

**MANAGEMENT STYLE AND ITS INFLUENCE
ON ORGANISATIONAL CLIMATE**

An exploratory study

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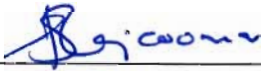


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To the best of my knowledge and belief, the thesis contains no material previously published
or written by any other person except where due reference is made in the thesis.

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Dedicated to my mum,
who passed away on 17 April 2002.

‘You stood by me as a pillar of strength through rough and calm seas, you were always the
light of my life, thank you.’

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ABSTRACT

This study explored the management style at Durban Mill and the corresponding climate it created. The first objective was to establish the current style of management using the Managerial Grid Theory developed by Robert Blake and Jane Mouton in 1964. Blake and Mouton's Managerial grid (1975) identified five different styles of management, each differentiated by the degree of concern for people and degree of concern for production. According to Blake and Mouton (1975) the Team Leader (9,9) style of management is effective most of the time, however, one must not dismiss the other styles as depicted on the Managerial Grid (see Figure 2.1), as depending on the situation they may be the most appropriate style to use.

The second objective was to identify the impact of this style of management on the psychological climate in the company i.e. the atmosphere in the workplace. The model used in this study to measure psychological climate was based on a study conducted by MCG Davidson (2000). Davidson's model, in itself was an adaptation of studies conducted by James and Jones (1979) and Ryder and Southey (1989). The dimensions of climate identified for this study was, *Leadership Facilitation and Support; Professional Organisational Esprit; Conflict and Ambiguity; Regulations and Organisation Pressure; Job Challenge, Importance and Variety and Workgroup Co-operation, Friendliness and Warmth.*

This research hypothesised that the dominant style of management in the mill is Impoverished Leader (i.e. low concern for people and low concern for production). Further, this style of management influences each dimension of climate as identified above.

The results indicated, the two dominant management styles in the company was Team leader and Impoverished leader. According to Blake and Mouton's (1975) theory, whilst the former result is positive, the latter is a less than desired style for any company to operate in.

The findings in the climate section of this study revealed that there is seldom to occasionally a positive climate in the workplace regarding, leadership support and facilitation, company image, issues relating to conflict and ambiguity, regulations and job pressure and job challenge.

The correlation analysis showed that management style and organisational climate are strongly related ($r=0.786$), variables. Management style is related to the following dimensions of climate viz. leadership facilitation and support of employees, professional organisational esprit, conflict and ambiguity and regulations and job pressure. Poor support was found for the relationship between management style and job variety and importance and no relationship found between management style and workgroup friendliness and support.

In order to improve relations between management and employees and thus contribute towards business success, a holistic approach was taken in the recommended strategy. A re-engineering of the business towards a learning organisation based Tobin's (1993) theory was suggested. Tobin's theory on "learning organisations," is characterised by five foundations viz. visible leadership, 'thinking' literacy, overcoming functional myopia, 'learning' teams and managers as enablers. The recommendations cover a detailed account of the five foundations of the learning organisation approach and the course of action to be taken at the mill to place it on the road to business success.

Quotation

Democracy is inevitable,

‘...because it is the only system that can successfully cope with the changing demands of contemporary civilisation, in business as well as in government.’

(Philip Slater : 1990).

Cynical observers have always been fond of pointing out that business leaders who extol the virtues of democracy on ceremonial occasions would be the last to think of applying them to their own organisations. To the extent that this is true, however, it reflects a state of mind that is by no means peculiar to business people but characterises perhaps all citizens of democracies. Democracy has been so widely embraced not because of some vague yearning for human rights but because under certain conditions it is a more efficient form of social organisation (efficiency being defined as the ability to survive and prosper). It is the only system that can successfully cope with the changing demands of contemporary civilisation (Slater : 1990).

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1. Chapter One : Background

1.1 Introduction

Since the earliest years of the Industrial Revolution social scientists, psychologists and management thinkers have endeavoured to discover and implement the most appropriate ways to treat people at work in order to motivate them in pursuit of high performance. After some 200 years of industrial organisation, solutions to this problem of motivating employees to give of their best have proved to be surprisingly elusive and are still being relentlessly pursued by an army of organisational analysts and behavioural scientists. Motivational problems have come into even sharper prominence in recent years, as corporations of all sizes and in all fields face up to issues of heightened dynamic competition, ever-accelerating technological demands, and shortages of key technical and management skills, in a pervading climate of economic uncertainty and world recession. As a number of writers have indicated, the changed demands on organisations mean that they must become more manoeuvrable in the market place (Kanter 1983;1989; Peters and Waterman 1982; Peters 1992). In order to survive, whole new activities have entered into the management lexicon as companies restructure, downsize, de-layer, outplace and subcontract their satellite activities. In the absence of compensatory employee-focussed practices, there is no doubt that these enforced changes would have significant potential to de-motivate remaining employees (Jeff Haymon & Bob Mason, 1995).

The dominant themes to emerge from this maelstrom of activity is, first, an understanding that people have the potential to provide competitive advantage and that second management styles should reflect the central importance of people as assets to be utilised in order to offer optimum benefit to the business (Jeff Haymon & Bob Mason: 1995). Therefore, in common

with other capital inputs, employees should be treated as an investment, whose value can be enhanced through integrated systems of appraisal, training, development and involvement. Such an approach to people management locates at least some employees within the central core of organisational activity. In this respect it is not corporations but employees who must be flexible, adaptable and easily deployed throughout a range of activities, employees who must be drawn into the corporate culture and committed to its values and objectives, employees who must be capable of taking task-related decisions and be empowered to become self-managers rather than act as passive recipients to management plans.

But employers are faced with another facet to the same problem of competitiveness: they need to take decisions, often quickly and frequently and with harsh implications to the workforce. In responding to the urgency of market signals few employers can afford to be deflected by employee objections or encumbered by constitutional obstacles constructed by their unions. One solution to this conundrum lies in involving employees in task-based activities but also alerting them to the precarious nature of paid work in a dynamic market environment through systems of communication and information provision (Jeff Haymon & Bob Mason: 1995).

1.2 The Research Problem

Durban Mill is one of the medium sized mills within the Milling and Baking industry in South Africa. The total staff complement of the Mill is 124 full time employees, with an average monthly turnover of 40 million.

Five years ago the Milling and Baking industry was very profitable. This can be attributed to the regulated environment in which mills and bakeries operated within. Markets and customers were allocated geographically to the different players, in the industry hence

business was guaranteed. In addition, pricing and quality of the products was regulated by the Industry board, thus eliminating any unfair practices by the various businesses in the industry.

Today, the market is deregulated. Mills are no longer restricted to selling in certain areas and have the flexibility to price products as they wish. This has led to an influx of small millers thus competition has intensified over a very short period of time. These smaller businesses are very flexible in satisfying market needs especially with issues relating to price and service. Hence the plain field is not level anymore.

In order to survive in this type of environment, plant millers like need to rethink strategies and unleash latent creative potential within employees in order to capitalise on existing opportunities and to create new ones.

In Durban Mill particularly, the mill has been operating at a loss over the last year. One of the largest contributors to this loss has been identified as lack of profit realisations in the market. Although volumes may have increased, the mill is not making a profit due to the low price at which the products are being sold. In essence, the sales being realised are below total cost of producing the products.

It has been stated time and again, one of easiest ways to get business is to drop the price, anyone can do that to make a sale. However, the challenge to this would be to focus on service delivery in order to build customer loyalty and hence repeat business at profitable selling prices. In order to achieve this, the drive has to come from throughout the value chain of the business. Ultimately, it is the people behind these activities that either make or break the organisation.

In Durban Mill, employees appear to have a general lack of interest in the business. No one appears to be motivated to drive initiatives or take a stand point on issues they firmly believe in. The perception by some is “ I’m here to do my job and that’s all, I’m not prepared to take on anything additional. What I have to say won’t make a difference anyway, so why should I bother.” There also appears to be a lack of accountability for actions and a continuous passing on of responsibility to others.

In times, when businesses in this industry are barely surviving and companies like us are on a negative growth trend it becomes even more important to understand why employees don’t feel the need to do something to improve the situation. This is when it becomes necessary and important to ask the question what can we as managers do to improve the situation. How are we currently managing our employees and what can we do to improve on the situation.

Hence this report seeks to understand the current management style within the mill i.e. is there a high concern for production or a high concern for people or both and how does this impact on *Leadership Facilitation and Support; Professional Organisational Esprit; Conflict and Ambiguity; Regulations and Organisation Pressure; Job Challenge, Importance and Variety and Workgroup Co-operation; Friendliness and Warmth*, in the mill. Only once we understand where we stand in this management dilemma can we take the necessary actions to turn the business cycle into a positive growth trend because people management is fundamental to business success.

The current perception within the Mill appears to be, ‘people and their contributions are disregarded by management – management does not seem to care, so why should I’. This type

of thinking is reflected by the 'Managerial Grid Theory' developed by Blake and Mouton(1964).

According to Blake and Mouton (1975), one of the challenges of modern times is that of developing greater managerial capability. The goal is to solve human problems of production where they originate- among those who work together-regardless of level. If it can be accomplished, it insures continuing "grass roots" vitality, because people remain in control of their fate. They have stakes in the outcome of their own efforts. It is likely to be the best way, long term, to preserve the right to autonomous action (Blake & Mouton : 1975).

Every manager carries on his own shoulders the responsibility for solving human problems associated with achieving maximum results through the productive utilisation of people. The question is, "How can this be best accomplished."

The idea that a qualified manager manages only the 'nuts and bolts' of production, without regard for people, now can be seen as a limited definition of his task, regardless of his level in the organisation hierarchy (Blake & Mouton : 1975). The broader view, which maintains that production takes care of itself when the perceptive manager manages people by motivating and communicating with them, also is a limited picture of the supervisory requirements necessary for achieving organisation problem-solving competence (Blake & Mouton : 1975).

According to Blake and Mouton (1975), the sound description is the one that defines a manager's task as one of developing and maintaining a 'culture' that promotes work. To do so requires far greater understanding than "thing orientated" supervision centred on human management, concentrating as it does on motivating and communicating with the people.

Mature management demands a keen awareness of and an uncommon capability in dealing with the total complex of forces which constitutes the work culture of an organisation. Yet in the final analysis, organisational culture determines the degree of effectiveness actually achieved (Blake & Mouton: 1975).

Thus a manager's job is to perfect a culture and climate which (1) promotes and sustains efficient performance of highest quality and quantity, (2) fosters and utilises creativity, (3) stimulates enthusiasm for effort, experimentation, innovation and changes, (4) takes educational advantage from interaction situations and (5) looks for and finds new challenges. Such managerial challenges can be taught and it can be learned (Blake & Mouton : 1975).

Hence, this research report evaluates the current management style within the Mill using the Managerial Grid Theory developed by Blake and Mouton (1975) and the impact of this on the organisational climate using the psychological climate model developed by MCG Davidson (2000). The recommendations cover the suggested route to organisational excellence.

1.3 Motivation for the research

The philosophy of this research dissertation is that:

‘If it is not measured, it can’t be managed.’

The above statement reflects the primary reason for choosing the topic : management styles and organisational climate. It is firmly believed that in order for an organisation to be effective it is important for it to continuously measure itself in key areas within the business to ascertain where it stands and what can be done to improve on it's situation.

Hence, in the current dilemma, if we can gain employees perceptions on our current management style and it's impact on the employees we will be one step closer to bridging any

gaps between employees and managers. If we discover the current management style is impacting negatively on employees, we have the option of changing it to the mutual benefit of employees and managers. Once we do this, management will have a common platform to work from to ensure the company meets its desired goals and objectives.

1.4 Hypothesis

The research problem led to the formulation of the hypothesis given below. The independent variable in this study is management style and the dependent variable is organisational climate.

H₁ : The dominant style of management in the mill is Impoverished Leader i.e. low concern for people and low concern for production.

H₂ : Management style in the mill has an influence on the organisational climate within the mill.

The hypotheses given below relate the management style to various factors of organisational climate :

H₃ : Management style is related to the leadership support and facilitation of employees.

H₄ : Management style influences the overall image of the company.

H₅ : Management style influences the level of conflict and ambiguity in the Mill.

H₆ : Management style influences the current regulations and organisational pressure.

H₇ : Management style influences job challenge, importance

and variety.

H₈ : Management style is related to workgroup co-operation, warmth and friendliness.

1.5 Objectives

1. To establish the management style in the organisation.
2. To establish the impact of management style on the organisational climate.
3. To recommend a strategy to aspire to towards a learning organisation.

1.6 Methodology

This study was classified as exploratory in nature as it seeks to establish the relationship between management style and organisational climate. Due to the sensitive nature of the topic, self administered surveys in the form of questionnaires were distributed to the identified sample. Stratified proportionate sampling by department type and position in the company was used, to ensure a representative sample. The limiting factor in this case was educational levels, individuals with the ability to read and understand English, were chosen for the sample.

Administration and collection of the completed surveys were achieved with high ethical standards in place. Data analysis was achieved through the use of descriptive and inferential statistical analysis. Due to the various dimensions of the two variables in the study, overall scores for each dimension were aggregated to reflect a mean and standard deviation. Correlation analysis was used to test the hypothesis developed above.

1.7 Limitations of this study

The limitation of this study is, it only focuses on one aspect of the management dilemma i.e. people management. In order to improve the business, a holistic approach is required with focus on marketing, finance and processes as well. Further, the sample size in this study was limited due to the low educational levels in the company. Limitations from a methodology point of view are discussed in detail in Chapter three.

Also due to the sensitive nature of this study, the perceptions of respondents in the survey may have been influenced by their 'fear' of being victimised. Even with the highest of ethical

considerations taken into account, each respondent determines the level of openness they are willing to show in their perceptions.

Given the above limitations, the findings of this study cannot be generalised to business in general.

1.8 Outline of Thesis

Chapter one covered the background to the research problem. In particular, it explained why this research topic was chosen and the objectives of the study. Given the research problem, hypotheses were developed, in an attempt to explain the relationship between management style and organisational climate.

In chapter two a detailed account of literature on management style and organisational climate is covered. Various theories on management style have been discussed with particular emphasis on Blake and Mouton's (1975) managerial grid theory. Significance of grid dimensions is discussed together with applications of the grid in industry. The strengths and weaknesses of the grid approach is explained together with the rationale for choosing this model over other theories discussed. Empirical evidence for improving management style was cited from past research conducted in this area of management.

The literature on organisational climate covered the different approaches to the climate construct by theorists in this field. Due to the common practice of using the climate and culture concepts interchangeably, a section was devoted to explaining the difference between these two important variables in the field of organisational development. The development of climate instruments over the years and the resulting climate dimensions was covered in detail. The impact of climate on organisational functioning was discussed by the use of models. This

section concludes with a discussion on previous research which focussed on management style and its relationship to organisational climate and the implications for business.

Chapter three focuses on the methodology of this study with emphasis on the type of research, sampling issues, data collection method and data analysis. Attention was paid to the benefits of the approach used and the limitations of this study.

Chapter four covers the results of this research. Graphical displays and tables were used extensively in this section, to present the results in a form that was easy to read and understand. Results on management style and climate are discussed in detail. The last section in this chapter covers the correlation analysis.

Chapters five and six, respectively, present the recommended strategy and the conclusions of this study. The appendices given at the end contains data, which is referenced in the various chapters.

2. Chapter Two Management in context

2.1 Introduction

The following approach was taken in the literature review. For both concepts management style and organisational climate, the relevant theories are discussed in detail to aid the reader in understanding what is meant by them and the various issues that have centred around these concepts over the years. Relevance of these theories to the current study was covered in depth to present a framework within which this research was conducted. Further, applications of these theories together with identified strengths and weaknesses on these models was looked at to gather some perspective on the use of them. Also past research in this area was highlighted to signify the importance of focussing on these concepts in business.

2.2 The concept of Management Style

In an attempt to clarify the meaning of management style in employee relations and go beyond the limitations of the frames of reference debate, two dimensions of style are identified. Individualism refers to the extent to which personnel policies are focussed on the rights and capabilities of individual workers. Collectivism concerns the extent to which management policy is directed towards inhibiting or encouraging the development of collective representation by employees and allowing employees a collective voice in the management decision-making. Style is a deliberate choice linked to business policy. According to Purcell (1997), organisations may choose to focus on one or both aspects. Not all firms have distinctive preferred management style.

Most students of industrial relations can readily identify well-known companies and contrast the differences between them in their employment policies and practices (Purcell : 1987). Companies like IBM, Ford and ICI are frequently quoted as examples of diversity which cannot be explained wholly by reference to structural variables such as size, product markets and technology. Within the constraints of these factors, it is argued, senior managers in companies (or more likely large companies), can exercise a degree of choice in the way they treat their employees. The choices made and the underlying rationale is often described as management style.

There is, however, little agreement on what is meant by the term, how style can be analysed and categorised, whether 'style' is synonymous with behaviour and whether it is the same as, or linked to management strategy practices (Purcell : 1987). Does every organisation have a managerial style by virtue of the need to employ people, or is the concept restricted only to those organisations where senior managers have taken strategic, considered decisions on the way employees are to be treated? (Purcell : 1987).

According to Purcell (1987) pragmatic reactive responses to labour problems cannot be classified as management style. Style implies the existence of a distinctive set of guiding principles, written or otherwise, which set parameters to and signposts for management action in the way employees are treated and particular events handled. Management style is therefore akin to business policy and its strategic derivatives.

Indeed management style is one of those aspects of wider business policy which 'state in broad terms both what may or may not be done..[and]...are more often made as a result of moral, political, aesthetic or personal considerations than as a result of logical or scientific

analysis and are usually made by owners or the directors of a company rather than by executives at the lower or middle levels' (Argenti :1976). Purcell (1987) goes on to mention that not all firms have a business policy defined in the sense of a mission or guiding purpose and many of those which have say nothing about the management of employees, seeing such matters as an operational responsibility of middle management. In the extensive literature on business policy and corporate strategy it is extremely rare to find any reference to employees, personnel management or human resource strategy (Purcell : 1987).

Thus the study of management style in employee or labour relations is not to be confused with analysis of management practices in each and every firm (Purcell : 1987). It is restricted to those enterprises which, for whatever reason, but often related to the unique contribution of the founding fathers of the firm (Purcell, Sisson :1983) have a guiding set of principles which delineate the boundaries and direction of acceptable management action in dealing with employees.

2.2.1 Leadership versus Management

Managers are people who do things right, while leaders are people who do the right thing. - Warren Bennis, Ph.D. "On Becoming a Leader."

A leader can be a manager, but a manager is not necessarily a leader. The leader of the work group may emerge informally as the choice of the group. If a manager is able to influence people to achieve the goals of the organisation, without using his or her formal authority to do so, then the manager is demonstrating leadership (Gemmy Allen :1998).

According to John P. Kotter (1990), managers must know how to lead as well as manage. Without leading as well as managing, today's organisations face the threat of extinction. Management is the process of setting and achieving the goals of the organisation through the functions of management: planning, organising, directing (or leading), and controlling. A manager is hired by the organisation and is given formal authority to direct the activity of others in fulfilling organisation goals. Thus, leading is a major part of a manager's job. Yet a manager must also plan, organise, and control. Generally speaking, leadership deals with the interpersonal aspects of a manager's job, whereas planning, organising, and controlling deal with the administrative aspects. Leadership deals with change, inspiration, motivation, and influence. Management deals more with carrying out the organisation's goals and maintaining equilibrium.

The key point in differentiating between leadership and management is the idea that employees willingly follow leaders because they want to, not because they have to. Leaders may not possess the formal power to reward or sanction performance. However, employees give the leader power by complying with what he or she requests. On the other hand, managers may have to rely on formal authority to get employees to accomplish goals (Gemmy Allen :1998).

2.2.2 Leadership Theories

An organisation has the greatest chance of being successful when all of the employees work toward achieving its goals (Gemmy Allen : 1998). Since leadership involves the exercise of influence by one person over others, the quality of leadership exhibited by supervisors is a critical determinant of organisational success. Thus, supervisors study leadership in order to influence the actions of employees toward the achievement of the goals of the organisation.

Supervisors can learn about leadership through research. Leadership studies can be classified as trait, behavioural, contingency, and transformational. Earliest theories assumed that the primary source of leadership effectiveness lay in the personal traits of the leaders themselves. Yet, traits alone cannot explain leadership effectiveness. Thus, later research focused on what the leader actually did when dealing with employees. These behavioural theories of leadership sought to explain the relationship between what the leader did and how the employees reacted, both emotionally and behaviourally. Yet, behaviour can't always account for leadership in different situations.

Thus, contingency theories of leadership studied leadership style in different environments. Transactional leaders, such as those identified in contingency theories, clarify role and task requirements for employees. Yet, contingency can't account for the inspiration and innovation that leaders need to compete in today's global marketplace. Newer transformational leadership studies have shown that leaders, who are charismatic and visionary, can inspire followers to transcend their own self-interest for the good of the organisation.

2.2.2.1 Theory X and Theory Y

Theory X and Theory Y each represent different ways in which leaders view employees. According to Douglas McGregor (1960), Theory X managers believe that employees are motivated mainly by money, are lazy, uncooperative, and have poor work habits. Theory Y managers believe that subordinates work hard, are cooperative, and have positive attitudes. Douglas McGregor (1960) further mentions, as long as the assumptions of Theory X influence managerial strategy, organizations will fail to discover, let alone utilize, the potentialities of the average human being. Theory Y leads to a preoccupation with the nature of relationships, with the creation of an environment which will encourage commitment to organizational

objectives and which will provide opportunities for the maximum exercise of initiative, ingenuity, and self-direction in achieving them (Douglas McGregor : 1960).

2.2.2.2 Ohio State and University of Michigan

Studies conducted at the Ohio State University (1945) and the University of Michigan identified two leadership styles and two types of leader behaviours. The Ohio State study identified two leadership styles: *considerate* and *initiating* structure. The University of Michigan study classified leaders' behaviours as being production- or employee-centered. The primary concern of leaders with considerate and employee-centered style is the employee's welfare. The primary concern of leaders with initiating-structure and production-centered styles is achieving goals. Research findings on which dimension is most important for satisfaction and productivity are inconclusive. However, employee oriented leaders appear to be associated with high group productivity and job satisfaction (Gemmy Allen : 1998).

2.2.2.3 University of Iowa

Another approach to leader behaviour focused on identifying the best leadership styles. Work at the University of Iowa identified democratic (participation and delegation), autocratic (dictating and centralized) and laissez-faire styles (group freedom in decision making). Research findings were also inconclusive (Gemmy Allen : 1998).

2.2.2.4 Fiedler's Contingency Model

Leadership Theory and Research: Perspectives and Directions (1993) was a tribute to Fred Fiedler's 40 year study of leadership and organizational effectiveness. The editors, Martin M. Chemers and Roya Ayman, write of Fiedler's contribution: "The realization that leadership effectiveness depends on the interaction of qualities of the leader with demands of the

situation in which the leader functions, made the simplistic "one best way" approach of earlier eras obsolete."

Fred E. Fiedler's contingency theory postulates that there is no best way for managers to lead. Situations will create different leadership style requirements for a manager. The solution to a managerial situation is contingent on the factors that impinge on the situation. For example, in a highly routinised (mechanistic) environment where repetitive tasks are the norm, a certain leadership style may result in the best performance. The same leadership style may not work in a very dynamic environment (Gemmy Allen : 1998).

Evaluation

Researchers often find that Fiedler's contingency theory falls short on flexibility. They also noticed that resulting scores according to the model, can fail to reflect the personality traits it is supposed to reflect (Gemmy Allen : 1998). However, Fiedler's contingency theory is an important theory because it established a brand new perspective for the study of leadership. Many approaches after Fiedler's theory have adopted the contingency perspective.

2.2.2.5 Hersey-Blanchard Situational Leadership

The Hersey-Blanchard theory is based on the amount of direction (task behaviour) and amount of socio-emotional support (relationship behaviour) a leader must provide given the situation and the "level of maturity" of the followers. Task behaviour is the extent to which the leader engages in spelling out the duties and responsibilities to an individual or group. This behaviour includes telling people what to do, how to do it, when to do it, where to do it, and who's to do it. In task behaviour the leader engages in one-way communication. Relationship behaviour is the extent to which the leader engages in two-way or multi-way communications.

This includes listening, facilitating, and supportive behaviours. In relationship behaviour the leader engages in two-way communication by providing socio-emotional support. Maturity is the willingness and ability of a person to take responsibility for directing his or her own behaviour. People tend to have varying degrees of maturity, depending on the specific task, function, or objective that a leader is attempting to accomplish through their efforts (Gemmy Allen : 1998).

2.2.2.6 House's Path-Goal Model

The path-goal theory developed by Robert House is based on the expectancy theory of motivation. The manager's job is viewed as coaching or guiding workers to choose the best paths for reaching their goals. "Best" is judged by the accompanying achievement of organizational goals. It is based on the precepts of goal setting theory and argues that leaders will have to engage in different types of leadership behaviour depending on the nature and demands of the particular situation. It's the leader's job to assist followers in attaining goals and to provide direction and support needed to ensure that their goals are compatible with the organization's (Gemmy Allen : 1998).

2.2.2.7 Vroom, Yetton, Jago Leader-Participation Model

The Vroom, Yetton, Jago leader-participation model relates leadership behaviour and participation to decision making. The model provides a set of sequential rules to determine the form and amount of participative decision-making in different situations. It is a decision tree, requiring yes and no answers incorporating contingencies about task structure and alternative styles (Gemmy Allen : 1998).

2.2.2.8 Transformational Leadership

Transformational leadership blends the behavioural theories with a little dab of trait theories. Transactional leaders, such as those identified in contingency theories, guide followers in the

direction of established goals by clarifying role and task requirements. However, transformational leaders, who are charismatic and visionary, can inspire followers to transcend their own self-interest for the good of the organization. Transformational leaders appeal to followers' ideals and moral values and inspire them to think about problems in new or different ways (Gemmy Allan : 1998).

2.2.3 The Managerial Grid

The search for a route to organisational excellence takes time and effort, so we look to the companies that we admire as a benchmark. Invariably the focus falls upon the leadership of these companies and the qualities, skills and behaviour of their leaders.

Admittedly, a company's structure, business plan and motivations are crucial to its effectiveness, yet beyond these, the greatest single variable is the behaviour of its management team. Their ability to guide, motivate and integrate the efforts of others is crucial in accomplishing the business objectives (Blake & Mouton : 1975).

Early management theorists stressed specific methods to control and direct the work of others. Then, however, research started to uncover the gains that could be made by using less authoritarian methods of leadership; co-operation, effort and effectiveness improved.

A dichotomy was created on the one side the "scientific management" school and on the other the "human relations" school. A search started for evidence of the benefits of one type of leadership over the other and that search continues to this day. These "either/or" styles have been characterised variously as: autocratic/democratic, or authoritarian/participative, or production centred/people centred and even as Theory X and Theory Y.

Presenting leadership as a choice between two extremes has, however, placed many managers in a position where they felt that they could not accept either of the alternatives on offer. In

examining successful leadership within their own organisations it was rarely possible to identify behaviour that could clearly be classified as evidence of either one of these extremes(Blake & Mouton : 1975).

In January 1964, Bob Blake and Jane Mouton published The Managerial Grid not only as a new model and attempt to explain human behaviour but also as a powerful tool designed to improve human effectiveness and develop sound leadership. Grid is a tool that has stood the test of time. For more than thirty years literally millions of people have been using the Grid framework to achieve optimum organisational and personal effectiveness or performance (Blake & Mouton : 1975).

The Grid provides a basis for comparison of styles in terms of two principle dimensions: concern for production and concern for people. Instead of presenting a manager with a dilemma of choosing one or the other alternative, Grid shows how a leader can simultaneously maximise both production oriented methods and those that are people orientated (Blake & Mouton : 1975).

2.2.3.1 The Managerial Dilemma

To see the dilemma of management in full perspective, it is necessary to examine first *what* is being managed. Since management takes place within an organisational system, attention must be turned first to what an organisational system *is*. Then it will be possible to concentrate on an examination of the problems and possibilities involved in improving competence in managing it (Blake & Mouton : 1975).

Organisation Universals

Several characteristics of organisations seem to be universal. They are present, in some degree, regardless of the specific product or line of work of the organisation. Effective management

of these universals is the condition of efficient production through sound organisation (Blake & Mouton : 1975).

Purpose

The first universal is purpose(s). Try to imagine a purposeless organisation. Can you picture to yourself an organisation that lacks purpose? Those who have attempted to do so have been unable to identify an organisation that does not have a purpose (Blake & Mouton : 1975). It is not always easy to identify what the purpose is. Furthermore, the purpose for which the organisation exists may, or may not, be the same as the purpose people experience as the basis for joining or remaining in it. Too frequently, organisation and individual purpose may seem to be unconnected with one another, or even to be contradictory (Blake & Mouton : 1975).

Often organisation purpose is spoken off in terms of profit. For this discussion, the equivalent of profit, that is, the production of 'things' or services, will be regarded as the production aim of an organisation - that is, those activities in which people engage toward organisation purpose. Hence, in this context, production can be accepted as an indication of organisation purpose(s). It is to be regarded as universal of organisations (Blake & Mouton : 1975).

People

Another characteristic of organisation is people. No organisation is without them. It might be said that it would be desirable to eliminate people (Blake & Mouton : 1975). Indeed, in some instances it seems wiser to replace people with technological procedures and automated processes, so that human energy is not being wasted in doing work that machine systems can

do well, or even better. But, if a peopleless arrangement were possible to achieve, it is unlikely that the word 'organisation' would be used to describe it. The phrase automated factory depicts peopleless operations where organisation, as we know it, has been eliminated. Organisation purpose then, cannot be achieved without people, nor does it exist under circumstances where one person is acting alone. To achieve it, others need to be drawn in. Needing more than one person to achieve a result such as production is what leads to the condition of organisation (Blake & Mouton : 1975).

Hierarchy

Hierarchy is the third attribute. Some people are bosses. Others are bossed. Some are more responsible for problems than others. That is the dimension of hierarchy (Blake & Mouton : 1975).

The process of achieving organisation purpose (the first universal) through the efforts of several people (the second universal) results in some people attaining authority to supervise others, that is, to exercise the responsibility for planning, controlling and directing the activities of others through hierarchical arrangement (the third universal) (Blake & Mouton : 1975).

While every organisation has hierarchy and while many organisations have job descriptions that depict an individual's responsibility under his hierarchical position, the problem of boss-subordinate relations is far more complex than can possibly be pictured by a job description (Blake & Mouton : 1975). But the foundation for understanding management is in recognising that a boss' actions are dictated by certain assumptions he makes regarding how supervision should be exercised (Blake & Mouton : 1975).

Sometimes supervision is applied dramatically, such as when a boss tells others what he expects of them in no uncertain terms. But it is also possible that a person may not act like a boss. For instance he may not hold tight rein on subordinates. In those situations, then, people may not feel like they are being bossed at all, they have little or no feeling that influence is being exerted by those in the hierarchy, one level or more up (Blake & Mouton : 1975). Other universals of organisation play an additional part in understanding problems of managerial competence. Two of them are organisation culture and climate, these are discussed in the next chapter.

A variety of theories regarding managerial behaviour can be identified. These theories or sets of assumptions are based on the way in which these three organisation universal just discussed are connected to one another (Blake & Mouton : 1975).

One of the three is 'concern for production,' the amount of emphasis supervision places on achieving production. A second is 'concern for people,' the productive unit of the organisation. The third is hierarchy, the boss aspect (Blake & Mouton : 1975). Whenever, an individual acts as a manager, he is in some way making assumptions about how to solve problems of achieving organisation purposes of production through people (Blake & Mouton : 1975).

2.2.3.2 Dimensions of the Grid

Before continuing, it is necessary to define what is meant by "concern for." This is not meant to indicate 'how much' (such as, how much production, meaning quantity), nor is it intended to reflect the degree that the needs of people are actually met. Rather the emphasis here is on the degree of "concern for" which is present in the boss because his actions are rooted in, and flow out of his own basic attitudes. What is significant is how a supervisor is concerned about

production and how he/she concerns themselves about people, and how these concerns intertwine (Blake & Mouton : 1975).

Concern for production

The words production or people cover a range of considerations. Attitudes of concern toward production, for example, may be seen in the quality of policy decisions, the number of creative ideas that applied research turns into useful products, procedures or processes, number of accounts processed, quality and thoroughness of staff services, workload and efficiency measurements, volume of sales or units of physical output. Production as used in the Grid is not limited to 'things.' Its proper meaning covers whatever it is that organisations engage people to accomplish (Blake & Mouton : 1975).

At the lowest level, it is true, concern for production may take the form of the number of units of things that can be counted or of time required to attain a certain production schedule. At the top of an organisation, concern for production may be demonstrated in the kind of policies which are established and the character of direction given to major programs of organisation effort. The concern for production at the top may be expressed through finding new directions or new products to sustain organisation growth and development (Blake & Mouton : 1975).

Concern for People

In a similar fashion, concern for people can be expressed in a variety of different ways. Included are concern for degree of personal commitment to completing a job one is responsible for, accountability based on trust rather obedience, self esteem or the personal worth of an individual, establishing and maintaining good working conditions, maintaining

equitable salary structure and fringe benefits, desire for security in work, social relations or friendships with associates, etc. (Blake & Mouton : 1975).

“Pure” Theories

The Managerial Grid depicted in Figure 2.1, shows these two concerns and a range of possible interactions between them.

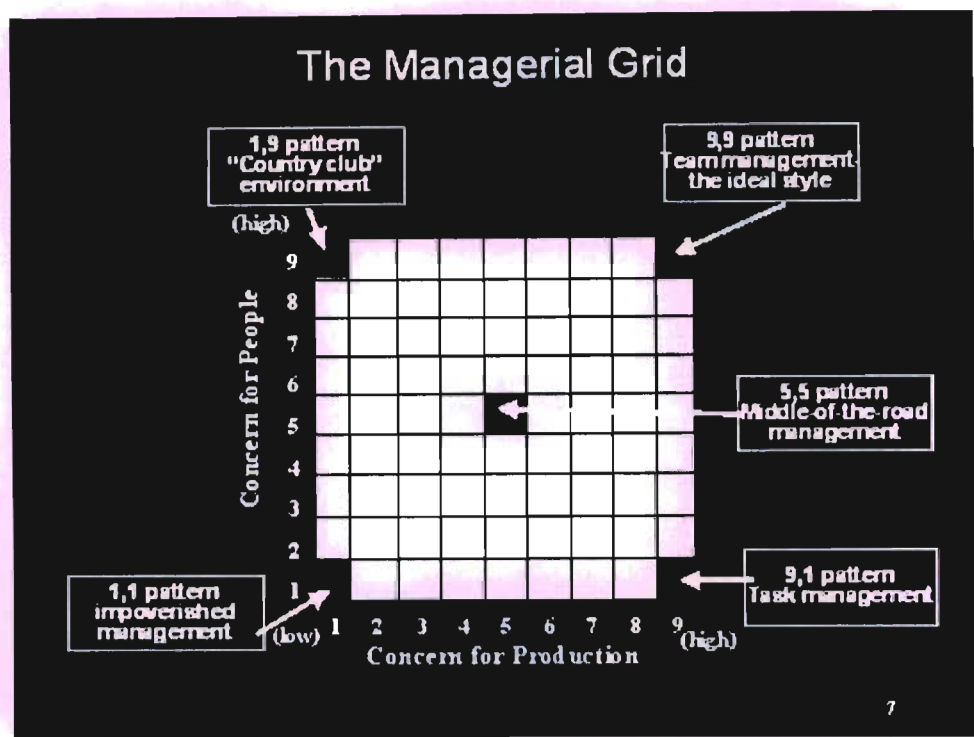


Figure 2-1 The Managerial Grid : Blake & Mouton

The horizontal axis indicates concern for production while the vertical axis indicates concern for people. Each is expressed as a nine-point scale of concern. The number 1 in each instance represents minimum concern. The 9 stands for maximum concern. The five grid positions, developed by Blake & Mouton (1975), are explained below.

Authoritarian Leader - high task, low relationship (9,1)

People who get this rating are very much task oriented and are hard on their workers (autocratic). There is little or no allowance for cooperation or collaboration. Heavily task oriented people display these characteristics: they are very strong on schedules; they expect people to do what they are told without question or debate; when something goes wrong they tend to focus on who is to blame rather than concentrate on exactly what is wrong and how to prevent it; they are intolerant of what they see as dissent (it may just be someone's creativity) so it is difficult for their subordinates to contribute or develop.

Team Leader - high task, high relationship (9,9)

This type of leader leads by positive example. She endeavours to foster a team environment in which all team members can reach their highest potential, both as team members and as people. She encourages the team to reach team goals as effectively as possible, while also working tirelessly to strengthen the bonds among the various members. They form and lead the most productive teams.

Country Club Leader - low task, high relationship (1,9)

This leader uses predominantly reward power to maintain discipline and to encourage the team to accomplish its goals. Conversely, she is almost incapable of employing the more punitive coercive and legitimate powers. This inability results from the leader's fear that using such powers could jeopardise her relationships with the team members.

Impoverished Leader - low task, low relationship (1,1)

This person uses a "delegate and disappear" management style. Exertion of minimal effort to get required work done is appropriate to sustaining organizational membership. Since he is not committed to either task accomplishment or maintenance; he essentially allows the team to do what ever it wishes and prefers to detach himself from the team process by allowing the team to suffer from a series of power struggles.

The Middle of the Road Management - (5,5)

Here, the person finds satisfactory or workable solutions through equilibrium or compromise processes. Acceptable, even though not sound, production is possible from this approach without unduly disturbing people. The 5,5 orientation assumes that people are practical, that they realise some effort will have to be exerted on the job. Also, by yielding some push for production and considering attitudes and feelings, people accept the situation and are more or less "satisfied." The 5,5 approach is based on a persuasive logic. Extreme positions are to be avoided. The thinking is that : doesn't experience show, again and again, that steady progress comes from compromise, trading out, and a willingness to yield some advantages in order to gain others? Democracy, as it has come to be interpreted by many today, operates quite well by yielding to the many and mollifying the few.

According to Don Clark (2000), the most desirable place for a leader to be along the two axis at most times would be a 9 on task and a 9 on people, the Team Leader. However, he advises one not to entirely dismiss the other three. According to Don Clark (2000), certain situations might call for one of the other three to be used at times. For example, by being an Authoritarian Leader, one can instil a sense of discipline in an unmotivated worker. By carefully studying the situation and the forces affecting it, one will know at what points along the axis one needs to be, in order to achieve the desired result (Don Clark : 2000).

It should be emphasised that the manner in which concern for people and concern for production are linked together by a manager, defines how he uses hierarchy (Blake & Mouton : 1975). In addition, the character of *concern* for at different grid positions, differs, even though the *degree* may be the same. For example, when high concern for people is coupled with a low concern for production, the type of people concern expressed (i.e. that people be “happy”) is far different from the type of high concern for people shown when a high concern for production is also evident i.e. that people be involved in the work and strive to contribute to organisation purpose (Blake & Mouton : 1975).

Each of the five theories given above, defines a definite but different set of assumptions regarding how individuals, orient themselves for managing situations of production that involve people. As such each theory can be seen as a set of possible assumptions for using hierarchy to link people into production. Each constitutes an alternative way of thinking. Each can be applied for analysing how a given situation is being or might be managed. Each of the theories in actual practise is found, to some degree, in concrete situations in industrial and government organisations (Blake & Mouton : 1975).

Equally the kind of assumptions to be described are universal but the important point here is that when a manager confronts a situation in which work is to be accomplished through people, there are a range of alternate ways for him to go about supervising. To increase his managerial competence he needs to know them and to be able to select the best course of action for any given situation from a number of possibilities (Blake & Mouton : 1975).

As in any field of applied endeavour, disagreement can arise between what is the best way theory and what theory is most realistic for practical application in a “live” situation.

However, as in any applied setting, the answer regarding what is best can only be given in the light of existing realities. There is no ideological way of saying what is best without reference to actual circumstances. But the choice is neither arbitrary nor random. The results a manager obtains will reflect, in predictable ways, the kinds of assumptions he applied in that situation. If the assumptions do not “fit” the situation well, poorer results will be obtained than if they do (Blake & Mouton : 1975).

2.2.3.3 Significance and Interpretations of Grid Positions

Should the five ‘pure theories’ be viewed as defining a set of personality characteristics? If not, then in what manner should they be considered?

One answer is that these positions constitute anchorages for managerial attitudes and practices. Conceived of in this manner, aspects of the Grid are more accurately regarded as describing systems of pressures acting on an individual to manage in a certain fashion.

According to Blake & Mouton (1975), such pressures arise :

1. From himself/herself
2. From the immediate external situation, and/or
3. From the characteristics of the organisational system including traditions, established practices and procedures.

Though most people seem to be predisposed to manage in one way or another, points on the Grid are *not* to be thought of as personality types that isolate a given individuals behaviour. They do not slot him/her in a rigid and inflexible way into a certain place. Behaviour is more changing and flexible than that (Blake & Mouton : 1975).

In comparison with a mechanical explanation of managerial behaviour, the Grid pictures a number of different sets of assumptions about how an individual *can* manage. Any set of assumptions is subject to change. Whenever a person changes his/her underlying managerial assumptions, his/her actual managerial practices shift accordingly, or else a gross discrepancy is present between the attitudes he expresses and the actions he takes. A given individual's style, then, may be viewed as a dominant set of assumptions. These assumptions orient his/her thinking and behaviour in dealing with production/people relationships. Furthermore, he/she may or may not be aware of the assumptions that are guiding his actions (Blake & Mouton : 1975).

The purpose of this research then is to aid the managers at Durban Mill to become more knowledgeable regarding their own assumptions about how to manage.

Blake and Mouton (1975), advises one to observe an individual's behaviour in a variety of situations. They advocate, it becomes clear that even the notion of one *dominant* style, a single set of managerial assumptions, is not sufficient to catch the full implication of a person's managerial approach. In addition to a dominant set of managerial assumptions, which are the most characteristic of the managerial style a person has adopted, the concept of a *backup* set of assumptions is a useful one. An individual's backup theory is the one he/she uses when their dominant theory fails to get the desired results. It is the style they fall back on. Any style may be a backup to any other theory as a dominant style (Blake & Mouton : 1975).

Which managerial style is dominant for any given person in any particular situation can be determined by any one or several sets of conditions in combination (Blake & Mouton : 1975).

Organisation

Managerial behaviour frequently is determined by situational factors, such as the organisation in which a person operates. Thus, when organisational practices are so fixed or rigid as to permit only small variations in individual behaviour, the managerial style exhibited may reflect little of an individual's personal thinking and much of his organisation beliefs about "the right way to manage," (Blake & Mouton : 1975).

Situation

The situation itself may be the determining or overriding factor dictating which set of managerial assumptions are employed to deal with it. Management of people in the crisis of an explosive situation is likely to be different than it would be under circumstances that are routine (Blake & Mouton : 1975).

Values

Any individual's choice of managerial assumptions may be based on values or beliefs he holds concerning the "right" way to treat people, or the way to manage to achieve "best" results. Any given set of assumptions can have a personal value attached to them which represents an individual's personal conviction concerning the desirability of any managerial style as a dominant one (Blake & Mouton : 1975).

Personality

The dominant managerial style may, to an important degree, result from deep-rooted personality characteristics which predispose an individual to prefer one approach to another (Blake & Mouton : 1975).

Chance

Finally, a set of managerial assumptions may guide a person's behaviour because he/she has not been confronted with, nor has discovered in his/her own experience, that other sets of assumptions about how to manage are available. "Chance," so to speak, has not helped him/her learn. But many managers, upon learning the variety of managerial style available to them, do shift, sometimes rather dramatically, from one style to another, as they seek to integrate people into production. Seeing alternatives, they embrace a different set of assumptions (Blake & Mouton : 1975).

The point to be emphasised here is that managerial styles are not fixed. They are not unchanging. They are determined by a range of factors. Many are subject to modification through formal instruction or self-training of the kind possible through understanding and applying, The Managerial Grid, theory (Blake & Mouton : 1975).

2.2.3.4 Applications of the Managerial grid

More than a decade ago, the Managerial Grid was introduced as a tool to gain knowledge of one's managerial style. But more recently, the Grid has become more international, and in recent research and discussion, (Yaeger, Sorensen, McKee ;1999) have found the classical Blake and Mouton Managerial Grid is now stronger than ever, empowering people to create relationships built on candour, openness, mutual trust, and respect.

Historically, the Managerial Grid has been a major approach to Organisation Development. It was, and continues to be, one of the most widely-known interventions in the field. The Managerial Grid appeared almost 40 years ago in 1961 and has evolved through a series of modifications including *Grid Three* (1985) and *Grid Four* (1990). In an extensive survey done

by the National Industrial Conference Board, the Grid was mentioned as one of the most frequently identified behavioural science approaches to management (Yaeger, Sorensen, McKee ;1999).

According to McKee (1999), "The Grid strategy for change and development is about learning how to use the power in organisation life effectively and in a manner that continually reinforces the core values of the corporation." The strategy is about understanding and learning how to build and maintain healthy and productive relationships that are characterised by trust, respect, openness, and candour. Grid is a strategy that provides a framework and practical tools for working with people in the most effective manner possible."

Mc Kee (1999) further states that, still today, the Managerial Grid enables people to gain perspective on themselves and the other people in their lives. Like all good tools, it simplifies the complex and provides tremendous positive leverage to personal energy. The theory and strategy give a constant and consistent frame of reference for making sense of the perpetually changing human equation in the workplace. As organisations are becoming more global, the Managerial Grid is growing internationally (Mc Kee : 1999).

International Use of Grid

The first report of the international application of the Grid appeared more than 30 years ago. The article, published in 1968, reported data from over 1,000 different organizations including managers from the U.S., Canada, England, South Africa, Australia, Japan, South America, Iran, Lebanon, Saudi Arabia, Ira, Jordan and Yemen – data that proved to be a forerunner and comparable to later findings by Hofstede and Jaeger. The Managerial Grid continues to hold an important opposition in International organisational development (OD). The Grid is

presently extensively used in Ireland (David Coghlan, Tomas Head) and in Mexico (Carlos Diaz) and Grid work is currently being undertaken in 40 countries.

An illustration of international applications through a U.S.-based firm is the case of Dana Corporation, one of the world's largest independent suppliers to vehicle manufacturers. Dana Corporation operates major facilities in 32 countries and employs more than 86,000 people. This corporation uses the Grid globally as part of its strategy to communicate their corporate culture management (Yaeger, Sorensen, McKee ;1999).

At Dana, the Managerial Grid is implemented through Dana University, their internal education department which has delivered Grid training to over 800 personnel worldwide since 1991. Reported results of the Grid for one of these workshops was a savings of 30,000 British pounds per year and an inventory reduction of 160,000 pounds (Yaeger, Sorensen, McKee ;1999).

Chicago Area OD and The Managerial Grid

Probably the first known Chicago-area Grid application was with the Chicago-based United Airlines. In efforts to reduce the role of human error in commercial airline accidents through increased collaboration within flight crews, United initiated a series of training programs based on the Managerial Grid. Dramatic illustrations of increased flight crew collaboration include such incidents as the successful resolution of endangering situations created by wind sheer of UAL Flight No. 663 from Denver in May 1984 and structural failure on UAL Flight No. 811 from Honolulu reported in the *Wall Street Journal* in 1989 (Yaeger, Sorensen, McKee ;1999).

Managerial Grid at the Tribune

The Tribune is a leading media company with operations in television and radio broadcasting, publishing, education and interactive ventures. It is an industry leader in venture partnerships with new media companies. A Fortune 500 company, Tribune had 1998 revenues of nearly \$3 billion and is composed of business units in 20 major U.S. markets with nearly 12,700 employees. In 1999, for the second straight year, Tribune ranked No. 1 among its industry peers in *Fortune* magazine's list of America's most-admired companies management (Yaeger, Sorensen, McKee ;1999).

At Tribune, they value teamwork, their ability to work together toward common goals, exchanging ideas and sharing resources. Within the company, organization boundaries must never become barriers to progress. For this reason, the Managerial Grid is incorporated into training sessions. Michele Manzo-Lembo, Director of Management Development for the Tribune Company, helps to promote Grid concepts to senior and middle management (Yaeger, Sorensen, McKee ;1999).

“At Tribune Company, we introduced Managerial Grid in 1993 as the leadership model for an integrated management curriculum at our *Sun-Sentinel* newspaper unit. In 1996, this leadership training program was extended company-wide to managers in our broadcasting, education and publishing groups. Grid concepts are now presented in the Tribune Leadership Development Program for middle and senior managers,” Manzo-Lembo explains.

She also describes the company's success using the Managerial Grid. “We continue to expand the use of Grid concepts. Today, we teach individuals about management styles and the impact of their behaviour and management practices. We are exploring the use of Grid

concepts on a work-group level because *here is where its real power lies*. Grid provides a clear, easy-to-understand framework for building effective, productive relationships. The use of feedback and critique in managing projects and work products helps set a foundation for candour, trust and respect among team members. It provides the tools to work toward win-win solutions.”

2.2.3.5 Strengths and Weaknesses of the Grid

The "Managerial Grid" has its advantages and disadvantages. It focuses on observable actions of the leader in order to determine if the leader's main concern is for production or for people. This provides a more reliable method for studying leadership than the trait approach. The Managerial Grid, however, adopted the universal approach.

It aims at identifying the most effective leadership style for all situations, which is not supported by evidence in real organisations. The two dimensions used in this model- concern for production and concern for people - are two important dimensions used to examine leadership behaviour and characteristics. These are seen again, often with different names, in many other leadership theories.

Strengths of the Approach

- Marked a big shift in the focus of leadership work.
- A wide range of studies validates and gives credibility to this approach.
- Underscores the importance of the 2 core dimensions of leadership behaviour task and relationship.
- It is a heuristic approach- it gives us a conceptual map to use to understand the complexities of leadership.

Weaknesses of the approach

- No adequate relationship between behaviour and performance outcomes (morale, satisfaction, productivity) has been documented.
- Failed to find universal leader behaviours that could be effective in almost every situation.
- This approach implies that the most effective leadership style is high high but this actually may not be the case in all situations.

2.2.3.6 Why Managerial Grid Approach

Situational Leadership has a wide following among managers in business and education, but studies of its effectiveness are inconclusive and it has critics and competitors. Nicholls (1985) claims that the model suffers from fundamental flaws, but like several other critics, offers an only slightly revised version of Situational Leadership to replace it (Grow, Gerald O : 1996).

According to Grow and Gerald (1996), Blake and Mouton's Managerial Grid (1964) advocates a team approach as a way to maximize both productivity and personal development. Both models--Managerial Grid and Situational Leadership--have attempted to subsume one another and the debate between them is not over.

Truly great strides have already been taken toward the ideal of genuine organisation competence. However, further fundamental strides toward organisation excellence are possible and some companies are taking them. They are based on currently available behavioural science knowledge.

The Managerial Grid provides a framework for learning some of this knowledge. It offers some guidelines for putting this learning to concrete use in managing production through people. In its various versions it has been tested through a series of experiments conducted in industry and government over several years (Blake & Mouton : 1975).

Further, the Managerial Grid appears to be an inclusive statement for orientating managerial actions. This conclusion is suggested in different ways. First, it has been applied in widely different organisational settings in the United States, Canada, Europe and Asia. Included are industrial facilities of manufacturing, sales, R&D and union organisations, as well as military, governmental, professional and welfare settings such as community agencies. The Grid has been employed as a basis for management improvement in nationalised industries and in other service orientated institutions (Blake & Mouton : 1975).

Second, it seems to provide descriptions of managerial alternatives, which are equally useful when applied to managerial dilemmas in the US, in countries of Europe which are somewhat similar to our own and in cultures of Asia which are far different. The schema, in other words, seems to be relatively culture-free and therefore of general relevance for understanding problems of management wherever people work in concert. A possible conclusion is that sound management of production through people transcends political and cultural boundaries (Blake & Mouton : 1975).

Evaluated from an incompany point of view, the Grid is seen to be a useful framework for analysing production-people problems and for suggesting effective solutions for them. Its application is not limited to any particular level in the organisation hierarchy. It applies in solving problems at the bottom where concrete supervisory skills are required and at the top

where executive decision-making involving far more subtle and complex judgements is demanded (Blake & Mouton : 1975).

Further, the (9,9 - Team Leader) approach to managing organisations, is reflected by many theorists in the field of organisational development. In addition, the managerial grid approach allows one an opportunity to assess the organisation as a whole and to suggest ways to improve areas that are impacted negatively upon depending on management style.

Thus the Managerial Grid approach allows for a holistic business solution for the current management dilemmas at mill. None of the other leadership models given under leadership theories provide a framework for the suggested way forward as well as the Managerial Grid theory does.

It well to know, where you are performing poorly as a company, however, it doesn't stop there. The first steps towards corrective action, has to be well thought out, well planned and well executed to ensure success. The Managerial Grid model is a tried and tested system which has worked for many companies (see Grid Applications) in their endeavour to improve style of management. Although the concepts were developed over thirty years ago it still holds strong today.

2.2.3.7 Empirical evidence for improving Style of Management

In research conducted by Manfred Davidmann, 1995 on Styles of Management and Leadership, his article stated that experience shows that the larger the organisation the more difficult it is to achieve the necessary degree of co-operation and that larger organisations are much less effective than smaller ones as people are working against each other instead of co-operating. His results indicated that improving the style of management can by itself, increase the effectiveness of operating, improve results obtained and the way in which resource are being used, by about 20-30%.

The gains to be made by improving style of management are thus very considerable not only from the point of view of a better return to the shareholders and to the community but also from the point of view of greater contentment and satisfaction felt by employees (Manfred:1995).

From the point of view of results, the effectiveness of the organisation is determined by the way work is organised and the way people work with or against each other. The way in which people co-operate with each other, with the leadership and with the community, indeed the extent of their commitment to their organisation depend on the style of management (Manfred:1995).

2.3 The concept of Organisational Climate

In this study organisational climate is defined as the following.

Organisational climate is a relatively enduring characteristic of an organisation which distinguishes it from other organisations: (a) and embodies members collective perceptions about their organisation with respect to such dimensions as autonomy, trust, cohesiveness, support, recognition, innovation and fairness: (b) is produced by member interaction; (c) serves as a basis for interpreting the situation; (d) reflects the prevalent norms, values and attitudes of the organisation culture; and (e) acts as a source of influence for shaping behaviour (Moran and Volkwein :1992).

Although this is the definition used to guide this research, many researchers have presented different definitions of organisational climate and there has been some confusion as to the manner in which organisational climate is distinct from the notion of organisational culture. This section will, in part, provide a review of the theory on organisational climate and provide an explanation of its relationship to the concept of organisational culture.

Not only is it important to understand the construct of organisational climate, but it is also important to understand its relationship with style of management so as to provide a possible tool in seeking to improve the effectiveness of the Mill.

Organisational climate has much to offer in terms of its ability to explain the behaviour of people in the workplace. Ashforth (1985) put forward the view that 'climate has the potential to facilitate a truly integrative science of organisational behaviour.' Schneider later discussed climate in terms of :

An atmosphere that employees perceive is created in their organisations by practices, procedures and rewards...Employees observe what happens to them (and around them) and then draw conclusions about the organisation's priorities. They then set their own priorities accordingly (Schneider :1994). Schneider, Brief and Guzzo (1996) argue that 'sustainable organisational change is most assured when both the climate - what the organisations' members experience - and the culture - what the organisations' members believe the organisation values - change.'

2.3.1 Three approaches to the climate construct

Following the seminal work of Lewin *et. Al.* (1939), obtaining consensus as to the definition of climate has been difficult as the climate construct is complex and many different researchers have used the same terminology to mean different things to the extent that providing a definitive description of climate has been likened to 'nailing jello to the wall' (Schneider :1990).

James and Jones (1974) conducted a major review of the theory and research on organisational climate and identified climate in three separate ways that were not mutually exclusive, (a) multiple measurement - organisational attribute approach, (b) perceptual measurement - organisational attribute approach, and (c) the perceptual measurement - individual attribute approach. In the multiple measurement organisational approach they cite Forehand and Gilmer (1964) as defining organisational climate as a set of characteristics that describe an organisation and that (a) distinguish the organisation from other organisations (b) are relatively enduring over time, and (c) influence the behaviour of people in the organisation.

The perceptual measurement organisational attribute approach seeks to define climate in terms of individual perceptions of the organisation and it is these perceptions that influence behaviour. James and Jones (1974) study proposed four organisational climate dimensions :

- Individual autonomy - based on the factors of individual responsibility, agent independence, rules orientation and opportunities for exercising individual initiative.
- The degree of structure imposed upon the position - based on the factors of structure, managerial structure and the closeness of supervision.
- Reward orientation - based upon the factors of reward, general satisfaction, promotional-achievement orientation, and being profit minded and sales oriented.
- Consideration, warmth and support - based upon the factors of managerial support, nurturing subordinates, and warmth and support.

It must be remembered that such dimensions of climate are not always clearly distinguishable from other variables that might fit into categories such as organisational structure, process, system values and norms. In reviewing psychological climate as a set of perceptually based attributes, Jones and James (1979) propose that psychological climate, (a) refers to the cognitively based description of the situation; (b) involves a psychological processing of specific perceptions into more abstract depictions of the psychologically meaningful influences in the situation; (c) tends to be closely related to situational characteristics that have relatively direct and immediate ties to the individual experience; and (d) is multi-dimensional, with a central core of dimensions that apply across a variety of situations.

Within the current study, organisational climate is conceptualised as a construct created by the activities of the organisation. It is not the activities themselves, which is a distinction that is not always clear in some of the earlier works.

2.3.2 The distinction between culture and climate

Trice and Beyer (1993) define culture in terms of what it is not. It is not climate, which is measured with researcher-based data, whereas culture is measured by intense data collection of an emic (contrastive) nature. Reflecting the concerns of both Schneider (1990) and Glick (1988), Trice and Beyer (1993) state :

Many different variables have been subsumed under the climate concept by various researchers that it overlaps with most constructs in organisational behaviour as well as with structure, technology, formalisation and effectiveness... The appeal of the climate construct was that it seemed to give the researchers a way to combine a broad array of variables already studied into a single omnibus concept that would simplify the process of characterising and comparing the psychological environments.

The definition of culture put forward by Trice and Beyer (1993) noted that it has many unique indicators like myths, symbols, rites and stories. Denison (1996) took what he considered to be a more controversial view in arguing that it is not clear that culture and climate are examining distinct organisational phenomena. However, the literature refers to culture as being deeply rooted in the structure of an organisation and based upon values, beliefs and assumptions held by the members. Climate, however, tends to present social environments in relatively static terms measured by a broad set of dimensions and can be considered as temporary and subject to a range of controls. Table 2.1 gives an outline of differences between

the literatures using an epistemological (foundations, scope, and validity) approach, the point of view taken, methodology used, temporal orientation, level of analysis and the discipline area.

Table 2.1 Contrasting : Organisational Culture and Organisational Climate		
Research Perspective	Cultural Literature	Climate Literature
Epistemological	Contextualised & idiographic	Comparative & nomothetic
View Point	Emic (native view)	Etic (researcher's view)
Methodological	Qualitative observation	Quantitative data
Temporal Orientation	Historical evolution	A historical snapshot
Level of analysis	Underlying values & assumptions	Surface level manifestations
Discipline	Sociology	Psychology

Table 2-1 Distinction between culture and climate, source : Denison (1996)

Culture studies were searching for that which is unique in each setting and used qualitative methods whereas climate studies in contrast, used quantitative methods and looked for factors that could be generalised across different settings. Denison (1996) commented : culture researchers were more concerned with the evolution of social systems over time...whereas climate researchers were generally less concerned with evolution but more concerned with the impact that organisational systems have on groups and individuals...Culture researchers argued for the importance of deep underlying assumptions...Climate researchers in contrast, typically placed greater emphasis on organisational members perceptions of observable practices and procedures that are closer to the surface of organisational life...and categorisation of these practices and perceptions into analytic dimensions defined by the researchers.

2.3.3 Development of climate instruments

Jones and James (1976) developed the items for their questionnaire after an extensive review of the literature. From the literature they identified 35 concepts related to organisational climate. Eleven concepts related to job and role characteristics, eight related to leadership characteristics, four to work-group characteristics and twelve comprised sub-system and organisational level characteristics. Many of these had been shown to be internally consistent, psychologically meaningful measures of the work environment. For each of these concepts, between two and seven items were generated. This procedure produced a 145 item questionnaire. Responses to each individual item consisted of a stem with a variable scaled response of either three or five. Thirty five '*a priori*' composite variables were produced by summing across the relevant item responses.

This was done to support their choice of climate composites, as they called them, and the individual question items or scales that comprised each composite. In 1989 James and James reported that the items and scales that comprised the dimensions of climate that had shown factorial invariance were developed using interviews, observations and literature reviews. They outlined a number of measures for the job or role, leader orientation, workgroup environment and variables that relate to the overall organisational climate.

Schneider argues that neither, interviews or questionnaires are necessarily preferable to each other in collecting data, but are useful for different purposes.

2.3.4 Dimensions of organisational climate

Denison (1996) argues that developing a universal set of dimensions was often the central issue of the climate researchers so that comparative studies could be made possible in different organisational settings.

It is possible that the dependence on the use of climate surveys as the research method of choice led those working in the climate area to seek generalisable qualities across settings. Jones and James (1979) argued that one of the assumptions of the climate literature is that a relatively limited number of dimensions could characterise a wide cross-section of social settings.

MCG Davidson (2000) conducted a research in the hotel industry where he looked at organisational climate and its influence on performance. In his study, he identified 7 factors for psychological organisational climate, these factors were adapted from studies conducted by James and Jones (1979) and Ryder and Southey (1989). MCG Davidson (2000) identified his factors as :

- '*Conflict and ambiguity*,' which 'reflected perceived conflict in organisational goals and objectives, combined with ambiguity of the organisational structure and roles, a lack of interdepartmental co-operation, and poor communication from management.'
- '*Job challenge, importance and variety*,' which 'reflected a job perceived as challenging, important to the company, which involved a variety of duties, including dealing with other people. The job was seen as providing autonomy and feedback, and demanding high standards of quality and performance.'

- '*Leader facilitation and support*,' which 'reflected perceived leader behaviour such as the extent to which the leader was seen as helping to accomplish work goals by means of scheduling activities, planning etc., as well as the extent to which he was perceived as facilitating interpersonal relationships and providing personal support.'
- '*Workgroup co-operation, friendliness and warmth*,' which 'generally described relationships among group members and their pride in the workgroup.'
- '*Professional and organisational esprit*,' which 'reflected perceived external image and desirable growth potential offered by the job and by the company. Also included were perceptions of an open atmosphere to express one's feelings and thoughts, confidence in the leader, and consistently applied organisational policies, combined with non conflicting role expectation and reduced job pressure.'
- '*Job standards*,' which 'reflected the degree to which the job was seen as having rigid standards of quality and accuracy, combined with inadequate time, manpower, training, and resources to complete the task.'

These climate dimensions as identified by MCG Davidson (2000) are reflected in Figure 2.2.

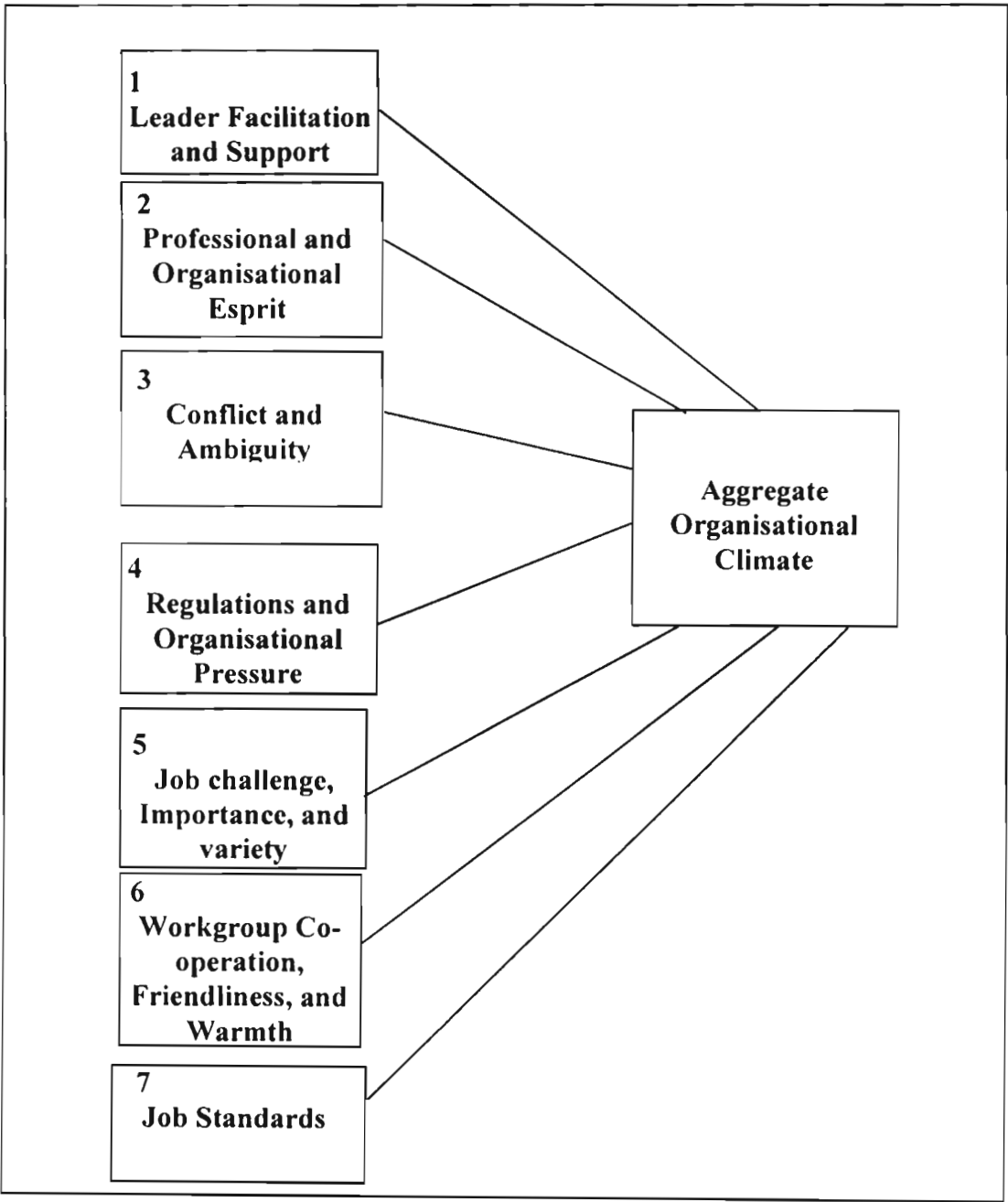


Figure 2-2 The dimensions of organisational climate from the study of MCG Davidson (2000), adapted from study of Jones and James (1979) and Ryder and Southey (1989)

2.3.5 Measurement issues of the multilevel climate construct

Psychologists explain the behaviour of people through the use of both group and individual means (Mullins : 1996). A fundamental question inherent with organisational climate research is 'What is the appropriate level of analysis; the organisation, the department or subunit, the workgroup or the individual?'

Gusso (1982) and Noord (1983) use single indicators that are extrapolated to assess the whole organisation. The extrapolation of results from the individual level to the group level allows climate researchers to analyse and draw conclusions about the running of the total organisation and for groups of people within the organisation in terms of whatever effectiveness parameter is being investigated. Generally researchers have sought to do this by calculating the average (usually the mean) of results for a particular climate survey and then sought to discover the extent to which the results mapped into the structure and effectiveness of the organisation.

James and Jones (1974) used the term psychological climate to embrace both individual and, when aggregated, organisational level units of analysis. Jones and James (1979) argued that the process of aggregation rested on a number of assumptions, namely :

The argument for aggregating psychological climate scores appears to rest heavily on three basic assumptions : first, that psychological climate scores describe perceived situations; second, that individuals exposed to the same set of situational conditions will describe these conditions in similar ways; and third, that aggregation will emphasise perceptual similarities and minimise individual differences.

The aggregation of climate is appropriate because of the shared assignment of meaning that allows a higher order of analysis for groups, sub-systems and organisations. It provides a mechanism for relating the construct of psychological climate at individual level of analysis to another form of the construct at the group, subsystem or organisational level yet the basic unit is psychological analysis (James : 1982, Joyce : 1984).

Finally, in the sampling process, within any organisation in order to use aggregated psychological climate to predict organisational climate there is a need to ensure that all members of the organisation, or a random stratified sub-sample of individuals covering all positions, are represented. Without such sampling procedures in place, James *et al.* (1984) conclude that the use of aggregation is unjustified.

2.3.6 Organisational climate as a variable in theory and research

According to Schneider (1975), the basis of the climate function can be traced to two different schools of psychology : Gestalt and Functionalism. The Gestalt school argues that the perceiver has no choice but is actually driven to find order in the world. Nature has order and the perceiver has to find that order through the process of closure. The closure principle suggests - ' given a set of cues about the world with some perceived relationship i.e. there is sufficient information for order to be perceived, a whole or total concept is formed (Schneider : 1975).

Mullins (1996) discusses Gestalt theory in terms of its instant and spontaneous assumptions that we cannot stop ourselves from making about our environment. Gestalt theory also stresses the drive to behave on the basis of this apprehended order and in a manner that suits the environment in which the perceiver finds themselves (Kozlowski & Dohert : 1989). The earliest reported phenomenon was detailed in the work of Lewin *et. al.* (1939). In their

experimentally created social climates they found that the behaviour of the boys in the study varied according to the social climate created by their leaders; authoritarian, democratic or laissez faire.

Functionalism provides a framework in which individuals can seek order in their environment. This allows them to function adaptively : they have a fundamental need to seek information about the status of their behaviour in terms of the environment within which they operate, 'they seek information so that they can adapt to, or be in homeostatic balance, with their environment' (Schneider : 1975).

Ashforth (1985) argues that a strong culture informs the climate of the organisation in two ways : directly by telling the individuals what is important in the environment, and indirectly through its influence on the environment. Whereas climate influences factors in the workgroup, the process of newcomer socialisation, symbolic management and to a lesser extent the physical setting. The point for Ashforth is that culture underpins these factors so that the assumptions and values of the organisation (the culture) are behind the perceptions and inferences of the organisation (the climate) and the behaviour of the members of the organisation. Ashforth's conceptualisation of the formation of climates and how it is based upon and is affected by an organisation's culture is displayed in Figure 2.3.

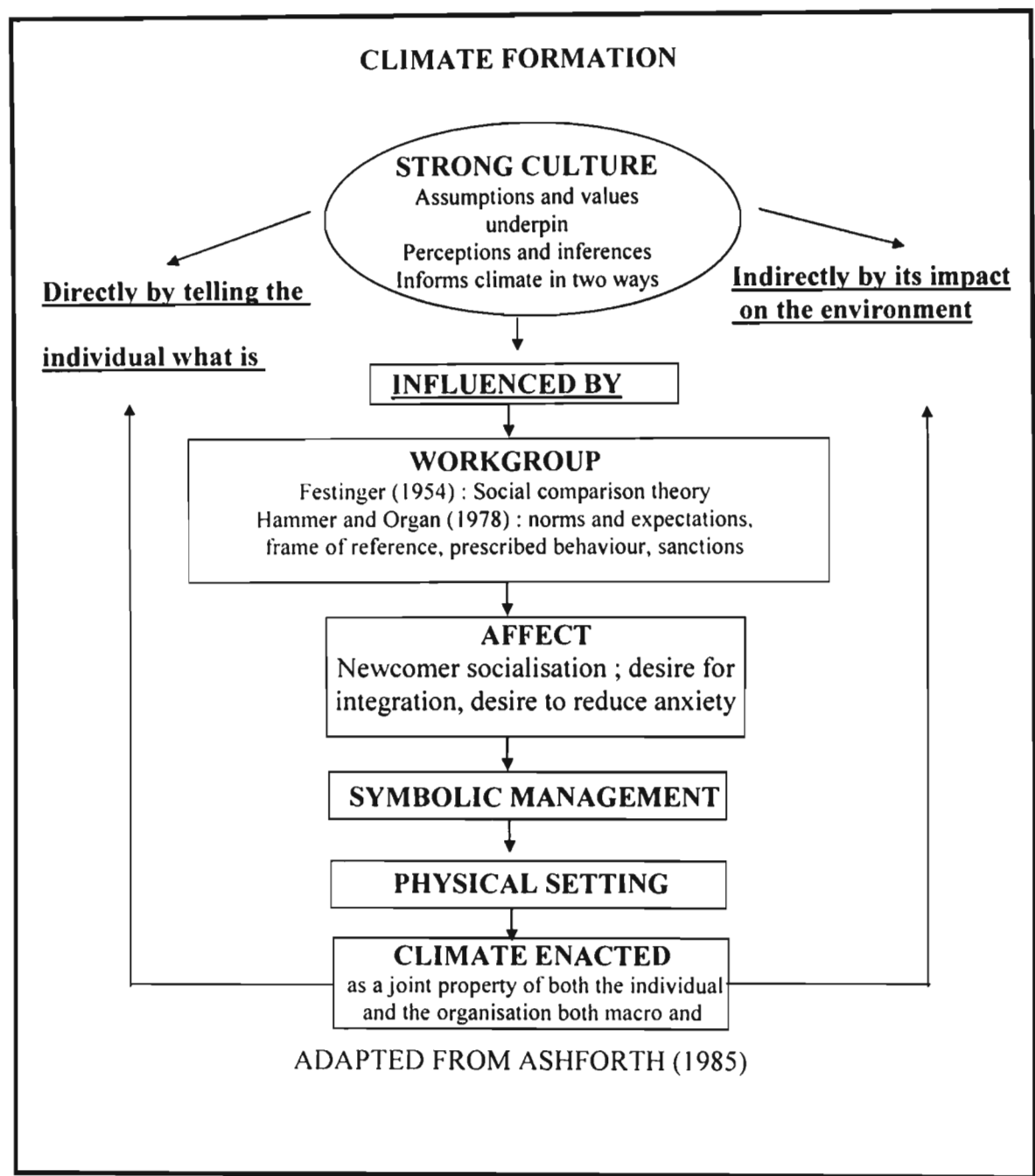
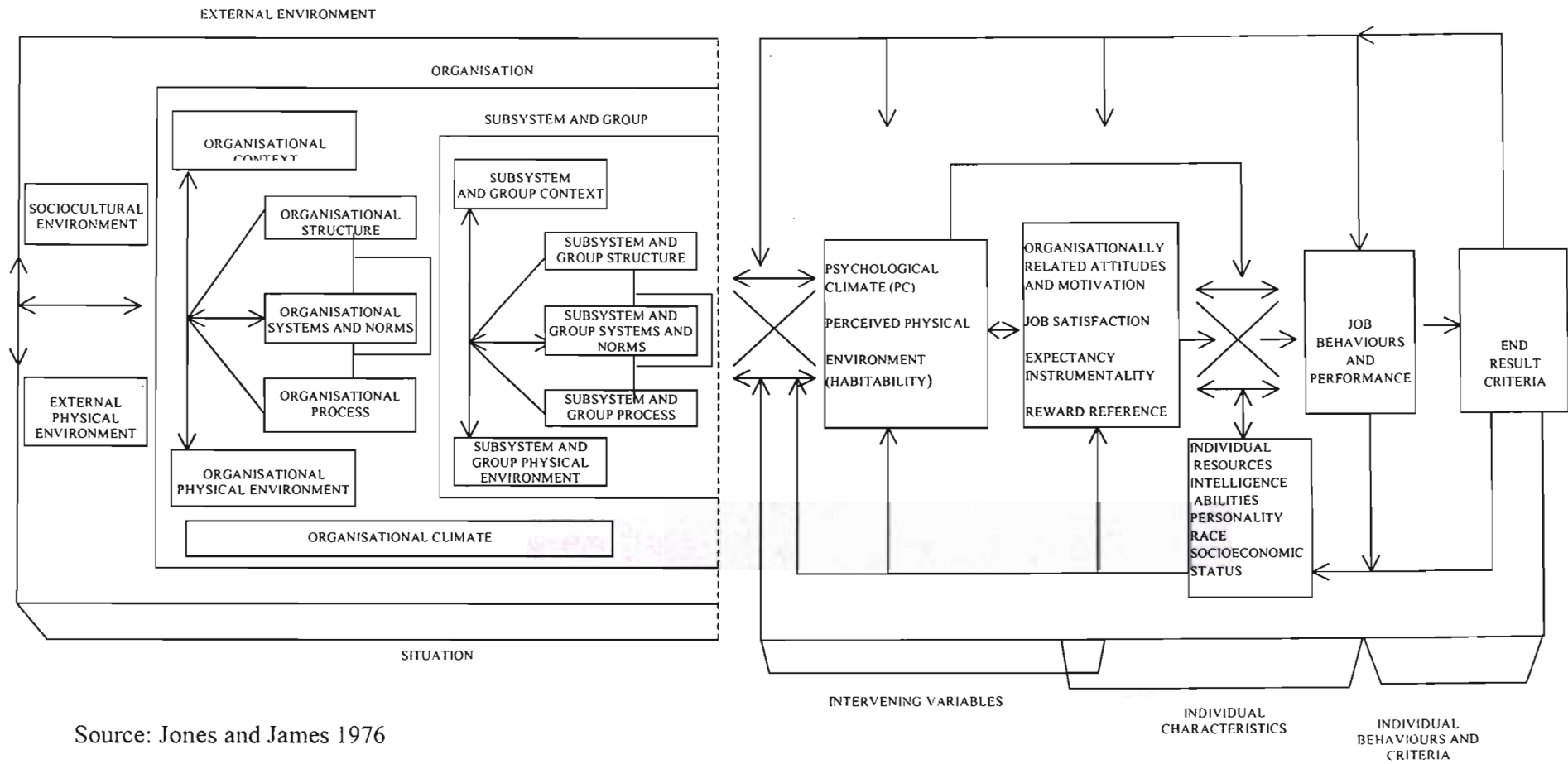


Figure 2.3 Climate Formation (from Ashforth : 1985)

2.3.7 Organisational climate and models of organisational functioning

James and Jones (1976) have provided a conceptualisation of 'Organisational Functioning' (Figure 2.4) that displays the role of organisational climate in relation to the resultant job behaviours and ultimately the end result criteria in an integrated model. Organisational climate is depicted as a situational variable along with more objective factors such as organisational structure, systems and norms and processes. These themselves are further broken down into a number of sub-systems. It is the action of these situational variables that in turn produce the perceived psychological climate and the perceived physical environment.

There are a number of other casual influences but the prime relationship of the perceived climate and physical environment is with a range of individual characteristics such as attitudes, motivation, job satisfaction, expectancy instrumentality and reward reference. Other individual characteristics become moderating variables but the relationship with organisation related attitudes, motivation and job behaviours is clearly shown.



Source: Jones and James 1976

Figure 2.4 Jones and James 1976 Model of Organisational Functioning

2.3.8 Relationship between management style and organisational climate

Many empirical studies have claimed that climate has a considerable impact upon organisational effectiveness (Schneider, Brief and Guzzo, 1996; Furnham & Drakeley, 1993, Campion, Medsker & Higgs, 1993; James and Jones, 1989, Drexler, 1977; Franklin 1975).

Other studies included theorists such as Fleishman (1953) whose investigation looked at the climate for leadership, Argyris (1958) was concerned about the right type of climate and McGregor (1960) also looked at climate from the leadership perspective.

The Lewin et.al. (1939) study investigated the relationship between leadership style and social climate, a factor that has remained central to the concept. In their experimentally created social climates at an educational institution they found that the behaviour of the boys in the study varied according to the social climate created by their leaders; authoritarian, democratic or laissez faire.

A recent article by Chris Watkin (2001) indicated that his organisation a few years ago carried out climate surveys at 10 identical bottling plants belonging to one of the world's largest soft drinks companies. The results showed that the plants with the most favourable working environment were also the most profitable. This confirmed what a large body of research had already demonstrated: that organisational climate - how it feels to work in a particular environment, the atmosphere of a workplace - makes a difference to organisational performance.

The research - building on the work of Litwin and Stringer at Harvard University - also indicates that 50 to 70 per cent of an organisation's climate can be traced to its leadership or

management style. In other words, good managers create good climates, while poor managers create poor climates. Both affect performance. This holds true in all sectors (Chris Watkins : 2001).

Chris Watkins (2001) further states that individuals and organisations need to become more active in measuring both organisational climate and management style. This will give them hard data about what needs, or does not need, to be changed. Armed with this new understanding, they can begin a developmental journey that will link their own behaviour to the bottom-line results of the organisation that they hope to lead into the future. Such an approach has proved successful for organisations as diverse as Pepsi Co, ICI, the British army and Unilever (Chris Watkins : 2001).

Research conducted by Kangis and Williams (2000) showed there is a statistical association between organisational climate and corporate performance. Climate responses for above average companies were compared to performing below average. Companies with above average performance showed higher climate values on all of the six climate variables (climate variables : supervisory style, co-workers, work motivation, employee competence, decision making and performance rewards), five of these being statistically significant (at least $p < 0.01$).

Kangis and Williams (2000) asked the question : 'If managers wished to improve organisational climate, would they aim for performance improvement first? If they wished to improve corporate performance, should they tend to factors that improve organisational climate first?

It is worth noting studies reported by Neill and Borell (1999), which claimed that management which was “holistic” and accommodated climate dimensions had a “profound impact on overall organisational success...” In one of the cases cited, it was claimed, “one standard deviation increase in such practises could be traced to a 7.05 per cent decrease in turnover and on a per employee basis, \$27,044 more in sales and &18, 641 and \$3,814 more in market value and profits, respectively” (Neil and Borell :1999). In a second case “...one standard deviation in high performance work practises resulted in an increase in shareholder wealth of more than \$40,000 per employee” (Neil and Borell : 1999).

In summary it's perhaps pertinent to paraphrase Auden (1940).“ To its members an organisation is not so much a place of work but a whole climate of perceptions and opinions.” Such an interactionist approach would be compatible with the findings given above.

2.3.9 The implications of management style and climate in organisations

Modern workers are far more independent and sophisticated than their predecessors. They are better educated and more aware of management processes, failures, and motivational techniques. They demand more from employers in terms of working conditions and support. Management and motivation of the modern worker therefore requires improved methods. Motivation is the key to effectiveness, efficiency, productivity, and performance (John W, Kennish: 1995). It can be induced by the employer or reside within the worker.

How workers are managed, what they perceive, and the realities of the environment are all important variables in determining worker motivation levels. Workers have higher levels of motivation when they perceive that management cares about their welfare, when they are involved in the management process, and when the total management-worker environment is

positive. Money is important but only relevant to short-term worker satisfaction levels. Over the long term, workers are motivated by a sense of achievement, recognition, enjoyment of the job, promotion opportunities, responsibility, and the chance for personal growth. Control stifles motivation while involvement creates a more productive environment.

An incentive program has a place in the management of workers, but employees also need a positive, participatory environment.

According to Chris Watkin (2001) positive climates in organisations are those where :

- There are no, unnecessary rules, procedures, policies or practices.
- Employees are given authority to accomplish tasks without having to constantly seek approval.
- Challenging but attainable goals are set for the organisation and its employees.
- Employees are recognised and rewarded for good performance.
- Everyone within the organisation knows what is expected of them.
- People are proud to belong to the organisation.

True worker motivation must come from within the workers themselves. If they feel they are being treated fairly and with respect, this attitude will develop and guide their behaviour in a positive direction.

By convincing employees that fulfilment of the necessary tasks will enhance the worker's own satisfaction, management can create positive internal motivators. Alternatively, management can convince the staff that failure to meet these responsibilities will result in a negative impact. Kennish (1995) states that while both strategies may at times be appropriate,

managers should emphasise the positive side of self-motivation, the carrot, rather than the stick.

Worker motivation and performance are tied directly to the style of management that is applied and to principles of positive or negative reinforcement (John W, Kennish: 1995).

While cash incentives relate to satisfaction in terms of money, these factors are limited in nature and do not promote long-term motivation. To be motivated, workers must be excited and interested. Workers can be motivated through positive management techniques. Respect and fairness toward people in general goes much further than threatening or buying off workers (John W, Kennish: 1995).

2.4 Summary

It is clear from the information presented in this chapter that previous researchers have looked at the concept of management style and its influence on organisational climate. Further it has been established that management style does influence organisational climate. The purpose of choosing this topic and conducting this study at the mill was, to use the existing literature on these two concepts as a foundation and guide to measure and improve the current situation at the mill.

By conducting this survey in the mill one is able to demonstrate practically the relevance of the theories developed on management style and organisational climate to the mill situation. Existing literature, therefore provides the framework to conduct this study and the outcome of previous research gives an indication of what can be expected in the results of the study and also forms a basis to compare differences and similarities in the results.

The managerial grid model developed by Blake and Mouton (1975) will be used to evaluate management's style in the mill. In order to measure climate, the psychological climate model developed by MCG Davidson (2000) will be used. The next chapter covers the research methodology for this study.

3. Chapter Three : Methodology

3.1 Introduction

The first step in this process was to gain approval from senior management at the mill to conduct the research. Approval was granted and senior management indicated they would be very interested in the findings of the survey. It was clear this was the first time management style was being evaluated. The company, from a corporate perspective, has conducted climate surveys at this unit and various others within the group. This climate study is different to those previously conducted as it seeks to establish a greater level of detail in the climate perceptions.

The methodology discussed in this chapter highlights the sampling design, the data collection method as well as the descriptive and inferential analysis techniques used for this study.

3.2 The Research Method

This study seeks to understand the current style of management within the mill and its impact on the organisational climate within the mill. Therefore, this study is considered exploratory in nature and a quantitative approach will be used. Several hypotheses have been identified (Chapter one). These have been established by observation of the activities within the company over the past year and interaction with employees from various departments within the company over the same period.

According to Brian White (2000) quantitative research sets up a hypothesis or theory. This is a proposition which is tested and depending on the results of the test, the hypothesis or theory is either accepted or rejected. This type of research is deductive in that from the general

situation, inferences can be made about a specific example. In other words, ones start with a theory which applies in every case and the data collected either supports or rejects the theory (Brian White : 2000). Hence, a quantitative approach is most appropriate to use in this study.

3.3 Sample Design

In the literature review it was mentioned that in the sampling process, within any organisation in order to use aggregated psychological climate to predict organisational climate there is a need to ensure that all members of the organisation, or a random stratified sub-sample of individuals covering all positions, are represented. Without such sampling procedures in place, James *et al.* (1984) conclude that the use of aggregation is unjustified. This rational was also applied to measuring management style in the organisation.

Statistics	Admin	Production	Sales	Total
Mill (N=124)				
No. of people per dept.	21	86	17	124
% of Mill total	17%	69%	14%	100%
Sample (n=68)				
No. of people in sample	17	35	16	68
% of sample total	25%	51%	24%	100%
Sample as % of Mill total				55%

Table 3-1 Sample size

The mill has in total, 124 full time employees. Table 3.1 shows 68 individuals were selected for the sample, this represented 55% of the total population.

The majority of employees in the mill belong to the production department. During the sampling process, due to the poor literacy levels in production, the sample size from this department was limited. See appendix 2 for educational levels in the mill, expressed in terms of the National Qualifications Framework (NQF). Overall 40% of the total number of

employees in the mill, have NQF level 1 (i.e. std 7 and below) and 98% of these employees are in production.

	Admin	Production	Sales	Total
No. of employees	13	24	13	50
No. of supervisors	2	6	-	8
No. of managers	1	4	2	7
No. of senior managers	1	1	1	3
Total	17	35	16	68

Table 3-2 Stratification by department and position

In order for the data to be representative it was important to gain the perceptions of employees from all departments and from all levels within the hierarchical structure in the mill. In this light, a random stratified sample was chosen by department type and position i.e. employee, supervisor, manager and senior manager. This stratification is reflected in Table 3.2.

	Admin	Production	Sales	Total
level 2	1	12	-	13
level 3	1	2	-	3
level 4	8	6	9	23
level 5	3	15	5	23
level 6	3		-	3
level 7	1		2	3
Total	17	35	16	68

Table 3-3 Sample NQF levels by department

Only employees with NQF level 2 and more were selected for the sample, see Table 3-3. This decision was made after discussions with the Human Resource manager, he was of the opinion that employees with literacy level of 2 and more would be able to complete the questionnaire. To compensate for this limitation in the sampling design it was decided to interview as many personnel as possible with literacy level of 2 and more from various departments and at the various levels within the mill. The list of employees selected for the sample can be found in appendix 3.

	Years of service						Total
	0-5	6-11	12-17	18-23	24-29	30-36	
No. of employees	12	24	9	13	9	1	68
% of Total	18%	35%	13%	19%	13%	1%	100%

Table 3-4 Sample - Years of service

The majority of people in the sample have been employed with the mill between 6 and 11 years, see Table 3-4. The outstanding statistic in this case is, 33% of individuals in the sample have been with the company between 18 and 29 years. Whilst this shows low employee turnover and loyalty in the company, it may also be a disadvantage to the company. This indicates that most of employees at the mill may be quite old,, the norm in business these days is to have more young employees (25 –35 years) join the company. This approach is taken to infuse a level of dynamic and ‘out of the box’ thinking.

The positive side of the statistics presented in Table 3-4, is most managers in general and employees have been with the business for a long time therefore their perceptions on management style and climate are likely to be based on their extensive experience in the company.

3.4 Data collection method

Due to the confidential nature of the information requested, the most appropriate data collection method was through self administered questionnaires. With this method, respondents were given the opportunity to complete the survey at their own pace and in confidence.

According to Schindler and Cooper (2001), self administered surveys are perceived as more anonymous, but can result in a low response rate. However, due to accessibility of the employees it was easy to follow up on the survey return.

A high ethical standard was vital to ensure a successful response rate in this survey, it was anticipated, employees would only fill the surveys if they felt comfortable that anonymity of their responses would be maintained. This is discussed again in this section.

3.5 The survey instrument

This section outlines the survey instrument used to measure management style and organisational climate. The educational levels in the Mill, which was discussed in section 3.3, differ vastly, with the majority of individuals not having any tertiary qualifications. Given the above, it was important to choose a questionnaire that was simple and uncomplicated to the respondents.

3.5.1 Measuring management style

Blake and Mounton (1975) developed a questionnaire based on Grid theory, which consisted of ranking and single response scales. In the first part of their survey respondents were asked to rank paragraphs that best described behaviour from most typical to least. Each paragraph in the first part of the survey consisted of approximately 6 statements. For the second part of the survey, respondents were asked to choose the statement that best described them (their managers) regarding various managerial elements that ranged from decisions to effort. Due to the limitation of ordinal and nominal data and possible confusion in ranking the paragraphs, this questionnaire was not chosen for this study.

The questionnaire selected for this study was, developed by Don Clark (1998). It is based on the Managerial Grid Theory as developed by Blake & Mouton (1975). The survey consists of eighteen questions in total : nine statements relating to concern for people and a further nine statements relating to concern for production. Due to it's simplicity and ease of use it was identified as the most appropriate instrument for the respondents at the mill.

A six point likert scale was used throughout the questionnaire. Even scales are generally considered better than odd numbered scales due to the elimination of a 'middle of the ground' response. Practice shows that respondents given the opportunity may take a middle of ground approach for various reasons. The advantage of using the likert scale according to Cooper and Schindler (2001) is, it generates interval data and this allows for a range of statistical analysis, which can be applied to the data collected. The six point likert scale ranged from 0-never to 5-always.

Table 3.5 displays the constructs and corresponding items used for measuring management style based on Grid theory. According to Don Clark (1998), no reliability and validity tests have been done on the survey, however, feedback from various sources indicate that it is fairly accurate in plotting management styles according to Grid theory.

Refer to appendix 4 for the questionnaire. The first part of the survey has questions relating to management style whilst the second part consists of climate questions. The next section describes the climate questionnaire used in this study.

Construct	Scale	Item # Item
Concern for people	participation	1 Your manager encourages you to participate when it comes to decision-making time and he/she tries to implement your ideas and suggestions.
	coaching	4 Your manager enjoy coaching you on new tasks and procedures.
	creativity	6 Your manager encourages you to be creative about your job.
	openness	9 Your manager enjoys implementing new ideas.
	relations	10 When correcting mistakes, your manager does not worry about jeopardizing his/her relationship with you.
	passion	12 Your manager enjoys explaining the intricacies and details of a complex task or project to you.
	teamwork	14 Nothing is more important to your manager than building a great team.
	respect	16 Your manager honour's other people's boundaries.
	performance feedback	17 Counselling you to improve your performance or behaviour is second nature to your manager.
Concern for production	goals	2 Nothing is more important to your manager than accomplishing a goal or task.
	monitoring progress	3 Your manager closely monitor's your schedule to ensure a task or project will be completed in time.
	challenge	5 The more challenging a task is, the more your manager enjoys it.
	detail	7 When seeing a complex task through to completion, your manager ensures that every detail is accounted for.
	handling complexity	8 Your manager finds it easy to carry out several complicated tasks at the same time.
	time management	11Your manager manages his/her time very efficiently.
	planning	13 Breaking large projects into small manageable tasks is second nature to your manager.
	analytic flair	15 Your manager enjoys analysing problems.
	field interest	18 Your manager enjoys implementing new procedures.

Table 3-5 Dimensions of management style in this study

3.5.2 Measuring organisational climate

The questionnaire used in this study to measure organisational climate was a revised version of MCG Davidson's (2000) study, this in itself was an adaptation of James and Jones (1979) and Ryder and Southey's (1989) psychological climate questionnaires. Davidson's (2000) study focussed on organisational climate and its influence on performance in the hotel industry. His questionnaire consisted of 35 scales and 70 items with a seven point likert scale.

The model given in Figure 3-1, which was developed and tested by MCG Davidson (2000), was used in this study to measure organisational climate. Although Davidson identified 7 factors of climate, only 6 of these factors was used in this study. Factor 7, *Job Standards*, which related to high job precision was considered irrelevant for the environment under study and was therefore not included in this study.

The psychological climate questionnaire used in this study consisted of the following dimensions : *Leadership Facilitation and Support; Professional Organisational Esprit; Conflict and Ambiguity; Regulations and Organisation Pressure; Job Challenge, Importance and Variety and Workgroup Co-operation, Friendliness and Warmth.*

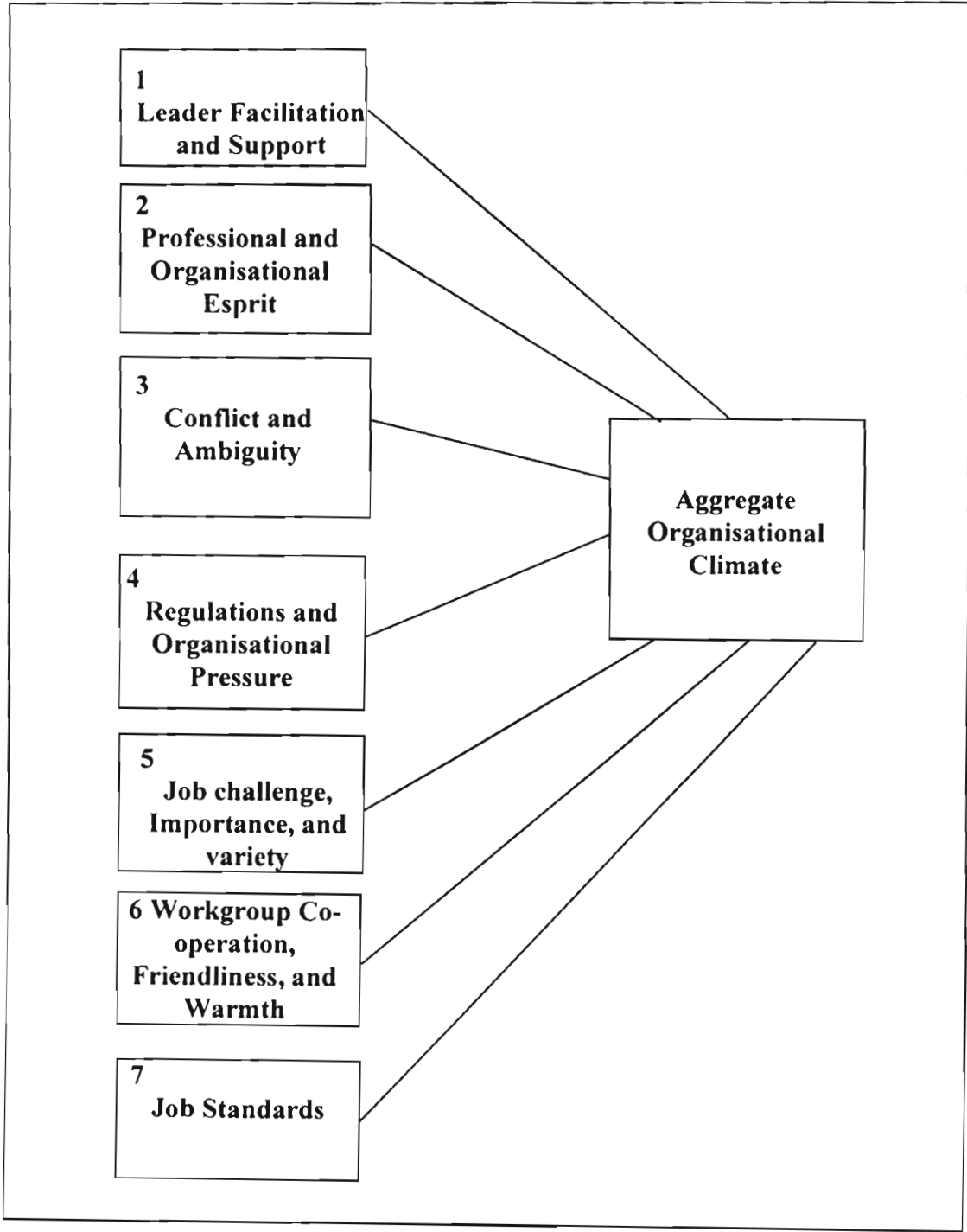


Figure 3-1 Organisational climate : The dimensions of organisational climate from the study of MCG Davidson (2000), adapted from study of Jones and James (1979) and Ryder and Southey (1989)

Due to the need to keep the questionnaire uncomplicated and at a reasonable length, 21 scales from MCG Davidson's study (2000) and their corresponding items were used in this survey. These are displayed in Table 3.6. The scale used throughout the survey (i.e. for measuring management style and climate), was maintained as the six point likert scale. This was done to ensure consistency for the hypothesis test.

However, this led to a limitation in the climate survey as the scale chosen was not appropriate for four questions in this section of the survey i.e. from a description point of view it was not suitable to the question asked. However, the overriding factor was that the description chosen, applied to 35 of the total 39 questions asked in the survey.

Reliability tests conducted by MCG Davidson (2000) yielded a *coefficient alpha* (commonly known as '*Chronbach Alpha*') of 0.959. According to Davidson's (2000) study, a test with 'robust' reliability would be expected to display a Chronbach Alpha in excess of 0.90. Thus, Davidson's (2000) questionnaire yielded particularly high reliability results. However, since the questionnaire used in this study was a modified version of Davidson's (2000), direct inferences cannot be made about the reliability.

Factor	Scale	Item # Item
Leadership Facilitation and Support	Support	21 Your manager is friendly and easy to approach.
	Work facilitation	22 Your manager offers new ideas for job and related problems
	Goal emphasis	28 Your manager sets an example by working hard himself
	Interaction facilitation	32 Your manager encourages you and your colleagues to work as a team
	Confidence & Trust upwards	20 Employees generally trust their managers
	Upward interaction	34 Your manager is successful in dealing with higher levels of management
	Awareness of employee needs and problems	31 Managers generally know what is going on in their department
Professional and Organizational Esprit	Professional Esprit de Corps	33 This company has a good image to outsiders
Conflict and Ambiguity	Role Ambiguity	23 Your job responsibilities are clearly defined
	Organisational Communication Down	39 You are given advance information about changes which might affect you.
	Job Autonomy	19 In your job, you are allowed to make decisions on your own.
Regulations Organisation and Pressure	Role Conflict	30 Excessive rules and regulations interfere with how well I do my job
	Job Pressure	26 Your hours of work are irregular
	Interdepartmental Co-operation	35 There is conflict between your department and other departments
	Confidence & Trust Down	38 Everything in this company is checked, individual judgement is not trusted.
	Fairness & Objectiveness of Rewards	27 Being liked is important in getting a promotion.
Job Challenge, Importance and Variety	Job variety	25 You have the opportunity to do a number of different things in your job.
	Job Importance	36 Your work is important
Workgroup Co-operation And Friendliness	Workgroup Friendliness & Warmth	24 Members in your department trust each other.
	Workgroup Co-operation	29 There is friction in your work group
	Workgroup Esprit de Corps	37 Most members in my workgroup take pride in their job

Table 3-6

Dimensions of psychological climate of this study, modified version of MCG Davidson (2000), Jones and James (1979) & Ryder & Southey (1989)

Refer to appendix 4 for the complete survey. The first part of the survey, as highlighted in the previous section, contains questions relating to management style whilst the second half consists of the psychological climate questions. The purpose of dividing the survey into four questions and using alphabetic labels for each item was to 'camouflage' the length of the questionnaire. All items were grouped into 4 pages (including the cover) with between 9 to 13 items per page.

The objectives and instructions of the survey were given in the short preamble. Emphasis, here, was placed on the anonymity of the survey since the information requested for was personal in nature. The biographical data requested for was positioned at the end of the questionnaire, the purpose of this data was to establish a profile of the respondents based on position, department, gender, race and age group.

3.6 Pilot testing of survey

The survey developed was tested, by handing it to three randomly selected respondents. These respondents were chosen from the identified sample for the study. Four concerns relating to this survey was, (a) the length of the survey might discourage respondents from completing it, (b) respondents might not understand some of the questions asked, (c) respondents may not know the answer to, two of the questions and (d) respondents may feel intimidated, filling the survey at the workplace.

It was estimated that the survey would take between 10 to 20 minutes to complete, depending on the level of comprehensibility of the respondent on the questions asked. The first questionnaire was returned 10 minutes later whilst the other two was returned, later in the day due to job constraints.

Each respondent was asked for general feedback on the survey without prompting any specific questions. As anticipated, in the case of two questions, respondents did not know the answer since there was no alternative on the scale for a 'don't know' response. These questions, which related to their manager's interest in his/her field of expertise were replaced by two general questions relating to concern for people and concern for production.

The second comment related to a question in the climate section of the questionnaire. Here, the respondent did not comprehend the question. This question was re-worded using simpler words. No comments were made on the length of the survey or the confidentiality aspects.

Overall the respondents commented they experienced no major problems filling in the survey, 'it was ok.' One of the respondents said they were glad that someone was actually conducting this survey, in all their years at the company this was never done before and they were hoping to see positive changes at the mill as a result of the survey.

3.7 Administration of the survey

The final survey was personally handed to each individual in the sample. Each survey handed, was accompanied by an envelope, respondents were asked to place their completed surveys in the envelope before returning them. This was done to ensure confidentiality and maintain anonymity of the respondents. Completed surveys were personally returned or collected the same day. Few outstanding surveys were returned the next day. This allowed respondents to complete the survey at their own pace.

Although the response to the survey was positive, unlike in the pilot test, concerns were raised about the anonymity of the survey, due to questions relating to position in the company and

the department they belonged to. These questions were addressed individually and respondents were told that the objective of the biographic details was to gain a profile as well as overall perceptions in the mill. Further, reporting of results would not be done on an individual basis, results would be combined to reflect the overall perception in the mill. Also, the high ethical standards of the research was also mentioned.

3.8 Data Analysis

Two methods were primarily used in the analysis of the data collected from this survey. These were descriptive analysis and inferential analysis, respectively. The details of these are given in this section.

3.8.1 Descriptive analysis

Analysis of nominal data viz. the biographic data, was achieved by plotting bar and pie graphs. Descriptive statistics was used to analyse the data on management style and organisational climate. The statistical analysis tool SPSS was used to assist the data analysis process.

For determining the management style, statements relating to concern for people and concern for production (task) were totalled, respectively. According to Don Clark's (1998) model of analysis each total must be multiplied by 0.2 to determine the Grid score for the respective dimension. This was applied to the total score for concern for people and concern for production, respectively, for each respondent. The scores for each respondent were plotted on the managerial grid developed by Blake and Mouton (1975), this yielded the management style in the mill from each respondents perspective.

To analyse each item within management style individually, the mean score, which provided the sum of the observed values divided by the number of observations, was computed. The standard deviation calculated represented the deviation from the mean for each item.

In order to determine the organisational climate, mean scores for each respondent were calculated for each factor of organisational climate as given in Figure 3.1 i.e. for factor 1 to factor 6. These scores were further aggregated for each respondent to determine the overall climate within the mill. Standard deviation was also calculated to analyse the spread of the data. Aggregation of the scores for managements style and organisational climate were necessary in order to determine the relationship between these variables.

3.8.2 Inferential statistical analysis

Since this study is concerned with determining the relationship between two variables, management style and organisational climate, correlation analysis was identified as the most appropriate test for the hypothesis given below (Cooper & Schindler : 2001):

- H₁ : The dominant management style in the mill is Impoverished Leader i.e. low concern for people and low concern for production.**
- H₂ : Management style in the mill has an influence on the organisational climate within the mill.**

The hypothesis given below relate the management style to various factors of organisational climate :

- H₃ : Management style is related to the leadership support and facilitation of employees.**
- H₄ : Management style influences the overall image of the**

company.

H₅ : Management style influences the level of conflict and ambiguity in the Mill.

H₆ : Management style influences the current regulations and organisational pressure.

H₇ : Management style influences job challenge, importance and variety.

H₈ : Management style is related to workgroup co-operation, warmth and friendliness.

Pearson's product moment correlation coefficient (r) was used to estimate the degree of linear association between the variables as given in the hypothesis. The correlation coefficient (r) varies over a range of +1 through 0 to -1. According to Cooper & Schindler (2001), correlation coefficients reveal the magnitude and direction of the relationships. The *magnitude* is the degree to which variables move in unison or opposition. The coefficient sign on the other hand signifies the *direction* of the relationship. Direction tells us whether large values on one variable are associated with large values on the other (and small values with small values). When the values correspond in this way, the two variables have a positive relationship : as one increases the other increases (Cooper & Schindler : 2001).

According to Jill Hussey & Roger Hussey (1997), the correlation coefficient (r) can be interpreted as follows, see Table 3-7.

Value of Pearson's Coefficient (r)	Interpretation
1.0	Perfect positive linear association
0.90 to 0.99	Very high positive correlation
0.7 to 0.89	High positive correlation
0.40 to 0.69	Medium positive correlation
0 to 0.39	Low positive correlation
0	No linear association
0 to - 0.39	Low negative correlation
-0.40 to - 0.69	Medium negative correlation
-0.7 to -0.89	High negative correlation
-0.90 to -0.99	Very high negative correlation

Table 3-7 Interpretation of Pearson's coefficient, Source - Jill Hussey & Roger Hussey (1997)

Testing the significance of (r) was done using the two tailed *t* test at a confidence level of 0.01 (99%) and 0.05 (95%). The objective of the above test is to discover whether the coefficient representing the relationship between the two variables is real or does it occur by chance. Cooper & Schindler (2001) advise, this calculation should be done before (r) is used in any further calculations or comparisons.

3.9 Ethical considerations

According to Cooper & Schindler (2001), the goal of ethics in research is to ensure that no one is harmed or suffers adverse consequences from research activities. It states further, that, in general research must be designed so a respondent does not suffer physical harm; discomfort, pain, embarrassment, or loss of privacy.

This study, which looks at management style in the mill and its influence on the organisational climate, is a very sensitive topic. Due to this, care was taken throughout the research process to ensure high ethical standards were maintained. Although ethical issues have been addressed to some extent in the previous sections of this chapter, it was considered necessary to highlight them again from a holistic research perspective. Actions taken towards this end were :

- consent was received from senior management to conduct this research at the mill.
- on the day of administration of the survey, managers and supervisors were informed via. email of the purpose of the survey and they were kindly requested to allow their staff time to fill the surveys in.
- the preamble in the questionnaire clearly stated :
 - the research objectives and purpose of the study.
 - respondents were requested not to write their names on the survey due to the sensitivity of the information requested.
 - results would be combined to reflect the overall perception in the mill i.e. focus will not be on individual responses.
- during administration, respondents were asked to seal their completed surveys in the envelope provided, to maintain confidentiality of their responses.
- analysis and reporting of results (chapters 4 & 5) reflect perceptions as gained from this survey.

3.10 Limitations of this study

The following were identified as the limitations of this research :

- In the sample design, individuals with literacy levels 2 (NQF) and more were chosen for the sample. As a result the sample drawn from production was limited, therefore perceptions from this department may not have been adequately covered in this research.
- The climate questionnaire used for this survey was an adaptation of the one used by MCG Davidson's (2000). The original questionnaire was shortened to suit the needs of the present study and no reliability or validity tests were conducted on the revised version.
- The scale description used in the survey was not suitable for 4 items on the questionnaire, it was not changed as the remaining 35 items were adequately covered.
- Administration and collection of five surveys was done via. fax due to distant locations of the respondents. The medium used to administer the survey may have influenced the respondent's response to the survey.
- Due to the limited sample size (NQF levels) the pilot study sample size was limited.

3.11 Summary

This section focussed on the research methodology used for this study. The sampling was done using stratified random sampling, however, the constraint was educational levels. The sample was limited to individuals with NQF level 2, hence this places a limitation on the degree to which the results will be representative of the population. Due to the sensitive nature of this study, questionnaires were used to gather the data. The dimensions for management style and climate were finalised for the survey and the required ethical standards and limitations of this study was also looked at. The identified descriptive and inferential statistics for the data analysis was outlined. The results of these analyses are presented in chapter four.

4. Chapter Four : Results of the survey

4.1 Introduction

This section of the report describes the results from the survey. The response rate is discussed together with the profile of the respondents. The bulk of this section consists of evaluating the management style and organisational climate. The last section looks at the hypothesis test using correlation analysis.

4.2 Response rate

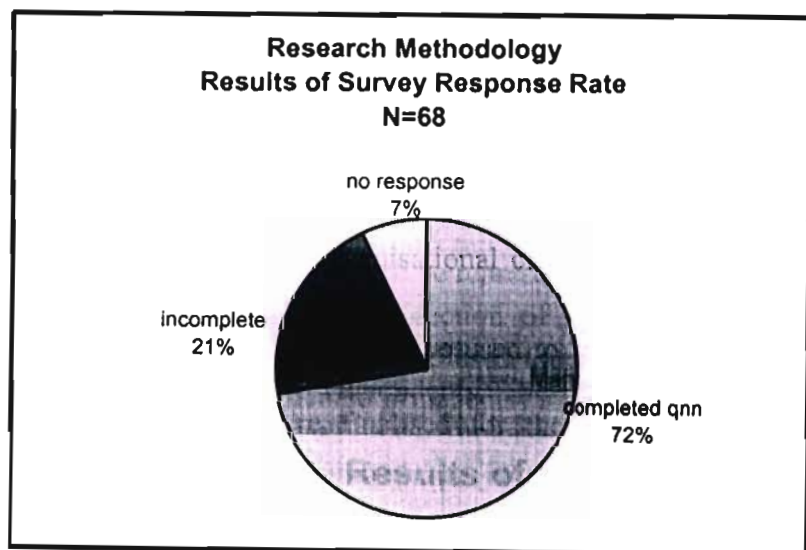


Figure 4-1 Response rate

Figure 4-1 shows a graphical display of the survey response rate. The overall response rate for the survey was 93%.

	completed qnn	incomplete	no response	Total
No.	49	14	5	68
% of Total	72%	21%	7%	100%

Table 4-1 Response rate tabulated

Table 4.1 shows, of the total 68 questionnaires administered although the response rate was 93%, only 72% of the questionnaires had all questions answered. Due to the nature of the model used to evaluate management style it was decided not to include the incomplete questionnaires, as they would have biased the results. The number of incomplete questionnaires is fairly high and this may have been attributable to the lack of understanding of some of the questions or alternatively the respondent simply did not know the answer to the question. Considering the sensitive nature of this research, the overall response rate was good.

4.3 Profile of respondents

In the last section of the survey (see appendix 4) respondents were asked to indicate their position in the company, the department they belonged to, their gender, race and age group. This data was used to draw a profile of the respondents.

4.3.1 Position

Figure 4-2 displays the biographic data regarding respondent classification in terms of position in the company.

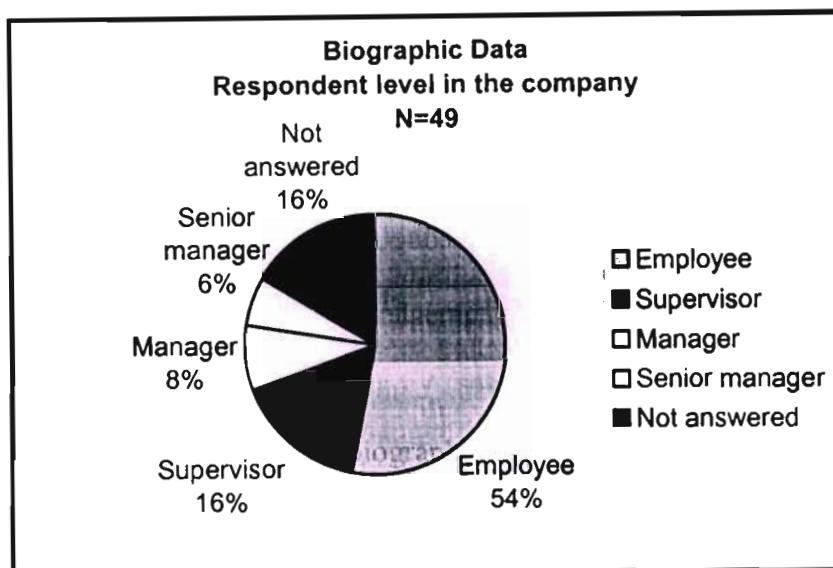


Figure 4-2 Classification of respondents by position in the company

From Figure 4-2, it can be seen that over half of the sample size consisted of employees, whilst 16% consisted of supervisors. Senior managers and managers represented 6% and 8% of the total sample size, respectively. Managers and senior managers were included in the sample in order to compare management styles at the various hierarchical levels in the company. It was envisaged that the perceptions at the various levels would differ, this is discussed further in chapter 5. 16% of respondents did not indicate their position in the company, perhaps due to concerns with anonymity.

4.3.2 Department

Figure 4-3 shows, close to half the number of respondents were from the production department. The number of respondents from the sales and administration departments were quite similar, representing a quarter of the total sample size.

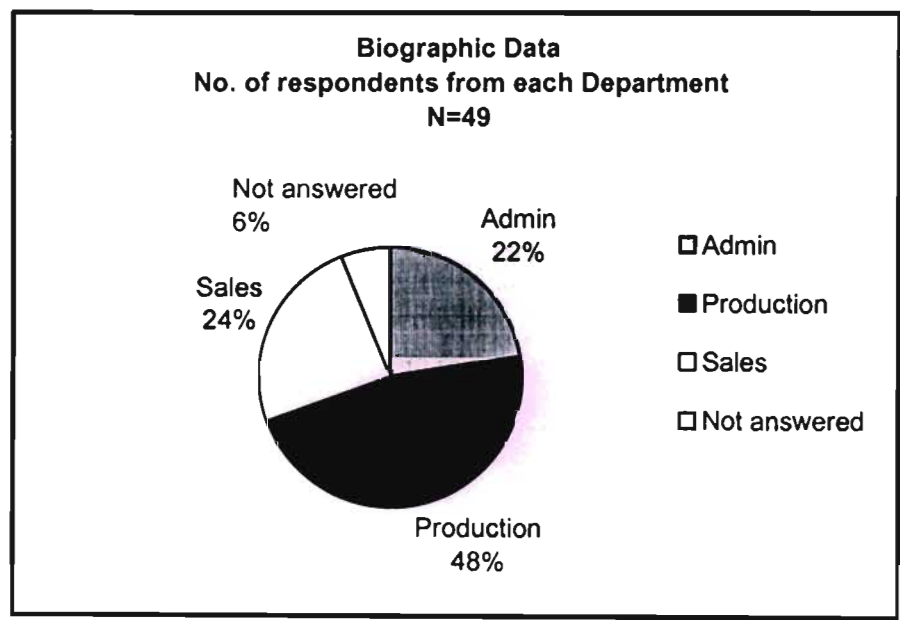


Figure 4-3 Profile of respondents by department

6% of the respondents did not indicate which department they belonged to. The above statistics, by department, is well aligned with the statistics given in the sample design in chapter 3. Once again it's clear to see, the production department accounts for the majority of the people working in the company.

4.3.3 Gender

Figure 4-4 indicates, over three quarters of the respondents were males, compared to only 16% of female respondents. Given the history of the company, which is male dominated, the above statistics does not come as a surprise.

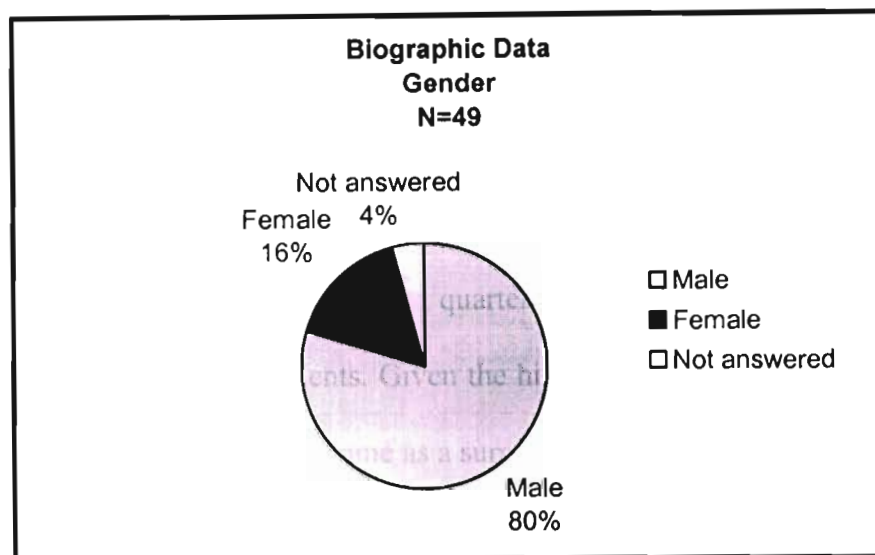


Figure 4-4 Gender profile of sample

The statistics as given in Figure 4-4 clearly show the gap in the equity status regarding males and females in the company, there hasn't been any visible initiatives to change this status over the last two years. One could argue that since the majority of the respondents are from production, which tends to be male dominated in most industries, the above statistics is justified.

4.3.4 Race

The sample profile of respondents by race, according to Figure 4-5, shows a fairly well distributed profile among blacks, indians and whites.

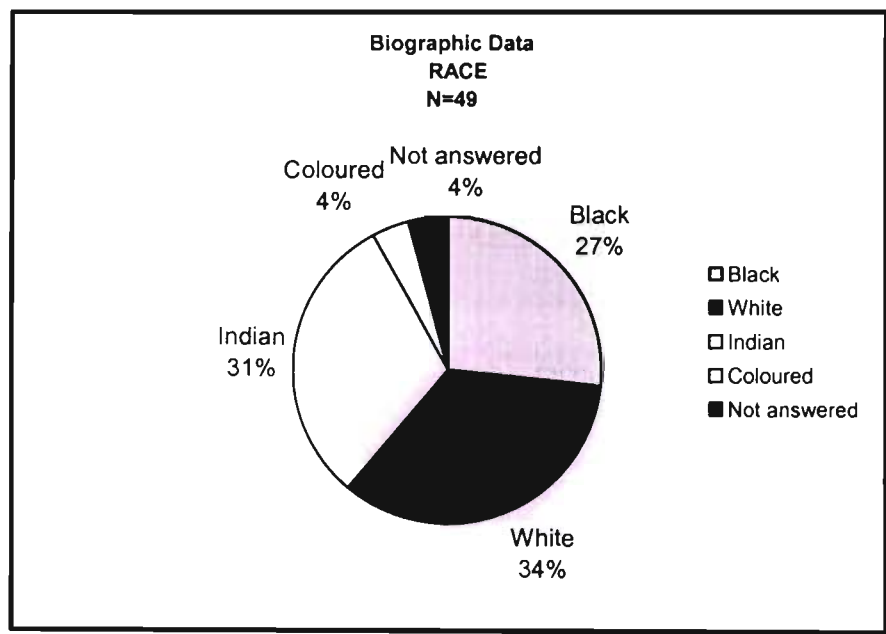


Figure 4-5 Profile of respondents according to race

Although management positions are still very white dominated within the company in terms of race, the overall profile of the sample shows a good split between the various races. Coloured's represent a very small portion of the racial profile, largely due to, the demographics of the province.

4.3.5 Age

Figure 4-6 shows, close to half the number of respondents in the sample fell within the 41-50 age group category. This figure is cause for concern, as it shows that this company is quite stagnant in introducing ‘young blood’ into its employ.

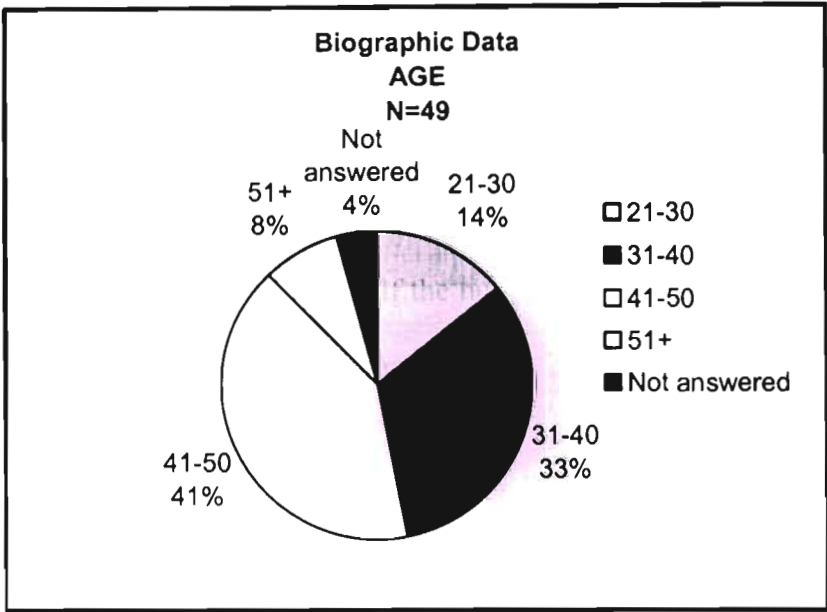


Figure 4-6 Age profile of respondents

Younger employees are normally associated with drive, creativity, ambition and innovation – ingredients that contribute to a successful company, the above statistics show that this company may be missing out on the opportunity to capitalise on such strengths. However, Figure 4-6 shows that one in three respondents belonged to 31- 40 age group category, this figure is quite positive, future growth and development of employees could be focussed on this level and the 21-30 age group, in order to provide strategic direction to capitalise on ‘new’ talent.

4.4 Evaluation of management style

In chapter three, the methodology for determining the management style based on the Managerial Grid Theory, was discussed in detail. Table 4.1 below shows the descriptive statistics in this regard.

4.4.1 People dimension

In order to measure the people dimension of management style respondents were asked nine questions. The mean score and standard deviation for each item was calculated as shown in

Dimension 1 PEOPLE	Mean N=49	Std deviation N=49
10. When correcting mistakes, your manager does not worry about jeopardizing his/her relationship with you.	2.96	1.58
9. Your manager enjoys implementing new ideas.	2.92	1.32
16. Your manager honour's other people's boundaries.	2.80	1.79
14. Nothing is more important to your manager than building a great team.	2.71	1.83
12. Your manager enjoys explaining the intricacies and details of a complex task or project to you.	2.67	1.72
6. Your manager encourages you to be creative about your job.	2.65	1.85
4 Your manager enjoys coaching you on new tasks and procedures.	2.59	1.50
1. Your manager encourages you to participate when it comes to decision-making time and he/she tries to implement your ideas and suggestions.	2.49	1.56
17. Counselling you to improve your performance or behaviour is second nature to your manager.	2.35	1.69

Table 4-2 Results of people dimension of management style

Table 4.2. The scales used in this regard ranged from 0-never, 1-almost never, 2- seldom, 3- occassionally, 4-almost always and 5–always. The highest rating in this category related to feedback. The perceptions of respondents, in this case was, when correcting mistakes

managers occasionally worried about jeopardising relationships. Further, employee's perception is that managers occasionally, enjoy implementing new ideas or honour other people's boundaries. When it comes to building a great team and explaining complex tasks managers were rated as, seldom to occasionally enjoying these activities. Also managers were perceived as seldom to occasionally enjoying implementation of new tasks and procedures or involving employees in decision making.

The lowest score in the people dimension related to counselling of employees. Here, the perception of respondents was, managers' seldom counselled employees to improve their behaviour. The standard deviation for the items given in Table 4.2 are quite high, this indicates there is a wide spread in terms of perceptions at the mill i.e. there is a high degree of variation in the responses. The overall perception from the above statistics is, managers seldom to occasionally focus on people dimensions as highlighted in this study. The variability in the responses may be attributable to the varying degrees of interaction between managers and employees through out the mill and the various types of management style in practice.

4.4.2 Task dimension

Dimension 2 TASK	Mean N=49	Std deviation N=49
2. Nothing is more important to your manager than accomplishing a goal or task.	3.31	1.50
3. Your manager closely monitor's your schedule to ensure a task or project will be completed in time.	3.31	1.52
8. Your manager finds it easy to carry out several complicated tasks at the same time.	3.24	1.49
7. When seeing a complex task through to completion, your manager ensures that every detail is accounted for.	3.04	1.62
11. Your manager manages his/her time very efficiently.	3.02	1.45
5. The more challenging a task is, the more your manager enjoys it.	2.88	1.60
18. Your manager enjoys implementing new procedures.	2.76	1.57
15. Your manager enjoys analysing problems.	2.61	1.55
13. Breaking large projects into small manageable tasks is second nature to your manager.	2.53	1.53

Table 4-3 Results of the task dimension in management style

The highest scores in the task dimension of management style, related to goal accomplishment and scheduling of tasks. The perception of respondents was, accomplishing goals or tasks by managers occasionally takes precedence over other activities and managers occasionally monitored schedules to ensure they would be achieved in time. Further managers occasionally, find it easy managing several complicated tasks simultaneously and account for the details of these tasks to completion.

When it comes to time management, respondents perceive managers as occasionally managing their time efficiently or enjoying challenging tasks. Respondents also perceived

managers as seldom to occasionally enjoying implementing new procedures or analysing problems.

The lowest score in the task dimension related to planning, here respondents perception was, managers seldom to occasionally managed to break large tasks into manageable portions. The standard deviation on the task dimensions is similar to the standard deviation in the people dimension i.e. they are high. Although most of the responses in Table 4.3 range from seldom to occasionally, these results differ to the people dimension results, in that, there are a few responses above that are tending towards almost always. It is this distinction that leads one to conclude, that the focus on task at the mill is slightly higher than on people, given the confines of this study.

4.4.3 The managerial grid plot

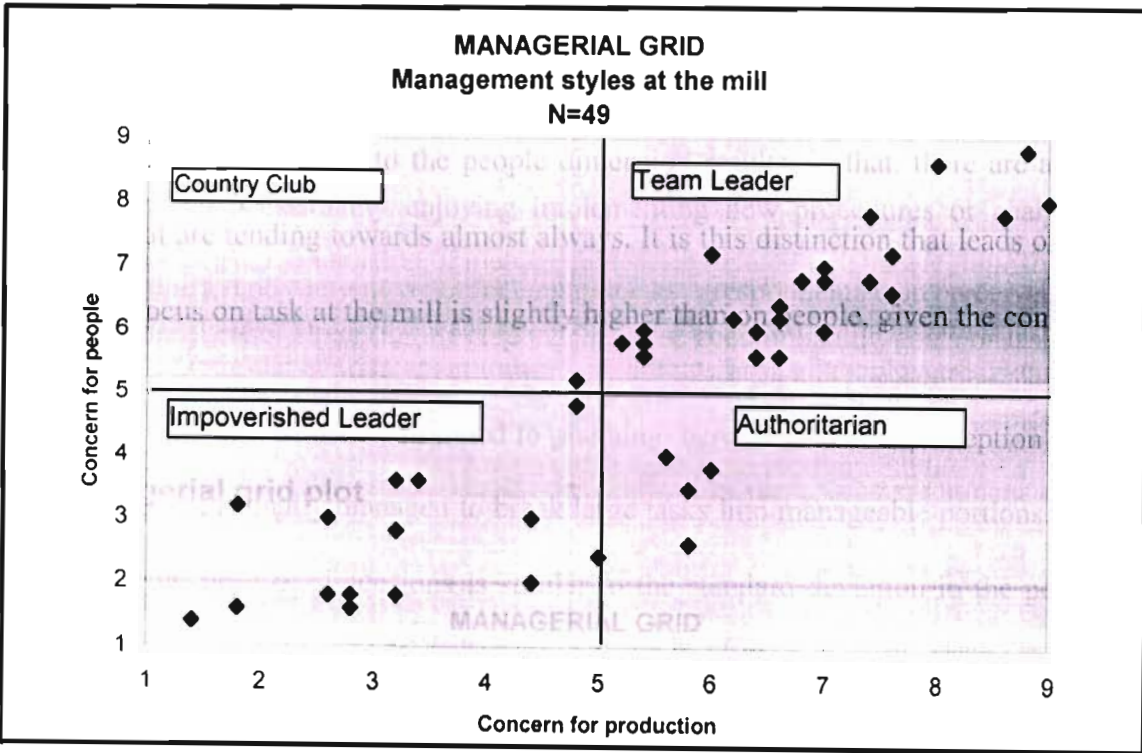


Figure 4-7 Management styles in the mill

The scores for the people and task dimensions for each respondent were summed and multiplied by a factor of 0.2 to achieve an overall score for both dimensions of management style. The resulting scores were used to plot the managerial grid as shown in Figure 4.7. The managerial grid above displays the overall analysis of management style at the mill. The above plot clearly shows two dominant styles of management evident i.e. Team leader and the Impoverished leader. Therefore, the hypothesis :

H₁ : The dominant management style in the mill is Impoverished Leader i.e. low concern for people and low concern for production.

is rejected.

	Country Club	Impoverished Leader	Authoritarian	Middle of the road manager	Team Leader	Total
No. of respondents	2	18	3	0	26	49
% of Total	4%	37%	6%	0%	53%	100%

Table 4-4 Management styles at the Mill

By quantifying the results as in Table 4-4, one is able to see to the extent to which certain management styles dominate over others. 53% of the respondents results indicate, the style of management at the mill is Team Leader i.e. high concern for people and high concern for production. According to Blake and Mouton’s (1975) theory, this result is positive and indicates that some managers are good at managing their employees.

Whilst this result is positive, the results of the remaining respondents indicate a very different picture. If one considers the results of the remaining styles collectively, then close to half the sample size results indicate the style of management falls into the categories,

authoritarian, impoverished leader and country club manager. This result is cause for concern, as the above management styles according to the managerial grid theory are not effective most of the times.

4.4.4 Evaluation of management style by hierarchical level

Lets have a look at the results from an employee and manager perspective. These results are displayed in the Figure 4.8. In order to superimpose the various categories onto one plot the overall mean results of employees, supervisors, managers and senior managers was calculated.

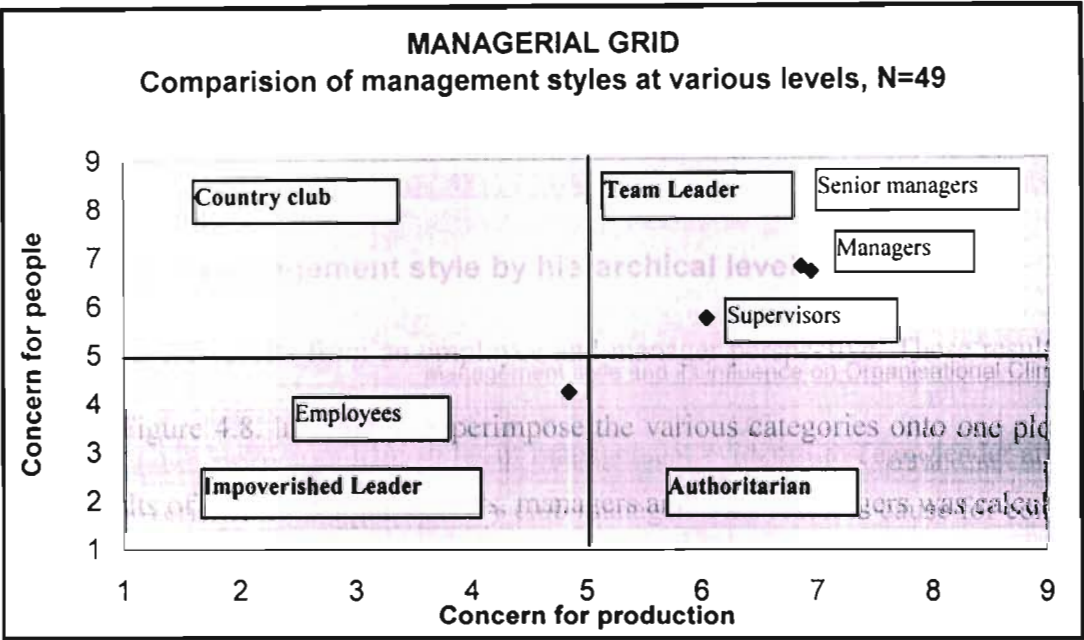


Figure 4-8 Perception of management styles at the various levels in the mill

Figure 4-8 shows that managers, in the hierarchical ranks i.e. supervisors, managers and senior managers perceive the leadership style as Team Leader. This result is not surprising as these are the levels in the mill where interaction takes most often. These individuals are kept well informed of key issues within the business, they are exposed to the company’s goals and

objectives, they are constantly interacting with their immediate manager, hence communication channels are open. From this point of view the organisation 'looks' great, no internal problems are perceived, and the poor performance of the organisation may be attributable by individuals in this orientation as 'somewhere out there.'

Employees on the other hand, view the style of management at the mill as Impoverished Leader. In this case the organisation shows low concern for people and low concern for task i.e. (1,1) grid orientation. According to Blake and Mouton (1975), management operating in this orientation i.e. Impoverished Leader might better be described as "lost among," rather than managing people. This management style is unnatural and comes to those who have accepted defeat. It is characterised by low involvement with people and the contribution of minimum effort toward organisation purpose. Hence, employees perception of the current management style as being Impoverished Leader should be looked at, with grave concern and with a view of moving towards a (9,9) orientation i.e. high concern for people and high concern for production.

Having looked at the results for management style in some detail, we now move on to look at the results for organisational climate in the mill.

4.5 Evaluation of organisational climate

In the literature review, Schneider discussed organisational climate in terms of :

An atmosphere that employees perceive is created in their organisations by practices, procedures and rewards...Employees observe what happens to them (and around them) and then draw conclusions about the organisation’s priorities. They then set their own priorities accordingly (Schneider :1994).

Similarly, the results given in this section, reflect the overall perceptions of respondents within the mill on 6 key factors of psychological climate. These have been defined as : *Leadership Facilitation and Support; Professional Organisational Esprit; Conflict and Ambiguity; Regulations and Organisation Pressure; Job Challenge, Importance and Variety and Workgroup Co-operation, Friendliness and Warmth.*

4.5.1 Factor 1 Leadership Support and Facilitation

Factor 1 Leader Facilitation and Support	Mean N=49	Std Deviation N=49
20. Employees generally trust their managers	2.53	1.67
21. Your manager is friendly and easy to approach.	3.33	1.74
22. Your manager offers new ideas for job and related problems	2.63	1.56
28. Your manager sets an example by working hard himself	3.04	1.83
31. Managers generally know what is going on in their departments	3.02	1.36
32. Your manager encourages you and your colleagues to work as a team	3.37	1.42
34. Your manager is successful in dealing with higher levels of management	3.27	1.63

Table 4-5 Results on Leadership Support and Facilitation

In terms of leadership support and facilitation at the mill, the overall perception of respondents is, managers occasionally encourage teamwork and they are sometimes easy to approach. Respondents don't perceive managers as being successful in dealing with higher levels of management at most times and managers sometimes set an example by working hard themselves. Although managers sometimes know what is happening in their departments, they seldom offer solutions to problems. Generally in the mill, employees seldom trust their managers.

The large standard deviations in Table 4-5 indicate, as in the case of evaluating management style, large variations in the responses.

4.5.2 Factor 2 Professional and Organisational esprit

Factor 2 Professional and Organisational Esprit	Mean N=49	Std deviation N=49
33. This company has a good image to outsiders	3.08	1.63

Table 4-6 Result on professional and organisational esprit

Respondents indicated that occasionally the company has a good image to outsiders. This would imply that in many instances, respondents perceive the company as not having a good image to outsiders.

4.5.3 Factor 3 Conflict and Ambiguity

Factor 3 Conflict and Ambiguity	Mean N=49	Std deviation N=49
23. Your job responsibilities are clearly defined	2.94	1.78
19. In your job, you are allowed to make decisions on your own.	2.84	1.52
39. You are given advance information about changes which might affect you.	2.29	1.44

Table 4-7 Results on Conflict and Ambiguity

Regarding factors relating to conflict and ambiguity, respondents' perceptions are, job responsibilities are sometimes defined well and they are occasionally allowed to make decisions on their own. However, they are seldom given advance information on changes that affect them.

4.5.4 Factor 4 Regulations, Organisation and Pressure

Factor 4 Regulations, Organisation, and Pressure	Mean N=49	Std deviation N=49
27. Being liked is important in getting a promotion.	3.18	1.67
38. Everything in this company is checked, individual judgement is not trusted.	3.08	1.37
26. Your hours of work are irregular	3.00	1.72
30. Excessive rules and regulations interfere with how well I do my job	2.39	1.57
35. There is conflict between your department and other departments	2.27	1.54

Table 4-8 Results on Regulations, Organisation and Pressure

The response to factor 4 is shown in Table 4-8. Respondents' perception is that occasionally being liked is important when promotions are considered. Also, sometimes individual judgement is not trusted and occasionally hours of work are irregular. In this case results did show there are some individuals whose work hours are consistently irregular. Finally, seldom

rules and regulations interfere with work and departments sometimes experience interdepartmental conflict.

4.5.5 Factor 5 Job Challenge, Importance and Variety

Factor 5 Job Challenge, Importance and Variety	Mean N=49	Std deviation N=49
25. You have the opportunity to do a number of different things in your job.	3.02	1.49
36. Your work is important.	4.82	0.53

Table 4-9 Results on Job Challenge, Importance and Variety

Table 4-9 indicates that occasionally respondents have the opportunity to do a variety of things in their job. The response to job importance was strong, here, respondents always view their work as important. This result is positive and shows there are opportunities to generally improve the company’s performance.

4.5.6 Factor 6 Workgroup co-operation & Friendliness

Factor 6 Workgroup co-operation & Friendliness	Mean N=49	Std deviation N=49
24. Members in your department trust each other.	3.96	0.91
37. Most members in my workgroup take pride in their job.	3.39	1.38
29. There is friction in your work group.	2.37	1.48

Table 4-10 Results on Workgroup co-operation & Friendliness

The results in Table 4-10, indicate respondents almost always trust their colleagues. Workgroups occasionally take pride in their job. There is seldom friction in work teams.

Overall the results on the various factors of organisational climate indicate that respondents are occasionally receiving support and direction, however, there are certain areas e.g. trust for



managers and sharing of relevant information that requires a lot of attention. Whilst most of the responses ranged from seldom to occasionally, there were a few instances where respondents clearly indicated their dissatisfaction with various items relating to climate. For example, close to every third respondent (31%) indicated that there's almost no leadership support and facilitation of employees in the mill. One in five respondents (20%) said the company almost never has a good image to outsiders and one in five respondents (20%) also indicated that there is almost always conflict and ambiguity in the workplace. It is important to focus on these perceptions, as these may be the respondents who recognise the need to bring about improvement in the mill.

The question that arises is - is occasional attempts to address business needs sufficient for an effective business i.e. one that generates and sustains profits. Given the current poor profitability of the mill, one is led to believe not. This is discussed further in chapter 5.

The next section looks at the relationship between management style and organisational climate.

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4.6 Correlation analysis

The correlation of management style against organisational climate is displayed in Table 4-11.

Correlations

		MS Management Style	CLIMATE
MS Management Style	Pearson Correlation	1.000	.786**
	Sig. (2-tailed)	.	.000
	N	49	49
CLIMATE	Pearson Correlation	.786**	1.000
	Sig. (2-tailed)	.000	.
	N	49	49

** . Correlation is significant at the 0.01 level (2-tailed).

Table 4-11 Pearson's correlation : Management style and Climate

Table 4-11 shows a correlation coefficient of $r = 0.786$ and significance of $0.000 < 0.05$ for the correlation of management style and organisational climate. Therefore, the hypothesis :

H₂ : Management style in the mill has an influence on the organisational climate within the mill,

is accepted.

A correlation matrix as shown in Table 4-12, was drawn up to display the relationship between the management style and the various variables of organisational climate as identified in this study. The result of each correlation is explained, refer to appendix 5 for these scatter plots.

		Correlations						
		MS Management Style	F1 Leader Facilitation & Support	F2 Profession al & Organisati onal Esprit	F3 Conflict & Ambiguity	F4 Regulations & Organisational pressure	F5 Job challenge, Importance & Variety	F6 Workgroup Co-operation & Frindliness
MS Management	Pearson Correlation	1.000	.900 **	.630 **	.678 **	-.296 *	.628 **	.031
	Sig. (2-tailed)		.000	.000	.000	.039	.000	.833
	N	49	49	49	49	49	49	49
F1 Leader Facilitation & Support	Pearson Correlation	.900 **	1.000	.634 **	.800 **	-.329 *	.624 **	-.065
	Sig. (2-tailed)	.000		.000	.000	.021	.000	.656
	N	49	49	49	49	49	49	49
F2 Professional & Organisational Esprit	Pearson Correlation	.630 **	.634 **	1.000	.696 **	-.123	.560 **	-.052
	Sig. (2-tailed)	.000	.000		.000	.399	.000	.723
	N	49	49	49	49	49	49	49
F3 Conflict & Ambiguity	Pearson Correlation	.678 **	.800 **	.696 **	1.000	-.230	.678 **	.002
	Sig. (2-tailed)	.000	.000	.000		.113	.000	.989
	N	49	49	49	49	49	49	49
F4 Regulations & Organisational pressure	Pearson Correlation	-.296 *	-.329 *	-.123	-.230	1.000	-.300 *	.335 *
	Sig. (2-tailed)	.039	.021	.399	.113		.036	.018
	N	49	49	49	49	49	49	49
F5 Job challenge, Importance & Variety	Pearson Correlation	.628 **	.624 **	.560 **	.678 **	-.300 *	1.000	.120
	Sig. (2-tailed)	.000	.000	.000	.000	.036		.413
	N	49	49	49	49	49	49	49
F6 Workgroup Co-operation & Frindliness	Pearson Correlation	.031	-.065	-.052	.002	.335 *	.120	1.000
	Sig. (2-tailed)	.833	.656	.723	.989	.018	.413	
	N	49	49	49	49	49	49	49

** . Correlation is significant at the 0.01 level (2-tailed).
* . Correlation is significant at the 0.05 level (2-tailed)

Table 4-12 Correlation matrix for this study

A correlation analysis of management style and leadership support and facilitation yielded $r = 0.900$ with a significance of 0.000 , hence the hypothesis :

H₃ : Management style is related to the leadership support and facilitation of employees,

is accepted.

The correlation analysis of management style and professional and organisation esprit resulted in $r = 0.63$ and a significance value of 0.000 . Therefore, the hypothesis :

H₄ : Management style influences the overall image of the company,

is accepted.

The correlation of management style with conflict and ambiguity yielded a correlation coefficient $r = 0.678$ and a significance of $0.000 < 0.05$. Therefore, the hypothesis :

H₅ : Management style influences the level of conflict and ambiguity in the Mill,

is accepted.

The correlation of management style with regulations and organisational pressure resulted in a negative correlation coefficient of 0.296. This represents a low correlation and the negative sign indicates the two variables are inversely related to one another. Since the significance value is $0.039 < 0.05$, the hypothesis :

H₆ : Management style is related to the current regulations and organisational pressure,

is accepted.

The correlation analysis of management style and job challenge, importance and variety resulted in a correlation coefficient of 0.628 and a significance value of 0.000. Hence, the hypothesis :

H₇ : Management style influences job challenge, importance and variety,

is accepted.

Finally, the correlation of management style with workgroup co-operation, warmth and friendliness resulted in a correlation coefficient of 0.031 and a significance value of 0.833 > 0.05. Therefore the hypothesis :

H₈ : Management style is related to workgroup co-operation, warmth and friendliness,

is rejected.

The findings of this study are summarised in the next section.

4.7 Summary of main findings

The main objective of this study was to establish the current management style at the mill and its impact on organisational climate. The Managerial Grid model developed by Blake and Mouton (1975) was used to determine the style of management at the mill.

The results indicate that two dominant styles of management is present in the mill, these are Team Leader and the Impoverished Leader, respectively. The former result is positive as according to Blake and Mouton's grid theory the Team Leader style of management promotes conditions that integrate creativity, high productivity and high morale through concerted team action.

Whilst the result is positive, it is the second dominant style of management that raises concern. i.e. the Impoverished Leader. According to Blake and Mouton (1975), this type of manager exerts minimum influence in his contacts with others. Little concern for people or production is expressed. In a supervisory position, he/she is most likely to be found executing messenger-carrier functions, communicating orders from the layer above to the layer below.

Further, the supervisor is an expert at passing blame for failures along in such a way as to absolve himself from responsibilities, yet he rarely initiates criticism spontaneously. His criticism is merely in the interest of self defence. Through minimum contact and non involvement, he/she reduces the need to take more active steps with respect to managerial responsibilities. Hence, subordinates or members of others groups are left to fend for themselves, even when action on his/her part may be appropriate (Blake & Mouton : 1975).

Overall, these results indicate whilst some managers may be doing a great job at the mill, others are playing the role of passive on-lookers due to sense of defeat which may have been built up over a period of time. Hence, the business is being managed from two different perceptions with the result that it is actually difficult to move forward. A business cannot function optimally if units and individuals are divided in their roles and in giving off their best. Throughout the value chain activities need to be aligned to a pre-determined standard. If one unit completes tasks well whilst the other puts in minimum effort, the end result is going to be poor. From this viewpoint there's no single vision, which is driving individuals in the mill towards a common goal.

This view is further reflected in the results for organisational climate. For all climate factors identified in the study, the managers were rated as seldom to occasionally practicing them. For example when it comes to involving employees in decision making, or coaching them on new tasks or generally giving them feedback on important issues, it was clear from the overall results that these issues are occasionally addressed in the mill. The large variation in the responses confirmed that whilst some managers are creating positive climates, others are not. Overall, the results for organisational climate indicate that there is room for improvement in the interaction between managers and employees in order to create a work environment that promotes :

- trust between managers and employees
- fairness in activities such as job promotions
- reduced interdepartmental conflicts
- creativity in the workplace,

so that internally we have a market who needs are satisfied and hence they will be more willing to assist the company in meeting the external market needs.

The correlation analysis showed a strong correlation between management style and organisational climate. This shows that the manner in which employees are managed influences their attitude and perceptions about their jobs. When taking a closer look at the relationship of management style with the six dimensions of organisational climate it was established that management style is strongly related to leadership support and facilitation and conflict and ambiguity in the workplace.

Management style is also related to professional organisational esprit and job challenge, importance and variety. The correlation between management style and regulations and organisational pressure was low and no relationship was found between management style and workgroup co-operation and friendliness. In this case, it was clearly evident that employees had good relations within their workgroups. This shows that relationship challenges in the mill are more focussed on - subordinate and manager relations.

Hence from the above analysis it can be seen that if the management style is effective overall, this will contribute towards a positive work environment. MCG Davidson (2000) in his study, showed that organisational climate is related to the performance of the company. Therefore, in the mill, if we align more managers towards, the (9,9- Team Leader) style of management, we can create an overall positive organisational climate, which in turn, can positively influence the performance of the company.

However, addressing management styles to create a positive work environment in itself will not guarantee business success as it addresses only one aspect of the people dimension in business scorecard. The other key areas within the business also need to be addressed viz. Finance, Production and Sales. One needs to align the strategy, structure, processes, systems and rewards for business success. Given the limitations of this study it was not possible to include these variables in the research. However, if we are aiming to improve the business, we need to find a holistic organisational intervention that addresses all aspects of the business. In the next section we look at a possible organisational development intervention towards creating change for the desired management culture and the corresponding climate in the mill.

5. Chapter five Recommendations.

Blake and Mouton (1975) further to their Managerial Grid theory, designed an organisational development intervention that allowed companies to aspire to the (9,9) type of organisation. This intervention consisted of six phases, each addressing various needs within the organisation. In the literature survey, many Grid success stories based on the above organisational intervention were cited under ‘Applications of the Managerial Grid.’ Over the years, since Blake and Mouton (1948) first developed their organisational intervention there have been various other theorists who developed models of organisational improvement along very similar lines.

One of these theorists is Daniel R. Tobin (1993). Tobin’s theory was based on the concept of ‘learning organisations,’ the principles of this theory are very similar to the Grid Intervention developed by Blake and Mouton (1948). Due to this similarity and in part the futuristic approach to organisational development proposed by Tobin, his intervention was chosen as the suggested route to developing organisational excellence at the mill.

According to Tobin’s theory, in learning organisations, ideas and solutions come from everyone in the company, no matter what their functions, job descriptions or locations. The organisation taps into the cumulative knowledge of its entire value chain, suppliers and customers included, to create value. He further states that it is the learning organisation that lays the foundation for innovation, efficiency and competitiveness in an organisation.

Tobin’s theory stresses five foundations for the learning organisation. These are given in Table 5.1.

Foundations for the Learning Organisation
Visible leadership
“Thinking” literacy
Overcoming functional myopia
“Learning” teams
Managers as enablers

Table 5-1 Foundations for a Learning Organisation (Tobin :1993)

An organisational intervention for a positive change in the mill, with the assistance of an organisational development specialist, should be designed based on the foundations of Tobin’s “Learning Organisations” theory. A possible five phase approach covering each of the above foundations should be created. The details and benefit of this approach is given below.

Foundation 1-Leading with visible leadership has seven key leadership practises as identified by Tobin (1993). The first, is vision. Leading the mill’s transformation effort must start with a **vision** of the future toward which everyone in the company can work. This vision must be clear, so that it is easily understood and bold enough to inspire employees at all levels. There must be a plan outlining the necessary steps to realise this vision –without clear cut goals, Tobin advises employees may well be confused and dispirited, rather than energised.

The second one is **commitment**, many transformation initiatives fail because the organisation's leaders are not committed to the program. This lack of commitment quickly becomes apparent and members of the organisation, no matter how much they may believe in the process personally, reach the same conclusion : why put in the effort? Commitment must be made by all leaders at all levels or the effort isn't worth undertaking at all. Becoming a learning organisation according to Tobin (1993) is not a short term investment and entails changing the entire culture and ethnic of the organisation. Even with great commitment and effort it can take from three to five years.

The **third** practice is **consistency**. Too often, organisational politics result in one division or group asking the organisation's leaders for an exemption from a new program, Their perceptions are usually, 'this organisation learning is interesting but it's going to divert our attention from the important work we are doing right now.' The new program has to span all parts of the organisation for it to be successful. This requires consistency by the organisations leaders.

Fourthly, is **coherence**. The organisations leaders must ensure that all parts of the planned transformation are coherent, that all elements are working towards the same goal. Often, as organisations grow, each functional group develops its own policies and procedures to ensure success according to its own metrics. This can easily sub-optimize the goals of the larger organisation.

Fifthly is comprehensiveness. To transform the mill into a learning organisation, leaders must ensure that the planned solutions are comprehensive. These transformations are very complex, requiring the change, elimination, restructuring or modification of many interrelated methods throughout the company. Focusing on some only, without the rest may result in less desired results.

Sixthly is confidence. The company leaders must be comfortable with their decision to move the organisation in a new direction, so they must constantly display confidence that the chosen direction is the right one. Leaders who are confident of success and continually push their organisations along the learning curve will, in the end, find the length of the journey shorter.

The **seventh** practice is **communication**. Visible leadership requires open, clear, forthright communications. Sometimes this is called 'cheerleading' – leading the charge, publicly acknowledging victories along the way, reinforcing corrective behaviours. It also involves acknowledgement of the hard work required to achieve the transformation. Appropriately rewarding employees is also important. Communicating the change initiative to customers will also be important, so that they will understand if service levels are not up to standard during that period.

Leadership practices are not intuitive. Leaders aren't born, they need to be developed (Tobin : 1993). Hence, leadership training for management at the mill is imperative.

The leadership approach should have three major elements :

- Mentoring and coaching
- Leadership education and training
- A series of developmental activities

Foundation 2 for the learning organisation is the “**Thinking**” literacy, which surpasses what is commonly known as “functional” literacy. It encompasses a set of basic skills that all employees must master to enable the learning organisation. Ranging from the three Rs to business, team and self management skills, all are pre-requisites to the major transformation efforts the mill is starting in order to gain business success. Many resources are available locally to help the company equip employees to master these skills, therefore the mill must not feel like they will have to develop and deliver all of the needed education and training themselves. The role of the mill in this stage is to :

- Clearly identify the skills needed by employees at all levels
- Identify skills deficits in their employees
- Recruit local resources to provide the needed instruction, and
- Help those resources tailor the programs using company-specific materials and examples.

The **third foundation** for the learning organisation is “**overcoming functional myopia**,” i.e. getting people at all levels and across all functions to widen their focus from their local goals and standards to the overall goals of the mill. According to Tobin (1993), the three primary causes of functional myopia are cultural, organisational and administrative barriers that have developed as the organisation has grown over time. To eliminate functional myopia that may

exist in the mill e.g. in the climate measure it was mentioned there is sometimes conflict between departments, requires education and training programs, changes in organisational design to eliminate structural barriers and re-thinking administrative policies and procedures to ensure they support overall company goals.

The **fourth foundation** is building and sustaining effective “**learning**” teams. In the management style survey it was pointed out that managers occasionally promote teamwork in the mill. In order to achieve affective teamwork, the mill must overcome a set of personal, cultural and structural barriers. This requires a four-stage development process, starting with team formation and continuing through the acquisition of team skills and management skills by team members. More details of the above stages is given in appendix 6. The role of the team manager is vital in the formation and development of teams.

According to Tobin (1993), the four-stage model results in effective, self-managed learning teams and a variety of associated benefits, including reduction in cost, time and defects. This foundation for the learning organisation will aid the process of moving more managers in the mill towards the (9,9 Team Leader) management style. The (9,9) style should be the base style of management and depending on the situation the backup style from the available options on the Grid should be used.

As team managers guide teams through the four-stage process, their team-related job responsibilities lessen. The team manager role will be new to some managers, this role is discussed in the next foundation.

The **last foundation** for the learning organisation is ‘**managers as enablers.**’ According to Tobin (1993) what is needed here is a redefinition from “manager as controller” to “manager as enabler.” Such a process will call for management in the mill to assume new roles with respect to their subordinates. Tobin goes on to mention that managers will require the creation of empowered, self-managed work teams. This perception of management's role is well aligned with Blake and Mouton's grid theory, in particular the (9,9 Team Leader) organisation. The old and new roles required of managers are shown in Table 5.2.

Current management style	Team Leader management style
Strict manager-employee relationship	More function and peer relationships
Give orders	Negotiate
Carry orders up and down	Solve problems and make decisions
Job description and prescribed specific tasks	Create your own entrepreneurial job role
Narrow, functional focus	Broad, cross-functional collaboration
Go through channels sequentially	Attain speed and flexibility
Control employees	Coach employees

Table 5-2 Current and Team leader (Modern) styles of management, Tobin (1993)

Hence, moving managers towards the modern team leader orientation style will require training for the skills given below :

- negotiation skills
- teaching and coaching skills
- career and life planning skills for the manager.

Finally to become a learning organisation, a company must *invest* in its people, for it is people who develop and use knowledge to meet company goals. The investment should start with building the foundations for the learning organisation, from developing leaders into enablers. Throughout the process, which is estimated at 3-5 years, management needs to constantly measure and evaluate progress against objectives and refine the process accordingly.

6. Chapter six Conclusion

For more than 30 years, companies have been searching for an alternative to people as the single most important source of success, but they will never find one (Randell : 1997). Ten or 15 years ago, some of the most admired manufacturing companies thought they had found an alternative: technology. They invested heavily in technology, only to discover afterward that their businesses were even more dependent on people, and that they needed a workforce with more skills, training, and greater creativity and adaptability than ever before.

Companies that tap their employees' expertise, problem-solving skills, and self-direction enjoy a serious competitive advantage (Patrick : 2002). Moreover, motivated and satisfied workers consistently hit targets and meet unexpected challenges even when formally appointed leaders are unavailable.

This research has unveiled opportunities for the mill to begin to head in this direction. The main aim of this study was to establish the current management style within the organisation and it's impact on the climate created in the workplace. The second objective was to recommend a strategy to effectively address the organisational needs identified through this study.

The two dominant management styles identified in the company was Team leader and Impoverished leader. Whilst the former results is positive, the latter is a less than desired style for any company to operate in. According to Blake and Mouton (1975), companies operating

within this frame of management can see a downturn in business. This is evident somewhat at the mill, where it has been experiencing negative growth since latter part of 2001, to date.

The findings in the climate section of this study has revealed that there is occasionally a positive climate in the workplace regarding leadership support and facilitation, company image, issues relating to conflict and ambiguity or regulations and job pressure or job challenge for that matter.

The correlation analysis has shown that management style and organisational climate are strongly related. This implies that leaders in the company influence employee's feelings and attitudes based on their style of managing their employees. This perception of close to half the number of respondents in this study has shown there is a need to move more managers into a more effective style of management at the mill. This according to Blake and Mouton's (1975) theory, is the Team leader style of management.

In order to achieve this, requires a re-engineering of the business towards a learning organisation. Tobin's (1993) theory of the learning organisation was chosen over the managerial grid intervention (Blake and Mouton : 1975) due to similarities in the two approaches and the modern management trends evident in Tobin's theory. The recommendations covered a detailed account of the five foundations of the learning organisation approach and the course of action to be taken at the mill to ensure business success.

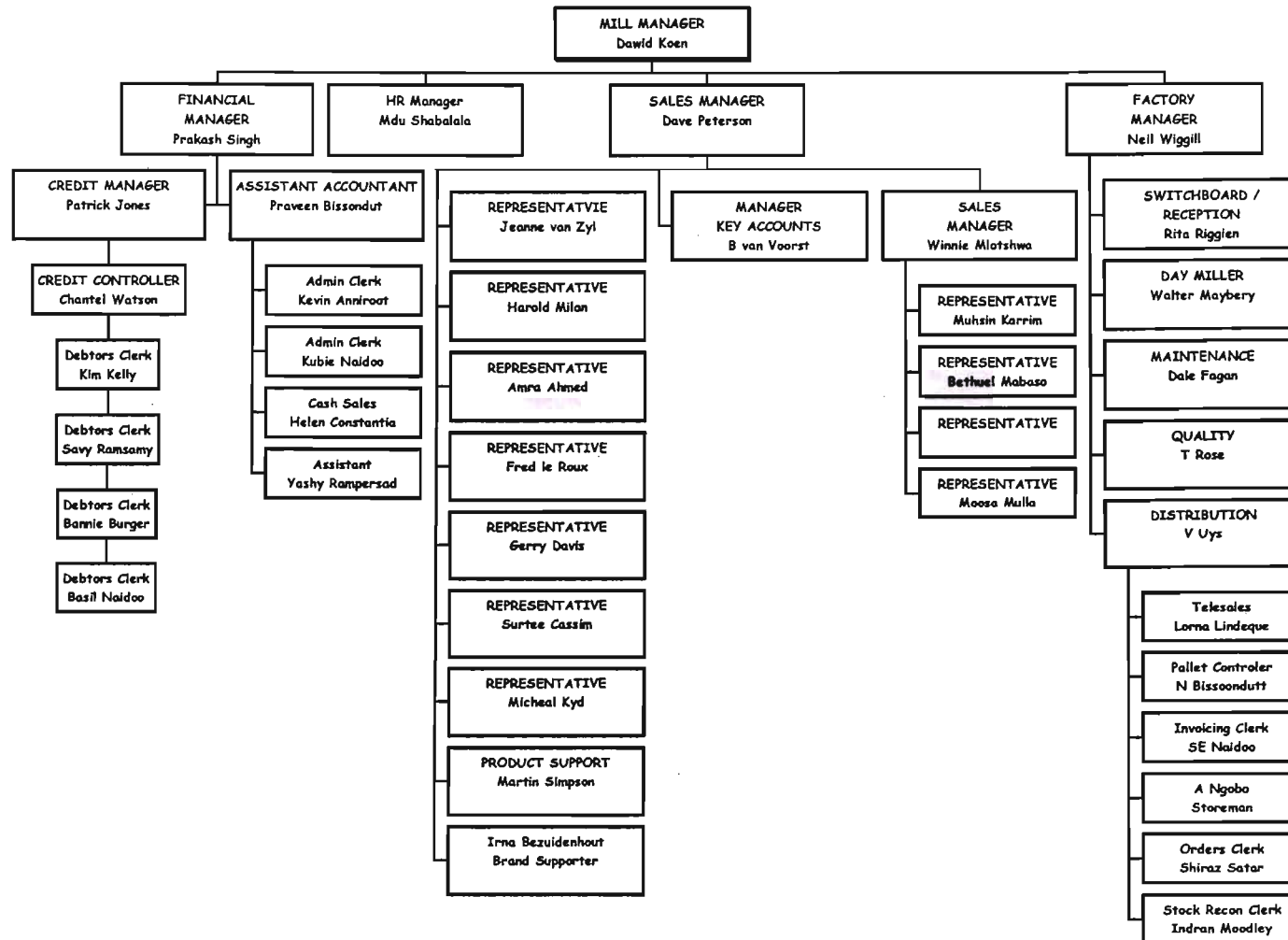
The company should assess management style and organisational climate at various phases within the transition towards a “learning organisation” to determine success towards a team leader type of organisation.

The findings of this study should be viewed within the context of the study. The limitations of the study were covered in detail in chapter three. Hence, one cannot generalise these findings to business in general.

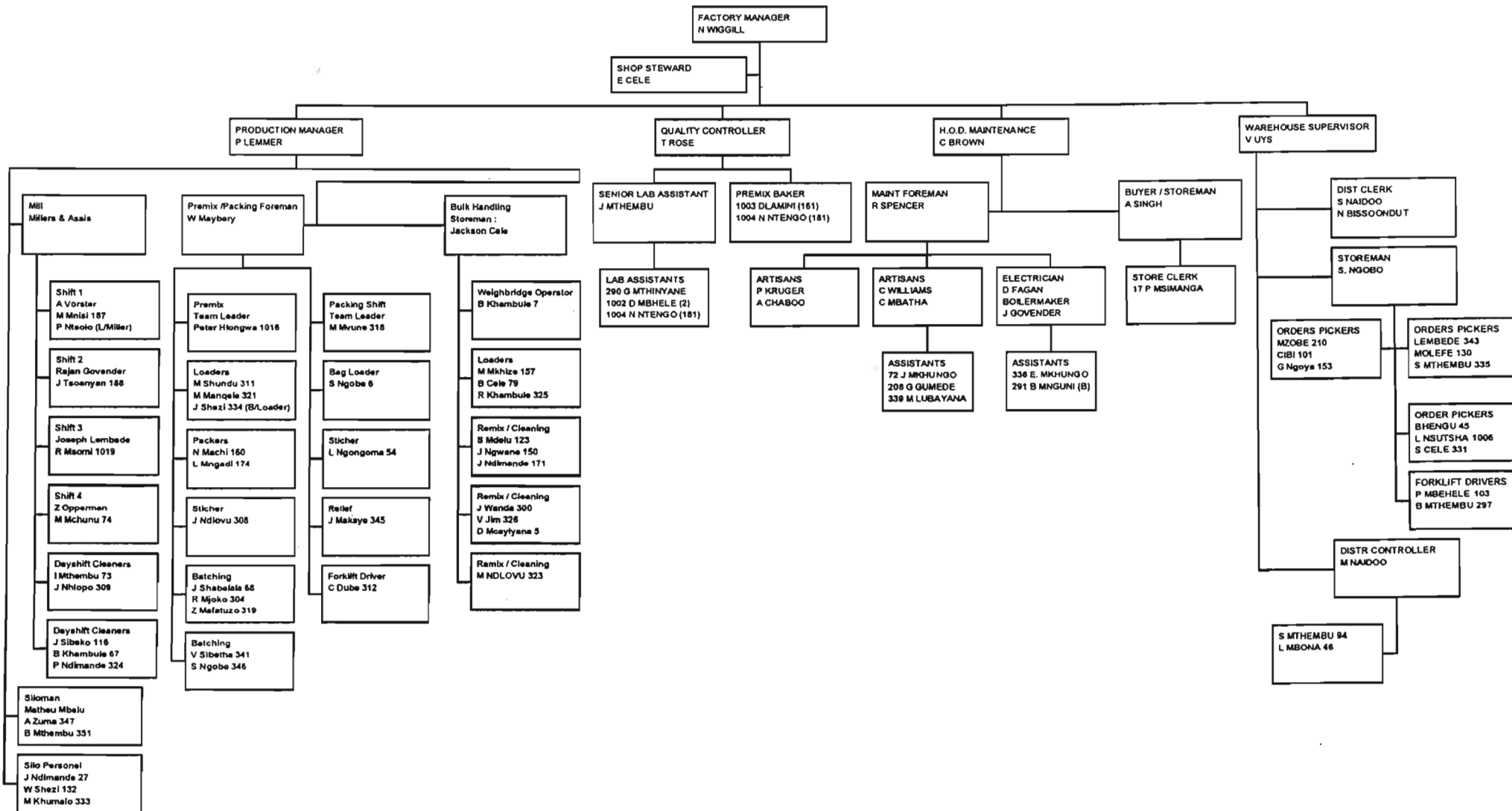
7. Appendix

7.1 Appendix 1 Organlgram

Durban Mill



02/07/2002



7.2 Appendix 2 Educational levels in mill

7.2.1 National qualifications framework (NQF) levels

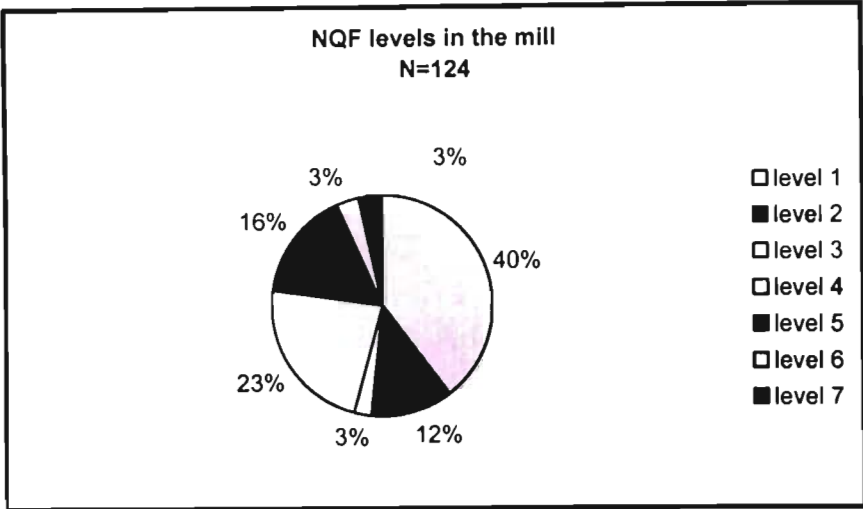


Figure 7-1 Overall NQF levels in the mill

NQF level	Admin	Production	Sales	Total
Level 1	-	46	1	47
Level 2	2	12	-	14
Level 3	1	2	-	3
Level 4	8	11	9	28
Level 5	4	15	5	24
Level 6	4	-	-	4
Level 7	2	-	2	4
Total	21	86	17	124

Table 7-1 NQF level split by department

7.2.2 Interpretation of NQF levels

Level	Band	Types of Qualifications and Certificates
8	HET	Doctorate & further research degrees
7		Higher degrees and professional qualifications
6		First degrees & higher diplomas
5		Diplomas 7 occupational certificates
4	FET	Grade 12 equivalent to (std 10)
3		Grade 11 equivalent (Std 9)
2		Grade 10 equivalent (Std 8)
1	GET	Grade 9 equivalent (Std 7)

Table 7-2 NQF Level : Interpretation

7.3 Appendix 3 Sample of respondents

No.	Department	Position	NQF Level	Years of service
1	Admin	Employee	level 4	7
2	Admin	Supervisor	level 6	18
3	Admin	Employee	level 4	20
4	Admin	Employee	level 5	27
5	Admin	Employee	level 4	1
6	Admin	Employee	level 4	7
7	Admin	Employee	level 4	2
8	Admin	Manager	level 6	14
9	Admin	Employee	level 3	5
10	Admin	Employee	level 4	17
11	Admin	Employee	level 5	1
12	Admin	Employee	level 4	24
13	Admin	Employee	level 5	1
14	Admin	Employee	level 4	16
15	Admin	Employee	level 7	0.6
16	Admin	Senior Manager	level 6	17
17	Admin	Supervisor	level 2	4
18	Production	Manager	level 5	11
19	Production	Employee	level 4	2
20	Production	Supervisor	level 2	6
21	Production	Employee	level 2	17
22	Production	Supervisor	level 4	26
23	Production	Manager	level 5	26
24	Production	Employee	level 4	20
25	Production	Employee	level 2	29
26	Production	Employee	level 3	10
27	Production	Employee	level 2	8
28	Production	Employee	level 2	22
29	Production	Manager	level 5	27
30	Production	Employee	level 5	6
31	Production	Employee	level 5	18
32	Production	Employee	level 5	15
33	Production	Employee	level 5	18
34	Production	Employee	level 5	14
35	Production	Employee	level 5	4
36	Production	Employee	level 2	31
37	Production	Supervisor	level 4	22
38	Production	Employee	level 5	7
39	Production	Supervisor	level 4	27
40	Production	Employee	level 2	7
41	Production	Employee	level 2	19
42	Production	Employee	level 3	5
43	Production	Manager	level 5	12
44	Production	Supervisor	level 4	22
45	Production	Supervisor	level 2	8
46	Production	Employee	level 2	7
47	Production	Employee	level 2	8
48	Production	Employee	level 5	8

No.	Department	Position	NQF Level	Years of service
49	Production	Employee	level 5	6
50	Production	Employee	level 2	6
51	Production	Employee	level 5	10
52	Production	Senior Manager	level 5	25
53	Sales	Employee	level 4	19
54	Sales	Manager	level 5	10
55	Sales	Employee	level 4	7
56	Sales	Employee	level 4	17
57	Sales	Employee	level 4	9
58	Sales	Employee	level 7	8
59	Sales	Employee	level 5	20
60	Sales	Employee	level 4	28
61	Sales	Employee	level 7	2
62	Sales	Manager	level 5	2
63	Sales	Employee	level 4	21
64	Sales	Senior Manager	level 5	7
65	Sales	Employee	level 5	18
66	Sales	Employee	level 4	1
67	Sales	Employee	level 4	9
68	Sales	Employee	level 4	9

Table 7-3 Sample of respondents

7.4 Appendix 4 Questionnaire

SURVEY

Objective

This survey is being administered in part fulfilment of an MBA dissertation thesis. The purpose of this survey is to gain an understanding of the style of management at the Mill. The aim is to see where we stand currently and how we can improve on our current situation. Below is a list of statements. Read each one carefully, then, using the scale given, decide the extent to which it actually applies to your manager. Please do not write your name on this form. Your response to this survey is confidential, all results will be combined to reflect the overall perception in the Mill. For best results, please answer the questions given below as truthfully as you possibly can.

never	almost never	seldom	occasionally	almost always	always
0	1	2	3	4	5

QUESTION 1

a. Your manager encourages you to participate when it comes decision making time and he/she tries to implement your ideas and suggestions.

never	almost never	seldom	occasionally	almost always	always
0	1	2	3	4	5

b. Nothing is more important to your manager than accomplishing a goal or task.

never	almost never	seldom	occasionally	almost always	always
0	1	2	3	4	5

c. Your manager closely monitors your schedule to ensure a task or project will be completed in time.

never	almost never	seldom	occasionally	almost always	always
0	1	2	3	4	5

d. Your manager enjoys coaching you on new tasks and procedures.

never	almost never	seldom	occasionally	almost always	always
0	1	2	3	4	5

e. The more challenging a task is, the more your manager enjoys it.

never	almost never	seldom	occasionally	almost always	always
0	1	2	3	4	5

f. Your manager encourages you to be creative about your job.

never	almost never	seldom	occasionally	almost always	always
0	1	2	3	4	5

g. When seeing a complex task through to completion, your manager ensures that every detail is accounted for.

never	almost never	seldom	occasionally	almost always	always
0	1	2	3	4	5

h. Your manager finds it easy to carry out several complicated tasks at the same time.

never	almost never	seldom	occasionally	almost always	always
0	1	2	3	4	5

i. Your manager enjoys implementing new ideas.

1.

never	almost never	seldom	occasionally	almost always	always
0	1	2	3	4	5

QUESTION 2

a. When correcting your mistakes, your manager does not worry about jeopardising his/her relationship with you.

never	almost never	seldom	occasionally	almost always	always
0	1	2	3	4	5

b. Your manager manages his/her time very efficiently.

never	almost never	seldom	occasionally	almost always	always
0	1	2	3	4	5

c. Your manager enjoys explaining the intricacies and details of a complex task or project to you.

never	almost never	seldom	occasionally	almost always	always
0	1	2	3	4	5

d. Breaking large tasks into small manageable tasks is second nature to your manager.

never	almost never	seldom	occasionally	almost always	always
0	1	2	3	4	5

e. Nothing is more important to your manager than building a great team.

never	almost never	seldom	occasionally	almost always	always
0	1	2	3	4	5

f. Your manager enjoys analysing problems.

never	almost never	seldom	occasionally	almost always	always
0	1	2	3	4	5

g. Your manager honour's other people's boundaries.

never	almost never	seldom	occasionally	almost always	always
0	1	2	3	4	5

h. Counselling you to improve your performance or behaviour is second nature to your manager.

never	almost never	seldom	occasionally	almost always	always
0	1	2	3	4	5

i. Your manager enjoys implementing new procedures.

never	almost never	seldom	occasionally	almost always	always
0	1	2	3	4	5

j. In your job, you are allowed to make decisions on your own.

never	almost never	seldom	occasionally	almost always	always
0	1	2	3	4	5

k. Employees generally trust their managers.

2.

never	almost never	seldom	occasionally	almost always	always
0	1	2	3	4	5

l. Your manager is friendly and easy to approach.

never	almost never	seldom	occasionally	almost always	always
0	1	2	3	4	5

m. Your manager offers new ideas for job and related problems.

never	almost never	seldom	occasionally	almost always	always
0	1	2	3	4	5

QUESTION 3

a. Your job responsibilities are clearly defined.

never	almost never	seldom	occasionally	almost always	always
0	1	2	3	4	5

b. Members in your department trust each other.

never	almost never	seldom	occasionally	almost always	always
0	1	2	3	4	5

c. You have the opportunity to do a number of different things in your job.

never	almost never	seldom	occasionally	almost always	always
0	1	2	3	4	5

d. Your hours of work are irregular.

never	almost never	seldom	occasionally	almost always	always
0	1	2	3	4	5

e. Being liked is important in getting a promotion.

never	almost never	seldom	occasionally	almost always	always
0	1	2	3	4	5

f. Your manager sets an example by working hard himself

never	almost never	seldom	occasionally	almost always	always
0	1	2	3	4	5

g. There is friction in your work group.

never	almost never	seldom	occasionally	almost always	always
0	1	2	3	4	5

h. Excessive rules and regulations interfere with how well I do my job.

never	almost never	seldom	occasionally	almost always	always
0	1	2	3	4	5

i. Managers generally know what is going on in their departments.

never	almost never	seldom	occasionally	almost always	always
0	1	2	3	4	5

- j. Your manager encourages you and your colleagues to work as a team. 3.
- | | | | | | |
|-------|--------------|--------|--------------|---------------|--------|
| never | almost never | seldom | occasionally | almost always | always |
| 0 | 1 | 2 | 3 | 4 | 5 |
- k. This company has a good image to outsiders
- | | | | | | |
|-------|--------------|--------|--------------|---------------|--------|
| never | almost never | seldom | occasionally | almost always | always |
| 0 | 1 | 2 | 3 | 4 | 5 |
- l. Your manager is successful in dealing with higher levels of management.
- | | | | | | |
|-------|--------------|--------|--------------|---------------|--------|
| never | almost never | seldom | occasionally | almost always | always |
| 0 | 1 | 2 | 3 | 4 | 5 |
- m. There is conflict between your department and other departments.
- | | | | | | |
|-------|--------------|--------|--------------|---------------|--------|
| never | almost never | seldom | occasionally | almost always | always |
| 0 | 1 | 2 | 3 | 4 | 5 |

QUESTION 4

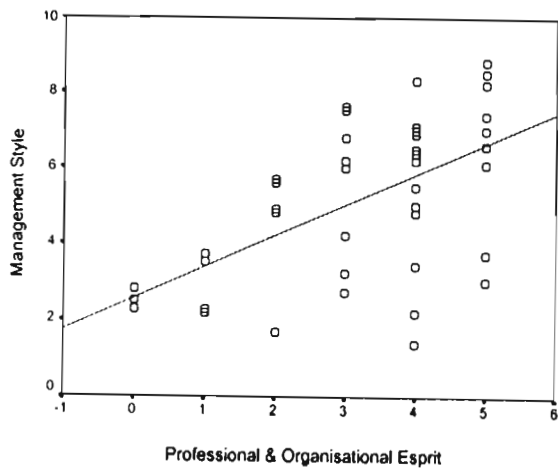
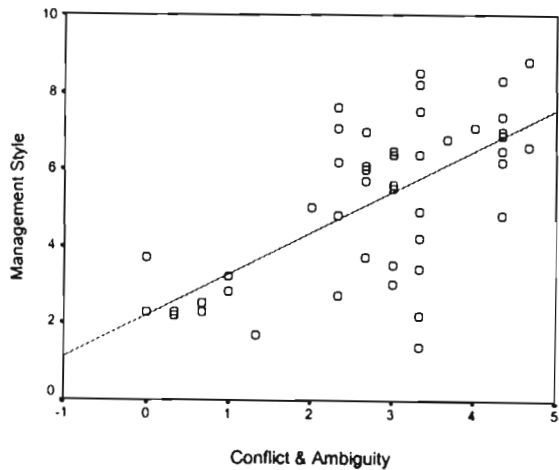
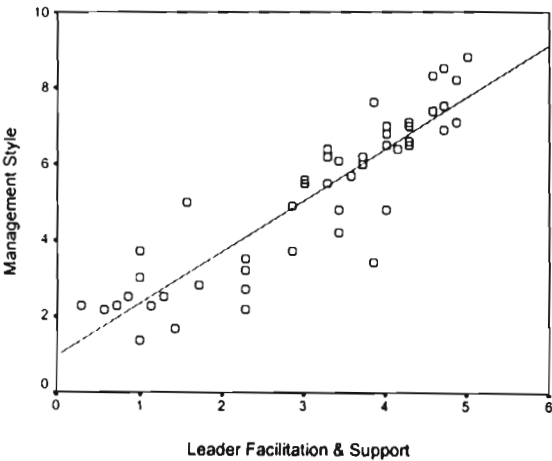
- a. Your work is important.
- | | | | | | |
|-------|--------------|--------|--------------|---------------|--------|
| never | almost never | seldom | occasionally | almost always | always |
| 0 | 1 | 2 | 3 | 4 | 5 |
- b. Most members in my workgroup take pride in their job
- | | | | | | |
|-------|--------------|--------|--------------|---------------|--------|
| never | almost never | seldom | occasionally | almost always | always |
| 0 | 1 | 2 | 3 | 4 | 5 |
- c. Everything in this company is checked, individual judgement is not trusted.
- | | | | | | |
|-------|--------------|--------|--------------|---------------|--------|
| never | almost never | seldom | occasionally | almost always | always |
| 0 | 1 | 2 | 3 | 4 | 5 |
- d. You are given advance information about changes which might affect you.
- | | | | | | |
|-------|--------------|--------|--------------|---------------|--------|
| never | almost never | seldom | occasionally | almost always | always |
| 0 | 1 | 2 | 3 | 4 | 5 |

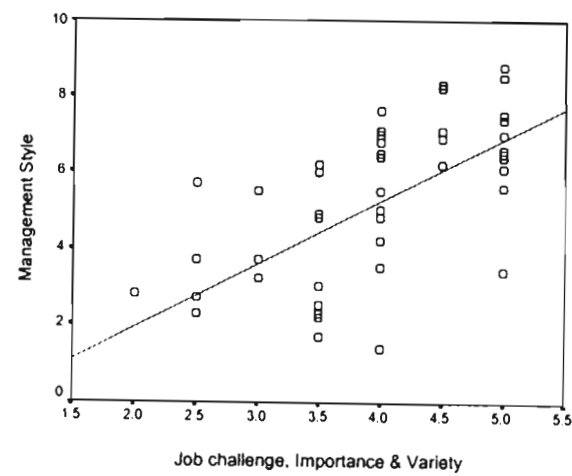
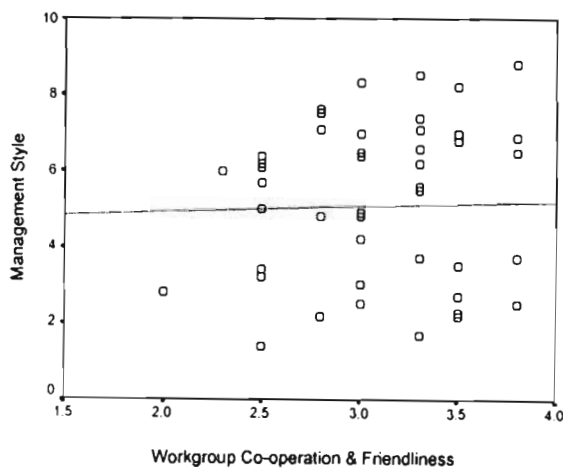
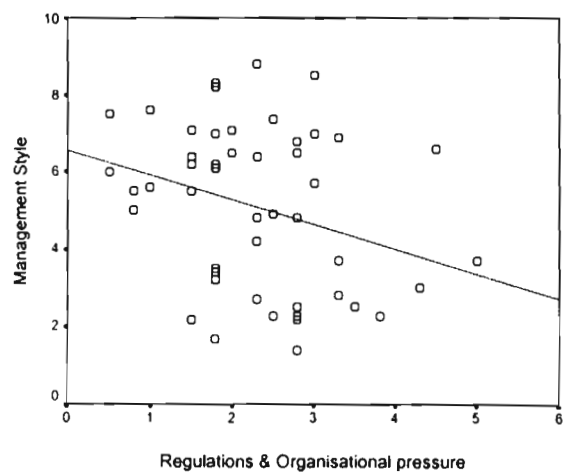
For the each of the items given below please circle the number that applies to you.

- Position 1 Employee 2 Supervisor 3 Manager 4 Senior manager
- Department 1 Admin 2 Production./Despatch/Lab/Maintenance 3 Sales
- Gender 1 Male 2 Female
- Race 1 Black 2 White 3 Indian 4 Coloured
- Age Group 1 21-30 2 31-40 3 41-50 4 51+

The end. Thank you for taking the time to fill this survey. Your assistance is appreciated.

7.5 Appendix 5 Scatter plots





7.6 Appendix 6 “Learning” Teams

7.6.1 Stages in Team Development

Stages in Team Development	Major Activities
Stage 1. Team formation	<ul style="list-style-type: none">• Establish membership• Define roles and responsibilities• Establish norms and behaviour• Determine schedules• Establish reporting mechanisms
Stage 2. Team skills development	<ul style="list-style-type: none">• Develop needed skills (communication, o-operative work, meeting management, negotiating, conflict resolution)• Practice and reinforce skills as work is done by the team
Stage 3. Management skills development	<ul style="list-style-type: none">• Develop needed management skills• Migrate management responsibilities from team manager to team
Stage 4. Self-management	<ul style="list-style-type: none">• Complete migration from team manager to team

Table 7-4 Stages in Team Development

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