

**RELATIONSHIP BETWEEN EMPLOYEE PERFORMANCE,
LEADERSHIP AND EMOTIONAL INTELLIGENCE IN A
SOUTH AFRICAN PARASTATAL ORGANISATION**

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Abstract

This research investigates the relationship between employee performance, leadership and emotional intelligence in a South African parastatal. The literature provided discusses the three variables of performance, leadership and emotional intelligence. Information was gathered, using three instruments, from a sample of 160 leaders and 800 raters. The Multifactor Leadership Questionnaire was used to determine leadership style within the parastatal, while the Emotional Competency Profiler was used to determine the emotional intelligence of the leaders within the parastatal. Employee performance was captured and recorded using the parastatal's performance appraisal process. Leadership and emotional intelligence were identified as the independent variables and employee performance as the dependent variable. Data obtained from each of the research instruments was then statistically analysed. Through linear regression analysis it was concluded that there is a significant relationship between employee performance and an emotionally intelligent, transactional leader. However, no significant linear relationship was found between employee performance and an emotionally intelligent, transformational leader. Simple correlation analysis showed that there is a relatively weak significant linear relationship between emotional intelligence and transactional leadership. Moreover, it was found that there is a very strong significant linear relationship between emotional intelligence and transformational leadership. This research therefore adds a new dimension to employee performance, leadership and emotional intelligence, since no similar study has been conducted. As this research takes place in the South African context, it contributes to the bank of findings relating to the concepts.

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Note to Gender

For reasons of convenience, only the masculine (he/his/him) is used in this text. Please note that in all cases the feminine (she/her/hers) is implied as well.

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Chapter 1

Introduction

Leadership, or more specifically effective leadership, is every bit as crucial (if not more so) in South African organisations as it is throughout the world. South African organisations are no different from others worldwide in terms of striving for performance in order to be globally competitive. The South African situation, however, is incredibly complex as many organisations are caught in the middle of a web of authoritarian hierarchies and traditional leadership approaches, as well as bureaucratic hierarchies mixed with modern approaches to leadership (Grobler, Wärnich, Carrell, Elbert and Hatfield, 2002). In fact South Africa is currently ranked 30th out of 49 countries in terms of business efficiency, as judged using criteria such as productivity, motivation and managerial competence (World Competitiveness Report, 2004). For South Africa to improve this ranking and become more competitive in the global environment, South African organisations should adopt leadership approaches that facilitate performance.

As organisations and their environments have transformed quickly over the past years, a new style of leadership, one that is less bureaucratic and more democratic, is required in order to ensure the organisation's survival and performance (Johnson, 1995). Mester, Visser and Roodt (2003) note that South African managers and organisations realise that they face a future of rapid and complex change. Carrell, Elbert, Hatfield, Grobler, Marx and Van der Schyf (1998) are of the opinion that many organisations in South Africa are over-managed and under-led. Furthermore, Darling and Capowski (1994, in Swanepoel, Erasmus, van Wyk and Schenk, 2000) believe that organisations that are over-managed and under-led inhibit organisations from growth and change.

Undeniably, South African organisations, including South African parastatals, are not exempt from the above circumstances. A parastatal is defined as an organisation or agency owned, or controlled wholly or partly by the government (Cullen, Gilmour and Holmes, 2005). The government's strong role in shaping the economy resulted in a large number of parastatals, or state corporations, being established in the 1920s. Their primary goal was to strengthen import-substitution industries and to build up local economy (Nwankwo and Richards, 2001). Parastatals had to be set up to fill such vacuums especially in areas like steel production, fertilizer manufacturing, air transport and other public utilities, education and health services (Nwankwo and Richards, 2001). It is noteworthy that, in some of these parastatals, the provision of services to the public was a priority only to be followed by the maximization of profits. It must be noted that state-owned companies rarely make a reasonable return on investment but continue to benefit from government subsidies (Adam, Cavendish, and Mistry, 1992; Nwankwo and Richards, 2001).

It is generally perceived that parastatals in the past have not performed efficiently enough to ensure their existence without state subsidy funding (Personal Communication, 2004). In an effort to improve inefficiency, privatisation has come to the fore. Privatisation is defined as policies designed to improve the operating efficiency of public sector enterprises through increased exposure to competitive market forces (Adam, et al., 1992). Further reasons given for the privatisation of parastatals were that it would reduce public criticism of the government role in these enterprises and that these parastatals themselves were no longer profitable for the government (Nwankwo and Richards, 2001).

The poor performance of parastatals, the threat of privatisation and the parastatal's importance to South Africa has further substantiated the need for effective leadership within South African parastatals (Adam, et al., 1992; Nwankwo and Richards, 2001). In an attempt to add some understanding with regards to the parastatal environment, this research focuses on the leadership in a South African parastatal. The research parastatal is internationally recognised for its achievements in providing a reliable and affordable service in support of Government's social and economic objectives (Personal Communication, 2004). Personal Communication (2004) confirmed the need for the selected parastatal to promote a style of leadership that enhances

employee performance and, ultimately, organisational performance and success. The parastatal used in this research was chosen primarily for the support, access to information and proximity it afforded the researcher.

It is argued that effective leadership has a positive influence on the performance of organisations (Maritz, 1995; Bass, 1997; Charlton, 2000). Ultimately it is the performance of many individuals that culminates in the performance of the organisation, or in the achievement of organisational goals. Effective leadership is instrumental in ensuring organisational performance (Cummings and Schwab, 1973; Hellriegel, Jackson, Slocum, Staude, Amos, Klopper, Louw and Oosthuizen, 2004). As a result, many leadership theories have been proposed in the last fifty years which are claimed to have influenced the overall effectiveness of the organisations where they have been employed. In the competitive world business environment it is vital that organisations employ leadership styles that enable organisations to survive in a dynamic environment (Maritz, 1995; Bass, 1997).

Performance is an increasingly important concern for businesses in South Africa. In addition, South African parastatals are not exempt from this necessity of performance, as they are continually threatened by privatisation. Performance has been defined by Hellriegel, Jackson and Slocum (1999) as the level of an individual's work achievement after having exerted effort. Cummings and Schwab (1973) and Whetten and Cameron (1998) believe that performance is ultimately an individual phenomenon with environmental variables influencing performance primarily through their effect on the individual determinants of performance – ability and motivation. Behling and McFillen (1996) confirmed the link between high performance and leadership in the United States by developing a model of charismatic/transformational leadership where the leaders' behaviour is said to give rise to inspiration, awe and empowerment in his subordinates, resulting in exceptionally high effort, exceptionally high commitment and willingness to take risks. It has been widely accepted that effective organisations require effective leadership, and organisational performance will suffer in direct proportion to the neglect of this (Maritz, 1995; Ristow, Amos and Staude, 1999).

Furthermore, it is generally accepted that the performance of any group of people is largely dependent on the quality of its leadership. Effective leadership behaviour

facilitates the attainment of the subordinate's desires, which then results in effective performance (Maritz, 1995; Ristow, et al., 1999). Hellriegel and Slocum (1996:445) define leadership as "influencing others to act toward the attainment of a goal". Rutter (1995:27) adds that leadership "involves moving people in a direction that is in their long term interests". A definition by Bass (1997) that encompasses the majority of different definitions surrounding the construct of leadership states that "leadership has been conceived as the focus of group processes, as a matter of personality, as a matter of inducing compliance, as the exercise of influence, as particular behaviours, as a form of persuasion, as a power relation, as an instrument to achieve goals, as an effect of interaction, as a differentiated role, as an initiation of structure, and as many combinations of this definition". Leadership has been altered over time, with the change in employee requirements resulting in a demand for change in the relationship between a leader and his subordinates.

It has been suggested that there are two views of leadership – the traditional view of transactional leadership, involving an exchange process between leader and subordinate, and a view of transformational leadership that allows for the development and transformation of people (Bass and Avolio, 1990a; Meyer and Botha, 2000). Transactional leaders are considered to enhance the subordinates' readiness to perform at expected levels, by offering rewards for acceptable performance, thus resulting in the desired outcomes defined by the leader (Bass and Avolio, 1990a; Meyer and Botha, 2000). Transformational leaders, on the other hand, inspire their subordinates to adopt the organisational vision as their own, while attempting to heighten their values, concerns and developmental needs (Cacioppe, 1997). Bass and Avolio (1990a) developed the Full Range Leadership Development Model, showing the development of transformational leadership from transactional leadership. This enabled them to develop the statistically validated Multifactor Leadership Questionnaire (MLQ), a full range assessment of both transactional and transformational leadership (Bass and Avolio, 2000). For the purpose of this research, the Full Range Leadership Development theory is a suitable theoretical construct of leadership.

Recent research (Bass and Avolio, 1994; Kotter, 1988; Meyer and Botha, 2000) in organisational behaviour has identified a leadership theory termed transformational

leadership as the most appropriate for modern-day organisations. The current business environment requires this innovative kind of leadership style; a style that empowers employees and raises employee productivity in an effort to improve organisational performance and continued existence (Kotter, 1988). Transformational leaders satisfy these needs to ensure effective and long-term survival. Transactional leadership includes the concept of leadership as an exchange of reinforcements by the leader that are contingent on subordinate performance (Bass, 1997). Transactional leadership is known to be moderately effective when practiced well (Bass, 1998). It must be noted that reinforcement-based leader subordinate relationships, as occur with transactional leadership, have been empirically shown to be less effective than transformational leadership (Bass and Avolio, 1997).

The transformational leadership style is believed to have a constructive impact on the effectiveness of an organisation (Bass and Avolio, 1994). The concept of organisational effectiveness is, however, controversial and several contrasting views exist on the measurement of this concept, yet it remains the critical dependent variable in research (Bass and Avolio, 1994). Additionally, research data (Meyer and Botha, 2000) has clearly shown that transformational leaders are more effective than transactional leaders, regardless of how “effectiveness” has been defined.

A number of studies have been conducted regarding the effectiveness of transformational leaders as opposed to transactional leaders. In the South African context, Ristow, et al. (1999) found a positive relationship between transformational leadership and organisational effectiveness in the administration of cricket in South Africa. Hayward, Davidson, Pascoe, Tasker, Amos and Pearse (2003) determined a positive linear relationship between transformational leadership and employee performance in a South African pharmaceutical organisation. Evidence has been gathered in South African retail and manufacturing sectors, as well in the armed forces of the United States, Canada and Germany that points towards the marginal impact transactional leaders have on the effectiveness of their subordinates in contrast to the strong, positive effects of transformational leaders (Brand, Heyl and Maritz, 2000). Furthermore, in the Canadian financial industry it was found that transformational leadership is more strongly correlated with higher employee

satisfaction and individual/organisational performance than transactional leadership (Meyer and Botha, 2000).

Bar-On (1996) states that all forms of leadership have an emotional component. Goleman (1995) and Stein and Book (2000) have argued that those leaders with greater emotional intelligence will be the more effective leaders. George (2000) suggests that emotional intelligence plays an important role in leadership effectiveness and proposes that the ability to understand and manage moods and emotions in oneself and in others theoretically contributes to the effectiveness of leaders. When emotional intelligence is present, there is increased employee cooperation, increased motivation, increased productivity, and increased profits. Goleman (1998) believes that emotions, properly managed, can drive trust, loyalty and commitment. This in turn drives many of the greatest productivity gains, innovations, and accomplishments of individuals, teams and organizations. In fact, research has shown that managers with high emotional intelligence can get results from employees that are beyond expectations (Cooper, 1997). Goleman (1998) argues strongly that emotional intelligence is a prerequisite for successful leadership. George (2000) further suggested that leaders high in emotional intelligence will be able to use positive emotions to envision major improvements to the functioning of an organisation.

An emotionally aware leader has the ability to supply subordinates with a clear set of values within which to operate. Superior levels of emotional intelligence allow leaders to create a mutually agreed set of values to facilitate the development of employee potential in the organisation (Amos, Ristow and Ristow, 2004). Additionally, leaders who exhibit an elevated level of emotional intelligence are likely to create a suitable context in which their subordinates are empowered to deliver superior performance (Amos, et al., 2004). Research by Palmer, Walls, Burgess and Stough (2001) indicates that transformational leadership is considered to be more emotion based than transactional leadership. These findings are consistent with work by Barling, Salter and Kelloway (2000) and Palmer, et al. (2001) and support Goleman (1995) and Stein and Book's (2000) contention that effective leaders are socially adept.

Martinez (1997) refers to emotional intelligence as an array of cognitive skills, capabilities and competencies that influences a person's ability to cope with environmental demands and pressures. Goleman (1998) suggested that there are five critical pillars or competencies of emotional intelligence, these being self-awareness, self-regulation, self-motivation, social awareness and social skills. Goleman (1995) developed the 137-item Emotional Quotient (EQ) Test, which effectively measures these five dimensions of emotional intelligence. Bar-On's (2000) non-cognitive model defines emotional intelligence as an array of non-cognitive capabilities, competencies and skills that influence one's ability to succeed in coping with environmental demands and pressures. Bar-On (2000) developed the self-reporting Emotional Intelligence Inventory, a 133-item questionnaire with a five-point rating scale. From this questionnaire, five subscales are generated: intrapersonal, interpersonal, adaptability, stress management and mood (Bar-On, 2000). Furthermore, Wolmarans (2001) scanned literature and practices in the area of emotional intelligence, and developed a matrix of the competencies and skills reported on by various authors and service providers. This enabled Wolmarans (2001) to develop a statistically validated emotional intelligence assessment tool, the 360-Degree Emotional Competency Profiler (ECP), which was developed in the South African context.

In terms of the discussion presented thus far, the broad objective of this research is to examine the relationship between employee performance, leadership and emotional intelligence in a South African parastatal organisation. In addressing the broad objective of this research, the following hypotheses were tested:

H_{a1} There is a significant positive linear relationship between employee performance and an emotionally intelligent transactional leader.

H_{a2} There is a significant positive linear relationship between employee performance and an emotionally intelligent transformational leader.

H_{a3} There is a significant positive linear relationship between emotional intelligence and transactional leadership.

H_{a4} There is a significant positive linear relationship between emotional intelligence and transformational leadership.

There has been no known research regarding the relative effectiveness of an emotionally intelligent transactional leader and an emotionally intelligent transformational leader with respect to employee performance in a South African parastatal organisation. This study therefore aims to investigate and explore the relationship between employee performance, leadership and emotional intelligence in a South African parastatal organisation.

Chapter Two outlines relevant performance literature, and concludes with research and empirical studies identifying the correlation between individual performance and leadership. In Chapter Three, leadership is discussed in terms of leadership theory and the leadership requirements of today. Furthermore, Chapter Three presents research and empirical studies identifying the correlation between leadership and emotional intelligence. Chapter Four considers emotional intelligence theory and its development, as well as the importance thereof. Chapter Five outlines the research methodology of this study while Chapter Six presents the results of the research. Chapter Seven reviews the results in light of previous research, discusses limitations and implications of this research and finally provides a research conclusion.

Chapter 2

Performance

2.1 Overview

The broad objective of this research, as discussed in Chapter One, is to examine the relationship between employee performance, leadership and emotional intelligence in a South African parastatal organisation. In order to examine this notion, some insight with regard to performance within an organisational context is required. The discussion in this chapter first describes the performance of organisations. Performance Management is then defined and discussed. Following this, individual performance is discussed and its determinants are highlighted. Finally, the relationship between individual performance and leadership is discussed.

2.2 Performance of Organisations

The topic of performance is not a straightforward one (Corvellec, 1995). An organisation is judged by its performance. The word “performance” is utilised extensively in all fields of management. Despite the frequency of the use of the word, its precise meaning is rarely explicitly defined by authors even when the main focus of the article or book is on performance. The correct interpretation of the word performance is important and must never be misread in the context of its use. Often performance is identified or equated with effectiveness and efficiency (Neely, Gregory and Platts, 1995). Performance is a relative concept defined in terms of some referent employing a complex set of time-based measurements of generating future results (Corvellec, 1995).

For more than a decade, organisational environments have experienced radical changes. As a result of greater competition in the global marketplace the majority of organisations have greatly streamlined their operations (Collis and Montgomery,

1995). Every moment presents a diverse set of challenges and obstacles: laws and regulations are evolving, the economy is altering, and, most importantly, no one is aware of what problems or obstacles will arise. Furthermore, organisations can also perform well or poorly due to external forces, such as interest rates and taxation. To remain competitive in such an environment, a organisation needs to get the most out of its assets, especially the human assets.

For the purpose of this research, it must be noted that the South African parastatal's continued existence is also threatened. Although, these public corporations were given exclusive franchises in certain industries, the majority of them have performed poorly over the years (Nwankwo and Richards, 2001). As indicated in Chapter One, these parastatals will be continually threatened by privatisation, if they do not improve their organisational performance (Adam, et al., 1992).

Many organisations feel that their people can provide a competitive advantage, and therefore their people contribute to the organisation's performance. Employees play a pivotal role in organisational success (Collis and Montgomery, 1995). Employee performance has been shown to have a significant positive effect on organisational performance (Collis and Montgomery, 1995). One of the major pitfalls in an organisation occurs when managers believe their organisations are constantly operating at the highest level of efficiency, or that they do not require input from their employees (Foot and Hook, 1999).

Nevertheless, the principal influence on the organisation's performance is the quality of the workforce at all levels of the organisation. The function that human resources can play in gaining a competitive advantage for an organisation is empirically well documented (Brewster, Carey, Dowling, Grobler, Holland and Wörnich, 2003). For organisations to accomplish their goals, they must continually look for better ways to organise and manage their work. There is a growing recognition that the primary source of competitive advantage is derived from a organisation's human resources. This was not always the case, as human resources were traditionally seen as a cost (Brewster, et al., 2003).

Due to the realisation that people are the most valuable assets in an organisation, the importance of performance management has been pushed to the fore (Bartlett and

Ghoshal, 1995). The complexity of managing organisations today requires managers to view performance in several areas simultaneously. The performance measurement system employed in a organisation must therefore measure the performance of all assets including the human ones. The Balance Scorecard of Kaplan and Norton (1996) is a mechanism which provides a holistic measure of organisational performance. It is a set of measures that provide managers a fast but comprehensive view of the business. The Balanced Scorecard is not only a measurement system but also a management system, which enables organisations to clarify their vision and strategy and translate them into action (Kaplan and Norton, 1996). It provides feedback around both the internal business processes and external outcomes in order to continuously improve strategic performance and results. When fully deployed, the Balance Scorecard transforms strategic planning from an academic exercise into the nerve centre of an enterprise (Norton, 1999). The Balance Scorecard includes both financial measures that tell the results of actions already taken, and operational measures that are the drivers of future financial performance (Kaplan and Norton, 1996).

It can be seen that the individual's performance has an impact on the organisation's wider objectives, and it is thus imperative that every employee's performance should be managed. This process of performance management includes group assessments and peer reviews, as well as written reports (Hellriegel, et al., 2004). In recent years performance management systems have become more important because managers are under constant pressure to improve the performance of their organisations (Holloway, Francis and Hinton, 1999). As the performance of organisations influence the organisation's continued existence, it is therefore necessary to discuss the notion of managing this performance.

2.3 Performance Management

Performance is important to us as people and organisations. In fact, most of us believe that we can, and will, improve at what we do, and we expect others to improve over time as well (Temple, 2002). People are an organisation's greatest assets: individuals and organisations have learned about the importance of the role of people in an organisation, and how the success of an organisation depends on its people (Bartlett

and Ghoshal, 1995). The role of human resources is absolutely critical in raising performance in an organisation (Armstrong and Baron, 1998). Ultimately it is the performance of many individuals which culminates in the performance of an organisation, or the achievement of goals in an organisational context (Armstrong and Baron, 1998).

Performance management is an integral part of effective human resource management and development strategy (Hellriegel, et al., 2004). Performance management is an ongoing and joint process where the employee, with the assistance of the employer, “strives to improve the employee’s individual performance and his contribution to the organisation’s wider objectives” (Hellriegel, et al., 2004:249). Amos, et al. (2004:64) define performance management as “the process that begins with translating the overall strategic objectives of the organisation into clear objectives for each individual employee”. Performance management can also be seen to incorporate all of those aspects of human resource management that are designed to progress and/or develop the effectiveness and efficiency of both the individual and the organisation (Amos, et al., 2004). First-class performance management begins and develops with the employee's lucid understanding of the organisation’s expectations (Hendrey, 1995).

To elevate and sustain the level of work performance, managers must look past individual or team performance to a larger arena of play: the performance management system (Campbell, McCloy, Oppler and Sager, 1993). The success of a performance management system is reliant on the commitment/support of an organisation’s management. Performance management systems must be seen to reward personal development and achievement (Hendrey, 1995). Within the performance management field itself, it is important that targets are viewed to be fair and equitable across all groups. It is imperative that employees have confidence in their work and recognize that management supports them (Cherrington, 1994; Baird, 1986). A good performance management system motivates employees to better their own performance, promotes self-motivation, and builds and strengthens relationships via open communication between employees and managers (Baird, 1986).

There are two main purposes driving performance management. Firstly, there are the operational reasons, which lead and control the system (Temple, 2002). Secondly, on the cultural side, the system can feature as part of the overall drive to build a more

open relationship with employees (Temple, 2002). The performance management system sets out to communicate the link between an organisation's mission, strategic direction and the required employee performance (Armstrong and Baron, 1998; Foot and Hook, 1999).

A successful performance management system is one that requires full participation between employees and managers through effective communication and goal agreement, resulting in complete common understanding and not unfounded expectations (Campbell, et al., 1993). A well-executed performance management system is a medium for managers and employees to develop an understanding of what work the mission of the organisation requires, the manner in which this work should be accomplished, and to what extent it has been achieved. Employees should be empowered and receive support from their manager without removing any of the employee's responsibility (Armstrong and Baron, 1998). As the performance of an organisation is dependent on the quality of the workforce at all levels of the organisation (Temple, 2002), it is essential to discuss the concept of individual performance.

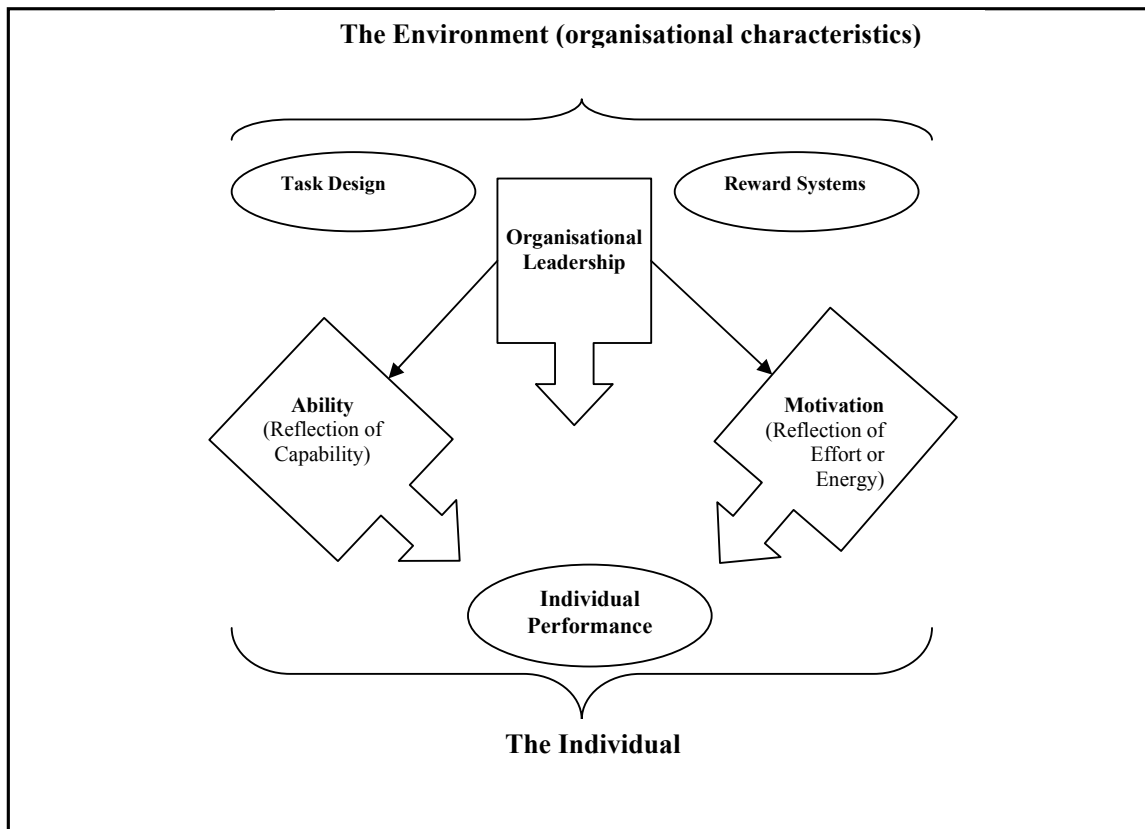
2.4 Individual Performance

Amos, et al. (2004:63) state that "the effective management of individual performance is critical to the execution of strategy and the organisation achieving its strategic objectives". Performance cannot be left in anticipation that it will develop naturally, despite the employee's natural desire to perform and be rewarded for it. This desire needs to be accommodated, facilitated and cultivated (Amos, et al., 2004). In return for this performance, organisations extend themselves in various forms of acknowledgement (Foot and Hook, 1999). Individual performance has become a topical issue in today's business environment, so much so that organisations go to great lengths to appraise and manage it (Armstrong and Baron, 1998).

Whetten and Cameron (1998) state that individual performance is the product of ability multiplied by motivation. Furthermore, Cummings and Schwab (1973) concur with the belief that performance is ultimately an individual phenomenon with environmental factors influencing performance primarily through their effect on the

individual determinants of performance – ability and motivation. The diagram below, adapted from Cummings and Schwab (1973), illustrates individual performance determinants.

Figure 2.1: Individual Performance Determinants



(Adapted from Cummings and Schwab, 1973:2)

Figure 2.1 describes ability as a reflection of capability which is a relatively stable characteristic that enables people to behave in some specified fashion. Motivation reflects effort or energy, which is a dynamic and often fleeting characteristic that determines how vigorously capabilities will be employed in some activity (Cummings and Schwab, 1973). Both ability and motivation are necessary to some degree before successful job performance is obtainable. Cummings and Schwab (1973) describe the need for at least minimal ability before an employee can carry out a task, regardless of how motivated he may be. Similarly, an abundance of ability will not result in successful performance if the employee is completely unwilling to perform

adequately. This view is supported by Vroom (1964) who indicates that factors influencing individual performance within the organisation are factors such as the ability of the person and the willingness of the person to exert effort (motivation).

Finally, organisational leadership can be described as the leadership¹ present within the organisation, having a direct and indirect effect on individual employee performance. This role of organisational leadership is further substantiated in Hall's (1996) Competence Process, which depicts performance as a dependant of collective competence. The competence process is a three-dimensional approach consisting of collaboration, commitment and creativity. In the context of collective competence, each stands for a dimension of organisational life which is manifested in organisational policies, practices and procedures (Hall, 1996). Hall (1996) states that people who manage the organisation create conditions which give it its basic character. Therefore, the managerial actions create the context for competence. The message conveyed by an organisation's leaders may be one that encourages and enables competence and, in turn, performance. Those who lead the organisation can set in motion a competence process so that the organisation is better equipped for meeting its performance requirements and adaptive demands (Hall, 1996).

Despite the motivation to perform, it is necessary to briefly highlight the barriers that might affect the performance of employees. These barriers may be the result of underdeveloped competencies, inappropriate performance goals, or lack of feedback about performance (Hellriegel, et al., 1999). For organisational purposes, factors affecting overall employee performance may be separated into two groups: internal and external. Internal factors are those factors over which the organisation has influence and control, such as job descriptions and employee selection. External factors are those factors over which the organisation has little or no control, such as demands for jobs grading systems (Hellriegel, et al., 1999).

Having outlined and defined individual performance, it is now necessary, for this research, to review the relationship between performance and leadership. This will be discussed in Section 2.5.

¹ Leadership in terms of Chapter Three.

2.5 Performance and Leadership

Ultimately it is the individual employee who either performs, or fails to perform, a task. In order for an organisation to perform an individual must set aside his personal goals, at least in part, to strive for the collective goals of the organisation (Cummings and Schwab, 1973). In an organisational context, the very nature of performance is defined by the organisation itself (Cummings and Schwab, 1973). Employees are of paramount importance to the achievement of any organisation. Thus, effective leadership enables greater participation of the entire workforce, and can also influence both individual and organisational performance (Bass, 1997; Mullins, 1999).

The success of an organisation is reliant on the leader's ability to optimise human resources. A good leader understands the importance of employees in achieving the goals of the organisation, and that motivating these employees is of paramount importance in achieving these goals. To have an effective organisation the people within the organisation need to be inspired to invest themselves in the organisation's mission: the employees need to be stimulated so that they can be effective; hence effective organisations require effective leadership (Wall, Solum and Sobol, 1992; Maritz, 1995). To have an effective organisation, there must be effective and stimulating relations between the people involved in the organisation (Paulus, Seta and Baron, 1996).

It has been widely accepted that effective organisations require effective leadership and that organisational performance will suffer in direct proportion to the neglect of this (Fiedler and House, 1988). Furthermore, it is generally accepted that the effectiveness of any set of people is largely dependent on the quality of its leadership – effective leader behaviour facilitates the attainment of the follower's desires, which then results in effective performance (Fiedler and House, 1988; Maritz, 1995; Ristow, et al., 1999). Preliminary research undertaken by Booysen and Van Wyk (1994, in Swanepoel, et al., 2000) in a South African context found that outstanding leaders, in terms of effectiveness, are perceived to show a strong and direct, but democratic and participative leadership style, and are seen as agents of change and visionaries who increase organisational performance.

Maccoby (1979, in Botha, 2001) concludes that the need of firms to flourish in the world of escalating competitiveness, of technological advances, of altering government regulations and of changing employee attitudes, requires an advanced level of leadership more than ever before. His views further demonstrate the importance of leadership in the business arena. According to Bass (1997), in the modern business environment much research has proved that leaders make a difference in their subordinates' performance, and also make a difference as to whether their organisations succeed or fail. Furthermore Kotter (1988) argues for the ever-increasing importance of leadership in organisations, because of significant shifts in the business environments, such as the change in competitive intensity and the need for more participation of the total workforce.

Leadership is perhaps the most thoroughly investigated organisational variable that has a potential impact on employee performance (Cummings and Schwab, 1973). Winning leaders understand what motivates employees and how the employee's strengths and weaknesses influence their decisions, actions, and relationships. Cummings and Schwab (1973) mention the connection between leadership traits or leadership behaviours and employee performance. However, they stress that the literature was not based on empirical evidence and therefore has become discredited over time (Cummings and Schwab, 1973; Fiedler and House, 1988).

There is agreement in the literature (Maritz, 1995; Bass, 1997) that leadership is a critical factor in the success or failure of an organisation; excellent organisations begin with excellent leadership, and successful organisations therefore reflect their leadership. Leaders are effective when the influence they exert over their subordinates works towards achieving organisational performance (Jones and George, 2000). Furthermore, leadership is often regarded as the single most critical success factor in the success or failure of an institution (Bass, 1990:8). Dimma (1989) believes that leadership is undoubtedly the critical determinant of the success of an organisation, and thus determines organisational performance in the competitive global market.

Research into organisational behaviour in different environments found that transformational leadership² has a positive influence on employee performance, and therefore organisational performance (Bass and Avolio, 1994; Ristow, 1998). However, through research by Pruijn and Boucher (1994) it was shown that transformational leadership is an extension of transactional leadership (Bass, 1997). The difference between these two models is that followers of transformational leadership exhibit performance which is beyond expectations, while transactional leadership, at best, leads to expected performance (Bass and Avolio, 1994). Ristow (1998) states that transactional leaders were effective in markets which were continually growing and where there was little or no competition, but this is not the case in the markets of today, where competition is fierce and resources are scarce.

Research data (Brand, et al., 2000) has clearly shown that transformational leaders are more effective than transactional leaders, regardless of how “effectiveness” has been defined. Evidence gathered in South African retail and manufacturing sectors, as well in the armed forces of the United States, Canada and Germany, points towards the marginal impact transactional leaders have on the performance of their followers in contrast to the strong, positive effects of transformational leaders (Brand, et al., 2000). This can be further supported by research conducted by Ristow, et al. (1999), which concluded that there was a positive relationship between certain styles of leadership and organisational effectiveness within the administration of cricket in South Africa.

² Transformational Leadership identified here will be explained in detail in Chapter Three.

2.6 Conclusion

In summary, an overview of organisational performance was presented highlighting the need for organisations to deliver results in the competitive business environment of today. As employees play a pivotal role in organisational performance, individual performance has become a topical issue, so much so that organisations go to great lengths to develop, manage and appraise it. In light of this, performance management and individual performance was discussed. Finally, the relationship between performance and leadership was discussed, demonstrating the relationship between them. It is clear that there is definitely a need to identify and implement leadership that enables South African organisations to become globally competitive. It has generally been acknowledged that organisational performance requires effective leadership and performance will suffer in direct proportion to the neglect of this.

A broad overview of performance has been presented with some reference to its relationship with leadership. It is now important to discuss leadership in detail. The concept of leadership will be discussed in detail in Chapter Three.

Chapter 3

Leadership

3.1 Overview

Demand for great leaders is growing in modern times, as society and technology is becoming increasingly advanced. The ever changing business environment has created a need for leaders who can meet the demands and challenges of organisations functioning in complex competitive environments, with the world open for trade. The discussion in this chapter initially describes the nature and definition of leadership. Leadership is then discussed in terms of traditional and new theories, culminating in a discussion of the move from the traditional to the new leadership approaches. Traditional leadership theories are discussed in terms of the trait theory, behavioural approaches and situational/contingency approaches. The new leadership theories, namely transactional and transformational leadership, are discussed, after which the integrated approach of Full Range Leadership Development Theory is reviewed. Finally, the relationship between leadership and emotional intelligence is discussed, demonstrating the theoretical connection between them.

3.2 Nature and Definition of Leadership

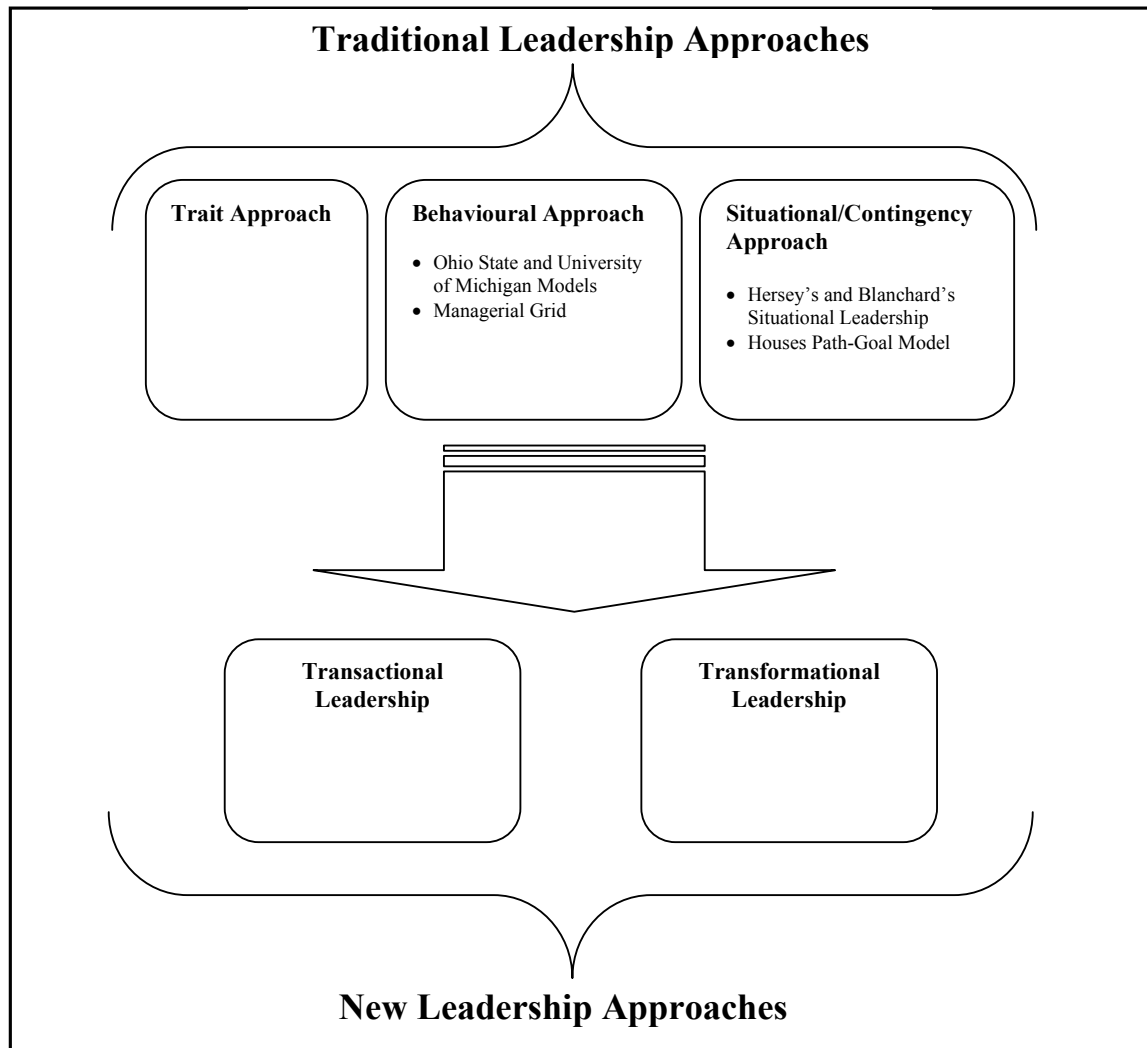
Leadership has been around for as long as there have been people to lead. The history of the world abounds with great leaders, from Moses and David in the Old Testament to Napoleon in the 1700s and Nelson Mandela and Martin Luther King in the 1900s (Bass, 1997). Leadership literature is characterised by an endless proliferation of terms and definitions to deal with the construct, coupled with many extraneous connotations that create ambiguity of meaning and an array of imprecise descriptions (Bass, 1990; Bennis, 1959, in Yukl, 1998). There are numerous ways of looking at leadership and many interpretations of its meaning (Mullins, 1999). Generally, leaders are people who are able to turn their beliefs and visions into reality, through the

control and influence they exercise over other people (Bennis and Nanus, 1985). Our understanding of leadership has changed over the years, but the basic constructs have remained the same. Hellriegel, et al. (2004:286) define leadership as being “the ability to influence others to act toward the attainment of a goal”, while Mullins (1999:253) adds that it is “a relationship through which one person influences the behaviour of others”. Having extensively investigated leadership in South Africa in 1983, Schilbach (in Gerber, Nel and Van Dyk, 1996:343) defines leadership as “an interpersonal process through which a leader directs the activities of individuals or groups towards the purposeful pursuance of given objectives within a particular situation by means of communication”. Inherent in these perspectives is the need to be skilled in varying degrees of emotional intelligence, so as to adaptively manage environmental demands (Stuart and Pauquet, 2001). A brilliant business leader must comprehend the importance of employees in achieving the ultimate goals of the organization, and motivating these employees is of paramount importance in achieving these goals (Wall, et al., 1992).

3.3 Leadership Theories

In attempting to understand the nature of leadership and its different aspects, it is necessary to discuss the different theories of leadership that have developed over time, as various schools of thought have brought their differing ideas and knowledge to this discipline. There are various theories of leadership, which attempt to explain the factors involved in the emergence of leadership, the nature of leadership, or the consequences of leadership (Bass, 1990). These theories attempted to identify various leadership styles, which is the general manner in which leadership is practiced (Barling, Fullagar and Bluen, 1983). The various evolutionary approaches to leadership are categorised in Figure 3.1, as those that are traditional in nature (trait, behavioural and contingency approaches) and those that centre on new approaches to leadership, transactional and transformational leadership.

Figure 3.1: The Evolution of Leadership



(Adapted from Ristow, 1998)

3.3.1 Traditional Leadership Approaches

Three traditional leadership approaches that have been developed over time are the trait approach, the behavioural approach and the situational/contingency approach. Each of these leadership approaches describes different dimensions of leadership, and has its own effect on the association between the leader and his followers (Senior, 1997).

3.3.1.1 Trait Approach

The earliest research conducted on the concept of leadership focused on identifying the unique qualities or traits that appeared common to effective leaders – the idea that leaders are born and not made (Swanepoel, et al., 2000). The leadership trait model was established in the early 1900s, with its associated theories and perspectives. In essence, this was the first attempt at the theoretical understanding of the nature of leadership. Most leadership research before 1945 suggested that certain traits were inherent in all leaders and were transferable from one situation to another (Hersey and Blanchard, 1988). This research led to the identification of some traits that are inherent in most leaders. Researchers such as Bernard (1926), Kilbourne (1935) and Stogdill (1974) have tested and studied the impact of traits on leadership. The trait approach attempts to explain leadership effectiveness in terms of the personality and psychological traits of the leader (Maude, 1978). These traits included emotional intelligence; having an extrovert personality (charisma); dominance; masculinity and conservatism and being better adjusted than non-leaders (Senior, 1997). Numerous studies identified emotional intelligence as a critical element for the success of a leader and as a vital resource for any group (Senior, 1997).

The fact that leaders were naturally born and developed meant that selection would be the key to effective leadership within an organisation, rather than other factors such as training and development (Robbins, 1996). The trait approach, however, focuses almost entirely on the physical and personality characteristics (Gerber, et al., 1996). More recently, researchers moved away from assessing individuals in terms of traits, and towards assessing how leader behaviour contributes to the success or failure of leadership (Draft, 1999).

3.3.1.2 Behavioural Approach

Alternative approaches to leadership began to develop after the decline in popularity of trait theories (Swanepoel, et al., 2000). Researchers moved away from assessing individuals in terms of traits, and focused on assessing how leaders' behaviour contributes to the success or failure of leadership (Draft, 1999). But the move away from the trait approach ignited research where leaders were studied either by

observing their behaviour in laboratory settings or by asking individuals in field settings to describe the behaviour of persons in positions of authority, then applying different criteria of leader effectiveness to these descriptions. This resulted in the development of a leadership-behaviour model which led to the establishment of the “behavioural school of leadership”. The behavioural approach to leadership suggests that the leader’s behaviour, not the leader’s personal characteristics, influence followers (Shriberg, Lloyd, Shriberg and Williamson, 1997). Extensive research has been done in the area of behavioural approaches to leadership. The main behavioural models include the Theory of Lewin, Lippit and White (1939), McGregor’s Theory (1960), the Managerial Grid Model of Blake and Mouton (1964) and the Ohio State University of Michigan Models (Bass, 1990).

The restrictions of these behavioural theories are their omission of situational factors on the level of leader effectiveness. One concern is whether one particular method of leading is appropriate for all situations, regardless of the development stage of the organisation, the business environment in which it operates, or the type of people employed by the organisation (Senior, 1997). The perception of leadership progressed past the view that there is one best way to lead, and the theorists began to focus on how a leader ought to behave in order to be effective (Senior, 1997).

3.3.1.3 Situational/Contingency Approach

Dissatisfaction with the trait and behavioural theories gave rise to the situational /contingency approach to leadership. This approach to leadership examined how leadership changes from situation to situation. According to this model, effective leaders diagnose the situation, identify the leadership style that will be most effective, and then determine whether they can implement the required style (Mullins, 1999; Swanepoel, et al., 2000). Prominent among these theories are Fielder’s Contingency Theory of leadership, the Path-Goal Theory of leader effectiveness which embodies transactional leadership, Hersey and Blanchard’s Life-Cycle Theory, the Cognitive-Resource Theory, and the Decision-Process Theory (Bass, 1998). Situational approaches to leadership have come about as a result of attempts to build upon and improve the trait and behavioural approaches to leadership. The situational approaches emphasise the importance of the situation as the dominant feature in

effective leadership, together with the leader and the followers (Mullins, 1999). Different environments require different types of leadership (Hersey and Blanchard, 1988). Situational leadership does not promote an ideal leadership style, but rather considers the ability of a leader to adapt to the environment. Situational leadership studies the behaviour of leaders and their followers in varying situations (Hersey and Blanchard, 1988).

Hersey and Blanchard (1988) argued that there was no best leadership style, but rather that there could be best attitudes for managers. The major advance of the situational approach is the recognition that for different development levels and different types of situations, different leadership styles are more effective. Leadership styles can therefore be defined as the behaviour of an organisation's leader as influenced by the situation surrounding that leader (Senior, 1997). Yukl (1998) states that although situational leadership theories provide insights into reasons for effective leadership, conceptual weaknesses limit the approach's utility. Thus, it is difficult to derive specific testable propositions from the approach, with the approach not permitting strong inferences about the direction of causality (Yukl, 1998).

There have been many criticisms of the traditional approaches discussed above. One such criticism, by Bass (1990), is that these approaches have not been rigidly tested in practice and are too specific either in defining leadership in terms of traits, behaviours or situation.

3.3.2 New Leadership Approaches

Organisations and their environments have changed rapidly over the past years and as a result a new style of leadership, one that is less bureaucratic and more democratic, is needed in order to ensure the survival of organisations (Johnson, 1995). There have also been numerous criticisms regarding the traditional approaches already discussed. Consequently, a new style of leadership has emerged in order to ensure the survival of organisations and to overcome limitations of the trait, behavioural and contingency theories of the past. The new theories of leadership evolved in reaction to the increasingly sophisticated traditional models, which became difficult to implement (Bass, 1990; Carlton, 1993). This new leadership approach suggests that there are two

views of leadership – transactional leadership and transformational leadership (Bass, 1990).

3.3.2.1 Transactional Leadership

Bass and Avolio (1997) describe the transactional leadership style as being based on traditional bureaucratic authority and legitimacy. Transactional leaders are able to entice subordinates to perform and thereby achieve desired outcomes by promising them rewards and benefits for the accomplishment of tasks (Bass, 1990). Bass (1990) describes the transactional leader's relationship with the subordinates as having three phases. Firstly, he recognises what subordinates want to get from their work and ensures that they get what they want given that their performance is satisfactory. Secondly, rewards and promises of rewards are exchanged for employee's effort. Lastly, the leader responds to his employee's immediate self interests if they can be met through completing the work. Transactional leaders are those leaders who implement structure and are understanding towards their employees (Senior, 1997). Bass (1985:27) indicates that transactional leaders "generally reflect on how to marginally improve and maintain the performance, how to replace one goal for another, how to decrease resistance to particular actions, and how to execute decisions". This form of leadership emphasizes the clarification of goals, work principles and standards, assignments and equipment (Bass, 1985).

Transactional leaders focus their energies on task completion and compliance and rely on organisational rewards and punishments to influence employee performance, with reward being contingent on the followers carrying out the roles and assignments as defined by the leader (Bass and Avolio, 2000; Mester, et al., 2003). In other words, the leader rewards or disciplines the followers depending on the adequacy of the follower's performance (Senior, 1997). The transactional leader is known to change promises for votes and works within the framework of the self-interest of his or her constituency (Bass, 1990).

The transactional leader pursues a cost-benefit, economic exchange to meet subordinates' current material and physical needs, in exchange for 'contracted' services rendered by the subordinates (Bass, 1985). Therefore, transactional leaders

are thought to have an exchange-based relationship with their followers (Burns, 1978; Senior, 1997). Bass (1985) suggests that transactional leadership uses satisfaction of lower order needs as the principal basis for motivation. The focal point of transactional leadership is on role elucidation. The leader assists the follower in understanding precisely what needs to be achieved in order to meet the organisation's objectives (Bass, 1985).

Leaders who display a transactional leadership style define and communicate the work that must be done by their followers, how it will be done, and the rewards their followers will receive for completing the stated objectives (Burns, 1978, in Bass and Avolio, 1990a; Avolio, Waldman and Yammarino, 1991; Meyer and Botha, 2000). Transactional leadership occurs when leaders approach followers either to correct a problem or to establish an agreement that will lead to better results. Additionally, transactional leadership concerns the style of leadership where the leader makes work behaviour more instrumental for followers to reach their own existing goals while concurrently contributing to the goals of the organisations (Brand, et al., 2000).

Transactional leaders are suited to a more stable business environment with little competition, as characterized by the business arena prior to the 1980s (Tichy and Devanna, 1986). In a stable environment, transactional leaders manage what they find and leave things much as they found them when they move on (Howell and Avolio, 1993). However, the current competitive business environment requires a new style of leadership in order to ensure the organisation's survival and performance, namely transformational leadership (Bass, 1985; Brand, et al., 2000).

3.3.2.2 Transformational Leadership

Transformational leadership has emerged as one of the most extensively researched leadership paradigms to date (Bass, 1985). Perhaps the reason that research on transformational leadership has become somewhat self-sustaining is that positive results continue to emerge on the effects of transformational leadership (Hater and Bass, 1988). Transformational leadership concerns the transformation of followers' beliefs, values, needs and capabilities (Brand, et al., 2000). Yukl (1989, in Kent and Chelladurai, 2001:204) defines transformational leadership as "the process of

influencing major changes in attitudes and assumptions of organisational members and building commitment for the organisation's mission and objectives". Transformational leaders therefore teach their followers to become transformational leaders in their own right (Bass, 1994).

Transformational leaders encourage subordinates to adopt the organisational vision as their own, through inspiration (Cacioppe, 1997). In addition, it is widely accepted that transformational leadership occurs when people engage with each other in such a way that leaders and followers raise each other's levels of motivation (Burns, 1978). Furthermore, these leaders attempt to elevate the needs of the follower in line with the leader's own goals and objectives. Transformational leadership communicates a vision that inspires and motivates people to achieve something extraordinary. Hughes, Ginnett and Curphy (1994) believe that transformational leaders also have the ability to align people and the systems so there is integrity throughout the organisation.

Moreover, transformational leaders are responsible for motivating their employees to go beyond ordinary expectations by appealing to their higher order needs and moral values. This leadership has consistently shown advantages on a range of individual and organisational outcomes, such as objectives and performance (Bass, 1998). Through setting more challenging expectations and raising levels of self and collective efficacy, such a leadership style typically achieves significantly higher performance and commitment levels from their employees (Yukl, 1998; Arnold, Barling and Kelloway, 2001; Hater and Bass, 1988 in Mester, et al., 2003).

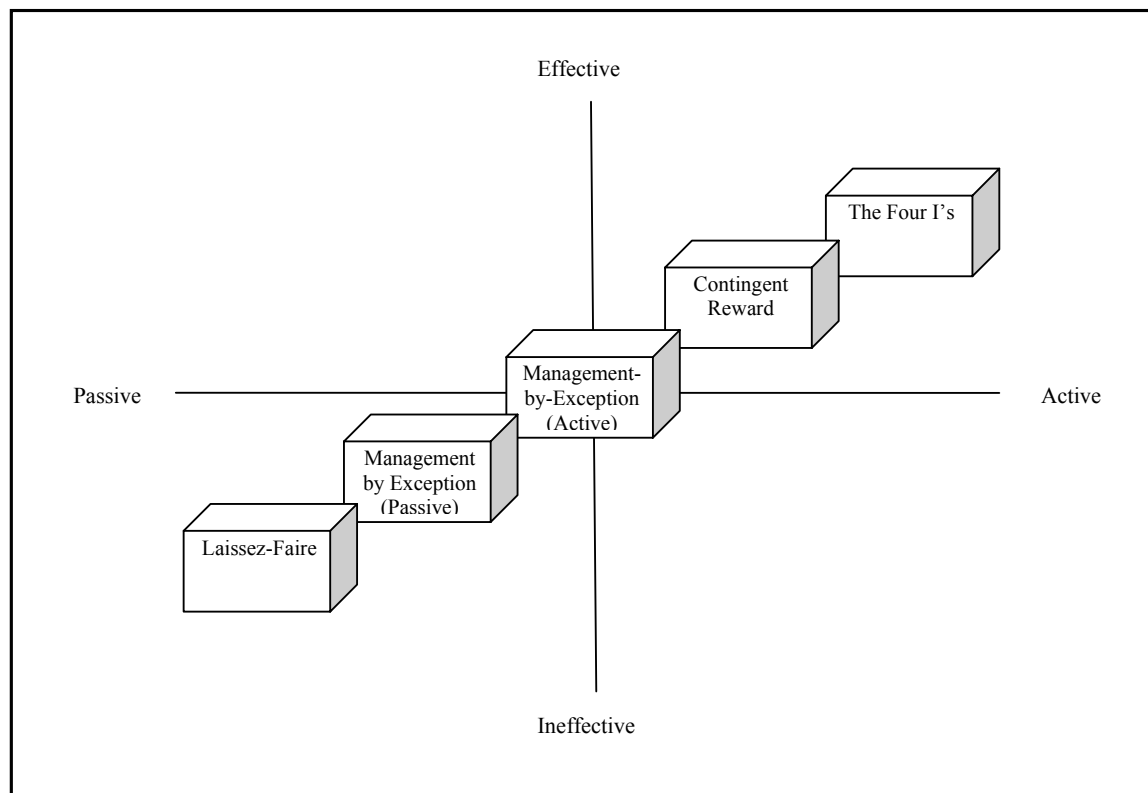
While transformational leadership inspires common goals and aspirations that tend to transcend followers' individual needs and result in the attainment of major transformation in work-place effectiveness, it would be narrow-minded to view transformational leaders as the exclusive participants in the process of leader-follower exchanges. Transformational leadership extends transactional leadership to attain higher levels of subordinate performance, but achieves this addition by utilising various motivational methods and diverse types of objectives and goals (Bass, Avolio and Goodheim, 1987). Barling, et al., (2000) found that subordinates' organisational commitment was positively correlated with the transformational leadership behaviours of their supervisors. In summary, empirical literature indicates that

transformational leadership is positively connected with leaders' effectiveness (Bass, 1998). Research by Pruijn and Boucher (1994) shows evidence that transformational leadership is an extension of transactional leadership; therefore these two leadership styles are not mutually exclusive, as a leader may display a varying degree of transactional or transformational leadership (Bass, 1997; Ristow, 1998).

3.3.2.3 Full Range Leadership Development Model

Bass and Avolio's (1997) Full Range Leadership Development Model identifies seven leadership factors and the development of transformational and transactional styles of leadership. This model, depicted in Figure 3.2, describes the extent to which each of these seven leadership behaviours are active, passive, effective and ineffective, and the frequency with which these behaviours are practised within an organisation. These seven leadership factors are grouped as either a transformational, transactional or laissez-faire style of leadership (Bass and Avolio, 1994).

Figure 3.2: A Model of the Full Range Leadership Development Theory



(Bass and Avolio, 1994: 5)

Transactional factors emerging from this model include contingent reward and management-by-exception. Contingent reward involves an interaction between the leader and the follower in which the leader uses rewards, promises and praise to motivate followers to achieve performance levels contracted by both parties. Management-by-exception is defined as being either active or passive. Active Management-by-exception occurs when the leader monitors followers' performance for deviations from rules and standards, taking corrective action in anticipation of irregularities. In short, the leader intervenes in a follower's work when he is not putting forth the effort expected of him. In contrast, passive management-by-exception occurs when a leader waits passively for mistakes to occur, intervening only if standards are not met (Bass and Avolio, 1990b; Bass and Avolio, 1997; Mester, et al., 2003).

The transformational leadership style is characterised in the Full Range Leadership Development Model by four underlying dimensions, all of which are seen by Bass and Avolio (1994) as the most active and effective behaviours of leadership. These include idealised influence, intellectual stimulation, individualised consideration and inspirational motivation and are referred to as the 'Four I's' (Bass, 1990). Yukl (1998) defines Idealised influence (charisma) as behaviour that arouses strong follower emotions and identification with the leader. Bass and Avolio (2000) further state that through such idealised influence, leaders become role models for their followers and are admired, respected and trusted. Inspirational motivation includes behaviour that motivates and inspires followers by communicating high expectations and expressing purposes in simple ways, which provides meaning and challenge to their followers' work (Bass, 1997). This inspirational motivation arouses individual and team spirit with enthusiasm and optimism (Yukl, 1998; Bass and Avolio, 2000). Individualised consideration includes mentoring, support, encouragement and coaching of followers (Yukl, 1998; Lagomarsino and Cardona, 2003). Transformational leaders link the individuals' current needs to the organisation and new learning opportunities are created (Bass and Avolio, 2000; Mester, et al., 2003). Intellectual stimulation involves leaders stimulating their followers' effort to be innovative and creative by questioning assumptions, reframing problems and approaching old situations in new ways (Bass and Avolio, 2000).

The above behaviours of the transformational style of leadership are contrasted to a passive, ineffective laissez-faire leadership style, where no attempt is made by the leader to motivate others or to recognise and satisfy individual needs. Laissez-faire or “hands-off” leadership was identified by Bass and Avolio (1994) in the Full Range Leadership Development Model as a non-transactional factor. Furthermore, laissez-faire leadership style is characterised by leaders who avoid decision-making, the provision of rewards and the provision of positive or negative feedback to their subordinates, with the leader clearly abdicating responsibility to others (Bass and Avolio, 1997; Hartog and van Muijen, 1997, in Mester, et al., 2003).

Thus far, this chapter has discussed the constructs of leadership. Inherent in these leadership approaches is the need to be skilled in varying degrees of emotional intelligence, so as to adaptively manage environmental demands (Stuart and Pauquet, 2001). Many studies have acknowledged emotional intelligence as a crucial ingredient for the success of a leader (Senior, 1997). For this research, the relationship between leadership and emotional intelligence must now be discussed.

3.4 Leadership and Emotional Intelligence

The modern business environment requires leaders to provide moral leadership and to harness trust in the organisation to ensure organisational success and performance in an increasingly competitive global marketplace (Robbins, 2001). The shift in leadership capacity is the product of specific, growing changes in business life in general, and the realities of managing increasingly brief, fast-paced, trusting collaborative and innovative human interactions at work (Damasio, 1994). There has been a major shift in leadership skills required of today’s business managers. Rather than planning, controlling and organising, which were the skills of the old model of business leaders, the demands made on new leaders require skills - such as helping, empowering and listening - which build trust, commitment and dedication (Yovovich, 1996). Although this type of leadership is more difficult than the old command-and-control method, it is more effective in meeting the major challenges of finding and keeping good employees, and making them more productive (Auntry, 1995).

Several of the new leadership skills call for the strategic management of emotions. The ability to analyse both oneself and others is of crucial importance (Bar-On, 1996). Bass (1990) believes that transformational leadership meets these requirements. Therefore, given the usefulness of transformational leadership, attention has turned to other issues, such as how it develops, and associated factors such as moral development that may predispose individuals to use transformational leadership (Turner and Barling, 2000).

Barling, et al. (2000) debate that emotional intelligence is another factor that might predispose leaders to use transformational behaviour. Furthermore, research by Palmer, et al. (2001), which indicates that transformational leadership is considered to be more emotion-based than transactional leadership, supports the theory that because transformational leadership is more emotionally based, it meets the demands and challenges of organisations functioning in complex competitive environments (Palmer, et al., 2001). As a result, studies aimed at the investigative role of emotional intelligence as a forecaster of transformational leadership are fast gaining momentum, due to the favourable results associated with transformational leadership in organisations having to manage a large amount of change and transformation (Bass, 1990; Barling, et al., 2000). Emotional intelligence can thus provide a preliminary indication of leadership potential and present organisations with a means of identifying and selecting organisational leaders (Goleman, 1995). Therefore, emotional intelligence has become more popular as a measure for identifying potentially successful leaders (Goleman, 1995; Cooper and Sawaf, 1997).

Emotional intelligence has gained much popularity as an absolute necessity for effective leadership (Sosik and Megerian, 1999). This is supported by Goleman (1995) and Stein and Book (2000), who argue that leaders with greater emotional intelligence will be more effective leaders. Their (Goleman, 1995; Stein and Book, 2000) contention that effective leaders are socially adept is supported by research findings by Barling, et al. (2000) and Palmer, et al. (2001). Goleman (1998) believes that valuable leadership skills are reliant partly on the understanding of emotions and the abilities associated with emotional intelligence. George (2000) suggests that emotional intelligence plays an important role in leadership effectiveness in generating employee performance and consequently organisational performance, and

proposes that the ability to understand and manage moods and emotions in oneself and in others theoretically contributes to the effectiveness of leaders in stimulating employee performance. The ability to manage emotions in oneself will in turn affect the ability to lead others (Bar-On, 1996). This coincides with Goleman's (1995) observation that emotional intelligence includes the ability to motivate self and others, as well as the fact that charisma is an essential factor for successful leadership.

George (2000) further suggested that leaders high in emotional intelligence will be able to use positive emotions to envision major improvements in the functioning and performance of an organisation. When emotional intelligence is present, there is increased employee cooperation, increased motivation, increased performance, increased productivity, and increased profits (George, 2000). In fact, research has shown that managers with high emotional intelligence get better results from employees, which results in employee performance beyond expectations (Cooper, 1997). Additionally, Goleman (1998) believes that emotions, properly managed, can drive trust, loyalty and commitment – and drive many of the greatest productivity gains, innovations, and accomplishments of individuals, teams and organizations. As emotions guide reasoning, emotional intelligence in a leader is seen as a fundamental ingredient for success. True leadership cannot be separated from the basic qualities that produce sound personal character (Munroe, 1993). Emotional intelligence considers factors that are an integral part of one's character and are key factors as to why one person thrives, whilst another of equal or greater intellect may be less successful (Salovey and Mayer, 1990; Goleman, 1995; Bar-On, 1996).

Furthermore, the emotional intelligence of a leader is said to significantly affect the organisational environment (Auntry, 1995; Hall, 1996). Leaders should attempt to understand how each of their actions impact on the morale of their subordinates, and ultimately on their subordinates' ability and desire to produce superior performance. In other words, in order to be an effective leader, managers need to display high levels of emotional intelligence (Amos, et al., 2004). Low levels of emotional intelligence on the job affect the bottom line (Auntry, 1995). Goleman (1995) cites the utilisation of interpersonal skills as being fundamental to organisational success.

The increasing emphasis on emotional intelligence for effective leadership is clearly apparent in the current leadership literature, research and practice in progressive organisations (Goleman, 1995). Numerous studies have identified emotional intelligence as a critical element for the success of a leader and as a vital resource for any group (Senior 1997). Therefore emotional intelligence will be discussed in more detail in Chapter Four.

3.5 Conclusion

There is agreement in the literature (Maritz, 1995; Bass, 1997) that leadership is a critical factor in the success or failure of an organisation; excellent organisations begin with excellent leadership, and successful organisations reflect their leadership. Effective leadership is every bit as essential in a South African parastatal organisation as it is in any organisation all over the world.

A broad overview of leadership has now been presented. In summary the three traditional leadership approaches that have been developed over time are trait theories, behavioural approaches and situational/contingency approaches. Each of these approaches describes different dimensions of leadership, and their effects on the relationship between the leader and his followers. Furthermore, transactional and transformational leadership were discussed. The Full Range Leadership Development Model, developed by Bass and Avolio (1994), indicates the development of transformational leadership from transactional leadership. This model provides a theoretical framework for the purpose of this research.

Research has shown that leaders with high emotional intelligence can get results from subordinates that are beyond expectations (Cooper, 1997). Much research has recognised emotional intelligence as a significant ingredient for the success of a leader (Senior, 1997). As a result, the relationship between leadership and emotional intelligence was discussed, demonstrating the theoretical and empirical research connection between them. It is now necessary to discuss the topic of emotional intelligence. The concept of emotional intelligence will be discussed in detail in Chapter Four.

Chapter 4

Emotional Intelligence

4.1 Overview

In the recent past there has been a growing interest in the topic of emotional intelligence, promoted by Daniel Goleman's (1996) book on the topic. There has also been a growing interest from the corporate world with regard to emotional intelligence, in that the corporate world is always searching for ways in which to develop a competitive advantage in the workplace through increased attention to "people issues". Despite this, there has been little research done in the organisational context around the concept of emotional intelligence and its possible benefits to the corporate world (Damasio, 1994; Goleman, 1996; Steiner, 1997; Dulewicz and Higgs, 2000).

The discussion in this chapter first describes the nature and definition of emotional intelligence. Following this, an overview of the importance of emotional intelligence is highlighted. Emotional intelligence is then discussed in terms of the old and new theories.

4.2 Nature and Definition of Emotional Intelligence

According to the literature, there are several definitions of what emotional intelligence is and what the concept actually encompasses. Some of these definitions of the concept of emotional intelligence lack sufficient research evidence to properly substantiate their views (Palmer and Jansen, 2004). Goleman (1997 in Dulewicz and Higgs, 2000:342) provides a useful definition of the concept, and believes that emotional intelligence is about:

- Knowing what you are feeling and being able to handle those feelings without having them swamp you;
- Being able to motivate yourself to get jobs done, be creative and perform at your peak; and
- Sensing what others are feeling, and handling relationships effectively.

A more concise definition is put forward by Martinez (1997:72) that describes emotional intelligence as being “an array of non-cognitive skills, capabilities and competencies that influence a person’s ability to cope with environmental demands and pressures”. What this is suggesting is that emotional intelligence, unlike some other traditional concepts of intelligence, is not believed to be solely cognitive, but rather encompasses skills that assist one in coping with day-to-day living in the world. According to Goleman (1996; 1997), this does not however mean that we must disregard traditional ideas of intelligence, as these are also relevant to the individual’s daily living skills and work performance. Rather, we should look at both traditional concepts of intelligence as well as concepts of emotional intelligence.

According to Mayer, Salovey and Caruso (2000:273) emotional intelligence includes “the ability to perceive, appraise and express emotion accurately and adaptively; the ability to understand emotion and emotional knowledge; the ability to access and generate feelings where they facilitate cognitive activities and adaptive action; and the ability to regulate emotions in oneself and others”. What this in effect means is that the “emotionally intelligent” person is one who is able to process emotion-laden information and then to use this information in cognitive tasks and other required behaviours (Palmer and Jansen, 2004).

It is also believed that emotional intelligence allows the person other ways of being and behaving as compared to those emphasized by traditional ideas of intelligence. It is thus possible for the person to develop these alternative ways of being in order to become more effective and efficient in both day-to-day living and in the workplace (Van Jaarsveld, 2003).

4.3 The Importance of Emotional Intelligence

Emotions have an impact on everything that people do. On the one hand, emotions can lead to an increased morale amongst employees, but on the other hand, emotions can also prove to be destructive. Negative emotions, such as fear; anxiety; anger and hostility, use up much of the individual's energy, and lower morale, which in turn leads to absenteeism and apathy (Bagshaw, 2000). According to Klausner (1997) an individual's emotional intelligence can be seen to dictate interpersonal relationships. Despite this, many managers in the workplace would rather steer away from dealing with emotional issues. Research by Cooper (1997) shows that emotions that are properly managed can, and do, have successful outcomes. Carefully managed emotions can drive trust, loyalty and commitment as well as increase productivity, innovation and accomplishment in the individual, team and organisational sphere (Cooper, 1997).

Several authors (Cooper and Sawaf, 1997; Salovey and Sluyter, 1997; Goleman, 1998) suggest that emotional intelligence is essential for effective leadership. It is believed that even if one has the best training in the world, as well as a "high intelligence" level, without emotional intelligence, the person would still not make a good leader. It should however be noted that although intelligence quotient (IQ) and emotional intelligence are two separate constructs, they do work in combination. As such, there are two core propositions that can be put forward, namely that:

- a combination of IQ and emotional intelligence explains more variation in outcome criteria than IQ alone; and
- a certain threshold IQ is necessary before the combination with emotional intelligence leads to differentiated success in outcomes (Dulewicz and Higgs, 2000).

There is an emerging view that emotional intelligence can be seen to be more important than traditional constructions of IQ. Studies conducted by Goleman (1998) have shown that emotional intelligence is far more important at all levels in the workplace than technical skills and IQ.

Studies show that “emotional intelligence facilitates individual adaptation and change” (Qiy, 1999:325). Other research by Schutte, Malouff, Hall, Haggerty, Cooper, Golden and Dornheim (1998) shows that emotional intelligence is associated with affective outcomes such as greater optimism, less depression and less impulsivity. Emotional intelligence has been found to be positively linked to task mastery and life satisfaction and negatively linked to symptoms of depression (Martinez-Pons, 1997).

There is little research that has been done on success and performance in an organizational context, but that which has been done rigorously demonstrates the impact of emotional intelligence on success and performance in the organizational context. Kelley and Caplan’s (1993) study at Bell Laboratories provides support for the ability of emotional intelligence to differentiate between high and average performers in the workplace (Dulewicz and Higgs, 2000).

There has been an increase in the exploration of emotional intelligence and its potential benefits for both the individual and the organization. Downing (1997) points out that there has been a growth in interest in emotions and that this is due to the increasing volatility and change that happens in the organizational setting, and that these changes are frequently associated with emotions. It is for this reason that it is becoming increasingly important to explore emotions and emotional intelligence in the workplace. Cooper (1997:31) quotes the former leader of an executive team at the Ford Motor Company, Nick Zenuik, as saying “Emotional intelligence is the hidden competitive advantage. If you take care of the soft stuff the hard stuff takes care of itself”. This sentiment has been shared in studies conducted by authors such as Goleman (1996; 1997), Martinez (1997) and Harrison (1997).

4.4 Development and Theories of Emotional Intelligence

Various theories have been developed over the years on the topic of emotional intelligence. This section seeks to outline the development and progress of these various theories, as well as some of the measuring instruments that have been developed as a result of these theories.

The concept of emotional intelligence is not a new one. It has been suggested that it was Aristotle who was the first to mention the importance of emotions in human interaction (Langley, 2000). “As Aristotle put it, those who possess the rare skill to be angry with the right person, to the right degree, at the right time, for the right purpose, and in the right way are at an advantage in any domain of life” (Goleman, 1996 in Langley, 2000:177). But perhaps the first real theory of emotional intelligence came from the writings of Thorndike (1920), who believed that there were different types of intelligence. He named the type of intelligence that is measured using IQ tests, abstract intelligence. The type of intelligence that is used in understanding and manipulating objects and shapes, he named concrete intelligence. The third type of intelligence that Thorndike identified was social intelligence. He defined it as “the ability to understand and relate to people” (Bagshaw, 2000:63). This third type of intelligence is what is today known as emotional intelligence.

The research done by Thorndike (1920) into social intelligence as a means of explaining variations in outcome measures not accounted for by IQ tests was revived by the researcher Howard Gardner (1983), when he suggested that there were seven types of intelligence. Although Gardner did not refer to emotional intelligence as such, his reference to intrapersonal and interpersonal intelligence has been used by many as a foundation in developing more recent models of emotional intelligence. Gardner’s (1983) concept makes reference to the fact that people have the ability to know and understand their emotions as well as other individuals’ emotions and intentions, which is believed to guide one’s behaviour. This was further developed by research done by Gardner and Hatch (1989), where they developed the idea of multiple intelligences, which were distinctly different from that of IQ (Dulewicz and Higgs, 2000).

The term “emotional intelligence” was however first coined in 1990 by two psychologists, Peter Salovey and John Mayer. Salovey and Mayer (1990) carried out extensive and comprehensive tests in order to establish emotional intelligence as a genuine intelligence based on the concept and definition of intelligence (Langley, 2000). The work that was done by Salovey and Mayer (1990) advocated that intellect and emotional intelligence were two different constructs and that they used different parts of the brain. This team of researchers managed to develop a norm-tested EQ

Scale. They suggest that emotional intelligence is made up of four branches: managing and regulating emotion, understanding and reasoning about emotion, assimilating basic emotional experiences, and perceiving and appraising emotions.

The “ability model” was developed by Salovey and Mayer during the 1990s, and has been said to be the most theoretically well clarified model (Palmer, et al., 2001). In this model emotional intelligence is conceptualized in the traditional sense, where it is conceptually related to a set of mental abilities to do with emotions and the processing of that emotional information. Mayer and Salovey “have fully operationalised emotional intelligence according to a four-branch hierarchical model from basic psychological processes to higher more psychologically integrated processes. These four core abilities of the model are further operationalised to include four specific skills related to each, forming a 4 x 4 or 16 ability-based model of emotional intelligence” (Palmer, et al., 2001:6).

The instrument that was developed from the “ability model” of emotional intelligence is the Multifactor Emotional Intelligence Scale (MEIS) (Mayer, Caruso and Salovey, 1998). The MEIS tests the individual’s ability, and yields a total emotional intelligence score as well as scores for each of the four branches of emotional intelligence (as mentioned above). The test includes a series of 12 tasks that are designed to assess the person’s ability to perceive, assimilate, understand, and manage emotion (Mayer, et al., 1998). A newer version of this instrument was released in 2000, called the MSCEIT (The Mayer-Salovey-Caruso Emotional Intelligence Test), and according to its developers (Mayer, et al., 2000) will yield the same type of scores as the MEIS.

Following on from Salovey and Mayer’s work on emotional intelligence, Daniel Goleman’s (1995) book *Emotional Intelligence* builds on the work done by Gardner (1983) and Salovey and Mayer (1990). Goleman (in Rozell, Pettijohn, Parker, 2002:273-274) outlines five competencies that are associated with emotional intelligence: self-awareness; self-regulation; self-motivation; social awareness (empathy); and social skills (relationship management). Goleman (1995) suggests that these five components of emotional intelligence can have a great impact on the individual’s perception and reaction to organisational events.

According to Goleman, self-awareness is the cornerstone of emotional intelligence, and he defines the self-awareness as: “knowing one’s internal states, preferences, resources, and intuitions” (Goleman, 1995 in Rozell, et al., 2002:274). This is important to psychological insight and self-understanding.

Emotional management or self-regulation is the second of Goleman’s core competencies, and this enables the individual to manage his own internal states, impulses and controls. Self-regulation also involves self-monitoring, which allows the individual to adjust his behaviour according to external, situational factors. The element of self-regulation includes aspects such as trustworthiness; self-control; conscientiousness; adaptability and innovation (Goleman, 1995).

The third core competency that Goleman includes in his theory of emotional intelligence is that of self-motivation. Self-motivation involves the control of emotional tendencies that facilitate reaching one’s goals (Goleman, 1995). There are several key elements that assist in self-motivation: achievement drive; commitment; initiative and optimism. Optimism in itself is believed to be a key pillar in self-regulation and has been thought to be a key determinate of motivation and performance outcomes (Rozell, et al., 2002).

The fourth core competency that Goleman outlines in his work on emotional intelligence is that of social awareness or empathy, which is an awareness of other people’s feelings. This concept of social awareness has been labelled by several authors as being a crucial component of emotional intelligence (Goleman, 1995). “Empathy involves understanding others, developing others, having a service orientation, leveraging diversity, and possessing a keen political awareness” (Rozell, et al., 2002:275).

Lastly, social skills are the fifth competency that Goleman outlines with regard to emotional intelligence. This skill involves adeptness at handling interpersonal relationships. Goleman (1995; 1998) believes that social skills involve influencing tactics; effective communication; conflict management skills; leadership abilities; change management skills; instrumental relationship management; collaboration and co-operation abilities; and effective team membership capabilities.

Goleman suggests that these traits are actually routine human characteristics, and that they are not necessarily connected with status or hierarchy (Piasecka, 2000). These traits are human qualities that every person has access to, and it is merely a case of developing these skills and thus developing and increasing emotional intelligence.

Goleman (1995) developed the 137-item Emotional Quotient (EQ) Test, which effectively measures the five dimensions of emotional intelligence. It is seen to be one of the most comprehensive measures available and has a scale that can be used in a variety of contexts (Goleman, 1995).

Another model of emotional intelligence has been developed by Bar-On. He defines his non-cognitive model of emotional intelligence as “an array of non-cognitive capabilities, competencies and skills that influence one’s ability to succeed in coping with environmental demands and pressures” (Bar-On, 1997:14). While this model falls under the broad banner of emotional intelligence, it also fits into the broader construct of emotional and social intelligence. Bar-On (1997) has used 15 conceptual constructs in the operationalisation of this model, and these all pertain to five specific dimensions of emotional and social intelligence. These are:

- Intrapersonal emotional intelligence – representing abilities; capabilities; competencies and skills pertaining to the inner self;
- Interpersonal emotional intelligence – representing interpersonal skills and functioning;
- Adaptability emotional intelligence – representing how successfully one is able to cope with environmental demands by effectively sizing up and dealing with problematic situations;
- Stress management emotional intelligence – concerning the ability to manage and cope effectively with stress;
- General mood emotional intelligence – pertaining to the ability to enjoy life and to maintain a positive disposition (Gardener and Stough, 2002).

According to Bar-On (1997), these components develop over time, and it is also possible that they change throughout one’s lifetime and that they can be improved

through training. Bar-On's model of emotional intelligence is about the potential for performance rather than performance itself (Gardener and Stough, 2002).

From the abovementioned model, Bar-On (2000) developed the self-reporting Emotional Intelligence Inventory, a 133-item questionnaire, with a five-point rating scale. From these items, five subscales are generated: intrapersonal; interpersonal; adaptability; stress management and mood.

Recently, Wolmarans (2001) identified several constituent competencies of emotional intelligence that were used to develop the ECP to measure emotional intelligence. This particular model of emotional competence is particularly relevant to this research study as it was developed for use in the South African context, and is a statistically validated emotional intelligence assessment tool (Palmer, Jansen and Coetzee, 2005). According to Theron and Roodt (2001), a multi-rater assessment provides the individual (ratee) with holistic feedback which is seen to facilitate personal growth. Wolmarans (2001) believes that the purpose of the ECP is to allow the individual to look at:

- emotional skills in a “mirror” through his own eyes;
- behaviour through the eyes of other people, as indicated by the ratings of others; and
- strengths and development areas.

The competencies measured by the ECP are based on a content analysis of current leadership competency requirements as outlined by various authors and service providers (Wolmarans, 1998). The ECP divides emotional intelligence into seven constituent competencies or clusters: self-motivation; self-esteem (and self-regard); self-management; change resilience; interpersonal relations; integration of ‘head and heart’; and emotional literacy (Wolmarans and Martins, 2001).

Self-motivation refers to the ability to create a challenging vision and set goals, and is also the ability to remain focused and optimistic despite any setbacks that may occur in obtaining set goals. Self-motivation means taking action every day and remaining

committed to a particular cause. Finally, self-motivation requires taking responsibility for one's successes and failures (Wolmarans and Martins, 2001).

Self-esteem refers to "an honest, objective and realistic assessment of, and respect for, one's own worth as an equal human being" (Palmer, et al., 2005:10). Having self-esteem includes unconditional, non-defensive acceptance of one's talents, values, skills and short-comings. According to Wolmarans and Martins (2001), a high self-esteem is illustrated by the ability to have the courage to stand by one's values in the face of opposition, as well as the ability to admit to mistakes in public and even possibly laugh at oneself, if and when appropriate.

Self-management refers to the ability to manage stress and harness energy in order to create wellness and a healthy balance between body, mind and soul, without neglecting one in order to gratify another. The concept of self-management is displayed through the ability to remain calm during conflict and provocative situations, while at the same time keeping defensiveness to a minimum and ultimately restoring rationality with the aggravated party (Wolmarans and Martins, 2001).

Change resilience indicates that one is able to remain flexible and open to new ideas and people, encouraging the necessity for change and improvement, but taking into account the emotional impact that this change may have on other individuals. "An advanced level of change resilience is demonstrated by an ability to cope with ambiguity, to thrive on chaos, without forcing premature closure, and to get re-energised by the beautiful scenes encountered along the way, as well as the anticipation of the unknown" (Wolmarans and Martins, 2001 in Palmer, et al., 2005:11).

Interpersonal relations are characterised by an intuitive understanding of, and a deep level of caring and compassion for, people. This means one needs to have a real concern for other people's well-being, growth and development, as well as taking pleasure in and recognising their success. Interpersonal relations involve motivating others by setting high expectations and willing them to commit to a cause. It also includes the ability to be a team leader as well as a team contributor in order to achieve set goals. A high level of interpersonal relations is demonstrated through the

ability to connect with others on an emotional level and by being able to build trust and loyalty in order to sustain long-term relationships (Wolmarans and Martins, 2001).

The integration of 'head and heart' is the ability to access the functions of both sides of the brain. This involves using one's head and one's heart – or the facts as well as feelings and emotions – in order to make decisions and solve problems. An ability to turn adversity into opportunity and to make intuitive and implementable breakthroughs during moments of crisis demonstrates an advanced integration of 'head and heart' (Wolmarans and Martins, 2001).

Finally, emotional literacy is characterised by an awareness of the variability of one's own and others' emotions. It also involves having knowledge about what causes these emotions, and then the ability to interact with others on an emotional level in an appropriate way. The ability and willingness to acknowledge and apologise for any emotional distress caused, and to be able to express sincere regret and restore damaged relationships illustrates a heightened level of emotional literacy (Wolmarans and Martins, 2001).

4.6 Conclusion

As can be seen from the above discussion, emotional intelligence can harness emotions effectively, so that they play a part in business success. Emotions help humans adapt to the physical and social world. By combining social and emotional issues it has become possible to develop ways of achieving a competitive advantage in the business environment.

A broad overview of emotional intelligence has now been presented. Emotional intelligence was defined and its importance discussed. The theory of emotional intelligence has come a long way from its beginnings as developed by Thorndike (1920) to the well developed and comprehensive theories as developed by theorists such as Salovey and Mayer (1990), Goleman (1995), Bar-On (1997) and Wolmarans (1998, 2001). As has been alluded to in this chapter and throughout this research, emotional intelligence can be linked to thinking on managerial competencies and as such Salovey and Mayer (1990) and Goleman (1995) argue that emotional intelligence provides the basis for the competencies that become the predictors of job performance and leadership. Also in line with research by Salovey and Mayer (1990), Goleman (1995) and Wolmarans (1998, 2001) suggests that emotional intelligence can be seen to be an important indicator of a person's ability to succeed.

The main concepts in this research, namely, individual performance, leadership and emotional intelligence have been discussed in the last three chapters. It is now necessary to outline the methodology of the study.

Chapter 5

Research Methodology

5.1 Overview

The preceding chapters have reviewed the literature pertaining to performance, leadership and emotional intelligence. This chapter describes the research methodology used in the study. The hypotheses, research design, population and sampling used in the study will be presented. The two instruments used for data collection, as well as the third variable of employee performance, will be described in detail. A description of the data analysis and statistical techniques utilised in the study will be provided. Finally, this chapter highlights the ethical considerations that needed to be taken into account.

The study is aimed at investigating the relationship between employee performance, leadership and emotional intelligence in a South African parastatal organisation. Four specific research hypotheses were generated; they are detailed in the following section.

5.2 Hypotheses

5.2.1 Hypothesis One

H₀₁ There is a no significant positive linear relationship between employee performance and an emotionally intelligent transactional leader.

H_{a1} There is a significant positive linear relationship between employee performance and an emotionally intelligent transactional leader.

5.2.2 Hypothesis Two

H₀₂ There is no significant positive linear relationship between employee performance and an emotionally intelligent transformational leader.

H_{a2} There is a significant positive linear relationship between employee performance and an emotionally intelligent transformational leader.

5.2.3 Hypothesis Three

H₀₃ There is no significant positive linear relationship between emotional intelligence and transactional leadership.

H_{a3} There is a significant positive linear relationship between emotional intelligence and transactional leadership.

5.2.4 Hypothesis Four

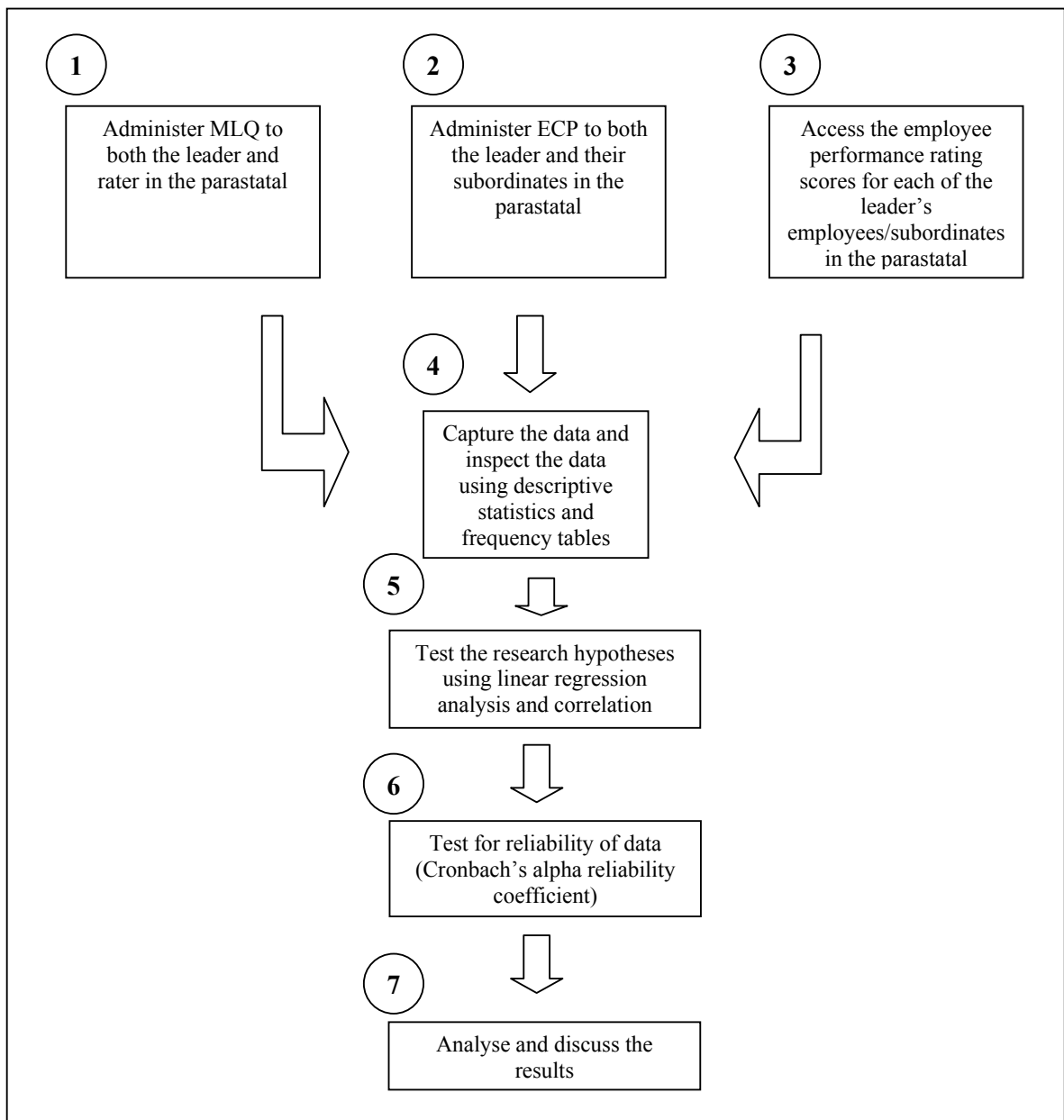
H₀₄ There is no significant positive linear relationship between emotional intelligence and transformational leadership.

H_{a4} There is a significant positive linear relationship between emotional intelligence and transformational leadership.

5.3 Research Design

Research design is the strategy, plan and structure of conducting a research project (Kweit and Kweit, 1981, in Leedy, 1993). This research involves empirical testing of hypotheses. As a starting point in describing the research design, Figure 5.1 below is a diagrammatical representation of the research design employed for the purposes of this study. As is evident from the hypotheses, this research is of a quantitative nature (De Vellis, 1991; Sekaran, 2000; Baxter, 2004).

Figure 5.1: A Schematic Representation of the Research Design Employed



5.4 Research Population and Sample

The parastatal was chosen for this research primarily for the easy access it afforded the researcher. The parastatal has three operating entities; with one of these entities being further divided into six regional divisions. The parastatal employs a total number of 30000 employees countrywide. This research is focused on the southern regional division. This division employs 1500 employees of whom 180 employees hold a supervisory role (Personal Communication, 2004).

The parastatal has a central Human Resource Corporate Department, which is responsible for direction setting and policy making for the parastatal. Furthermore, each operating entity has its own Human Resource Head Office department with one of these entities having six Regional Human Resource Departments (Personal Communication, 2004). The main task of the Human Resource Head Office department is the interpretation of corporate directives from the Human Resource Corporate Department, resulting in the generation of divisional policy and practice notes. The six Regional Human Resource Departments' primary functions are structured in line with a human resource value chain such as skills planning, sourcing, industrial relations, performance management. These Regional Human Resource Departments have a number of Human Resource practitioners that action the above tasks (Personal Communication, 2004).

The parastatal does job evaluations based on the classical Paterson Job Evaluation system, extensively modified for the parastatal, whereby a job is first classified according to the type of decisions taken to determine its decision band and then graded within the applicable band using decision-making as the criterion (Personal Communication, 2004). The researcher divided the parastatal's southern division employees into two categories for the purposes of the research. All employees that hold a supervisory position within the southern division have been grouped as "leaders" within the division. The parastatal defines a supervisory position as an employee that falls within the bands C1 to C4 of the Paterson Grading System, with subordinates reporting to them (Personal Communication, 2004). All employees that are subordinates of these "leaders" have been grouped as "raters".

A population is considered to be any group of people, events, or things that are of interest to the researchers and that they wish to investigate (Sekaran, 2000). A sample is a subset of the population in question and consists of a selection of members from the particular population (Sekaran, 2000). Sampling is described as the selection of a proportion of the total number of units of interest for the ultimate reason of being able to draw general conclusions about the total number of units (Parasuraman, 1986).

According to Leedy (1993), convenience sampling is where the sample is chosen according to its availability to the researcher. For the purposes of this research convenience sampling was utilised. This type of sampling technique can, however, present various problems in research as it makes no pretence at being representative of the population as a whole. Hussey and Hussey (1997) stress that bias may occur if samples are chosen deliberately by an individual as this may lead to favouritism. In terms of possible problems or constraints experienced during the sampling process of this research, the main constraint was that the sampling process was subject to being chosen by the organisation.

The sample size of the research comprised 160 of the 180 leaders and 800 of the 1320 raters at the parastatal's southern division. The sample of 800 raters at the south regional division were chosen by the parastatal's southern region Human Resource Management Department through a convenience sampling technique (Leedy, 1993). The researcher placed certain requirements on this Human Resource Management Department to consider when selecting the raters. Firstly, the rater respondents had to be the subordinates of the sampled leaders. Secondly, there had to be a minimum of two raters per leader respondent to qualify the data for inclusion in the statistical analysis.

5.5 Measuring Instruments Used

Three instruments were used in this research, namely the MLQ (Bass and Avolio, 1997), the ECP (Wolmarans and Greeff, 2001) and the Parastatal's Performance Appraisal Process (Personal Communication, 2004). A consulting organisation – Productivity Development (Pty) Ltd, based in South Africa – made the MLQ available to the researcher. Another consulting organisation – Learning Link International, also

based in South Africa – made the ECP available to the researcher. The parastatal made their employee 2004 performance data available to the researcher, which they had gathered using their own Performance Appraisal Process. These instruments are now discussed in detail below.

5.5.1 The MLQ

After an extensive review of the literature on leadership, presented in Chapter Three of this research, it was argued that, the Full Range Leadership Development Theory is an appropriate theoretical construct of leadership for this research (Bass and Avolio, 1997). Following widespread research on the topic of transformational and transactional leadership, an appropriate instrument was identified, called the MLQ (Bass and Avolio, 1997). The questionnaire contains 45 statements that identify and measure the key aspects of leadership behaviour, and each statement in the questionnaire relates to either transactional, transformational or non-transactional leadership factors. The respondent is required to judge how frequently the behaviour described in the statement is exhibited. The MLQ uses a scale of 0 to 4, with 0 indicating a “not at all” rating of the behaviour described in the statement. The other end of the scale, 4, indicates a “frequently if not always” rating of the behaviour described in the statement (Bass and Avolio, 1997).

The MLQ consists of two versions, one for the leader to complete, and one for the raters of the leaders to complete. The leaders complete a questionnaire describing their own leadership style, whilst the raters complete a questionnaire regarding the leadership style of their specific leader. These two versions consist of exactly the same statements, except that they are written from different perspectives. These two versions are known as the ‘leader version’ and ‘rater version’ respectively.

By administering questionnaires to at least two subordinates/raters per leader, this study attempted to obtain a holistic view of each leader’s leadership style (Bass, 1985). In this research, leader versions were completed by a supervisor in the sample, and between 2 and 5 rater versions of the MLQ were completed by the supervisor’s subordinates, depending on the number of subordinates reporting to the relevant

supervisor. The leader respondents were asked to complete the MLQ leader version by scoring each individual question on a scale from 0 to 4. Similarly the rater respondents were asked to complete the MLQ rater version by scoring each individual question on a scale from 0 to 4. The MLQ question and answer paper for the leaders are provided in Appendix F, and the MLQ question paper and answer paper for subordinates/rater is provided in Appendix G.

5.5.1.1 Reliability and Validity of the MLQ

When evaluating or formulating a specific instrument, reliability and validity are two of the most important aspects to be considered (Booth, 1995). Reliability and validity are the statistical criteria used to assess whether the research provides a good measure (Whitelaw, 2001). Reliability refers to the dependability of a measurement instrument, that is, the extent to which the instrument yields the same results on repeated trials (Babbie and Mouton, 2001). Reliability is concerned with the consistency of the particular instrument, while validity is concerned with systematic or consistent error. There are three fundamental methods that are accepted for assessing the reliability of a measurement scale: test-retest, internal consistency and alternative forms (Booth, 1995). The foremost ways to estimate the validity of the measurement are content validity, concurrent validity and construct validity (Booth, 1995).

The MLQ has been tested for reliability and validity in a number of settings (Pruijn and Boucher, 1994). Yammarino and Bass (1990) have proved the content and concurrent validity of the MLQ. Bass and Avolio (1997) also demonstrate the construct validity of the MLQ. The reliability of the MLQ has also been proven on many occasions through test-retest, internal consistency methods and alternative methods (Bass and Avolio, 1997). The results of these test-retest studies indicate that the components of transformational, transactional and non-transactional leadership are reliably measured by the MLQ (Bass and Avolio, 1997). The Cronbach's alpha reliability coefficients calculated by Pruijn and Boucher (1994) substantiate the reliability of the MLQ. Bycio, Hackett and Allen (1995) conducted a factor analysis on the various transformational and transactional leadership variables; their findings provide further evidence of the reliability of the MLQ.

Not only has the MLQ been tested in the international context (Bass and Avolio, 1997) but also in the South African context (Ackerman, Scheepers, Lessing and Dannhauser, 2000). The MLQ is valid and reliable and has been used extensively worldwide (Bass and Avolio, 1997; Whitelaw, 2001). It has proven to be a strong predictor of leader performance across a broad range of organisations (Bass and Avolio, 1997). The reliability of the three main leadership scales of transformational, transactional and non-transactional leadership were determined by means of Cronbach's alpha reliability coefficients. Results yielded scores of 0.944, 0.736 and 0.803 respectively (Ackerman, et al., 2000). The factor structure developed by Bass (1985) was largely confirmed by the results of Ackerman, et al. (2000) study. The results indicated that the MLQ was reliable and viable for use in the South African context (Ackerman, et al., 2000).

5.5.2 The ECP

Following extensive research on the topic of Emotional Intelligence, an appropriate instrument was identified, called the ECP. The accessibility of the instrument made the instrument ideal for the purpose of this research. Emotional Intelligence is an important part of any person's ability to function as part of a team and in working with clients. The overall assessment derived from the ECP represents a view as perceived by the leader and their subordinates (Wolmarans, 2004).

The ECP was used to determine the emotional intelligence of the leaders within the organisation. The questionnaire contains 46 statements that identify and measure the key factors of emotional intelligence. The questionnaire covers factors such as emotional literacy, self-esteem/self-regard, self-management, self-motivation, change resilience, interpersonal relations and the integration of head and heart (Wolmarans, 2001). The ECP uses a seven-point Likert scale to measure levels of current emotional intelligence competence. The higher the mean score on the current behaviour scale, the higher the level of emotional intelligence demonstrated by the individual (Wolmarans and Martins, 2001).

The sampled leaders complete the questionnaire describing their own emotional intelligence, whilst their raters complete the same questionnaire regarding the emotional intelligence of their specific leader. By administering questionnaires to at least two raters per leader, this study attempted to obtain a holistic view of each leader's emotional intelligence. In this research, an ECP was completed by a supervisor in the sample, and between 2 and 5 of ECPs were completed by the supervisor's subordinates, depending on the number of subordinates reporting to the relevant supervisor. The leader and rater respondents were asked to complete the ECP on a scale of 1 to 7. The ECP question paper and answer sheet for both the leaders and their subordinates are provided in Appendix H.

5.5.2.1 Reliability and Validity of the ECP

The reliability of the ECP is in the process of being further substantiated through test-retest, internal consistency methods and alternative forms of assessing the reliability of a measurement scale (Sekaran, 2000). In previous research by Palmer and Jansen (2004), conducted in South Africa, the Cronbach's alpha reliability coefficient test of reliability was employed to test the reliability of the ECP. The Cronbach's alpha reliability coefficient is described as an arithmetical coefficient of reliability (Babbie and Mouton, 2001). Furthermore, the variables derived from test instruments are acknowledged to be reliable only when they supply stable and reliable responses over repeated administration of the test (Sekaran, 2000). Table 5.1 below indicates the Cronbach's alpha reliability coefficients for each dimension in the ECP derived in Palmer and Jansen's (2004) research.

Table 5.1: ECP Reliability Analysis

Dimension	Cronbach's Alpha Reliability Coefficients
Emotional Literacy	0.863
Self-Esteem	0.872
Self-Management	0.851
Self-Motivation	0.911
Change Resilience	0.933
Relationship Skills	0.953
Integration of Head and Heart	0.903
<i>Overall reliability</i>	<i>0.981</i>

(Adapted from Palmer and Jansen, 2004)

Cronbach's alpha reliability coefficient is typically equated with internal consistency (Coakes and Steed, 1997). In terms of reliability, Cronbach's alpha reliability coefficients for the seven emotional intelligence competencies in Table 5.1 above are generally acceptable (Sekaran, 2000). From Table 5.1 it is evident that the ECP has a high internal consistency. Therefore, the Cronbach's alpha reliability coefficients calculated by Palmer and Jansen (2004) research substantiate the reliability of the ECP.

Additionally, factor analysis has indicated that the items in the ECP have an acceptable internal consistency. The results indicated that the factor structure of the ECP was reliable (Wolmarans and Martins, 2001). Such factor analysis provides further evidence of the reliability of the ECP (Sekaran, 2000). Furthermore, findings by Coetzee (2005) have provided support for the satisfactory psychometric properties of the ECP.

Moreover, validity has a twofold purpose, firstly that the instrument (questionnaire) should essentially measure the concept in question and secondly, that it should do so accurately. Wolmarans and Martins (2001) have demonstrated the content validity of the ECP, by building into the instrument a construct definition of each emotional

intelligence behavioural cluster. Items were written to cover all areas of the identified construct for each of the seven emotional intelligence clusters (Wolmarans and Martins, 2001). The validity of the ECP questionnaire is in the process of being verified gradually through its repetitive use (Palmer and Jansen, 2004). Therefore this research is only one instance of such verification.

5.5.3 Employee Performance Instrument

The third variable, employee performance, was captured and recorded using the parastatal's performance appraisal process. This performance appraisal process is a component of the parastatals larger performance management system. The performance management system embraces the parastatal's stated values and seeks to ensure fairness, objectivity and consistency, while allowing sufficient flexibility to create the appropriate climate for positive interaction, communication and feedback regarding performance (Personal Communication, 2004). Management of employees' performance is embedded in effective management processes and based on the following five processes: planning for performance, compacting, managing performance, measuring performance, and developing and encouraging performance. This performance management system was implemented more than ten years ago and has been continuously improvement over this period. The current refined format has been utilised for the past three years (Personal Communication, 2004).

Each employee is exposed to one performance appraisal a year. This performance appraisal system begins at the beginning of the year with every employee completing and signing a standardised parastatal-accepted performance contract. This performance contract comprises of key performance areas, key performance indicators, weightings, source of evidence, target setting and score ratings. It must be noted that the targets set must be challenging, yet achievable. A mid year performance discussion is held between the employee and the superior, where their progress to date is discussed. Following this a final performance discussion is held at the end of the year, where the employee is finally rated on their performance for the year. As performance is vital at the parastatal, all employees and managers shall undergo performance management training. Furthermore, management of performance shall be

compulsory for all divisional managers, or executive level managers. All performance management matters are documented (Personal Communication, 2004).

The performance appraisal factors are directly linked to each employee's specific job profile. The job profile is the result of a job evaluation based on the classical Paterson Job Evaluation system (Personal Communication, 2004). The performance appraisal system consists of a number of key performance areas, with key performance indicators such as: key job outputs; people management (including supervision and leadership); interpersonal relationships and special projects (Personal Communication, 2004). Each performance appraisal factor is measured using the scale of 1-5. These factors rated out of a total of 5 indicate the following: 1 being poor performance, 3 being the target (met performance standard) and 5 being exceptional performance. Following this an average of these scores is calculated resulting in a total score out of 5 for each employee. Each of the 326 subordinate performance appraisal scores, gathered from the 2004 performance appraisals, was included in the statistical analysis. The 2004 performance appraisals were utilised in this research as the performance appraisals process for 2005 had not been completed by the time the statistical analysis commenced.

5.6 Data Gathering

There are three common methods of data collection, namely: observation, interviews and questionnaires (Bless and Higson-Smith, 2000). Sekaran (2000) suggests that questionnaires are an efficient data collection mechanism provided the researcher knows exactly what is required and how to measure the variables of interest. Questionnaires can be administered personally, mailed to the respondents or even electronically distributed depending on the situation (Sekaran, 2000).

For the purposes of this research, the questionnaire was used to gather the necessary information. This method of data collection was utilised in order to overcome issues of cost and time. In an attempt to make it beneficial for both the researcher and the parastatal, and so as not to disrupt operations at the parastatal, the parastatal's southern region Human Resource Department distributed the questionnaires through

the internal mailing system in an attempt to ensure that the respondents would receive the documents in the shortest possible time.

The instruments, consisting of a leadership questionnaire (leader version) and an emotional intelligence questionnaire, accompanied by a covering letter (see Appendix E) were mailed to those identified as leaders in the parastatal. The leader respondents were requested to complete the MLQ leader version by scoring each individual question on a scale from 0 to 4 (see Appendix F). The leader respondents were also asked to complete the ECP on a scale of 1 to 7 (see Appendix H). In both measuring instruments, the respondents were informed that they were allowed to leave a question/answer blank if the question appeared unclear or ambiguous. A contact number was provided on the covering letter, offering the leader the opportunity to contact the researcher and/or the southern region Human Resource Department in the event of any queries or problems that may arise. The covering letter requested the leaders to return the questionnaire and answer sheet, via the internal mailing system, to their relevant Human Resource practitioner. These Human Resource practitioners then delivered the questionnaires and answer sheet to the Human Resource Manager of the southern region. Each leader was allowed a period of two weeks for the completion and return of the questionnaires.

Similarly, a leadership questionnaire (rater version) and an emotional intelligence questionnaire, accompanied by a covering letter (see Appendix E) were mailed to those identified as raters of the leaders. The rater respondents were requested to complete the MLQ rater version by scoring each individual question on a scale from 0 to 4 (see Appendix G). The rater respondents were also asked to complete the ECP on a scale of 1 to 7 rating the emotional intelligence of their specific leader (see Appendix H). In both measuring instruments, the rater respondents were informed that they were allowed to leave a question/answer blank if the question appeared unclear or ambiguous. A contact number was provided on the covering letter, offering the rater the opportunity to contact the researcher and/or south region Human Resource Manager in the event of any queries or problems. The covering letter then requested the raters to return the questionnaire and answers, via the internal mailing system, to their relevant Human Resource practitioner. These Human Resource practitioners then delivered the questionnaires and answer sheet to the Human Resource Manager

of the southern region. Each rater was allowed a period of two weeks for the completion and return of the questionnaires.

Following this stage of the data collection a request was made to the parastatal to provide the researcher with the 2004 performance ratings of all the respondent raters. The 2004 performance ratings were received approximately three weeks later. All returned questionnaires and answer sheets were collected by the researcher from the southern region Human Resource Manager after the agreed two-week period.

5.7 Data Capturing

Once the questionnaires had been collected by the researcher, the researcher coded the questionnaires. These scores were then captured by a data capturer, into a Microsoft Excel spreadsheet, in order to be statistically analysed. These scores were then imported into STATISTICA³ (data analysis product) for analysis. The data analysis will be discussed further in section 5.9.

5.8 Statistical Analysis

The data was presented in a manner that allowed for easy analysis and testing, using STATISTICA (StatSoft, 2004). Once the data was imported into a STATISTICA spreadsheet, the researcher proceeded to calculate the necessary leadership factors or scales as per the MLQ scoring key provided by Productivity Development (Pty) Ltd (see Appendix C) (Bass and Avolio, 1997). The factor scores were calculated for each respondent by using the sum of the relevant questions. From these eight factors a further two factors were generated, namely transformational leadership and transactional leadership. A table containing the relevant sample sizes, means, confidence intervals and standard deviations for each of the factors was generated (see Appendix A 1.1). Sekaran (2000:397) describes the mean of a sample as “a measure of central tendency that offers a general picture of the data without unnecessarily inundating one with each of the observations in a data set or sample”. In addition, the

³ Based on the foundations that have earned STATISTICA more awards than any other data analysis product in the industry, StatSoft has enhanced STATISTICA with technologies and usability features that allow it to break new barriers in data analysis and data mining”(StatSoft, 2004).

standard deviation of a sample is defined as an index of the spread of a distribution or the variability in the data (Sekaran, 2000).

The emotional intelligence factor scores were calculated as per the ECP scoring key provided by Learning Link International (see Appendix D) (Wolmarans and Greeff, 2001). From these seven factors a final emotional intelligence score was generated, as the sum of the seven factors. A table containing the relevant sample sizes, means and standard deviations for each of the factors was generated (see Appendix A 1.2). Finally, a table containing the relevant sample size, mean, confidence intervals and standard deviation of the employee performance scores was generated (see Appendix A 1.3).

“In a research project that includes several variables, beyond knowing the means and standard deviations of each of the variables, one would often like to know how one variable is related to another” (Sekaran, 2000:401). A correlation, the linear relationship between two quantitative variables, is derived by assessing the variations in one variable as another variable also varies (Sekaran, 2000). Bless and Higson-Smith (2000:153) define a correlation as “the relationship between two variables where change in one variable is accompanied by predictable change in another variable”. Following the descriptive statistics the researcher produced two correlation matrices. The first correlation matrix includes all eight leadership factors correlated against the same eight leadership factors while the second correlation matrix incorporates all seven emotional intelligence factors correlated against the same seven emotional intelligence factors (see Appendix A 1.4 and 1.5).

The coefficient of determination, r^2 , is a measurement of the variation in the dependent variable, y , due to a change (variation) in the independent variable, x ($0 \leq r^2 \leq 1$). The population correlation coefficient, ρ , is estimated by the sample correlation coefficient, r . The correlation coefficient (r) provides the researcher with an idea of the extent of the linear relationship between the variables. The correlation coefficient (r) varies between positive one and negative one. A positive correlation coefficient (r) indicates a positive linear relationship and negative correlation coefficient (r) indicates a negative linear relationship between the two variables (Sekaran, 2000). The closer the correlation coefficient is to one, the stronger the

positive correlation between the variables and the closer the correlation coefficient is to zero the weaker the correlation between the variables (Sekaran, 2000). The closer the correlation is to negative one the stronger the negative correlation between the variables. The p-value, or observed significance level, is “computed as the probability that a value of the statistic will be at least as extreme as the sample value of the test statistic in the direction of the alternate hypothesis” (Byrkit, 1987:52). Thus the p-value is the smallest ALPHA SIGN (alpha value) for which the observed sample result will reject H_0 (the null hypothesis). Thus this p-value provides a measure of significance of the correlation, giving an idea of the probability of the correlation’s actual existence or significance (Byrkit, 1987).

Linear regression analysis was performed to determine whether sufficient evidence existed to allow the researcher to determine that there is a linear relationship or linear model between the dependent variable, Y, and the independent variables(s), X_1, X_2, \dots, X_{p-1} (Keller and Warrack, 1999). For this research, linear regression analysis was used to test for the linear relationship between the variables identified in hypotheses 1 and 2. Linear regression analysis also allowed the researcher to investigate which of these independent variables are significant in the linear model.

After fitting the regression model, the first step in a linear regression analysis is to test whether there is a linear relationship between the dependent variable, Y, and the set of independent variables, X_1, X_2, \dots, X_{p-1} . An ANOVA, based on an F-test, was used to test the significance of the linear models in this research. This test involves testing the null hypothesis that the population parameters are all equal to zero, that is $H_0: \beta_0 = \beta_1 = \dots = \beta_p = 0$, against the alternative that not all the population parameters are equal to zero (Neter, Wasserman and Whitmore, 1993; Keller and Warrack, 1999).

As is the case in this research, let us consider the case of two independent variables for which the model is $Y = \beta_0 + \beta_1 * (X_1) + \beta_2 * (X_2) + \epsilon$, where Y is the dependent variable, β_0 is the intercept, β_1 and β_2 are the population parameters and ϵ is the natural variation in the model. A researcher tests for the significance of the linear regression relationship between the dependent variable, Y, and the independent variables, X_1 and X_2 , by testing $H_0: \beta_1 = \beta_2 = 0$. If β_1 and β_2 both equal zero, there is no significant linear model or relationship between the dependent variable, Y, and the independent

variables X_1 and X_2 . If β_1 and β_2 are not both equal zero, a significant linear relationship or model does exist between Y and the two independent variables (Neter, et al., 1993).

In the ANOVA, a large F observed value indicates that most of the variation in the dependent variable, Y , is explained by the regression model and that the model is significant and hence useful. A small F observed value indicates that most of the variation in the dependent variable, Y , is unexplained by this regression model. The rejection region allows us to determine whether F is large enough to justify rejecting the null hypothesis as does a small, that is a value that is less than the level of significance or alpha value, p -value (Neter, et al., 1993; Keller and Warrack, 1999).

Once it has been established that a linear model or relationship exists between the dependent variable and the independent variables, testing of the individual regression coefficients by means of p independent t -test(s) allows the researcher to test which of the independent variables are making significant contributions to the linear model. By means of these p independent t -test, one can test if there is enough evidence of a linear relationship between each independent variable and the dependent variable, where $H_0: \beta_i = 0$ against $H_1: \beta_i \neq 0$ (for $i = 1, 2, \dots, p$) (Neter, et al., 1993; Keller and Warrack, 1999).

Next, simple correlation analysis was used to test the relationship between the variable(s) identified in hypotheses 3 and 4 of this research. In light of the above correlation analysis, the hypothesis testing procedure was as follows: If the p -value (computer generated) is less than the level of significance (alpha) of 0.05 (5%)⁴, the researcher will REJECT the null hypothesis of no significant correlation (relationship) and conclude that there is a significant correlation (linear relationship). If the p -value is not less than the level of significance (alpha), the researcher will FAIL TO REJECT the null hypothesis and conclude that there is insufficient evidence to conclude that the correlation (linear relationship) is significant (Sekaran, 2000).

⁴ All statistical tests have been done at the 5% level of significance unless otherwise stated.

Preceding the hypothesis testing the researcher tested for the reliability of the data. Sekaran (2000) states that in order to determine the reliability of a measure one needs to test for both consistency and stability. “Consistency indicates how well the items measuring a concept hang together as a set” (Sekaran, 2000:308). Sekaran (2000) proposes using Cronbach’s alpha reliability coefficient to test for the consistency of scale. Cronbach’s alpha reliability coefficient is based on the average correlation of items within test, scale or factor (Coakes and Steed, 1997). Cronbach's alpha reliability coefficient is typically equated with internal consistency (De Vellis, 1991). The Cronbach’s alpha reliability coefficient values range from 0 to 1 with the higher (the closer the coefficient is to one) coefficients indicating a higher internal consistency reliability and therefore a better measuring instrument (Sekaran 2000). When calculating Cronbach's alpha reliability coefficient, reliabilities less than 0.6 are considered poor, reliabilities within the 0.6 - 0.7 range are considered acceptable, and those coefficients over 0.8 are considered good (Sekaran, 1992). The closer the reliability coefficient is to 1, the better the reliability of the instrument (Sekaran, 1992).

In terms of data stability, Sekaran (2000) suggests two methods, parallel form reliability and test-retest reliability. Both these methods require one to perform the hypothesis testing at least twice, either in two different forms or in two different time periods. Due to the nature and scope of the research project the researcher will only be performing the Cronbach’s alpha reliability coefficient test of consistency and reliability at large.

5.9 Ethical Considerations

General agreements among researchers need to be reached about ethical research considerations. This section briefly outlines some of these broadly agreed-upon norms in ethical research. In doing so, this section will explain the most important aspects of ethical research and how these aspects were operationalised and included in the current research study.

Throughout the process of data collection the problem of persuading participants to co-operate with the researcher is ever present. Bless and Higson-Smith (2000)

generally accept the ethical rights of a participant to be: the right to privacy and voluntary participation; anonymity and confidentiality.

Participation in research often disrupts the subject's regular activities (Babbie and Mouton, 2001) and can possibly invade the person's privacy (Bless and Higson-Smith, 2000). People should not be subjected to research of such a nature unless they have agreed to it. Participation in research must be voluntary and participants must have the option to refuse to divulge certain information about themselves. Research often requires participants to reveal personal information that may be unknown to their friends and associates (Babbie and Mouton, 2001). Many people are, however, prepared to divulge this information of a very private nature on condition that their names are not mentioned (Bless and Higson-Smith, 2000). This norm of voluntary participation does however go directly against the scientific concern of generalisability. The researcher cannot generalise the sample survey findings to an entire population unless a substantial majority of the selected sample actually participates (Babbie and Mouton, 2001). In terms of the present study, the relevant parastatal was very forthcoming with confidential information and assistance and it was agreed that the research data would be used solely for the purpose of the research, and should the researcher wish to publish the thesis, the parastatal would be consulted. Agreement was reached with the parastatal's southern region Human Resource Manager that no information would be made public without his prior consent, and after he had been provided with the opportunity to view the findings of this research.

One of the biggest concerns in research is the protection of the respondents' interests and well-being through the protection of their identity. If revealing their survey responses would injure them in any way, adherence to this norm becomes all the more important. A respondent may be considered anonymous when the researcher cannot identify a given response with a given respondent (Babbie and Mouton, 2001). Generally, anonymity does not constitute a serious constraint on research, as most researchers are interested in group data rather than individual results. The consideration of anonymity can be easily overcome by omitting the names of the participants or identifying the respondents by a code instead of by name (Bless and Higson-Smith, 2000). In this research study it was not possible to ensure anonymity of the respondents, as the respondents' details were known to the researcher.

Another ethical consideration is that of confidentiality. The participants must be assured that the data will only be used for the stated purposes of the research and that no other person will have access to the research data (Bless and Higson-Smith, 2000). Confidentiality can identify a given person's responses but essentially promises not to do so publicly. In an effort to ensure this, all names and addresses should be removed from all questionnaires and replaced with identification numbers (Babbie and Mouton, 2001). The parastatal in this research requested that their name and the names of their employees be excluded from the study, and that a policy of confidentiality be adhered to. All completed questionnaires were coded and names of respondents were erased to ensure this.

5.10 Conclusion

This chapter has presented the methodology of the research and the process of data collection and analysis. Initially, the four hypotheses and the design of the research were stated and outlined. Information regarding the sample size and the number of participants included in the final statistical analysis was presented. An overview of the data collection method was then given. Each of the three instruments used in this research, as well as their reliability and validity, were then discussed in detail. Finally, the statistical analysis of hypotheses was highlighted. Also included within this chapter were the ethical considerations that needed to be taken into account when doing the actual research and data gathering.

The previous chapters discussed the theoretical background of the research topic, and this chapter discusses the research process and methods of obtaining both the relevant information and the subsequent results. The following chapter will present the results obtained from the regression and correlation analysis conducted in an attempt to test the research hypothesis.

Chapter 6

Results

6.1 Overview

The previous chapter detailed the methodology of the research. The preceding chapters reviewed the literature pertaining to performance, leadership and emotional intelligence. This theory, presented in the previous chapters, is tested by investigating the relationship between employee performance, leadership and emotional intelligence in a South African parastatal organisation.

Descriptive statistics, as well as the results of the reliability analysis and hypothesis tests performed are presented in this chapter.

6.2 Response Rates

As indicated in Table 6.1, of the 160 leaders surveyed in the sample, 89 completed the questionnaires and have been included in the analysis amounting to a response rate of approximately 56%. Of the 800 raters surveyed in the sample, 326 completed the questionnaires and have been included in the analysis amounting to a response rate of approximately 41%. Finally, the total sample size including leaders and their corresponding raters equals 415 employees, amounting to a total response rate of approximately 43%.

Table 6.1: Population, Sample and Response Rates

	Leaders	Raters	Total
Population	180	1482	1662
Sample	160	800	960
Responses	89	326	415
Response Rates	56%	41%	43%

6.3 Descriptive Statistics

The sample sizes, means and standard deviations of each of the MLQ factors are in Appendix A 1.1. Idealised attributes, idealised behaviours, inspirational motivation, intellectual stimulation and individualised consideration scores were combined (summed) to generate the transformational leadership scores, while contingent reward, management-by-exception active and management-by-exception passive scores were combined (summed) to generate the transactional leadership scores.

The sample sizes, means and standard deviations of each of the ECP factors are given in Appendix A 1.2. Emotional literacy, self-esteem, self-management, self-motivation, change resilience, interpersonal relations and integration of head and heart were combined (summed) to generate the emotional intelligence scores.

Descriptive statistics for the employee performance scores of all the respondents are given in Appendix A 1.3. Descriptive statistics of the employee performance appraisal scores gathered using the parastatal's own performance appraisal process are given in Table 6.2 below.

Table 6.2: Descriptive Statistics for Raw/Original/Employee Performance Scores

Descriptive Statistics							
	Valid n	Mean	95% Confidence Interval		Minimum	Maximum	Standard Deviation
			Lower	Upper			
Employee Performance (Rater Only)	325	3.432123	3.382747	3.481499	2.410000	4.720000	0.452466

The mean is 3.432123 or is between 3.382747 and 3.481499 with probability of 0.95. The standard deviation is low. As can be seen in Figure 6.1 below, there is very low variation in the rater performance appraisal scores. To illustrate this point the values were categorised, as per Table 6.3 below and graphed in Figure 6.2.

Figure 6.1: Box Plot of the Raw/Original/Employee Performance Scores

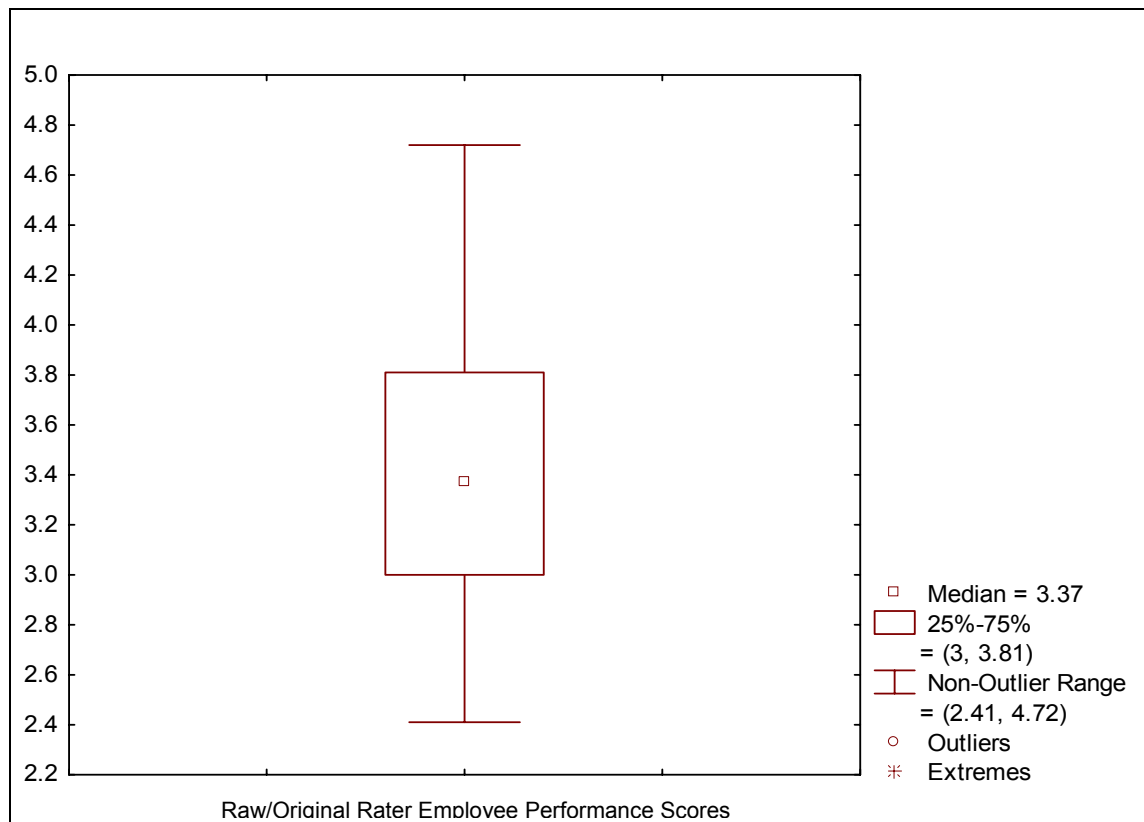
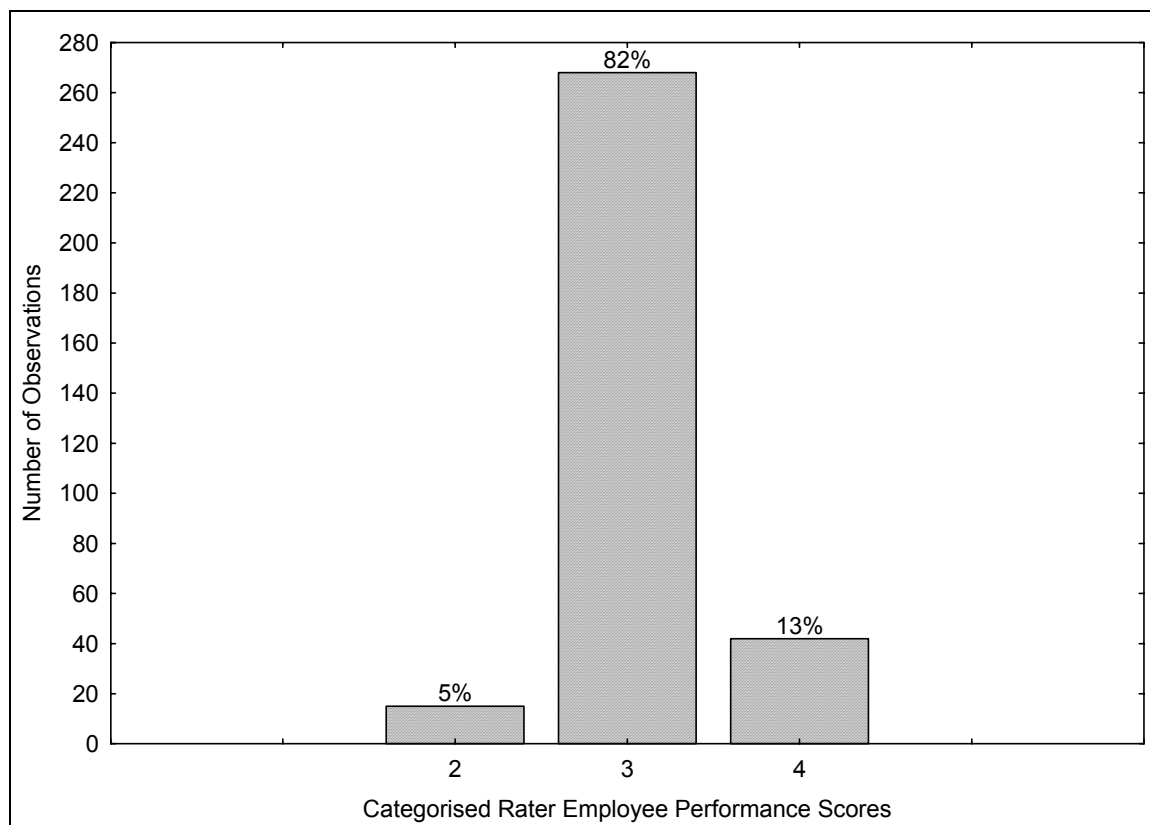


Table 6.3: Categorisation of Raw Employee Performance Scores

Raw Employee Performance Values	Categorised Employee Performance Values
0 - <1	0
1 - <2	1
2 - <3	2
3 - <4	3
4 - <5	4
5	5

Figure 6.2: Histogram of Categorised Rater Employee Performance Scores



As can be seen in Figure 6.2 above, almost all (82%) of the employee performance data is at level 3, that is between 3 and 4. The employee performance data will be discussed in more detail in Chapter Seven.

6.4 Reliability

6.4.1 Cronbach's Alpha Reliability Coefficient Scores for the MLQ

Cronbach's alpha reliability coefficients were calculated to estimate the reliability of the MLQ instrument. The Cronbach's alpha reliability coefficients for the eight leadership factors, transactional and transformational leadership respectively are given in Table 6.4 below. The Cronbach's alpha reliability coefficient for the MLQ instrument is 0.714162, which is acceptable.

Table 6.4: Cronbach's Alpha Reliability Coefficients for MLQ Factors

Leadership Factors	Mean	Standard Deviation	Cronbach's Alpha Reliability Coefficients	Evaluation based on Sekaran (2000)
Idealized Attributes	11.9433	3.20944	0.747080	Good
Idealized Behaviours	11.8775	3.15156	0.686741	Acceptable
Inspirational Motivation	11.8870	3.03623	0.762428	Acceptable
Intellectual Stimulation	11.3860	3.06732	0.726524	Acceptable
Individualized consideration	11.2506	3.53673	0.718303	Acceptable
Contingent Reward	12.3180	3.36482	0.789243	Acceptable
Management-by-exception (active)	9.94444	3.72293	0.703047	Acceptable
Management-by-exception (passive)	6.27226	4.00442	0.698303	Acceptable
Transformational Leadership	58.4801	13.9146	0.920135	Good
Transactional Leadership	28.6518	7.48764	0.389811	Poor

The results in Table 6.4 above indicate that the MLQ factors generally are reliable. Item – total statistics can be found in Appendix B 1.1. Therefore, for this research, the MLQ instrument is a reliable measure of transformational leadership and a poor measure of transactional leadership.

6.4.2 Cronbach's Alpha Reliability Coefficient Scores for the ECP

Cronbach's alpha reliability coefficients were calculated to estimate the reliability of the ECP instrument. The Cronbach's alpha reliability coefficients for the seven emotional intelligence factors are given in Table 6.5. The average Cronbach's alpha reliability coefficient for the ECP instrument is 0.907199, which is good.

Table 6.5: Cronbach's Alpha Reliability Coefficients for ECP Factors

Emotional Competency Factors	Mean	Standard Deviation	Cronbach's Alpha Reliability Coefficients	Evaluation based on Sekaran (2000)
Emotional Literacy	34.6180	6.69165	0.923409	Good
Self-Esteem	35.1732	5.91230	0.873186	Good
Self-Management	34.3300	5.93269	0.871992	Good
Self-Motivation	36.0000	5.32283	0.880453	Good
Change Resilience	41.1926	7.35402	0.933527	Good
Relationship Skills	52.8382	10.3844	0.956451	Good
Integration of Head and Heart	34.9134	6.35703	0.911376	Good

The results in Table 6.5 above indicate that the ECP factors are reliable. Item – total statistics can be found in Appendix B 1.2. Therefore, for this research, the ECP instrument is a reliable measure of emotional intelligence.

6.5 Hypotheses

The linear relationship between emotional intelligence, transformational leadership, transactional leadership and employee performance was investigated using correlation analysis, which provides a correlation coefficient that indicates the strength and direction of the linear relationship. The p-value indicates the relationship's significance. All significant relationships are marked with *. Table 6.6 below provides

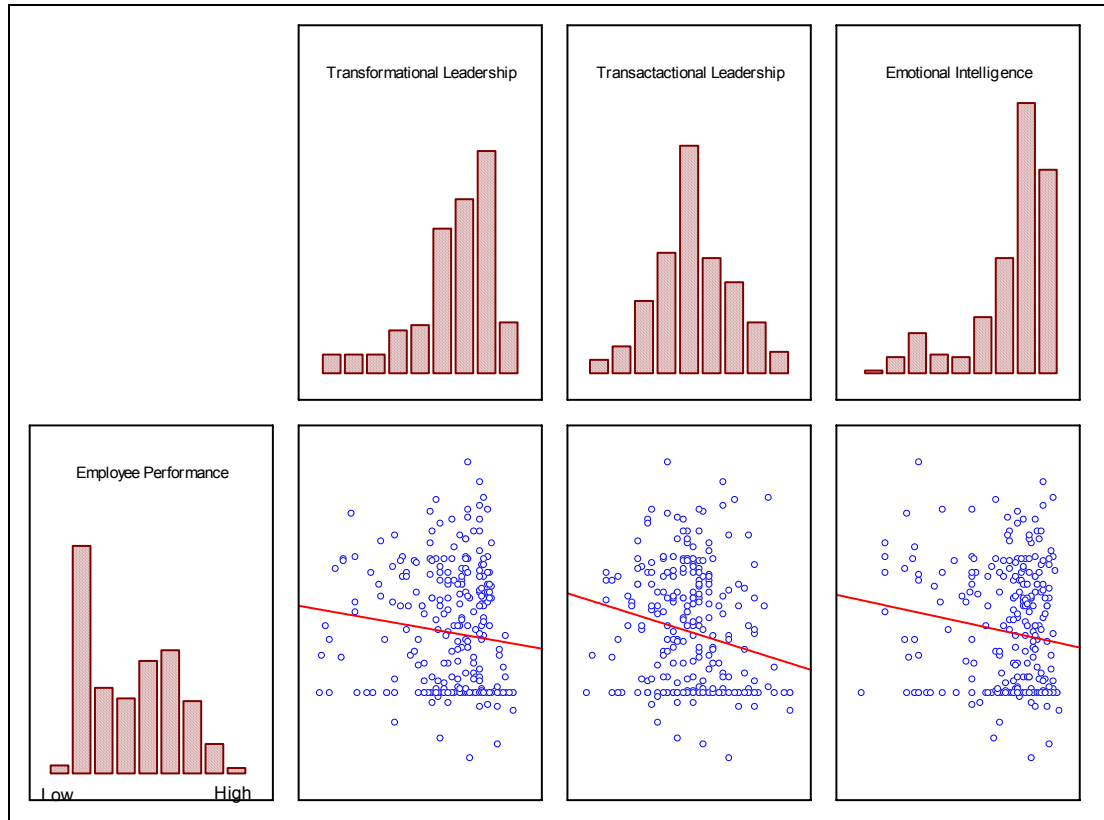
the values for the correlations and associated p-values based on the employee performance scores.

Table 6.6: Correlations between Employee Performance Scores and Transformational Leadership, Transactional Leadership and Emotional Intelligence

Correlations (Employee Performance) Marked correlations are significant at the 5% level of significance. n = 276 (Casewise deletion of missing data)			
	Transformational Leadership	Transactional Leadership	Emotional Intelligence
Employee Performance	-0.1159 p = 0.054	-0.1970 * p = 0.001	-0.1435 * p = 0.017

From Table 6.6 it is evident that there is a weak, mildly significant, negative linear relationship between employee performance and transformational leadership ($r = -0.1159$, $p = 0.054$). The weak, negative linear relationship between employee performance and transactional leadership is significant ($r = -0.1970$, $p = 0.001$). The weak, negative linear relationship between employee performance and emotional intelligence is significant ($r = -0.1435$, $p = 0.017$). Diagrammatical illustration of the relationships is given in Figure 6.3 below.

Figure 6.3: Scatterplots and Histograms of Employee Performance Scores (Raters Only) and Transformational Leadership, Transactional Leadership and Emotional Intelligence Respectively



The researcher tested the individual research hypotheses documented earlier in Section 5.2 of this research. These results of these hypotheses are given below.

6.5.1 Hypothesis One

H_{o1} There is no significant positive linear relationship between employee performance and an emotionally intelligent transactional leader.

H_{a1} There is a significant positive linear relationship between employee performance and an emotionally intelligent transactional leader.

This hypothesis was tested by constructing the following linear model:

$$PA = \text{Intercept} + \beta_1 * (EI) + \beta_2 * (TA) + \varepsilon$$

Where: *PA = Employee Performance*
EI = Emotional Intelligence
TA = Transactional Leadership

Table 6.7: Summary of the Linear Regression Model for Hypothesis One

Regression Summary for Dependent Variable: PA R = 0.18621913 R ² = 0.03467756 Adjusted R ² = 0.02799713 F(2,289) = 5.1909, p < 0.00610				
	B	Std.Err.	t(289)	p-level
Intercept	3.799793	0.135735	27.99425	0.000000
Emotional Intelligence	-0.000246	0.000520	-0.47302	0.636553
Transactional Leadership	-0.010440	0.003892	-2.68265	0.007725

From Table 6.7 above it is clear that this model has very low correlation as the adjusted R² is low (Adjusted R² = 0.02799713), and only 3% of the variation in employee performance is explained by this model. This model is significant (F (2,289) = 5.1909, p = 0.006). The researcher REJECTS the null hypothesis (H₀₁) and concludes that there is sufficient evidence, at the 5% level of significance, that there is a linear relationship between employee performance and an emotionally intelligent transactional leader. The significant parameters are the intercept (t = 27.99425, degrees of freedom (df) = 289, p < 0.001) and transactional leadership parameter (t = -2.68265, df = 289, p = 0.0077). The emotional intelligence parameter is not significant (t = -0.47302, df = 289, p = 0.6366) in this model. This implies that emotional intelligence is not having a significant effect on the employee performance scores, when considered in this model. However, from Table 6.6 we know there is a negative linear relationship between emotional intelligence and employee performance. This indicates that the relationship depends only on transactional

leadership i.e. there is no effect due to emotional intelligence. The regression equation/model states that the employee performance value is estimated by a constant minus a small fraction (-0.010440) of the transactional score.

Figure 6.4: 3D Scatterplot of Employee Performance Scores and the Transactional Leadership and Emotional Intelligence Scores

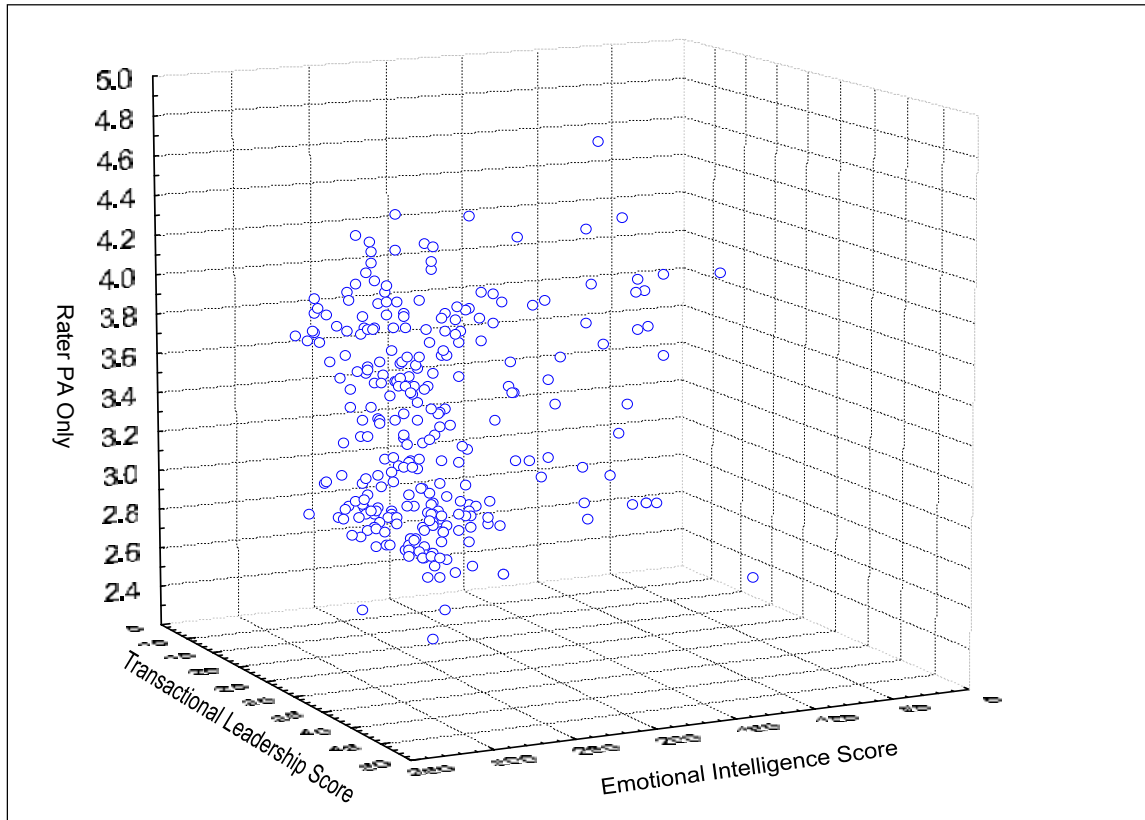


Figure 6.4 illustrates that there is a linear relationship/model, but probably not a non-linear relationship/model between employee performance and an emotionally intelligent transactional leader.

6.5.2 Hypothesis Two

H₀₂ There is no significant positive linear relationship between employee performance and an emotionally intelligent transformational leader.

H_{a2} There is a significant positive linear relationship between employee performance and an emotionally intelligent transformational leader.

The hypothesis was tested by constructing the following linear model:

$$PA = \text{Intercept} + \beta_1 * (EI) + \beta_2 * (TF) + \varepsilon$$

Where: *PA = Employee Performance*
EI = Emotional Intelligence
TF = Transformational Leadership

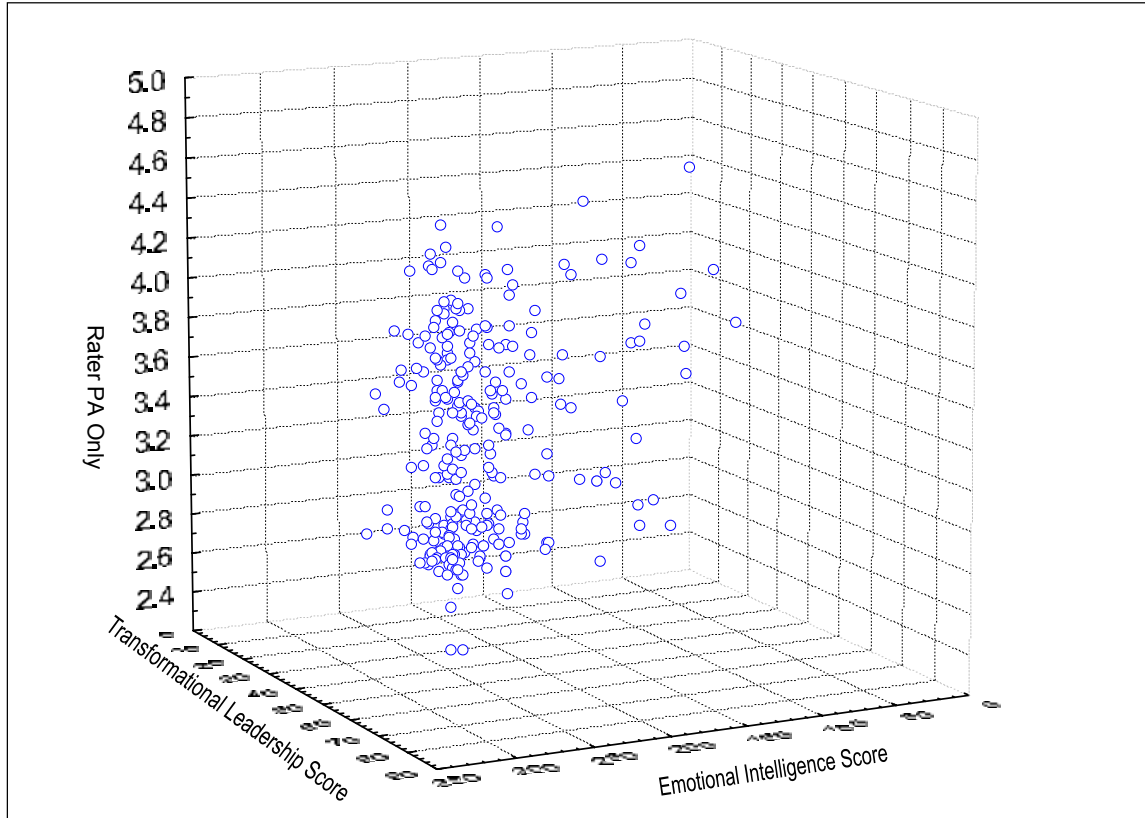
Table 6.8: Summary of the Linear Regression Model for Hypothesis Two

Regression Summary for Dependent Variable: PA R = .13997618 R ² = .01959333 Adjusted R ² = .01276123 F(2,287) = 2.8678 p < 0.05845				
	B	Std.Err.	t(287)	p-level
Intercept	3.752408	0.130289	28.80071	0.000000
Emotional Intelligence	-0.000892	0.000655	-1.36287	0.173992
Transformational Leadership	-0.001308	0.002417	-0.54096	0.588954

From Table 6.8 above it is clear that this model has very low correlation (Adjusted R² = 0.01276123). The model is only mildly significant (F (2,287) = 2.8678, p = 0.05845). The researcher FAILS TO REJECT the null hypothesis (H₀₂) and concludes that there is insufficient evidence, at the 5% level of significance, that there is a linear relationship between employee performance and an emotionally intelligent transformational leader. The only significant parameter is the intercept (t = 28.8, df =

287, $p \approx 0$). The transformational leadership ($t = -0.54096$, $df = 287$, $p = 0.588954$) and the emotional intelligence parameters ($t = -1.36287$, $df = 287$, $p = 0.173992$) are not significant in this model.

Figure 6.5: 3D Scatterplot of Employee Performance Scores and the Transformational Leadership and Emotional Intelligence Scores



From Figure 6.5 above it is clear that there is no linear or non-linear relationship between employee performance and an emotionally intelligent transformation leader. Hence the fact that the fitted linear model only has the intercept as a significant term, (i.e. $PA = \text{a constant}$). No matter how the graph was rotated the only possible fitted model was a horizontal line, which indicates no relationship.

6.5.3 Hypothesis Three

H₀₃ There is no significant positive linear relationship between emotional intelligence and transactional leadership.

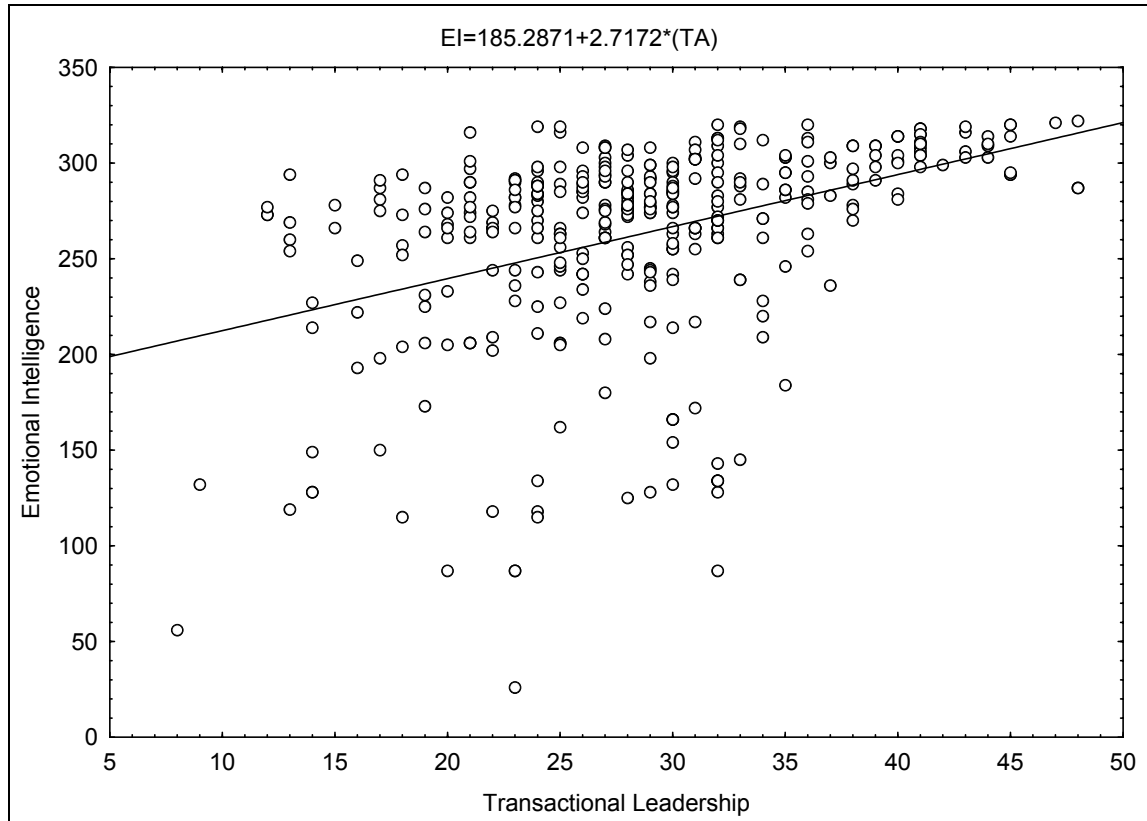
H_{a3} There is a significant positive linear relationship between emotional intelligence and transactional leadership.

Table 6.9: Summary of Hypothesis Three Results

Correlations Marked correlations are significant at p < 0.05000 n = 382 (Casewise deletion of missing data)	
	Transactional Leadership
Emotional Intelligence	0.3962 (p < 0.0001)

From Table 6.9 it is clear that there is relatively weak, but significant, positive linear relationship between emotional intelligence and transactional leadership ($r = 0.3962$, $p < 0.0001$). The researcher REJECTS the null hypothesis (H_{03}) and concludes that there is sufficient evidence, at the 5% level of significance, that there is a positive linear relationship between emotional intelligence and transactional leadership. Figure 6.6 below is a diagrammatical illustration of the relationship between emotional intelligence and transactional leadership.

Figure 6.6: Scatterplot of Emotional Intelligence and Transactional Leadership



6.5.4 Hypothesis Four

H₀₄ There is no significant positive linear relationship between emotional intelligence and transformational leadership.

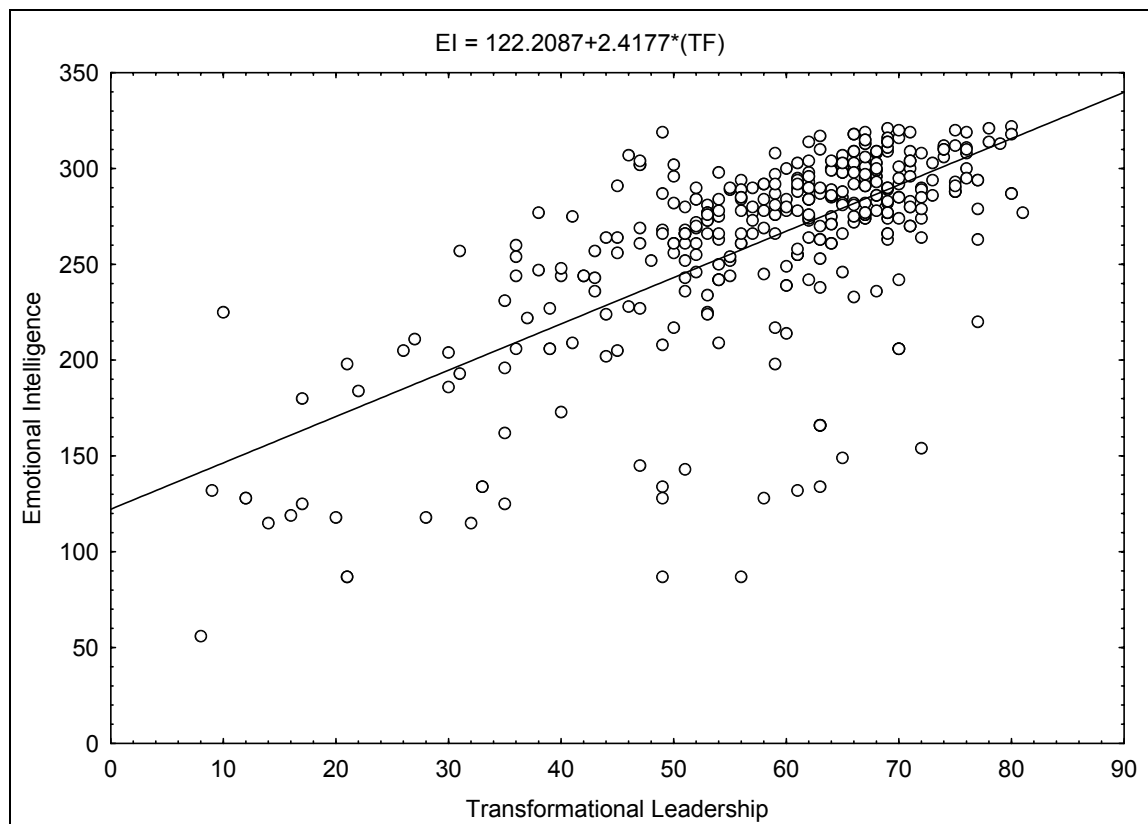
H_{a4} There is a significant positive linear relationship between emotional intelligence and transformational leadership.

Table 6.10: Summary of Hypothesis Four Results

Correlations Marked correlations are significant at $p < 0.05000$ $n = 377$ (Casewise deletion of missing data)	
	Transformational Leadership
Emotional Intelligence	0.6704 ($p < 0.0001$)

From Table 6.10 above it is clear that there is very strong significant ($r = 0.6704$, $p < 0.001$), positive linear relationship between emotional intelligence and transformational leadership. The researcher REJECTS the null hypothesis (H_{04}) and concludes that there is sufficient evidence, at the 5% level of significance, that there is a positive linear relationship between emotional intelligence and transformational leadership. Figure 6.7 below is a diagrammatical illustration of the relationship between emotional intelligence and transformational leadership.

Figure 6.7: Scatterplot of Emotional Intelligence and Transformational Leadership



6.6 Conclusion

The empirical results of the research were presented in this chapter. Descriptive statistics and reliability analysis are presented to provide further insight. Initial analysis found a weak, mildly significant negative linear relationship between employee performance and transformational leadership. Furthermore, it was found that there was a significant weak, negative linear relationship between employee performance and transactional leadership. Additionally, it was found that there is a significant weak, negative linear relationship between employee performance and emotional intelligence.

Firstly, the results of hypothesis one indicate that there is a significant linear relationship between employee performance and an emotionally intelligent, transactional leader. The results of the second hypothesis show that there is insufficient evidence to indicate that there is a linear relationship between employee performance and an emotionally intelligent transformational leader. Hypothesis three's results indicate that there is a significant positive relationship between emotional intelligence and transactional leadership. Lastly, results of hypothesis four show that a significant positive relationship exists between emotional intelligence and transformational leadership.

Chapter 7

Discussion

7.1 Overview

After presenting the results of the research in Chapter Six, the implications of these results are now discussed in the light of the literature reviewed in the first few chapters of this research. Research limitations are identified and implications of the research are also discussed in this chapter.

7.2 Reliability of the Findings

Before discussing the research findings with particular reference to relevant literature and previous research, it is necessary to discuss the reliability of the findings of this research.

This research found that the average Cronbach's alpha reliability coefficient for the MLQ to be 0.714162, which is acceptable. The Cronbach's alpha reliability coefficients for all the transformational leadership factors are acceptable or good. The overall reliability of transformational leadership is 0.920135, which is good, while the overall Cronbach's alpha reliability coefficient of transactional leadership is poor at 0.389811. Therefore for the purposes of this research, the MLQ instrument is deemed to be a reliable measure of transformational leadership and a poor measure of transactional leadership.

Overall the average Cronbach's alpha reliability coefficient obtained for the MLQ does substantiate the reliability of the MLQ. According to Bass and Avolio (1997) and Whitelaw (2001), the MLQ is valid and reliable and has been used extensively worldwide. Research conducted by Ackerman, et al. (2000) in South Africa yielded Cronbach's alpha reliability coefficients of 0.944, 0.736 and 0.803 for

transformational, transactional and non-transactional leadership respectively. However, research conducted by Botha (2001), in South Africa, yielded Cronbach's alpha reliability coefficients of 0.926, 0.372 and 0.660 for transformational, transitional and non-transactional leadership respectively. Botha (2001) found the MLQ instrument to be a reliable measure of transformational leadership and a poor measure of transactional leadership. The Cronbach's alpha reliability coefficients of this research support Botha's (2001) reliability findings. Additionally, this research's average Cronbach's alpha reliability coefficient for the MLQ supports the findings of authors such as Bass and Avolio (1997), Ackerman, et al. (2000) and Whitelaw (2001).

Research conducted by Palmer and Jansen (2004), in South Africa, used the Cronbach alpha reliability coefficient to measure the reliability of the dimensional items comprising the ECP. Their research findings showed the ECP to have a high internal consistency. This research found the average Cronbach's alpha reliability coefficient for the ECP to be 0.907199, which is good. The Cronbach's alpha reliability coefficients for each factor have also deemed all seven emotional intelligence factors as good reliable measures. Therefore, for this research, the ECP is considered a reliable measurement instrument of emotional intelligence. This research supports the findings of Wolmarans and Martins (2001), Palmer and Jansen (2004) and Coetzee (2005), that the ECP is a valid and reliable.

7.3 Research Results

The first hypothesis investigated the relationship between employee performance and an emotionally intelligent, transactional leader. The results of the linear regression analysis indicates that a significant linear relationship does exist between employee performance and an emotionally intelligent, transactional leader ($F(2,289) = 5.1909$, $p = 0.006$). The researcher thus rejects the null hypothesis (H_{01}) and concludes that there is sufficient evidence, at the 5% level of significance, that there is a linear relationship between employee performance and an emotionally intelligent transactional leader. It must however be noted that the correlation is very low (Adjusted $R^2 = 0.02799713$). Furthermore, the results indicate that emotional

intelligence has no significant effect on employee performance when considered in this model ($t = -0.47302$, $df = 289$, $p = 0.6366$). While this model is significant, the nature of the relationship is such that the dependent variable, employee performance, decreases as the independent variables of emotional intelligence and transactional leadership increase. Thus, the results of the first hypothesis indicate that the relationship within this model is negative.

The second hypothesis investigated the relationship between employee performance and an emotionally intelligent, transformational leader. The results of this linear regression analysis indicate that a significant linear relationship does not exist between employee performance and an emotionally intelligent, transformational leader ($F(2,287) = 2.8678$, $p = 0.05845$). The researcher thus fails to reject the null hypothesis (H_{02}) and concludes that there is insufficient evidence, at the 5% level of significance, that there is a linear relationship between employee performance and an emotionally intelligent transformational leader. The independent variables of emotional intelligence ($t = -1.36287$, $df = 287$, $p = 0.173992$) and transformational leadership ($t = -0.54096$, $df = 287$, $p = 0.588954$) are not significant. The results indicate that emotional intelligence and transformational leadership has no significant effect on employee performance when considering this model. Furthermore, the relationship within the second hypothesis model is also negative.

On the basis of relevant literature already reviewed, a significant relationship was expected to exist between employee performance and an emotionally intelligent, transformational leader, but this research does not confirmed the expectation. The findings of this research don't support the conclusions drawn by authors such as Bass (1985), Avolio (1996) and Bass and Avolio (1997), which suggest that employee performance will be characterised by high levels of transformational leadership and lower levels of transactional leadership. Additionally, the results of the first and second hypotheses, do not concur with the literature and previous research presented, as research by Bass and Avolio (1997), Cooper (1997), Goleman (1998) and Yukl (1998) indicate a positive relationship between leadership and employee performance and a positive relationship between leadership and emotional intelligence.

In both linear regression analyses, hypotheses one and two, the negative regression coefficients resulted in a negative relationship within the two models. These negative relationships within the models conflict with findings of Bass and Avolio (1997), Cooper (1997), Goleman (1998) and Yukl (1998). As such, these negative regression coefficients contradict previous research and theory. This negative relationship within the models could however be attributed to the low variance of the parastatal performance appraisal scores, which made it difficult to differentiate between a good and a poor performance appraisal score. This could explain the difficulty in fitting significant theoretical models. This research therefore doubts that the theoretical models are incorrect and suggests that the results of this research are due to the lack of variability in the employee performance data.

The third hypothesis investigated the relationship between emotional intelligence and transactional leadership. The results of this simple correlation analysis indicate a relatively weak, but significant, positive linear relationship between emotional intelligence and transactional leadership ($r = 0.3962$, $p < 0.0001$). The researcher therefore rejects the null hypothesis (H_{03}) and concludes that there is sufficient evidence, at the 5% level of significance, that there is a positive linear relationship between emotional intelligence and transactional leadership.

The fourth hypothesis investigated the relationship between emotional intelligence and transformational leadership. The results of the simple correlation analysis indicate there is a very strong significant positive linear relationship between emotional intelligence and transformational leadership ($r = 0.6704$, $p < 0.001$). The researcher therefore rejects the null hypothesis (H_{04}) and concludes that there is sufficient evidence, at the 5% level of significance, that there is a positive linear relationship between emotional intelligence and transformational leadership.

The simple correlation analysis findings of hypotheses three and four support the literature discussed in Chapter Three, that emotional intelligence plays an important role in leadership effectiveness and that the ability to understand and manage moods and emotions in oneself and in others contributes to the effectiveness of leaders (Goleman, 1998; George, 2000; Palmer, et al., 2001). These findings are consistent

with the results of other authors such as Goleman (1998), George (2000) and Palmer, et al. (2001).

Furthermore, this research found the relationship between emotional intelligence and transformational leadership ($r = 0.6704$, $p < 0.001$) to be significantly stronger than the relationship between emotional intelligence and transactional leadership ($r = 0.3962$, $p < 0.0001$). This supports the literature (Goleman, 1998; George, 2000) that transformational leadership is considered to be more emotion-based than transactional leadership. There should therefore be a stronger relationship between emotional intelligence and transformational leadership than between emotional intelligence and transactional leadership. This is further supported by the strong positive relationship between emotional intelligence and transformational leadership at the parastatal organisation. Leaders at the parastatal exhibiting transformational leadership behaviour seem to have superior emotional intelligence when compared with leaders exhibiting transactional leadership behaviour.

Having now discussed the results of the research and commented on the relation to the theory, it is necessary to discuss the limitations and implications arising from the study.

7.4 Limitations of the Research

Some of the limitations of the research are discussed below:

- As in any research, financial constraint posed a limitation. Instruments are costly to purchase, and this initially posed a problem in finding instruments suitable for this research. This problem was overcome with some effort from the researcher. Two instruments were used in this research, namely the MLQ and the ECP. A consulting organisation known as Productivity Development (Pty) Ltd made the MLQ available at a reduced price to the researcher. Another consulting organisation known as Learning Link International made the ECP available to the researcher free of charge.

- The scale of the parastatal's performance appraisal process revealed a further limitation. Statistical analysis revealed that the performance appraisal scores are too close (i.e. small variance). This made it difficult to differentiate clearly between a good and a poor performance appraisal score. It can be argued that the results of H_{01} and H_{02} were skewed by the lack of variance in employee performance data. Although this data was not gathered solely for the purposes of this research, this lack of variability of the employee performance data should be taken into account for future research.
- The sample composition in this research did not control for biographical factors. The data generated by this research, therefore, is limited to the demographic confines of the sample population.

7.5 Implications of the Research

Taking cognisance of the findings of this research, the following implications need to be highlighted:

- Parastatals play an important role in shaping the economy in South Africa. It is generally perceived that parastatals in the past have not performed sufficiently to ensure their continued existence, and thus are threatened by privatisation. There is a need for more research in this environment, and it is hoped that this research will stimulate further studies in the parastatal environment.
- Due to the accessibility and affordability of the ECP for research purposes, future research may confirm the validity and reliability of this instrument. It has been tested in the South African environment, but exposure to the international arena could further benefit the instrument's validity. The development of a sufficient body of psychometric data would make the further use of the ECP more viable through the provision of reliability and validity data. The design of more affordable instruments to measure emotional intelligence is also recommended, as it would stimulate further research.

- This research did not take demographic variables into account in exploring differences in emotional intelligence, transactional leadership, transformational leadership and performance scores. Future research could be conducted comparing various homogenous demographic populations.
- Future research may target other industries and environments in order to test the possible generalisations of this study. Such environments could include tertiary education institutions, the retail industry, the manufacturing industry and the political arena. The unique characteristics of these environments may also impact the relevance of future findings in these research areas.
- In terms of future research, it is suggested that the parastatal builds upon the results presented to more accurately determine further antecedents of employee performance. In its attempts to become a world-class parastatal, the parastatal needs to recognise the importance of employees and especially their performance.

7.6 Conclusion of the Research

The broad objective of this research was to examine the relationship between employee performance, leadership and emotional intelligence in a South African parastatal organisation. In addressing this objective, the selected parastatal was chosen as the research context, particularly due to the parastatal's importance to the country. In terms of this research, performance, leadership and emotional intelligence were discussed in terms of the research context. In an effort to investigate the broad objective of the research, four specific research hypotheses were generated. Employee performance was identified as the dependent variable, and leadership and emotional intelligence as the independent variables.

The general methodology consisted of the use of three instruments. The MLQ was used to collect information about leadership and the ECP was used to collect information about emotional intelligence. The third variable, employee performance, was captured and recorded using the parastatals performance appraisal process. The data was analysed using linear regression analysis and simple correlation analysis.

The result of the first hypothesis showed, through linear regression analysis, that there is a statistically significant relationship between employee performance and an emotionally intelligent, transactional leader. The second hypothesis showed, through linear regression analysis, that there is no significant linear relationship between employee performance and an emotionally intelligent, transformational leader. It must be noted that the linear regression analysis of the research produced differing results from those anticipated, as the researcher expected a significant relationship to exist between employee performance and an emotionally intelligent, transformational leader. These findings contradict the beliefs of prominent authors such as Bass and Avolio (1997), Cooper (1997), Goleman (1998) and Yukl (1998).

Moreover, the third hypothesis showed that there is a relatively weak significant linear relationship between emotional intelligence and transactional leadership. The result of the fourth hypothesis indicated, through simple correlation analysis, that there is a very strong significant linear relationship between emotional intelligence and

transformational leadership. These findings were found to be congruent with previous research by Goleman (1998), Brand, et al. (2000) and Palmer, et al. (2001).

The research findings do not support the belief that emotionally intelligent, transformational leaders have a greater impact on employee performance. But the research findings do provide further support and evidence that transformational leadership is more strongly correlated to emotional intelligence than transactional leadership.

After a review of the literature on employee performance, leadership, emotional intelligence in South Africa, no reference to this research context could be found. This research therefore adds a new dimension to employee performance, leadership and emotional intelligence, as this research takes place in a South African parastatal context. This research further contributes to the bank of findings relating to the relevance of the concepts. The findings generally demonstrate the relevance of these concepts in the given South African context.

Appendices

Appendix A: Descriptive Statistics

1.1 Descriptive Statistics MLQ (all i.e. leaders and raters)

Note confidence = 95% Confidence Interval for population mean

Descriptive Statistics (MLQ)					
	Valid N	Mean	Lower Confidence Interval	Upper Confidence Interval	Standard Deviation
Idealized Attributes (IA)	406	11.94335	11.63023	12.25647	3.20944
Idealized Behaviours (IB)	400	11.87750	11.56771	12.18729	3.15156
Inspirational Motivation (IM)	407	11.88698	11.59112	12.18284	3.03623
Intellectual Stimulation (IS)	399	11.38596	11.08408	11.68785	3.06732
Individualized Consideration (IC)	407	11.25061	10.90599	11.59524	3.53673
Contingent Reward (CR)	412	12.31796	11.99209	12.64383	3.36482
Management-by-exception (active) (MEA)	396	9.94444	9.57664	10.31225	3.72293
Management-by-exception (passive) (MEP)	393	6.27226	5.87513	6.66940	4.00442
Laissez-Faire (LF)	416	4.41587	4.01102	4.82071	4.20070
Extra Effort (EE)	408	12.01471	11.67441	12.35500	3.49655
Effectiveness (EFF)	404	9.20545	8.95875	9.45214	2.52233
Satisfaction (S)	412	6.25971	6.08568	6.43374	1.79700
Transformational Leadership (TF)	377	58.48011	57.07098	59.88923	13.91464
Transactional Leadership (TA)	382	28.65183	27.89858	29.40509	7.48764
Non Transactional Leadership (Non TA)	416	4.41587	4.01102	4.82071	4.20070

1.2 Descriptive Statistics ECP (all i.e. leaders and raters)

Descriptive Statistics (ECP)					
	Valid N	Mean	Lower Confidence Interval	Upper Confidence Interval	Standard Deviation (StDv.)
Emotional Literacy (EL)	411	34.61800	33.96916	35.26685	6.69165
Self-Esteem (SE)	410	35.17317	34.59919	35.74715	5.91230
Self-Management (SM)	403	34.33002	33.74905	34.91100	5.93269
Self-Motivation (SMO)	416	36.00000	35.48701	36.51299	5.32283
Change Resilience (CS)	405	41.19259	40.47422	41.91096	7.35402
Relationship Skills (IR)	408	52.83824	51.82760	53.84887	10.38442
Integration of Head and Heart (IHH)	404	34.91337	34.29161	35.53512	6.35703

1.3 Descriptive Statistics Employee Performance (all i.e. leaders and raters)

Descriptive Statistics (Leaders and Raters Coded MLQ and ECP and PA data)					
	Valid N	Mean	Lower Confidence Interval	Upper Confidence Interval	Standard Deviation (StDv.)
Leader and Rater PA	418	3.499904	3.455052	3.544756	0.466510
Rater PA Only	325	3.432123	3.382747	3.481499	0.452466
Avg Rater PA	92	3.445661	3.380100	3.511222	0.316577

1.4 Correlations of ECP vs ECP

Correlations (ECP) Marked correlations are significant at $p < .05000$ N = 375 (Casewise deletion of missing data)							
	EL	SE	SM	SMO	CS	IR	IHH
EL	1.0000	.8554	.8725	.8700	.9020	.9283	.9213
	p= ---	p=0.00	p=0.00	p=0.00	p=0.00	p=0.00	p=0.00
SE	.8554	1.0000	.8308	.8616	.8609	.8570	.8901
	p=0.00	p= ---	p=0.00	p=0.00	p=0.00	p=0.00	p=0.00
SM	.8725	.8308	1.0000	.8088	.8169	.8221	.8556
	p=0.00	p=0.00	p= ---	p=0.00	p=0.00	p=0.00	p=0.00
SMO	.8700	.8616	.8088	1.0000	.8979	.8864	.9139
	p=0.00	p=0.00	p=0.00	p= ---	p=0.00	p=0.00	p=0.00
CS	.9020	.8609	.8169	.8979	1.0000	.9065	.9135
	p=0.00	p=0.00	p=0.00	p=0.00	p= ---	p=0.00	p=0.00
IR	.9283	.8570	.8221	.8864	.9065	1.0000	.9201
	p=0.00	p=0.00	p=0.00	p=0.00	p=0.00	p= ---	p=0.00
IHH	.9213	.8901	.8556	.9139	.9135	.9201	1.0000
	p=0.00	p=0.00	p=0.00	p=0.00	p=0.00	p=0.00	p= ---

1.5 Correlations of MLQ vs MLQ

Correlations (MLQ) Marked correlations are significant at $p < .05000$ N = 355 (Casewise deletion of missing data)															
	IA	IB	IM	IS	IC	CR	MEA	MEP	LF	E	EFF	S	TF	TA	Non TA
IA	1.0000	.6941	.7457	.6912	.7383	.7335	.3126	.0079	-.1706	.7922	.7460	.7580	.8851	.4869	-.1706
	p= ---	P=0.00	p=0.00	p=0.00	p=0.00	p=0.00	p=.000	p=.882	p=.001	p=0.00	p=0.00	P=0.00	p=0.00	p=0.00	p=.001
IB	.6941	1.0000	.7814	.6830	.6531	.6959	.2379	.0257	-.1401	.6989	.6792	.6840	.8689	.4430	-.1401
	p=0.00	P= ---	p=0.00	p=0.00	p=0.00	p=0.00	p=.000	p=.630	p=.008	p=0.00	p=0.00	P=0.00	p=0.00	p=.000	p=.008
IM	.7457	.7814	1.0000	.6695	.6871	.7480	.3005	.0620	-.1309	.7654	.7277	.6786	.8819	.5166	-.1309
	p=0.00	P=0.00	p= ---	p=0.00	p=0.00	p=0.00	p=.000	p=.244	p=.014	p=0.00	p=0.00	P=0.00	p=0.00	p=0.00	p=.014
IS	.6912	.6830	.6695	1.0000	.7208	.7053	.2032	-.0711	-.1901	.6811	.6672	.6587	.8597	.3783	-.1901
	p=0.00	P=0.00	p=0.00	p= ---	p=0.00	p=0.00	p=.000	p=.181	p=.000	p=0.00	p=0.00	p=0.00	p=0.00	p=.000	p=.000
IC	.7383	.6531	.6871	.7208	1.0000	.7441	.2081	.0512	-.1098	.7333	.7298	.7272	.8772	.4638	-.1098
	p=0.00	P=0.00	p=0.00	p=0.00	p= ---	p=0.00	p=.000	p=.336	p=.039	p=0.00	p=0.00	p=0.00	p=0.00	p=0.00	p=.039
CR	.7335	.6959	.7480	.7053	.7441	1.0000	.2750	-.0401	-.2363	.7695	.7598	.7067	.8296	.5625	-.2363
	p=0.00	P=0.00	p=0.00	p=0.00	p=0.00	p= ---	p=.000	p=.452	p=.000	p=0.00	p=0.00	p=0.00	p=0.00	p=0.00	p=.000
MEA	.3126	.2379	.3005	.2032	.2081	.2750	1.0000	.3203	.2948	.1935	.2746	.1236	.2868	.7851	.2948
	p=.000	P=.000	p=.000	p=.000	p=.000	p=.000	p= ---	p=.000	p=.000	p=.000	p=.000	p=.020	p=.000	p=0.00	p=.000
MEP	.0079	.0257	.0620	-.0711	.0512	-.0401	.3203	1.0000	.7258	-.0389	-.0350	-.1278	.0180	.6757	.7258
	p=.882	P=.630	p=.244	p=.181	p=.336	p=.452	p=.000	p= ---	p=0.00	p=.465	p=.511	p=.016	p=.735	p=0.00	p=0.00
LF	-.1706	-.1401	-.1309	-.1901	-.1098	-.2363	.2948	.7258	1.0000	-.1938	-.2284	-.2823	-.1685	.4279	1.0000
	p=.001	P=.008	p=.014	p=.000	p=.039	p=.000	p=.000	p=0.00	p= ---	p=.000	p=.000	p=.000	p=.001	p=.000	p= ---
E	.7922	.6989	.7654	.6811	.7333	.7695	.1935	-.0389	-.1938	1.0000	.8067	.7961	.8392	.4197	-.1938
	p=0.00	P=0.00	p=0.00	p=0.00	p=0.00	p=0.00	p=.000	p=.465	p=.000	p= ---	p=0.00	p=0.00	p=0.00	p=.000	p=.000
EFF	.7460	.6792	.7277	.6672	.7298	.7598	.2746	-.0350	-.2284	.8067	1.0000	.7993	.8123	.4571	-.2284
	p=0.00	P=0.00	p=0.00	p=0.00	p=0.00	p=0.00	p=.000	p=.511	p=.000	p=0.00	p= ---	p=0.00	p=0.00	p=0.00	p=.000
S	.7580	.6840	.6786	.6587	.7272	.7067	.1236	-.1278	-.2823	.7961	.7993	1.0000	.8034	.3094	-.2823
	p=0.00	P=0.00	p=0.00	p=0.00	p=0.00	p=0.00	p=.020	p=.016	p=.000	p=0.00	p=0.00	p= ---	p=0.00	p=.000	p=.000
TF	.8851	.8689	.8819	.8597	.8772	.8296	.2868	.0180	-.1685	.8392	.8123	.8034	1.0000	.5229	-.1685
	p=0.00	P=0.00	p=0.00	p=0.00	p=0.00	p=0.00	p=.000	p=.735	p=.001	p=0.00	p=0.00	p=0.00	p= ---	p=0.00	p=.001
TA	.4869	.4430	.5166	.3783	.4638	.5625	.7851	.6757	.4279	.4197	.4571	.3094	.5229	1.0000	.4279
	p=0.00	P=.000	p=0.00	p=.000	p=0.00	p=0.00	p=0.00	p=0.00	p=.000	p=.000	p=0.00	p=.000	p=0.00	p= ---	p=.000
Non TA	-.1706	-.1401	-.1309	-.1901	-.1098	-.2363	.2948	.7258	1.0000	-.1938	-.2284	-.2823	-.1685	.4279	1.0000
	p=.001	P=.008	p=.014	p=.000	p=.039	p=.000	p=.000	p=0.00	p= ---	p=.000	p=.000	p=.000	p=.001	p=.000	p= ---

Appendix B: Reliability Analysis (Cronbach's Alpha Reliability Coefficients)

1.1 MLQ

1.1.1 Idealized Attributes (IA)

Summary for scale: Mean = 11.9433 Std.Dev. = 3.20944 Valid N:406 (MLQ and PA data) Cronbach's alpha: .747080 Standardized alpha: .742656 Average inter-item corr.: .427036

	Mean if	Var. if	Stdv. if	Itm-Totl	Alpha if
Q10	9.160098	5.646782	2.376296	0.590903	0.660343
Q18	8.901478	6.369603	2.523807	0.577675	0.670573
Q21	8.871922	5.535319	2.352726	0.650715	0.622079
Q25	8.896552	7.516392	2.741604	0.362459	0.775405

1.1.2 Idealized Behaviours (IB)

Summary for scale: Mean = 11.8775 Std.Dev. = 3.15156 Valid N:400 (MLQ and PA data) Cronbach's alpha: .686741 Standardized alpha: .707421 Average inter-item corr.: .379344

	Mean if	Var. if	Stdv. if	Itm-Totl	Alpha if
Q6	9.125000	5.099375	2.258180	0.430101	0.685683
Q14	8.917500	5.920694	2.433248	0.580178	0.553443
Q23	8.660000	7.199400	2.683170	0.409097	0.660474
Q34	8.930000	6.400100	2.529842	0.530801	0.590677

1.1.3 Inspirational Motivation (IM)

Summary for scale: Mean = 11.8870 Std.Dev. = 3.03623 Valid N:407 (MLQ and PA data) Cronbach's alpha: .762428 Standardized alpha: .767801 Average inter-item corr.: .455100

	Mean if	Var. if	Stdv. if	Itm-Totl	Alpha if
Q9	9.019656	5.503300	2.345911	0.534439	0.721985
Q13	8.793612	5.549541	2.355747	0.631281	0.671100
Q26	9.149878	5.414883	2.326990	0.515948	0.735168
Q36	8.697788	5.861986	2.421154	0.580963	0.698921

1.1.4 Intellectual Stimulation (IS)

Summary for scale: Mean = 11.3860 Std.Dev. = 3.06732 Valid N:399 (MLQ and PA data) Cronbach's alpha: .726524 Standardized alpha: .727313 Average inter-item corr.: .407909

	Mean if	Var. if	Stdv. if	Itm-Totl	Alpha if
Q2	8.456141	6.573891	2.563960	0.409257	0.722179
Q8	8.596491	5.980038	2.445412	0.430421	0.716780
Q30	8.491228	5.553182	2.356519	0.643381	0.595150
Q32	8.614035	4.933738	2.221202	0.605425	0.608540

1.1.5 Individualized Consideration (IC)

Summary for scale: Mean = 11.2506 Std.Dev. = 3.53673 Valid N:407 (MLQ and PA data) Cronbach's alpha: .718303 Standardized alpha: .719192 Average inter-item corr.: .397711

	Mean if	Var. if	Stdv. if	Itm-Totl	Alpha if
Q15	8.628993	7.614196	2.759383	0.512394	0.652552
Q19	8.326781	7.758080	2.785333	0.460054	0.684852
Q29	8.469288	7.634807	2.763115	0.525091	0.645092
Q31	8.326781	7.704025	2.775613	0.528068	0.643732

1.1.6 Contingent Reward (CR)

Summary for scale: Mean = 12.3180 Std.Dev. = 3.36482 Valid N:412 (MLQ and PA data) Cronbach's alpha: .789243 Standardized alpha: .789524 Average inter-item corr.: .486448

	Mean if	Var. if	Stdv. If	Itm-Totl	Alpha if
Q1	9.262136	7.076916	2.660247	0.518395	0.777102
Q11	9.235436	6.777093	2.603285	0.625831	0.723351
Q16	9.322816	6.373946	2.524668	0.664236	0.702101
Q35	9.133495	6.970044	2.640084	0.585755	0.743172

1.1.7 Management by Expectation-Active (MEA)

Summary for scale: Mean = 9.94444 Std.Dev. = 3.72293 Valid N:396 (MLQ and PA data) Cronbach's alpha: .703047 Standardized alpha: .703125 Average inter-item corr.: .374301

	Mean if	Var. if	Stdv. if	Itm-Totl	Alpha if
Q4	7.232323	9.658147	3.107756	0.379833	0.700381
Q22	7.368687	8.298414	2.880697	0.570061	0.590150
Q24	7.540404	7.854429	2.802575	0.502608	0.632579
Q27	7.691919	8.374784	2.893922	0.510194	0.625594

1.1.8 Management by Expectation-Passive (MEP)

Summary for scale: Mean = 6.27226 Std.Dev. = 4.00442 Valid N:393 (MLQ and PA data) Cronbach's alpha: .698303 Standardized alpha: .698839 Average inter-item corr.: .376012

	Mean if	Var. if	Stdv. if	Itm-Totl	Alpha if
Q3	4.473282	10.54445	3.247222	0.387668	0.692562
Q12	5.170484	9.24574	3.040682	0.621230	0.548104
Q17	4.188295	10.89075	3.300114	0.362888	0.705308
Q20	4.984733	8.92597	2.987637	0.579486	0.568985

1.1.9 Laissez-Faire (LF)

Summary for scale: Mean = 4.41587 Std.Dev. = 4.20070 Valid N:416 (MLQ and PA data) Cronbach's alpha: .794720 Standardized alpha: .788608 Average inter-item corr.: .500221

	Mean if	Var. if	Stdv. if	Itm-Totl	Alpha if
Q5	3.305289	9.64959	3.106379	0.699341	0.693878
Q7	3.545673	13.02195	3.608594	0.367450	0.844516
Q28	3.237981	9.82558	3.134578	0.679893	0.704619
Q33	3.158654	9.82098	3.133845	0.691604	0.698608

1.1.10 Effort (E)

Summary for scale: Mean = 12.0147 Std.Dev. = 3.49655 Valid N:408 (MLQ and PA data) Cronbach's alpha: .839170 Standardized alpha: .845354 Average inter-item corr.: .596916

	Mean if	Var. if	Stdv. if	Itm-Totl	Alpha if
Q39	9.345589	7.113412	2.667098	0.554724	0.859198
Q42	9.036765	6.765805	2.601116	0.788307	0.743935
Q44	8.968137	6.859280	2.619023	0.774689	0.750655
Q45	8.693627	8.173293	2.858897	0.609729	0.823817

1.1.11 Effectiveness (EFF)

Summary for scale: Mean = 9.20545 Std.Dev. = 2.52233 Valid N:404 (MLQ and PA data) Cronbach's alpha: .791330 Standardized alpha: .800813 Average inter-item corr.: .573328

	Mean if	Var. if	Stdv. if	Itm-Totl	Alpha if
Q37	6.227723	2.958043	1.719896	0.674521	0.670298
Q40	6.316832	2.657043	1.630044	0.639257	0.726826
Q43	5.866337	3.729659	1.931232	0.623780	0.745954

1.1.12 Satisfaction (S)

Too few variables to generate Cronbach's alpha reliability coefficients

1.1.13 Transformational Leadership (TF)

Summary for scale: Mean = 58.4801 Std.Dev. = 13.9146 Valid N:377 (MLQ and PA data) Cronbach's alpha: .920135 Standardized alpha: .921360 Average inter-item corr.: .702426

	Mean if	Var. if	Stdv. if	Itm-Totl	Alpha if
IA	46.53316	124.8006	11.17142	0.815468	0.897642
IB	46.60743	127.0607	11.27212	0.788400	0.903080
IM	46.60212	129.4067	11.37571	0.807162	0.900016
IS	47.04509	129.0563	11.36030	0.783765	0.904109
IC	47.13263	119.9453	10.95195	0.782926	0.905910

1.1.14 Transactional Leadership (TA)

Summary for scale: Mean = 28.6518 Std.Dev. = 7.48764 Valid N:382 (MLQ and PA data) Cronbach's alpha: .389811 Standardized alpha: .389086 Average inter-item corr.: .179298

	Mean if	Var. if	Stdv. if	Itm-Totl	Alpha if
CR	16.28534	39.38194	6.275503	0.126400	0.468095
MEA	18.66492	25.66259	5.065826	0.434405	0.000000
MEP	22.35340	32.25992	5.679782	0.160483	0.444632

1.2 ECP

1.2.1 Emotional Literacy (EL)

Summary for scale: Mean = 34.6180 Std.Dev. = 6.69165 Valid N:411 (ECP and PA data) Cronbach's alpha: .923409 Standardized alpha: .923720 Average inter-item corr.: .673864

	Mean if	Var. if	Stdv. if	Itm-Totl	Alpha if
Q13	28.76156	33.76310	5.810602	0.690453	0.920752
Q15	28.60341	31.64564	5.625445	0.805593	0.906158
Q23	28.69830	32.88221	5.734301	0.761289	0.912285
Q30	28.93917	29.82842	5.461540	0.822327	0.903736
Q33	29.09002	30.19384	5.494893	0.834649	0.901765
Q38	28.99757	30.65936	5.537090	0.773886	0.910659

1.2.2 Self Esteem (SE)

Summary for scale: Mean = 35.1732 Std.Dev. = 5.91230 Valid N:410 (ECP and PA data) Cronbach's alpha: .873186 Standardized alpha: .875456 Average inter-item corr.: .545263

	Mean if	Var. if	Stdv. if	Itm-Totl	Alpha if
Q1	29.68781	24.11717	4.910923	0.657877	0.855430
Q2	29.54878	25.13055	5.013038	0.593648	0.866457
Q17	29.04878	26.22201	5.120743	0.620088	0.860621
Q27	29.11220	25.05083	5.005080	0.733437	0.842760
Q28	29.23903	23.96726	4.895637	0.716486	0.844161
Q37	29.22927	24.48890	4.948626	0.750049	0.839171

1.2.3 Self Management (SM)

Summary for scale: Mean = 34.3300 Std.Dev. = 5.93269 Valid N:403 (ECP and PA data) Cronbach's alpha: .871992 Standardized alpha: .872835 Average inter-item corr.: .543630

	Mean if	Var. if	Stdv. if	Itm-Totl	Alpha if
Q3	28.64020	25.40156	5.039996	0.594977	0.864225
Q29	28.47643	26.53232	5.150954	0.649463	0.854963
Q31	28.78908	23.68008	4.866218	0.712699	0.843233
Q34	28.63772	23.35262	4.832455	0.776286	0.831124
Q42	28.64516	25.29593	5.029506	0.644015	0.855104
Q43	28.46154	25.77210	5.076622	0.673769	0.850491

1.2.4 Self Motivation (SMO)

Summary for scale: Mean = 36.0000 Std.Dev. = 5.32283 Valid N:416 (ECP and PA data) Cronbach's alpha: .880453 Standardized alpha: .885018 Average inter-item corr.: .565454

	Mean if	Var. if	Stdv. if	Itm-Totl	Alpha if
Q6	29.87019	22.02642	4.693231	0.660342	0.866933
Q11	29.97356	20.30939	4.506595	0.732449	0.853443
Q19	29.98558	19.51902	4.418034	0.696370	0.858815
Q21	29.96635	20.08060	4.481138	0.718774	0.855033
Q36	30.04808	20.19000	4.493328	0.687316	0.860077
Q45	30.15625	18.45876	4.296366	0.683800	0.864822

1.2.5 Change Resilience (CS)

Summary for scale: Mean = 41.1926 Std.Dev. = 7.35402 Valid N:405 (ECP and PA data) Cronbach's alpha: .933527 Standardized alpha: .933750 Average inter-item corr.: .671533

	Mean if	Var. if	Stdv. if	Itm-Totl	Alpha if
Q5	35.36296	40.19666	6.340083	0.753754	0.926314
Q18	35.27901	41.82092	6.466909	0.727804	0.928494
Q25	35.40741	38.08834	6.171575	0.843705	0.917627
Q39	35.23210	40.87452	6.393319	0.797540	0.922453
Q41	35.39506	39.26615	6.266271	0.833727	0.918633
Q44	35.11605	41.09518	6.410552	0.758608	0.925765
Q46	35.36296	39.17937	6.259343	0.788599	0.923141

1.2.6 Interpersonal Relations (IR)

Summary for scale: Mean = 52.8382 Std.Dev. = 10.3844 Valid N:408 (ECP and PA data) Cronbach's alpha: .956451 Standardized alpha: .956654 Average inter-item corr.: .716052

	Mean if	Var. if	Stdv. if	Itm-Totl	Alpha if
Q8	46.80637	89.34241	9.452111	0.740801	0.955087
Q9	46.94363	83.16595	9.119536	0.852421	0.949761
Q10	46.99755	82.78675	9.098722	0.865128	0.949085
Q12	47.08578	83.83823	9.156322	0.839203	0.950425
Q16	47.01961	83.48981	9.137276	0.851613	0.949775
Q22	46.95833	84.43208	9.188693	0.863641	0.949161
Q26	47.05392	87.55592	9.357132	0.773647	0.953574
Q35	47.09314	84.40309	9.187116	0.840856	0.950302
Q40	46.74755	90.10539	9.492386	0.780295	0.953726

1.2.7 Integration of Head and Heart (IHH)

Summary for scale: Mean = 34.9134 Std.Dev. = 6.35703 Valid N:404 (ECP and PA data) Cronbach's alpha: .911376 Standardized alpha: .911057 Average inter-item corr.: .634851

	Mean if	Var. if	Stdv. if	Itm-Totl	Alpha if
Q4	28.97525	30.81127	5.550790	0.649289	0.909210
Q7	29.27723	28.31423	5.321112	0.748864	0.895991
Q14	29.33168	26.29098	5.127473	0.817876	0.886023
Q20	28.67822	29.53012	5.434162	0.730336	0.898743
Q24	29.05445	28.52674	5.341043	0.775451	0.892277
Q32	29.25000	27.46968	5.241152	0.799001	0.888565

Appendix C: MLQ Scoring Key

Description	Leadership Factors	Raw Factors	Q#	Q#	Q#	Q#
	Transformational	Idealized Attributes	10	18	21	25
	Transformational	Idealized Behaviours	6	14	23	34
	Transformational	Inspirational Motivation	9	13	26	36
	Transformational	Intellectual Stimulation	2	8	30	32
	Transformational	Individualized consideration	15	19	29	31
Constructive transactions	Transactional	Contingent Reward	1	11	16	35
Corrective transactions	Transactional	Management-by-exception (active)	4	22	24	27
Corrective transactions	Transactional	Management-by-exception (passive)	3	12	17	20
	Non transactional	Laissez-Faire	5	7	28	33
	Outcome 1	Extra effort	39	42	44	45
	Outcome 2	Effectiveness	37	40	43	
	Outcome 3	Satisfaction	38	41		

Where Q# = Question Number

Appendix D: ECP Scoring Key

Factor Number	Emotional Competency Factors	Q#	Q#	Q#	Q#	Q#	Q#	Q#	Q#	Q#
1	Emotional Literacy	13	15	23	30	33	38			
2	Self-Esteem / Self-Regard	1	2	17	27	28	37			
3	Self-Management	3	29	31	34	42	43			
4	Self-Motivation	6	11	19	21	36	45			
5	Change Resilience	5	18	25	39	41	44	46		
6	Interpersonal Relations	8	9	10	12	16	22	26	35	40
7	Integration of Head and Heart	4	7	14	20	24	32			

Where Q# = Question Number

Appendix E: Instrument's Covering Letter

R H O D E S U N I V E R S I T Y M A N A G E M E N T M A S T E R S R E S E A R C H

August 2004

Dear Sir/Madam

RESEARCH QUESTIONNAIRES

Rhodes University and I would greatly appreciate it if you could complete the attached questionnaires – to be used for research purposes only. This study is aimed to contribute to the scientific knowledge in the management field and the findings will be beneficial to your Human Resource division and the study of management. The anonymity/confidentiality of respondents is guaranteed. All completed questionnaires will be coded and names of respondents will be erased. If you have any questions, please contact your HR practitioner. Once completed please hand the answer sheets together with the questionnaire in to your relevant HR practitioner. Please answer all the items in the questionnaire(s):

MLQ (Leader and Rater version)

Developed by B.M. Bass and B.J. Avolio this survey is designed to describe your leadership style as you perceive it. Your HR practitioner will indicate the person (leader) needed to be rated and whether you are required to complete the “leader” or “rater” version.

ECP (Emotional Competency Profiler)

Developed by Dr I.S. Wolmarans and A. Greeff, this instrument measures Emotional Competency. Emotional Competence is an important part of any person's ability to function as part of a team and in working with clients. Your HR practitioner will indicate the person needed to be rated. Both the leaders (rating themselves) and subordinates/followers (rating their leader/manager/supervisor) will complete these questionnaires.

Thank you for giving up your valuable time to assist in the research. Your cooperation is greatly appreciated.

Sincerely,

Brett Hayward
BBusSci (Hons)

DEPARTMENT OF MANAGEMENT • RHODES UNIVERSITY • GRAHAMSTOWN
PHONE: 046 6038246 • FAX: 046 622 4574

Appendix F: MLQ Leader Questionnaire and Answer Sheet

Multifactor Leadership Questionnaire

Leader Booklet (MLQM)

by Bernard M. Bass and Bruce J. Avolio

DIRECTIONS: This questionnaire is designed to help you describe your leadership style as you perceive it. Please answer all items on the separate Leader Answer sheet. Be sure the answer sheet has your name on it. Judge how frequently each statement fits you. The word "others" may mean your peers, clients, direct reports, supervisors, and/or all of these individuals. If an item is irrelevant, or if you are unsure or do not know the answer, leave the answer blank.

Use the following rating scale:

0	1	2	3	4
Not at all	Once in a while	Sometimes	Fairly often	Frequently if not always

1. I provide others with assistance in exchange for their efforts
2. I re-examine critical assumptions to question whether they are appropriate
3. I fail to interfere until problems become serious
4. I focus attention on irregularities, mistakes, exceptions, and deviations from standards
5. I avoid getting involved when important issues arise
6. I talk about my most important values and beliefs
7. I am absent when needed
8. I seek differing perspectives when solving problems
9. I talk optimistically about the future
10. I instill pride in others for being associated with me
11. I discuss in specific terms who is responsible for achieving performance targets
12. I wait for things to go wrong before taking action
13. I talk enthusiastically about what needs to be accomplished
14. I specify the importance of having a strong sense of purpose
15. I spend time teaching and coaching

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Contin-

0	1	2	3	4
Not at all	Once in a while	Sometimes	Fairly often	Frequently if not always

16. I make clear what one can expect to receive when performance goals are achieved
17. I show that I am a firm believer in 'If it ain't broke, don't fix it.'
18. I go beyond self-interest for the good of the group
19. I treat others as individuals rather than just as a member of a group
20. I demonstrate that problems must become chronic before I take action
21. I act in ways that build others' respect for me
22. I concentrate my full attention on dealing with mistakes, complaints, and failures
23. I consider the moral and ethical consequences of decisions
24. I keep track of all mistakes
25. I display a sense of power and confidence
26. I articulate a compelling vision of the future
27. I direct my attention toward failures to meet standards
28. I avoid making decisions
29. I consider an individual as having different needs, abilities, and aspirations from others
30. I get others to look at problems from many different angles
31. I help others to develop their strengths
32. I suggest new ways of looking at how to complete assignments
33. I delay responding to urgent questions
34. I emphasize the importance of having a collective sense of mission
35. I express satisfaction when others meet expectations
36. I express confidence that goals will be achieved
37. I am effective in meeting others' job-related needs
38. I use methods of leadership that are satisfying
39. I get others to do more than they expected to do
40. I am effective in representing others to higher authority
41. I work with others in a satisfactory way
42. I heighten others' desire to succeed
43. I am effective in meeting organizational requirements
44. I increase others' willingness to try harder
45. I lead a group that is effective

When you are finished please place your Answer Sheet in an envelope large enough - DO NOT FOLD - and send to the address below.

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MULTIFACTOR LEADERSHIP QUESTIONNAIRE**Leader Answer Sheet (MLQM)**

by Bernard M. Bass and Bruce J. Avolio

Leader Name

Leader# #Raters

Leader Name:
Organization:
Business Unit:
Region:
Level of Leadership:

LEADER

• Please mark the number of rater forms you have distributed. If you are distributing less than ten forms mark zero in the first box; e.g., for six forms mark **06** and fill in the corresponding circles.

☐ ☐
1 ☐ ☐
2 ☐ ☐
3 ☐ ☐
4 ☐ ☐
5 ☐ ☐
6 ☐ ☐
7 ☐ ☐
8 ☐ ☐
9 ☐ ☐
0 ☐ ☐

IMPORTANT: This answer sheet must be completed & placed in envelope for Scoring by:

DIRECTIONS: First mark the number of rater forms you have distributed in the box provided. Then use this answer sheet to respond to the questions in the MLQ Leader Booklet. Be sure the Leader Booklet has your name on it. This survey is designed to describe your leadership style as you perceive it. Please answer all the items in the question booklet. If an item is irrelevant, or if you are unsure or do not know the answer, leave the answer blank. Forty-five descriptive statements are listed in the MLQ Leader Booklet. Judge how frequently each statement fits you. Use the rating scale shown below:

Proper Mark: ☐ ☐ ☒ ☐Improper Marks: ☒ ☒ ☒ ☒

0 1 2 3 4
Not at all Once in a while Sometimes Fairly often Frequently if not always

0 1 2 3 4

1. ☐ ☐ ☐ ☐ ☐
2. ☐ ☐ ☐ ☐ ☐
3. ☐ ☐ ☐ ☐ ☐
4. ☐ ☐ ☐ ☐ ☐
5. ☐ ☐ ☐ ☐ ☐
6. ☐ ☐ ☐ ☐ ☐
7. ☐ ☐ ☐ ☐ ☐
8. ☐ ☐ ☐ ☐ ☐
9. ☐ ☐ ☐ ☐ ☐
10. ☐ ☐ ☐ ☐ ☐

11. ☐ ☐ ☐ ☐ ☐
12. ☐ ☐ ☐ ☐ ☐
13. ☐ ☐ ☐ ☐ ☐
14. ☐ ☐ ☐ ☐ ☐
15. ☐ ☐ ☐ ☐ ☐

0 1 2 3 4

16. ☐ ☐ ☐ ☐ ☐
17. ☐ ☐ ☐ ☐ ☐
18. ☐ ☐ ☐ ☐ ☐
19. ☐ ☐ ☐ ☐ ☐
20. ☐ ☐ ☐ ☐ ☐
21. ☐ ☐ ☐ ☐ ☐
22. ☐ ☐ ☐ ☐ ☐
23. ☐ ☐ ☐ ☐ ☐
24. ☐ ☐ ☐ ☐ ☐
25. ☐ ☐ ☐ ☐ ☐

26. ☐ ☐ ☐ ☐ ☐
27. ☐ ☐ ☐ ☐ ☐
28. ☐ ☐ ☐ ☐ ☐
29. ☐ ☐ ☐ ☐ ☐
30. ☐ ☐ ☐ ☐ ☐

0 1 2 3 4

31. ☐ ☐ ☐ ☐ ☐
32. ☐ ☐ ☐ ☐ ☐
33. ☐ ☐ ☐ ☐ ☐
34. ☐ ☐ ☐ ☐ ☐
35. ☐ ☐ ☐ ☐ ☐
36. ☐ ☐ ☐ ☐ ☐
37. ☐ ☐ ☐ ☐ ☐
38. ☐ ☐ ☐ ☐ ☐
39. ☐ ☐ ☐ ☐ ☐
40. ☐ ☐ ☐ ☐ ☐

41. ☐ ☐ ☐ ☐ ☐
42. ☐ ☐ ☐ ☐ ☐
43. ☐ ☐ ☐ ☐ ☐
44. ☐ ☐ ☐ ☐ ☐
45. ☐ ☐ ☐ ☐ ☐

Please retain a copy of this form and the question booklet. Be sure to include your phone number in case there are any queries. If you have any questions, please contact: The Scoring Department, Productivity Development (Pty) Ltd., P.O. Box 756, Randburg 2125, Tel: 787-3349, Fax: 789-4628

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Appendix G: MLQ Rater Questionnaire and Answer Sheet

Multifactor Leadership Questionnaire

Rater Booklet (MLQM)

by Bernard M. Bass and Bruce J. Avolio

Rater No.

DIRECTIONS: This questionnaire is to describe the leadership style of the person named on the answer sheet. Describe the leadership style as you perceive it. Please answer all items on this answer sheet. If an item is irrelevant, or if you are unsure or do not know the answer, leave the answer blank. Please answer this questionnaire anonymously.

Forty-five descriptive statements are listed on the following pages. Judge how frequently each statement fits the person you are describing.

Use the following rating scale:

0	1	2	3	4
Not at all	Once in a while	Sometimes	Fairly often	Frequently if not always

THE PERSON I AM RATING...

1. Provides me with assistance in exchange for my efforts
2. Re-examines critical assumptions to question whether they are appropriate
3. Fails to interfere until problems become serious
4. Focuses attention on irregularities, mistakes, exceptions, and deviations from standards
5. Avoids getting involved when important issues arise
6. Talks about their most important values and beliefs
7. Is absent when needed
8. Seeks differing perspectives when solving problems
9. Talks optimistically about the future
10. Instills pride in me for being associated with him/her
11. Discusses in specific terms who is responsible for achieving performance targets
12. Waits for things to go wrong before taking action
13. Talks enthusiastically about what needs to be accomplished
14. Specifies the importance of having a strong sense of purpose
15. Spends time teaching and coaching

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Continued =>

0	1	2	3	4
Not at all	Once in a while	Sometimes	Fairly often	Frequently if not always

THE PERSON I AM RATING...

16. Makes clear what one can expect to receive when performance goals are achieved
17. Shows that he/she is a firm believer in "if it ain't broke, don't fix it."
18. Goes beyond self-interest for the good of the group
19. Treats me as an individual rather than just as a member of a group
20. Demonstrates that problems must become chronic before taking action
21. Acts in ways that builds my respect
22. Concentrates his/her full attention on dealing with mistakes, complaints, and failures
23. Considers the moral and ethical consequences of decisions
24. Keeps track of all mistakes
25. Displays a sense of power and confidence
26. Articulates a compelling vision of the future
27. Directs my attention toward failures to meet standards
28. Avoids making decisions
29. Considers me as having different needs, abilities, and aspirations from others
30. Gets me to look at problems from many different angles
31. Helps me to develop my strengths
32. Suggests new ways of looking at how to complete assignments
33. Delays responding to urgent questions
34. Emphasizes the importance of having a collective sense of mission
35. Expresses satisfaction when I meet expectations
36. Expresses confidence that goals will be achieved
37. Is effective in meeting my job-related needs
38. Uses methods of leadership that are satisfying
39. Gets me to do more than I expected to do
40. Is effective in representing me to higher authority
41. Works with me in a satisfactory way
42. Heightens my desire to succeed
43. Is effective in meeting organizational requirements
44. Increases my willingness to try harder
45. Leads a group that is effective

When you are finished please place your Answer Sheet in an envelope large enough - DO NOT FOLD - and send to the address below.

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MULTIFACTOR LEADERSHIP QUESTIONNAIRE

Answer Sheet (MLQM)

by Bernard M. Bass and Bruce J. Avolio

Leader Name (Person You Are Rating)

Leader# Rater#

Leader Name:

Business Unit:

Region:

RATER

IMPORTANT (necessary for processing):
Which best describes you?

- ☐ I am at a higher organizational level than the person I am rating
- ☐ The person I am rating is at my organizational level
- ☐ I am at a lower organizational level than the person I am rating
- ☐ I do not wish my organizational level to be known

IMPORTANT: This answer sheet must be completed & placed in envelope for Scoring by:

DIRECTIONS: First mark your organizational level in the box provided. Then use this answer sheet to respond to the questions in the MLQ Rater Booklet. Please answer every item. If an item is irrelevant, or if you are unsure or do not know the answer, leave the answer blank. Please answer this questionnaire anonymously.

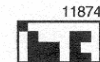
This survey is designed to describe the leadership style of the above-mentioned individual as you perceive it. Forty-five descriptive statements are listed in the MLQ Rater Booklet. Judge how frequently each statement fits the person you are describing. Use the rating scale shown below:

Proper Mark: ○ ○ ● ○ ○

Improper Marks:

0 Not at all	1 Once in a while	2 Sometimes	3 Fairly often	4 Frequently if not always
0 1 2 3 4	0 1 2 3 4	0 1 2 3 4		
1. ○ ○ ○ ○ ○	16. ○ ○ ○ ○ ○	31. ○ ○ ○ ○ ○		
2. ○ ○ ○ ○ ○	17. ○ ○ ○ ○ ○	32. ○ ○ ○ ○ ○		
3. ○ ○ ○ ○ ○	18. ○ ○ ○ ○ ○	33. ○ ○ ○ ○ ○		
4. ○ ○ ○ ○ ○	19. ○ ○ ○ ○ ○	34. ○ ○ ○ ○ ○		
5. ○ ○ ○ ○ ○	20. ○ ○ ○ ○ ○	35. ○ ○ ○ ○ ○		
6. ○ ○ ○ ○ ○	21. ○ ○ ○ ○ ○	36. ○ ○ ○ ○ ○		
7. ○ ○ ○ ○ ○	22. ○ ○ ○ ○ ○	37. ○ ○ ○ ○ ○		
8. ○ ○ ○ ○ ○	23. ○ ○ ○ ○ ○	38. ○ ○ ○ ○ ○		
9. ○ ○ ○ ○ ○	24. ○ ○ ○ ○ ○	39. ○ ○ ○ ○ ○		
10. ○ ○ ○ ○ ○	25. ○ ○ ○ ○ ○	40. ○ ○ ○ ○ ○		
11. ○ ○ ○ ○ ○	26. ○ ○ ○ ○ ○	41. ○ ○ ○ ○ ○		
12. ○ ○ ○ ○ ○	27. ○ ○ ○ ○ ○	42. ○ ○ ○ ○ ○		
13. ○ ○ ○ ○ ○	28. ○ ○ ○ ○ ○	43. ○ ○ ○ ○ ○		
14. ○ ○ ○ ○ ○	29. ○ ○ ○ ○ ○	44. ○ ○ ○ ○ ○		
15. ○ ○ ○ ○ ○	30. ○ ○ ○ ○ ○	45. ○ ○ ○ ○ ○		

Please retain a copy of this form and the question booklet. Be sure to include your phone number in case there are any queries. If you have any questions, please contact: The Scoring Department, Productivity Development (Pty) Ltd., P.O. Box 756, Randburg 2125, Tel: 787-3349, Fax: 789-4628



Appendix H: ECP and Answer Sheet

Emotional Competency Profiler

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Developed by Dr IS Wolmarans and A Greeff

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Learning Link International was sold to **JvR Psychometrics in 2011**, along with all the rights to the ECP. I'm sure that Brett had the required permission to use the assessment (and perhaps to include the content in his thesis), and he has the full copyright statement regarding Learning Link in his document, which is correct. The problem is that people do not respect copyright and when they find all the items on the internet, tend to go off and use it as they please. I have no idea how they score or interpret it without a manual, but I have found one or two recent (2014) articles that make reference to using the ECP, and reference Brett's master's thesis. I have also unfortunately found that many psychologists feel that they can interpret assessments without a manual, which continues to amaze me. We are just trying to protect the integrity of the questionnaire, and our intellectual property.

I'm so happy for you to leave the annexure, but remove the item content. You can leave the current copyright statement in the document, as Learning Link International had the copyright and gave permission in 2005. You can perhaps add: For enquiries regarding the use of the ECP, please contact JvR Psychometrics (Pty) Ltd at research@jvrafrica.co.za.

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