). Contingency theory assumes that there is no one best approach to organizing, that organizational structure matters when it comes to organizational performance, and that the most effective method of organizing depends on the organization's environment (Galbraith, 1973, Lawrence and Lorch, 1986). While some researchers have concentrated on such situational aspects as relations between leaders and followers and the extent to which the leadership task is structured (Fiedler, 1970), others have focused chiefly on followers' readiness to achieve the leader's goal (Hersey and Blanchard, 1977). Effective leaders draw on a repertoire of styles, and the effectiveness of particular styles is dependent on both the leadership task and the context (Stogdill, 1974). For example, a task-oriented style is more effective when followers have limited experience and competence (i.e. 'immature' followers); a blend of task- and relationship-oriented styles works best with more mature groups; and a delegating-style of leadership appears most effective when working with very mature groups (Hersey and Blanchard, 1977).

Leaders' thinking about their work is largely ignored in behavioural studies of leadership, with the research focusing attention on documenting macro- or micro-leadership behaviours or styles. The *cognitive tradition* of research on decision-making in organizations has focused on leaders'

and followers' thinking about their situation and work, and the relations between these cognitive processes and their behaviour (Simon, 1976, Pfeffer, 1977, Weick, 1979, 1995).

Another caution to be levelled at the cognitive research on leadership is that by concentrating on administrators' intentions, values, and beliefs, cognitive approaches run the risk of ignoring organizational, cultural, and political factors that also influence what leaders do (Cuban, 1993).

In contrast to the traditional cognitive perspective, *institutional theory* attempts to situate individual sense-making in institutional sectors, challenging 'models of social and organizational action in which relatively autonomous actors are seen as operating with unbounded rationality' (Rowan and Miskel, 1999: 359). From an institutional perspective, the thinking and action of social actors is situated in institutional sectors that provide norms, rules, and definitions of the environment, both constraining and enabling action (DiMaggio and Powell, 1991). These tacit schemata define appropriate structures and give meaning and order to action in institutional sectors (Scott, 1995). In this scheme, leadership is about preserving institutional legitimacy in order to maintain public support for the institution.

From this perspective, leadership, and leaders' cognition cannot be understood apart from the contexts in which they are embedded. This perspective provides insight into the implications of structure for leaders' cognition and action, suggesting that cognition itself can be constrained by institutional context. However, although not inherent in the approach, institutional theorists have tended to overplay aggregation and determinism (DiMaggio, 1988), curtailing the frame's usefulness for investigating leadership practice. Focusing on populations of organizations -

institutional sectors - institutional theory has stressed the emergence of dominant organizational forms rather than the leadership practices or activities that may be particular to individual organizations (Whittington, 1992). Further, the over-emphasis on the role of institutional schemata tends to smother human agency. As a result, institutional theory runs the risk of being overly deterministic by not attending to how social actors make sense of, and shape, their environments (Giddens, 1984, Weick, 1995).

In order to understand leadership practice, leaders' thinking and behaviour and their situation need to be considered together, in an integrated framework. It is argued that understanding the "what" of leadership is essential; but that without a rich understanding of "how" leaders go about their work, and "why" leaders do and think what they do, it is difficult to help leaders think about and revise their practice. Further, from a research perspective, it is contended that attention to "how" leadership practice is undertaken by multiple leaders in diverse contexts will establish a cogent framework for a more careful consideration of the *why* of leadership. Building on recent work distributed and situated in cognition and activity theory, it is argued that leaders' practice (both as thinking and activity) is distributed across the *situation of leadership*, that is, it emerges through interaction with other people and the environment. Hence, to frame a study of leadership practice, an integrative conceptual model that explores the interaction of leaders' thinking, behaviour and their situation is posited.

2.4 Hersey and Blanchard's Situational Leadership theory

According to Hersey (1992), leadership involves accomplishing goals with and through people. Therefore, a leader must be concerned about task behaviour and relationship behaviour. The four

basic leader behaviour quadrants are labelled: high in task and low in relationship with the appropriate style of *Telling* (S1); high in task and high in relationship behaviour with the leadership style of *Selling* (S2), high in relationship and low in task behaviour with the leadership style of *Participating* (S3); and low in both relationship and task behaviour with the leadership style of *Delegating* (S4).

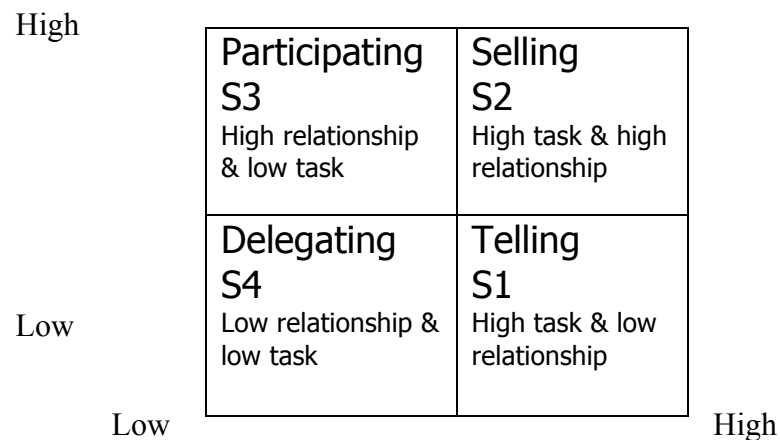


Figure 1: Hersey and Blanchard's Situational Leadership Model

These four basic quadrants depict essentially different leadership styles. The leadership style of an individual is the behaviour pattern that person exhibits when attempting to influence the activities of others as perceived by those others. Task behaviour is the extent to which leaders are likely to organise and define the roles of the members of their group (followers); to explain what activities each is to do and when, where and how tasks are to be accomplished; it is characterised by the endeavouring to establish well-defined patterns of organisation, channels of communication, and ways of getting jobs accomplished.

Relationship behaviour is the extent to which leaders are likely to maintain personal relationships between themselves and members of their group (followers) by opening up channels of communications, providing socio-emotional support, “psychological strokes” and facilitating behaviours (Hersey, 1992). These leadership concerns seem to be a reflection of two of the earliest schools of thought in organization theory - science management and human relations. Frederick Taylor's science management movement in the early 1900s saw “man-as-machine”.

According to Musaaazi (1988), Taylor believes that workers, motivated by economic and limited physiological wants needed constant direction. Musaaazi (1988) also states that Taylor advocated that each man in the organisation should:

- a) have clearly defined daily tasks laid out before him
- b) be given standardised conditions and appliances to accomplish the task with efficiency and
- c) receive high pay to complete the task successfully.

Musaaazi (1988) claims that Taylor's science management approach assumed that the prime function of administration was to maximise production or profit at minimum cost. Efficiency was of utmost importance.

Quality control and economy were realised through the imposition by central administration of close supervision according to well-defined task performance standards. Thus specialisation of administrative functions, a tall hierarchical organisation, close supervision, and a high degree of centralised control are compatible with the concept of administration as perceived by Taylor.

Hersey (1992) relates this theory to the *Telling* style of leadership. *Telling* is characterised by one-way communication in which the leader defines the roles of followers and tells them what, how, when and where to do various tasks.

Hersey (1992) states that the human relations movement, initiated by Elton Mayo and his associates in the early 1930s argues that in addition to finding the best technological methods to improve output, it was beneficial to management to look into human affairs and interpersonal relations. The function of the leader under human relations was to facilitate cooperative goal attainment among followers while providing opportunities. This is in line with the leadership style of *Selling* postulated by Hersey and Blanchard (1993). *Selling* is characterised as high task/high relationship whereby most of the direction is still provided by the leader. The leader also attempts through two-way communication and socio-emotional support to get the followers, psychologically, to “buy into” decision that have to be made.

Musaazi (1988) sees that the science management and human relation approaches to administration ignored the impact of social relations and of formal structure respectively. According to Musaazi (1988), it was Chester Barnard (1938) who originated much of the behavioural approach when he examined carefully the organisational life in his book, “Functions of the Executive”. He emphasises the importance of both formal and informal organisation and clearly demonstrated the inevitable interaction between them.

Keith and Girling (1991) state that *participating*, correlates with the behavioural science approach. In the *participating* style of leadership, the leader and followers share in decision making through two-way communication and much facilitating behaviour from the leader, since the followers have the ability and knowledge to do the task (Hersey, 1992).

Hersey (1992) clarifies that the *delegating* style involves letting followers “run their own show”. The leader delegates since the followers are high in readiness, have the ability, and are both willing and able to take responsibility for directing their own behaviour. This style is similar to empowerment. Being empowered means to have choice and control (Keith and Girling, 1991). The possibility of participating in the definition of organisational goals and strategies contributes to a greater sense of mastery and self-esteem (Carpinter, 1971). Ranter (1977) suggests why empowerment tends to be associated with improvements in productivity: When employees at lower levels of the organisational hierarchy have a chance to share in power from above, they feel greater fulfilment of their psychological needs, experience greater team identity and become more participatory and more satisfied.

2.5 Summary

The review of related literature outlined leadership in general and the Managing Director leadership style relating in particular to the Situational Leadership developed by Hersey and Blanchard at the Centre of Leadership Studies since 1960s. Until 1982, Hersey and Blanchard worked together to continually refine Situational Leadership (Hersey and Blanchard, 1993, p. 184).

The situational leadership theory best explains the leadership styles at O&L Group of Companies. It theorise that there is a curvilinear relationship between task behaviour and maturity. More accurately, as the leaders are able to assess the leadership situation with which they must deal, the leaders should adjust their behaviour or style to be compatible with the situation. As the maturity of the group increases, the leader should reduce task directed behaviour and increase relationship behaviour. Maturity is seen as the degree to which the group is able to increase their level of aspirations and accomplishments. In the very mature state, a group essentially self-actualizes and a leader operates with a high degree of delegation.

Incorporated within, are leadership theories, which provided the theoretical and empirical background for this study. It has shown that leadership is a critical factor in organisational effectiveness and employees' expectations and perception of their Managing Directors' leadership styles have a bearing not only on job satisfaction but also on performance.

Chapter Three

METHODOLOGY

3.1 Introduction

In this chapter, the research design, population, sampling strategy, instrumentation, data collection procedures and data analysis are delineated.

3.2 Research Design

The study is quantitative and employed the self-administered questionnaire because the responses of Managing Directors and employees of selected O&L companies shed light on:

- a) Leadership styles of Managing Directors in selected O&L Group of Companies
- b) Perceptions of O&L Group of Companies Managing Directors of their own leadership styles
- c) Perceptions of employees of the leadership styles
- d) Extent to which Managing Directors in selected O&L Group of Companies demonstrate the leadership styles of *telling*, *selling*, *participating* and *delegating*.
- e) The extent to which outcome(s) of these directors' leadership would have been different if they chose different leadership styles

3.3 Population

The target population for this study is Managing Directors and a selected cohort of the studied eleven (11) companies and senior managers.

3.4 Sample

The sample in this study consisted of two (2) O&L Group of companies Managing Director and eleven (11) senior managers from selected O&L companies. All senior managers reported directly to the Managing Directors of subsidiary companies of the O&L Group.

3.5 Research Instruments

The instrument used in the study is Hersey's (1992) "Leader Effectiveness and Adaptability Description" - LEAD SELF and LEAD OTHER which was developed as an outgrowth of the Situational Model developed by Paul Hersey (1976) and the Situational Leadership Theory proposed By Hersey and Blanchard (1972).

3.6 Procedure

Two questionnaires were administered. The first questionnaire was administered to the Managing Directors of selected O&L Company Managing Directors in this study, which consisted of the questionnaire on self (LEAD SELF). LEAD SELF measures self-perception of how an individual behaves as a leader (Hersey and Blanchard, 1993).

The second questionnaire was distributed amongst employees of selected O&L companies in this study and solicited the employees' perceptions of the Managing Directors (LEAD OTHER). LEAD OTHER reflects the perceptions of leaders' followers, supervisors and peers or associates (Hersey and Blanchard, 1993).

In the main, the LEAD SELF measured the self-perception of Managing Directors of their own leadership styles and the LEAD OTHER reflected the perception of employees of the leadership styles of Managing Directors.

3.7 Data Analysis

In the study, scores were analysed using descriptive statistics, which are suitable for answering the research questions. As the data are nominal, a cross tabulation approach using the SPSS computer software package (Norusis, 1995) was used to investigate:

- a) Leadership styles of Managing Directors in selected O&L Group of Companies
- b) Perceptions of O&L Group of Companies Managing Directors of their own leadership styles
- c) Perceptions of employees of the leadership styles
- d) Extent to which Managing Directors in selected O&L Group of Companies demonstrating the leadership styles of *telling*, *selling*, *participating* and *delegating*
- e) The extent to which outcome(s) of these directors' leadership would have been different if they chose different leadership styles

3.8 Research Ethics

The O&L Group of Companies was requested to consent to their participation. The researcher agreed with the participants that they had the right to withdraw from the study at any point in time, and that it was their prerogative to participate. It was stipulated in the consent forms that

information so given by the participants would remain confidential in order to ensure anonymity and trust.

3.9 Summary

This chapter provided a detailed account of the research methodology adopted for the study, data collection methods and instrument, the population sample, the procedures involved, data collection processes and analysis of the data collected. The study investigated the effectiveness of the leadership styles of Managing Directors in selected O&L Group of Companies by making comparisons between the perceptions of Managing Directors and employees of the leadership styles.

Chapter Four

ANALYSIS AND DISCUSSION

4.1 Introduction

This chapter discusses the findings and conclusions of the study. The chapter begins by presenting the demographic characteristics of the respondents. This is followed by the presentation of the views of the Managing Directors and their direct reports. In doing this, the analysis is based on both quantitative and qualitative data analysis and interpretation.

4.2 Presentation of data

4.2.1 *Demographic characteristics of respondents*

It was important to analyse the background characteristics of the various respondents of the study; that is the Managing Directors and senior managers reporting to them. Their characteristics have a strong bearing on the study's findings relating to the research questions.

4.2.2 *Age of Managing Directors*

The age of Managing Director respondents was analysed. The findings revealed that all of the Managing Directors who participated in the study were between the ages of 41 and 49 years. The summary of the above analysis is clearly indicated in Figure 2 below.



Figure 2: Age of Managing Directors

4.2.3 Age of Senior Managers

As in above, the age of senior managers was analysed in order to understand their characteristics better. The analysis shows that 80 per cent of senior managers were between 41 and 49 years. Only 2 per cent of the senior managers were between the ages 31 and 40 years old.

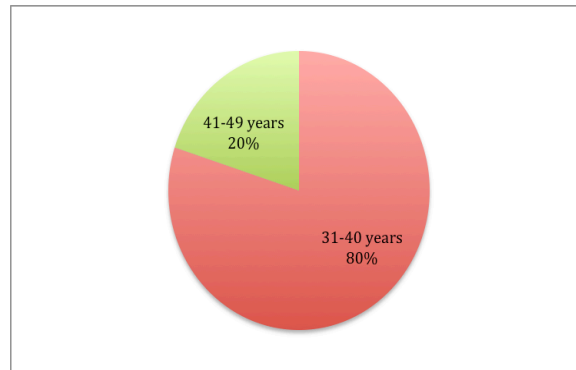


Figure 3: Age of Senior Managers

4.2.4 Gender of participants

The researcher included the gender of the respondents in order to establish the magnitude to which each of the sexes influences leadership at O&L Group of Companies. Males constitute Eighty-two (82) per cent of respondents and only fifteen (15) per cent were female.

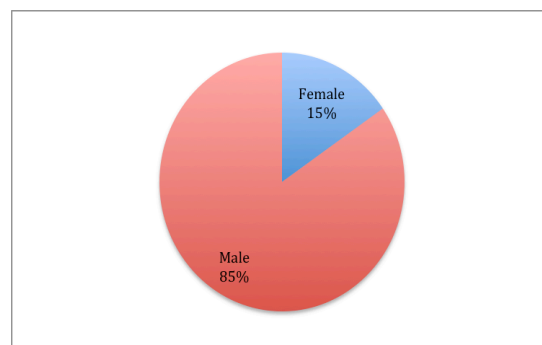


Figure 4: Gender of participants

4.2.5 Managing Directors' views on democratic leadership

The purpose of this section on the questionnaire was to determine the Managing Directors' views regarding the use of democratic leadership style in order to enhance the performance of O&L Group.

Several questions were posed. When specifically asked about their views regarding the extent to which or not the Managing Directors encouraged their staff to participate in decision-making, one hundred (100) per cent of Managing Directors strongly agreed that they encouraged their staff to participate in decision making.

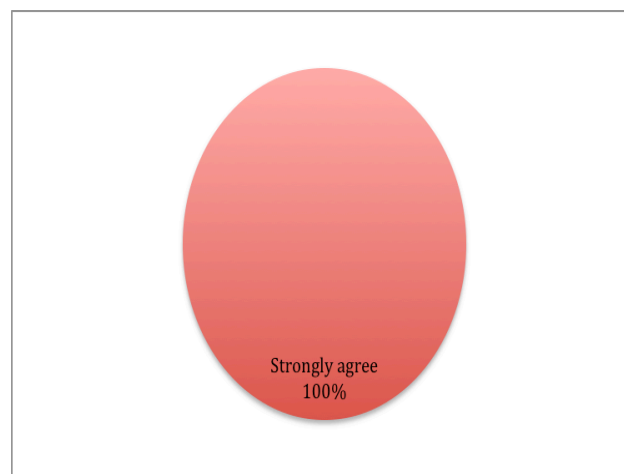


Figure 5: Encouraging your senior managers to participate in decision-making

A similar result is recorded when Managing Directors are asked whether or not they consult their senior managers before making decisions pertaining to the business.

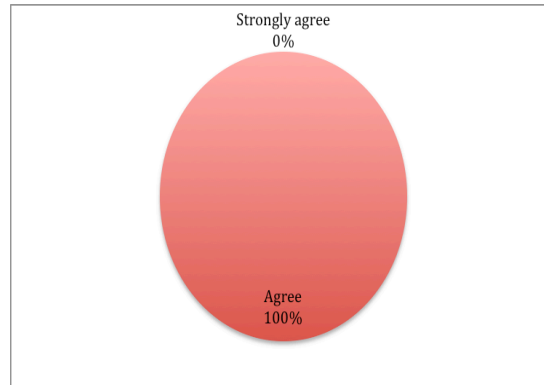


Figure 6: Consulting your senior managers before making decisions pertaining to the business

When asked whether or not they involve senior managers in making business target for the company, again 100 per cent of them agreed that they did. It will be interesting to know whether senior managers share the same sentiment when asked the same question. But that is only later.

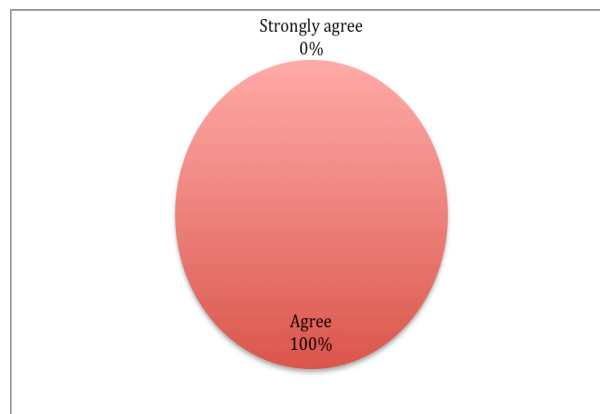


Figure 7: Involve senior managers in making business targets for the company

The next set of questions presents a different picture. When asked whether or not they often invite their senior managers to engage in addressing administrative problems, 33 per cent responded that they did not invite senior managers to engage in addressing administrative problems. However, 67 per cent said they did.

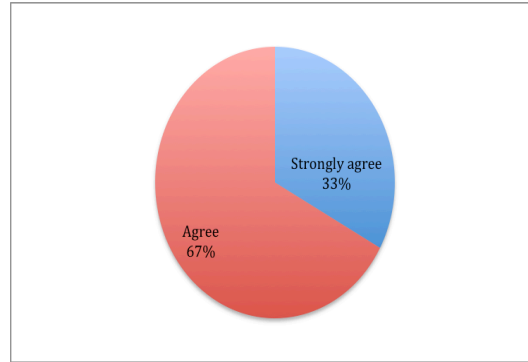


Figure 8: You often invite your senior managers to engage in addressing administrative problems

When asked whether or not solving administrative problems with senior managers improves profitability and success of the business, 33 per cent of Managing Directors said solving problems with senior managers did not improve profitability and business success. However, 67 per cent said it did.

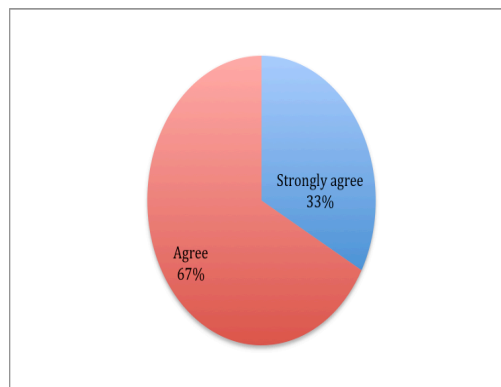


Figure 9: Solving administrative problems with senior managers improves profitability and success of the business

When asked to express a view whether or not Company success is through consensus building, 67 per cent agreed while 33 per cent strongly agreed.

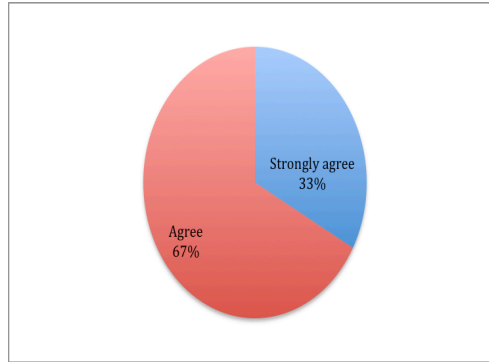


Figure 10: Company success is through consensus building

Managing Directors were also asked whether or not Senior Managers' involvement in setting targets is highly supported by Managing Directors. All of them (100 per cent) said the involvement of senior managers in setting targets is highly supported, with 33 per cent strongly agreeing.

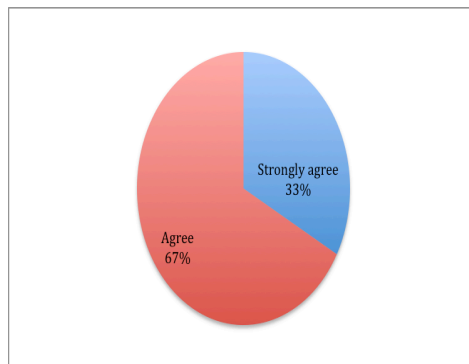


Figure 11: Senior Managers' involvement in setting targets is highly supported

Managing Directors were asked the extent to which they share company leadership roles with their senior managers, all (100 per cent) responded that they did.

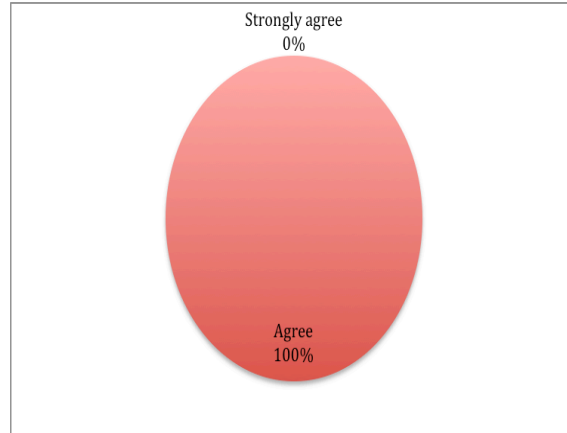


Figure 12: You share company leadership roles with your senior managers

When the question was asked differently, whether or not delegation of powers to subordinates in the company strongly exists, 67 per cent said it did not, while 33 per cent responded that there is delegation of powers to subordinates in the company.

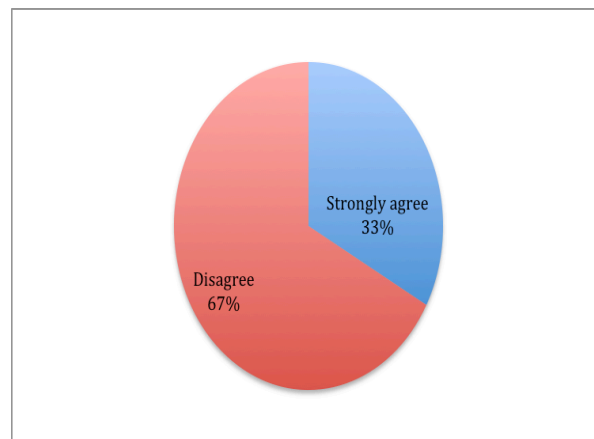


Figure 13: Delegation of powers to subordinates in this company strongly exists

The results show that both Managing Directors agreed that there is respect for senior managers' opinions regarding company improvement exists. Of that per cent, 33 per cent strongly agreed.

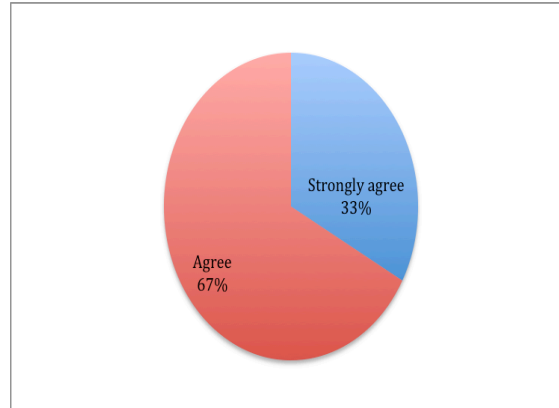


Figure 14: Respect for senior managers' opinions regarding company improvement exist

This result is identical when Managing Directors were asked whether or not Senior Managers participate in determining company resource allocation and utilisation: all of them responded that senior managers participate in determining company resource allocation, with 33 per cent of them strongly agreed.

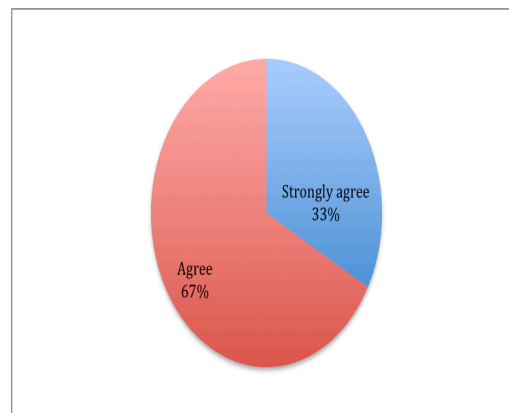


Figure 15: Senior Managers participate in determining company resource allocation and utilization

4.2.6 Senior Managers' views regarding the use of democratic leadership styles

In the analysis above, Managing Directors were asked to rate their views regarding the use of democratic leadership styles. This question is reversed and is asked to senior managers.

In the first instance, senior managers were asked to rate the extent to which they participated in decision-making. Ninety (90) per cent agreed that they did and only ten (10) said they did not participate in decision-making.

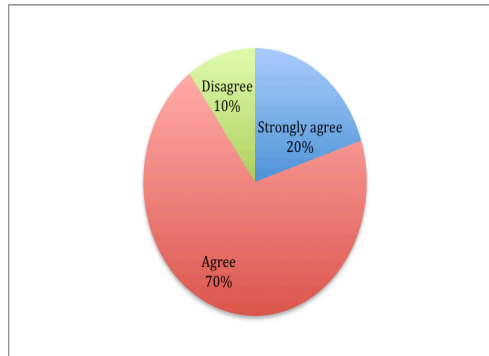


Figure 16: Senior Managers participate in decision-making

When asked the extent to which senior managers consult fellow managers before making decisions pertaining to the business, ninety (90) per cent said they did, with twenty (20) per cent of that figure strongly doing so and only ten (10) per cent said they did not consult fellow managers.

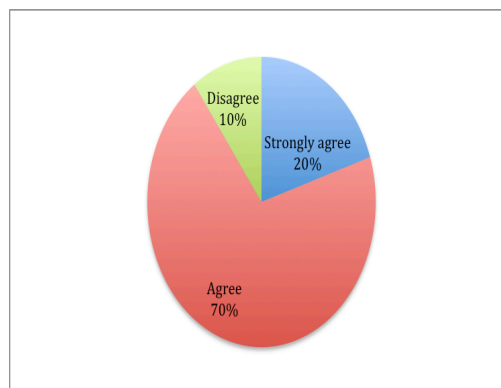


Figure 17: Senior Managers consult fellow managers before making decisions pertaining to the business

When they are asked whether or not they are involved in making company policy, 30 per cent responded that they were not involved and 70 per cent said they were involved.

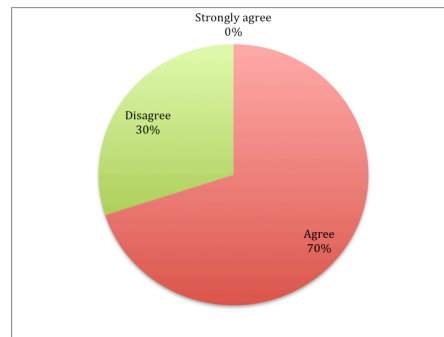


Figure 18: Senior Managers are involved in making company policy

Managing Directors were asked whether senior managers are engaged in addressing leadership problems in the company. The result shows that all senior managers are engaged in addressing leadership problems, with 40 per cent feeling strongly engaged.

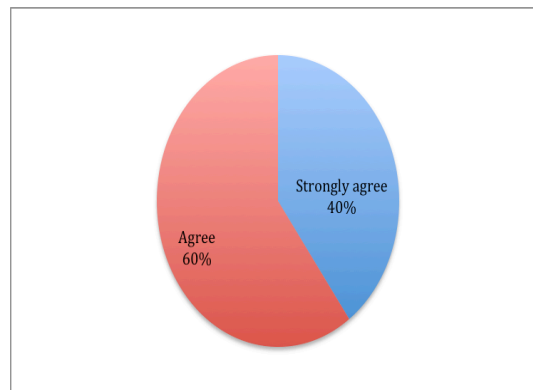


Figure 19: Do you often engage in addressing leadership problems?

This result correlates to the question whether solving administrative problems with senior managers improves success of the business: all senior managers feel that their involvement in solving administrative problems improves success of the business with half the managers (50 per cent) strongly agreed.

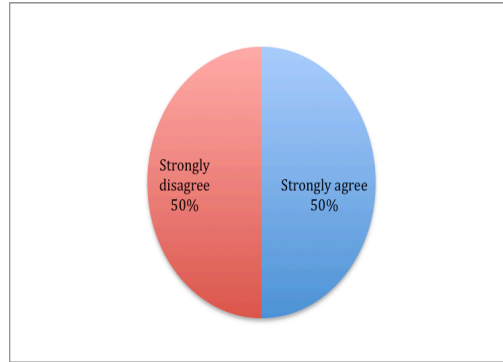


Figure 20: Solving administrative problems with fellow senior managers improves business success

Senior Managers were also asked whether or not business success could come through consensus building. Ten (10) per cent responded that business success couldn't come through consensus building. However, ninety (90) per cent agreed with thirty (30) per cent of them strongly agreed.

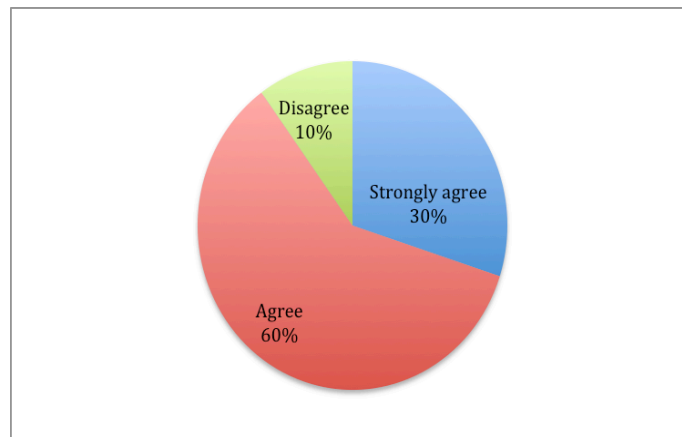


Figure 21: Business success is through consensus building

When asked whether or not Senior Managers were involved in setting targets for the company, all said they were involved in setting targets for the company with half feeling more involved.

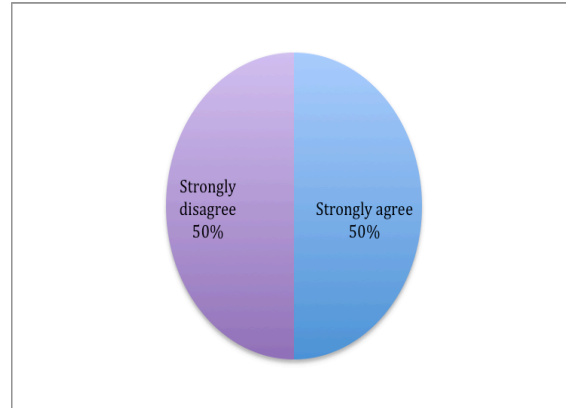


Figure 22: Senior Managers are involved in setting performance targets for the company

Senior Managers were asked whether or not they shared business leadership roles in the company. Seventy-five per cent agreed that senior managers share business leadership roles in the company. However, twenty-five per cent disagreed.

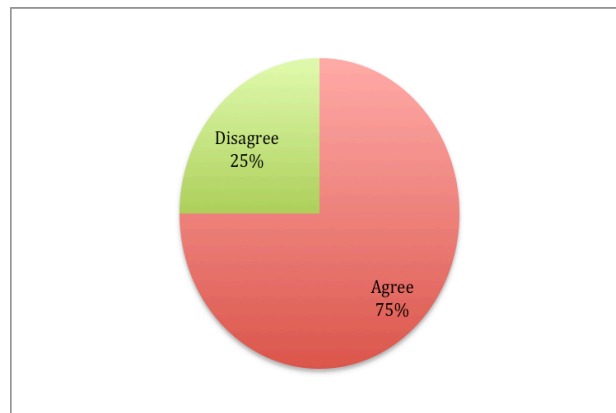


Figure 23: Business leadership roles are shared by the senior managers in this company

Senior Managers were asked whether or not delegation of powers to subordinates in the company strongly exists, seventy (70) said there is delegation of powers to subordinates with thirty (30) per cent of that figure strongly agreed. Thirty (30) per cent said there was no delegation of powers.

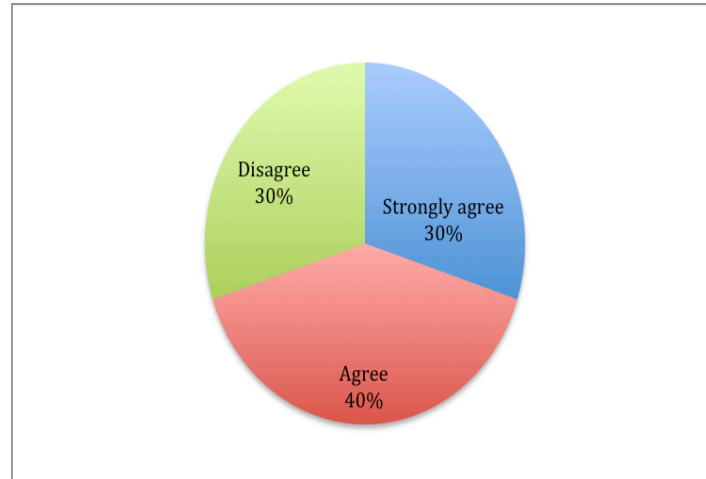


Figure 24: Delegation of powers to subordinates in this company strongly exists

On the question whether or not there is respect for senior managers' opinions regarding company performance, all senior managers said there was respect for their opinions regarding the performance of the company – ten (10) per cent of that figure strongly agreed.

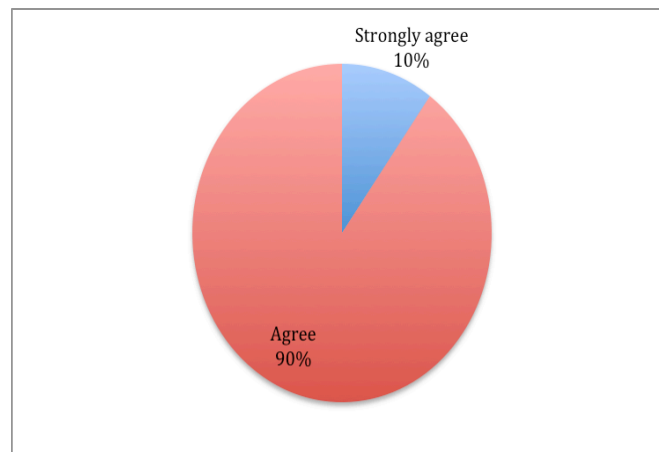


Figure 25: In this company, there is respect for fellow senior managers' opinions regarding company performance

Finally, all Senior Managers reported that they participate in determining company resource allocation and utilisation.

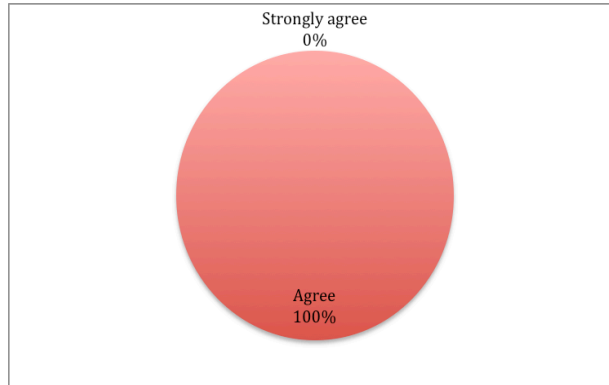


Figure 26: Senior Managers participate in determining resource allocation and utilization in this company

4.2.7 Managing Directors' views regarding the use of laissez-faire leadership style

Managing Directors were asked whether or not they left decisions to be made by their senior managers without intervention, all of them said they did not with 67 per cent saying so strongly.

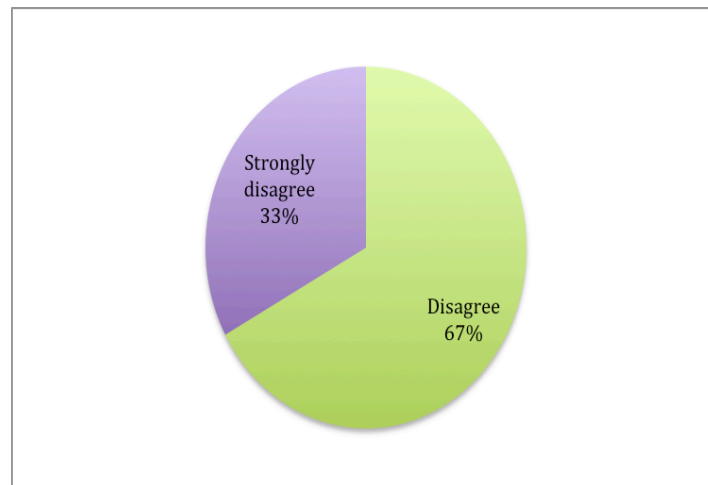


Figure 27: As a Managing Director/chief executive officer, you leave decisions to be made by senior managers without intervention

When asked whether or not Senior Managers have freedom to do as they think best in the interest of promoting the success of the company, 100 per cent agreed.

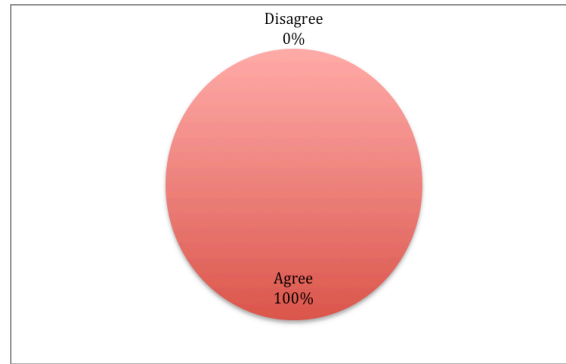


Figure 28: Senior Managers have freedom to do as they think best in the interest of promoting the success of the company

Managing Directors were asked whether or not Senior Managers are not interfered with when making decisions that promote progress in this company. Once again, all of them said they did not interfere with senior managers making decisions that promoted progress in the company.

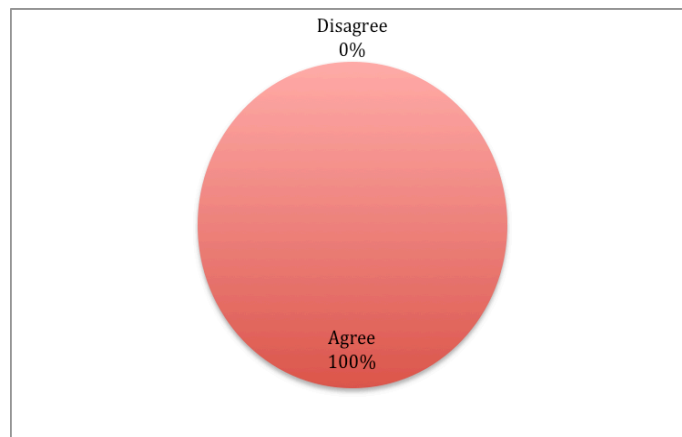


Figure 29: Senior Managers are not interfered with when making decisions that promote progress in this company

When asked whether they preferred collective decision-making in the company, both Managing Directors agreed with 33 per cent of the total strongly agreed.

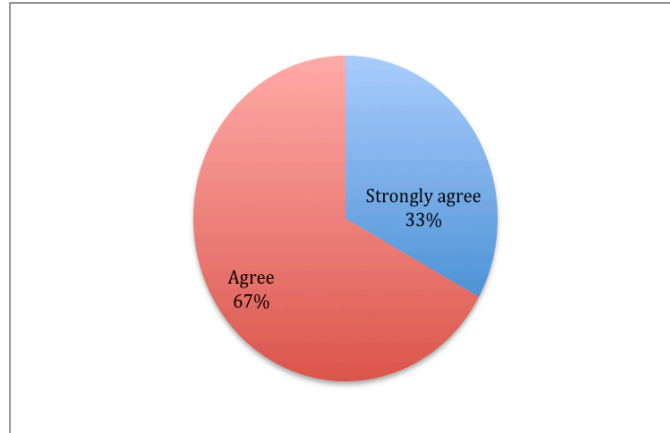


Figure 30: You prefer collective decision making in this company

Managing Directors were asked if it would be accurate to say that they fully left senior managers to make decisions pertaining to business performance without intervention. Sixty seven (67) per cent said it would not be accurate that they fully left senior managers to make decisions pertaining to business performance without intervention. However, thirty-three (33) per cent reported that they did.

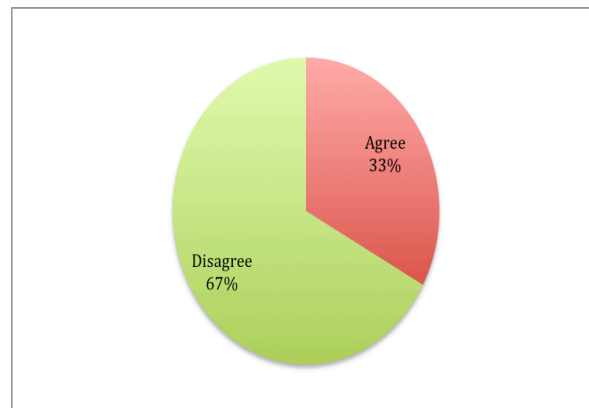


Figure 31: It would be accurate to say that you fully leave senior managers to make decisions pertaining to business performance without intervention

When asked whether decisions are made from below and they come later to the top, both Managing Directors disagreed. In response to a question whether there is free delegation of responsibilities and duties in the company, both Managing Directors agreed.

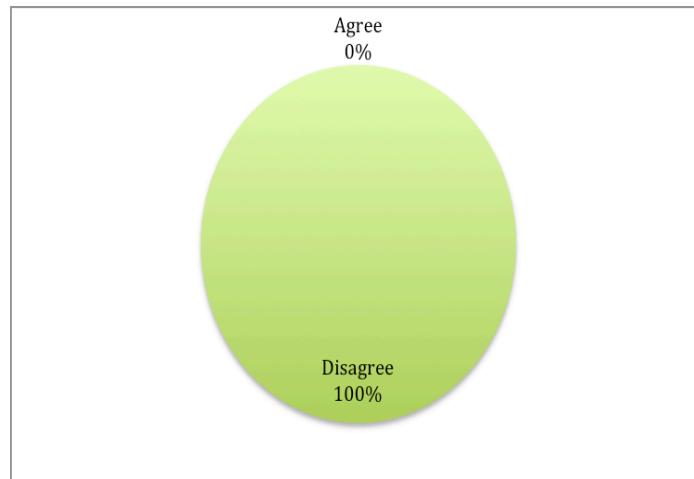


Figure 32: Decisions are made from down and they come later to the top

In response to a question whether there is free delegation of responsibilities and duties in this company, all agreed that to be the case.

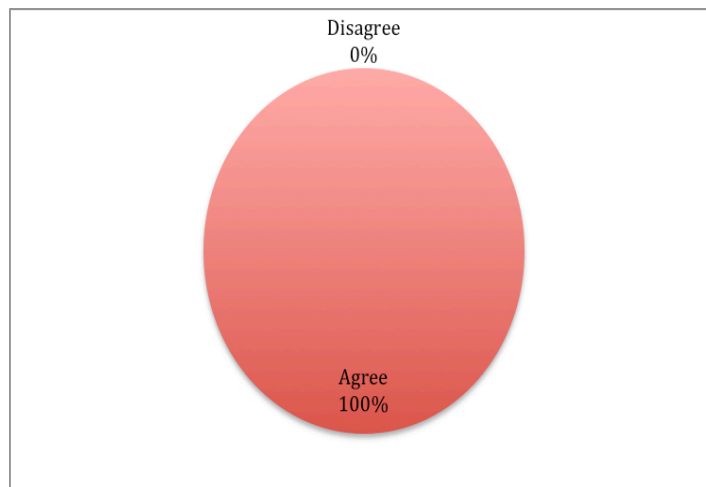


Figure 33: There is free delegation of responsibilities and duties in this company

4.2.8 Senior Managers' views on the use of *laissez-faire*

Senior Managers were asked whether they are given full mandate to make business decisions without intervention from their Managing Directors. The managers were divided with each half reporting either not being given full mandate or being given full mandate.

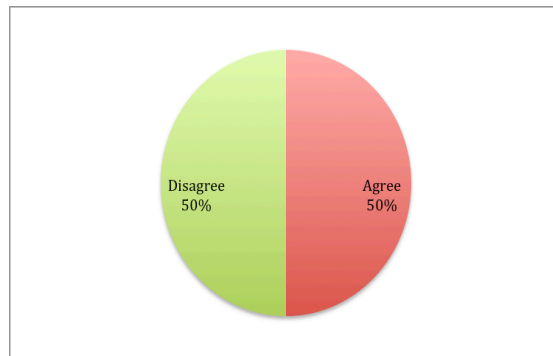


Figure 34: As a senior manager, you are given full mandate to make business decisions without intervention from the Managing Director/chief executive officer

Senior Managers were asked whether they had freedom to do as they think best in the interest of promoting the success of the company, twenty (20) per cent reported that they did not have the freedom to do as they thought best. This is much lower than the eighty (80) per cent that reported that they had the freedom to do as they thought best in the interest of promoting company success.

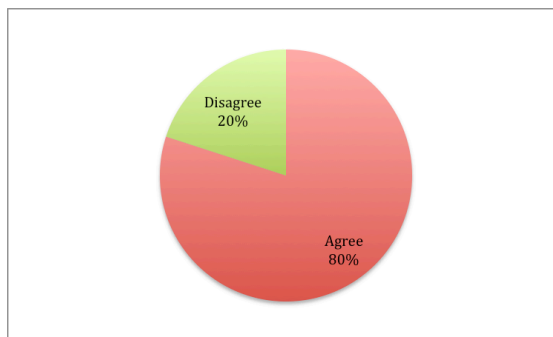


Figure 35: Senior Managers have freedom to do as they think best in the interest of promoting success in this company

Senior Managers were asked whether or not they are not interfered with when making decisions that promote progress in the company. Sixty-three (63) per cent said that they are interfered with while thirty-seven (37) per cent reported that they are not interfered with when making decisions that promote company success.

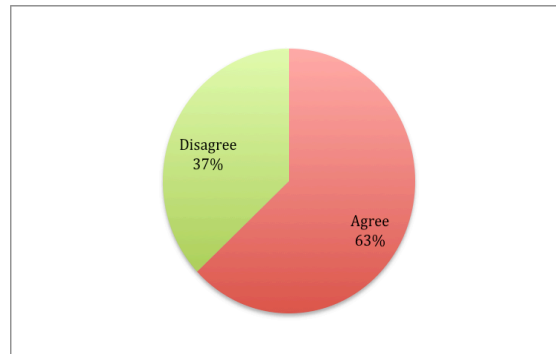


Figure 36: Senior Managers are not interfered with when making decisions that promote progress in this company

Eighty (80) per cent of Senior Managers reported that they preferred collective decision-making in the company with thirty (30) per cent of those strongly preferring so. Twenty (20) per cent reported that they did not prefer collective decision-making.

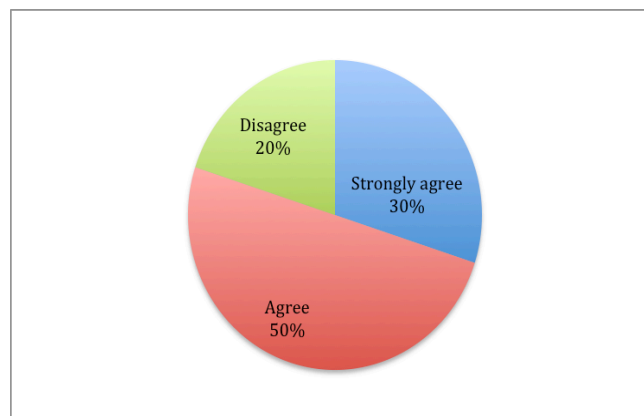


Figure 37: You prefer collective decision making in this company

Sixty (60) per cent of senior managers reported that it was accurate to say that they are fully left to make decisions pertaining to business without intervention. Forty (40) per cent said they were not fully left to make decisions pertaining to business without intervention.

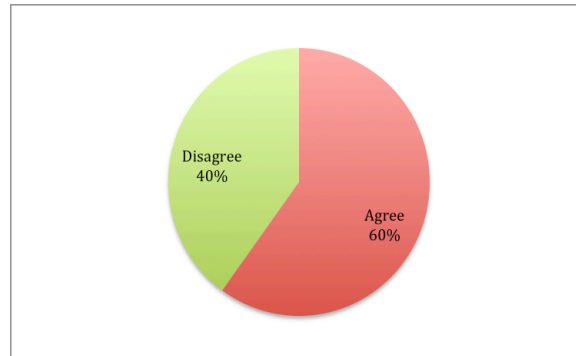


Figure 38: It would be accurate to say that the Managing Director leaves senior managers to make decisions pertaining to company performance without intervention

When asked whether decisions are made from down and they come later to the top, sixty (60) per cent of senior managers believe that to be correct with forty (40) strongly believing so. Forty (40) per cent reported that decisions are not made from down and come to the top later.

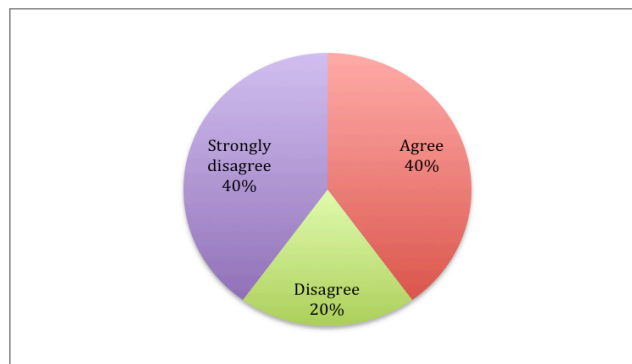


Figure 39: Decisions are made from down and they come later to the top

In response to a question whether there is free delegation of responsibilities and duties in the company, forty (40) per cent reported that there wasn't and sixty (60) per cent reported that there was.

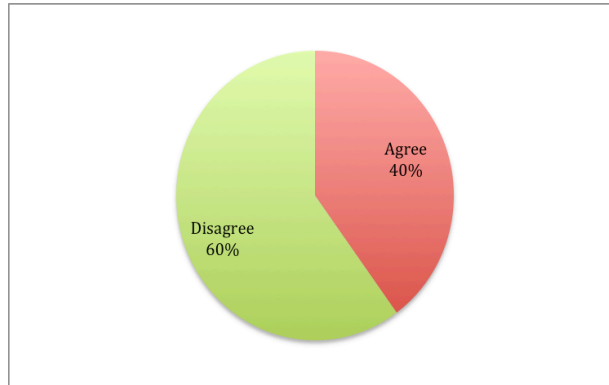


Figure 40: There is free delegation of responsibilities and duties for company success in this company

When asked whether their Managing Directors leave them to make decision on activities without prior intervention, sixty (60) per cent of senior managers reported that they are not left to make decisions without prior intervention. Forty (40) per cent reported that they did.

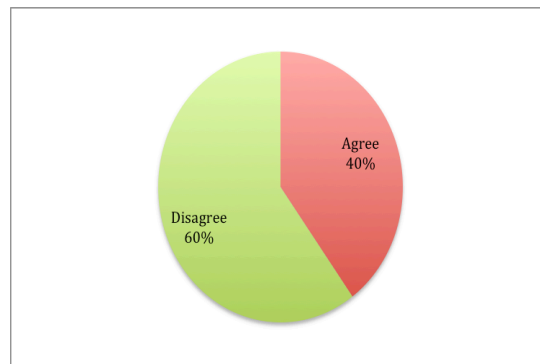


Figure 41: The Managing Director/chief executive officer leaves senior managers to make decision on company activities without prior intervention

4.2.9 Managing Directors' views regarding the use of authoritarian leadership

Managing Directors were asked whether Managing Directors and the board of directors solely made decisions regarding company success. Sixty-seven (67) per cent reported that Managing Directors and the board of directors made decisions regarding company success and thirty-three

(33) per cent reported that Managing Directors and the board of directors do not solely make decisions regarding company success.

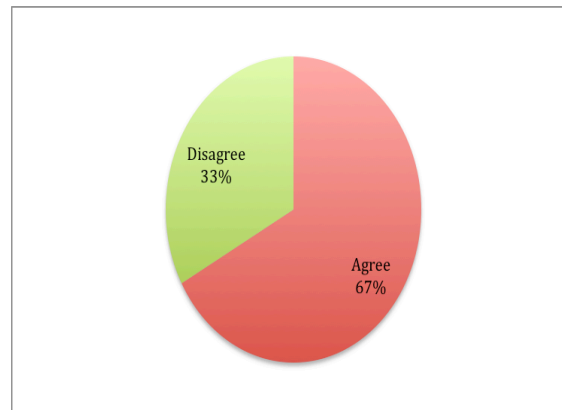


Figure 42: Decisions regarding company success are solely made by the Managing Director/chief executive officer and Board of Directors

When asked whether the system of administration is top-down, thirty-three (33) per cent of Managing Directors reported that not to be true. Sixty-seven (67) per cent reported that to be true with 33 per cent of that holding a strong view.

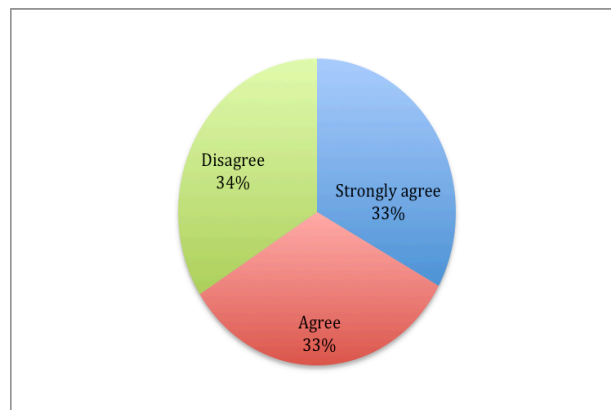


Figure 43: The system of administration is Top-down

When asked whether they prefer authoritarian decision-making, both Managing Directors responded they did not prefer authoritarian decision-making with thirty-three (33) per cent reporting so strongly.

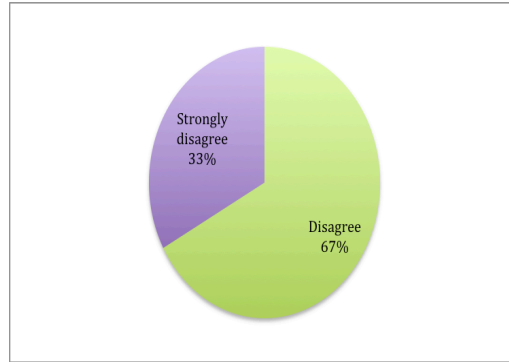


Figure 44: Prefer authoritarian decision-making

In response to a question whether it is enjoyable having senior managers count on them for ideas and suggestions regarding success in the company, sixty-seven (67) per cent of Managing Directors expressed a strong view that they did enjoy having senior managers count on them and thirty-three (33) per cent reporting not to enjoy having senior managers count on them for ideas and suggestions.

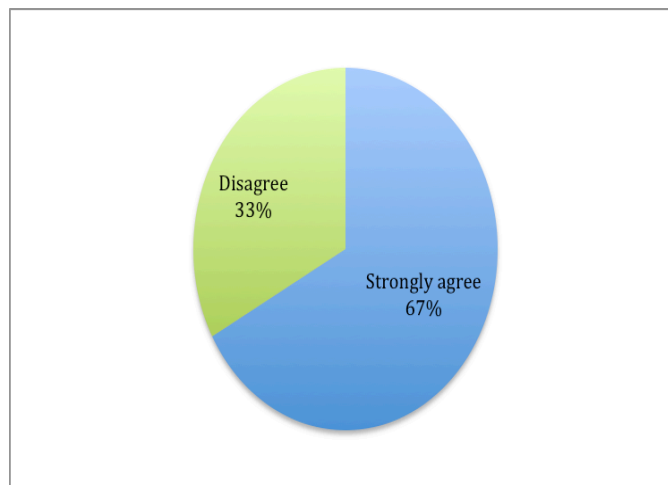


Figure 45: It is enjoyable having senior managers count on me for ideas and suggestions regarding success in this company

In response to a question whether all power is centralised to them, both Managing Directors disagreed with thirty-three (33) per cent of them strongly disagreed.

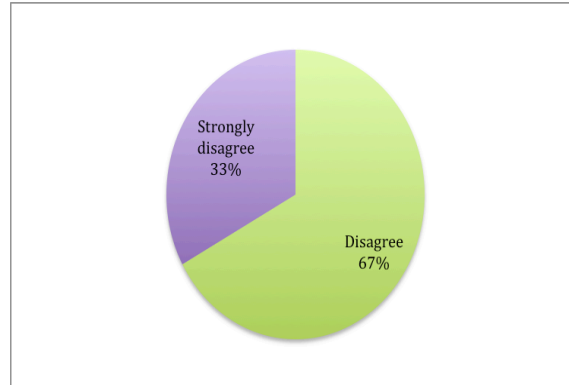


Figure 46: All power is centralized to me

4.2.10 Senior Managers' views on the use of authoritarian leadership

Senior managers were asked whether Managing Directors and the Board of Directors solely make decisions regarding company success, 80 per cent reported that not to be the case with forty (40) per cent of those strongly disagreed. However, twenty (20) per cent reported that Managing Directors and the boards solely made decisions regarding company success.

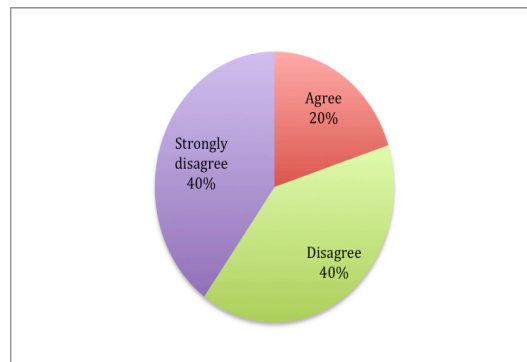


Figure 47: Decisions regarding strategy are solely made by the Managing Director/chief executive officer and the board of directors

When asked whether the system of administration is top-down, eighty (80) per cent agreed with thirty (30) per cent of them holding a strong view. Only twenty (20) per cent disagreed.

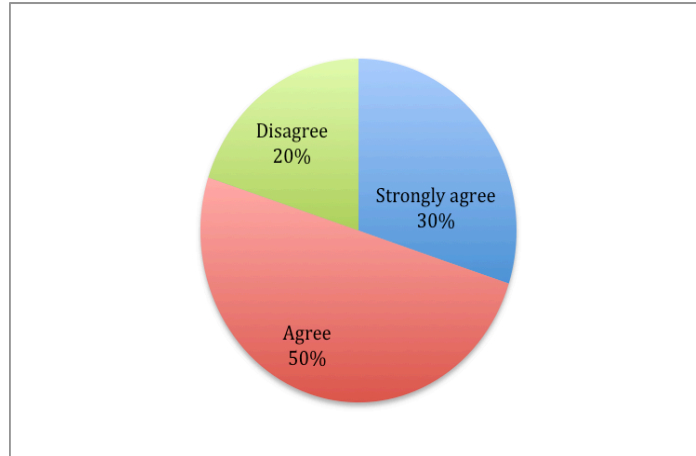


Figure 48: The system of administration is Top-down

Seventy (70) per cent of senior managers disagreed with the preference of authoritarian decision making, while 30 per cent agreed with it.

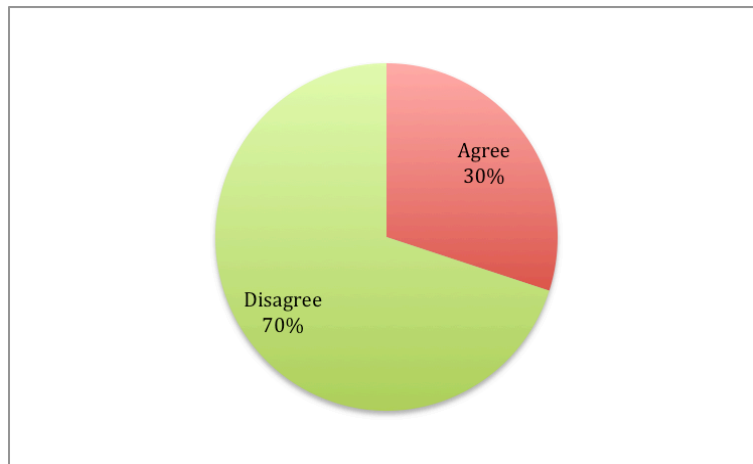


Figure 49: Managing Directors practice authoritarian decision-making

When asked whether it is enjoyable being able to count on their senior managers for ideas and suggestions, seventy (70) per cent agreed with twenty (20) per cent reporting strong agreement. Only thirty (30) per cent of Managing Directors disagreed.

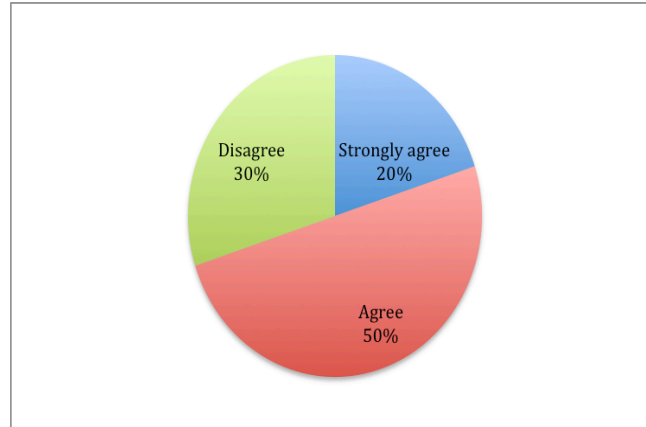


Figure 50: It is enjoyable having Managing Directors count on me for ideas and suggestions regarding progress in this company

When Managing Directors were asked whether all power is centralised to/in them, twenty (29) per cent disagreed and fifty (71) per cent agreed with the view.

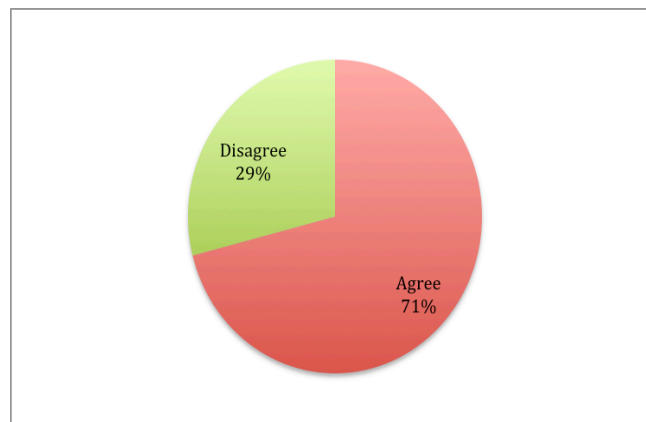


Figure 51: All power is centralized in the Managing Director/chief executive officer

4.2.11 Managing Directors' views regarding the use of situational leadership style

When asked whether they varied their leadership styles depending on the environment, both Managing Directors agreed with sixty-seven (67) per cent doing so strongly.

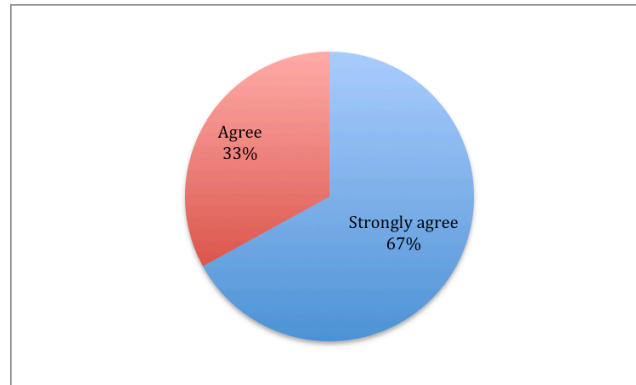


Figure 52: I vary my leadership styles depending on the environment

When asked whether they use flexible management style in promoting high standards in the company, both Managing Directors agreed with thirty-three (33) per cent of them expressing strongly agreement.

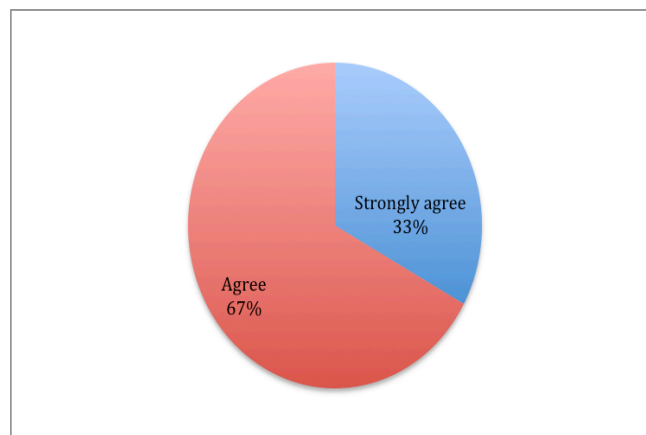


Figure 53: I use flexible management style in promoting high standards in this company

Both Managing Directors agreed that leadership in the company varies depending on the nature of the senior managers.

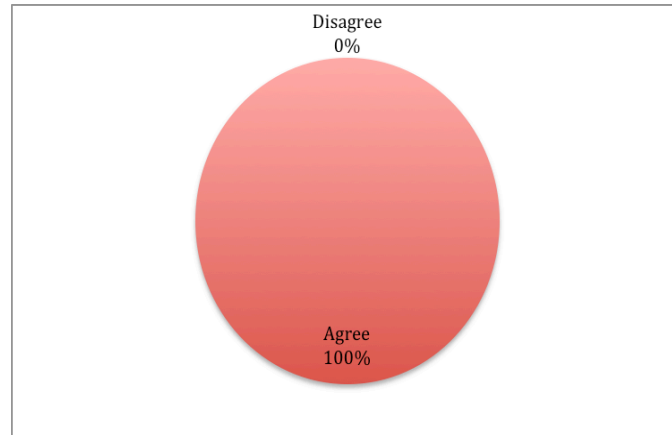


Figure 54: Leadership in the company varies depending on the nature of the senior managers

Both Managing Directors agreed that leaders in the company focus on the company environment and the senior managers when making decisions – with thirty-three (33) per cent doing so strongly.

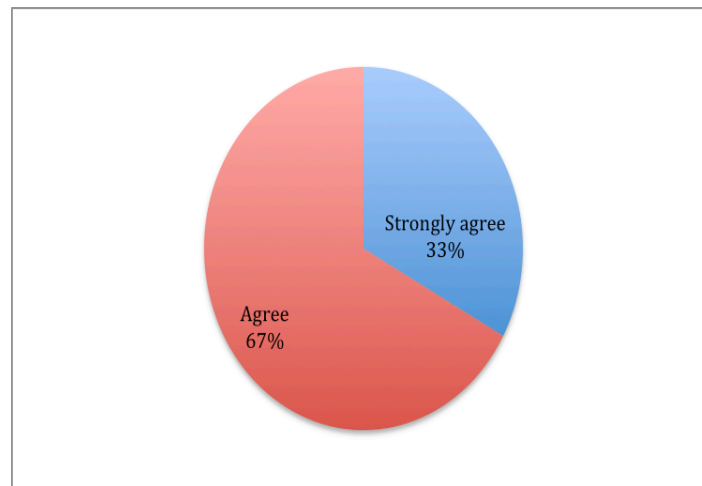


Figure 55: Leaders in this company focus on the company environment and the senior managers when making decisions

Both Managing Directors strongly agreed that different kinds of situations demand different leadership styles.

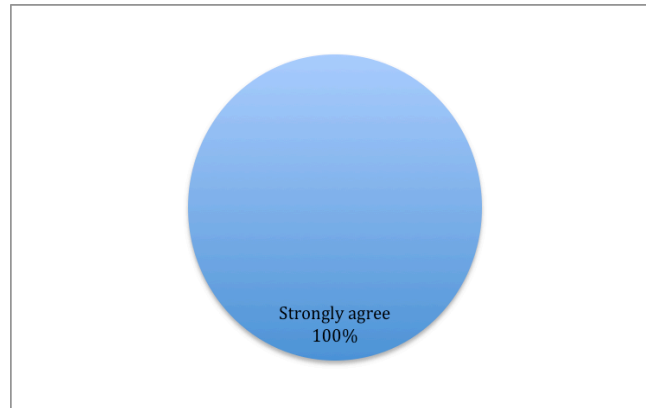


Figure 56: Different kinds of situations demand different leadership styles

Both Managing Directors agreed that a successful Managing Director in a particular company might be a failure in a different company when he does not adjust his unique approach to leadership. Sixty-seven (67) per cent strongly agreed with the statement.

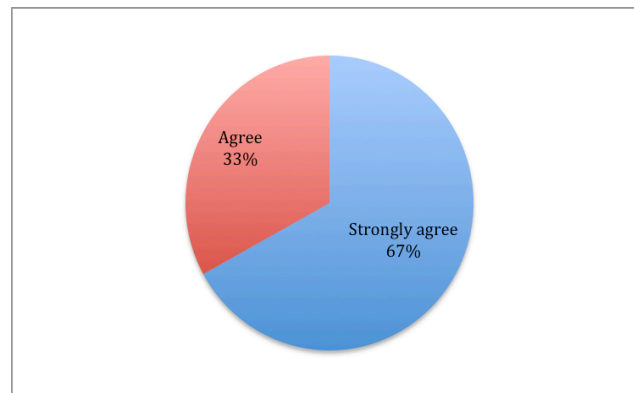


Figure 57: A successful Managing Director/chief executive officer in a particular company may be a failure in a different company when he does not adjust his unique approach to leadership

4.2.12 Senior Managers' views regarding the use of situational leadership

Senior Managers were asked whether the Managing Director varies his/her leadership styles depending on the environment, seventy (70) per cent reported that Managing Directors did not

vary their leadership styles and only thirty (30) per cent thought Managing Directors did vary their leadership styles.

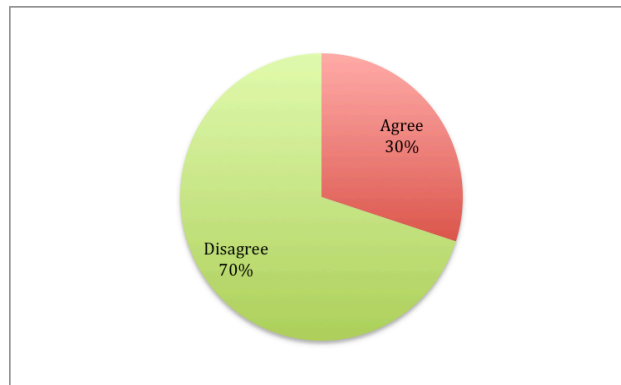


Figure 58: The Managing Director/chief executive officer varies his/her leadership styles depending on the environment

When asked whether the Managing Directors use flexible management style in promoting high standards in the company, ninety (90) per cent agreed that Managing Directors use flexible management style while ten (10) per cent disagreed.

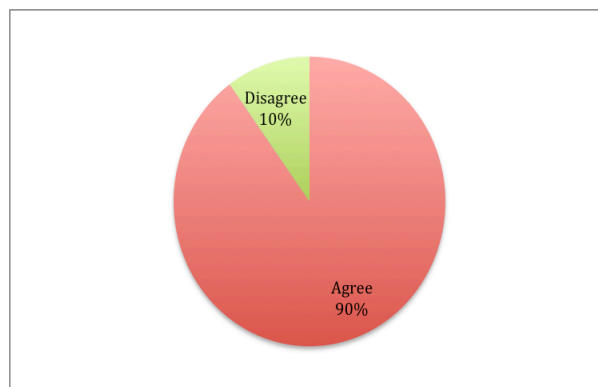


Figure 59: The Managing Director/chief executive officer of this company use flexible management style in promoting high standards in this company

In response to a question whether leadership in the company varies depending on the nature of the senior managers, ninety (90) per cent agreed and only 10 per cent disagreed.

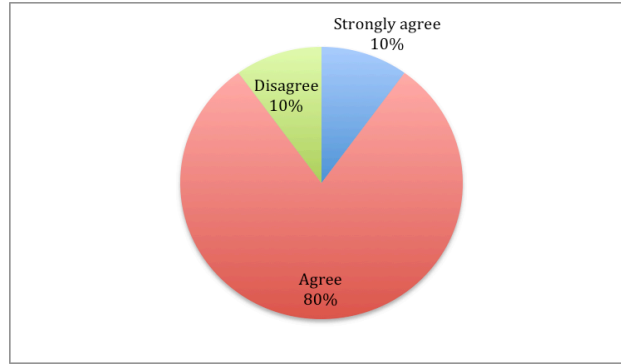


Figure 60: Leadership in companies varies depending on the nature of the company and people

Twenty (20) per cent of senior managers disagreed that leaders in the company focus on the company environment and the senior managers when making decisions while eighty (80) per cent agreed.

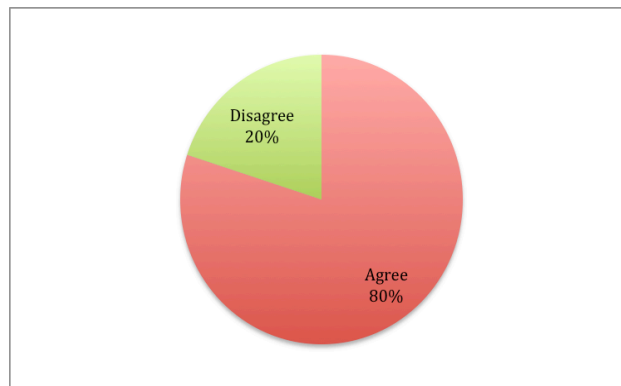


Figure 61: Leadership in this company focuses on the environment and the people when making decisions

Ten (10) per cent of senior managers strongly disagreed that different kinds of situations demand different leadership styles, while ninety (90) per cent agreed with forty (40) per cent doing so strongly.

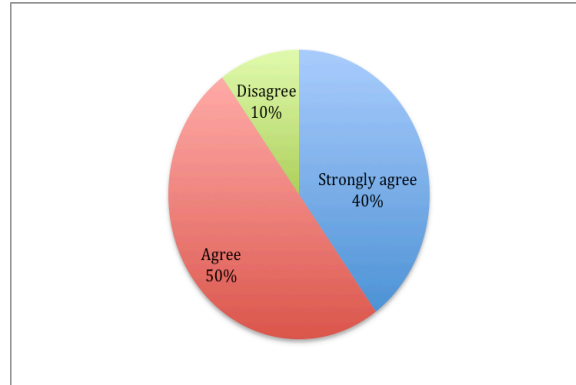


Figure 62: Different kinds of situations demand different leadership styles

Twenty (20) per cent of senior managers disagreed that a successful Managing Director in a particular company may be a failure in a different company when he does not adjust his unique approach to leadership. Eighty (80) per cent agreed with forty (40) per cent of the figure strongly agreeing.

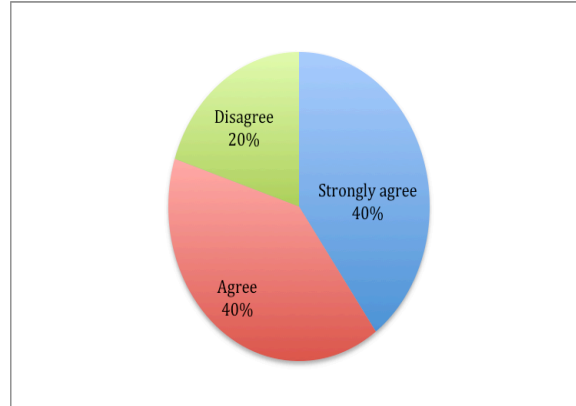


Figure 63: A successful Managing Director/chief executive officer in a particular company may be a failure in a different company when he does not adjust his unique approach to leadership

4.3 Analysis of data

4.3.1 Demographic characteristics of respondents

It was important to analyse the background characteristics of the various respondents of the study; that is the Managing Directors and senior managers reporting to them. Their characteristics have a strong bearing on the study's findings relating to the research questions.

The age of Managing Director respondents was analysed. The findings revealed that both Managing Directors who participated in the study were between the ages of 41 and 49 years. Further analysis shows that 80 per cent of senior managers are between 41 and 49 years. Only 20 per cent of the senior managers are between the ages 31 and 40 years old. With regards to gender, males constitute Eighty-two (82) per cent of respondents and only eighteen (18) per cent were female.

4.3.2 Democratic leadership

Democratic leadership is sometimes referred to as enlightened leadership. An individual manifesting this type of leadership recognizes each person's self-worth and esteem. The leader's actions are based upon trust, integrity, honesty, equality, openness and mutual respect. Democratic leaders show consideration and concern for others by empathetic listening and understanding. They foster open communication among all employees at all levels. Reasons and circumstances pertaining to decisions that affect the employees, department, or organization are shared in a timely fashion.

The study reveals that Managing Directors see or think of themselves as practicing democratic leadership. This is clear in their assessment that they encouraged their staff to participate in decision-making. Most importantly, Managing Directors consult their senior managers before making decisions pertaining to the business. The majority of senior managers at O&L Group of

Companies also share this view. Further evidence can be found in their belief that they involve their senior managers in making business targets for the company.

However, there is an emerging and statistically significant number of Managing Directors who do not often invite their senior managers to engage in addressing administrative problems: at least a third of Managing Directors. But a majority of Managing Directors do invite senior managers to engage in addressing administrative problems. While there is a split among Managing Directors on the question, all senior managers feel they are engaged in addressing administrative problems. Further to that, Managing Directors agree that success is reached through consensus. The very idea of consensus implies that both Managing Directors and senior managers have a common understanding on the future direction of the company.

There is further good news: both Managing Directors believe that they share company leadership roles with their senior managers. But worrying is that even among Managing Directors (67 per cent) themselves, a belief that there is no delegation of powers to subordinates in the company strongly exists. The senior managers' views on this question correspond to their Managing Directors'. There is a bit of contradiction here though: while Managing Directors are willing to share leadership roles, they are not willing to delegate the same. On this question, senior managers are more positive with all of them feeling that they share in leadership roles of the company. At the same time, Managing Directors claim that there is respect for senior managers' opinions regarding company improvement in that Senior Managers participate in determining company resource allocation and utilisation. Senior Managers share this view.

The democratic leader practices employee involvement in considering important issues and exercises influence in reaching consensual decisions. The ultimate goal is to democratically attain commitment to and ownership of decisions. The leader has high performance and quality expectations and recognizes that the only way to attain them is through a committed workforce. Employees participate in establishing goals, both common goals for the good of the organization and goals for their own personal self-growth, learning and development. The role of the leader is to guarantee each employee's success in accomplishing these goals.

4.3.3 Laissez-faire leadership style

The laissez-faire leader is one who believes in freedom of choice for the employees, leaving them alone so they could do as they wanted. The basis for this style of leadership is twofold. First, there is a strong belief that the employees know their jobs best so leave them alone to do their jobs. Second, the leader may be in a political, election-based position and may not want to exert power and control for fear of not being re-elected. Such a leader provides basic but minimal information and resources. There is virtually no participation, involvement, or communication within the workforce. Understanding of job requirements, policies, and procedures are generally exchanged from employee to employee.

The study reveals that Managing Directors do not practice laissez-faire leadership style. Here is the evidence to support that view: the majority of Managing Directors do not leave their senior managers to make decisions that affect the company without intervention but concede that their Senior Managers have freedom to do as they think best in the interest of promoting the success of the company. More than two-thirds of senior managers support this claim when asked the same question.

The study also reveals that Managing Directors and half the senior managers agree that Senior Managers are not interfered with when making decisions that promote progress in this company. That figure is high and there could some truths to suggest that Managing Directors sometimes interfere with the decision-making process of their senior managers.

The study further reveals that both the Managing Directors and senior managers feel that there is collective decision-making at O&L Group of companies. The Managing Directors derive this conclusion from their unanimous belief that decisions are made from down and they come later to the top. However, there is the 40 per cent of senior managers who believe that decisions are made from the top and cascaded downwards. Also, there is the other 40 per cent of senior managers who believe that leadership in the company is not shared.

4.3.4 Authoritarian leadership

The autocratic leadership style thrives in highly structured, hierarchical chain-of-command environments such as the military or very bureaucratic organizations. This type of leader exercises almost absolute power and commands strict compliance and conformity. The autocratic leader generally has a well-defined and controlled disciplinary process with an emphasis on punishments for noncompliance. This leader determines prescribed policies, procedures, rules, and goals. He or she is the decision maker and such self-directed decisions are final. In this environment, little interaction or communication is expected among associates. Out-flowing information is highly restricted while in-flowing communication is well filtered and defensive.

The study reveals that both Managing Directors and senior managers do not practice authoritarian leadership style. Managing Directors believe that they and the board of directors solely make decisions regarding company success. It is not surprising therefore that 80 per cent of senior managers actually hold the same view. This speaks more to the fact that despite the existence of a culture of collective decision-making within O&L, senior managers also recognise that Managing Directors and the board of directors are responsible for setting strategy for the company. More importantly, both Managing Directors and senior managers recognise that each has a role in shaping company direction. At the same time, more than two-thirds of Managing Directors believe that the system of administration is top-down. This view is shared by 80 per cent of Senior Managers. Again, this speaks to recognition of each other's role in the company. It is interesting however to observe that while both Managing Directors do not see themselves as practicing authoritarian decision-making, 30 per cent of senior managers see it that way. This figure is about the same as those who felt that senior managers are not left alone to make decisions in the company. This implies that some times Managing Directors make decisions that affect senior managers without consulting them.

There is a level of dependency syndrome at O&L Group of Companies: more than two thirds of Managing Directors reportedly enjoy having senior managers count on them for ideas and suggestions regarding success in the company. About 80 per cent of senior managers reported the same. This pattern points to a desire by one group to feel needed by the other in the performance of the company. More importantly, senior managers want to influence the views of their Managing Directors. This view is strengthened by half the senior managers who believe that all power is centralised in the Managing Directors – hence the desire to want to influence it.

4.3.5 *Situational leadership style*

The primary responsibility of the situational leader is to adapt their own leadership style to meet the team member's needs for varied amounts of task, direction and personal encouragement based on the individual's readiness to complete a particular assignment. This includes accurately diagnosing both the skill and willingness level of an individual or group, and prescribing chores that appropriately balance the follower's competency and commitment to complete the assignment.

The study reveals that Managing Directors at O&L Group of Companies practice situational leadership style. Managing Directors varied their leadership styles depending on the environment. Among other things, this requires that Managing Directors use flexible management style in promoting high standards in the company. Further to that, Managing Directors believe that leaders in the company focus on the company environment and the senior managers when making decisions. Not surprisingly, senior managers recognise that different kinds of situations demand different leadership styles while noting that a successful Managing Director in a particular company might be a failure in a different company when he does not adjust his unique approach to leadership.

4.4 Summary

In this chapter it was established that leadership is very important in creating an effective corporation. Moreover, the democratic style of leadership was revealed to be the best form of leadership style at O&L Group of Companies. It was also found that Managing Directors used this kind of leadership in order to create ownership in the company. Although the democratic

style was most preferred, it was found that depending on situations, Managing Directors tended to vary the different leadership style and at times used the autocratic style of leadership, but this was very seldom and it was mostly used where they thought it was most appropriate. It was also established that where the democratic style of leadership was practiced, most senior managers were likely to accept and be submissive to the leadership of the company.

Chapter Five

CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter discusses the conclusions and recommendations of the study. Perhaps it would be useful to begin where the study started: the purpose of this study was to investigate the influence of directors' leadership styles on company performance in O&L Group of Companies using the Leader Effectiveness and Adaptability Description as understood by Hersey (1989, 1992).

The LEAD SELF and LEAD OTHER questionnaires were used to understand leadership perceptions of Managing Directors and senior managers at O&L Group of Companies. The questionnaires were analysed separately. Then, comparisons between the perceptions of Managing Directors and employees of the Managing Directors' leadership style were made. The literature review provided a scope through which the study could be best understood. In this case, attention was paid to understand the different kinds of leadership styles. A description and analysis of each finding is presented accordingly to the sequence of the research questions.

5.2 Summary of research questions

This study was designed to answer the following questions:

- a) What are the leadership styles of Managing Directors in selected O&L Group of Companies?

- b) What are the perceptions of O&L Group of Companies Managing Directors of their own leadership styles?
- c) What are the perceptions of employees of the leadership styles of the Managing Directors?
- d) To what extent are the Managing Directors in selected O&L Group of Companies demonstrating the leadership styles of *telling*, *selling*, *participating* and *delegating*?
- e) Would the outcome(s) of these directors' leadership have been different if they chose different leadership styles?

5.3 Conclusions

- a) It was found that Managing Directors used the democratic leadership style in order to create ownership in the company. Although the democratic style was most preferred, it was found that depending on situations, Managing Directors tended to vary the different leadership styles. At times, even the autocratic style of leadership was used though on a seldom basis and only when it was deemed to be most appropriate. It was also established that where the democratic style of leadership was practiced, most senior managers were likely to accept and thus be submissive to the leadership of the company.
- b) The study shows that Managing Directors themselves perceived *selling*, whereby most of the direction is still provided by them, as their dominant or primary style of leadership. Managing Directors also attempted, through two-way communication and socio-emotional support, to get the senior managers to psychologically buy into decisions that have to be made.
- c) The study shows that senior managers agree that *selling* is indeed their Managing

Directors' primary dominant style of leadership and that *telling* is their dominant secondary leadership style. Through the *telling* style of leadership, senior managers thought Managing Directors exhibited a style characterised by one-way communication in which the Managing Directors defined the roles of senior managers and told them what, how, when and where to do various tasks.

- d) The study shows that besides the fact that Managing Directors mostly provided the direction, senior managers felt that Managing Directors in selected O&L Group of Companies delegated less.

5.4 Discussions

Based on findings to the research questions, it can be concluded that a majority of the Managing Directors in selected O&L Group of Companies, chose *selling* to be their primary leadership style and *delegating* to be the least dominant primary leadership style. A majority of Senior Managers also perceived *selling* to be the primary leadership style of Managing Directors. Managing Director still provide most of the direction and attempt, through two-way communication and socio-emotional support, to get Senior Managers psychologically to “buy into” decisions that have to be made.

According to Hersey, Managing Directors would use *selling* style when most Senior Managers appear to be unable but willing to take responsibility, are confident but lack skills at this time. Thus, the *selling* style, which provides directive behaviour, because of their lack of ability, and also supportive behaviour to reinforce their willingness and enthusiasm, appears to be most

appropriate. Data established that Senior Managers perceive that most of the direction is still provided by Managing Directors. Senior Managers' perception of the leadership behaviour of Managing Directors is likely to influence the extent to which Senior Managers comply with directives.

Also, it can also be concluded that many Senior Managers perceived *delegating* as the least apparent leadership style of Managing Directors. In other words, Managing Directors do not allow Senior Managers to "run their own show". This is to say that Managing Directors have the power over Senior Managers and determine what they do and the way in which they should do it although there is a sense that senior managers have a reasonable say. Managing Directors feel that they should be in control of what Senior Managers do. This is evidenced by a small number of Senior Managers feeling that delegation "does not fully exist" in the company as the primary leadership style of Managing Directors.

From the study, it is clear that the perceptions of Managing Directors and Senior Managers were quite similar. Managing Directors appeared to still prefer to share decision making with Senior Managers through communication. Senior Managers perceived the Managing Directors using *telling* and *participating* as their primary and secondary styles. Besides allowing participatory management, Managing Directors still chose *telling* as one of the secondary styles. This means, Managing Directors still define the roles of Senior Managers and tell them what, how, when and where to do various tasks. Managing Directors, however, limit the scope of responsibility and authority of the senior managers for what they do.

Though Managing Directors are perceived to exhibit a participating leadership style, empowerment is not given wholly to Senior Managers. To empower is to give official authority of legal power to someone (Keith, S. and Girling, R. H., 1991). Although a minority of Senior Managers perceived Managing Directors to have a delegating leadership style, ultimately, Managing Directors have legal responsibility. Managing Directors can be dismissed by higher authorities who oversee action taken at board level. It may be for this reason that Managing Directors do not allow total empowerment of Senior Managers. Senior Managers who have been “empowered” are in fact given limited authority to make routine decisions. Based on findings to research questions 3 and 4, it can be concluded that Managing Directors and senior managers perceived the primary leadership style of Managing Directors and secondary leadership style of Managing Directors to be lacking in the application of delegative behaviour.

What is clear though is that a majority of the Managing Directors have high flexibility in how their senior managers participate in the delegated decision-making process. Managing Directors seem to differ in their ability to vary their styles in different situations. Some Managing Directors are able to modify their behaviour to fit any of the four basic styles; still others can utilize two or three styles. According to Hersey and Blanchard, “flexible Managing Directors have the potential to be effective in a number of situations”, (1982, p. 233). Style adaptability is the degree to which leaders are able to vary their style appropriately to the demands of a given situation (Blanchard, 1982).

5.5 Recommendations

- a)* There is a perception that Managing Directors and the board of directors make all decisions in the company. To avert this perception, senior managers should be fully empowered to make independent decisions within agreed boundaries. This will also remove the perception that all power is centralised in Managing Directors.
- b)* The study revealed that both the Managing Directors and the senior managers enjoy having the other count on them for ideas and suggestions. It is generally accepted that each wish to influence the other. However, both should negotiate mutually satisfying goals and enable the Managing Directors' role to become one of encouraging and guiding senior managers toward satisfying these goals.
- c)* Managing Directors and senior managers should be provided with necessary leadership courses in order to broaden their understanding of their functions as well as those of tiers immediately before and after them to avoid unnecessary expectations.

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Appendix 1

LETTER FROM O&L GROUP OF COMPANIES GRANTING PERMISSION

21 June 2012



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The Chairperson
Postgraduate Committee
Namibia Business School
Faculty of Economics and Management Sciences

PO Box 16
Windhoek
Namibia

UNIVERSITY OF NAMIBIA

Private Bag 13309

WINDHOEK

Dear Sir/Madam,

RE: MASTER OF BUSINESS ADMINISTRATION DEGREE – RESEARCH PROPOSAL BY DR. AUDRIN MATHE

This letter serves to inform you that Dr. Audrin Mathe has approached and requested approval of the Ohlthaver & List (O&L) Group of Companies to do an investigation of the leadership styles of Managing Directors in selected operating companies of the O&L Group.

Kindly accept this letter as consent of the above request.

For any further enquiries, please contact Ms. Roux-ché Locke, Group Public Relations Manager at +264 61 207 5207 or e-mail: roux-che.locke@olfitra.com.na

Yours sincerely,

Roux-ché Locke

GROUP PUBLIC RELATIONS MANAGER

Appendix 2

MANAGING DIRECTORS/CHIEF EXECUTIVE OFFICERS' QUESTIONNAIRE

Dear Respondent,

This questionnaire is designed to collect data from Managing Directors that will help in a research about, “**An investigation of the leadership styles of Managing Directors in selected Ohlthaver and List Group of Companies**” leadership styles to be part of this research. Be honest in giving your responses. Confidentiality will be also assured. Thank you in advance for accepting to be cooperative.

Please circle the most appropriate answers

SECTION A: BACKGROUND INFORMATION

1. Sex

a) Male b) Female

2. Age bracket

a) 22-30 years b) 31-40 years c) 41-49 years d) 50 years and above

3. Highest education level

a) Doctorate, b) Masters, c) Bachelors, d) Diploma, e) No tertiary education

4. Name the O&L group you are serving

a) Namibia Breweries Limited, b) Brolls Namibia, c) Hanganana Seafoods, d) Pick n Pay, e) Midgard Country Estate, f) Kraatz Marine, g) Kraatz Steel, h) Windhoek Schlachtereij, i) Eros Air, j) Namibia Diaries k) Dimension Data Namibia

5. How long have you been in this company?

a) 1-5 years b) 6-10years c) Above 10years

6. Leadership experience

a) 2 to 5 years b) 6 to 10 years c) 11 to 15 years d) 16 to 20 years e) 21 to 25 years
f) 26 years and above.

SECTION B: DEMOCRATIC LEADERSHIP STYLE AND COMPANY PERFORMANCE

In this section, you need to choose from the items:

1. Strongly Disagree, 2. Disagree, 3. Agree, 4. Strongly Agree.

8. Encouraging your senior managers to participate in decision making

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree.

9. Consulting your senior managers before making decisions pertaining to the business.

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

10. Involve seniors in making business targets for the company.

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

11. You often invite your senior managers to engage in addressing administrative problems

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

12. Solving administrative problems with senior managers improves profitability and success of the business.

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

13. Company success is through consensus building

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

14. Senior Managers' involvement in setting targets is highly supported

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

15. You share company leadership roles with your senior managers

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

16. Delegation of powers to subordinates in this company strongly exists

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

17. Respect for senior managers' opinions regarding company improvement exist

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

18. Senior Managers participate determining company resource allocation and utilization

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

SECTION C: LAISSEZ-FAIRE LEADERS SHIP AND COMPANY PERFORMANCE

19. As a Managing Director/chief executive officer, you leave decisions to be made by senior managers without intervention.

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

20. Senior Managers have freedom to do as they think best in the interest of promoting the success of the company.

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

21. Senior Managers are not interfered with when making decisions that promote progress in this company.

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

22. You prefer collective decision making in this company

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

23. It would be accurate to say that you fully leave senior managers to make decisions pertaining to business performance without intervention

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

24. Decisions are made from down and they come later to the top

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

25. There is free delegation of responsibilities and duties in this company.

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

26. I leave my seniors to make decision on programmes and activities without prior intervention.

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

SECTION D: AUTHORITARIAN LEADERSHIP AND COMPANY PERFORMANCE

27. Decisions regarding company success are solely made by the Managing Director/chief executive officer and Board of Directors

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

28. The system of administration is Top-down

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

30. Prefer authoritarian decision making

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

31. It is enjoyable having senior managers count on me for ideas and suggestions regarding success in this company

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

32. All power is centralized to me

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

SECTION E: SITUATIONAL LEADERSHIP AND COMPANY PERFORMANCE

33. I vary my leadership styles depending on the environment

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

34. I use flexible management style in promoting high standards in this company

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

35. Leadership in the company varies depending on the nature of the senior managers.

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

36. Leaders in this company focus on the company environment and the senior managers when making decision

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

37. Different kinds of situations demand different leadership styles

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

38. A successful Managing Director/chief executive officer in a particular company may be a failure in a different company when he does not adjust his unique approach to leadership.

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

THANK YOU VERY MUCH

Appendix 3

SENIOR MANAGERS' QUESTIONNAIRE

Dear Respondent,

This questionnaire is designed to collect data from senior managers that will help in a research about, **“An investigation of the leadership styles of Managing Directors in selected Ohlthaver and List Group of Companies”** leadership styles to be part of this research. Be honest in giving your responses. Confidentiality will be also assured. Thank you in advance for accepting to be cooperative.

Please circle the most appropriate answers

SECTION A: BACKGROUND INFORMATION

1. Sex

a) Male b) Female

2. Age bracket

a) 22-30 years b) 31-40 years c) 41-49 years d) 50 years and above

3. Highest education level

a) Doctorate b) Masters c) Bachelors d) Diploma e) No tertiary education

4. Name the O&L group you are serving

a) Namibia Breweries Limited, b) Brolls Namibia, c) Hangana Seafoods, d) Pick n Pay, e) Midgard Country Estate, f) Kraatz Marine, g) Kraatz Steel, h) Windhoek Schlachtereij, i) Eros Air, j) Namibia Diaries k) Dimension Data Namibia

5. How long have you been in this company?

a) 1-5 years b) 6-10 years c) Above 10 years

6. Working experience

a) 1 to 5 years b) 6 to 10 years c) 11 to 15 years d) 16 to 20 years e) 21 to 25 years f) 26 years and above.

SECTION B: DEMOCRATIC LEADERSHIP STYLE AND COMPANY PERFORMANCE

In this section, you need to choose from the items:

1. Strongly Disagree 2. Disagree 3. Agree 4. Strongly Agree.

8. Senior Managers participate in decision making

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree.

9. Senior Managers consult fellow managers before making decisions pertaining to the business.

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

10. Senior Managers are involved in making company policy.

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

11. Often you engage in addressing leadership problems

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

12. Solving administrative problems with fellow senior managers improves business success.

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

13. Business success is through consensus building

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

14. Senior Managers are involved in setting performance targets for the company

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

15. Business leadership roles are shared by the senior managers in this company

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

16. Delegation of powers to subordinates in this company strongly exists

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

17. In this company, there is respect for fellow senior managers' opinions regarding company performance

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

18. Senior Managers participate in determining resource allocation and utilization in this company

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

**SECTION C: LAISSEZ-FAIRE LEADERSHIP STYLE
AND COMPANY PERFORMANCE**

19. As a senior manager, you are given full mandate to make business decisions without intervention from the Managing Director/chief executive officer.

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

20. Senior Managers have freedom to do as they think best in the interest of promoting success in this company

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

21. Senior Managers are not interfered with when making decisions that promote progress in this company.

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

22. You prefer collective decision making in this company

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

23. It would be accurate to say that the Managing Director leaves senior managers to make decisions pertaining to company performance without intervention

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

24. Decisions are made from down and they come later to the top

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

25. There is free delegation of responsibilities and duties for company success in this company

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

26. The Managing Director/chief executive officer leaves senior managers to make decision on company activities without prior intervention.

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

SECTION D: AUTHORITARIAN LEADERSHIP STYLE AND COMPANY PERFORMANCE

27. Decisions regarding strategy are solely made by the Managing Director/chief executive officer and the board of directors

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

28 The system of administration is Top-down

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

30. What is important in company management is accomplishment of the task at hand not addressing staff needs

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

31. It is enjoyable having senior managers count on the Managing Director/chief executive officer for ideas and suggestions regarding progress in this company

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

32. All power is centralized to the Managing Director/chief executive officer

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

SECTION E: SITUATIONAL LEADERSHIP STYLE AND COMPANY PERFORMANCE

33. The Managing Director/chief executive officer varies his/her leadership styles depending on the environment

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

34. The Managing Director/chief executive officer of this company use flexible management style in promoting high standards in this company.

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

35. Leadership in companies varies depending on the nature of the company and people.

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

36. Leadership in this company focuses on the environment and the people when making decisions.

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

37. Different kinds of situations demand different leadership styles

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

38. A successful Managing Director/chief executive officer in a particular company may be a failure in a different company when he does not adjust his unique approach to leadership.

a) Strongly Disagree b) Disagree c) Agree d) Strongly agree

THANK YOU VERY MUCH